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Cover photo: Our property at Grunewaldstraße 11 in Berlin, Germany.

Credit: Heimstaden Bostad

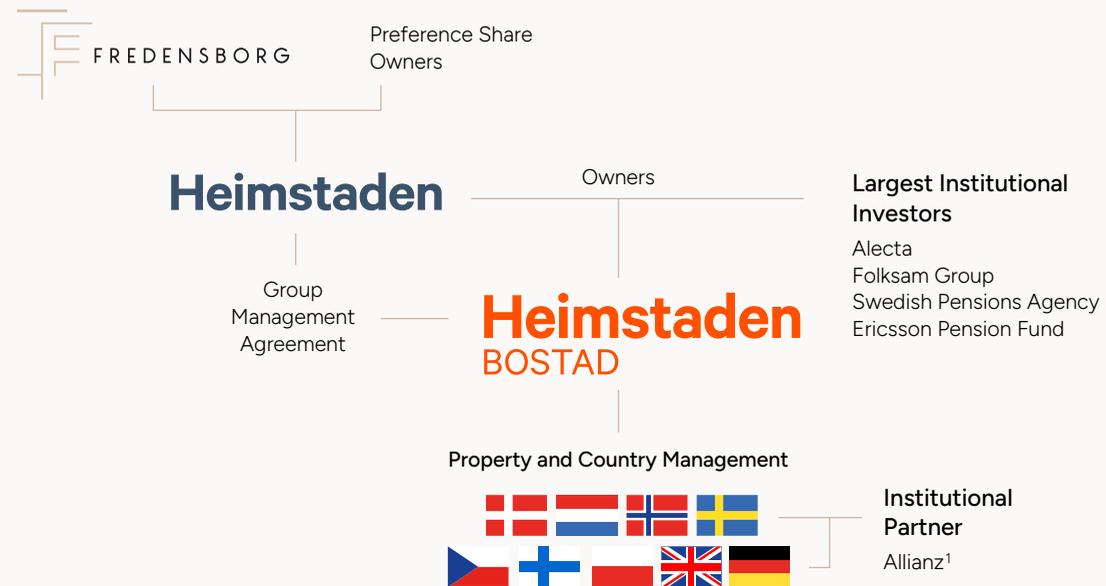
Administration Report and Financial Information

Heimstaden Bostad is a Public Company domiciled in Malmö, Sweden with corporate identification number 556864-0873.

This report contains forward-looking information based on the current expectations of Heimstaden Bostad's management. No guarantee can be provided that these expectations will prove correct, and future outcomes may vary considerably compared to what is presented herein based on, among other things, changing economic, market, and competitive conditions, changes in legal requirements and other policy measures, and exchange-rate fluctuations.

The Annual Report is published in Swedish and English. The Swedish version is the original and has been audited by Heimstaden Bostad's auditor. Figures in brackets refer to the corresponding period the year before, unless otherwise stated.

The statutory administration report consists of [pages 2–4, 7, 20–23, 56](#). The scope of the Sustainability report in accordance with the Swedish Annual Accounts Act described on [page 59](#). The formal annual report comprises of [pages 2–4, 7, 20–23, 56, 137–201](#), and has been audited by external auditors.



Heimstaden Bostad is a leading European residential real estate company. The Company is owned by industrial investor, Heimstaden, together with institutional investors who share a philosophy for sustainable investments.

¹ Heimstaden Bostad/Allianz partnership owning part of the Swedish and German portfolio. Consolidated as Group companies.

Portfolio Overview

333,728

Fair value, SEK million

58.0%

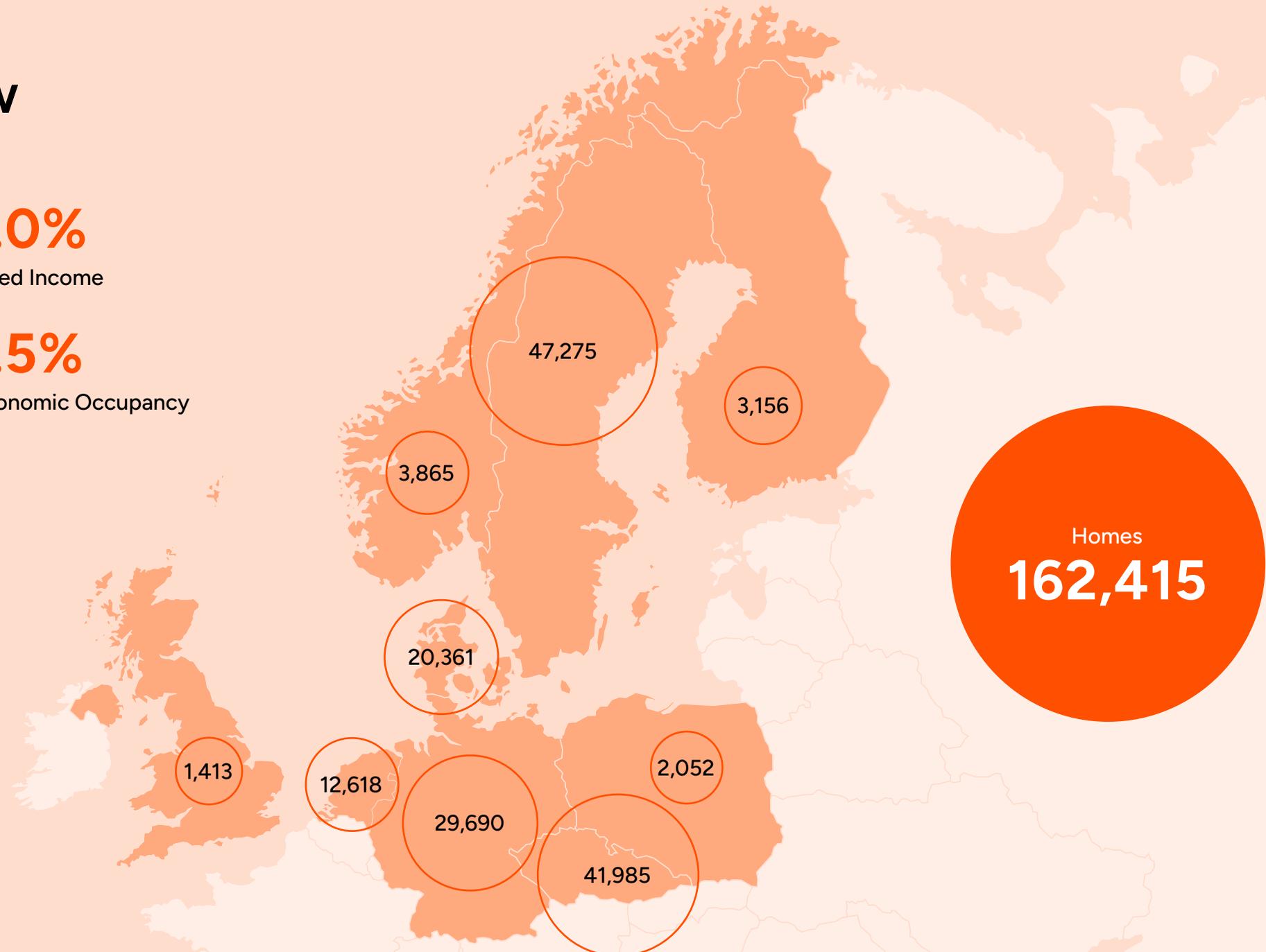
Regulated Income

92.8%

Residential Share of Fair Value

98.5%

Real Economic Occupancy



Year in Brief

- Residential fundamentals remain strong, reflected in annualised like-for-like rental growth above 5%, annualised real economic occupancy approaching 99%, and an LTM NOI margin above 70%
- Property values increased 2.7% on a year-over-year basis due to NOI gains stemming from strong operating performance alongside value-accretive CAPEX projects
- Privatisation sales, for the year, reached an estimated SEK 7,599 million with 1,673 residential units sold at a 26.1% premium to book value across five markets
- Return to the capital markets with issuance of approximately SEK 14,360 million stemming from five transactions for the purposes of liability management
- Continued access to asset-backed financing with approximately SEK 27,500 million raised including EUR 725m sustainability-linked credit facility backed by a Dutch portfolio
- Fitch revised their Outlook to Stable from Negative in January 2025 following their downgrade to 'BBB-' from 'BBB' in Q1 2024
- Stabilisation in key credit metrics including S&P-defined LTV and ICR
- Morningstar Sustainalytics has confirmed our "Negligible" ESG Risk Rating for 2024 and latest CDP report, which covers the 2023 financial year and affirmed a score of 'B'

15.9 billion

Rental income (annual), SEK

6.2%

Rental income growth (YOY)

7.6 billion

Privatisation sales (LTM), SEK

26.1%

Privatisation gross premium

KEY FIGURES

		2024	2023	2022	2021	2020
Financials						
Rental income	SEK m	15,898	14,974	12,702	8,608	6,332
Growth (YOY)	%	6.2	17.9	47.6	35.9	53.1
Net operating income	SEK m	11,187	10,091	8,141	5,386	3,893
Net operating income margin	%	70.4	67.4	64.1	62.6	61.5
Capital expenditures	SEK m	5,127	7,885	10,129	5,356	2,743
Portfolio Metrics						
Fair value of investment properties	SEK m	333,728	319,491	344,856	300,584	144,404
Fair value change	%	2.7	-8.9	-1.5	7.6	5.8
Homes	Units	162,415	161,553	158,326	148,295	103,345
Real economic occupancy, residential	%	98.5	98.2	98.4	97.9	97.5
Annualised like-for-like rental income growth ¹	%	5.6	5.1	5.4	2.5	3.6
Credit Metrics						
Net loan-to-value (Net LTV) ²	%	53.8	56.3	50.3	46.2	43.7
Net debt / Net debt + Equity, S&P method	%	56.9	58.6	52.6	52.2	49.8
Net debt / Total assets	%	48.4	49.1	43.6	39.8	40.2
Interest coverage ratio (ICR) ²	Multiple	2.0	2.0	3.6	4.1	2.9
Interest coverage ratio, S&P method	Multiple	1.6	1.7	2.7	2.8	2.5
Sustainability Metrics						
Aligned EU taxonomy CCM Turnover	%	26	16	16	--	--
Aligned EU taxonomy CCM Capex	%	25	27	11	--	--
Weather corrected energy intensity	kWh/m ²	117	135	147	--	--
GHG intensity scope 1 and 2	kg CO ₂ /m ²	15	19	24	--	--

¹ Annualised like-for-like rental income growth represents the average growth per quarter

² Prepared in accordance with the International Financial Reporting Standards (IFRS). For definitions, see Alternative Performance Measures

Quarterly Highlights



	Q1	
Portfolio Metrics	330,703 Fair Value, (SEK million)	162,346 Homes
		0.8% Fair value change
Financial Metrics	67.7% NOI margin (LTM)	5.2% Like-for-like
		98.3% Real economic occupancy
Credit Metrics	58.6% S&P-defined LTV	1.6x S&P-defined ICR
Privatisation Metrics	1,150 Privatisation sales (SEK million)	31.5% Premium to book value

	Q2	
Portfolio Metrics	329,951 Fair Value, (SEK million)	162,960 Homes
		0.4% Fair value change
Financial Metrics	68.4% NOI margin (LTM)	5.1% Like-for-like
		98.3% Real economic occupancy
Credit Metrics	58.2% S&P-defined LTV	1.6x S&P-defined ICR
Privatisation Metrics	1,661 Privatisation sales (SEK million)	29.0% Premium to book value

	Q3	
Portfolio Metrics	330,400 Fair Value, (SEK million)	162,617 Homes
		0.8% Fair value change
Financial Metrics	69.3% NOI margin (LTM)	6.3% Like-for-like
		98.7% Real economic occupancy
Credit Metrics	57.7% S&P-defined LTV	1.6x S&P-defined ICR
Privatisation Metrics	2,409 Privatisation sales (SEK million)	24.6% Premium to book value

Q4 Quarter Highlights

Figures in brackets refer to the corresponding period the year before, unless otherwise stated.

- Like-for-like rental growth of 5.3% (5.6%) and rental income of SEK 4,076 million (3,845)
- The quarterly NOI margin improved to 70.4% (66.0%) and the LTM NOI margin was 70.4% (67.4%)
- Continued improvements to operating fundamentals supported a 0.7% (-1.6%) increase in property values
- Privatisation sales, for the quarter, reached SEK 2,379 (876) million with 530 (206) residential units sold at a 24% (31%) premium to book value
- Real economic occupancy of 98.6% (98.4%)
- Net LTV of 53.8% (56.3%) and ICR of 2.0x (2.0x)
- S&P-defined LTV of 56.9% (58.6%) and S&P ICR of 1.6x (1.7x)
- Issued SEK 500 million floating rate notes, EUR 500 million senior unsecured fixed rate notes, and EUR 500 million perpetual hybrid securities

KEY FIGURES

		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	4,076	4,012	15,898	3,845	14,974
Net operating income	SEK m	2,868	2,933	11,187	2,538	10,091
Net operating income margin	%	70.4	73.1	70.4	66.0	67.4
Like-for-like rental income growth	%	5.3	6.3	5.6	5.6	5.1
Real economic occupancy	%	98.6	98.7	98.5	98.4	98.2
Fair value of investment properties	SEK m	333,728	330,400	333,728	319,491	319,491
Fair value change	SEK m	2,315	2,588	8,639	-5,334	-31,130
Fair value change	%	0.7	0.8	2.7	-1.6	-8.9
Capital expenditures	SEK m	1,718	1,175	5,127	2,006	7,885
Average valuation yield ¹	%	3.66	3.69	3.66	3.54	3.54
Acquisitions	SEK m	9	-	2,890	836	2,805

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property.

5.3%

Like-for-like rental growth

98.6%

Real economic occupancy

70.4%

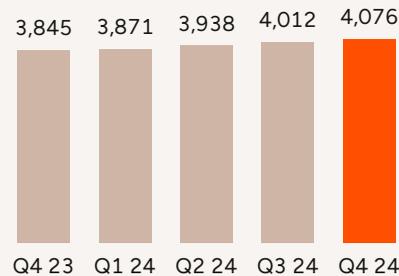
NOI margin (Q4)

2.4 billion

Privatisation sales (Q4), SEK

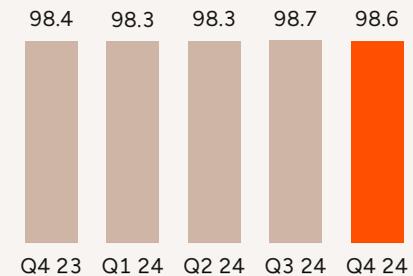
RENTAL INCOME

SEK million



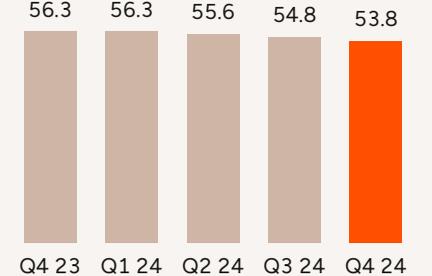
REAL ECONOMIC OCCUPANCY

%



NET LOAN-TO-VALUE

%



Business Strategy (ESRS 2 SBM-1)

Beyond Friendly Homes

Heimstaden Bostad's business model centres upon acquiring, developing, and managing residential real estate with the aim to optimise value creation for our owners while providing Friendly Homes to our tenants. With a fully integrated and scalable operating platform, Heimstaden Bostad's property portfolio is diversified across attractive European markets with growing economies and favourable demographics.

As a major landlord, we recognise our impact on people's lives and our responsibility to provide safe and inclusive homes. Heimstaden Bostad focuses on customer satisfaction by delivering efficient and high-quality service alongside well-maintained homes. Operating in regulated Northern European markets with strong protection of tenants' rights helps mitigate social and governance risks, reinforcing our commitment to responsible property management.

Beyond providing Friendly Homes, we are dedicated to making sustainable and lasting contributions to society. This commitment is supported by fostering a stimulating work

environment for our approximately 2,000 colleagues across nine markets and serving more than 300,000 tenants across our portfolio.

Continued Demand for Friendly Homes

The real estate sector is emerging from a transformative period of change, marked by macroeconomic and geopolitical uncertainty. While cost efficiency and operational excellence have always been critical to profitability, the past two years have shown how the pace of change has accelerated our ability to improve our operational blueprint productivity.

In response, we have sharpened our focus on

efficiency, refining our capital allocation strategy with a disciplined approach to shareholder value creation alongside prudent financial risk management. At the same time, the accelerated pace of change has proven the potential for continued productivity improvements including the ability to leverage technological advancements.

The Investment Case for Residential

Residential real estate remains a compelling investment with housing being an essential, irreplaceable need. Unlike most industries, housing cannot be digitised, and forward looking demand projections can be made with high certainty considering the sticky nature of demographic and socioeconomic trends. Long-term structural trends such as urbanisation and decreasing household sizes continue to drive housing demand. Limited supply and lack of new construction further supports our operational performance. As a result, rental growth is expected to outpace inflation with property values set to catch-up from the recent years shortfall of wage growth and inflation.

Core Values



Dare

Embrace change without compromising our principles – face challenges head-on and speak up



Care

Prioritise society, partners, customers, and colleagues – collaborating to find sustainable solutions



Share

Exchange knowledge freely and support one another's growth – remain authentic, transparent, and honest in our communication and actions

Reflections on the Year

Tailwinds Rising on the Back of Strong Fundamentals

Helge Krogsbøl
Co-CEO
Heimstaden Bostad



Following a successful reopening of the capital markets, all eyes are on operational resilience, and Heimstaden Bostad's operations are best-in-class.

Exceptional Operating Fundamentals

In 2024, Heimstaden Bostad's portfolio achieved impressive operating results, with rental income growth maintaining strong momentum despite reduced CPI rates, highlighting the rent reversion of our portfolio. Near-full occupancy supported this performance, with like-for-like rental income growth exceeding 5% for the entire year.

On the cost side, property expenses decreased by 3.5% on a full year basis. Our focus on continuously improving efficiency resulted in a series of operational initiatives and organizational changes that brought us closer to our tenants while maintaining high-quality service at a reduced cost. This included investments in technology and automation as we expanded our digital services simplifying access to information and service requests for tenants. As a result, we achieved a net cost reduction of SEK 238 million related to our standing assets for the year.

Our NOI margin ended the year at a record 70.4% (LTM basis). This achievement underscores our ability to deliver sustained income growth while maintaining equally sustained cost control.

Recovering Asset Valuations

Income growth underpinned the full year valuation performance as we ended 2024 up by 2.7% on a year-over-year basis. Residential real estate continues to stand out due to its intrinsic value link to ownership housing, offering value characteristics beyond being just an investment asset. For our portfolio, this has resulted in a recovery in residential values that is becoming more consistent across markets. With an increasing number of owner-occupied housing markets reaching record highs and income growth momentum continuing, we anticipate continued value growth in the coming quarters, despite geopolitical tensions and macro-economic uncertainty.

“In 2024, Heimstaden Bostad's portfolio proved its ability to deliver strong performance in a higher interest rate environment, and the momentum in income growth is set to spur a continued recovery in property values.”

Privatisation Programme on Track

As residential prices have been less responsive to interest rates and more reliant on supply-demand dynamics, our Privatisation Programme continues to deliver strong performance. We are well on track for our SEK 20,000 million sales target by 2025 year-end. Privatisation sales continued the ramp up in 2024 as annual sales reached an estimated SEK 7,599 million with 1,673 residential units sold at a 26.1% premium to book value across five markets. In total, the Programme, since inception, has generated gross proceeds of SEK 8,787 million, releasing SEK 4,986 million for the purposes of debt service and liability management.

A Return to the Capital Markets

In the first half of 2024, capital markets were less competitive for Heimstaden Bostad compared to alternative funding sources. With presence in nine countries, our portfolio diversification continued to allow for asset-backed funding at attractive terms with a total debt transaction volume reaching SEK 27,500 million.

In the second half of 2024, Heimstaden Bostad re-entered the capital markets and re-established its SEK and EUR curves. Our issuance activity included several SEK-denominated senior unsecured tranches, followed by a benchmark EUR 500 million senior bond priced at MS+175.

We closed the year with a marquee transaction that reopened the hybrid market through a new hybrid issuance, marking the first issuance of hybrid debt in the European real estate market since late 2021.

On the back of these liability management initiatives and proving our portfolio's income growth prospects, Fitch Ratings revised our 'BBB-' rating to a Stable. We see this as validation that Heimstaden Bostad is consistently delivering according to guidance – with stronger-than-ever operational results supported by solid credit metrics. Looking ahead, we remain committed to taking prudent steps to return to a 'BBB' rating.

Sustainability is Integrated Across the Business

Sustainability goes beyond aligning with our values – it is also a key driver for sustained value creation. By focusing on sustainable investments and solutions, we boost operational efficiency, enhance our value proposition for tenants, and increase the value of our assets. In 2024, we once again secured the "Negligible Risk" rating from Sustainalytics, affirmed our 'B' score from CDP, and made our debut on the Sustainalytics 2024 "ESG Global 50 Top-Rated Companies List." These accolades underscore our steadfast commitment

to transparency, accountability, and ongoing sustainability progress.

Our Social Roadmap outlines a strategic framework for advancing social sustainability by concentrating on three pillars: Employees, Customers, and Society. We have set clear targets, including converting 5,000 apartments into inclusive housing contracts by 2026 to support vulnerable communities. Additionally, we are committed to creating at least 240 inclusive job opportunities at Heimstaden Bostad by 2026.

This year, we are reporting according to the Corporate Sustainability Reporting Directive (CSRD), following the European Sustainability Reporting Standards, one year ahead of the legislation becoming enforceable against the Company. This achievement marks a significant milestone in providing a clear and comprehensive view of our initiatives, showcasing the impact of our activities across the entire value chain.

Compliance and Risk

At Heimstaden Bostad, good corporate governance and unwavering integrity are fundamental to our platform. Building and maintaining stakeholder trust is essential, and we continually refine our governance practices to ensure clarity and transparency. In 2024, we enhanced internal

“I am deeply impressed by our colleagues’ dedication and hard work, which has been instrumental in achieving robust operational results and impactful societal contributions in the past year. They consistently place our customers at the heart of our Friendly Homes mission.”

awareness and implemented mandatory training for our employees, ensuring that robust corporate governance is deeply embedded throughout our organisation.

Listening to Tenants

Listening to our tenants is a prerequisite for us to continue to improve. We maintain open channels through regular surveys and feedback mechanisms. In 2024, we continued to offer accessible ways for tenants to engage with us, including satisfaction surveys, the MyHome portal, and multi-channel customer support services.

Additionally, our customer scorecards help us monitor satisfaction and track key performance indicators across our markets. This valuable data drives our continuous efforts to refine our value proposition, improve our services, and focus on what truly matters to our tenants.

A Workplace to Grow and Develop

In 2024, we continued to foster a supportive and inclusive workplace environment, placing employee engagement, wellbeing, and growth at the forefront. We upgraded our learning platform to offer seamless access to personalised career development opportunities, while our leadership programs empowered our leaders to overcome challenges and drive innovation.

Our People Make the Difference

Finally, I would like to thank our owners, tenants, and partners for their ongoing trust and support. We work tirelessly to deliver friendly homes every day, nurturing lasting relationships with our tenants, listening to our stakeholders, while creating long-term value for our owners.

This success is a testament to the dedication and talent of our colleagues and teams, who continually strive to elevate Heimstaden Bostad and solidify our position as a leader in European real estate.

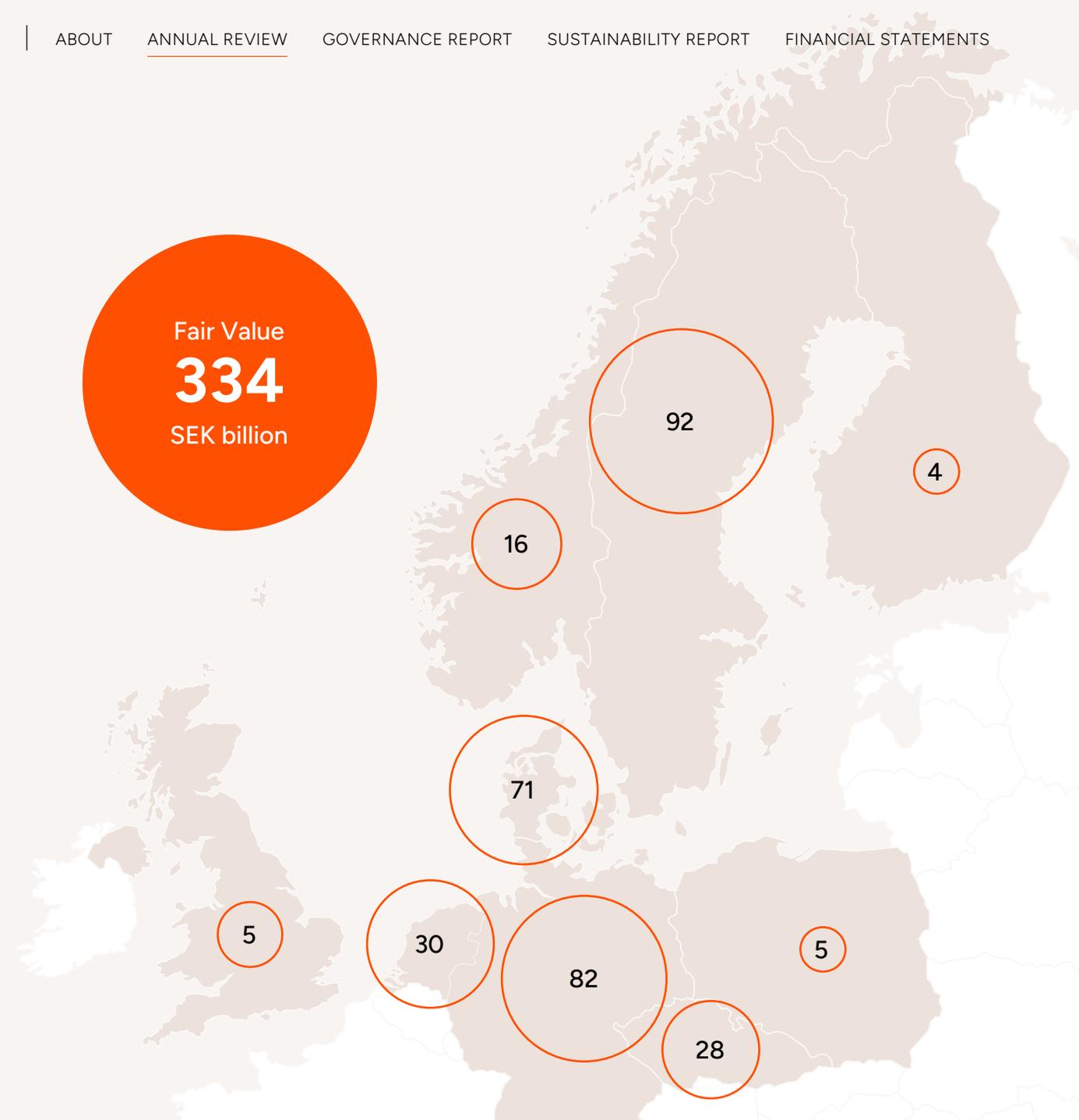


Helge Krogsbøl
Co-CEO
Heimstaden Bostad

Annual Review

Country	Fair Value, SEK million	Homes, units ¹	Fair Value /sqm, SEK ¹	Residential ² , %	Regulated Income ³ , %	Real Economic Occupancy, %
Sweden	91,565	47,275	27,949	90.9	100.0	99.1
Germany	81,925	29,690	41,080	91.1	100.0	99.7
Denmark	71,301	20,361	36,330	94.2	15.1	98.3
Netherlands	30,256	12,618	30,926	98.4	59.1	99.7
Czechia	28,406	41,985	11,065	96.3	22.2	96.3
Norway	16,377	3,865	82,422	86.8	0.0	99.0
United Kingdom	5,344	1,413	59,966	97.7	3.0	91.5
Poland	4,701	2,052	45,305	95.3	0.0	92.0
Finland	3,852	3,156	22,284	95.8	0.0	95.0
Total	333,728	162,415	29,454	92.8	58.0	98.5

¹ Standing assets
² Based on fair value
³ Residential income



Operational Review

Figures in brackets refer to the corresponding period the year before, unless otherwise stated

Income

Rental income, for the year, grew by 6.2% to SEK 15,898 million (14,974) mainly driven by annual indexations, rent reversion upon tenant churn, and capital expenditures. New development deliveries further supported rental income growth as 3,236 units were delivered across seven markets contributing an estimated rental income of SEK 452 million.

Rental income, for the quarter, increased by 6.0% to SEK 4,076 million (3,845), mainly driven by

annual indexations, rent reversion upon tenant churn, and capital expenditures. About 92.1% (92.1%) or SEK 3,754 million (3,542) was derived from residential rents with the remaining 7.9% consisting of commercial, garage/parking, and other rents.

Service Charges

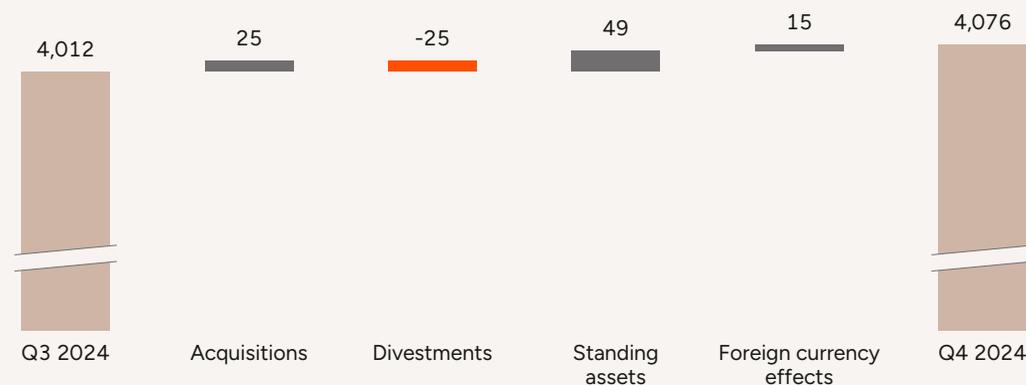
Service charges paid by tenants for the quarter remained stable at SEK 471 million (431) and SEK 1,712 million (1,750) on an annual basis.

RENTAL INCOME

SEK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Sweden	1,261	1,213	1,208	1,192	1,155
Germany	734	716	704	687	699
Denmark	898	910	903	884	895
Netherlands	354	356	351	345	354
Czechia	463	453	453	428	427
Norway	175	179	184	182	180
United Kingdom	62	56	47	45	43
Poland	55	56	32	26	24
Finland	74	72	71	69	69
Total	4,076	4,012	3,953	3,857	3,845

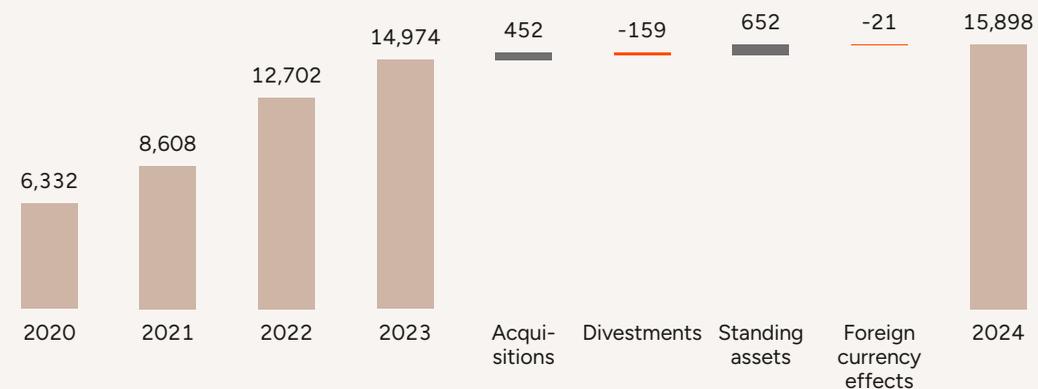
RENTAL INCOME DEVELOPMENT FOR THE QUARTER

SEK million



RENTAL INCOME DEVELOPMENT FOR THE YEAR

SEK million



Like-for-like Development

Annualised like-for-like rental income growth amounted to 5.6% (5.1%). Key drivers include indexation effects, occupancy improvement, tenant improvement capex, and rent reversion.

Like-for-like rental income growth, for the quarter, amounted to 5.3% (5.6%) and the comparable portfolio comprised 94.8% of total rental income. About 2.9% of the 5.3% quarterly development stems from indexations with the remainder being

occupancy (1%), tenant improvements (0.7%), and rent reversion covering the residual.

This is the fifth consecutive quarter that the like-for-like rental income growth exceeded the blended core CPI which stood at 2.2% for the fourth quarter. This further demonstrates the ability of Heimstaden Bostad to capture rental growth above CPI over time.

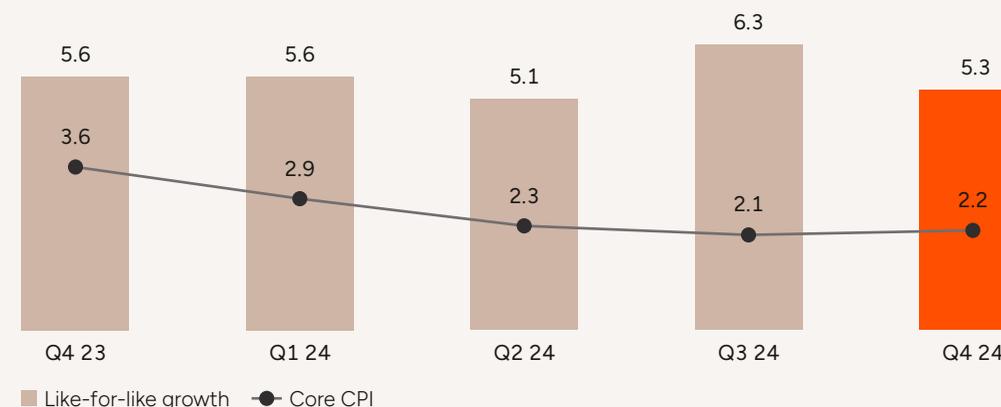
COUNTRY LIKE-FOR-LIKE RENTAL INCOME

	Q4 2024		Q3 2024	Q2 2024	Q1 2024	Q4 2023
	Lfl (%)	Core CPI	Lfl (%)	Lfl (%)	Lfl (%)	Lfl (%)
Sweden	5.3	1.6	5.9	5.0	6.8	5.2
Germany	4.7	3.0	7.0	5.7	5.2	8.5
Denmark	3.8	1.4	2.7	3.2	3.2	2.4
Netherlands	6.5	3.8	7.7	6.4	6.1	4.6
Czechia	9.3	2.3	10.5	6.4	7.4	9.0
Norway	3.4	2.8	4.8	5.7	6.3	7.6
United Kingdom ¹	7.1	3.3	42.3	4.9	6.8	5.3
Poland	3.1	4.4	9.7	7.8	13.0	N/A
Finland	5.8	1.6	8.3	7.6	5.9	4.5
Total	5.3	2.2	6.3	5.1	5.6	5.6

¹ UK had most of their portfolio delivered in Q3-23, thus the net Like-for-like growth in Q3-24 mainly represents the year-over-year ramp up of letting the new assets and stabilising occupancy

LIKE-FOR-LIKE RENTAL GROWTH

Year-on-year, %



Real Economic Occupancy

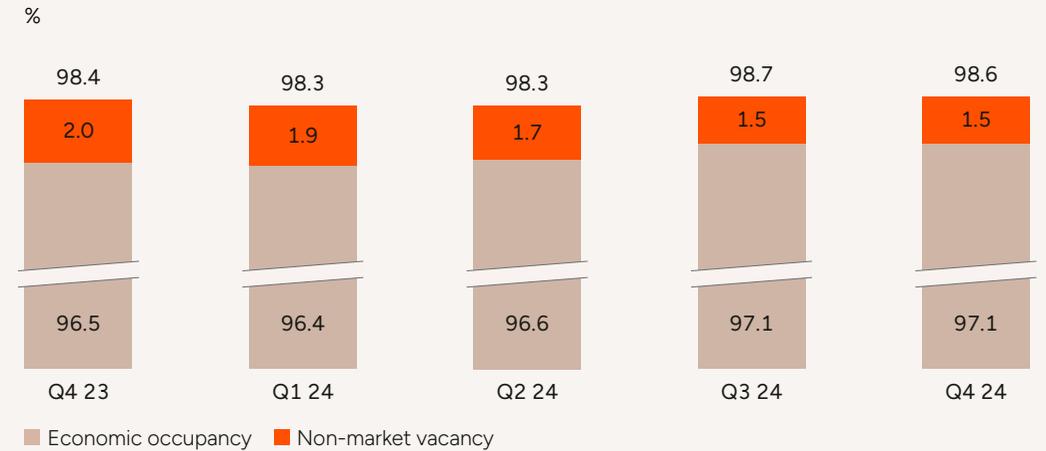
Real economic occupancy, on a full year comparison, improved to 98.5% (98.2%). The slightly positive development, for the year, is due to local strategic initiatives coupled with favourable macro trends that include the supply/demand imbalance. New deliveries of 3,236 units across Poland (1,460), Sweden (800), United Kingdom (464), Denmark (320), Czechia (178), Norway (8), and Finland (6) negatively impacted real economic occupancy during the respective delivery period.

For the quarter, real economic occupancy declined to 98.6% from 98.7%. The decline is directly attributable to the delivery of 1,141 new units. 464 of the new deliveries are attributable to the United Kingdom which had a Q4 standalone real economic occupancy of 78.1% (due to the onboarding of the new units).

COUNTRY REAL ECONOMIC OCCUPANCY

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	%	%	%	%	%
Sweden	99.5	99.2	98.9	98.9	99.0
Germany	99.7	99.8	99.7	99.7	99.7
Denmark	98.9	98.8	97.9	97.6	97.4
Netherlands	99.6	99.6	99.8	99.7	99.7
Czechia	96.7	96.6	96.2	95.7	97.0
Norway	98.8	99.3	98.9	99.0	99.6
United Kingdom	78.1	96.8	97.7	97.9	94.7
Poland	96.1	89.9	86.0	96.1	98.0
Finland	96.6	96.3	93.3	93.7	95.5
Total	98.6	98.7	98.3	98.3	98.4

REAL ECONOMIC OCCUPANCY RESIDENTIAL



Property Expenses

On a full year basis, property expenses net of service income decreased by 3.5% to SEK 4,711 million (4,883). On a quarterly basis, total property expenses net of service income decreased to SEK 1,208 million (1,307), driven by cost control measures alongside application of the accounting policy resulting in a catch-up effect. Due to different rental regimes between markets, seasonality effects of non-recoverable costs impact the net operating income margin.

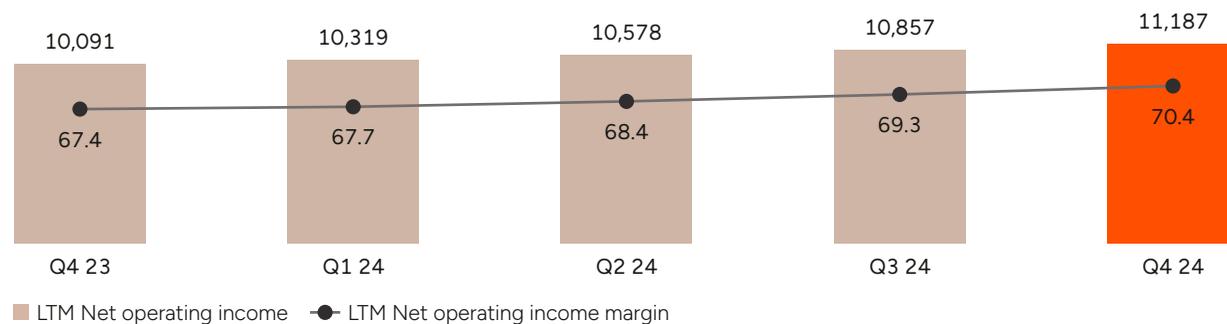
Net Operating Income

Net operating income improved to SEK 2,868 million (2,538), resulting in a quarterly net operating income margin of 70.4% (66.0%). The improvement is predicated upon strong rental growth and reduced expenditures. On a last-twelve months basis (LTM), the net operating income margin also increased to 70.4% (67.4%).

NET OPERATING INCOME MARGIN

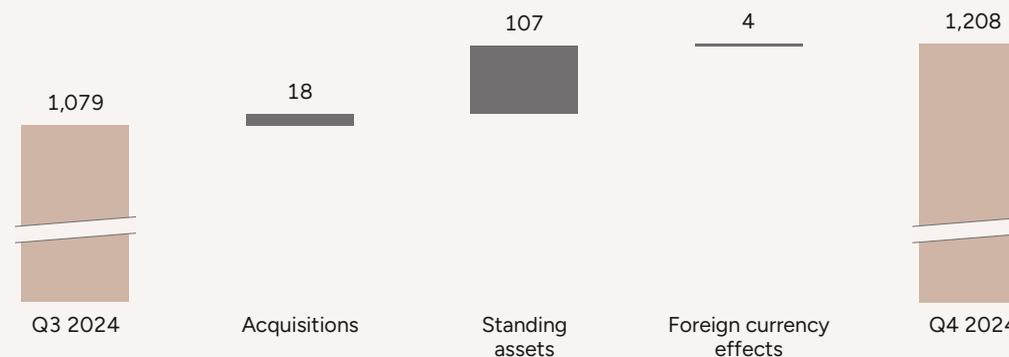
	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	%	%	%	%	%
LTM	70.4	69.3	68.4	67.7	67.4
Quarterly	70.4	73.1	71.5	66.4	66.0

LTM, SEK million / %



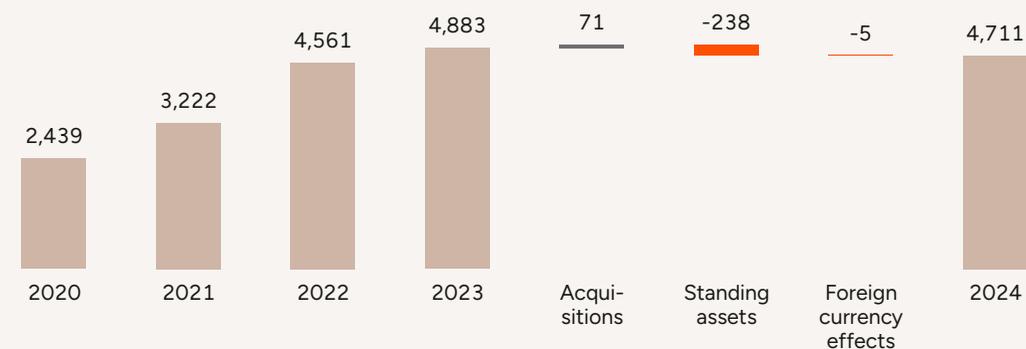
PROPERTY EXPENSES NET OF SERVICE INCOME FOR THE QUARTER

SEK million



PROPERTY EXPENSES NET OF SERVICE INCOME FOR THE YEAR

SEK million



Asset Management

Efficient Capital Allocation

Heimstaden Bostad allocates capital expenditure to non-recurring projects aimed at upgrading, extending, or improving the quality and lifetime of existing assets across four pillars: maintenance, sustainability, tenant improvements, and value-add. Our focus on active asset management has been crucial in navigating complex environments. By continuously evaluating and optimising our portfolio through strategic disposals, and considerate property enhancements, we have ensured that capital is allocated where it returns the most shareholder value. Our approach involves rigorous market analysis, tenant engagement, and adaptive property management.

In response to the increased cost of capital seen throughout recent years, Heimstaden Bostad's capital expenditures have reduced in line with an increase in yield requirements for opportunistic expenditures. This includes a requirement of 10% yield on cost for tenant improvements and value-add, with projects only executed if they are immediately accretive to the ICR. Value-preserving maintenance capital expenditure are aligned with the current stabilisation target of 0.4% of gross asset value through 2030. Repair versus replace decisions are guided by an

analytical framework that considers both long-term value preservation and the cost of capital. This approach paired with diligent controls has resulted in a decrease in total capital expenditures on standings assets of SEK 1,204 million, a 24.8% reduction from the previous year.

Executing on Our Energy and Emissions Targets

Sustainability remains at the core of our operations, influencing both our market position and stakeholder trust. We are committed to reducing carbon emissions across our portfolio by 42% by 2030 (per our baseline year). Sustainability investments into standing asset portfolio follows a two pronged approach of investing into both energy efficiency as well as green energy transitions. Progress in 2024 includes the implementation of profitable energy efficiency projects, fuel-shift installations across markets with the highest potential, and the adoption of green building certifications for deliveries on our remaining new development pipeline. Sustainability projects continue to provide income and value growth without affecting tenant affordability hence delivering a unique alignment of incentives for all parties.

CAPITAL EXPENDITURES

SEK million	Q4 2024	2024	Q4 2023	2023
Capitalised cost on standing assets	1,418	3,660	1,390	4,865
Investment properties under construction	301	1,467	616	3,020
Capital expenditures	1,718	5,127	2,006	7,885

Profitable Privatisation

The European homeowner market continues to show strength, fuelled by the persistent supply / demand imbalance and reduced new construction activity in the last three years. This benefits our privatisation strategy as we sold 1,673 residential units across five countries for the year. Sales were completed at a 26.1% premium to book value, reflecting an implied yield of 2.9% vs a valuation yield of 3.3% at a net premium of 12%.

New Production Pipeline Substantially Completed

The new production pipeline committed prior to the rallying construction costs is coming to an end with 3,236 units delivered in 2024. This included Forward Funding, Forward Purchase, and Own Development projects. In 2025 and 2026, Heimstaden Bostad will deliver the remaining development pipeline, amounting to 1,145 units and representing an estimated SEK 111 million in additional NOI potential.

Capital Expenditures and Repair & Maintenance

Total expenditure in standing assets for the quarter was SEK 1,578 million (1,628), of which SEK 158 million (238) is recognised as property expense, corresponding to 0.47% of fair value (0.51%). For the year, total expenditure on standing assets was SEK 4,446 million (5,779).

Investments in properties under construction, excluding forward purchase contracts, amounted to SEK 301 million (616) as the number of homes under construction decreased to 625 (2,886).

FOUR PILLARS OF CAPITAL EXPENDITURE

SEK million	Q4 2024	Q3 2024	2024	Q4 2023	2023
Maintenance	625	262	1,457	508	1,612
Sustainability	208	138	523	74	309
Tenant improvements	310	271	1,084	534	1,888
Value-add	9	77	223	274	1,053
Total Pillars	1,152	748	3,287	1,390	4,860
Other ¹	266	-2	373	-	4
Total	1,418	746	3,660	1,390	4,864

¹ Other consists of stamp duty, capitalised interest, incentives, and capital expenditure not allocated to pillars in reporting period.

FOUR PILLARS OF CAPITAL EXPENDITURE BY COUNTRY

	Maintenance		Sustainability		Tenant improvements		Value-add	
	2024	2023	2024	2023	2024	2023	2024	2023
Sweden	388	249	92	44	138	616	154	741
Germany	257	333	72	11	546	430	24	99
Denmark	329	366	36	15	63	130	6	13
Netherlands	210	343	12	116	1	294	-	85
Czechia	215	240	300	121	290	364	-	47
Norway	33	22	4	-	18	14	15	-
United Kingdom	1	1	-	-	-	-	-	-
Poland	-	-	-	-	-	-	-	-
Finland	24	58	7	1	27	40	23	69
Total Pillars	1,457	1,612	523	309	1,084	1,888	223	1,053

Outstanding Commitments

For the quarter, Heimstaden Bostad has not made any new commitments and received 514 units in Poland, 163 units in Sweden, and 464 in United Kingdom. These deliveries accounted for a gross asset value of SEK 3,069 million and provides an estimated NOI of SEK 148 million (on an annualised basis).

For the year, we received 1,460 units in Poland, 800 units in Sweden, 464 in United Kingdom, 320 units in Denmark, 178 units in Czechia, 8 units in Norway, and 6 units in Finland accounting for a standalone fair value of SEK 9,161 million and an estimated NOI of SEK 430 million (on an annualised basis). New commitments for the year include 84 units in Germany for SEK 297 million with expected delivery in 2025 and 8 units in Sweden for SEK 77 million with estimated delivery in 2026. The German commitment was made to neutralise a payable tax liability by utilising a reinvestment scheme applicable in Germany.

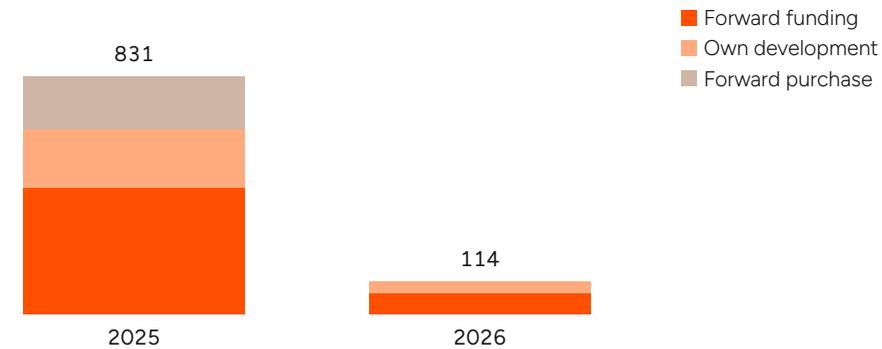
DELIVERIES RECEIVED IN THE YEAR

	Homes	Value at completion	Total Cost	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	800	2,536	2,374	109
Germany	–	–	–	–
Denmark	320	825	879	42
Netherlands	–	–	–	–
Czechia	178	730	535	28
Norway	8	156	136	N/A ¹
United Kingdom	464	1,756	1,696	81
Poland	1,460	3,147	2,372	168
Finland	6	11	6	–
Total	3,236	9,161	7,997	430

¹ Build-To-Sell

OUTSTANDING COMMITMENTS

SEK million



OUTSTANDING COMMITMENTS

	Homes	Estimated value at completion	Remaining commitments	Estimated NOI added
	Units	SEK million	SEK million	SEK million
Sweden	879	2,005	650	83
Germany	84	461	196	16
Denmark	–	–	–	–
Netherlands	–	–	–	–
Czechia	182	272	99	12
Norway	–	–	–	–
United Kingdom	–	–	–	–
Poland	–	–	–	–
Finland	–	–	–	–
Total	1,145	2,738	945	111

Realised Gains/Losses from Divestment of Properties

Since the launch of the privatisation programme, SEK 8,787 million in total sales value has been divested in five countries reflecting 1,977 residential units at a 26.8% premium to book value. On a fiscal 2024 basis, the program achieved total sales value of SEK 7,599 million reflecting 1,673 residential units sold at a 26.1% premium to book value.

For Q4 standalone, 530 residential units were sold across five countries at an average premium to book value of 24.1%. Sold units include assets held for sale. Net proceeds, which represent the total revenue generated from sold units after deducting transaction costs, repayment of secured asset-level debt, and taxes payable or deferred upon sale, was SEK 1,511 million in the quarter and SEK 4,439 million for the year. Further splits detailing estimated proceeds are presented in the waterfall. Net gains from divestment of properties were SEK 364 million for the quarter and SEK 1,682 million for the year.

Assets held for sale only include units that were signed as of the balance sheet date but not transferred. Per the balance sheet date, a total of SEK 2,163 million was held for sale in Sweden, the Netherlands, Denmark, and Norway.

ESTIMATED USE OF PRIVATISATION PROCEEDS SINCE PROGRAMME INCEPTION^{1,2}

SEK million	
Total sales value	8,787
Book value	6,930
Gross premium	1,857
Gross premium, %	26.8
Total sales value	8,787
Less: Investment to prepare for sale	4
Less: Transaction costs	133
Less: Secured debt repayment	2,810
Less: Estimated tax	853
Net proceeds	4,986
Net proceeds ratio, %	56.7
Total proceeds for debt repayment	7,796
Asset monetisation ratio, %	112.5

¹ Other privatisation cost included in other administrative expenses since inception was SEK 82 million and SEK 23 million in the quarter

² Includes signed transactions

Several small portfolios were divested and closed in the year amounting to gross proceeds received of SEK 1,035 million.

GROSS PROCEEDS RECEIVED FROM CLOSED PORTFOLIO SALES

SEK million	2024
Sweden	126
Denmark	724
Netherlands	30
Czechia	155
Total	1,035

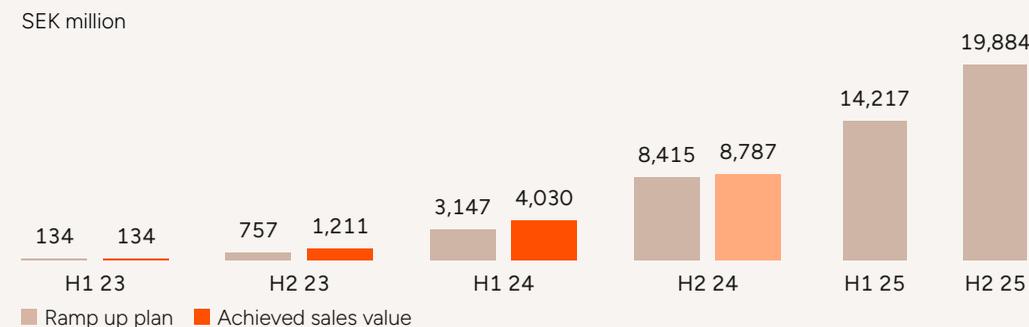
ESTIMATED Q4 NET PROCEEDS WATERFALL FROM PORTFOLIO SALES AND PRIVATISATION¹



ESTIMATED Q4 NET PROCEEDS BY SALES TYPE¹

SEK million	Total Sales Value	Transaction Cost	Secured Asset Level Debt Repayment	Proceeds	Estimated Tax ²	Estimated Net Proceeds
Portfolio sales	2,302	-6	-578	1,717	-4	1,713
Privatisation programme	2,379	-39	-610	1,730	-219	1,511
Total	4,681	-45	-1,188	3,447	-223	3,224

CUMULATIVE PRIVATISATION TOTAL SALES VALUE DEVELOPMENT³



¹ Includes signed transactions

² Assumes all taxes are paid upon close, actual proceeds will be higher due to tax optimisation and deferrals

³ Including initial H1 23 and H2 23 plan (refer to 2023 annual report). H1 23 units represent pilot sales before the full privatisation perimeter was established and released at scale in Q3 23

Investment Properties

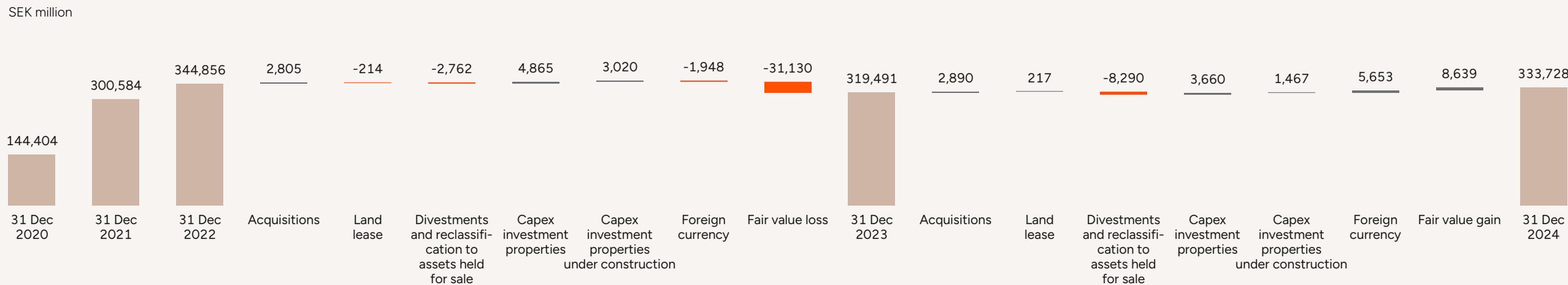
Over the last two years, the real estate market faced higher interest rates and low transaction volumes as buyers and sellers adjusted to economic conditions. Asset prices underwent downward adjustments due to higher yields outweighing the effects of increased rental levels. Specifically, 2024 saw a bifurcating trend as interest rates fell and transaction volumes remained entrenched at suppressed levels. A gradual uptick began to emerge in H2 as bid-ask spreads started to narrow.

After six quarters of falling property values, Heimstaden Bostad’s portfolio saw consistent value growth in four quarters despite yields expanding three of the four quarters. This continued growth emphasises the strong operational performance of the portfolio. We believe we are past the market correction and expect to see increased momentum in value growth through 2025. This view is based on Heimstaden Bostad’s strong operational performance and assessment of current market sentiment.

As at the balance sheet date, the investment properties portfolio included 162,415 (161,553) homes across nine markets.

Independent external valuers perform quarterly valuations of Heimstaden Bostad’s entire portfolio promoting transparency and trustworthiness whilst ensuring reported figures reflect the current market. For more details, see [Note 3.1](#) of this report.

FAIR VALUE DEVELOPMENT



Change in Fair Value of Investment Properties¹

For the year, fair value of investment properties reached SEK 333,728 million (319,491). Net gains from fair value adjustment of investment properties were SEK 8,639 million (-31,130) corresponding to 2.7% of fair value.

For the quarter, fair value of investment properties increased by SEK 2,315 million (-5,334) corresponding to a 0.7% gain. The increase in fair value for both the quarter and the year was driven by strong ownership housing markets and improved operational performance.

The average valuation yield was 3.66% (3.54%). On a quarter-over-quarter basis this is a slight decrease from 3.69% in Q3. For the quarter, Czechia, Germany, Finland, and Denmark saw values remain stable on the back of stable rental growth and flat yields. The Netherlands saw strong growth on the back of increases in ownership housing values and rental growth. Sweden saw strong growth on the back of slight

¹ For more information regarding fair value assessments, see [Note 3.1](#).

yield compression and increased rental growth forecasts, whilst Poland saw strong growth on the back of stable yields and increased NOI. The United Kingdom saw underlying value increase on the back of rental growth, but it was offset by delayed recognition of a scheduled Q3 2024 CAPEX payment only materialising in Q4 2024. Norway also experienced a technical fall in value in the quarter due to one-off stamp duty payments as part of structural preparation for further ramp-up of the privatisation program netting out the gains from the underlying strong market development.

For the year, Germany, Denmark, Norway, and Finland observed stabilised values, while Sweden, United Kingdom, and Czechia increased on the back of continued rental growth. The Netherlands saw an increase, primarily driven by strong growth in the ownership housing prices. Values in Poland were supported by continued strong rental performance and acquisition gains recognised upon delivery of the new developments throughout the year.

COUNTRY FAIR VALUE DEVELOPMENT

	Q4 2024		2024	
	%	SEK million	%	SEK million
Sweden	1.4	1,309	2.3	2,068
Germany	-0.2	-144	-1.0	-813
Denmark	0.5	325	0.8	564
Netherlands	1.8	546	15.8	4,120
Czechia	1.9	533	6.7	1,773
Norway	-2.1	-351	0.1	18
United Kingdom	-1.1	-59	2.8	143
Poland	3.4	152	19.0	751
Finland	0.1	3	0.3	13
Total	0.7	2,315	2.7	8,639

AVERAGE VALUATION YIELD

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	%	%	%	%	%
Sweden	3.50	3.51	3.54	3.39	3.30
Germany	3.02	2.95	2.90	2.85	2.74
Denmark	3.98	4.17	4.18	4.18	4.17
Netherlands	3.86	3.92	3.88	4.06	3.74
Czechia	4.96	4.83	4.69	4.59	4.70
Norway	2.96	3.15	2.98	3.22	3.24
United Kingdom	3.43	4.68	4.72	4.58	4.55
Poland	5.50	4.53	5.71	5.67	5.66
Finland	5.65	5.36	4.84	4.88	4.68
Total	3.66	3.69	3.67	3.63	3.54

Funding

Interest Expenses and Liability Management

For the quarter, interest expenses were SEK 1,576 million (1,551). On a quarter-over-quarter basis, the average interest rate increased to 3.22% from 3.10%, which was driven by refinancing of fixed rate debt with lower rates than current market rates as well as lower rate hedge positions maturing. The S&P-defined interest coverage ratio was 1.6x (1.7x).

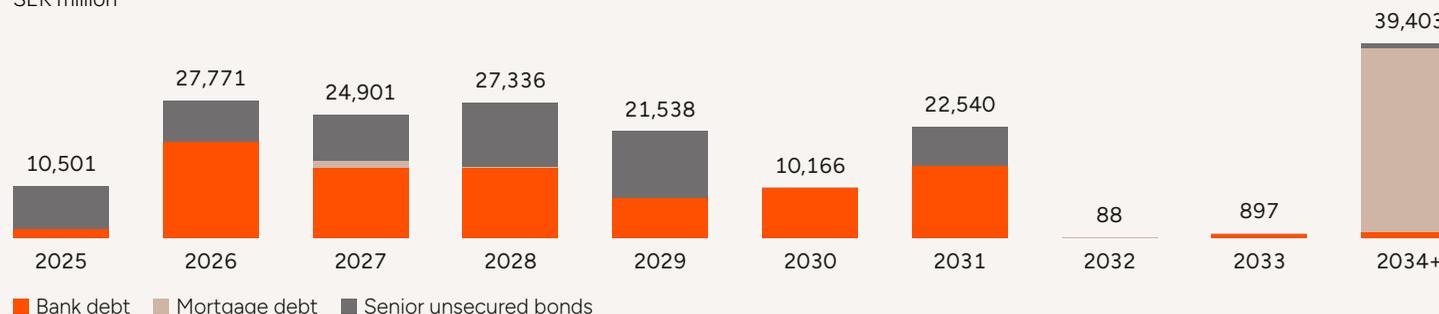
For the year, interest expenses increased to SEK 6,023 million (4,939). The change in interest expenses, on a year-over-year basis, mirrors that of the quarterly development mentioned above.

Throughout first half of 2024, capital markets remained uncompetitive for Heimstaden Bostad when compared to alternate funding sources. With presence in nine countries, the portfolio diversification continued to allow for asset-backed funding at attractive terms and the total transaction volume of asset-backed funding, including both new financings and refinancings, reached approximately SEK 27,500 million with an average tenor of 5.5 years. The year was anchored by the marquee EUR 725 million sustainability-linked secured credit facility in the Netherlands with net new proceeds of EUR 200 million.

Heimstaden Bostad repaid capital markets' maturities with cash on hand raised in local asset-backed funding markets alongside net proceeds raised from the privatisation programme. Maturities repaid included the SEK 850 million fixed rate notes and EUR 700 million floating rate notes in Q1, SEK 500 million floating rate notes in Q2, NOK 500 million floating rates notes in Q3, and EUR 1,250 million fixed rate notes in Q4.

INTEREST BEARING DEBT MATURITY

SEK million



INTEREST BEARING DEBT MATURITY BY TYPE

SEK million

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034+	Total
Senior Unsecured bonds	8,796	8,468	9,314	12,897	13,496	–	8,020	–	–	1,146	62,138
Mortgage debt	–	–	1,546	396	32	119	–	88	91	37,183	39,455
Bank debt	1,705	19,303	14,041	14,043	8,010	10,047	14,520	–	806	1,074	83,548
Total	10,501	27,771	24,901	27,336	21,538	10,166	22,540	88	897	39,403	185,140

HYBRID BONDS RESET DATES¹

SEK million



¹ Net of which held on own book, 2025 reset values in the bar chart have been called as part of a subsequent event in January 2025

AVERAGE INTEREST RATE DURATION

Years



In the second half of 2024, Heimstaden Bostad was able to re-establish its SEK and EUR curves. In Q3, we issued two SEK-denominated floating rate notes of SEK 1,100 million and SEK 1,300 million. August SEK issuance carried a maturity of three years with a floating rate to maturity of 3 months STIBOR plus 240 basis points whereas the September note had a maturity of two years and carried a floating rate to maturity of 3 months STIBOR plus 200 basis points. Q4 invited additional prints with SEK 500 million floating rate notes, EUR 500 million senior unsecured fixed rate notes, and EUR 500 million perpetual hybrid securities. The EUR 500 million senior unsecured priced at MS+175 or a coupon of 3.875% for a five-year maturity whereas the SEK 500 million senior unsecured floating rate notes priced at 3 months STIBOR plus 130 basis points for a two-year maturity.

Heimstaden Bostad reopened the hybrid market by replacing its EUR 800 million perpetual hybrid security resetting 19 February 2025 with a EUR 500 million perpetual hybrid security with an annual fixed rate coupon of 6.25% to the first reset date on 4 March 2030. This transaction marked

the first issue of hybrid debt in the European real estate capital markets since late 2021.

Liquidity Management

We began 2024 with SEK 18,855 million of unutilised facilities and closed the year with SEK 19,262 million unutilised facilities. As maintaining a strong liquidity position is a key risk management practice, the development through 2024 included renewal of existing facilities while also signing new facilities.

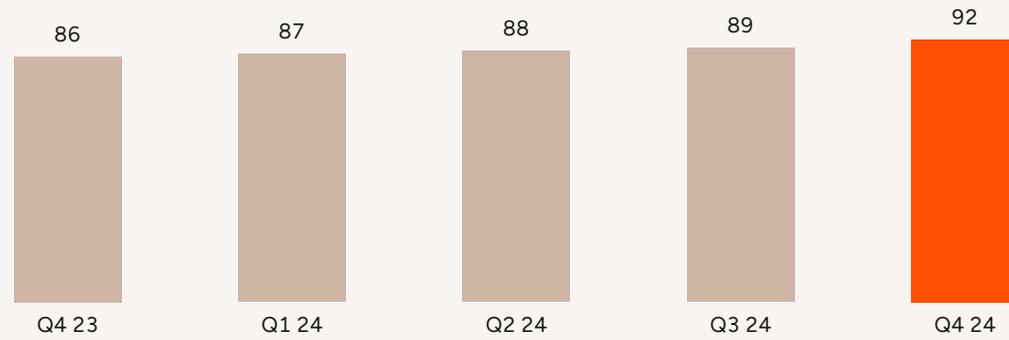
Heimstaden Bostad’s financial policy further supports liquidity by de-risking upcoming maturities via a >1.25x liquidity ratio per S&P’s definition alongside the provision that no more than 25% of total debt can mature in a single year.

Foreign Currency

Heimstaden Bostad has holdings and operations in SEK, EUR, DKK, NOK, CZK, PLN, and GBP. For the year, exchange differences on translation of foreign operations gave other comprehensive gain of SEK 3,446 million (-1,428), which was partially offset by SEK 1,733 million in foreign exchange loss (419).

INTEREST RATE HEDGE RATIO

%



AVERAGE INTEREST RATE

%



Cash Flow

SEK million	Q4 2024	2024	Q4 2023	2023
Operating activities	1,753	3,321	547	1,927
Investing activities	1,699	2,486	-2,597	-7,029
Financing activities	-14,034	-13,357	6,613	6,826
Change	-10,583	-7,550	4,563	1,723
Period opening balance – Cash and cash equivalents	14,419	11,276	6,787	9,385
Currency effects	-189	-78	-74	168
Closing balance – Cash and cash equivalents	3,647	3,647	11,276	11,276

Net cash flow from operating activities, for the year, was SEK 3,321 million (1,927), representing an increase of 72%. The main differences between operating profit/loss and cash generated from operations are proceeds from privatisation and fair value adjustments on investment properties.

Cash generated from operations, for the quarter, was SEK 3,215 million (1,760) compared to an interest paid in the same period of SEK -1,493 million (-1,378). The addition of net proceeds from privatisation with SEK 2,358 million (900) shows that cash from operations and privatisation was 2.8 (2.1) over interest paid, while for the quarter, the same ratio was 3.7 (1.9).

Net cash flow from investing activities for the year was SEK 2,486 million (-7,029) and SEK 1,698 million (-2,597) for the quarter.

The positive cashflow from investing activity was attributed to the combination of privatisation proceeds and the capital allocation strategy and the increased yield requirements on capital deployed. The property portfolio divestments in Sweden, Denmark, the Netherlands, and Czechia contributed to SEK 1,035 million (0) in proceeds for the year.

Net cash flow from financing activities, for the year, was SEK -13,357 million (6,826), reflecting a net deleveraging of the group, whereas repayments of interest-bearing debt outpaced proceeds from new loans by a factor of 1.4 (-0.7).

Market Update

Sweden

Rental income increased by 9.6% to SEK 4,874 million (4,448) for the year, with residential rents comprising 86.8% (87.1%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 5.3% (5.2%) and the comparable like-for-like portfolio comprised 91.7% of total rental income. Rental growth is driven by annual negotiations with local tenant associations and business plan execution including value-add capex such as apartment upgrades, driving like-for-like rental performance well above CPI. Looking ahead, we expect continued strong momentum in rental growth, which is set to surpass expected inflation.

On a quarterly basis, real economic occupancy stood at 99.5% (99.0%). The Swedish portfolio targets regions with a fundamental supply-demand imbalance, attractive micro-locations, and affordable rents. This is reflected in the high occupancy level and attractive rental growth prospects.

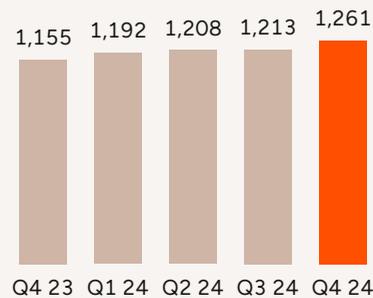
Fair value adjustments on investment properties, for the year, is SEK 2,068 million (-10,385) corresponding to 2.3% (-10.4%) change in fair value. On a quarterly basis, fair value development recovered throughout the year as Q1 to Q4 performed at -0.1%, 0.1%, 0.8%, and 1.4% respectively. This trend is primarily driven by strong rental growth and declining core inflation in combination with yield stabilisation, following continued certainty that Riksbanken has entered an interest rate cutting cycle. For the quarter, stable yield requirements combined with an increase in forecasted rental growth have had a positive effect on valuations.

		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	1,261	1,213	4,873	1,155	4,448
Net operating income	SEK m	734	802	2,921	634	2,565
Net operating income margin	%	58.2	66.1	59.9	54.9	57.7
Like-for-like rental income growth	%	5.3	5.9	5.7	5.2	3.0
Real economic occupancy	%	99.5	99.2	99.1	99.0	99.0
Fair value of investment properties	SEK m	91,565	91,084	91,565	89,262	89,262
Fair value change	SEK m	1,309	740	2,068	-2,466	-10,385
Fair value change	%	1.4	0.8	2.3	-2.7	-10.4
Homes	Units	47,275	47,206	47,275	46,572	46,572
Capital expenditures	SEK m	347	226	1,195	789	3,000
Average valuation yield ¹	%	3.5	3.5	3.5	3.3	3.3
Acquisitions	SEK m	6	-	244	-	24

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

RENTAL INCOME

SEK million



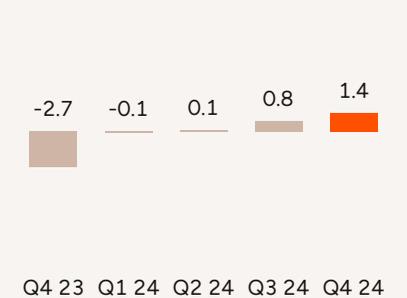
NET OPERATING INCOME MARGIN

Last twelve months, %



FAIR VALUE CHANGE

%



Germany

Rental income increased by 5.5% to SEK 2,840 million (2,693) for the year, with residential rents comprising 89.9% (90.1%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 4.7% (8.5%) and the comparable like-for-like portfolio comprised 96.9% of total rental income.

Rental growth continues to be driven by rent reversion upon tenant turnover, significant tenant improvement investments, and a combination of contractual indexations tied to the Consumer Price Index (CPI) alongside unit-specific increases based on public rent tables for existing leases. Consequently, rental growth in Germany tends to accumulate gradually over time rather than occurring at a specific point within the year. Looking ahead, rental growth is expected to be moderated by German CPI, which stands at 2.3% year-on-year as of January 2024.

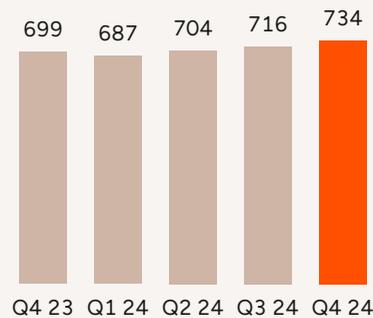
On a quarterly basis, real economic occupancy stood at 99.7% (99.7%). The portfolio is concentrated in Berlin and Hamburg, which are both characterised by fundamental supply-demand imbalances and resulting low vacancy.

Fair value adjustments on investment properties, for the year, is SEK -813 million (-14,511) corresponding to -1.0% (-15.5%) change in fair value. On a quarterly basis, fair value development is demonstrating stabilisation as Q1 to Q4 performed at -0.1%, -0.7%, -0.1%, and -0.2% respectively. Further, yield expansion has slowed down to about 5-10 bps in recent quarters. Finally, valuations, for the quarter, were down slightly as rental growth and stabilised yields were offset by capital expenditures.

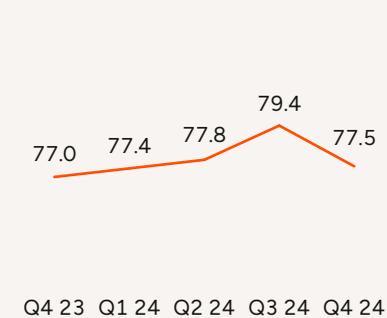
		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	734	716	2,840	699	2,693
Net operating income	SEK m	538	570	2,200	565	2,074
Net operating income margin	%	73.3	79.6	77.5	80.7	77.0
Like-for-like rental income growth	%	4.7	7.0	5.7	8.5	5.7
Real economic occupancy	%	99.7	99.8	99.7	99.7	99.3
Fair value of investment properties	SEK m	81,925	80,663	81,925	79,404	79,404
Fair value change	SEK m	-144	-71	-813	-2,536	-14,511
Fair value change	%	-0.2	-0.1	-1.0	-3.1	-15.5
Homes	Units	29,690	29,712	29,690	29,713	29,713
Capital expenditures	SEK m	369	271	1,113	324	873
Average valuation yield ¹	%	3.0	2.9	3.0	2.7	2.7
Acquisitions	SEK m	-	-	-	-	-

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



Denmark

Rental income increased by 1.6% to SEK 3,595 million (3,539) for the year, with residential rents comprising 92.4% (92.4%) of total rental income despite operating in the first full year of the privatisation programme. Like-for-like rental income growth, on a quarterly basis, amounted to 3.8% (2.4%) and the comparable like-for-like portfolio comprised 98.6% of total rental income. Rental growth continues to be supported by the muted construction activity resulting in limited new supply.

On a quarterly basis, real economic occupancy stood at 98.9% (97.4%). Occupancy is supported by our focus on regions experiencing household growth and housing shortages, which are set to exacerbate further due to limited new supply pipeline.

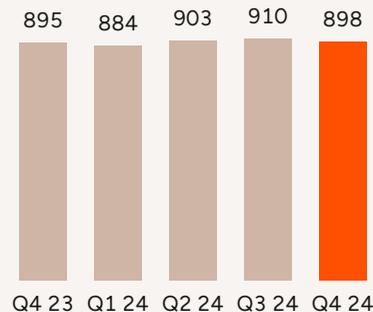
Fair value adjustments on investment properties, for the year, is SEK 564 million (-4,138) corresponding to 0.8% (-5.5%) change in fair value. The fair value development for the year is primarily driven by rental growth and stabilising yields which has been supported by external transactions and a strong ownership housing market. For the quarter, value development is stable due to stable yields and growth in both rental and ownership housing.

		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	898	910	3,595	895	3,539
Net operating income	SEK m	701	681	2,643	603	2,425
Net operating income margin	%	78.1	74.9	73.5	67.3	68.5
Like-for-like rental income growth	%	3.8	2.7	3.2	2.4	1.3
Real economic occupancy	%	98.9	98.8	98.3	97.4	97.1
Fair value of investment properties	SEK m	71,301	71,485	71,301	71,446	71,446
Fair value change	SEK m	325	202	564	-158	-4,138
Fair value change	%	0.5	0.3	0.8	-0.2	-5.5
Homes	Units	20,361	20,663	20,361	20,757	20,757
Capital expenditures	SEK m	188	122	467	207	923
Average valuation yield ¹	%	4.0	4.2	4.0	4.2	4.2
Acquisitions	SEK m	2	-	549	36	1,732

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

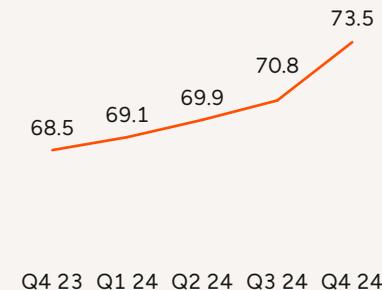
RENTAL INCOME

SEK million



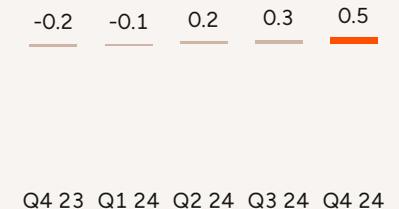
NET OPERATING INCOME MARGIN

Last twelve months, %



FAIR VALUE CHANGE

%



Netherlands

Rental income remained stable at SEK 1,405 million (1,404) for the year, with residential rents comprising 96.9% (97.5%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 6.5% (4.6%), mostly impacted by annual indexations. The comparable like-for-like portfolio comprised 95.7% of total rental income. Rental growth on existing leases are generally linked to consumer price indices, of which socially regulated contracts are annually indexed in line with the Wage Growth index. Until 2029, an indexation cap applies for mid-rent regulated contracts capped at the Wage Growth index plus a one percentage point mark up. Indexation of unregulated contracts are capped at the lower of the CPI and the Wage Growth index, also plus a one percentage point mark up.

The Affordable Rent Act that came into effect 1 July 2024 and we expect limited impact given the characteristics of our portfolio and privatisation strategy.

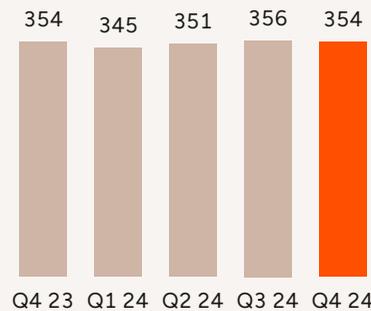
On a quarterly basis, real economic occupancy stood at 99.6% (99.7%). As we execute a privatisation strategy in the Dutch portfolio, vacancy in this respect is predominantly strategic, with vacancy during sales periods excluded from real economic occupancy.

Fair value adjustments on investment properties, for the year, is SEK 4,120 million (-3,659) corresponding to 15.8% (-11.7%) change in fair value. Fair value has increased for the year and the quarter due to NOI growth, ownership housing value growth, and compressed exit yields.

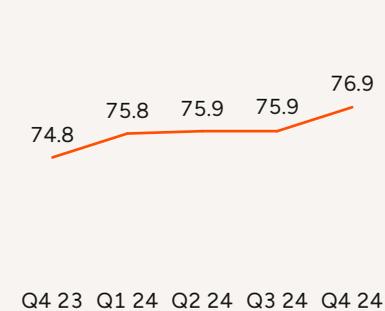
		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	354	356	1,405	354	1,404
Net operating income	SEK m	267	270	1,080	253	1,051
Net operating income margin	%	75.4	75.8	76.9	71.6	74.8
Like-for-like rental income growth	%	6.5	7.7	6.2	4.6	4.6
Real economic occupancy	%	99.6	99.6	99.7	99.7	99.7
Fair value of investment properties	SEK m	30,256	29,703	30,256	27,337	27,337
Fair value change	SEK m	546	1,404	4,120	-256	-3,659
Fair value change	%	1.8	4.9	15.8	-0.9	-11.7
Homes	Units	12,618	29,703	12,618	13,296	13,296
Capital expenditures	SEK m	122	29	256	191	838
Average valuation yield ¹	%	3.9	3.9	3.9	3.7	3.7
Acquisitions	SEK m	–	–	–	613	613

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

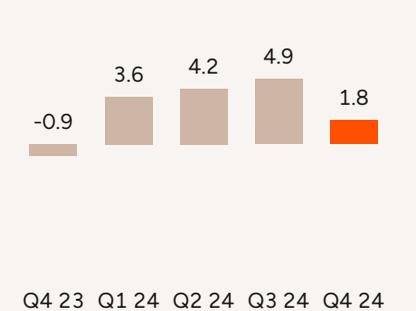
RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



Czechia

Rental income increased by 4.6% to SEK 1,797 million (1,718) for the year, with residential rents comprising 94.2% (94.0%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 9.3% (9.0%) and the comparable like-for-like portfolio comprised 98.0% of total rental income. Rental growth is driven by reset to market rent for time definite contracts applied at the renewal of every lease (average 2024 indexation was 8%) and indexation for indefinite leases applied in Q1 each year (Q1 2024 rent increase was 9%). Furthermore, there were deliveries of new assets in Q1, totalling 178 new units, which also contributed to the rental income growth.

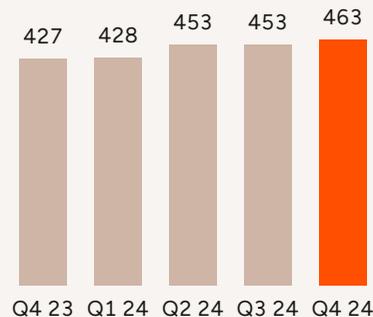
On a quarterly basis, real economic occupancy stood at 96.7% (97.0%). For the year, the vacancy rate stabilised in Q2 and remained stable through the rest of the year after a one-off increase in H1 2023 triggered by end of subsidy programme for Ukrainian war refugees.

Fair value adjustments on investment properties, for the year, is SEK 1,773 million (1,704) corresponding to 6.7% (7.3%) change in fair value. Rental growth combined with improved operational performance have driven value growth for both the year and last quarter whilst yields remained stable.

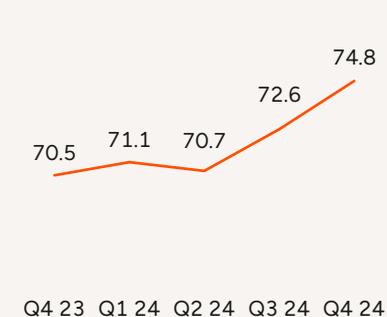
		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	463	453	1,797	427	1,718
Net operating income	SEK m	346	354	1,344	280	1,211
Net operating income margin	%	74.6	78.1	74.8	65.5	70.5
Like-for-like rental income growth	%	9.3	10.5	8.4	9.0	12.5
Real economic occupancy	%	96.7	96.6	96.3	97.0	96.8
Fair value of investment properties	SEK m	28,406	27,326	28,406	25,185	25,185
Fair value change	SEK m	533	-58	1,773	678	1,704
Fair value change	%	1.9	-0.2	6.7	2.8	7.3
Homes	Units	41,985	42,232	41,985	42,352	42,352
Capital expenditures	SEK m	271	250	860	239	773
Average valuation yield ¹	%	5.0	4.8	5.0	4.7	4.7
Acquisitions	SEK m	-	-	491	-	-

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

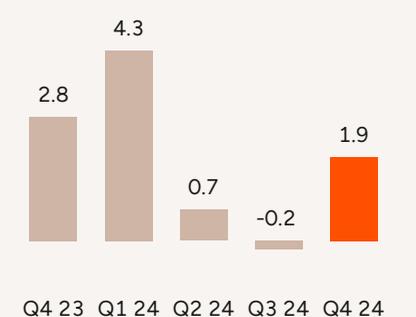
RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



Norway

Rental income decreased by 2.9% to SEK 720 million (741) for the year, with residential rents comprising 83.5% (83.5%) of total rental income. The decrease is primarily due to starting the privatisation programme mid-year in combination with decreased occupancy in non-central locations of Oslo. Like-for-like rental income growth, on a quarterly basis, amounted to 3.4% (7.6%) and the comparable like-for-like portfolio comprised 100% of total rental income. Rental growth is driven by indexations and market rent reversion upon tenant churn, which has shown strong momentum given the supply-demand imbalance in the Oslo market.

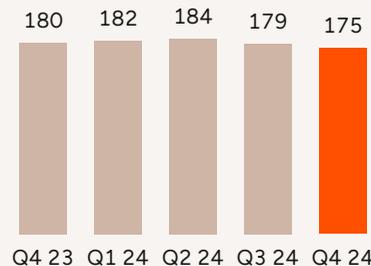
On a quarterly basis, real economic occupancy stood at 98.8% (99.6%). Occupancy in the Norwegian portfolio has decreased due to a few specific assets in non-central locations.

Fair value adjustments on investment properties, for the year, is SEK 18 million (-275) corresponding to 0.1% (-1.6%) change in fair value. The growth in fair value for the year was underpinned by a strong housing value growth and commercial rent increases in the first half of the year outperforming the seasonal fall in housing value for the second half of the year. The fall in value for the quarter is due to the aforementioned seasonality in the housing market.

		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	175	179	720	180	741
Net operating income	SEK m	147	127	557	128	556
Net operating income margin	%	84.0	71.1	77.4	70.8	75.1
Like-for-like rental income growth	%	3.4	4.8	5.0	7.6	7.3
Real economic occupancy	%	98.8	99.3	99.0	99.6	99.5
Fair value of investment properties	SEK m	16,377	16,739	16,377	17,109	17,109
Fair value change	SEK m	-351	-91	18	-518	-275
Fair value change	%	-2.1	-0.5	0.1	-2.9	-1.6
Homes	Units	3,865	3,934	3,865	3,973	3,973
Capital expenditures	SEK m	244	9	296	-34	107
Average valuation yield ¹	%	3.0	3.2	3.0	3.2	3.2
Acquisitions	SEK m	-	-	-	-	-

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

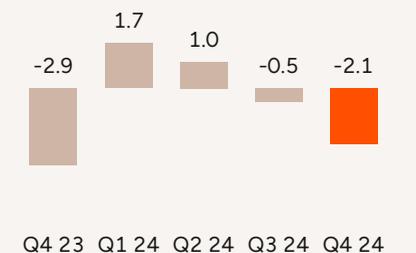
RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



United Kingdom

Rental income increased by 121.0% to SEK 211 million (95) for the year, with residential rents comprising 86.2% (97.0%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 7.1% (5.3%) with the comparable portfolio consisting of all standing assets except the newbuild delivered in Q4 in Edinburgh comprising 464 units. Rental growth is impacted by free market rent development as typical rental contracts are re-based every 12 months, and by the effect of new assets in the portfolio.

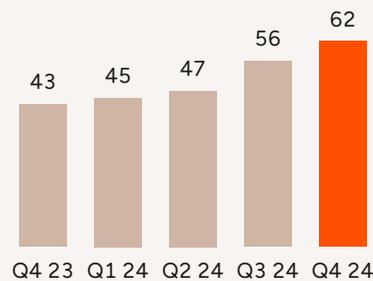
On a quarterly basis, real economic occupancy decreased to 78.1% (94.7%). The portfolio operates in line with our occupancy expectation of 98% for the part that has been stabilised, but real economic occupancy was directly impacted in Q4 by lease up of previously mentioned 464 new units delivered in the quarter, as well as the ordinary higher tenant churn rates experienced during the first years of operation.

Fair value adjustments on investment properties, for the year, is SEK 143 million (367) corresponding to 2.8% (9.3%) change in fair value. The United Kingdom saw underlying value increase on the back of rental growth, but it was offset by delayed recognition of a scheduled Q3 2024 CAPEX payment materialising in Q4 2024.

		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	62	56	211	43	95
Net operating income	SEK m	48	41	152	29	42
Net operating income margin	%	76.8	71.8	72.4	67.4	44.0
Like-for-like rental income growth	%	7.1	42.3	20.2	5.3	3.6
Real economic occupancy	%	78.1	96.8	91.5	94.7	87.7
Fair value of investment properties	SEK m	5,344	5,165	5,344	4,305	4,305
Fair value change	SEK m	-59	287	143	-18	367
Fair value change	%	-1.1	5.9	2.8	-0.4	9.3
Homes	Units	1,413	949	1,413	949	949
Capital expenditures	SEK m	140	176	541	210	1,070
Average valuation yield ¹	%	3.4	4.7	3.4	4.5	4.5
Acquisitions	SEK m	-	-	-	-	-

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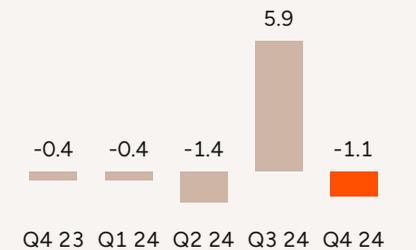
RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



Poland

Rental income increased by 146.4% to SEK 170 million (69) for the year, with residential rents comprising 92.6% (92.1%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 3.1%, however the comparable like-for-like portfolio comprised only 46.3% of total rental income. Due to the timing of deliveries in the portfolio, Poland has been greatly impacted by the effects of the new units coming online. The portfolio received 278 new residential units in Q4 which completed the current new build pipeline. Due to favourable market conditions, we are now including one asset (185 units) in our privatisation strategy (as of February 2025) and thus have excluded the asset from operational metrics.

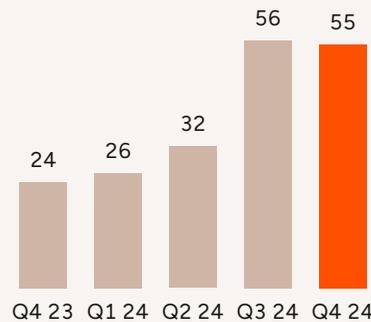
On a quarterly basis, real economic occupancy decreased to 96.1% (98.0%). The decrease follows the absorption of a high level of new units received in prior quarters which was subsequently rented out during Q4 and there has been observed an increase from 89.9% to 96.1% (QoQ). This trend is expected to continue into 2025.

Fair value adjustments on investment properties, for the year, is SEK 751 million (171) corresponding to 19.0% (10.4%) change in fair value. For the year, values in Poland increased due to improved operational efficiency, strong rental momentum and the portfolio moving closer to stabilisation. For the quarter, Poland saw values increase with the reasons matching those for the year.

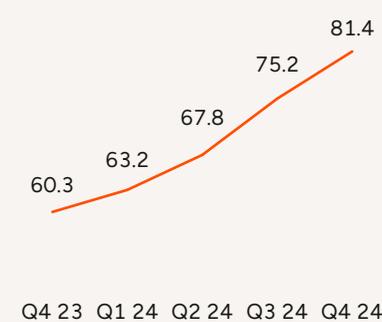
		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	55	56	170	24	69
Net operating income	SEK m	49	47	139	15	42
Net operating income margin	%	89.4	82.9	81.4	64.4	60.3
Like-for-like rental income growth	%	3.1	9.7	7.3	–	–
Real economic occupancy	%	96.1	89.9	92.0	98.0	96.4
Fair value of investment properties	SEK m	4,701	4,465	4,701	1,815	1,815
Fair value change	SEK m	152	149	751	94	171
Fair value change	%	3.4	3.4	19.0	5.4	10.4
Homes	Units	2,052	1,980	2,052	777	777
Capital expenditures	SEK m	18	73	318	18	132
Average valuation yield ¹	%	5.5	4.5	5.5	5.7	5.7
Acquisitions	SEK m	–	–	1,606	150	399

¹ The valuation yield corresponds to the passing net operating income on a normalised basis as assessed by the valuer relative to the valuation of said property. Accordingly, the valuation yield may differ materially from stabilised yield due to rent reversion and can be volatile for markets with a higher volume of new builds and associated lease-up vacancy

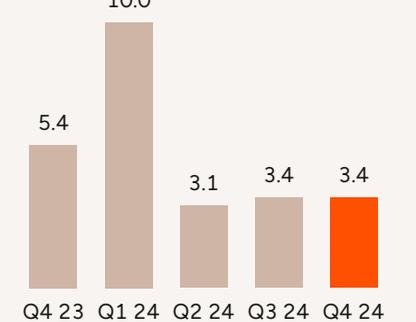
RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



Finland

Rental income increased by 6.9% to SEK 286 million (268) for the year, with residential rents comprising 97.2% (96.8%) of total rental income. Like-for-like rental income growth, on a quarterly basis, amounted to 5.8% (4.5%) and the comparable like-for-like portfolio comprised 98.2% of total rental income. The Finnish market has been characterised by significant construction activity, which has led to balanced supply and demand dynamics with pressure on occupancy in several regions and muted rental growth. As new completions are reducing and only limited new construction has been initiated in recent years, we expect the operating conditions to continue to improve in 2025.

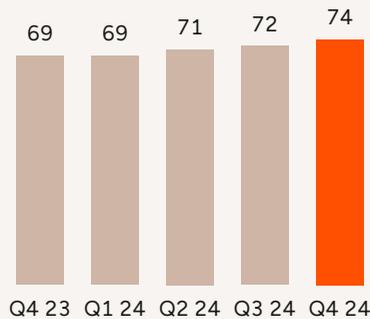
On a quarterly basis, real economic occupancy stood at 96.6% (95.5%). The recent compressed real economic occupancy reflects the excess supply experienced following years of high construction activity. While it takes time to absorb such excess supply, we have now seen significant improvement over the second half of 2024 and expect to see further stabilisation of real economic occupancy levels in 2025.

Fair value adjustments on investment properties, for the year, is SEK 13 million (-404) corresponding to 0.3% (-10.0%) change in fair value. The valuation trend has been underpinned by capitalisation, indexation, and market rent level growth combined with stabilised yields. Q4 saw improved operating expenses on the back of completed capitalisation projects however both rent levels and yields have remained flat.

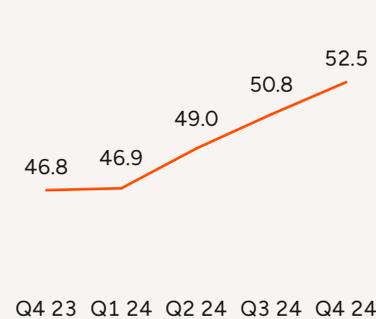
		Q4 2024	Q3 2024	2024	Q4 2023	2023
Rental income	SEK m	74	72	286	69	268
Net operating income	SEK m	39	42	150	31	125
Net operating income margin	%	52.7	57.5	52.5	45.8	46.8
Like-for-like rental income growth	%	5.8	8.3	6.9	4.5	2.3
Real economic occupancy	%	96.6	96.3	95.0	95.5	94.2
Fair value of investment properties	SEK m	3,852	3,770	3,852	3,627	3,627
Fair value change	SEK m	3	26	13	-154	-404
Fair value change	%	0.1	0.7	0.3	-4.1	-10.0
Homes	Units	3,156	3,156	3,156	3,164	3,164
Capital expenditures	SEK m	19	19	82	63	170
Average valuation yield ¹	%	5.6	5.4	5.6	4.7	4.7
Acquisitions	SEK m	-	-	-	-	-

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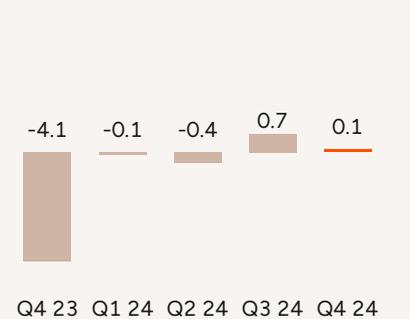
RENTAL INCOME
SEK million



NET OPERATING INCOME MARGIN
Last twelve months, %



FAIR VALUE CHANGE
%



Residential Outlook

The Real Estate Landscape is Changing

Christian Fladeland
Co-CEO
Heimstaden Bostad



Real estate segments are diverging, making yields an overly simplistic basis for comparison. With capital markets reopened, refinancing risks have eased shifting attention back to fundamentals. In 2024, residential proved its ability to deliver strong performance in a higher interest rate environment, and the momentum in income growth is set to spur a continued recovery in values.

Real Estate is Not Just Real Estate

As 2024 commenced, the real estate allocations in a normalised interest rate environment were still under question, with ongoing repricing concerns. The negative spread between real estate yields and cost of debt was often cited as evidence that real estate was overvalued. However, this simplification lacks understanding of the underlying asset characteristics.

Could it be that higher yielding real estate in some cases are fallen angels and lower yielding real estate are rising stars? The viability of a given yield should be anchored in income growth potential or other value growth characteristics such as privatisation prospects. Like stock markets, whether income growth prospects are 0% or 4% has a significant impact where P/E ratios are justified by a stock's earning growth. Forming a view on sustainable income growth is important as growth

prospects are set to diverge materially across segments.

Structural changes result in a real estate recovery that will not be homogenous, evidenced by a clear shift in target segment allocations. We expect transaction volumes to rise in 2025, but segment recovery will show variations with residential gaining a larger share of the market.

Refinancing no Longer on Centre Stage

Early in the year, consensus was that interest rates had peaked, providing comfort to capital markets that yield expansion was levelling off. Reduced real estate bond spreads had positive spillover to wider funding markets as banks experienced increased competition. This, in turn, supported recovery in the transaction market, increasing price visibility and stabilising credit metrics across the sector.

While banks remain selective and cautious regarding their exposure to specific segments and borrowers, capital markets have been largely sector agnostic with no evident segment premiums within rating categories. However, as operational performance is set to diverge, we expect capital markets adopt a more nuanced issuer-specific view based on segment exposure that is decoupled from credit ratings.

Operating Fundamentals Back in Focus

On the back of reduced refinancing and valuation risks, operating fundamentals are now taking centre stage. Across real estate sectors, performance is diverging as certain segment fundamentals shift from being mainly cyclical to structural.

In the short-term, structural changes are typically overestimated, providing the illusion of comfort when anticipated disruption doesn't immediately appear in operating figures. Whereas over the longer-term, such changes are typically underestimated as operational impact only materialises when leases expire and are to be relet or renegotiated.

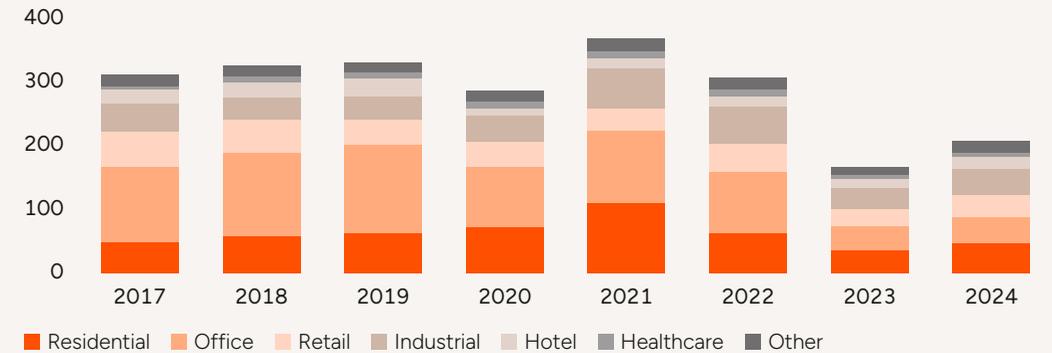
For example, the impact of e-commerce took time to influence the operating performance of retail and it was not appropriate to capture through an

assessed risk premium on current income. Instead, current income viability needs to be properly reassessed based on structural changes in turnover per sqm and capex requirements to maintain relevance. Over time, this formed the basis for a 250-500 bps yield expansion for traditional retail assets such as shopping centres and high-street assets, implying value declines of 40-60% over the past decade as rather the norm than the exception.

Recent years have also cast doubt on the future of offices as employees increasingly seek flexibility and remote work becomes an established alternative. While we believe offices are important for corporate culture, personnel development, and the fostering of innovation, we do see a clear trend of less demand for office space and more importantly, a growing appetite for different work environments. To remain attractive, office premises will need to distinguish themselves through quality and will be subject to more frequent and significant upgrades to stay relevant for tenants, echoing the capex challenges faced by the retail sector over the past decade.

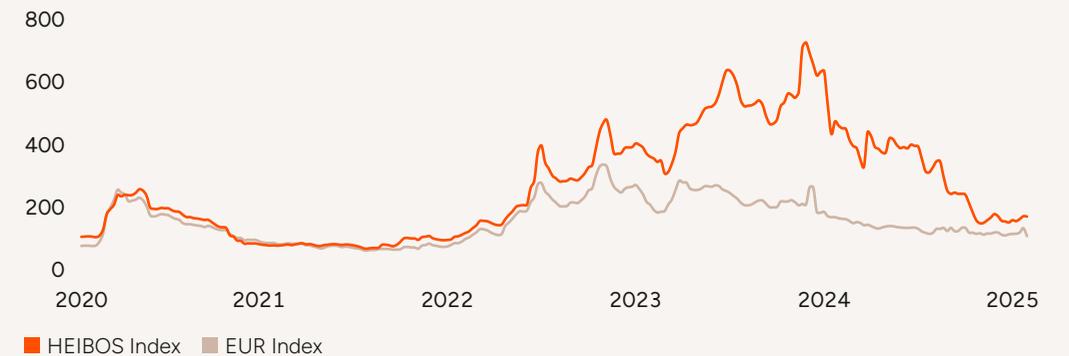
These structural shifts along with supportive megatrends, have driven real estate capital flows towards 'beds and sheds' as well as niche segments like data centres. While these segments

EUROPEAN INVESTMENT TRANSACTION VOLUMES (EUR BILLION)



Source: CBRE research (27/01/2025)¹

REAL ESTATE CREDIT SPREADS (2020-2025) – HSTB INDEX VS. EUR RE CREDIT SPREAD INDEX²



Source: Heimstaden & Bloomberg

¹ Graph prepared using source data provided by CBRE on a non-reliance basis and for information purposes only. You may not rely on the data for any purpose whatsoever and CBRE shall not be liable for any loss or damage (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this data

² The HEIBOS Index consists of 10 outstanding securities, including all HSTB EUR Investment-Grade (IG) bonds. The EUR Index comprises 343 outstanding securities, covering all EUR IG real estate bonds issued by European peers across all real estate sectors.

benefit from current trends, future demand remains unpredictable. For example, advances in digital solutions and automation could lead to more efficient supply chains that diminish the need for sheds, and technological progress might result in data centres requiring less space or different specifications. While the recent surge in demand is notable, history shows that market trends can change unexpectedly. We believe, however, that the residential sector faces a much lower risk of such drastic shifts.

Income Growth is What Matters

Regardless of robust demand, buyers won't pay more than necessary and pricing power ultimately hinges on supply. Numerous business examples exist where demand has continuously risen yet supply has been sufficiently elastic, preventing price increases.

Such elasticity in supply doesn't apply to residential, where a significant income growth potential has been quietly accumulating. Rising construction costs and higher yield requirements reflect that equilibria rents have gone up an estimated +50% to facilitate construction of new supply. This trend is expected to drive rental growth well above inflation in the coming years, justifying lower yield requirements without sacrificing total return expectations.

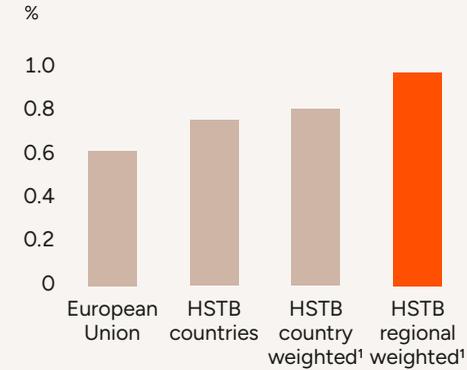
Supply Shortage Supports Capital Values

Supply shortages will persist until new construction becomes viable, which require capital values to appreciate. In the ownership housing market, the supply shortage has effectively muted the impact of the interest rate hikes, with most of our markets reaching record highs.

Household credit tightening introduced after the financial crisis – linking borrowing capacity to multiples of household income and incorporating affordability stress tests in the case of interest rate shocks – have made ownership markets highly resilient. Accordingly, ownership housing markets have managed the higher rates and, when combined with strong wage growth, have supported sustained price growth.

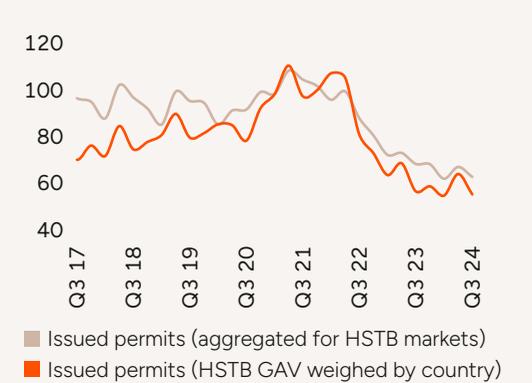
Even when new builds become commercially viable again, it will be associated with a material lead time before getting to market which is likely to allow price momentum to stand higher for a prolonged period. With ownership and rental markets being fundamentally interconnected, we believe the price momentum in the ownership housing market is set to lead a sustained recovery in residential capital values.

GROWTH IN NUMBER OF HOUSEHOLDS (CAGR), 2010–2024



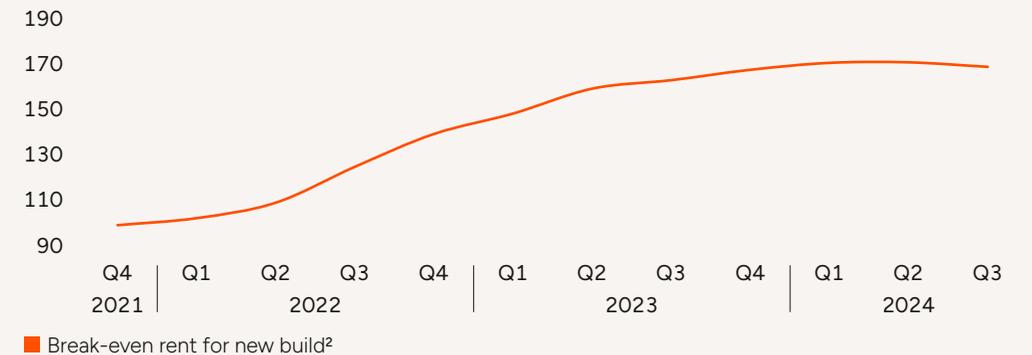
Source: Oxford Economics

ISSUED RESIDENTIAL PERMITS IN HSTB MARKETS, 2017–2024, 100=Q1 2021



Source: National Statistical Institute's

BREAK-EVEN RENT FOR NEW BUILD



Source: Bloomberg, CBRE, Eurostat, & Heimstaden

¹ Weighted by Gross Asset Value

² Calculated on residential yield requirements over time and the cost development of new-build properties on a turnkey basis. The turnkey cost is determined using in-house data on land value trends, while construction costs are adjusted according to the EU Construction Cost Index. Funding costs are calculated using EURIBOR plus a development funding margin, with an assumed fixed Loan-to-Cost (LTC) ratio of 60%. The final cost base assumes a 15% developer margin.

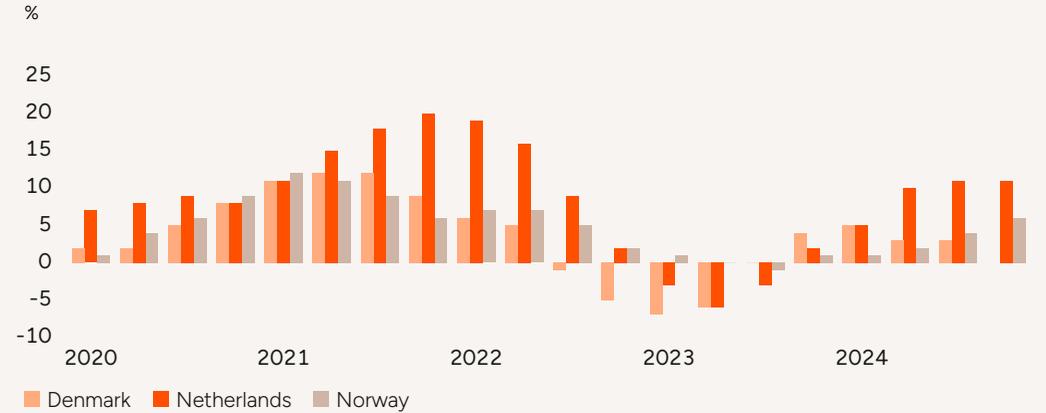
The Direction is Clear to Us

When inflation was high, the focus was solely on real estate from the perspective of increasing interest rates. Completely overlooked was the positive impact inflation might bring to the sector. While some have questioned real estate's role as an inflation hedge, this debate shouldn't be conflated with structural and disruptive changes impacting specific segments within real estate. Residential, in particular, clearly stands out with its proven long-term income and value growth that outpaces inflation – a trend further driven by persistent scarcity.

Even though inflation has cooled, this doesn't mean that prices are falling; rather, the pace of price increases has slowed and residential has an obvious price gap to close. The suppressed supply dynamics combined with increasing purchasing power are set to fuel price recovery. This dynamic is already evidenced in the ownership housing market. With residential capital values still below 2022-levels and fundamental tailwinds gaining pace, we expect value growth to gain momentum throughout 2025.

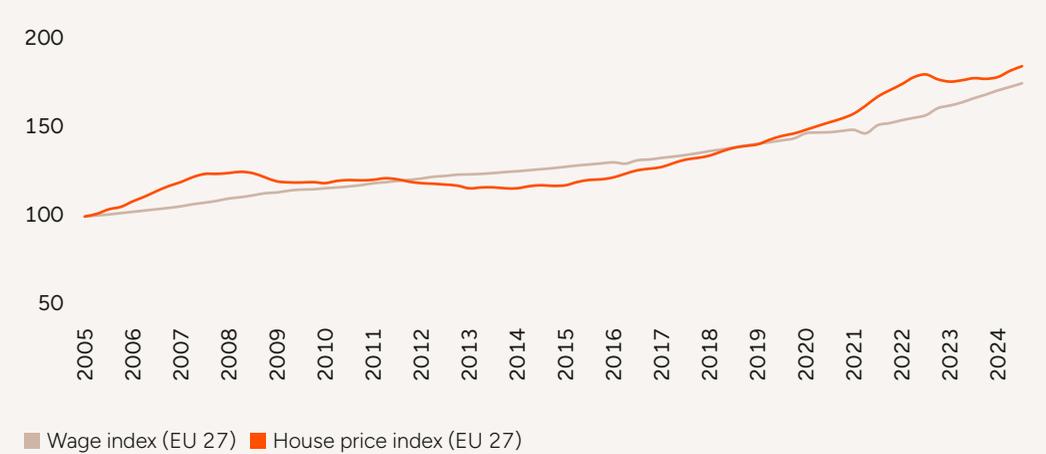
Christian Fladeland
Co-CEO & Chief Investment Officer
Heimstaden Bostad

YEAR-ON-YEAR HOUSE PRICE DEVELOPMENT (OWNER-OCCUPIED), Q1 2020–Q3 2024



Source: National Statistical Institute's

SALARY VS. HOUSE PRICE DEVELOPMENT IN THE EU (2005-2024)



Source: Eurostat & OECD

Outlook

As we look ahead, we see continued improvements in our key metrics, supported by continued focus on the initiatives taken to further improve operational performance and reinstate flexibility of our balance sheet through deleveraging.

Stabilised investment grade ratings is a key objective for Heimstaden Bostad and Fitch stabilised its 'BBB-' ratings in January 2025.

Management remains committed to the initiatives taken, including the privatisation programme, as the combination of these initiatives with the strong underlying operational performance will further support the S&P defined LTV and ICR levels in 2025.

The success of the privatisation programme and reopening of the capital markets has significantly reduced the need for secured lending, resulting in additional headroom to the S&P secured lending threshold and an improved unencumbered ratio.

2025 Projection (H1 update)

Real Economic
Occupancy
98%–99%

LfL Rental Income
4%–5%

NOI margin (LTM)
70%–71%

S&P ICR
1.5x–1.6x

S&P LTV
55%–57%

Secured Debt
31%–33%

Quarterly Financial Information

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Condensed Financial Information

Condensed Statement of Comprehensive Income

SEK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Rental income	4,076	4,012	3,938	3,871	3,845
Service charges paid by tenants	471	340	395	506	431
Property expenses	-1,679	-1,419	-1,518	-1,806	-1,738
Net operating income	2,868	2,933	2,815	2,570	2,538
Corporate administrative expenses	-257	-207	-208	-203	-211
Other operating income	17	29	15	36	36
Other operating expenses	-211	-148	-110	-111	-180
Realised gains/losses from divestment of properties	364	474	638	206	182
Profit before unrealised fair value adjustments	2,782	3,082	3,150	2,498	2,365
Fair value adjustment of investment properties	2,315	2,588	1,249	2,487	-5,334
Value adjustment of inventory properties	14	19	-383	-357	-8
Operating profit/loss	5,111	5,688	4,016	4,628	-2,977
Share of net profits/losses of associated companies and joint ventures	21	-175	-92	187	715
Interest income	30	56	36	85	162
Interest expenses	-1,576	-1,551	-1,476	-1,420	-1,404
Net currency translation gains/losses	-621	310	877	-2,338	3,023
Fair value adjustment of derivative financial instruments	368	-993	-189	199	-963
Other financial items	-122	-13	-36	-21	-75
Profit/loss before tax	3,211	3,323	3,135	1,320	-1,518

SEK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Income tax expense	-714	-901	-1,060	-115	-859
Profit/loss for the period	2,497	2,422	2,076	1,205	-2,376
Other comprehensive income					
Currency translation differences	1,852	-980	-1,537	4,112	-6,125
Total comprehensive income/loss	4,349	1,442	539	5,317	-8,502
Profit/loss attributable to:					
The Parent Company's shareholders	2,227	2,402	2,099	1,271	-1,843
Non-controlling interests	270	20	-23	-66	-534
Comprehensive income/loss attributable to:					
The Parent Company's shareholders	4,139	1,349	577	5,341	-7,910
Non-controlling interests	210	93	-38	-24	-591

Condensed Statement of Financial Position

SEK million	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
ASSETS					
Investment properties	333,728	330,400	329,951	330,703	319,491
Goodwill and Intangible assets	19,002	18,853	18,890	19,002	18,674
Machinery and equipment	293	310	334	318	332
Investments in associated companies and joint ventures	8,847	8,735	8,942	9,101	8,636
Derivative financial instruments	57	10	175	177	34
Deferred tax assets	819	831	872	1,137	800
Other financial assets	952	1,074	1,101	1,420	3,444
Total non-current assets	363,697	360,213	360,265	361,857	351,411
Inventory properties	896	501	501	534	538
Rent and trade receivables	238	385	201	195	227
Other financial assets	1,598	1,695	1,696	1,608	863
Derivative financial instruments	8	31	52	231	464
Prepayments	859	1,122	1,012	1,489	1,146
Cash and cash equivalents	3,647	14,419	3,537	3,251	11,276
Assets held for sale	2,163	1,371	1,106	750	294
Total current assets	9,409	19,523	8,105	8,057	14,807
TOTAL ASSETS	373,106	379,736	368,369	369,914	366,219

SEK million	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
EQUITY AND LIABILITIES					
Total equity	159,485	155,340	153,924	153,606	148,731
Interest-bearing liabilities	172,912	172,771	170,405	173,753	171,650
Lease liabilities	1,297	1,287	1,229	1,115	1,091
Derivative financial instruments	632	973	170	184	481
Deferred tax liabilities	20,668	20,035	19,407	19,073	18,492
Other financial liabilities	1,875	1,667	1,661	1,669	1,614
Total non-current liabilities	197,384	196,732	192,871	195,793	193,326
Interest-bearing liabilities	11,379	23,432	17,108	16,111	19,601
Lease liabilities	59	70	82	79	85
Trade payables	662	494	432	475	738
Other liabilities	1,803	1,383	1,597	1,403	1,017
Derivative financial instruments	28	28	27	2	–
Accrued expenses and prepaid income	2,304	2,257	2,328	2,444	2,721
Total current liabilities	16,237	27,664	21,574	20,515	24,162
TOTAL EQUITY AND LIABILITIES	373,106	379,736	368,369	369,914	366,219

Condensed Statement of Changes in Equity

SEK million	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2023	93	128,559	24,330	11,643	-662	163,964	16,891	180,854
Profit/loss for the period	–	–	–	–	-22,926	-22,926	-1,928	-24,855
Currency translation differences	–	–	–	-1,477	–	-1,477	49	-1,428
Total comprehensive income/loss	–	–	–	-1,477	-22,926	-24,403	-1,880	-26,283
New share issue	3	3,334	–	–	–	3,337	–	3,337
Costs of issuance	–	-6	–	–	–	-6	–	-6
Buyback of hybrid bonds	–	–	-82	–	23	-58	–	-58
Currency translation on buyback of hybrid bonds	–	–	–	–	-5	-5	–	-5
Coupon expense on hybrid bonds	–	–	841	–	-841	–	–	–
Coupon paid on hybrid bonds	–	–	-841	–	–	-841	–	-841
Dividends	–	–	–	–	-6,742	-6,742	-1,526	-8,268
Total transactions with the company's shareholders	3	3,328	-82	–	-7,564	-4,315	-1,526	-5,841
Equity, 31 December 2023	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Opening balance, 1 January 2024	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Profit/loss for the period	–	–	–	–	5,772	5,772	-69	5,703
Currency translation differences	–	–	–	1,495	–	1,495	100	1,595
Total comprehensive income/loss	–	–	–	1,495	5,772	7,267	31	7,297
Currency translation on buyback of hybrid bonds	–	–	–	–	-10	-10	–	-10
Net coupon expense on hybrid bonds	–	–	678	–	-678	–	–	–
Net coupon paid on hybrid bonds	–	–	-678	–	–	-678	–	-678
Total transactions with the company's shareholders	–	–	–	–	-688	-688	–	-688
Equity, 30 September 2024	97	131,887	24,249	11,661	-26,069	141,824	13,516	155,340
Profit/loss for the period	–	–	–	–	2,227	2,227	270	2,497
Currency translation differences	–	–	–	1,912	–	1,912	-60	1,852
Total comprehensive income/loss	–	–	–	1,912	2,227	4,139	210	4,349
Issue of hybrid bonds	–	–	5,743	–	–	5,743	–	5,743
Costs of issuance	–	–	-61	–	–	-61	–	-61
Buyback of hybrid bonds	–	–	-5,334	–	–	-5,334	–	-5,334
Currency translation on buyback of hybrid bonds	–	–	–	–	-434	-434	–	-434
Net coupon expense on hybrid bonds	–	–	118	–	-118	–	–	–
Net coupon paid on hybrid bonds	–	–	-118	–	–	-118	–	-118
Total transactions with the company's shareholders	–	–	348	–	-552	-204	–	-204
Equity, 31 December 2024	97	131,887	24,597	13,573	-24,394	145,759	13,726	159,485

Condensed Statement of Cash Flows

SEK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Operating activities					
Profit/loss before tax	3,211	3,323	3,135	1,320	-1,518
Adjustments to reconcile profit before tax to net cash flows:					
Fair value adjustment on investment properties	-2,315	-2,588	-1,249	-2,487	5,334
Value adjustment of inventory properties	-14	-19	383	357	8
Fair value adjustment of derivative financial instruments	-368	993	189	-199	963
Interest income	-30	-56	-36	-85	-162
Interest expenses	1,576	1,551	1,476	1,420	1,404
Share of net profits/losses of associated companies and joint ventures	-21	175	92	-187	-715
Realised gains/losses from divestment of properties	-364	-474	-638	-206	-182
Other adjustments	687	-254	-837	2,384	-2,974
Working capital changes					
Increase(-)/decrease(+) in rent and other receivables	-134	-402	510	-468	386
Increase(+)/decrease(-) in trade and other payables	988	-65	-710	210	-783
Cash generated from operations	3,214	2,185	2,316	2,059	1,760
Interest paid	-1,493	-1,716	-1,448	-1,449	-1,378
Interest received	27	56	36	85	162
Paid income tax	4	-117	-269	-169	3
Net cash flows from operating activities	1,753	408	635	525	547

SEK million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Investing activities					
Acquisition of investment properties	-10	-	-34	-495	-900
Proceeds net of direct transaction cost from divestments of properties from privatisation programme	2,358	2,219	1,661	830	900
Proceeds net of direct transaction cost from divestments of properties from portfolio sales	1,035	-	-	-	-
Capital expenditure on investment and inventory properties	-1,737	-1,108	-1,416	-921	-2,029
Deposits for signed acquisitions	-	-	-	1	320
Purchases/sales of machinery and equipment	-19	-1	1	-3	-25
Purchases of intangible assets	-22	-2	-22	-9	-62
Investments of associated companies and joint ventures	67	61	-77	2	37
Other cash flows from investing activities	27	9	-14	104	-839
Net cash flows from investing activities	1,699	1,179	100	-491	-2,597
Financing activities					
Proceeds from issuance of interest-bearing liabilities	8,332	20,638	3,505	2,244	11,295
Repayment of interest-bearing liabilities	-22,330	-11,306	-3,845	-9,740	-3,514
Dividends paid	-	-	-	-	-1,526
Proceeds from non-controlling interests	-	-	-	-	398
Proceeds from issuances of hybrid bonds	5,743	-	-	-	-
Buyback of hybrid bonds	-5,759	-	-	-	-
Hybrid bonds coupons	-148	-	-325	-530	-
Other cash flows from financing activities	129	10	9	16	-40
Net cash flows from financing activities	-14,034	9,342	-656	-8,009	6,613
Net change in cash and cash equivalents	-10,583	10,928	79	-7,974	4,563
Cash and cash equivalents at the beginning of the period	14,419	3,537	3,251	11,276	6,787
Net currency exchange effect in cash and cash equivalents	-189	-46	208	-51	-74
Cash and cash equivalents at the end of the period	3,647	14,419	3,537	3,251	11,276

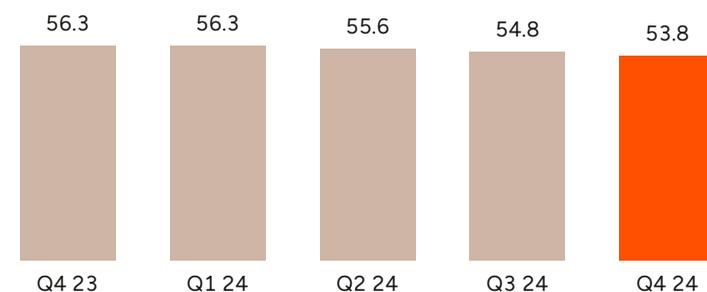
Alternative Performance Measures

For more information, definitions, and methodology please refer to our [homepage](#).

Financial Metrics

NET LOAN-TO-VALUE

%

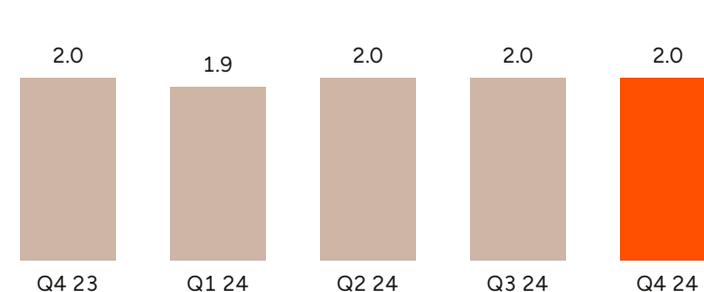


SEK million	2024	2023
Interest-bearing secured liabilities	121,703	116,357
Interest-bearing unsecured liabilities	62,589	74,893
Less: Cash and cash equivalents	3,647	11,276
Net interest-bearing liabilities	180,645	179,975
Fair value of investment properties	333,728	319,491
Assets held for sale ¹	2,163	294
Total investment properties including assets held for sale	335,891	319,785
Net LTV, %	53.8	56.3

¹ The calculation was changed in 2024 to include assets held for sale. The comparables were restated, but there was no impact on the total Net loan-to-value.

INTEREST COVERAGE RATIO

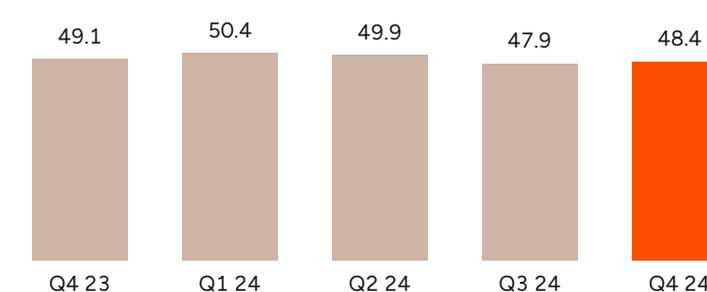
multiple



SEK million last 12 months	2024	2023
Profit before unrealised fair value adjustment	11,512	9,293
Transaction costs from business combination	17	5
Adjusted profit before unrealised fair value adjustment	11,529	9,298
Interest expenses	6,023	4,939
Less: Interest income	207	324
Net financial items	5,816	4,615
ICR	2.0	2.0

NET DEBT / TOTAL ASSETS

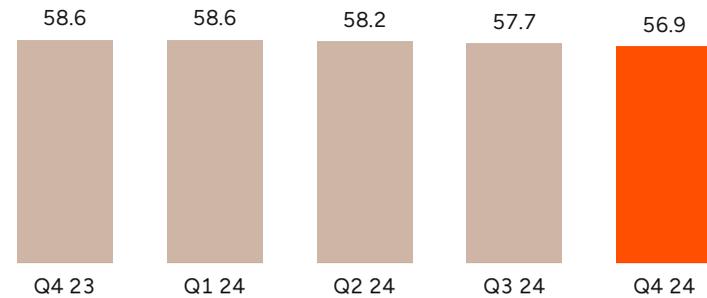
%



SEK million	2024	2023
Net interest-bearing liabilities	180,645	179,975
Total assets	373,106	366,219
Net debt / Total assets, %	48.4	49.1

NET DEBT / NET DEBT + EQUITY (S&P METHOD)

%

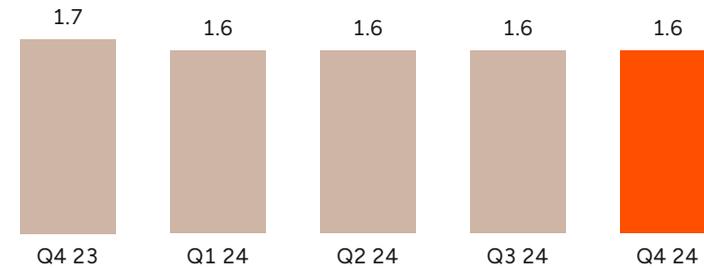


SEK million	2024	2023
Equity	159,485	148,731
50% hybrid	12,298	12,124
Equity adjusted	147,186	136,606
Total interest-bearing liabilities	184,292	191,250
Lease liabilities	1,356	1,175
Less: Cash and cash equivalents	-3,647	-11,276
50% of hybrid equity as debt (S&P adj.)	12,298	12,124
Net interest-bearing liabilities, adjusted (Net debt)	194,299	193,274
Net debt + equity	341,485	329,881
Net debt / (net debt + equity)	56.9	58.6

This metric is calculated according to S&P's rating methodology, with 50% of hybrid bonds classified as debt.

INTEREST COVERAGE RATIO (S&P METHOD)

multiple



SEK million last 12 months	2024	2023
Profit before unrealised fair value adjustment	11,512	9,293
Depreciation and amortisation	155	18
SOS Partnership	–	140
Transaction costs from business combination ¹	17	5
Privatisation cost	75	6
Adjustment, prior years ²	77	–
Realised gains/losses from divestment of properties	-1,682	-235
EBITDA, adjusted	10,154	9,228
Interest expenses	6,023	4,939
Capitalised interest	45	133
50% interim-equity hybrid dividend annual (S&P)	433	442
Interest expense, adjusted	6,502	5,515
ICR incl. hybrid bonds as 50% debt	1.6	1.7

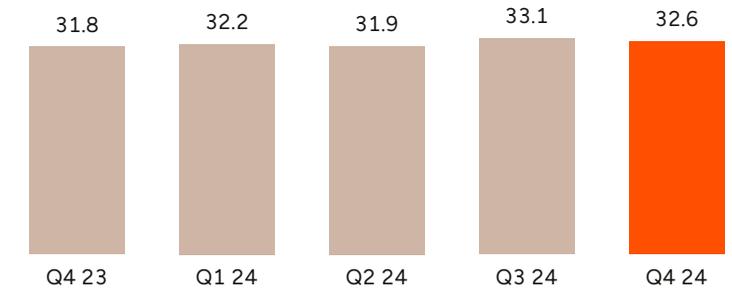
This metric is calculated according to S&P's rating methodology, with 50% of hybrid bonds classified as debt.

¹ Adjustment of other operating expenses related to final payments on real estate transfer tax (RETT) from the Akelius transaction

² Adjustment is related to non-recurring property expenses and non-deductible VAT from prior years

SECURED LOAN-TO-VALUE

%



miljoner SEK	2024	2023
Interest-bearing secured liabilities	121,703	116,357
Total assets	373,106	366,219
Secured loan-to-value, %	32.6	31.8

Operational Metrics

All figures in SEK million unless otherwise specified.

RESIDENTIAL SHARE OF INVESTMENT PROPERTIES, %

	2024	2023
Fair value residential properties, standing assets	307,347	290,833
Fair value investment properties, standing assets	331,151	313,902
Residential share of investment properties, %	92.8	92.7

LIKE-FOR-LIKE RENTAL INCOME GROWTH

	2024 ¹	2023 ²
Rental income current period	15,142	13,485
Rental income previous period	14,343	12,836
Like-for-like rental income growth, %	5.6	5.1

¹ 2024: only properties owned as of 2022-12-31 are included.

² 2023: only properties owned as of 2021-12-31 are included.

NET OPERATING INCOME MARGIN

	2024	2023
Rental income	15,898	14,974
Net operating income	11,187	10,091
Net operating income, %	70.4	67.4

ECONOMIC OCCUPANCY, RESIDENTIAL

	2024	2023
Theoretical rental income on residential units	14,982	14,244
Economic vacancy	-478	-557
Rental income on residential units	14,504	13,689
Economic occupancy, %	96.8	96.1

REAL ECONOMIC OCCUPANCY, RESIDENTIAL

	2024	2023
Theoretical rental income on residential units	14,982	14,244
Adjusted to real vacancy	-231	-255
Adjusted theoretical rental income	14,751	13,989
Real economic occupancy, %	98.5	98.2

EQUITY RATIO

	2024	2023
Equity	159,485	148,731
Assets	373,106	366,219
Equity ratio, %	42.7	40.6

EBITDA

Last 12 months	2024	2023
Profit before unrealised fair value adjustment	11,512	9,293
Transaction cost from business combination	17	5
Depreciation and amortisation	139	18
EBITDA	11,668	9,317

NET DEBT/EBITDA

Last 12 months EBITDA	2024	2023
Interest-bearing liabilities	180,645	179,975
EBITDA	11,668	9,317
Net debt / EBITDA, multiple	15.5	19.3

Governance Report

Good corporate governance is a pivotal part of Heimstaden Bostad's culture, fostering trust among stakeholders. The corporate governance model supports the Board and Group Management in ensuring sustainable success through effective day-to-day management.



“Trust lies at the core of our relationship with all stakeholders. We are steadfast in our commitment to upholding good corporate governance practices.”

Helge Leiro Baastad
Chairperson of the Board
Heimstaden Bostad



Rules and Regulations

As a Swedish public limited liability company with corporate bonds listed on Euronext Dublin and the Oslo Stock Exchange, Corporate Governance is mainly based on Swedish law, primarily the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554), the Articles of Association and internal rules and policies. In addition to rules and regulations provided by the relevant stock exchanges, Heimstaden Bostad (hereafter referred to as the "Company") also applies the Swedish Corporate Governance Code (the Code). Deviations from the Code can be seen on [page 51](#).

Examples of the internal rules are the Rules of Procedures for the Board, CEO Instruction and Audit & GRC Instruction, as well as the Company's Key Policy Framework, all of which are made available to the employees of Heimstaden Bostad and the Manager via intranet and web pages.

Corporate Governance at Heimstaden Bostad

More insight in the corporate governance work at Heimstaden Bostad can be found at www.heimstadenbostad.com including but not limited to:

- Articles of association
- Information from previous general meetings
- Historical Corporate Governance Reports
- Rules of Procedure of the Board
- Audit & GRC Instruction
- Code of Conduct
- Core Values – Dare, Care, Share

Corporate Governance Structure

Share Classes and Owners

Heimstaden Bostad is owned by Heimstaden AB (publ.), together with institutional investors.

Shareholders hold a stapled combination of common shares and B shares, where Heimstaden AB holds a higher proportion of common shares to B shares compared to the institutional investors. A and B shares have seniority and rights to a predefined level of dividends but carry lower voting rights than common shares. Heimstaden AB is the only holder of A shares. The voting rights are apparent from the Articles of Association which are available on the Company [website](#).

Dividend on common shares, as determined at the Annual General Meeting ("AGM"), is subject to the Company's profit of the preceding financial year and shall reasonably consider the overall liquidity needs and financial situation of the Company.

Asset Management

The Company holds a real estate portfolio across nine countries and has contracted Heimstaden AB (through its subsidiary Heimstaden Group Manager AB, hereafter referred to as the "Manager") as asset manager. Heimstaden AB and the Manager holds substantial experience in acquiring, developing, and actively managing residential real estate. The Manager holds the strategic and administrative responsibility of the operations of the Company, and the Board performs the oversight of the Manager's execution of the Company's obligations. The responsibilities of the Manager are stipulated in the Group Management Agreement.

Partnership with Allianz

Allianz has more than SEK 15 billion (approx. EUR 1.4 billion) invested in two partnerships, comprising part of the Company's Swedish and German portfolios respectively.

Share Issuances in 2024

No shares were issued in 2024 and no capital injections were made.



¹ All Country Managers are employed by Heimstaden Bostad and report to the Manager.

General Meeting

The General Meeting ("GM") is the Company's highest governing body. The GM serves as the main meeting place between shareholders, elected officers, and the Manager.

Board of Directors (ESRS 2 GOV 1)

The Shareholders' Agreement governs the right to nominate board members. As per the Articles of Association, the Board of Directors (hereafter referred to as the "Board") consists of three to eleven members, with up to five deputies. Board of Directors are elected by the GM.

The Board has adopted Rules of Procedure that regulate the Board's work and division of work within the Board as well as an instruction to the Audit & GRC Committee, both documents available on the Company website.

The Board is responsible for overseeing and organising company operations as well as overseeing the Company's business strategy and risk management, including sustainability matters.

The work of the Board follows an Annual Board Wheel and the financial calendar, the latter available on Company website. In 2024, the Board held nine (9) meetings. For the scheduled meetings, the reoccurring agenda items include

market update and review of finance and operations, assessment of investment and divestment proposals when relevant, and orientation and recommendations from the Audit & GRC Committee. The quarterly reports and the annual report are addressed at a board meeting on the eve of the release of the said report to the market.

The relevant Senior Executives of the Manager and the Board Secretary participate in board meetings. Other executives of the Manager participate whenever required. The Manager's Co-CEOs and other executives present the operational and financial development at ordinary board meetings. The Board conducts yearly review, where relevant reports from the Auditor are addressed. The Auditor also holds meetings with the Board without representatives of the Manager being present.

The Board had a two day strategy session with deep dives discussing financial targets, sustainability and business strategy for the Company.

Audit & GRC Committee (ESRS 2 GOV 1)

The Board overarching responsibility cannot be delegated. However, the Board has, as part of its strong commitment on governance, risk, and compliance, expanded the Audit & GRC Committee's mandate to deal with Audit &

Governance, Risk, and Compliance issues. The mandate was further strengthened in 2024 by including Sustainability and Internal Audit as well.

The Audit & GRC Committee is a preparatory and advisory working committee for the Board with regard to governance, risks, financial reporting, external audits, internal audits, internal control, compliance, risk management and sustainability processes and systems. The Audit & GRC Committee is appointed by the Board and shall report to it regularly. If necessary, the Committee proposes measures on which the Board decides.

The Board is briefed by the Audit & GRC Committee on the Company's approach to sustainability, performance and material impacts, risks, and opportunities in bi-annual updates or, if needed, on additional ad-hoc basis.

In 2024, the Committee consisted of the following Board Members: John Giverholt (Committee Chairperson), Daniel Kristiansson, and Helge Leiro Baastad (from April 2024) replacing Bente A. Landsnes. All members are independent in relation to the Company and its Senior Executives, one member is independent in relation to the larger shareholders, and the Chairperson is a financial expert in accounting.

OWNERSHIP STRUCTURE AS OF 31 DECEMBER 2024

SEK billion

	Year of initial investment	Total Capital	Capital Share, %	Voting Share, %
Heimstaden AB	2013	47	36.2	50.1
Alecta	2013	50	38.6	30.4
Ericsson Pension Fund	2013	2	1.6	1.2
Folksam Group	2020	24	18.8	14.5
Swedish Pensions Agency	2021	3	2.1	1.6
Others		4	2.8	2.2
Total		129	100	100

Evaluation of the Board

The Board Members bring a diverse range of expertise relevant to the industry. They hold extensive experience in governance, audit, finance, and global market dynamics, providing well-rounded insights that enhance the Company's operations.

The Board's relevant experience and level of competency is summarised below:

- Industry experience, real estate investments 4/9
- CEO, large scale leadership 5/9
- CFO, Finance and Audit committee 3/9
- Governance, Risk, and Compliance 8/9
- Sustainable Investments 3/9
- ESG 4/9

For further information regarding board members, see [pages 53–54](#) and [Note 2.6](#) on [page 154](#).

The Chairperson of the Board is responsible for the Board's evaluation of its work, including the efforts of its individual members. This is achieved by means of an annual, evaluation.

An electronic questionnaire, pre-approved by the Chairperson of the Board, is distributed by the Manager to all board members annually; the questionnaire is anonymous, and the evaluation is discussed in a board meeting as a separate

agenda item in accordance with the Annual Board Wheel and without representatives of the Manager attending. Evaluation is done separately for the Audit & GRC Committee, following the same procedure.

Remuneration to Board Members and Senior Executives

The remuneration to the Board is indirectly regulated by the Shareholders Agreement, which stipulates that remuneration shall only be paid to independent board members.

The Annual General Meeting ("AGM") sets the total fees for the Directors of the Board and decides how the fees are to be distributed among the Directors and the Board's Audit & GRC Committee. The independent Directors are remunerated as follows; Helge Leiro Baastad (Chairperson of the Board) SEK 960,000 and Wenche Karin Nistad SEK 300,000¹.

No remuneration is paid to the Senior Executives since the manager function is provided by Heimstaden AB.

Composition and Diversity (ESRS 2 GOV 1)

The Board shall comprise a well-balanced mix of individuals holding the required skills, expertise,

background, gender, age, as well as independence from the Company and main shareholders, ensuring that the Company delivers on its strategic goals in a responsible and successful manner. The Company is working to achieve a balanced diversity mix and in 2024, the Board comprised 33% women and 67% men. See presentation of Board on [page 53](#) and [54](#).

Furthermore, the Board ensures focus on diversity in its operations via the Manager. Diversity is covered in the Code of Conduct and the Company's People & Culture Manual. It is a focus area within recruitment, equal pay, and reporting is one of the building blocks of the Company's cultural framework "Friendly Workplace". In 2024, the Company's Diversity Board, led by its newly elected board members, continued its work with new members to provide regular insights and suggestions to Senior Executives. Diversity is also part of the quarterly employee engagement and wellbeing survey.

Deviations from the Swedish Corporate Governance Code

The Company complies with the rules set out in the Code, except as explained below.

The Company deviates from the rules set out in section 1.1 and 1.2 in the Code since some general meetings are held per capsulam and no physical meetings are held. Due to the limited shareholder group and the fact that all shareholders consent thereto, there is no need for public disclosures of general meeting dates or for carrying out physical meetings.

The Company deviates from the rules set out in section 1.3, 1.4, 2.1–2.7, 4.6, 10.2, and 10.3 in the Code since no nomination committee has been established. Due to the limited shareholder base and the fact that the shareholding and appointment of Board members is regulated by the Shareholders' Agreement, there is no need for a nomination committee. Any responsibility normally vested in a nomination committee is regulated either by the Shareholders' Agreement or handled by the Board as a whole.

The Company deviates from the rules set out in section 7.3–7.5 in the Code since no remuneration committee has been established and no formal remuneration guidelines are applied by the Company. Remuneration to the Board, the Manager, and Senior Executives is regulated in the Shareholders' Agreement. See [page 51](#), [53–54](#).

¹ Annual Remuneration from date of AGM to next AGM.

Internal Auditor

In September 2024, an Internal Audit function was established in agreement with the Audit & GRC Committee and approved by the Board.

Auditor

The Auditor is appointed by the AGM based on a proposal from the Board. At the 2024 AGM, audit firm EY was elected for the period up to and including the 2025 AGM, with Authorised Public Accountant Jonas Svensson as the principal auditor.

Audit Tender in 2024

An Audit Tender Process was undertaken in 2024 in line with EU regulations and internal guidelines. Following a thorough evaluation, the Board has decided to re-engage EY and present a proposal for adoption at the 2025 AGM.

Remuneration to the Auditor

SEK million	2024	2023
Audit assignment	33	29
Other assurance services	3	3
Other services	-	-
Total	36	32

This table shows EY cost only.

Manager’s Senior Executives (ESRS 2 GOV 1)

The Company contracts the Manager and thus has no senior executives of its own.

The Co-CEO’s responsibilities are governed by the Group Management Agreement, the Co-CEO Instruction, and Rules of Procedure for the Board defining the division of responsibilities between the Board and the Co-CEO’s. The Co-CEO’s reports to the Board and presents a Co-CEO management review at each pre-scheduled Board meeting, including information on how the financial and operational performance is developing based on the decisions made by the Board.

The Senior Executives of the Manager comprise six (6) individuals by year end. Co-CEO’s are presented below. A list of Senior Executives is at all times presented on the Company [website](#).

The Manager has organised its operations with a Group Executive Management to deliver on the scope of services under the Group Management Agreement, ensuring the Company’s strategic and operational development and monitoring of performance. To ensure the continued success of the Company, the Manager has organised its work under different Executive Committees, currently the following:

1) Executive Sustainability Committee

The Chief Asset Manager and Sustainability Officer chairs the Committee and is responsible for developing the corporate sustainability strategy and ensuring implementation in all areas within the Company. The Committee consists of relevant CXO’s and other relevant Senior Executives, and handles the following matters in order to secure the best interest for the Company:

- acts as an advisory forum in the making of the Company’s sustainability strategy and targets
- discuss, align and consolidate on the top sustainability matters to be discussed with A&GRC/BoD
- Sustainability Key Performance Indicators for the Company.

2) Executive GRC & Internal Control Committee

The Chief Legal Officer chairs the Committee, and it consists of relevant CXO’s and other relevant Senior Executives. A group-wide committee that addresses all governance, risk, and compliance (GRC) and internal control matters relevant for the Manager in order to evaluate the business from a comprehensive GRC and internal control perspective. The Committee is responsible for the following:

- organisation of GRC matters and alignment with the Manager

- evaluate GRC matters in the Company’s activities
- support the Manager in embedding GRC considerations into all major decision-making processes
- ensure that the GRC policy framework is implemented
- evaluate relevant audit findings presented by internal auditor and discuss/suggest improvement and focus areas for the Manager to align with the Audit & GRC Committee of the Board.

Board of Directors (ESRS 2 GOV-1)



Helge Leiro Baastad

Chairperson

Year elected	2023
Born	1960
Nationality	Norwegian
Education	MSc in Business from NHH Norwegian School of Economics.
Other assignments	Chairperson of the Board at Bertel O. Steen , Kavli Holding AS and Core Equity AS. Board member at Itera ASA.
Employment and work experience	Two decades of experience as CEO of the Nordic insurance and pension company Gjensidige and has extensive experience in financing and corporate governance.
Independent of Company	Yes
Independent of Main Shareholder	Yes
Own shareholdings and those of related parties in 2024	-
Attendance at board meetings	9 of 9
Attendance at Audit & GRC Committee meetings	5 of 5



Daniel Kristiansson

Member

Year elected	2023
Born	1974
Nationality	Swedish
Education	MSc in Finance, Stockholm School of Economics.
Other assignments	Board experience includes positions at Vattenfall, SBAB, Swedfund International, Vasallen, and Industrifonden.
Employment and work experience	Stewardship and Corporate Governance Specialist at Alecta. Extensive experience of corporate governance and corporate finance from previous positions including Investment Director at the Swedish Ministry of Finance and Vice President at Citigroup.
Independent of Company	Yes
Independent of Main Shareholder	No. Dependent in relation to the Company's main shareholders through his employment with Alecta.
Own shareholdings and those of related parties in 2024	-
Attendance at board meetings	9 of 9
Attendance at Audit & GRC Committee meetings	5 of 5



Rebecka Elkert

Member

Year elected	2023
Born	1974
Nationality	Swedish
Education	MSc in Business and Economics, University of Uppsala.
Other assignments	Alt. Board Member at Ellevio, Board Member at Tornet Bostadsproduktion, and Board Member at Sinoma.
Employment and work experience	Head of Alternative Investments at Folksam. Extensive investment experience from a wide range of asset classes, previous roles as Head of Sustainable Investments at Carnegie Investment Bank and Portfolio Manager Alternative Investments and ESG Responsible at SEB Liv.
Independent of Company	Yes
Independent of Main Shareholder	No. Dependent in relation to the Company's main shareholders through her employment with Folksam.
Own shareholdings and those of related parties in 2024	-
Attendance at board meetings	9 of 9
Attendance at Audit & GRC Committee meetings	-



John Giverholt

Member

Year elected	2019
Born	1952
Nationality	Norwegian
Education	BSc, University of Manchester and MSc Accounting and Auditing, NHH Norwegian School of Economics.
Other assignments	Board Member at Heimstaden AB and Fredensborg 1994 AS.
Employment and work experience	Extensive capital markets background as CFO of DNB and CEO of Ferd. Formerly served on the Boards of Telenor, Kongsberg Gruppen, Gjensidige Forsikring, and Scatec Solar, in addition to board assignments with family-owned businesses.
Independent of Company	Yes
Independent of Main Shareholder	No. Dependent in relation to the Company due to his Board position with Heimstaden AB and Fredensborg 1994 AS.
Own shareholdings and those of related parties in 2024	-
Attendance at board meetings	9 of 9
Attendance at Audit & GRC Committee meetings	Chairperson, 5 of 5



Klas Åkerbäck

Member

Year elected	2023
Born	1973
Nationality	Swedish
Education	MSc in Financial Economics, Stockholm University.
Other assignments	Involved in the founding and management of real estate companies including Fastighets AB Regio and Trophi Fastighets AB. Previous board experience Trophi Fastighets AB, Fastighets AB Regio and Ellevio.
Employment and work experience	Senior Portfolio Manager Real Estate, Alecta. Extensive real estate investment experience from Trophi Fastighets AB and Tredje AP-fonden. Extensive real estate and corporate governance experience and several years of board representation including being chair.
Independent of Company	Yes
Independent of Main Shareholder	No. Dependent in relation to the Company's main shareholders through his employment with Alecta.
Own shareholdings and those of related parties in 2024	-
Attendance at board meetings	9 of 9
Attendance at Audit & GRC Committee meetings	-



Wenche Karin Nistad

Member

Year elected	2024
Born	1952
Nationality	Norwegian
Education	MSc in Business from NHH, Norwegian School of Economics.
Other assignments	-
Employment and work experience	Significant industry experience from the bank and credit sector in Norway. CEO of the Norwegian Guarantee Institute for Export Credits from 2005 to 2021, deputy CEO of Luxo, Director of Bergen Bank and Den Norske Bank.
Independent of Company	Yes
Independent of Main Shareholder	Yes
Own shareholdings and those of related parties in 2024	-
Attendance at board meetings	8 of 9
Attendance at Audit & GRC Committee meetings	-



Fredrik Reinfeldt

Member

Year elected	2023
Born	1965
Nationality	Swedish
Education	MSc in Business Administration, Department of Business Administration at Stockholm University.
Other assignments	Chairperson of the Board of the Center for AMP, Visita and Drivkraft Sverige, and President of the Swedish Football Association. Board Member of Heimstaden AB.
Employment and work experience	Experienced politician who led the Moderates party for 12 years and served as Sweden's Prime Minister for two terms. After retiring from politics in 2015, Fredrik has had assignments as an advisor to Nordic Capital and Bank of America Merrill Lynch.
Independent of Company	Yes
Independent of Main Shareholder	No. Dependent in relation to the Company due to his Board position with Heimstaden AB.
Own shareholdings and those of related parties in 2024	-
Attendance at Board meetings	8 of 9
Attendance at Audit & GRC Committee meetings	-



Bente A. Landsnes

Member

Year elected	2021
Born	1957
Nationality	Norwegian
Education	Frogner Handelsskole, Oslo, spec. Accounting and language.
Other assignments	Vice Chair in Norbit ASA, Chairperson of the Board of Hvitsten AS and member of the Zagreb Stock Exchange Supervisory Board. Former Board Member of Verdipapirsentralen ASA, Danske Bank A/S, and Federation of European Securities Exchanges (FESE). Board Member of Heimstaden AB.
Employment and work experience	Extensive experience in financial services, digital transformation, change and reputation management, financial reporting, investor relations, corporate governance, and ESG. Former CEO at Oslo Børs (Stock Exchange).
Independent of Company	Yes
Independent of Main Shareholder	No. Dependent in relation to the Company due to her Board position with Heimstaden AB.
Own shareholdings and those of related parties in 2024	-
Attendance at Board meetings	9 of 9
Attendance at Audit & GRC Committee meetings	-



Ivar Tollefsen

Member

Year elected	2021
Born	1961
Nationality	Norwegian
Education	-
Other assignments	Chairperson of Fredensborg AS, Fredensborg 1994 AS, Servatur Holding AS, and Heimstaden AB.
Employment and work experience	Founder and controlling shareholder of Fredensborg AS which through the control of Heimstaden AB controls 50.1% of the votes of Heimstaden Bostad. In addition to his controlling shareholding, Ivar is deemed to be of great importance for Heimstaden Bostad due to his vast personal connections and business relationships.
Independent of Company	No
Independent of Main Shareholder	No. Indirect majority shareholder in Heimstaden Bostad AB.
Own shareholdings and those of related parties in 2024	Indirect majority shareholder in Heimstaden Bostad AB.
Attendance at Board meetings	8 of 9
Attendance at Audit & GRC Committee meetings	-

Co-CEO's



Helge Krogsbøl

Chief Executive Officer

Employed since	2018
Born / Nationality	1968 / Norwegian
Education	The Norwegian School of Marketing, Oslo
Previous experience	Extensive experience in executive positions as SVP in Pandox AB, Regional Director at Thon Hotels Benelux, Managing Partner Room2Room, and as CEO at First Hotels.



Christian Fladeland

Deputy Chief Executive Officer & Chief Investment Officer

Employed since	2019
Born / Nationality	1986 / Danish
Education	MSc in Economics, University of Copenhagen
Previous experience	Extensive experience within real estate capital markets management from his position as Partner at Colliers International Denmark.

List of full Senior Management: [Link](#)

Governance, Risk, and Compliance

The Company is committed to high standards of corporate governance, risk management, and compliance. The Company's centralised Governance, Risk, and Compliance (GRC) function develops and oversees the Company's Policy Framework, Risk Tool, and Compliance Management System. In 2024, the governance focus was further enhanced by the introduction of an internal audit function.

GRC Responsibilities

The GRC function reports to the Manager and the Board and is responsible for the following:

- Code of Conduct development, implementation, and ownership on behalf of the Board
- Establishment, implementation, and follow-up of a common and risk-based Group Policy Framework for the Company
- Planning, implementation, and follow-up of a Compliance Management System consisting of the relevant elements and tasks for the subsidiaries to adopt
- Relevant training and awareness related to GRC
- Implement and follow-up Risk and Compliance tools, reporting and processes to the Manager and the Board

Policy Framework

In the fall of 2024, an updated Code of Conduct was approved by the Board of Directors, based on the values of the Company and the commitment to ethical business conduct. Main changes were related to zero-tolerance to harassment, the obligation to protect the Company's assets and consequence management. The Code of Conduct is complemented by detailed policies, manuals, and guidelines – all available on the intranet, in the Group HR system, and incorporated in the Staff Handbooks. Together, these documents form the governing framework that guides the daily work within the Company. The Group Policy Framework is now being implemented in the Company's subsidiaries followed by relevant training and Governance elements like authorisation matrices.

Sign-off and Training

The Board owns and approves the Code of Conduct. All employees are required to annually confirm its understanding and undertaking to abide by the Code of Conduct, and in 2024, 100% sign off was achieved. In 2025 an updated training programme will be launched. A mandatory Anti-Bribery and Corruption course was launched in 2023 and is repeated every 18 months. This was supplemented in 2024 by a Conflict of Interest register and guideline with relevant training for all employees.

Business Partners

The Company expects business partners to comply with the Company's ethical standards, and sign the Company's Business Partner Principles when signing an agreement with the Company. The Business Partner Principles are based on the Code of Conduct and mitigates the risks of suppliers not acting according to the Company's ethical standards or following relevant laws and legislations. The Company have recurring follow ups with suppliers through assessment questionnaires as well as governance meetings to ensure compliance.

Plans for 2025

The Company will work continuously to improve the Group Policy Framework including guidelines and Standard Operating Procedures (SOP). Breaches of the Code of Conduct or governing documents are encouraged to be reported through the whistleblower function on the Company's website, run by a third party provider and ensuring the possibility of anonymous reporting. From 2025 the GRC function has taken over the whistleblower function from People & Culture to ensure separation of duties internally.

Risk Management

The Company's risk management objective is to maximise returns at acceptable risk levels without compromising the Company's vision, values, or Code of Conduct.

The Company is exposed to a range of risks/opportunities that may affect the business, thus it is of key importance to have a comprehensive risk management programme to optimise the risk/return balance. The Group Policy Framework, supported by Manuals and Guidelines, is made to mitigate significant risks. The Policy Framework is presented at the end of the Governance Report.

The GRC function consolidates and analyses risks/opportunities across our markets within the Executive GRC and Internal Control Committee. Identified risks/opportunities, mitigating actions, and processes are presented to Senior Executives, the Audit & GRC Committee, and the Board bi-annually. Country Management is tasked with quarterly updates to the local risk/opportunity register, reporting changes and the status of mitigating actions, closely aligning risk management with existing business operations.

The Company has 13 active risks and opportunities in the top risk register at the end of 2024, divided into financial, strategic, and operational risks/opportunities. Besides general risks related to operations, such as GDPR, compliance, sustainability, IT/Cyber, more specific risks within the real estate business, that may affect the Company, is highlighted below:

Refinancing Risk

Refinancing risk involves securing favourable terms in debt markets, including capital markets, bank financing, or alternative credit, for the Company's debt rollover/refinancing, aligning with current market conditions and managing a liquidity ratio in line with the Financial Policy. A comprehensive and granular financial model has been established for the Group where significant attention is devoted to the debt maturity profile, as well as the impact of refinancing at current market terms. This enables real-time sensitivity analysis on key credit metrics, including debt

covenants and rating metrics, ensuring that we are well-informed in advance if any metrics are at risk of being breached. The Financial Policy stipulates the target credit metrics for the Group, which include leverage thresholds, average loan tenor, and maximum amount of maturity in a given year. During periods of higher than usual volatility in financial markets and refinancing risk is increasing, the Company targets to build more headroom for upcoming maturities by prefunding for longer periods ahead in time and maintain increased cash reserves and unutilised sources of liquidity.

Interest Rate and Currency Risk

Interest rate and currency fluctuations may cause volatility in the reported financial figures. This may negatively impact the Company's credit metrics and cause rating pressure and risk of breaching financial covenants, and as a result is subject to continuous granular monitoring. To manage and mitigate interest rate and currency risk, fixed rate loans and interest rate swaps are applied to balance out the interest rate hedge ratio in accordance with the Financial Policy, and fund investments in local currency (to the extent financially justifiable) with continuous monitoring

of Loan-to-Value (LTV) per currency. The latter provides a natural hedge against currency fluctuations on a consolidated level.

Valuation Risk

Changes in property values will impact the Company's credit metrics, where a decrease in valuations could cause rating pressure and risk of breach with debt covenants. The Financial Policy dictates the LTV tolerance of the Group and when out of compliance herewith, the Manager is to propose a plan how to restore compliance through deleveraging.

To manage and balance the risk of valuation declines, the Company targets a diversified property portfolio, with no market exceeding 30% of GAV, and focus on regions with strong economic development, favourable demographics, and supply/demand balance. To ensure transparency and confidence in reported values, the property portfolio is valued by reputable third-party valuers each quarter.

Internal Control

The Company follows a three line model to clarify roles and responsibilities in the context of risk management and internal controls.

Control Environment

The control environment follows the Company's organisational structure, supported by Policies, Manuals, Guidelines, and SOPs, to ensure alignment with Company's values and strategic objectives. Senior Executives demonstrates commitment to a culture of strong internal control through the Executive GRC & Internal Control Committee, where financial performance, improvement and internal control activities are discussed, planned, and executed.

The Board has established an Audit & GRC Committee to oversee and challenge the integrity of financial reporting, and ensure internal controls are robust.

Risk assessment

Risks related to financial and operational reporting are monitored by the Manager through the Executive GRC & Internal Control Committee

and by the Board through the Audit & GRC Committee.

Key risks, including material errors in financial reporting or operational inefficiencies, are periodically assessed, and mitigated through a structured process outlined on [page 56](#) of this report.

Control activities

Preventive, detective, and corrective control activities are embedded at both management level and operational level across the organisation to ensure that potential errors in financial and operational reporting are avoided or identified and corrected. For the purposes of this Governance Report, control activities to mitigate the risk of material misstatements in financial and operational performance reporting include:

- Segregation of duties, access controls, pre-approval processes, including board approved authorisation matrices.

- In-depth reviews of country management operational reporting against forecast and budgets through the quarterly Business Review process.
- Internal control review process covering the countries financial closing process, local internal controls, accounting in accordance with Group Accounting Manual, reporting in accordance with Group Reporting Guidelines, and fraud prevention.

Information and communication

Expectations regarding loyalty and adherence to the Key Policy Framework are actively communicated by the Manager to staff through the intranet, Townhalls, monthly information meetings, and a mandatory online training and sign-off programme for the Code of Conduct. Policies and Guidelines regarding the financial reporting process is owned by the Chief Financial Officer who engages with all countries to ensure consistent application of the Group Accounting Manual and to foster an improvement-oriented feedback culture.

Continuous improvement and internal audit

The Company's three lines model includes Group Internal Audit providing independent reviews of internal control processes to identify gaps and recommend actionable improvements, promoting accountability by ensuring Policies and Manuals are implemented consistently across the organisation, and supporting Governance by working closely with the Audit & GRC Committee and the Manager to refine and strengthen the internal control framework.

Policy Framework

The Company's policy framework is regularly reviewed and updated, as needed and comprises fifteen policy areas, along with the Code of Conduct and Business Plan. The framework is accessible to all employees on our intranet, with the documents marked with * also being available on the Company's external webpages. Each Policy area has a designated Policy Owner, being a CxO or Director in management, as well as a local Policy Owner in each country.

The Policy framework consists of the following (in random order):

Policy Framework our Governing documents (G1-1)	Group Policy Owner	Approved by	Last update	Next update
Code of Conduct* is the equivalent of rules and foundations that set the standard of integrity we follow and is available in local languages in all our countries.	BoD	BOD	2024	2026
Business Plan outlines the investments, visions for acquisitions, projects, geographical markets, and return profiles, including our rental growth strategy and refurbishments. In 2023, both the Group and Country Authorisation matrices were presented and implemented to specify the authority levels for task execution.	Chief Executive Officer	BOD	2022	2024
Financial Policy sets Company financial standards.	Co-CEO/Chief Investment Officer	BOD	2023	2025
Sustainability Policy* ensures high-quality, integrated, and aligned sustainability efforts throughout the organisation, fostering engagement and involvement to achieve set goals and support the Company overarching aim of contributing to society.	Chief Asset Management and Sustainability Officer	BOD	2024	2026
Investment/CapEx Policy aims to mitigate investment risks and enhance the yield on cost for our capital expenditures.	Chief Asset Management and Sustainability Officer	Co-CEO's	2023	2025
Brand & Communications Policy establishes the framework for our internal and external communication, brand, marketing, and public affairs strategy and activities.	Group Director Brand & Communications	Co-CEO's	2024	2026
Risk Policy establishes a comprehensive risk management programme aimed at optimising the balance between risk and return across a spectrum of potential business risks.	Chief Legal Officer/ Group Director GRC	Co-CEO's	2023	2025
Anti-Corruption Policy outlines the commitment to the highest standards of integrity, transparency, and ethical business conduct, guiding initiatives to ensure honesty and accountability.	Chief Legal Officer/ Group Director GRC	Co-CEO's	2024	2026
Whistleblower Policy ensures Company transparency and compliance with laws, facilitating the reporting of irregularities in accordance with legal requirements.	Chief People & Culture Officer	Co-CEO's	2023	2025
Cyber/IT Security Policy outlines protection measures, user expectations, and responsibilities for safeguarding information based on industrialised security standards to protect customers, employees and assets.	Group Director Global IT	Co-CEO's	2024	2026
Business Partner Policy together with Procurement Manual and Business Partner Principles* align with the UN's Global Compact principles on human rights, working conditions, environment, and anti-corruption and are mandatory to all business partners/third parties.	Chief Asset Management and Sustainability Officer	Co-CEO's	2024	2026
People & Culture Policy strives to create and sustain a Friendly Workplace that embodies our values of Dare, Care, and Share. Diversity, Inclusion, and Belonging (DIB) is part of the People & Culture Policy and Manual.	Chief People & Culture Officer	Co-CEO's	2022	2025
Investment Policy outlines the investment mandate within the Business Plan and the principles of our investment strategy related to acquisitions and divestments.	Co-CEO/Chief Investment Officer	Co-CEO's	2024	2026
Tax Policy* outlines the principles and guidelines that govern our approach to tax compliance and management.	Chief Financial Officer	Co-CEO's	2024	2026
Privacy Policy mitigates privacy risks by establishing a unified set of requirements across all countries, ensuring accountability and compliance with privacy/GDPR standards in our Company.	Chief Legal Officer	Co-CEO's	2024	2026
Insider Policy ensures a compliant and responsible management of insider information and regulates trading by employees in the Company's listed instruments.	Chief Legal Officer	Co-CEO's	2023	2025
Operational Policy ensures high-quality and aligned operations, focusing on increasing efficiency and transparency throughout the organisation.	Co-CEO/Chief Operating Officer	Co-CEO's	2025	2027

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About this Report

This Sustainability Report covers the fiscal year of 2024 and supplements the 2024 Annual Report.

Preparing for the Corporate Sustainability Reporting Directive

Heimstaden Bostad welcomes the EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS) as they promote more balanced, transparent, and consistent sustainability disclosures, and also serve as catalysts for enhanced sustainability governance and management across our organisation.

Aligning ESG Reporting with Financial Reporting

In 2024, we integrated ESG controlling and reporting into our financial organisation to ensure that ESG accounting, controlling, and reporting are fully aligned with our financial processes, tools, and reporting outputs. This structure has positioned us well for implementing CSRD and ESRS effectively.

Preparing for 2025

As preparation for reporting in line with CSRD in 2025, we have developed a new structure for our 2024 Sustainability Report with reference to ESRS, aiming to incorporate as much of the foundational structure as possible. We have ensured integration with the Annual Report using the "incorporation by reference" approach. For a complete overview of the ESRS structure and the locations of specific disclosures, refer to Appendix [132–136](#).



General Information

ESRS2 BP-1 Basis for Preparation

The Sustainability Report outlines Heimstaden Bostad's governance and performance concerning key ESG topics and provides detailed information on our sustainability and business conduct. This general information section highlights the identified material sustainability impacts, risks, and opportunities, as well as our principles for sustainability reporting, which underpin the preparation of the Sustainability Report.

The purpose of our reporting is to provide stakeholders with a transparent and balanced overview of relevant aspects, engagements, practices, and results for the financial year 2024. The scope of our Sustainability Report mirrors the financial reports. The Double Materiality Assessment (DMA) described in ESRS 2 IRO 1 includes Impacts, Risks and Opportunities (IROs) covering our own operations, as well as our upstream and downstream value chain, see ESRS 2 SBM-1. The Sustainability Report follows the categorisation of short-, medium- and long-term time horizons as defined in ESRS1.

The Sustainability Report is approved by the Board of Directors.

ESRS 2 BP-2 Disclosures in Relation to Specific Circumstances

In 2024 Heimstaden Bostad revised and restructured our Sustainability disclosures in accordance with CSRD and ESRS as much as possible. This has been done as follows:

- Revised layout of the Sustainability Report to comply with ESRS
- Revised assessment of material sustainability topics aligned with ESRS, see ESRS 2 IRO-1
- Introduction of General Information Section, following the structure and disclosure requirements outlined in ESRS 2
- New disclosures in accordance with the DMA outcome, including Resource Use and Circular Economy, Workers in the Value Chain, and Consumers and End Users
- Fifteen eligible activities in EU taxonomy reporting within three objectives
- Updated accounting policies in EU taxonomy reporting for major renovations Climate Change Mitigation (CCM), eligibility Climate Change Adaptation (CCA), and double counting

- Recalculated base year 2020 with divested properties for SBTi
- Division of employee data between Heimstaden Bostad and Heimstaden, for greater clarity and alignment with organisational structure
- Change in system for reporting of business travels which has led to higher quality, but lack of comparability throughout 2024

ESRS 2 BP-2 (14) Reporting Errors in Prior Periods – ESRS 1 Section 7.4

- Adjusted energy consumption and GHG emissions Scope 1 and 2 due to updated figures for Czechia and Germany. In this report the actuals for 2023 are presented
- Eligibility under EU Taxonomy reporting CCA revenue from 100% to 0%

Incorporation of ESRS Requirements by Reference to Other Sections of the Annual Report

The description of Heimstaden Bostad's strategy, business model (ESRS 2 SBM-1) and Governance structure (ESRS 2 GOV 1) is presented in our [Strategy chapter](#) and [Governance Report](#), which also includes detailed information on our

Governance Framework (G1-1). The report on due diligence (ESRS 2 GOV-4) is located in the [appendix](#).

Reporting Systems and Consolidation

Data provided in the Sustainability Report has been compiled from various systems for all countries since 2019.

ESRS 2 BP-2 Sources of Estimation and Outcome Uncertainty

The methodology for calculating and presenting sustainability metrics is detailed in the accounting policies of each material topic, including whether the metrics are directly measured or estimated using sources such as third-party data or industry averages. Metrics are gathered from Heimstaden Bostad's operational units, utilising local management systems, and are typically derived from data systems, measurements, calculations, and purchasing records. Controls are in place to ensure the completeness and accuracy of the information. The notes within each chapter provide details on sources of estimation or potential outcome uncertainty.

Sustainability Governance

ESRS 2 GOV 1 The Role of the Administrative, Management and Supervisory Bodies

Using incorporation by reference to the Governance Report, please see the section Corporate Governance Structure for disclosures on ESRS 2 IRO-1.

ESRS 2 GOV2 Information Provided to and Sustainability Matters Addressed by the Business Administrative, Management and Supervisory Bodies

Board of Directors: Approve CSRD and ESRS aligned annual reporting based on recommendations of Audit & GRC Committee.

Audit & Governance, Risk, and Compliance Committee (A&GRC): Responsible for overseeing sustainability impacts, risks, and opportunities. Contributes to the integrity of sustainability reporting. Consists of Board members and meets quarterly.

Executive Sustainability Committee: Reviews results, recommends strategies to the A&GRC Committee, and sets implementation plans for Sustainability priorities in-line with reporting frameworks. Consists of Executive Management members and meets quarterly.

Operational Working Groups: Follow systems-based approach in line with reporting frameworks to develop and follow-up on action plans and results. Sustainability considerations are integrated in various internal functions to effectively manage impacts, risks, and opportunities, ensuring alignment with other key internal processes.

ESRS 2 GOV-3 Integration of Sustainability-Related Performance in Incentive Schemes

Our incentive schemes for Country Managers include sustainability-related performance incentives based on targets for yearly reduction of CO₂e emissions and purchased energy. Our incentive schemes are updated annually and are approved by the Remuneration Committee, consisting of CFO, Co-CEO, and CP&CO.

ESRS 2 GOV-5 Risk Management and Internal Controls over Sustainability Reporting

The Sustainability Reporting team is responsible for developing comprehensive group reports on sustainability and ESG metrics. This includes organising and leading key activities, such as preparing consolidated Disclosures on Management Approach, assessing climate risks in collaboration with relevant

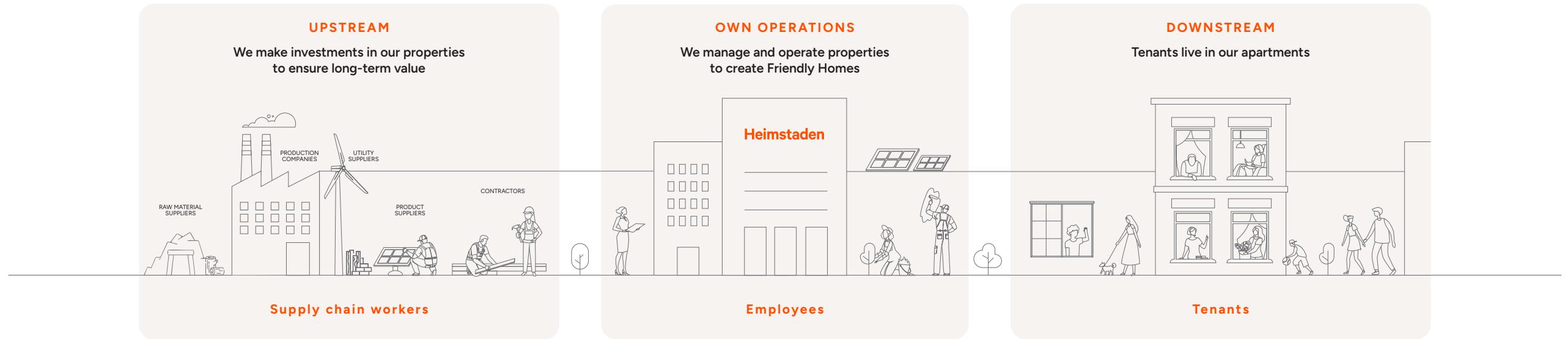
functions, and overseeing data collection and conversion processes for sustainability reporting.

To minimise reporting errors, the Sustainability Reporting team manages a standardised data framework for the company, employing a systematic risk prioritisation approach. This framework ensures consistent definitions, calculations, and metrics, such as emission factors in line with the Greenhouse Gas Protocol (GHG). This centralized approach enables the team to act as a business partner, identifying and addressing data inconsistencies or errors. The Chief Asset Management & Sustainability Officer (CAMSO) regularly updates the A&GRC on the progress of sustainability reporting, and the A&GRC provides quarterly updates to the Board.

In 2020, we introduced a sustainability reporting tool to manage and structure data for reporting purposes and to monitor compliance with reporting standards. Our efforts in 2024 focused on consolidating sustainability data into a centralised platform, improving access to sustainability reports and supporting data-driven decisions across functions. All sustainability data is now reported according to the accounting principles outlined by ESRS.



Strategy and Business Model



ESRS 2 SBM-1 Strategy, Business Model and Value Chain

Our Strategy and Business model are presented in the Strategy section of the Annual report.

The business model is centred around owning and operating properties to deliver Friendly Homes to our tenants. Heimstaden Bostad primarily operates standing assets, which means that most activities relate to the ongoing leasing, maintenance and improvement of our properties to

ensure long-term value. A key focus is to reduce our climate impact and increase the sustainability performance of our properties. We aspire to lead the residential real estate sector towards more sustainable operational practices by leveraging our platform and size.

We procure products and utilities from various suppliers, such as solar panels, electricity, and construction materials. We also procure maintenance services from contractors and

subcontractors, such as gardening and cleaning. Through our procurement practices, we highlight sustainability aspects when evaluating and choosing business partners.

Our revenue comes from rental income from our more than 162,415 homes in nine countries. As a large landlord, we recognise our impact on people’s lives and our responsibility to provide safe and inclusive homes with strong affordability metrics and tenant rights. Heimstaden Bostad

focus on customer satisfaction by delivering efficient and high-quality service.

We operate in highly regulated markets in Northern Europe, which decreases the risk of social and governance issues. However, these risks increase further up in our value chain, where sub-suppliers may operate in higher-risk countries and categories. For information, see SBM-3.

ESRS2 SBM-2 Interests and Views of Stakeholders

Strategic stakeholder engagement is an integral part of Heimstaden Bostad's ambition to be an open and transparent company. To ensure that we focus on the most relevant issues, both from a company and a societal perspective, we actively seek to understand our stakeholders' requirements and expectations and how they align with our strategic goals. Heimstaden Bostad's stakeholder engagement principles and process are set out in our Stakeholder Management Strategy.

We conduct regular stakeholder dialogues as part of our day-to-day activities. Based on materiality assessments, we continuously review and adapt our processes and behaviours to address stakeholder expectations and minimise any negative impact Heimstaden Bostad may have, now or in the future.

Heimstaden Bostad's focus on stakeholder groups with whom we have long-term relationships and who are affected by, and/or have an impact on, our operations. The table below showcases our most significant stakeholders, methods of engagement and organisation, and the objectives and applications of these interactions.

Stakeholders	How Engagement is Organised	Purpose of Engagement	Outcomes of Engagement
Tenants	Customer surveys, local events, customer portal, digital help centre, and other channels. Customers can also raise concerns via our whistle blowing system.	Deliver Friendly Homes by gathering, analysing and acting on tenant feedback and suggestions.	Yearly Improvement plans with focus areas such as recycling, energy efficiency, communication.
Employees	Quarterly surveys, personal development plan discussions, regular one-to-ones, trainings, conferences, and work health and safety groups. Employees can also raise concerns via our whistle blowing system.	Create a Friendly workplace gathering, analysing and acting on employee feedback and suggestions.	Continuous development of processes, trainings and culture building initiatives.
Suppliers	Procurement process, including meetings, negotiations, order placements and due diligence process. Suppliers can also raise concerns via our whistle blowing system.	Ensure that our suppliers adhere to our Business Partner Principles, assess their ESG risks and practices, and monitor their ESG progression.	Continuous development of our procurement process to focus on suppliers who demonstrate best practice and support us in reaching our ESG goals.
Public bodies	Industry related discussions via membership in industry organisations, and dialogue forums for urban planning, neighbourhood safety and environment, etc. Direct engagement with municipalities and regulators, e.g. when entering new markets.	Ensure compliance with existing and future legislation, maintain industry knowledge of best practices, collaborate to create safe and inclusive neighbourhoods.	Give expert input on upcoming regulations, either directly or via our industry organisations. Develop local collaborations such as Business Improvement Districts (BIDs).
Lenders and Investors	Conference calls, annual and sustainability reports, bond and green bond issuance, Investor/Bank ESG Questionnaires, capital market presentations, and individual meetings with banks and investors.	Communicate our strategy to investors and ensure that our approach aligns with market best practices.	Meet financial stakeholders' sustainability data requirements and uphold our duty to keep investors informed of ESG-related information.
Media	Proactively via press releases and interviews, reactively by answering requests and questions. Spokespeople at both Group and country level receive recurrent media training.	Transparent communication regarding our goals, targets and achievements, including stories about our impact on society, customers, and industry.	Clear media presence and public perception, coverage of key topics. Media coverage is measured monthly and shared with relevant internal stakeholders.
Shareholders	Owner dialogues and meetings, board meetings, annual and sustainability reports, ESG ratings and assessments, annual general meeting, and meetings with shareholder representatives.	Ensure alignment with our sustainability strategy and related targets, delivering a long-term stable profit with consideration given to people, ethics, and the environment.	Meet shareholder needs for sustainability data and uphold our duty to keep shareholders informed of ESG-related topics.
Local community	Meetings with special interest and industry organisations, partnerships with local non-profit organisations, attendance at career fairs, etc. Members of the local community can also raise concerns via our whistleblowing function.	Ensure community engagement and social responsibility, working together towards safe and inclusive neighbourhoods.	Create job and internships opportunities for people far from the labour market, offer inclusive housing contracts in collaboration with local organisations, focus on climate change mitigation and adaptation.

Materiality Assessment Process



IRO-1 Description of the Process to Identify and Assess Material Impacts, Risks, and Opportunities

In 2024, we conducted our first Double Materiality Assessment (DMA), with reference to the latest ESRS from European Financial Reporting Advisory Group (EFRAG). This included identifying and objectively scoring IROs. First, we considered the context of our activities, business relationships, value chain, and affected stakeholders to identify and re-evaluate our prior materiality assessment from 2023. Then we assessed the risks previously identified and documented in our risk tool in relation to the topics and sub-topics provided by EFRAG.

No topics or sub-topics were omitted from the first round of the assessment, except for G1, Business conduct – Animal welfare which was deemed non-material, since we do not have operation that directly affect this topic. Several reviews were done to revisit the topics and sub-topics.

We engaged a diverse range of internal and external stakeholders, including employees, suppliers, customers, community representatives,

investors, analysts, and banks, via interviews, workshops and desktop research, to identify our material sustainability topics. We conducted interdisciplinary workshops to explore how different material topics and sub-topics interact and influence each other, for example the relationship between climate change mitigation efforts and biodiversity preservation.

The scoring method and criteria for the materiality assessment were developed in accordance with ESRS 1 guidelines.

- **Impact Materiality**

Evaluating the scale, scope, irremediability, and likelihood of both positive and negative impacts, whether actual or potential. For human rights-related impacts, severity is prioritised over likelihood, as outlined in ESRS 1, using due diligence guidelines from the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

- **Financial Materiality**

Assessing the financial significance of risks and

opportunities, considering their likelihood and the nature of the potential financial impacts.

- **Time Horizon**

Short term: the reporting period; Medium term: end of reporting period up to 5 years; Long term: more than 5 years.

Process to Identify Climate Related Impacts, Risks, and Opportunities

In 2022 Heimstaden Bostad conducted a climate related scenario analysis in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations to assess risks and opportunities associated with various climate scenarios and their potential impact on how resilient our investment strategy is.

In assessing climate-related risks, we have used scenario analysis guidelines in line with TCFD requirements. From 2025, we will transition our assessments to align with IFRS S1 and S2 standards, ensuring enhanced transparency and consistency in reporting our exposure to climate-related risks. This shift reflects our commitment to integrate evolving regulatory frameworks into our sustainability strategy.

One challenge we face in assessing climate-related risks and opportunities is the discrepancy

between the time horizons recommended by the TCFD and those used in our business strategy. While TCFD's short, medium, and long-term horizons are designed to capture climate impacts over extended timelines, our business strategy operates with more immediate planning cycles: short-term at 1 year, medium-term at 2-5 years, and long-term beyond 5 years.

This misalignment creates difficulties in translating climate data into actionable insights within our business planning framework. The longer climate horizons may overlook shorter-term risks or immediate strategic adaptation needs, while our business horizons may not fully account for the gradual, cumulative effects projected in climate scenarios. Balancing these frameworks requires us to bridge long-term climate data with actionable short and medium-term strategies, ensuring our business remains resilient to both near-term operational demands and long-term climate impacts.

To identify relevant climate-related risks and opportunities, we use data from the Intergovernmental Panel on Climate Change (IPCC), specifically using the Representative Concentration Pathway (RCP) 2.6 and RCP 8.5 scenarios. These scenarios are assessed across time-horizon 2040 and 2100. We also use climate data from the European Commission, the Swedish

Meteorological and Hydrological Institute (SMHI), and the Copernicus Institute, covering both RCP 2.6 and 8.5.

We have revised the methodology in accordance with the EU Taxonomy Regulation criteria and added RCP 4.5. The data is based on projections for 2040 to 2070, using Copernicus Climate Change Service (C3S).

- **RCP 2.6 – Stringent Mitigation Scenario:** Assumes strong climate policy, resulting in significant emissions reductions, with negative global emissions by 2100, and a global temperature rise of 0.5°C to 1.5°C.
- **RCP 4.5 – Intermediate Scenario:** Assumes that emissions peak around 2040 and then decline, resulting in global temperature rise between 2°C and 3°C by 2100.
- **RCP 8.5 – High Emissions Scenario:** Assumes limited climate action and continued high emissions, resulting in global temperature rise between 3.5°C to 5.0°C by 2100.

The scenario analysis identified the following risks by using a range of climate scenarios:

Long-term (>5 years) physical risks:

- **Heavy Precipitation.** We have conducted an exposure analysis for heavy precipitation,

5 consecutive days' maximum precipitation change, long-term horizon, in RCP 4.5 and 8.5. Based on 3,585 assets, 35% are at "high risk" of heavy precipitation in RCP 4.5, and 59% in RCP 8.5. In RCP 4.5, we have high-risk assets in all markets, and in RCP 8.5 there is a significant increase of high-risk assets in Germany, Denmark, Netherlands and Sweden. We deem this risk to be acute.

- **Heat stress.** According to the TCFD classifications, heat stress is a chronic physical climate risk, which increases with rising mean temperatures. Although heat by itself cannot damage our buildings, heat can lead to increased death rates among vulnerable groups such as small children, the elderly, and people with heart disease. In the climate scenarios, we have examined RCP 4.5 and 8.5 in the long term and which areas in our portfolio are exposed to consecutive summer days. In RCP 4.5, we do not see any high-risk assets, while in RCP 8.5, we see high-risk areas in the long-term, looking at the number of consecutive summer days.

Medium-term (2–5 years) transitional risk:

- **Dependency on fossil fuel.** Failure to transition to renewable energy sources and adapt to new regulations, could lead to increased compliance costs, reduced asset viability, and potential obsolescence within our energy-dependent facilities.

Future Steps

Heimstaden Bostad is committed to annually revisiting the DMA process to identify, assess, and prioritize IROs, ensuring it reflects evolving trends, underlying assumptions, contextual shifts, and regulatory updates. Periodic comprehensive reviews will also be conducted to maintain its effectiveness and relevance.

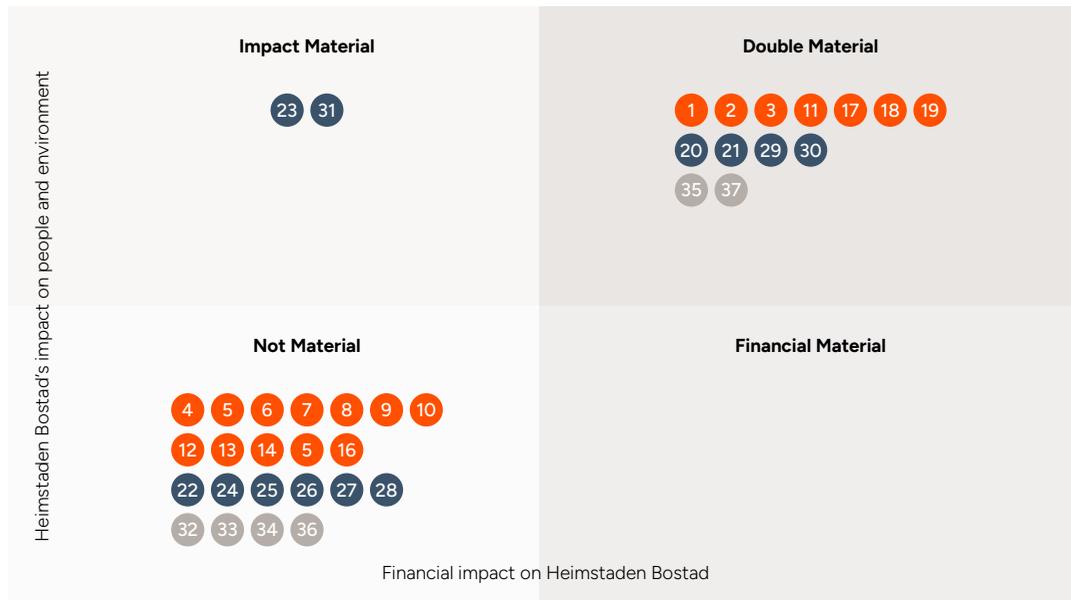
As this marks the first reporting cycle in which a DMA has been implemented, there are no process changes to report at this time.

Output from the Double Materiality Assessment

During the DMA process, a total of 135 IROs were identified and evaluated. Out of these, 20 were deemed material to Heimstaden Bostad. The identified material IROs are detailed within the relevant topical standards, including E1, E3, E5, S1, S2, S4, and G1, which were determined to be material to our operations.

The outcome of the assessment indicates that subtopics within E1 (Climate change), E3 (Water and Marine resources), and E5 (Resource use and Circular economy) are material from both

an impact and financial perspective. Similarly, S1 (Own workforce), Information-related impacts for consumers and end users in S4 (Consumers and End-users) and G1 (Business Conduct) was identified as material based on its significance in both dimensions. Further details on these material topics and their respective Impacts, Risks, and Opportunities are provided within the specific topical standard sections in this report.



- Environment**
- E1 Climate**
 - 1 Climate change Adaptation
 - 2 Climate change Mitigation
 - 3 Energy
- E2 Pollution**
 - 4 Air
 - 5 Water
 - 6 Soil
 - 7 Living organisms
 - 8 Substances of concern
 - 9 Substances of very high concern
 - 10 Microplastics
- E3 Water and Marine resources**
 - 11 Water
 - 12 Marine Resources
- E4 Biodiversity and Ecosystems**
 - 13 Direct impact drivers of biodiversity loss
 - 14 Impacts on the state of species
 - 15 Impacts on the extent and condition of ecosystems
 - 16 Impacts and dependencies on ecosystem services
- E5 Resource use and Circular economy**
 - 17 Resource Inflow
 - 18 Resource Outflow
 - 19 Waste

- Social**
- S1 Own workforce**
 - 20 Working conditions
 - 21 Equal treatment and opportunities for all
 - 22 Other work related rights
- S2 Workers in the value chain**
 - 23 Working conditions
 - 24 Equal treatment and opportunities for all
 - 25 Other work related rights
- S3 Affected communities**
 - 26 Communities' economic, social and cultural rights
 - 27 Communities' civil and political rights
 - 28 Particular rights of indigenous communities
- S4 Consumer and End-users**
 - 29 Information-related impacts for consumers and/or end-users
 - 30 Personal safety of consumers and/or end-users
 - 31 Social inclusion of consumers and/or end-users

- Governance**
- G1 Business Conduct**
 - 32 Corporate culture
 - 33 Protection of whistle-blowers
 - 34 Animal welfare
 - 35 Political engagement and lobbying activities
 - 36 Management of relationships with suppliers including payment practices
 - 37 Corruption and bribery

Material Impacts, Risks, and Opportunities

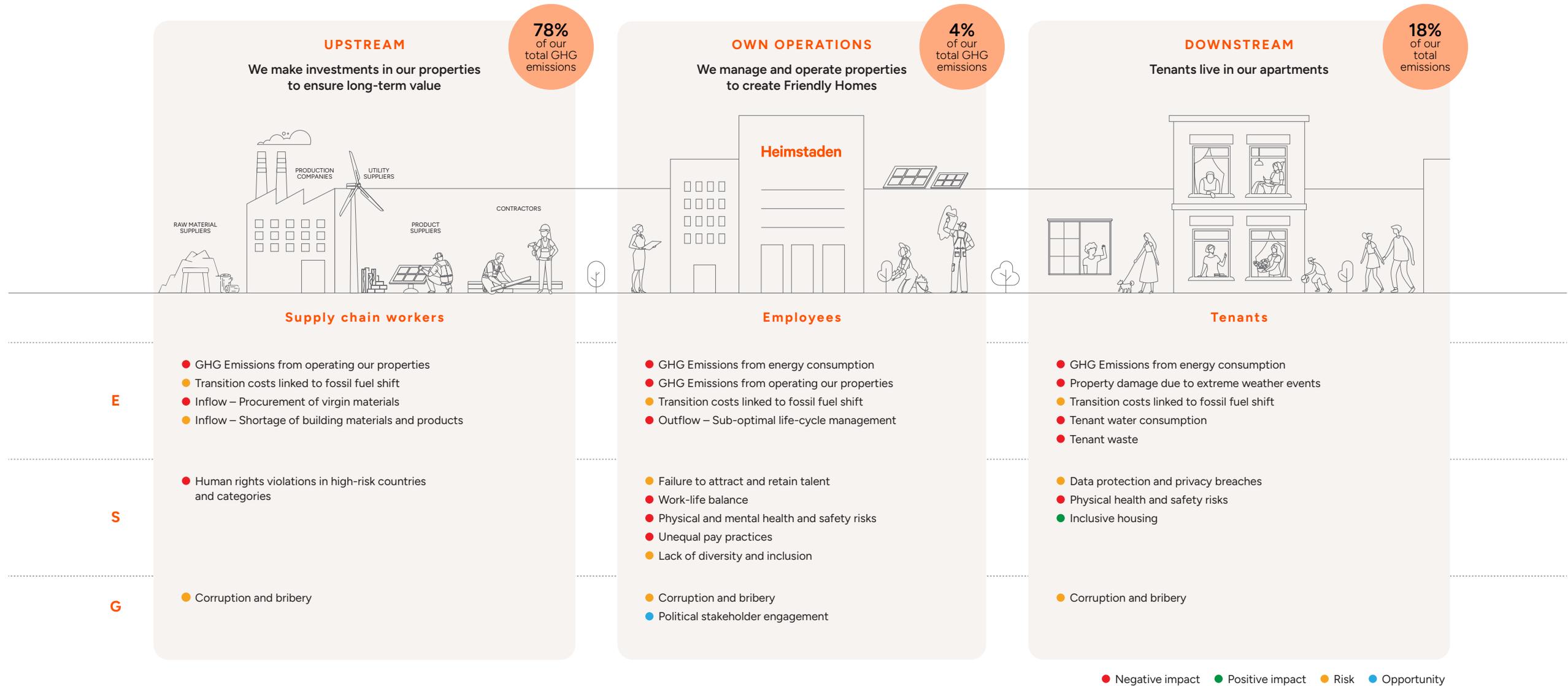
SBM-3 – Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The process of integrating the identified material topics into our sustainability strategy is ongoing and involves several strategic steps and challenges. High-priority topics, such as energy efficiency and climate change mitigation, are already deeply embedded in our sustainability strategy and well-established in our existing climate targets, reflecting our commitment to address climate-related impacts.

The material impacts, risks and opportunities identified during the materiality assessment are described on the right and also presented alongside the topical standards in this Sustainability Report.

		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short term	Medium term	Long term
E1 Climate Change							
GHG emissions from energy consumption	Negative impact		●	●	●	●	●
GHG emissions from own operations	Negative impact	●	●		●	●	●
Property damage due to extreme weather events	Negative Risk			●	●	●	●
Transition costs linked to fossil fuel shift	Risk	●	●	●	●	●	●
E3 Water and Marine Resources							
Tenant water consumption	Negative impact			●	●	●	●
E5 Resource and use Circular Economy							
Inflow – Procurement of virgin materials	Negative impact	●			●	●	●
Inflow – Shortage of building materials and products	Risk	●			●	●	●
Outflow – Sub-optimal life-cycle management	Negative impact		●		●	●	●
Tenant waste	Negative impact			●	●	●	●
S1 Own Workforce – Working Conditions							
Failure to attract and retain talent	Risk		●		●	●	●
Work-life balance	Negative impact		●		●	●	●
Physical and mental health and safety risks	Negative impact		●		●	●	●
S1 Own Workforce – Equal Treatment and Opportunities							
Unequal pay practices	Negative impact		●		●	●	●
Lack of diversity and inclusion	Risk		●		●	●	●
S2 Workers in the Value Chain							
Human rights violations in high-risk countries and categories	Negative impact	●			●	●	●
S4 Consumers and End-users							
Data Protection and Privacy Breaches	Risk			●	●	●	●
Physical Health and Safety Risks	Negative impact			●	●	●	●
Inclusive Housing	Positive impact			●	●	●	●
G1 Business Conduct							
Corruption and bribery	Risk	●	●	●	●	●	●
Political stakeholder engagement	Opportunity		●		●	●	●

The illustration shows where our material impacts, risks and opportunities occur across our value chain.



Environmental Information



E1 Climate Change

Strategy

E1-1 Strategy – Transition Plan for Climate Change Mitigation

Each market we operate in presents unique challenges, given variations in energy sources, tenant consumption patterns, and regulatory requirements. To mitigate our environmental impact, our climate strategy is focused on reducing emissions associated with our buildings. Our transition plan incorporates clear, measurable targets aligned with Science-based principles, prioritising reductions in operational emissions and long-term resilience.

Our strategy is guided by a 2030 mid-term target and a comprehensive climate roadmap.

- 1. Commitment to Net-Zero/Paris Agreement.** Our transition plan is in line to achieve net-zero emissions by 2050 and aligned with the Paris Agreement's goal of limiting global warming

to 1.5°C. We have set a 2030 target to reduce emissions by 42% from a 2020 baseline, covering Scope 1, Scope 2, and Scope 3 category 13 (downstream leased assets). For reference to our official Science Based Target (SBT), see section E1-4

- 2. Science-Based Targets.** Science Based Targets initiative (SBTi) approved our 2030 emission reduction targets, ensuring alignment with the 1.5°C trajectory. Progress is regularly monitored to adapt strategies and ensure compliance
- 3. Linking Country Managers Pay to Emissions Reductions.** By linking Country Managers compensation to emissions reduction targets, we ensure that leadership remains accountable and incentivised to achieve climate goals, see ESRs 2 GOV 3
- 4. Decarbonisation Levers and Actions.** The transition plan prioritises high carbon intensity assets across all markets. Initiatives include

energy and carbon efficiency measures like thermal insulation upgrades, heat pump installations, fuel-shifts, and renewable energy integration. See E1-3

- 5. Energy Mix Dependency and Renewable Energy Procurement.** Our ability to achieve significant emission reductions relies heavily on progress in countries like Czechia and Germany, where the energy mix includes more carbon-intensive sources. Addressing this challenge requires collaboration across public, financial, and private sectors, alongside the contributions of individual tenants. We purchase 100% renewable electricity under a market-based approach while reporting location-based emissions to account for the actual energy mix. In countries like Norway, where hydropower is a key electricity source, location-based emissions are lower. The approach underscores the importance of local energy policies and renewable energy integration into the power and heating grids
- 6. CapEx and OpEx Allocation.** To support our climate roadmap, we have allocated a SEK 7.7 billion budget to achieve our targets. We use EU Taxonomy framework – specifically activities under Objective 1 Climate Change Mitigation, chapter 7 (CCM) – to track and align our investments with recognised sustainability standards. This approach ensures that our capital expenditures prioritise high-impact initiatives, such as energy-efficient retrofits, system upgrades, and green technology integration, driving substantial emission reductions and advancing our climate strategy

Impact, Risks, and Opportunities

SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

The materiality assessment identified the following material climate related impacts, risks and opportunities:

		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
E1 Climate Change							
GHG Emissions from energy consumption	Negative impact		●	●	●	●	●
GHG Emissions from own operations	Negative impact	●	●		●	●	●
Property damage due to extreme weather events	Risk			●	●	●	●
Transition costs linked to fossil fuel shift	Risk	●	●	●	●	●	●

GHG Emissions From Energy Consumption

A significant portion of our environmental footprint is linked to the energy consumption in our properties. Energy used for heating, cooling, and powering households directly contributes to greenhouse gas (GHG) emissions, primarily through electricity and fuel consumption. This consumption represents a larger share of our total emissions in regions where energy is predominantly sourced from fossil fuels. According to the Greenhouse Gas Protocol, these emissions take place in Scope 1, 2 and scope 3 category 13 (downstream leased assets). This negative impact occurs in the short, medium and long term, in our own operations and downstream value chain.



GHG Emissions From Operating our Properties

Major renovations, maintenance, and property management activities create scope 3 GHG emissions and within scope 3 we see the highest emissions in category 1, purchased goods and services, and category 3, energy and fuel related emissions. These activities contribute to emissions through material consumption, energy use, and waste generation, making them a significant part of our overall climate impact. This negative impact occurs in the short, medium and long term, in our own operations and upstream value chain.

Property Damage Due to Extreme Weather Events

The negative impact of extreme weather events, such as heavy precipitation and heat waves, can cause property damage but also impact the well-being and safety of our tenants. Heavy precipitation can lead to water infiltration or flooding in our assets. Flooding poses challenges that can directly affect our tenants. These events can lead to damage to personal belongings, disrupt daily life, and may even cause tenants to relocate temporarily or permanently. This risk occurs in the short, medium and long term, in our own operations and downstream value chain.

Transition Costs Linked to Fossil Fuel Shifts

As policy and legal frameworks increasingly target

the reduction or a complete phase-out of fossil fuels, regulatory measures may increase the cost of fossil fuel usage, introduce stricter emission standards, or mandate a shift towards renewable energy sources, affecting our operational costs. Failure to adapt to these regulations could lead to increased compliance costs, reduced asset viability, and potential obsolescence within our energy-dependent facilities. This risk occurs in the short, medium and long term, throughout our value chain.

Impact, Risk, and Opportunity Management

E1-2 Policies Related to Climate Change Mitigation and Adaptation

Our **Sustainability Policy** addresses climate change mitigation by committing to reduce scope 1, 2, and 3 emissions in line with the Paris Agreement, supported by short and medium-term targets. The policy covers all emission scopes, across our value chain.

The Sustainability Policy is distributed through our policy management system on our corporate intranet, and external stakeholders can access it via our website. The Board of Directors approve the Sustainability Policy and targets while Group Management holds overall responsibility

for policy content. Chief Asset Management and Sustainability Officer is accountable for implementing the policy across the Group, while Country Managers are responsible for its implementation in their respective countries and legal entities. The policy undergoes a bi-annual review initiated by the Governance, Risk, & Compliance (GRC) function in cooperation with Sustainability Functions to ensure its relevance and effectiveness. If needed, it can also be updated on an ad-hoc basis, based on relevant event occurrence if necessary.

In 2022, we initiated the implementation of an Environmental Management System (EMS) across our operations. The EMS is designed to support a structured approach to manage and reduce our environmental impact, with particular focus on energy efficiency, waste reduction, and climate resilience.

We continuously monitor and refine our EMS to ensure alignment with our broader environmental objectives and evolving regulatory requirements. This ongoing improvement process enables us to identify opportunities, drive measurable progress, and enhance the overall sustainability performance of our portfolio.

Our Ecosystem Services and Biodiversity Management guidelines support our ecosystem and biodiversity evaluations for major renovations. They cover preventative measures to protect our properties against physical climate risks, as well as the value chain of material and products. We prefer, when possible, to use certificated, sustainably produced, or recycled material without hazardous components, see E5.

Our Climate Adaptation Catalogue include resilience measures to safeguard our buildings and maintain tenant comfort, with ongoing assessments of physical risks such as heat stress and heavy precipitation, aligned with the EU Taxonomy and IFRS S1 and S2. Adaptation actions are integrated into property maintenance and development plans, ensuring our portfolio can endure evolving climate conditions.

We established Energy Management Guidelines in 2023 and Standard Operating Procedures (SOPs) in 2024, defining our practices for data collection, tracking, and energy optimisation. The guidelines and SOPs are implemented across all markets, ensuring consistent and effective energy management practices, transparency and accountability throughout our operations.

E1-3 Actions and Resources in relation to Climate change Policies

In 2024, we allocated SEK 523 million capital expenditures (CapEx) to sustainability targets, including the projects described below. These initiatives are also reflected in our CapEx alignment for EU Taxonomy objective Climate Change Mitigation, see [page 95](#).

GHG Emissions From Energy Consumption

By reducing energy usage, we reduce our emissions. We focus our efforts where we have the biggest impact. As the emission intensity varies across markets, each market has a specific plan to reduce energy and emissions.

- In Czechia, we started insulating 1,929 apartments (1,776 apartments completely finished and 153 apartments will be finalised during Spring 2025), achieving energy use reduction of approximately 900 MWh, estimated lower emissions by 2,845 tCO₂, and improved tenant comfort by a more stable indoor climate
- In Germany, we have implemented hydraulic balancing covering 167 apartments, optimising flow temperatures and ensuring even-heat distribution. Furthermore, we incorporated weather-forecast-based heating control in 210 buildings (900 apartments), enabling real-time monitoring and rapid response to system errors. Lastly, 6 old district heating-systems covering

197 apartments were equipped with a weather-compensated heating controller. This limits the flow temperature depending on the outside temperature. All three measures in Germany have estimated energy savings of 10-15%. We have also completed roof insulation of 22 buildings, 660 units with an estimated saving of 2-5% per building on heating consumption

- In Sweden, we completed energy projects including new subcentral heating system, hydraulic balancing, indoor sensors and water saving equipment that will reduce the energy consumption with about 15% on heat, 10% on water and 8% on electricity per building
- In Finland, we started a pilot project to optimise ventilation based on indoor temperature and humidity with the help of AI, saving up to 8% on energy use In 2024, we strengthened our energy management practices by establishing 100% data coverage across all markets for Scope 1 and 2 emissions, enabling accurate tracking of energy usage from properties, fuel consumption, and refrigerants. We introduced a monthly review process to increase responsiveness, monitor progress, assess the impact of reduction measures, and track weather-driven variations or irregularities. Our progress in Scope 1 and 2 energy for each country is summarised in the table on [page 80](#).

OVERVIEW OF ENERGY CONTRACTS (ENTITY SPECIFIC)

Countries	Heating in tenant space		Electricity in tenant space	
	Share of sqm where Heimstaden Bostad has the contract	Share of sqm where the tenant has the contract	Share of sqm where Heimstaden Bostad has the contract	Share of sqm where the tenant has the contract
Sweden	99%	1%	0%	100%
Germany	74%	26%	0%	100%
Denmark	41%	59%	37%	63%
Netherlands	7%	93%	0%	100%
Czechia	85%	15%	1%	99%
Norway	54%	46%	13%	87%
United Kingdom	0%	100%	0%	100%
Poland	82%	18%	88%	12%
Finland	26%	74%	99%	1%
Heimstaden Bostad	73%	27%	8%	92%

The table above outlines accountability for different energy contracts, which is crucial for understanding our ability to influence energy consumption. Where Heimstaden Bostad is accountable for the energy contract, it enables us to reduce and monitor the energy consumption, which is a greater challenge when our tenants are on the contracts and ultimately determine consumption levels. The same applies to CO₂ emissions, as the Company can opt for green energy contracts and transition from fossil fuels. This points out the importance of collaboration between owners, tenants, and energy suppliers to achieve our targets.

We engage with our tenants to promote energy savings and sustainable practices via smart meters, advice on energy and water efficiency via our channels, and recognition programmes for tenants who achieve energy reduction. We foster commitment and contribution to our environmental goals while enhancing comfort and reducing costs for tenants.

GHG Emissions From Operating our Properties

To mitigate our emissions in scope 3 category 1, we have set a SBTi goal that 27% of our suppliers weighted by spend should set SBTi targets by 2027. Engaging suppliers in actively minimising

their GHG emissions helps us achieve our broader climate goals.

In addition to SBTi engagement, we prioritise circular economy principles especially in materials procured for apartment fit-outs. We work closely with suppliers to select materials that are durable, recyclable, and produced with low-carbon methods. This approach reduces waste, extends the lifecycle of our materials, and promotes sustainable sourcing across our supply chain. See E5-2 for examples and detailed information.

Property Damages Due to Extreme Weather Events

Our approach to climate adaptation measures follows three steps: the first focuses on the public environment, the second on the building level, and the final step on the tenant level. We actively engage with local authorities to identify adaptation measures in the public environment where our high-risk assets are located. This includes measures to ensure quicker water drainage during heavy rainfall or to create space for rainwater storage in public areas. So far, we have focused on developing emergency response plans. At least every five years, we conduct a comprehensive exposure analysis to monitor heavy rainfall forecasts and adjust our plans accordingly.

The severe flooding in Central and Eastern Europe during September 2024 affected 599 apartments and 6 commercial spaces, in Czechia. To support our tenants, we established a 24-7 emergency response line, increased inspection capacity, and cleared flooded basements and common areas, with special support to senior tenants. We also extended help to affected suppliers and contractors.

Transition Costs Linked to Fossil Fuel Shifts

Our strategy focuses on reducing fossil fuel exposure by investing in renewable energy sources and enhancing energy efficiency across our portfolio, thus aligning with anticipated policy shifts. Our policies promote renewable energy systems, such as heat pumps, solar panels, and district heating connections, where feasible. We buy 100% renewable electricity in all markets (market-based) and continue to explore further opportunities to enhance renewable energy use in our operations. We have a policy to install renewable energy generation in all new build projects, where applicable.

- In Czechia, we installed heat pumps serving 411 apartments, hot water pumps for 131 apartments, and new gas boilers serving 494 apartments, reducing our carbon footprint by 658 tons of CO₂ through more efficient heat production

- In Germany, we commenced 11 installations transitioning 346 units from oil-based heating to heat pumps, achieving approximately 15% energy savings and 75% CO₂ reduction per installation
- In Sweden, we installed heat pumps in four properties with a COP factor of 4,5 meaning that with 1 kW electricity, we produce 4,5 kW heat. This is an effective way to produce heat with certified green electricity and will lower our heat consumption with a total of 327 MWh
- In Finland, we installed geothermal heating in two properties, one in connection with a large redevelopment project, and one replacing an old oil boiler. Geothermal systems eliminate the combustion of fossil fuels on site, dramatically lower the need to generate power, and

significantly reduce GHG emissions, with calculated savings between 60-70% per installation

Green Building Certifications (Entity Specific Disclosure)

4% of our portfolio has an externally verified environmental certificate. This represents an increase of 1 percentage point compared with 2023. In Sweden, buildings are certified under the Swedish Green Building Council's "Miljöbyggnad i Draft" and "Miljöbyggnad Silver", showing an increase of 1 percentage point. In Denmark, certificates under the 'DGNB' have been issued from 0% to 1% of the portfolio. All new buildings in Poland are currently certified with "BREEAM Very Good", with 59% in 2023 and 100% in 2024.

SHARE OF GREEN BUILDING CERTIFICATIONS

Countries (% of sqm)	Certificates	2024	2023
Sweden	Miljöbyggnad	12%	11%
Denmark	DGNB	1%	0%
Poland	BREEAM	100%	59%
Share of total square metres with an environmental certificate		4%	3%

Energy Performance Certificates (Entity Specific Disclosure)

We collect data on energy performance certificates (EPCs) for all our operational geographies. The standards and grading criteria of EPCs differ significantly across our markets, posing challenges in comparing performance and consolidating group-wide results. In countries where there is no equivalent EPC standard, such as Poland, Norway, and United Kingdom, we estimate the EPC using methods equivalent to those in other European countries. It is more effective to

compare EPC label performance year-over-year within each country rather than between countries, given the regional variations in energy standards and building characteristics. We track energy efficiency improvements by measuring the percentage of buildings with an EPC label of C or better.

A comprehensive breakdown of EPC labels by percentage of square metres per country is provided in the table "Breakdown of EPC Labels per % of Square Metres per Country" on [page 76](#).



OVERVIEW OF ENERGY PERFORMANCE CERTIFICATES (ENTITY SPECIFIC)

Country	Total	Sweden		Germany		Denmark		Netherlands		Czechia		Norway		United Kingdom		Poland		Finland	
		% of EP	% of sqm covered	kWh/ (sqm a)	% of sqm covered	kWh/ sqm year	% of sqm covered	kWh/ sqm year	% of sqm covered	CI value	% of sqm covered	kWh/sqm	% of sqm covered	SAP Assessment score	% of sqm covered	kWh/ (sqm a)	% of sqm covered	E number (kWh/ sqm year)	% of sqm covered
A 2020						20	16%												
A 2015						<30 + 1000/A	23%												
A2						<50 + 1600/A													
A 2010						<52.5 + 1650/A	9%												
A+++								≤50	0.4%										
A++								≤75	0.1%										
A+								<105	1%										
A		≤50	1%	<50	15%			<160	21%										E number ≤ 75
B		≤75	2%	<75	10%	<70+ 2200/A	23%	<190	23%	<75	2%		1%	81-91	67%	<75	96%	76 ≤ E number ≤ 100	3%
C		≤100	4%	<100	11%	<110+ 3200/A	26%	<250	31%	<100	22%	< 110 + 1500/ A	6%	69-80	33%			101 ≤ E number ≤ 130	14%
D		≤135	17%	<130	17%	<150+ 4200/A	2%	<290	12%	<150	30%	< 135 +2200/ A	16%	55-68	0%	<130	4%	131 ≤ E number ≤ 160	33%
E		≤180	47%	<160	20%	<190+5200/A	0%	<335	6%	<200	37%	< 160 +3000/ A	20%					161 ≤ E number ≤ 190	35%
F		≤235	25%	<200	15%	<240+ 6500/A		<380	3%	<250	4%	< 200 + 4000/ A	31%					191 ≤ E number ≤ 240	7%
G		>235	4%	<250	7%	>240+ 6500/A	0%	>380	3%	>250	5%	>200	25%					241 ≤ E number	9%
H				>250	4%														
In progress			0%				0%												
No label			0%		1%		1%		0%				1%						
Label areas coverage																			
of total area in %	100%	100%		100%		100%		100%		100%		100%		100%		100%		100%	
% in (A to C) area	38%	7%		36%		96%		76%		24%		7%		100%		96%		17%	
% in (D to E) area	46%	63%		37%		2%		18%		67%		36%		0%		4%		68%	
% in (F to H) area	16%	29%		26%		0%		5%		9%		56%		0%		0%		16%	

The EPC labelling system differs between EU countries. The following table shows how our buildings are classified in each market. Differences in legislation have an impact on the way EPC levels are calculated and defined, so direct comparisons between countries are not possible. In particular in Germany and Czechia we see an increase in the A-C category, from 26% to 36% and from 19% to 26% respectively. The investments that have been made are the main driver for the improvement of the EPC labels. Although EPC labels are not comparable between countries, there has been an increase in the A-C range in each country in comparison with 2023, leading to 38% of our portfolio in the EPC label A-C range.

Performance, Metrics, and Targets

We assess and disclose Scope 1, 2, and 3 GHG emissions, covering building materials, construction, transportation, tenant energy use, and waste from renovations and maintenance.

E1-4 Targets Related to Climate Change Mitigation and Adaptation

We address our material climate impact through targets aligned with the Paris Agreement’s objective to limit global warming to 1.5°C and the EU’s goal of climate neutrality by 2050. To ensure our efforts are impactful, we have set ambitious climate targets validated by the SBTi. We conduct an annual review of our emissions data, in order to track progress against the following targets:

Science Based Targets

- Reduce our absolute CO₂e emissions across scope 1, 2, and 3 category 13 covering downstream leased assets¹ by 42% by 2030, with 2020 as a baseline. The target boundary includes biogenic land related emissions and removals from bioenergy feedstocks
- 27% of our suppliers, by spend, covering purchased goods and services, to have science-based targets by 2027. In 2024, 11.4% had science-based climate targets

Company targets

- Reduce the amount of purchased energy by on average 2% per sqm per year until 2025² in comparable property portfolios, using 2019 as the baseline
- In relation to new builds, ecosystem services shall be evaluated, and at least the same amount of ecosystem services must be recreated and include renewable energy generation

OVERVIEW OVER SCIENCE-BASED CLIMATE TARGET

Science-based climate target ¹		2024	Baseline (recalculated) 2020	Target
Scope 1 CO ₂ e	Tonnes	20,485	29,034	–
Scope 2 Market-based CO ₂ e	Tonnes	133,014	171,157	–
Scope 3, category 13 CO ₂ e	Tonnes	120,415	124,069	–
Total emissions included in target	Tonnes	273,914	324,260	–
% change of CO ₂ e emissions compared to 2020, with a recalculated baseline	%	-15.5%	–	-42% by 2030
% of suppliers by spend who have Science based targets ²	%	11.4%	–	27% by 2027

¹ Target 42% reduction by 2030

² Target 27% by 2027. Data includes full year, all countries

Heimstaden Bostad commits to reduce absolute scope 1, 2 and, 3 GHG emissions covering leased assets 42% by 2030 from a 2020 base year¹. Heimstaden Bostad also commits that 27% of its suppliers by spend covering purchased goods and services, will have science based targets by 2027²

¹ The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

² Heimstaden Bostad's officially approved Science Based Targets

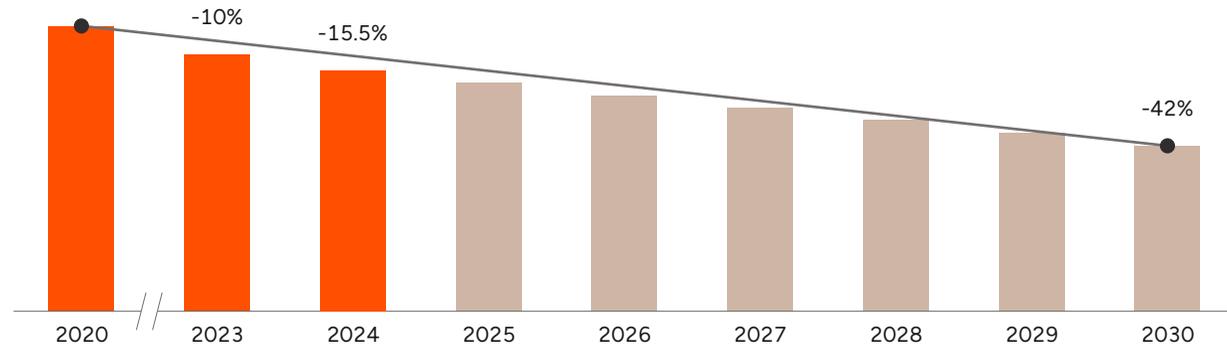
¹ Downstream leased assets cover energy purchased by tenants

² Degree-day corrected value

Heimstaden Bostad achieved a 15.5% reduction in emissions compared to the recalculated 2020 baseline, marking significant progress toward the 42% reduction target by 2030. This was driven by strategic investments in fossil fuel phase-outs and energy projects.

Scope 1 and scope 2 emissions saw notable declines. Scope 1 reductions were achieved by further phasing out oil and natural gas, with the last oil tank removed in Finland and a plan in place to eliminate oil in Germany within the next few years. Scope 2 emissions decreased due to lower district heating and electricity consumption across the portfolio. However, CO₂ emissions from district heating increased slightly, particularly in Sweden and Germany, while electricity emissions declined.

CLIMATE TARGET – PROGRESS¹



■ GHG Emissions Scope 1, 2 and 3 (category 13)

¹ Baseline 2020 recalculated, SBTi target to reduce 42% by 2030.

The scope 3 reduction is partly attributed to improved EPC labelling, as emissions are estimated using scope 1 & 2 data, national energy mixes, and EPC classifications. The number of homes in the A-C EPC range increased, contributing to improved energy efficiency and subsequently lower emissions. The scope 3 base-line has been recalculated, reflecting divestments in The Netherlands and Denmark, as well as demolitions in Czechia.

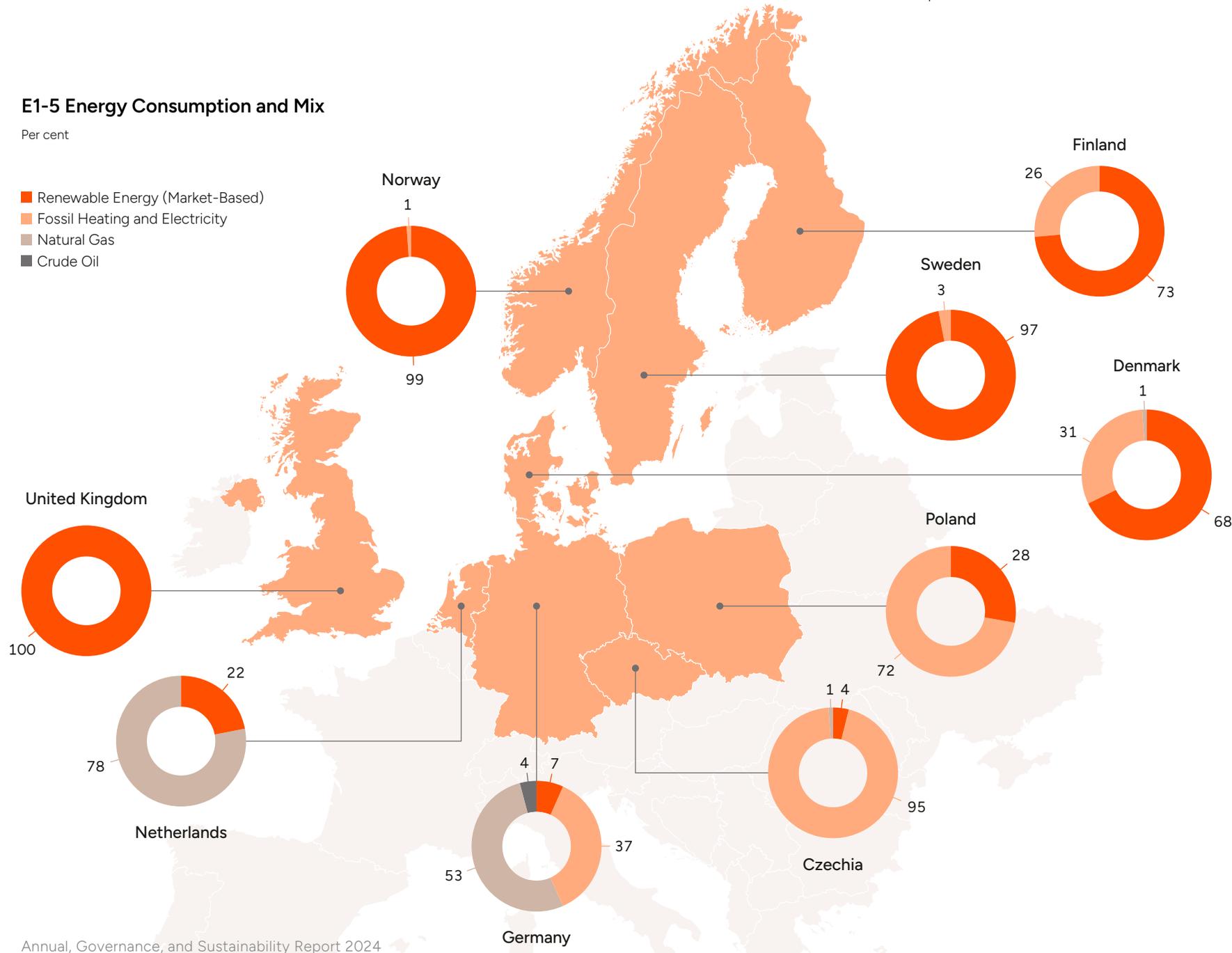
Supplier engagement is a key element of Heimstaden Bostad’s science-based target. In 2024, 11.4% of suppliers had set SBTi-aligned targets in line with the Paris Climate Agreement



E1-5 Energy Consumption and Mix

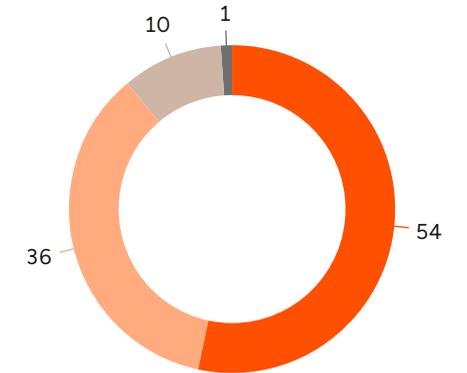
Per cent

- Renewable Energy (Market-Based)
- Fossil Heating and Electricity
- Natural Gas
- Crude Oil



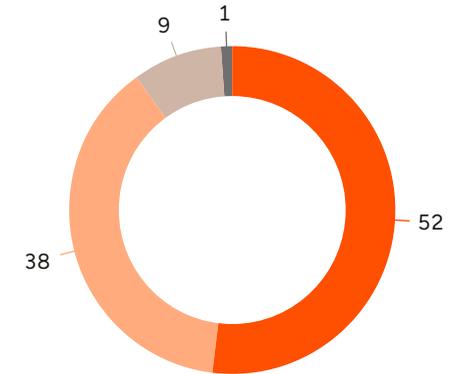
TOTAL PURCHASED ENERGY 2023

Per cent



TOTAL PURCHASED ENERGY 2024

Per cent



- Renewable Energy (Market-Based)
- Fossil Heating and Electricity
- Natural Gas
- Crude Oil

ENERGY CONSUMPTION AND MIX

	Total		Sweden		Germany		Denmark		Netherlands		Czechia		Norway		United Kingdom		Poland		Finland	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Energy consumption and mix																				
1. Fuel consumption from coal and coal products (MWh)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Fuel consumption from crude oil and petroleum products (MWh)	6,694	7,629	–	–	6,479	7,251	–	–	–	–	–	–	–	–	–	–	–	–	215	378
3. Fuel consumption from natural gas (MWh)	101,490	109,961	–	–	90,305	97,220	790	1,784	6,636	7,285	3,759	3,672	–	–	–	–	–	–	–	–
4. Fuel consumption from other fossil sources (MWh)	296	–	–	–	–	–	–	–	–	–	296	–	–	–	–	–	–	–	–	–
5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	411,344	393,245	15,105	6,403	62,322	66,348	22,356	25,808	–	–	296,643	288,629	135	169	–	–	8,299	449	6,484	5,439
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	519,824	510,836	15,105	6,403	159,106	170,820	23,146	27,592	6,636	7,285	300,698	292,301	135	169	–	–	8,299	449	6,700	5,817
Share of fossil sources in total energy consumption (%)	48%	46%	3%	1%	93%	94%	32%	33%	78%	82%	96%	96%	1%	1%	–	–	72%	34%	27%	23%
7. Consumption from nuclear sources (MWh)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of consumption from nuclear sources in total energy consumption (MWh)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8. Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen etc) (MWh)	968	1,940	968	1,940	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9. Consumption of purchased or acquired electricity, heat steam and cooling from renewable sources (MWh)	566,191	594,248	447,361	469,595	11,632	10,113	49,186	55,137	1,915	1,646	11,247	10,908	23,254	25,952	236	305	3,298	878	18,062	19,714
10. The consumption of self-generated non-fuel renewable energy (MWh)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	567,159	596,188	448,329	471,535	11,632	10,113	49,186	55,137	1,915	1,646	11,247	10,908	23,254	25,952	236	305	3,298	878	18,062	19,714
Share of renewable sources in total energy consumption (%)	52%	54%	97%	99%	7%	6%	68%	67%	22%	18%	4%	4%	99%	99%	100%	100%	28%	66%	73%	77%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	1,086,982	1,107,022	463,434	477,938	170,738	180,933	72,331	82,729	8,551	8,930	311,944	303,208	23,390	26,121	236	305	11,598	1,327	24,762	25,531
Weather corrected total ²	1,242,787	–	478,170	–	220,390	–	80,234	–	10,001	–	387,016	–	23,356	–	499	–	15,561	–	27,559	–
Energy intensity kWh/sqm/year ^{1,2}	103	125	141	–	85	–	38	–	34	–	123	–	116	–	–	–	120	–	120	–
Weather corrected energy intensity in kWh/sqm/year ²	117	135	145	–	110	–	42	–	40	–	153	–	119	–	–	–	161	–	134	–
Annual change in energy intensity in kWh/sqm/year (weather corrected) ²	-13%	-8%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total solar PV ²																				
Installed capacity (photovoltaic cells), kWp ²	2,801	3,295	1,820	1,609	–	–	719	1,400	213	423	–	–	–	–	–	–	25	25	24	24
Estimated energy production, MWh ²	2,320	2,599	1,101	1,167	–	–	1,000	1,190	174	349	–	–	–	–	–	–	25	25	20	20

¹ Based on comparable properties, for more information see the reporting principles in the General Information section. Target: Reduce energy intensity by 2% annually (weather corrected).

² Entity specific

ENERGY INTENSITY PER NET REVENUE

	Total			Sweden			Germany			Denmark			Netherlands			Czechia			Norway			United Kingdom			Poland			Finland		
	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%	2024	2023	%
Total energy consumption per income (MWh/SEK m)	61.7	66.2	-7%	93.4	-	-	47.4	-	-	20.0	-	-	6.1	-	-	122.0	-	-	31.4	-	-	1.1	-	-	53.9	-	-	83.1	-	-

CONNECTIVITY OF ENERGY INTENSITY BASED ON NET REVENUE WITH FINANCIAL REPORTING INFORMATION

SEK m	2024	2023
Total income (Financial statements)	17,609	16,724

In the Nordic countries, Q4 2024 was warmer than last year. Conversely, the fourth quarter was colder than the fourth quarter of 2023 in other countries where we operate. In these countries we see an unexpected increase in energy consumption in the final quarter. Nevertheless, our absolute 2024 consumption is 2% lower than 2023. The measures we have taken in our buildings to reduce consumption are described in E1-4. Each year we improve the quality of our data and the intensity of our environmental reporting. As a result, from 2024 onwards, we will be able to climate correct the heating consumption on a quarterly basis. This will provide a more accurate approximation of the climate-corrected data than previous years. In all

countries, with the exception of Czechia, the total consumption was down compared to the previous year by 20,040 MWh, equivalent to the energy consumption of approximately 3,500 households. Both absolute and climate-adjusted energy intensity decreased, resulting in a 13% decrease of energy intensity. The share of renewable energy sources in the total portfolio has decreased, due to changes in Sweden and Poland.

The total energy consumption per income (MWh/SEK million) decreased by 7% due to the decrease in energy consumption and the increase in net revenue compared to last year.



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

GROSS SCOPES AND TOTAL GHG EMISSIONS

tCO ₂ eq	2024	2023	%
Scope 1 GHG emissions			
Gross Scope 1 GHG emission	20,485	23,852	-14%
Of which from property heating ¹	19,175	22,324	-14%
Of which from vehicles ¹	1,311	1,505	-13%
Of which from refrigerants ¹	0	22	-100%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emission (tCO ₂ eq)	160,728	141,353	14%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	133,158	135,894	-2%
Biogenic emissions in tonnes CO ₂ e ¹	0	371	-100%
Significant Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	120,415	575,450	
1. Purchased goods and services	-	379,466	
2. Capital goods	-	-	
3. Fuel and energy-related Activities (not included in Scope 1 or 2)	-	23,424	
4. Upstream transportation and distribution	-	1,277	
5. Waste generated in operations	-	1,182	
6. Business travel	-	6	
7. Employee commute	-	1,837	
8. Upstream leased assets	-	963	
9. Downstream transportation	-	-	
10. Processing of sold products	-	-	
11. Use of sold products	-	-	
12. End-of-life treatment of sold products	-	-	
13. Downstream leased assets	120,415	158,846	-24%
14. Franchises	-	-	
15. Investments	-	8,450	
Total GHG emissions scope 1 and 2 (market-based) (tCO₂eq)	153,643	159,746	-4%
Total GHG emissions (location-based) (tCO₂eq)	160,728	141,353	14%
Total GHG emissions (market-based) (tCO₂eq)	133,158	135,894	-2%

¹ Entity specific

The table presents Heimstaden Bostad's absolute GHG emissions in 2024 compared to 2023. Scope 1 and 2 emissions include divested properties, explaining slight differences from the SBTi table on [page 77](#). Sweden reported biogenic emissions and refrigerants in 2023, but due to minimal consumption and emissions, the 2024 table reports zero.

Absolute market-based Scope 1 and 2 emissions decreased by 4% (6,103 tonnes CO₂e) compared to 2023.

Scope 3 emissions are reported with a one-year lag, the table reflects FY 2023 figures. For our SBTi target, an assumption was made for Scope 3, category 13 (downstream leased assets) in 2024 to calculate the 2024 emissions from properties where the tenant has the energy contract. GHG intensity (market-based) per net revenue decreased 2 percentage points (from 10 to 8 tCO₂e per million SEK). Scope 1 and 2 GHG intensity per square metre decreased 4 percentage points (from 19 to 15 kg CO₂e/m²). Total Scope 1, 2, and 3 intensity is 24 kg CO₂e/m² in 2024 (no comparable figure for 2023).

Overall, absolute emissions declined, reflecting continued progress toward Heimstaden Bostad's 2030 climate target.

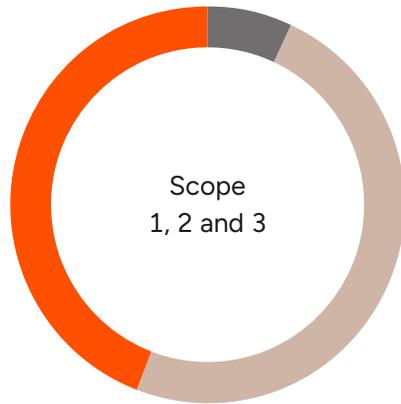
Scope 1 and 2 (market-based) emissions decreased by 4% (6,103 tonnes CO₂e) compared to 2023, equivalent to 250,000 trees absorbing CO₂ annually, 140 football fields of trees, or driving 600 times around the Earth in a petrol car

GHG INTENSITY PER NET REVENUE

GHG intensity per net revenue	2024	2023	%
Total GHG emissions (location-based) (tCO ₂ eq/SEK m)	9	-	-
Total GHG emissions (market-based) (tCO ₂ eq/SEK m)	8	10	-24%

GHG INTENSITY PER SQM

GHG intensity per sqm	2024	2023	%
Scope 1 and 2 (kg CO ₂ e/sqm)	15	19	-21%
Scope 1, 2 and 3 emissions (kg CO ₂ e/sqm)	24	-	-



- Scope 1: 7%
- Scope 2: 49%
- Scope 3, category 13: 44%



- Category 1: 66%
- Category 3: 4%
- Category 13: 28%
- Category 15: 1%

¹ Left figure is based on 2024 data. Right figure is scope 3 data based on 2023.

E1-7 GHG Removals and GHG Mitigation Projects Financed through Carbon Credits

We do not have any GHG removals or GHG mitigation projects financed through carbon credits.

E1-8 Internal Carbon Pricing

We do not apply internal carbon pricing schemes in our business.

E1-9 Anticipated Financial Effects from Material Physical and Transition Risks and Potential Climate-related Opportunities

We have opted to exercise the phase-in allowance to omit the financial effects from pollution-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on our financial position.



Accounting Policies – Climate Change

ESRS DR	Datapoint/Metric	Accounting Policy
Entity specific metric	Scope and boundaries	Data collection and consolidated data provided in the report has been compiled from various systems for all countries. Comparable properties: Properties with the full year's (01.01.2024-31.12.2024) energy and water data, where Heimstaden Bostad is on the contract for energy and water supply to the property.
Entity specific metric	Environmental Certificates	Environmental certificates are accounted for based on the total sqm covered by certifications across the portfolio.
Entity specific metric	Homeowners Association (HOA)	Heimstaden Bostad follows the financial control approach under the GHG Protocol. Energy and water consumption from Homeowners associations (HOAs) is reported under Scope 1 and 2 if Heimstaden Bostad holds 50% or more ownership or voting rights. Otherwise, it is reported under Scope 3. Country-specific approaches vary based on data availability.
Entity specific metric	Energy Performance Certificates (EPCs)	Data on energy performance certificates (EPC's) is collected for all countries where Heimstaden Bostad operates. In countries where there is no equivalent EPC standard, Heimstaden Bostad estimates the EPC using methods equivalent to those in other European countries. The standards of EPCs and their grades differ greatly between the nine countries where Heimstaden Bostad owns properties. This creates challenges in comparing the performance between countries and in preparing a consolidated overview of the Group's performance.
E1-5	Electricity consumption	In general, the Sustainability Report covers electricity used in the common areas of a building, while electricity used in apartments is only covered to a minor extent, since our tenants often have their own contract with electricity suppliers. Electricity is 100% renewable.

ESRS DR	Datapoint/Metric	Accounting Policy
E1-5	Energy consumption and mix	This report covers energy purchased by Heimstaden Bostad (scope 1 and 2). We are unable to access energy data when our tenants have their own energy supply contracts (scope 3, category 13). Energy data includes heating and electricity consumption, which is collected quarterly and annually in all nine countries in different systems and consolidated in a digital platform for the Sustainability Report. Heimstaden Bostad, the tenant, or a Homeowner Association, could be the contracting party responsible for providing energy for the tenant space. This varies from country to country, thus affecting the amount of energy Heimstaden Bostad purchases in each country. In cases where actual energy consumption data was unavailable from suppliers during the preparation of the Sustainability Report, estimates have been used to account for the missing data. Estimations are based on local expertise in each country, using historical data, energy performance certificates, and/or the best available statistics. For energy consumption, 15% of total consumption in Germany is estimated, while 10% of Czechia's consumption is also estimated. This corresponds to an overall estimation rate of 5% across total energy consumption.
E1-5	Overview of Energy Contracts	Overview of who has the energy contract (both heating and electricity) in the tenant space in each country as share of sqm where Heimstaden Bostad has the contract and share of sqm where the tenant has the contract from all sqm.
E1-5	Heat consumption	Energy use for heating is often procured by Heimstaden Bostad and is therefore included in the reporting for Sweden, Germany, Norway, Czechia, Denmark, Poland, and Finland. In The Netherlands and the UK, most of our tenants have individual energy contracts, limiting our access to their data. Consequently, our reporting only includes heating data for a select subset of properties in these regions. We use conversion factors from the local energy suppliers to convert litres of oil and cubic metres of natural gas into MWh. For the fuel mix of district heating, we take a similar approach, using emission factors from local energy suppliers. Emission factors for heating are from 2023 or 2022, if emission factors for 2024 were not available. Heating produced with heat pumps, or other electricity heating, is reported under electricity consumption.

ESRS DR	Datapoint/Metric	Accounting Policy
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	<p>Emission factors are collected annually and consolidated in a digital platform for the Sustainability Report.</p> <p>Our reported Scope 1 emissions derive from fuel combustion where Heimstaden Bostad has contracted the energy supplier for property heating, from leakage of refrigerants, and from fuel used in company-owned service cars and service cars with a financial lease. Our reported Scope 2 emissions derive from purchased heating, cooling, and electricity in our properties, where Heimstaden Bostad is on the contract.</p> <p>Our reported Scope 3 emissions for 2023 cover all categories applicable to Heimstaden Bostad's organisation.</p> <p>GHG data in this report is collected and reported in accordance with the GHG Protocol financial control approach.</p> <p>Gases included in our calculations are mainly CO₂ and CH₄ but can also include refrigerants or CH₂ and N₂O used in the production of district heating.</p> <p>We obtain the emission factors for electricity (market-based) and district heating (both market-based and location-based) from our energy suppliers.</p> <p>We use the emission factors from the Association of Issuing Bodies (AIB) for electricity scope 2 location-based, and from the International Energy Agency (IEA) for Scope 3, except in Sweden where Scope 3 comes from Energiföretagen.</p> <p>We use emission factors from The Department for Environment, Food and Rural Affairs of the Government of the United Kingdom (DEFRA), both scope 1 and 3, for natural gas and oil.</p> <p>We use the global warming potential (GWP) rates from the IPCC's Fourth Assessment Report for refrigerants. Emission factors for electricity are from 2024, while for heating they are mainly from 2023 and some from 2022.</p> <p>Heimstaden Bostad reports Scope 3 emissions for Category 13 (tenant energy use, excluding waste) for 2024, as it is a key contributor to our total carbon footprint. Our calculations are based on reported energy data from tenants where available, and where data is missing, we use Energy Performance Certificate (EPC)-based estimates, applying standardized kWh per square meter values. To ensure accuracy, we apply country-specific methodologies that reflect differences in energy management and reporting requirements. We have a Supplier Engagement target (part of our SBTi-approved climate target) where we address Category 1, which is the other major Scope 3 area. The 2024 figures are included to track progress toward our climate targets.</p> <p>New acquisitions made during the reporting year are excluded from the calculations. Other Scope 3 categories are still being mapped, with full data expected in Q1–Q2 2025. For emissions calculations, 100% of Scope 3, Category 13 emissions are estimated. Additionally, the same estimation percentages applied to energy consumption are reflected in the emissions calculations.</p>

ESRS DR	Datapoint/Metric	Accounting Policy
E1-6	Baseline Recalculation	For each acquisition and divestment, Heimstaden Bostad's total GHG emissions may change. Heimstaden Bostad has set 2020 as the base year and developed base year recalculations principles in line with the GHG Protocol. Recalculations of the base year are necessary to enable comparison of emissions and to track development on a like-for-like basis over a longer period.
Entity specific metric	Share of spend from suppliers that have SBTi based targets	Share of spend from suppliers that have SBTi based targets is calculated by consolidating the total spend with suppliers with SBTi based targets and dividing it by the total spend (excluding Heimstaden Bostad, energy, rent and capital goods).



E3 Water and Marine Resources



Annual, Governance, and Sustainability Report 2024

Impact, Risks, and Opportunities

ESRS2 SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model Regarding Water and Marine Resources

The materiality assessment identified a single material impact linked to Heimstaden Bostad's water consumption. Since our business operations do not interact with marine resources, all IRO management disclosures – including policies, actions, targets, and metrics – are focussed exclusively on addressing the material impact of water consumption.

E3 Water and Marine Resources	Impact	Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
Tenant water consumption	Negative impact			●	●	●	●

Tenant Water Consumption

Our tenants account for most of the water consumption in our properties, through activities such as personal hygiene, laundry, and cooking. While we cannot directly affect tenant water consumption, we acknowledge its impact on the environment and highlight it as one of the focus areas in our environmental strategy. Tenant water usage affects our climate goals through increased energy demand for water heating, treatment, and

distribution. Increased water consumption can lead to higher greenhouse gas emissions, particularly in regions relying on fossil fuels. Excessive water usage also strains local resources and wastewater infrastructure, further contributing to emissions and environmental degradation. This negative impact occurs in the short, medium and long term, downstream in our value chain.

Impact, Risk, and Opportunities Management

E3-1 Policies Related to Water and Marine Resources

Our approach to all ESG topics is anchored in our Sustainability Policy and manuals, see E1-2. Our Sustainability Policy covers tenant water use and our downstream leased assets across all our operational geographies. Our sustainability manual guides our work to reduce the negative impact of tenant water consumption.

E3-2 Actions and Resources in Relation to Water and Marine Resources

Our key actions for water monitoring and efficiency are set on a phased timeline. In the short term, we focus on installing smart meters, in the medium term, we aim to implement targeted tenant programmes that highlight water-saving behaviours and incentives, and over the long term, we plan to integrate water risk assessments as part of our ongoing climate risk assessments to ensure that our response evolves with changing conditions and technological advancements.

In 2024, as part of our renovation efforts, we replaced outdated fixtures such as mixer taps, toilets, and shower equipment, with modern, water-efficient models. In Sweden and Finland, we have installed smart water meters in 13 and 47 properties respectively, allowing us to monitor, measure and analyse our properties' water consumption in real time. In Czechia we installed more than 20,000 individual smart water meters. With accurate water data we can optimise our water use, detect leaks and prevent serious and costly water damage. The average water saving of this measure is 7% in the first year.

Today we have smart meters in 117 properties across all markets, and we plan to expand the coverage. We also explore innovative technologies such as installing heat pumps to recover heat from the wastewater systems in our buildings, contributing to both water and energy efficiency.

While we have conducted climate risk assessments focused on heavy precipitation, we have not yet assessed properties for water stress or drought. We plan to include this in future climate risk assessments, to develop policies and measures for properties in potential high-water-stress areas.

Performance, Metrics, and Targets

E3-3 Targets Related to Water and Marine Resources

We have set a target to reduce water consumption by at least 1% per square per year until 2030, on comparable properties with 2019 as baseline. We closely monitor water usage across all markets, enabling timely identification of fluctuations and corrective measures.

E3-4 Water Consumption

In 2024, our total water consumption amounted to 11,284,001 million cubic metres (m³), reflecting a 2.3% decrease from the previous year. Notably, 457,998 million m³ of this consumption occurred in Denmark and Germany, where we have implemented targeted conservation measures in 2023.

Water intensity reduced from 1.20 to 1.05m³/sqm/year, like for like. Results of our measures in 2024, will be visible next year.

We invested in water-saving fixtures, including low-flow taps, high-efficiency showerheads, and water-saving toilets, engineered to reduce water usage without compromising tenant comfort. By incorporating these features into both new and existing properties, we enable tenants to significantly reduce their consumption passively. By focussing on both technological solutions and tenant engagement, we reduce our water consumption footprint while fostering sustainable practices across our communities.

WATER CONSUMPTION

	Unit	2024	2023
Total Water Consumption	Million m ³	11,284,001	11,553,467
Water Consumption per Million SEK Net Revenue	Million m ³ /million SEK Net Revenue	641	691
Building water intensity ¹	m ³ per sqm per year	1.05	1.20

¹ Entity specific

Accounting Policies

ESRS DR	Datapoint/Metric	Accounting Policy
E3-4	Total water consumption, m ³	Water data is collected quarterly and annually in each country in different systems and consolidated in a digital platform for the Sustainability Report. The data is collected in cubic metres (m ³). In case actual data for the water consumption was not available when preparing the Sustainability Report, estimates of the missing water consumption have been used. Estimates are based on previous year's consumption data.
Entity specific	Building water intensity (per year) m ³ per sqm	We calculate water intensity in cubic metres per square metre (m ³ /sqm).





E5 Resource Use and Circular Economy

Impact, Risks, and Opportunities

SBM-3 – Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

The materiality assessment identified the following material climate related impacts, risks and opportunities:

E5 Resource and Use Circular Economy		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
Inflow – Procurement of virgin materials	Negative impact	●			●	●	●
Inflow – Shortage of building materials and products	Risk	●			●	●	●
Outflow – Sub-optimal life-cycle management	Negative impact		●		●	●	●
Tenant waste	Negative impact			●	●	●	●

Inflow – Procurement of Virgin Materials

We procure raw and virgin materials such as timber, concrete, bricks and steel, for renovation, maintenance, and construction activities across our markets. This contributes to resource depletion, ecosystem disruption, and carbon emissions from material extraction, processing, and transportation. This negative impact occurs in the short, medium and long term, upstream in our value chain.

Inflow – Shortage of Building Materials and Products

The risk of supply chain disruptions and shortage of building materials has become more evident in recent years. Such shortages, worsened by the geo-politic instability, could impact our capacity to execute timely construction and renovation projects, ultimately affecting the availability and quality of housing for our tenants. This risk occurs in the short, medium and long term, upstream in our value chain.

Outflow – Sub-optimal Life-cycle Management

Failure to prioritise recycling, reuse, or full lifecycle use of materials such as kitchens, bathrooms, flooring, and construction waste, has a negative environmental impact by contributing to increased resource extraction, which leads to greenhouse gas emissions, elevated energy use, and depletion of natural resources. Premature disposal of materials also increases landfill waste, impacting ecosystems and contributing to pollution. This negative impact occurs in the short, medium, and long term, in our own operations.

Tenant Waste

The waste generated across our properties impacts our environmental footprint. Tenant waste contributes to increased landfill use, greenhouse gas emissions from waste processing, and resource inefficiencies due to low recycling rates. Inadequate waste separation and recycling efforts further strain waste management systems and hinder circular economy goals. This negative impact occurs in the short, medium, and long term, downstream in our value chain.

Impact, Risk, and Opportunities Management

E5-1 Policies Related to Resource Use and Circular Economy

Waste management is a core element of our Sustainability Policy, emphasising responsible waste handling, reduction, and recycling in our operations and tenant activities, and our Environmental Management System (EMS) guides ongoing tenant waste management efforts to reduce our environmental impact through education and improved infrastructure, see E1-2.

Our Ecosystem Services and Biodiversity Management Guidelines covers procurement of sustainable materials, see E1-2. We are developing a comprehensive Sustainability and Circularity Roadmap, which will provide a structured approach to resource use and circular economy, covering the associated impacts and risks. This roadmap will detail our strategic priorities, objectives, and actions to advance a circular economy and support sustainable resource use throughout our operations. It will incorporate waste reduction, resource efficiency, and integrate circular principles across our processes and projects, addressing material inflow and outflow.

E5-2 Actions and Resources in Relation to Resource Use and Circular Economy

Inflow – Procurement of Virgin Materials

We minimise the use of virgin materials through responsible sourcing, focusing on durability and sustainability.

Durability and Material Selection. To enhance durability and reduce the need for frequent replacements, we prioritise high-quality materials which are timeless, easy to maintain, and exceptionally resilient. Silestone countertops need minimal replacement and produce approximately 27% lower CO₂ emissions over a 25-year period compared to laminate alternatives that typically last 10–12 years. This approach minimises waste and reduces the environmental impact across the project's lifecycle.

PVC-Free Natural Laminates. We utilise PVC-free natural laminate flooring in new-builds and refurbishments whenever possible. Unlike conventional vinyl flooring, our standard laminate specification is free from harmful plasticisers and volatile organic compounds (VOCs) and consists of 80% sustainably sourced wood. This choice contributes to a healthier indoor environment, with improved

air quality and a lower carbon footprint. Produced in energy-efficient facilities, natural laminate offers favourable end-of-life potential, with recyclable or biodegradable components that support circular economy practices.

Sustainable Furnishing Strategies. When we offer furnished apartments, we exclusively source furniture from European suppliers to reduce transportation emissions and support regional craftsmanship. A chair sourced from Europe results in approximately 65% less CO₂ emissions over 10 years compared to a similar chair sourced outside Europe. Our focus on high durability ensures each piece has a prolonged lifecycle, reducing replacement frequency. To further reduce resource consumption, we minimise loose furniture, emphasising efficient layouts with built-in storage solutions that enhance functionality and longevity.

Layout Optimisation and Modular Construction. Wherever possible in our new builds, we implement prefabricated, self-contained bathroom pod units built off-site and installed as complete units. This modular approach simplifies on-site construction, reduces waste, and enhances quality control. By standardising bathroom layouts

and minimising types that include bath tubs, we achieve a 20% smaller overall footprint and reduce material use while also enabling lower tenant water consumption.

Inflow – Shortage in Building Materials and Products

Where possible, we procure materials locally for tenant improvements and fit outs for new developments. This reduces dependency on long-distance supply chains and promotes regional economic engagement. As a next step, we will review the need for a more comprehensive risk management framework and specific mitigation measures.

Outflow – Sub-optimal Life-cycle Management

We actively pursue circular economy initiatives in our renovation and demolition projects. Our partnerships in Denmark and Czechia are instrumental in maximising material reuse and minimising landfill impact.

In the renovation of Hostrups Have in Denmark, the glass from approximately 5,200 outdated windows, totalling around 150 tonnes of glass, was processed and transformed into approximately 80,000 square metre of new glass wool insulation.

This approach reduced waste, conserved raw materials, and decreased CO₂ emissions by an estimated 31.5 tonnes during production. The close collaboration between Heimstaden Denmark, the main contractor, and the insulation manufacturer, was instrumental to the project's success.

We assess renovation potential before demolishing properties. In some cases, properties with coal-fired heating systems are less sustainable to renovate due to their high carbon footprint and environmental impact. Demolition and reconstruction with modern, energy-efficient buildings allows us to eliminate coal dependency, reduce emissions, and create healthier living spaces.

For demolition activities in Czechia (0,6% of our portfolio), we collaborate closely with certified recycling providers, who confirm a high recycling rate of demolition waste. The waste utilisation rate typically reaches at least 70% for all waste generated in a demolition.

Tenant Waste

As part of our EMS, we actively address tenant waste management. In Denmark, we have implemented a dedicated tenant education program that promotes proper waste sorting and handling. All waste bins are clearly marked, and our caretakers ensure that labels remain visible and understandable to tenants. This initiative helps increase recycling rates, decrease landfill contributions, and enhance tenant engagement in sustainable practices.

In some countries it is possible to report actual household waste. From 2025 onwards, we will continue the research to report actual data for all countries. However, this is a collaboration between public and private parties, as in many countries we rely on national or municipal databases, which are often behind in the release of data.

Performance, Metrics, and Targets

E5-3 Targets Related to Resource Use and Circular Economy

We have a target that 27% of our suppliers, by spend, covering purchased goods and services, have science-based targets by 2027. By targeting our upstream value chain to reduce their scope 1 and 2 emissions, we will be able to reduce our scope 3, category 1 emissions. The reduction in our suppliers' scope 1 and 2 emissions will come from implementing circular principles or more effective transportation schemes and locally sourced materials.

Tenant Waste

WASTE

	2024	2023
Total weight of waste generated by the tenants (in tonnes)	-	152,984

As part of our Scope 3 reporting, the reporting of our tenants' household waste has been delayed by one year.

Accounting Policies

ESRS DR	Datapoint/Metric	Accounting Policy
E5-5	Waste	Waste generated by tenants is calculated by the number of tenants. The reporting is based on 2023 figures, because it is part of the data collected in our Scope 3 reporting. Data for Scope 3 2024 is not available yet since the mapping of our Scope 3 emissions will be performed during Q1-Q2 2025.



EU Taxonomy

Taxonomy-eligible Activities

Heimstaden Bostad’s Taxonomy-eligible activities have been identified by screening the economic activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139), the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

2023/2486), and the amendments to the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485).

Fifteen activities have been identified as eligible for Heimstaden Bostad within the three objectives Climate Change Mitigation (CCM), Climate Change Adaptation (CCA) and Transition to Circular Economy (CE):

CCM 7.1 + CE 3.1	Construction of new buildings
CCM/CCA 7.2 + CE 3.2	Renovation of existing buildings
CCM/CCA 7.3	Installation, maintenance, and repair of energy-efficiency equipment
CE 3.3	Demolition and wrecking of buildings and other structures
CCM 7.4	Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
CCM/CCA 7.5	Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings
CCM 7.6	Installation, maintenance, and repair of renewable energy technologies
CCM 7.7	Acquisition and ownership of buildings
CCM 9.3	Professional services related to energy performance of building
CCA 9.3	Consultancy for physical climate risk management and adaptation

Taxonomy-aligned Activities

Regulation (EU) 2020/852, article 3, sets out criteria which an economic activity must meet to qualify as environmentally sustainable (taxonomy-aligned):

- Substantially contribute to one or more of the six environmental objectives
- Do no significant harm (DNSH) to the other five objectives
- Be carried out in compliance with the minimum safeguards covering social and governance standards
- Comply with the technical screening criteria (TSC) for the environmental objectives

Taxonomy-alignment of our eligible activities has been assessed against annex I of the Climate Delegated Act. The TSC for the environmental objectives have been assessed per activity as well as the DNSH criteria. Heimstaden Bostad is compliant with the minimum safeguards, all processes regarding anti-corruption, fair competition, taxation, and human rights are in place.

Our investments are directly linked to Category A investments and are tied to taxonomy-eligible economic operations, such as the construction, acquisition, and ownership of energy-efficient investment properties or renovations that meet regulatory criteria. Financial metrics, including rental income, capital expenditure, and operational expenses, are allocated to taxonomy-aligned activities using a clear linkage principle, ensuring that only activities meeting technical screening criteria are classified as aligned.

- **Turnover:** The proportion of our rental income derived from taxonomy-eligible and aligned activities in our investment properties
- **Capital Expenditures (CapEx):** Investments made to expand or upgrade our investment properties, machinery and equipment and intangible assets in alignment with taxonomy criteria reflected in the table on [page 100](#)
- **Operating Expenses (OpEx):** Costs associated with maintaining or improving taxonomy-aligned assets

SUMMARY OF TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

	Taxonomy eligibility in %		Taxonomy-alignment in %	
	2024	2023	2024	2023
Turnover	100	100	26	16
Capex	100	100	25	27
Opex	100	100	4	3

We conclude with an alignment of 25.9% in terms of CCM revenue. This is an increase of almost 10 percentage points compared to last year (16%). This is consistent with our increase of EPC label A in all countries, which allowed us to report higher alignment. For none of the other objectives we report Revenue alignment or eligibility in 2024.

For CapEx, we are 25.0% aligned, a slight decrease compared to last year (27%), and for OpEx 4.2%, which brings us back to the 2022 level (4%) and an increase of more than 1 percentage point compared to 2023. Under CCM, we are 100% eligible for all three categories Revenue, CapEx and OpEx.

The table describing the alignment/eligibility under CCA and CE objectives from ANNEX II is shown on [page 97](#). [Pages 94 to 96](#) contain tables showing the proportions of alignment in Revenue, CapEx and OpEx per activity. Then, starting on [page 99](#), there is a description of our aligned activities, how we are meeting the TSC, assess the DNSH criteria and minimum safeguards.



Taxonomy-aligned Turnover

	Year		Substantial contribution criteria						DNSH criteria ('Does No Significant Harm') (h)						Minimum Safeguard (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code (a) (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)					Bio-diversity (16)
Economic activities (1)	SEK million		%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Aquisition and ownership of buildings	CCM 7.7	4,115	25.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y		T
Turnover of eligible Taxonomy-aligned activities (A.1)		4,115	25.9%	25.9%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	16.2%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which Transitional		4,115	25.9%	0%						Y	Y	Y	Y	Y	Y	Y	16.2%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Aquisition and ownership of buildings	CCM 7.7	11,783	74.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								84.4%		
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,783	74.1%	74.1%	0%	0%	0%	0%	0%								84.4%		
A. Turnover of Taxonomy eligible activities (A1+A2)		15,898	100%	100%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		0	0%																
TOTAL		15,898	100%																

Taxonomy-aligned CapEx

Economic activities (1)	Year		Substantial contribution criteria							DNSH criteria ('Does No Significant Harm') (h)						Minimum Safeguard (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)				
	SEK million	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	320	3.9%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.3%	E	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.5	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.3%	E	-
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	8.9	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	-
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	8.4	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%	E	-
Acquisition and ownership of buildings	CCM 7.7	1,743	21.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	-	T
Professional services related to energy performance of buildings	CCM 9.3	1.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	21.5%	E	-
Demolition and wrecking of buildings and other structures	CE 3.3	0.5	0.0%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	-	Y	-	Y	Y	0.0%	E	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,082	25.0%	25.0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	27.4%		
Of which Enabling		340	4.1%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	27.3%	E	
Of which Transitional		1,743	21.0%	21.0%						Y	Y	Y	Y	Y	Y	Y	0.1%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	6,235	75.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								89.0%		
CapEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,235	75.0%	75.0%	0%	0%	0%	0%	0%								89.0%		
A. CapEx of Taxonomy eligible activities (A1+A2)		8,317	100%	100%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		0%	0%																
TOTAL		8,317	100%																

Taxonomy-aligned OpEx

Economic activities (1)	Year		Substantial contribution criteria							DNSH criteria ('Does No Significant Harm') (h)						Minimum Safeguard (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)				
	SEK million		%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4.1	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%	E	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	-
Acquisition and ownership of buildings	CCM 7.7	142.9	4.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	-	T
Professional services related to energy performance of buildings	CCM 9.3	0.7	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.5%	E	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		148	4.2%	4.2%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3.7%		
Of which Enabling		4.7	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	3.7%	E	
Of which Transitional		143	4.0%	4.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	3,405	95.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								96.2%		
CapEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,405	95.8%	95.8%	0%	0%	0%	0%	0%								96.2%		
A. OpEx of Taxonomy eligible activities (A1+A2)		3,553	100%	100%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0%																
TOTAL		3,553	100%																

ANNEX II

Additional templates for economic activities that contribute to multiple objectives

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	25.9%	100%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	25.0%	100%
CCA	%	4.1%
WTR	%	%
CE	0.0%	0.1%
PPC	%	%
BIO	%	%

	Proportion of OpEx/ Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	4.2%	100%
CCA	%	0.1%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities		
Row	Nuclear energy related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

See [page 98](#) for a description of the alignment and eligibility under the CCM objective. For CCA, we report no alignment in 2024. 4.1% of total CapEx and 0.1% of total OpEx is classified as eligible for CCA. CapEx activities under CCM 7.2 to 7.6 are theoretically eligible for CCA, resulting in an eligibility percentage of 4.1 and 0.1 respectively.

In E-5 we describe the demolition projects in the Czechia. The total eligible investment under CE is 0.12%, of which we can report 0.01% as aligned. From 2025 onwards, we will endeavour to report the total eligibility under CE 3.3 as aligned. In theory, CE3.2 is an eligible category for us, but we have not reported alignment under CCM 7.2, resulting in 0 eligibility for CE3.2.

Objective Climate Change Mitigation (CCM)

Substantial Contribution

Evaluation and documentation have been processed to determine whether taxonomy-eligible activities meet the substantial contribution criteria for climate change mitigation.

Activity 7.1

In 2024 we had no alignment under CCM 7.1.

Activity 7.2

Renovations carried out on our properties led to reduction of primary energy demand (PED) of at least 30%, or so-called "major renovation". No renovation project in 2024 fulfilled all DNSH criteria, hence 0 reported under CCM 7.2.

Activity 7.3

We invest in the installation, maintenance, and repair of energy-efficiency equipment. Within 7.3, the highest percentage CapEx-alignment is for activities such as the installation and replacement of highly efficient technologies for heating, insulation projects, and energy efficient windows. For OpEx, most of our investments in 2024 were used for energy efficient light sources, maintenance and repair of highly efficient technologies for heating, and maintenance and repair of highly efficient technologies for water heating systems.

Activity 7.4

Installation, maintenance or repair of charging stations for electric vehicles were implemented in some of our Danish and Swedish properties.

Activity 7.5

We make CapEx investments for individual installations, maintenance, and repair on our properties, including instruments and devices for measuring, regulation and controlling energy performance of buildings, such as thermostats and daylight control. In 2024, we had 20 projects for heating and 1 for cooling in Sweden.

Activity 7.6

In Denmark and Sweden, the two major investments for renewable energy aligning with activity 7.6 were the installation of solar photovoltaic systems and solar hot water panels.

Activity 7.7

Alignment of Revenue: 25.9%
Alignment of CapEx: 21.0%
Alignment of OpEx: 4.0%

Activity 9.3

CapEx related to obtaining building certifications, such as BREEAM in Poland.



Do No Significant Harm (DNSH)

Climate Change Adaptation

For all our aligned activities, Climate Risk and Vulnerability Assessments have been conducted on property level. The first step is an exposure analysis, carried out on our full portfolio. In the second step, properties with high exposure to climate risks undergo a vulnerability analysis. The climate exposure and degree of vulnerability are combined in a final property risk score. We prioritise mitigation measures based on acute needs or where the risk level is expected to be very high within the next five years, see E1, SBM-3.

Pollution Prevention

To prevent pollution, we implemented procurement guidelines across all markets and added a pollution prevention section, aligned with the requirements in Appendix C of the EU taxonomy, to our Business Partner Principles.

Objective Climate Change Adaptation (CCA)

EU Taxonomy Alignment – Economic Activities Exclusion

After assessing the eligibility of our economic activities against the CCA criteria of EU Taxonomy regulation, we have determined that the following activities fall outside the eligible scope for climate change adaptation:

- **CCA 7.1 Construction of New Buildings.** Our new build activities are not specifically designed to enable climate change adaptation as defined under this category

Activities 7.2 Until 7.6

We plan CapEx to support resilience measures identified through our climate risk and vulnerability assessments. These adaptation projects may qualify under CCA 7.2 until CCA 7.6, but we have not conducted an alignment assessment for these activities. We will continue to develop our approach to climate adaptation projects and explore potential Taxonomy alignment as our adaptation strategies develop in line with our climate risk assessment findings.

Objective Transition to Circular Economy (CE)

In 2024, we carried out approximately 80 demolition projects in Czechia. We have one partner that is aligned under the TSC and DNSH criteria for CE 3.3 Demolition and Wrecking of Buildings. For future projects in 2025 we will engage with partners that demonstrates compliance under the EU taxonomy regulations. See E5 for more details.

Minimum Safeguards

Our activities are carried out in compliance with the minimum safeguards. Our Human Rights Statement meets the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Heimstaden Bostad has made the assessment of minimum safeguards in line with the most recent guidance from the Platform on Sustainable Finance. This assessment includes ensuring that Heimstaden Bostad has processes in place on Group level for bribery anti-corruption (see G1-3 Prevention and detection of corruption and bribery), taxation (see G-1 – Actions and targets related to tax – entity specific disclosure), human rights (see S-2 Workers in the Value chain), and fair competition.

Taxonomy KPIs – Policy Choices and Accounting Policies

Double Counting

We ensure that each taxonomy-eligible and aligned percentage is allocated either fully to a single activity or split appropriately between activities where necessary, thereby preventing double counting in both eligibility and alignment metrics.

The only instance where "double counting" might appear in the ANNEX II table or the tables presented on [page 94](#) to [96](#), where activities are marked as eligible or aligned with a simple "Y" indicator. However, in the percentage column, we have structured our reporting to prevent double counting altogether by selecting the best-suited alignment category. This commitment is part of our broader policy decision to provide a clear and precise view of our performance under the EU Taxonomy.

Most of our activities fall under Climate Change Mitigation. However, if we implement adaptation measures within specific projects, especially those informed by our climate risk and vulnerability assessments, we report these activities under Climate Change Adaptation. This ensures that our disclosures reflect the actual nature and purpose of our sustainability efforts.

Whenever possible, we prioritise CE alignment for our CapEx projects to transparently showcase our commitment to circular principles and we actively work to increase our CE alignment each year, focusing on process development and supplier engagement. For the reporting year 2024, 0.01% of our CapEx was CE-aligned.

Policy Choice for Assessing our Activities Under CCA

For objective CCA, we have made the policy decision to consider the activities 7.2 to 7.6 and 9.3 as eligible for us. We are not eligible for CCA 7.7 and 7.1 because we are not an enabler for CCA. As we have not implemented any climate adaptation projects in 2024, there is no alignment under CCA. We have assumed exactly the same activities described under CCM as CCA 7.2 to 7.6 to calculate our eligibility for CCA in 2024. The percentage eligibility of 4.1 reflects the sum of activities reported as aligned in CCM 7.2 to 7.6

Alignment with Activity CCM 7.7 Acquisition and Ownership of Buildings

If Heimstaden Bostad develops own buildings, the building will be operated and managed by Heimstaden Bostad. Consequently, we consider activity 7.7 to be the most applicable economic

activity within the Taxonomy regulation, as it better reflects our long-term operational approach to our assets, including new constructions. This policy choice clarifies our interpretation of relevant Taxonomy criteria, focussing on the acquisition and ownership lifecycle rather than

separate classifications for development or construction activities (CCM 7.1). By aligning with activity 7.7, we ensure consistent application of the Taxonomy's requirements across our portfolio, supporting our commitment to sustainable and responsible property management.

QUANTITATIVE BREAKDOWN OF CAPITAL EXPENDITURE NUMERATOR FOR 2024 (SEK M)

Activity	Additions to machinery and equipment	Additions to investment properties	Additions to intangible assets	Sum
7.3	–	320.4	–	320.4
7.4	–	0.5	–	0.5
7.5	–	8.9	–	8.9
7.6	–	8.4	–	8.4
7.7	–	1,742.7	–	1,742.7
9.3	–	1.0	–	1.0
3.3	–	0.5	–	0.5
Total	–	2,082.4	–	2,082.4

Social Information

S1 Own Workforce



S1 Own Workforce – Working Conditions

Impact, Risk, and Opportunities

ESRS2 SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

The Double Materiality Assessment identified the following Impacts, Risks and Opportunities:

S1 Own Workforce – Working Conditions		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
Failure to attract and retain talent	Risk		●		●	●	●
Work-life balance	Negative impact		●		●	●	●
Physical and mental health and safety risks	Negative impact		●		●	●	●

Failure to Attract and Retain Talent

Failure to attract and retain talent poses a risk to our operational capacity and service delivery. Consistent service is key to tenant satisfaction and disruptions can lead to higher vacancy levels, with consequent financial repercussions. High employee turnover would weaken our employer brand, making it harder to attract the talent needed for efficient operations, which negatively affects our ability to meet stakeholder expectations and attract capital. This risk occurs in the short, medium and long term, in our own operations.

Work-life Balance

Excessive workload and difficulties balancing professional and personal life can negatively impact employee well-being. This may lead to increased sick leave and resignations, challenging our ability to deliver stable tenant services and efficient operations. This negative impact occurs in the short, medium and long term, in our own operations.

Physical and Mental Health and Safety Risks

Inadequate health and safety practices can negatively impact our workforce and operations and lead to service disruptions. Poor safety measures would elevate the risk of workplace accidents, injuries, or even fatalities. Poor ergonomic practices in our offices or failure to manage occupational health hazards, such as exposure to harmful substances, pose long-term risks, potentially resulting in chronic illness, higher absenteeism, and reduced productivity. This negative impact occurs in the short, medium and long term, in our own operations.

All materially affected members of our own workforce are included in the scope of this disclosure.



Impact, Risk, and Opportunity Management

S1-1 Policies Related to Own Workforce

Our Code of Conduct outlines our commitment to ethical business practices and working conditions for all employees. It is presented during employee onboarding and is available to all employees in all local languages. Complementary policies, manuals, and guidelines are accessible on the Company's intranet, within the group HR system, and in Staff Handbooks, see G1-1 for more detail.

The People & Culture Policy and Manual define our commitment to a Friendly Workplace, guided by our core values: Dare, Care and Share, and align with the UN Guiding Principles and the ILO Declaration. These resources are made accessible through our intranet and group HR system. The policy's purpose is to uphold our promise of a supportive and inclusive environment for all employees, contingent workers, and relevant external stakeholders throughout the company. The Manual provides a structured framework, detailing guidelines, processes, tools, and advice for managers and employees. It addresses key areas such as recruitment, hiring, onboarding, professional development, and termination, ensuring consistency and fairness. The Chief People & Culture Officer (CP&CO) is responsible for oversight, ensures compliance across our

operations, and aligns practices with legal requirements and strategic ambitions.

All employees are encouraged to contribute to a Friendly Workplace by adhering to our commitments in areas like Work Health & Safety, Diversity, Equity, Inclusion & Belonging, Good Leadership, Opportunities for Growth, and Well-being. We collectively strive to enhance our workplace culture, addressing any deviations swiftly and effectively.

Local P&C Managers regularly report country-level data to CP&CO to ensure key challenges and achievements are communicated and handled efficiently. These reports are reviewed, consolidated and shared with Senior Management and the Board to encourage continuous improvement and alignment with our organisational goals. Any potential breaches of our Code of Conduct can be reported through our whistleblower function, see G1-1.

S1-2 Processes for Engaging with Own Workers and Workers' Representatives about Impacts

Building engagement is a shared responsibility between Managers, the People & Culture

(P&C) function and employees. The Managers' leadership and ability to listen to and support the team is the most critical factor to create engagement. If needed, P&C proposes activities to be implemented locally. Employees are invited to these discussions and employee initiatives are welcomed.

To measure results, we conduct a quarterly employee engagement survey, which is sent to all employees. This allows us to celebrate achievements, address areas of concern, and initiate constructive dialogues directly with employees and managers. The survey tracks three key areas: Engagement, Diversity & Inclusion, and Health & Wellbeing. Main topics include working conditions, health and safety, equal treatment, leadership support, and work-life balance. The survey is distributed through various channels, including digital platforms and email, ensuring accessibility to all employees. The survey is anonymous and confidential to encourage honest feedback.

Managers are encouraged to act directly based on the survey results, with guidance provided through the survey tool. The tool also offers a detailed dashboard that allows us to track trends, identify focus areas, and recommend training and actions

to address any concerns. Findings are summarised, monitored and shared with the organisation, as well as the Board, in quarterly reviews.

Other methods for proactive workforce engagement include personal development plan discussions (Reflect & Act) conducted twice per year, leadership development initiatives, regular one-on-ones, digital quarterly townhall meetings, and internal conferences. These processes and activities ensure ongoing communication and provide employees with opportunities to contribute to the development of the organisation

S1-3 Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns

We have clear processes for addressing and remedying negative impacts on working conditions. We identify issues through accident and incident reporting in our HR system, and we capture grievances, dissatisfaction, and ill treatment via our employee surveys and dedicated channels for workforce feedback. We assess the effectiveness of these remediation efforts by tracking the resolution of issues raised and through employee survey scores. Our whistleblowing function allows

employees to raise concerns confidentially and anonymously, see G1-1.

To ensure awareness and trust in these mechanisms, we actively promote them through internal communication and training. The effectiveness is monitored by assessing employee feedback and tracking the number of reported and verified cases, ensuring continuous improvement in working conditions, health and safety, and equal opportunities. All personal data related to complaints is handled with confidentiality, in compliance with relevant data protection regulations.

S1-4 Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions

Failure to Attract and Retain Talent

To build a resilient company, we focus on regular communication with our workforce. We utilise a data driven approach by closely monitoring trends in our employee engagement surveys and encourage all managers to discuss their results within their team to highlight strengths and identify improvement areas. Performance

Development talks are held twice per year, to set targets and to assess progress, identify development needs and to plan actions to achieve our goals. We invest in our leaders through trainings and during 2024 many of our senior manager positions have been filled with internal successors, proving we offer substantial internal career paths.

Relevant KPIs are tracked monthly and presented to the Board quarterly. We monitor our turnover on a regular basis and in departments with higher-than-expected turnover, we conduct detailed analyses to identify the root causes, whether it's poor recruitment practices, leadership issues, or a lack of training.

We have introduced micro-learning modules that emphasize the importance of grievance reporting and fostering a culture of transparency. We also enhanced our learning platform for easier access to learning materials and introduced new career paths, aligning with employee growth expectations. We utilise employee feedback and course completion data to continuously refine our training programmes. The investment in training will continue for 2025, focusing on upskilling employees for emerging industry trends. In 2024 we conducted a pre-study to replace our recruitment tool to improve the speed, objectivity,

talent exposure, process quality and candidate experience.

Work-life Balance

We believe in creating a work environment that promotes both flexibility and accountability. Managers play a vital role in this, monitoring workload and intervening before hours exceed local regulations. Overtime should be an exception, only occurring under special circumstances and with clearly established expectations, always respecting local regulations. By setting clear protocols for response times based on urgency, we ensure that communication is effective, respectful, and aligned with the well-being of our employees.

Physical and Mental Health and Safety Risks

In 2024, we implemented several health and safety measures, highlighting a well-being topic (mental, physical, social, nutrition and movement) each month. We launched articles, micro-learning, lectures and employee challenges and some markets added local movement challenges. Through the Dare2Care initiative, we promoted physical and mental well-being via activities, webinars, and more across all countries.

We train our workforce on role specific safety protocols such as occupational safety,

ergonomics, handling hazardous materials, and emergency procedures, in specific onboarding modules for all employees. We launched a Workplace Safety Instructions e-learning for all employees, available in all languages, with focus on ergonomics at workstation, handling of hazardous substances (basics), electrical safety (basics), fire prevention & safety, driving safety, and work accidents. During World Mental Health Day, we launched mental health e-learning courses, designed to help handle stress and protect mental health. The effectiveness of these training programmes is tracked through our HR system.

Performance, Metrics, and Targets

S1-5 Targets Related to Managing Material Negative Impacts, Advancing Positive impacts, and Managing Material Risks and Opportunities

We monitor our progress through quarterly analysis of aggregated data, which is reported to the Board. We have set an ambitious target to be among the top performing 25% of all users of the employee survey tool in the areas of Engagement, Diversity & Inclusion, and Health & Wellbeing.

We have set a target that all employees must sign the Code of Conduct and undergo regular mandatory training every 18 months. In 2024, 100% of our employees signed our Code of Conduct.

We track both voluntary and involuntary turnover, with a target of below 15% for voluntary turnover. In 2024, voluntary turnover was at 12.89% and involuntary turnover at 13.93%. We closely examine departments experiencing unusual turnover rates.

Our primary target related to Health and Safety for our employees is to achieve less than 5% sick leave (both short and long-term sickness). We also maintain a vision of zero work-related injuries. The scope of these targets includes all our employees, focusing on mitigating risks associated with falls,

lifting incidents, and stress-related absences. The baseline for measuring progress is established using data from 2022, when the absence rate was recorded at 5.7%.

S1-6 Characteristics of the Undertaking’s Employees

Our workforce is composed of 1,892 employees. Our gender split is 61% male and 39% female employees. 94% of employees are employed on a full-time basis, while 6% are part-time. The workforce is spread across various regions, with 33% working in Czech Republic.

Our recent company reorganisation was a decisive move to future-proof our company in a dynamic real estate landscape. We are prioritising follow-up on these changes, especially in areas with significant shifts, and working with managers to act on feedback by responding to comments, presenting team scores quarterly, and setting targeted improvement goals. While we anticipated an increase in turnover, we instead see a slight decrease, compared to previous reporting year. We have brought on new talent and supported existing team members through this change, prioritizing both expertise and a strong cultural fit.

We have introduced tailored retention strategies, enriching leadership pathways, and broadening internal career opportunities. Though challenging, this shift has positioned us with the skills and

momentum needed to better meet shareholders’ expectations and tenant needs, innovate within our sector, and build long-term value for our stakeholders.

TOTAL NUMBER OF EMPLOYEES (HEAD COUNT)

	2024			2023		
	Total	Women	Men	Total	Women	Men
Total number of employees (head count)	1,892	709	1,182	1,913	752	1,161
Total number of permanent employees (head count)	1,741	650	1,090	1,729	685	1,044
Total number of temporary employees (head count)	151	59	92	184	67	117
Total number of non-guaranteed hours employees (head count)	0	0	0	0	0	0
Total number of full-time employees (head count)	1,774	635	1,138	1,792	674	1,118
Total number of part-time employees (head count)	118	74	44	121	78	43

S1-7 Characteristics of Non-employee Workers in the Undertaking's Own Workforce

Compared to last year the number of non-employee workers has slightly increased. Non-employee workers can be found across our departments and these positions typically involve fixed-term contracts with monthly or hourly remuneration. For our operations, the numbers tend to rise during the summer holidays, due to seasonal workers.

CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

	2024	2023
Non-employee workers ¹	73	69

¹ Non contingent workers = external consultants (specific person working on specific project or area, or representing the Company under their period of consultancy)

S1-8 Collective Bargaining Coverage and Social Dialogue

We operate in several markets with different common practices regarding collective bargaining agreements. We have collective agreements in our operations departments in Czechia, Sweden, Denmark, and Germany, covering around 60% of our total employees. In countries where we do not operate under collective agreements we strive to provide minimum same or better conditions than the local collective agreements.

COLLECTIVE BARGAINING COVERAGE

Employees – EEA (for countries with >50 employees representing >10% total employees)	
0–19%	Germany
20–39%	
40–59%	Denmark
60–79%	
80–100%	Czechia and Sweden

S1-14 Health and Safety Metrics

Although the number of recordable work-related injuries has risen since last reporting period, it remains low in comparison to the size of workforce. To drive further progress, Heimstaden Bostad should continue promoting a culture of reporting incidents. By encouraging employees to report even minor occurrences, the company can better identify areas for improvement and proactively address risks. Increased reporting can ultimately lead to fewer accidents, fostering a safer workplace for everyone.

HEALTH AND SAFETY METRICS¹

	2024	2023
Fatalities	–	–
High-consequence work-related injuries (accidents)	13	14
Rate of high-consequence work-related injuries ²	3.3	3.2
Recordable work-related injuries	85	62
Rate of recordable work-related injuries ²	21.6	14
Lost Time Injury frequency rate (LTIFR) ²	3.3	3.2
Lost Day Rate (LDR) ²	24.3	29.7
Incidents ²	30	35
Absence due to illness ²	4.0%	4.1%
Number of hours worked ²	3,926,978	4,424,759
Number of days away	478	657
Total Recordable Case Frequency (TRCF)	36.4	–
Proportion of all employees covered by H&S management system	–	–

¹ Consolidated numbers for Heimstaden Bostad and Heimstaden

² Entity specific

S1-15 Work-life Balance Metrics

In accordance with the Company's internal Policy, 100% of men and women are entitled to parental leave.

Employee Survey

Results from the employee survey show a notable increase in response rate, reaching 81%, compared to 76% last year. Slight declines in Employee Engagement score reflect the impact of reorganisations and changes across our countries.

Diversity & Inclusion results demonstrate stability, supported by initiatives throughout the year. For more details, see section S1-4. We remain committed to enhancing workforce diversity for long-term success.

The Health & Well-being score shows signals of improvement, suggesting positive progress. Despite this progress, mental wellbeing remains an area for improvement. Feedback emphasises the importance of fostering psychological safety, trust, and a positive feedback culture. We will continue to engage with our workforce to drive actions that support a healthy and thriving organisation.

PEAKON SURVEY (COMPANY-WIDE, ENTITY SPECIFIC)¹

	2024	2023
Engagement score	7.6	7.7
Diversity & Inclusion score	8.7	8.7
Health & Wellbeing score	8.1	8.0

¹ Target: Top 25th percentile





S1 Own Workforce – Equal Treatment and Opportunities for All



We are committed to promote a diverse, inclusive, and unbiased workplace that mirrors the societies in which we operate. We acknowledge the complexities of diversity and continuously work towards equal treatment and opportunities across all levels of the organisation.

Impact, Risk, and Opportunities

ESRS2 SBM-3 Material impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

The Double Materiality Assessment identified the following Impacts, Risks and Opportunities:

S1 Own Workforce – Equal Treatment and Opportunities		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
Unequal pay practices	Negative impact		●		●	●	●
Lack of diversity and inclusion	Risk		●		●	●	●

Unequal Pay Practices

The absence of effective measures to assess and address pay disparities can lead to negative impacts on employee morale, engagement, and trust in the organisation. Unaddressed pay inequities can also affect reputation and contribute to

increased turnover, impacting the ability to attract and retain talent and meet stakeholder expectations. This negative impact occurs in the short, medium and long term, in our own operations.

Lack of Diversity and Inclusion

Lack of diversity and inclusion of diverse perspectives can lead to lower innovation, affect strategic decision-making, and operational performance, which may affect our ability to respond effectively to market changes. In our industry, the issue is particularly relevant concerning gender diversity, where we have set measurable targets. Potential discrimination and harassment claims pose a

financial risk associated with legal liabilities. Such risks can result in financial penalties, reputation damages, and loss of employee trust. This risk occurs in the short, medium and long term, in our own operations.

All materially affected members of our own workforce are included in the scope of this disclosure.

Impact, Risk, and Opportunity Management

S1-1 Policies Related to Equal Treatment and Opportunities for All

Our People and Culture Policy and Manual, see S1-1, emphasizes diversity, equal opportunities, and inclusion, creating an environment where employees feel valued and have access to professional growth and resources to thrive in their roles.

The Code of Conduct, see G1-1, establishes our ethical framework, promoting integrity, respect, and accountability in all interactions. It sets clear expectations for employee behaviour and highlights our commitment to a workplace free from discrimination, harassment, and unethical practices.

S1-4 Taking Action on Material Impacts on Own Workforce, and Approaches to Managing Risks and Pursuing Opportunities Related to Own Workforce, and Effectiveness of Those Actions

Unequal Pay Practices

Heimstaden Bostad values fair compensation for all employees, as they are the foundation of our company's success. The People & Culture function conducts a yearly comprehensive review of our compensation structures, to identify and address

any unjustifiable pay disparities and to ensure equal remuneration for equal work. We use the Mercer framework to support us in reducing any inexplicable differences and to conduct an annual gender pay gap analysis. In our analysis, we also consider age, ethnicity, performance and length of employment. In 2024, we further detailed the pay ranges and job levels to make the comparison more granular and to prepare for the EU Pay Directive. From 2025, in addition to gender pay gap, we will measure identified pay gaps of 5% or more for equal and equivalent jobs.

While we operate in multiple countries with varying wage regulations, defining an "adequate wage" can be complex due to differences in local laws and minimum wage standards. To ensure fair and competitive compensation, we implement a structured approach, using defined wage intervals for each position. This system helps us align salaries with local market conditions and ensures we offer an appropriate and fair wage to each employee.



Lack of Diversity and Inclusion

In 2023, we established a Diversity Board to support Executive Management in creating a more diverse and inclusive workplace. Recognising the challenge posed by a relatively homogeneous manager population, the Diversity Board's purpose is to bring new perspectives and propose meaningful actions to enhance diversity, equity, inclusion, and belonging.

We have made our recruitment process less biased by implementing objective testing tools and incorporating bias training in our leadership programmes, particularly concerning recruitment practices. We actively encourage women to enter the real estate sector and take on leadership roles to address the industry's male-dominated nature. In Germany and Czechia, we hosted career and recruitment events for young women interested in real estate, resulting in successful recruitments. On International Women's Day, we organised a webinar featuring some of our female leaders, providing career advice and insights. We aim for equal promotion opportunities for men and women.

In 2024, we introduced flexible vacation days in Sweden, acknowledging that employees have different cultural and religious practices. Instead of fixed holidays that follow the Christian calendar,

employees in Sweden can now choose when to draw hours from a time bank. Within the scope of our inclusive jobs target, where we offer work experience to people far from the labour market, we started a partnership with the Tent Partnership for Refugees.

Training and Skills Development Actions

By improving our learning platform, introducing user-friendly navigation and new learning pathways tailored to different roles, we ensure that all employees have equal opportunities to learn and develop their skills. These initiatives include onboarding training on our Code of Conduct and our commitment to diversity and inclusion, equal opportunities and zero tolerance for discrimination and harassment. By combining digital courses with virtual classroom and onsite training we meet employee expectations and improve our tracking and reporting capabilities.

In 2024, we launched a mandatory e-learning on Diversity, Equity, Inclusion, and Belonging (DEIB) for all employees, covering foundational concepts and practical methods for fostering DEIB in the workplace. Topics such as inclusive communication, empathy, active listening, and cultural awareness are addressed. Leaders receive additional training in leading diverse teams and recognising bias in recruitment and promotion

processes. We also launched trainings on Overcoming Bias at Work and Becoming an Ally at Work. During Pride Month, we held a webinar with an external expert on Creating an Inclusive Workplace – Pride & LGBTQIA+.

We provided ongoing leadership development through our Leading@Heimstaden, New@Leading, and Leadership on the Go programmes, including guidance for unbiased recruitment and promoting cross-functional collaboration. We are planning to add new learning paths for senior leaders.



Performance, Metrics, and Targets

S1-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

We continuously monitor our KPIs for training, diversity, and remuneration and we have set a number of ambitious targets:

- 100% completion of mandatory trainings
- 50/50 gender balance
- Zero inexplicable pay gaps
- 240 inclusive jobs by 2026
- Top 25% Diversity & Inclusion score among all users of our survey tool, see S1-5

S1-9 Diversity Metrics

Measuring diversity, inclusion, and belonging (DIB) is crucial for creating a more equitable and supportive workplace.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	2024					2023				
	Women (%)	Number of women	Men (%)	Number of men	Total	Women (%)	Number of women	Men (%)	Number of men	Total
Gender split in the Board	33%	3	67%	6	9	33%	-	67%	-	-
Gender split in Group Management team ¹	29%	2	71%	5	7	23%	-	77%	-	-
Gender split in Country Management team ^{2, (3)}	36%	27	64%	47	74	38%	-	62%	-	-
Gender split for all managers ³	36%	83	64%	147	230	35%	-	65%	-	-
Gender split all employees ^{3, 4}	39%	709	61%	1,182	1,891	40%	-	60%	-	-

¹ Target 50-50, incl. CEO

² Incl. the country manager

³ Entity Specific

⁴ Excluding 1 non-declared gender

DISTRIBUTION OF EMPLOYEES BY AGE GROUP

	2024					2023				
	Women (%)	Number of women	Men (%)	Number of men	Total	Women (%)	Number of women	Men (%)	Number of men	Total
Under 30 years old	45%	97	56%	121	218	47%	100	53%	115	215
Between 30–50 years old	39%	413	61%	636	1,050 ¹	41%	444	59%	632	1,076
Over 50 years old	32%	199	68%	425	624	33%	208	67%	414	622

¹ Total employees includes 1 non-declared gender

S1-13 Training and Skills Development Metrics

Through continuous learning opportunities, we foster growth, build expertise, and support each team member's professional development. 100%* of our female and male employees participated in regular performance and career development reviews.

*Excludes employees who are on extended leave, students (whether paid or unpaid), and summer workers

S1-16 Compensation Metrics (Pay Gap and Total Compensation)

Our remuneration framework ensures fair and consistent employee compensation using Mercer benchmarks with local adjustments. Long-term incentives include discretionary cash bonuses for key roles, while short-term incentives feature annual bonuses and commissions for selected departments. Country management is rewarded for the attainment of sustainability targets through our ESG incentive scheme framework, see ESRs 2 GOV-3. The P&C team supports role classification, conducts annual pay gap analyses, and tracks market trends.

For the financial year 2024, our unadjusted gender wage gap is 93%, meaning the average female base pay is 7% lower than that of males.

We are actively addressing the challenges of operating in a male-dominated industry by integrating diversity efforts into our processes. For further details, refer to section S1 – Equal Treatment and Opportunities for all.

In 2025, we plan to implement a system to increase efficiency, transparency, and ensure we are fully prepared for the EU regulation on pay transparency, which will come into effect in 2026.

COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

	2024	2023
Annual total remuneration ratio	96.17%	0.00%
Ratio of the annual total compensation ratio for the highest-paid individual to the median annual total compensation ratio for all employees (excluding the highest-paid individual) ¹	20.32	16.94
Ratio of the percentage increase in annual total compensation ratio for the highest-paid individual to the median percentage increase in annual total compensation ratio for all employees (excluding the highest-paid individual) ¹	22.89	0.00
Gender pay gap	92.71%	92.12%
Gender pay gap breakdown by ordinary basic salary and complementary/variable components	92.59%	92.24%

¹ Entity specific

S1-17 Incidents, Complaints and Severe Human Rights Impacts

The number of reported cases remains steady compared to previous year.

WHISTLEBLOWING AND DISCRIMINATION CASES (COMPANY-WIDE)¹

	2024	2023
Number of all reported whistleblowing cases	9	10
Number of all confirmed whistleblowing cases	2	2
Number of reported discrimination cases from all reported whistleblowing cases	1	2
Number of confirmed discrimination cases from all reported whistleblowing cases	0	1

¹ Consolidated numbers for Heimstaden Bostad and Heimstaden

INCLUSIVE JOBS: SOCIAL INCLUSION POSITIONS AND YOUTH POSITIONS (ENTITY SPECIFIC)

	2024	2023
Inclusive jobs in total ¹	263	270
of which social inclusion positions	22	21
of which youth positions	241	249

¹ Inclusive jobs is only a focus area once the local organisation has reached 50 employees. Includes all people who have been employed during the year. Heimstaden Bostad continued to exceed the Group target of 240 positions by 2026, due to the high number of youth positions. Over time, our goal is to continue to increase the share of social inclusion positions

Accounting Policies

ESRS DR	Datapoint/Metric	Accounting Policy
Entity Specific	Employee engagement survey	Peakon scores are reported annually to track employee engagement, diversity & inclusion, and health & well-being across the organisation. These scores are benchmarked against the top 25 th percentile to assess performance relative to industry standards.
Entity Specific	Inclusive jobs	Inclusive jobs reported include social inclusion positions and youth positions.
Entity Specific	Social inclusion positions	Employment for individuals far from the labour market, such as recently arrived immigrants, longtime unemployed, or people with disabilities.
Entity Specific	Youth positions	Employment for individuals under 25 years old.
S1-6	Characteristics of the undertaking's employees	Employee data pertains to Heimstaden Bostad. Our HR system underpins all employee data. All employee data in this report is based on the data from the last day of the reporting period, unless otherwise stated. We use headcount principle. Employee data is collected annually. The headcount does not include summer jobs, interns, students or people on long term leave.
S1-6	Turnover	Number of employees who leave voluntarily or due to dismissal, retirement, or death in service, divided by the headcount.
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	We report on non-employee (contingent) workers with an estimation of the total number of workers who are not employees and whose work is controlled by Heimstaden Bostad. It is reported as headcount at end of the reporting period. Examples of non-employee workers in our own workforce can be facility management (caretakers, cleaners), property management (repairs, plumbers, electricians, maintenance), staff (finance, procurement, People & Culture, marketing), and construction (workers on our building/construction projects/sites).

ESRS DR	Datapoint/Metric	Accounting Policy
S1-8	Collective bargaining coverage and social dialogue	The percentage of employees covered by collective bargaining agreements is calculated by headcount number of employees covered by collective bargaining agreements divided by headcount number of employees. For reporting purposes, countries with more than 50 employees and representing more than 10% of total employees are included in the coverage assessment.
S1-9	Diversity metrics	The gender and age distribution is calculated from headcount.
S1-13	Training and skills development metrics	The data is collected annually from employee performance reviews.
S1-14	Health and safety metrics	Health and safety data includes rate of fatalities, non-fatal accidents, work-related ill health, and workdays lost. It covers employees from Heimstaden Bostad and Heimstaden and is based on accidents and incidents that occurred during the reporting year.
S1-14	Fatality	A high-consequence work-related injury; a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.
S1-14	High-consequence work-related injuries (accidents)	Accidents at work resulting in sick leave. Fatalities are not included in this consolidation.
S1-14	Rate of high-consequence work-related injuries	Number of high consequence work-related injuries excluding fatalities divided by Number of hours worked times 1,000,000.

ESRS DR	Datapoint/Metric	Accounting Policy
S1-14	Recordable work-related accident	Incidents at work resulting in an accident, but no sick leave.
S1-14	Rate of recordable work-related injuries	Number of recordable work-related injuries divided by Number of hours worked times 1,000,000.
S1-14	Recordable work-related injuries:	Incidents at work resulting in an injury, but no sick leave.
S1-14	Recordable work-related ill health	Incidents at work resulting in ill health, but no sick leave.
S1-14	Incident	Incident or risk for people or properties.
S1-14	Absence due to illness	Short term + long term sick leave hours divided by All working hours
S1-14	Number of hours worked	Number of hours of all employees worked in the reporting period.
S1-14	Lost Time Injury frequency rate (LTIFR)	Number of lost time injuries in the reporting period times 1,000,000 divided by Total hours worked in the reporting period.
S1-14	Number of days lost	Sick leave days in total.
S1-14	Lost Day Rate (LDR)	Total Number of Lost Days times 200,000 divided by Number of Employee Labour Hours Worked.

ESRS DR	Datapoint/Metric	Accounting Policy
S1-15	Work-life balance metrics	Percentage of employees entitled to take family-related leave.
S1-16	Compensation metrics (pay gap and total compensation)	The data covers male-female wage gap. The annual total compensation ratio reporting covers permanent employees, as reported under Disclosure S1-6. Full time equivalent (FTE) pay rates are used for each part-time employee. The type of compensation included in the calculation is base salary.
S1-16	Ratio of the annual total compensation ratio	Calculated from the base monthly salary (annualized) pro-rated, bonuses and one-time payments. As the highest paid individual in 2023 was not employed in 2022, the ratio becomes zero in 2023.
S1-16	Ratio of the percentage increase in annual total compensation ratio	Calculated from the base monthly salary (annualized) pro-rated, bonuses and one-time payments.
S1-16	Gender pay gap	Calculated from the base monthly salary (annualized) on a full-time basis. Overtime pay or bonuses are not included. Only includes permanent and fixed term employees.
S1-17	Incidents, complaints and severe human rights impacts	The data is mainly collected via our whistleblowing function that can be accessed anonymously. To manage these cases, we have established dedicated Whistleblowing committees. We handle Whistleblowing cases through a neutral third party on a secure digital platform, ensuring anonymity and preventing retaliation risk. Whistleblowing cases are reported to the Board of Directors on a quarterly basis.



S2 Workers in the Value Chain



While we do not have direct control over working conditions and employee rights outside our own operations, we are dedicated to responsible business practices across our value chain. Through robust policies and active stakeholder engagement, we strive to minimize negative impacts and foster positive outcomes for all parties involved.

Impact, Risk, and opportunities

ESRS2 SBM-3 Material Impacts, Risks, and Opportunities and their Interaction with Strategy and Business model regarding Workers in the Value Chain

The Double Materiality Assessment identified the following Impacts, Risks and Opportunities:

		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
S2 Workers in the Value Chain							
Human rights violations in high-risk countries and categories	Negative impact	●			●	●	●

Human Rights Violations in High-Risk Countries and Categories

While our first tier of suppliers is in low-risk countries, we also have high-risk areas in our supply chain, such as procurement of solar panels and construction materials, which expose us to potential labour rights violations. Despite due diligence

efforts, risks of modern slavery, forced labour, and unsafe working conditions persist. This negative impact occurs in the short, medium and long term, upstream in our value chain.

Impact, Risk, and Opportunity Management

S2-1 Policies Related to Value Chain Workers

Our Code of Conduct set standards for ethical behaviour, while our Whistleblower Policy encourages confidential reporting of misconduct, see G1-1 for more details.

Our Business Partner Principles, governed by our Business Partner Policy and further detailed in our Procurement Manual, set out our expectations on our Business Partners, including suppliers, vendors, distributors, franchisees, joint venture partners, sustainability partners, and other relevant parties. Our Business Partner Policy and Principles align with the UN's Global Compact principles on human rights, working conditions, environment, and anti-corruption. These principles are mandatory for all suppliers and integrated into the contracts that supplier sign, across the supply chain. The Group Procurement Director administers company-wide procurement and establishes guidelines to ensure all Business Partner relationships support our goals.

Suppliers are subject to a system of checklists to evaluate risks and conduct audits. In the event of supplier misconduct, we will take prompt and appropriate action to mitigate risks and resolve any issues. Our priority is to ensure that the supplier implements corrective actions. If this is

not done, we will terminate the supplier relationship. Triggers to terminate supplier relationships include, but are not limited to, whistle-blowing cases, bribery, corruption, and health & safety breaches. Law violations will be filed with the proper authorities in line with local law.

Our Modern Slavery Act Statement outlines our commitment to combating modern slavery within our operations and value chain, aligning with the principles of human rights, labour rights, and environmental sustainability as defined by the UN Global Compact. If risks of modern slavery are identified, we promptly engage with suppliers to develop corrective action plans or, if necessary, disengage from suppliers who do not meet the required standards. Particular attention is given to the solar panel supply chain, where known links to forced labour exist. This proactive approach includes encouraging suppliers to diversify their supply chains and collaborating with industry partners to address issues of forced labour. The CEO is accountable for the implementation of this Statement.

Our Human Rights Statement outlines our commitment to respecting and promoting human rights throughout our value chain. We uphold

a strict zero tolerance for forced labour, child labour, human trafficking, and any violations of human rights. The Statement is aligned with the UN Global Compact and the Ten Principles governing human rights, labour, environment, and anti-corruption, providing a framework for our due diligence process aimed at preventing and addressing potential adverse impacts on human rights. The Statement also describes our procedures for addressing any identified risks or non-compliances. The CEO is accountable for the implementation of this Statement.

Policies are reviewed at least biannually, or more often if required, to address emerging risks and legal requirements, ensuring they remain relevant and effective. We integrate these policies across our operations and expect suppliers to adhere to equivalent standards, reinforcing accountability through supplier assessments.

S2-2 Processes for Engaging with Value Chain Workers about Impacts

Our procurement process promotes transparency, fairness, and structure. To facilitate this, we have implemented a self-assessment questionnaire covering environment, human rights, business ethics, financial integrity, labour rights, supply

chain management, and anti-corruption. Our procurement process consists of an analysis phase, a pre-screening and a procurement phase and engagement occurs at all stages. Our Contract Managers facilitate engagement efforts, while Group Procurement holds contractual responsibility. Operational roles, such as Facility Management Managers and project leaders, are responsible for contract oversight.

Assessments

We conduct supplier assessments in the procurement phase, followed by recurring assessments during the supplier relationship. Suppliers are assessed in relation to financial solidity, business integrity, sustainability, security, and privacy/GDPR for the purpose of mitigating our risk exposure and ensuring a sustainable supply chain.

High-risk Categories

An enhanced process is applied for procurement within high-risk categories due to the nature of the product, service and/or supplier. The Group Procurement Director together with CAMSO and GRC Director are responsible for identifying and continuously updating business areas and product categories that are deemed to have a heightened risk profile, for example pertaining to

environment, health & safety, human rights, or corruption. High-risk countries are identified using the Human Rights Index. Any procurement under the enhanced process is subject to recurring follow-ups and re-assessments.

During 2024, we implemented a supplier screening system that helps us identify and mitigate potential supplier risks, such as involvement in illegal activities, to ensure that we do not engage with entities subject to international sanctions or with a negative reputation and that we do not indirectly support corruption or unethical practices. All suppliers with an annual spend exceeding €2,500 (29,000 SEK) undergo the screening. The screening covers sanctions for the company and its ultimate beneficial owners, adverse media, politically exposed persons, and performs credit screening on our top spend suppliers.

Inspections

When we suspect suppliers are not complying with our Business Partners Principles, we can initiate site inspections to verify and validate compliance.

Incident Reporting and Management

Incidents, mainly non-compliance of our Business Partner Principles, should be reported to local head of Procurement and escalated to Group Procurement Director. Violation of law are filed

with the proper authorities in line with local law in coordination with Group Legal & GRC. The whistleblowing function can be used for anonymous reporting of incidents.

Business Partner Training and Awareness. Each local team has an established process to ensure that training/awareness initiatives are in place to help supplier mature. We conduct governance meetings with suppliers based on spend, risk profile, and incidents reported. We plan to produce a digital training course for suppliers covering elements from our Business Partner Principles related to health, safety and security.

Transparency and Documentation

Contracts and documentation of the procurement process and other formal supplier interactions are stored and made available to ensure transparency, an audit trail, benchmarking possibilities, and proper contract management.

Prevention of late payment. Our procurement manual details our standard contract and invoicing terms. Our standard payment terms are a minimum of 30 days from invoicing and our company payment practice is to pay all invoices on time. We do not differentiate payment terms between different types of suppliers. The full supplier assessment process is shown in the diagram below.



Supplier Assessment Process

S2-3 Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns

We have established mechanisms for addressing negative impacts and our whistleblowing function enables confidential reporting of discrimination, harassment, corruption, and policy violations, see G1-1. Remediation processes are guided by our Whistleblowing and Procurement Processes, which outline clear steps for investigating reported issues and implementing corrective actions. We engage with affected workers and relevant stakeholders during the remediation

process, prioritizing solutions that restore rights and prevent recurrence. Our approach includes compensation for harm, revising contracts with suppliers, and enhancing monitoring systems where necessary.

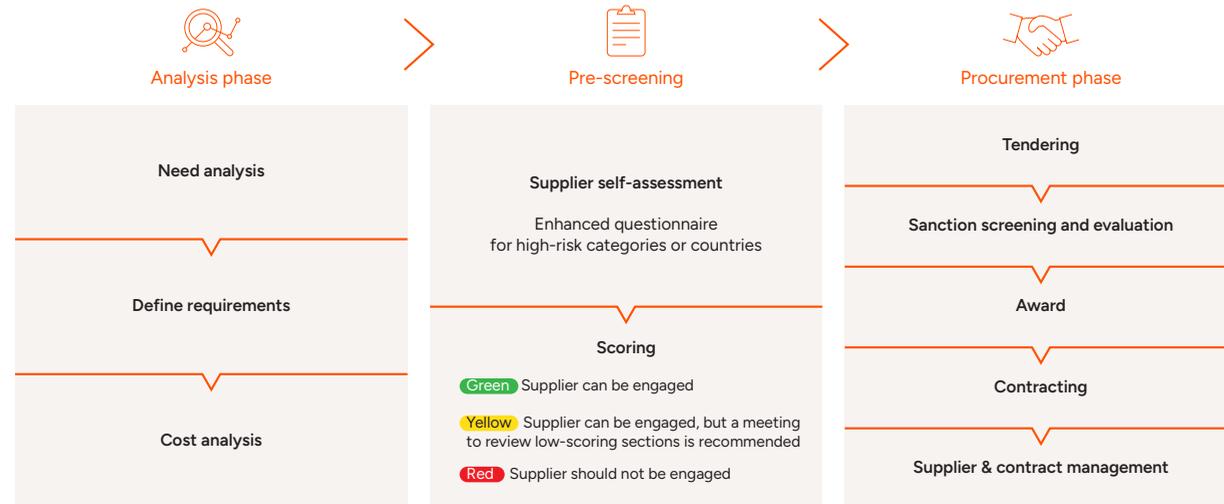
Oversight of remediation efforts is conducted by the A&GRC Committee and Procurement function, together with Operations for implementation of remediation efforts. We regularly assess the effectiveness of our grievance mechanisms by tracking the resolution of cases.

S2-4 Taking Action on Material Impacts on Value Chain Workers, Approaches to Managing Risks, and Pursuing Opportunities Related to Value Chain Workers

Human Rights Violations in High-risk Countries and Categories

Our primary suppliers in terms of expenditure are construction companies located in the EU. We use a turnkey contract model for these companies, where they assume full responsibility for working conditions of their own workforce. We include sustainability requirements in our agreements, and all contracted suppliers must sign our Business Partner Principles and ensure that their supply chain adheres to them as well.

We involve employees with direct supplier interaction to inform our procurement strategies, management, and decision-making processes. In Germany, we have regular meetings with our caretakers and project managers to understand and evaluate suppliers' practices and assess the quality and effectiveness of the relationship.



In 2023, we conducted a comprehensive assessment of our material human rights risks, identifying high-impact areas such as solar panels and construction materials. We have also identified risk categories and risk countries in the global supply chain and when procuring from these countries or categories, we include additional screening questions, dialogues, and action plans. This assessment remains valid in 2024, guiding our ongoing efforts.

Performance, Metrics, and Targets

S2-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities regarding Workers in the Value Chain

Heimstaden Bostad has a target that 100% of the company's contracted business partners sign the Business Partner Principles (BPP), with the current share of signatories at 56%. This figure reflects the fact that many of the agreements originate from a time when the inclusion of the Code of Conduct (CoC) or BPP was not yet a standard requirement. Therefore, for older agreements, documentation of adherence to these principles may be less comprehensive, and in some cases, records of signatories are limited.

To address this gap and increase the percentage of signed agreements, Heimstaden Bostad has strengthened the onboarding processes. All new supplier contracts now utilise Heimstaden Bostad's standardized templates, which embed the BPP as a mandatory component. Additionally, new suppliers complete a self-assessment during onboarding, requiring them to explicitly approve the BPP. These measures ensure that partnerships align with the company's sustainability objectives and ensures progress towards the target of 100%.

In 2024, Heimstaden Bostad maintained valid agreements with 1,379 suppliers, of which 778 have signed the BPP, either during the reporting period or earlier.

100% of Heimstaden Bostad's new suppliers are screened either via Supplier Self-Assessment or via desktop assessment, in cases where suppliers do not complete the self-assessment, to gather the necessary information. This involves searching for relevant data on the suppliers' websites, including their Code of Conduct, Sustainability Reports, Management Systems, and processes for following up on requirements at the supplier level. For further information, refer to section S2. Challenges may arise with suppliers in Eastern Europe, particularly smaller service providers, due to limited online presence.

Despite this, Heimstaden Bostad conducts thorough searches to assess risks and ensure compliance with relevant sustainability standards.

As the processes evolves, the company aim to ensure all suppliers complete the self-assessment and improve follow-ups for timely responses.

NEW SUPPLIERS WITH FRAME AGREEMENTS (ENTITY SPECIFIC)

	2024	2023
Number of new suppliers ¹ with frame agreements	93	58
Of which screened ²	100%	100%

There are no significant changes in the structure of the supply chain or relationship with suppliers, including selection and contract termination. The data is collected annually.

¹ *New suppliers that were screened using environmental criteria* and *New suppliers that were screened using social criteria (Sweden, Norway, Denmark).*

² *Based on desktop assessment*

Accounting Policies

ESRS DR	Datapoint/Metric	Accounting Policy
Entity specific	Business partners Principles	Number and percent of contracted suppliers that have signed the Business Partner Principles is consolidated from the countries and divided by the total number of active suppliers during 2024.
Entity specific	New suppliers screened using social criteria	New suppliers screened using social criteria calculated by number of new suppliers with frame agreements, of which how many are screened.



S4 Consumers and End-users



We are committed to providing Friendly Homes and addressing needs and expectations of our tenants, focusing on enhancing customer experience and promoting inclusive housing solutions. Data protection, health and safety, and social inclusion can impact our tenants. Addressing these factors helps us mitigate potential risks and negative impact, and creates opportunities to bring value to our tenants, enhancing well-being and trust.

Impact, Risk, and Opportunities

ESRS2 SBM-3 – Material Impacts, Risks, and Opportunities and Their interaction with Strategy and Business Model Regarding Consumers and End-users

The Double Materiality Assessment identified the following Impacts, Risks and Opportunities:

S4 Consumers and End-users		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
Data Protection and Privacy Breaches	Risk			●	●	●	●
Physical Health and Safety Risks	Negative impact			●	●	●	●
Inclusive Housing	Positive impact			●	●	●	●

Data Protection and Privacy Breaches

We may face regulatory fines and reputational damage if we fail to comply with data protection laws, such as GDPR. Our business model involves handling sensitive tenant information, making us responsible for maintaining high standards of data security and privacy. This risk occurs in the short, medium and long term, downstream in our value chain.

Physical Health and Safety Risks

We can negatively impact out tenant health and safety if we do not adopt adequate property maintenance practices or if we use harmful building materials. Failure to comply with rigorous standards may result in physical harm or exposure to hazardous conditions, leading to increased vacancy rates, tenant dissatisfaction, and damage to our reputation. This negative impact occurs in the short, medium and long term, downstream in our value chain.

Inclusive Housing

We can have a positive impact on social inclusion by offering inclusive housing contracts for vulnerable groups. By integrating social inclusion principles into our business model, we strengthen tenant loyalty and brand reputation. This positive impact occurs in the short, medium and long term, downstream in our value chain.

Impact, Risk, and Opportunity Management

S4-1 Policies Related to Consumers and End-users

Our Privacy Policy and Manual establish guiding principles to enhance data privacy practices, ensuring regulatory compliance, addressing privacy obligations, and minimizing risks. They define a unified set of principles ensuring that personal data is processed transparently, fairly, and only as necessary for specific purposes, with accuracy, minimum collection, and enforced retention limits.

Personal data is reviewed and updated as required, with defined retention periods enforced in relevant systems to ensure data is held no longer than necessary. The Policy outlines procedures for handling conflicts between policy requirements, manuals, or national laws, and mechanisms to ensure tenants can exercise their rights. Security protocols, including encryption, access control, and an incident response framework, are in place to protect personal data in line with GDPR and other applicable laws.

The Chief Legal Officer (CLO), authorised by the Co-CEO, is the Group Policy Owner and oversees personal data processing, delegating administration to the Group Legal Privacy team. At the

country level, the local Head of Legal & GRC, or Finance function if absent, acts as the Country Owner, responsible for adherence, implementation, and compliance monitoring. Responsibilities at the Group level are shared among Group Function Owners as outlined in the Privacy Manual, with both Group and Country management supporting compliance and accountability.

Our Business Partner Principles set expectations for our suppliers and partners, emphasizing sustainability, ethical sourcing, and quality materials to offer healthy and safe living spaces, while our Code of Conduct establishes the framework for ethical behaviour towards our tenants, see G1-1.

S4-2 Processes for Engaging with Consumers and End-users About Impacts

By fostering open communication, implementing structured engagement processes, and responding to feedback, we work to enhance the living experiences of our tenants and contribute to the communities in which we operate.

We conduct regular customer satisfaction surveys, including an annual survey, and phased surveys lined to key moments in the customer

life cycle, enabling us to understand customer expectations and experiences, and identify areas for improvement.

We organise local events and activities to encourage community connections and friendly neighbourhoods, aiming to build a sense of belonging, and helping our tenants connect with us, each other and the wider community.

We use digital support tools, such as our Digital Help Centre and customer chat function to ensure tenant accessibility to our services. The digital MyHome customer portal, available in most of our markets, enables tenants to easily access information related to their homes and report issues in the apartments or common areas.

We utilise various communication channels, including newsletters, customer portal, and move-in and move-out brochures, to keep tenants updated about practical information and initiatives.

The Group Director Brand and Communications and Group Director Customer Care and Insights oversee our engagement strategy, ensuring that tenant feedback is integrated in our strategy and

plans. To assess the effectiveness of our engagement, we analyse survey results, track customer satisfaction metrics, and review feedback.

S4-3 Processes to Remediate Negative Impacts and Channels for Consumers and End-users to Raise Concerns

Our Whistleblower tool empowers tenants to report concerns confidentially and without fear of retaliation, see G1-1. Tenants can also raise issues or suggestions through our Customer Satisfaction Surveys, the MyHome customer portal and to our Customer Service team via emails, phone calls and chat. Our dedicated response teams are trained to handle complaints effectively, ensuring timely, transparent and accountable remediation of concerns.

S4-4 Taking Action on Material Impacts on Consumers and end-users, and Approaches to Managing Risks and Pursuing Opportunities Related to Consumers and End-users, and Effectiveness of Those Actions.

Data Protection and Privacy Breaches

We identify and document the legal basis for all personal data processing activities. Personal data is processed in a fair and transparent manner, and tenants are informed of their rights, see S4-1.

By limiting the amount and retention of personal data, we mitigate risks and enhance operational efficiency.

We conduct regular risk assessments to identify and mitigate potential data privacy risks. We have procedures in place for handling data breaches and critical incidents are reported promptly to the Group Legal Privacy team and communicated to relevant authorities or affected individuals as necessary. Non-conformities are reported to Group Function Owners or Country Owners, and critical issues are escalated to Group Legal Privacy and CLO. Follow-up actions are taken as needed, and recurring issues are tracked to ensure comprehensive risk management.

Country Owners contribute to the Country Privacy Forum for continuous improvements, and Group Function Owners collaborate in the Executive GRC & Internal Control Committee to address high-priority privacy risks. This multi-tiered approach enhances our capability to manage risks effectively.

All employees complete digital data privacy training every 18 months to ensure consistent compliance, with additional local training provided as needed based on specific risk assessments. The training covers key privacy practices, data

handling procedures, and compliance responsibilities, and completion is tracked across the organisation.

In 2024, we initiated a privacy project to identify local risks connected to compliance with GDPR and other privacy regulations in all markets. We also updated and aligned our cookie and banner policy, applicable for all markets.

Physical Health and Safety Risks

We follow all legislation and guidelines outlined by authorities. Our caretakers receive biannual training covering first aid, safety practices, and procedures to address potential risks. They play a crucial role in safeguarding tenants, maintaining a daily presence in our properties to ensure fire safety installations are functional, hallways are clear, waste (including hazardous, as regulated by legislation) is properly sorted, and all lighting and installations are operational. They also inspect playgrounds, green areas, and surroundings to create safe and pleasant environments while addressing hazards such as snow and ice in wintertime.

We collaborate with local authorities and other property owners to address safety concerns in our neighbourhoods, and in selected locations, we have additional surveillance or guards to guarantee

that no incidents occur. We contract security companies in all markets to manage safety issues on our properties outside business hours.

Our Facility Management team upholds these responsibilities. We track performance through regular property inspections, tenant satisfaction surveys, and compliance checks.

Inclusive Housing

We can have a positive impact in our local communities by promoting social inclusion. We collaborate with municipalities and organisations to offer housing to vulnerable groups far from the housing market. In addition, we engage in local community initiatives such as tutoring for children, crisis accommodation, and refugee support. In Sweden, we continue to pursue our 2030 zero- eviction vision in collaboration with selected municipalities.

Performance, Metrics, and Targets

S4-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities Regarding Consumers and End-users

Heimstaden Bostad has set targets by 2026 related to: Customer survey – Service Index (score of 80%), Customer survey – Takes Customer Seriously (score of 86%), Customer survey – Security Score (score of 80%). We also aim at having 5,000 inclusive housing contracts by 2026.

At Heimstaden Bostad, we value our customer and their opinions, and the 2024 Customer Score Card results emphasise the importance of their feedback in shaping our services.

The results show stability and positive trends across several key markets. Our Service Index scores have increased in Czechia, Norway, United Kingdom, and Poland, reflecting our commitment to delivering high-quality services. Similarly, the Takes Customers Seriously category has shown growth in Denmark, Norway, and Finland, with tenants expressing satisfaction with how their concerns are addressed. In these markets, ongoing efforts to improve service

delivery, communication, and responsiveness have yielded positive results.

In terms of Security, there has been improvements in Czechia and Norway. Renovations to cellars and doors in Czechia have directly contributed to increased tenant satisfaction. In Norway, new security cameras and upgraded door locks have strengthened the sense of safety and security for our tenants. These efforts highlight the commitment to providing a secure living environment.

To improve the score in Germany and The Netherlands, Heimstaden Bostad is enhancing ticket management and customer support through increased digitalization and self-service solutions. This includes further development of the MyHome customer portal and the AI ChatBot. These results provide a strong foundation for continued progress. By acting on customer feedback, Heimstaden Bostad will continue to enhance the customer experience and remain a trusted provider of Friendly Homes.

CUSTOMER SCORE CARDS (ENTITY SPECIFIC)

Service index (scale 0–100)

	2024	2023
Total (weighted average)¹	71.3	73.6
Sweden	76.5	76.9
Germany	51.5	58.4
Denmark	72.8	73.4
Netherlands	62.2	65.2
Czechia	72.6	71.1
Norway	79.1	76.5
United Kingdom	78.1	75.2
Poland	87.5	84.5
Finland	76.4	75.4

¹ Target 80% by 2026

Takes customer seriously (scale 0–100)

	2024	2023
Total (weighted average)¹	73.8	77.3
Sweden	80.6	82
Germany	43.1	52.4
Denmark	73.9	72.9
Netherlands	55.4	63.5
Czechia	78.6	79
Norway	85.8	84.6
United Kingdom	75.9	80.1
Poland	89.3	91.4
Finland	75.7	74.1

¹ Target 86% by 2026

Security score (scale 0–100)

	2024	2023
Total (weighted average)¹	73.6	74.9
Sweden	77.4	76.6
Germany	58.7	66.1
Denmark	77.8	79
Netherlands	69.5	74.1
Czechia	70.9	68
Norway	76.4	74.7
United Kingdom	82.1	81.1
Poland	90.1	90.8
Finland	75.3	76.7

¹ Target 80% by 2026

LOCAL COMMUNITY TARGETS AND TRACKING (COMPANY-WIDE, ENTITY SPECIFIC)

	2024	2023
Inclusive housing contracts in total ¹	4,977	4,691
of which social contracts	2,889	2,660
of which affordable housing contracts	2,088	2,031
Share of regulated residential income	58%	57%

¹ Inclusive housing categories only reported in countries where they are relevant. Target 5,000 by 2026.

Accounting Policies

ESRS DR	Datapoint/Metric	Accounting Policy
Entity specific	Customer Score Card	The Customer Score Card survey is done yearly in all countries. The survey platform consolidates data on Service index (scale 0–100), Takes customer seriously (scale 0–100), and Security score (scale 0–100). The reported percentage represents the proportion of customers who rated their experience as "satisfied" or "very satisfied" on our Customer Score Cards.
Entity specific	Inclusive Housing Contracts	Inclusive Housing Contracts data includes affordable housing contracts and social contracts. The data is collected quarterly in the countries in different systems and consolidated in a digital platform for the Sustainability Report. Numbers are reported for relevant countries.
Entity specific	Social Contracts	Contracts in collaboration with local authorities or NGOs specifically aimed at vulnerable individuals far from the housing market, such as homeless people, recently arrived migrants, or people with various disabilities. Sweden, Norway, Denmark, The Netherlands, Germany, Czechia, and Finland report on these contracts.
Entity specific metric	Affordable Housing Contracts	Contracts with regulated maximum rent and tenant income levels, set by authorities. The Netherlands and the United Kingdom report on these contracts.



Governance Information



G1 Business Conduct

Our values, culture and strategy emphasize the importance of conducting operations responsibly and with high ethical standards. Ignoring corporate responsibility can increase the risk of misuse of natural resources, human rights violations in our supply chain, workplace accidents, and challenges in attracting talent. We are dedicated to integrity and compliance with all laws and regulations, fostering a strong culture of compliance through regular training and awareness initiatives.

Impact, Risks, and opportunities

ESRS 2 SBM-3 Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model Regarding Business Conduct

The Double Materiality Assessment identified the following Impacts, Risks and Opportunities:

		Location in Value Chain			Time Horizon		
		Up-stream	Own Operations	Down-stream	Short Term	Medium Term	Long Term
G1 Business Conduct							
Corruption and bribery	Risk	●	●	●	●	●	●
Political stakeholder engagement	Opportunity		●		●	●	●

Corruption and Bribery

We operate in some countries where the corruption perceptions Index indicates a higher level of potential risk, such as Czechia and Poland. In addition, the real estate sector is exposed to business conduct incidents through numerous interactions with government and local officials, as well as a supply chain that includes many foreign workers. A bribery or corruption incident could lead to fines and penalties, as well as reputational damage that could undermine our business relationships with customers, suppliers, and other stakeholders. This risk is considered systemic to the industry and the countries referred to. It occurs in the short, medium and long term in all parts of our value chain.

Political Stakeholder Engagement

We operate in market environments which are highly dependent on political decisions, including topics such as rent regulation, taxes, property development, and environmental requirements. We have a financial opportunity linked to political engagement by participating in legislative processes that can affect the real estate industry, and by proactively addressing risks related to changes in legislation and government policies, e.g. within tax incentives for property development, renovation, renewable energy, and energy efficiency. Furthermore, we can positively impact our opportunities to produce new development and develop standing assets by cultivating positive relationships with relevant political stakeholders. This opportunity occurs in the short, medium and long term, in our own operations.



Impact, Risk, and Opportunities Management

G1-1 Business Conduct Policies and Corporate Culture

Our approach to business conduct is anchored in our Governance Framework which sets the standard for how we conduct business and outlines our expectations for suppliers and business partners. For a detailed overview of the framework, please refer to the Governance section, [page 58](#).

In 2019, Heimstaden signed the UN Global Compact, committing to uphold its ten principles on human rights, labour practices, environmental responsibility, and anti-corruption. The commitment also covers Heimstaden Bostad.

Promoting a Culture of Integrity

We recognise that a strong ethical culture needs to come from the top. The Audit & GRC (A&GRC) Committee is responsible for overseeing Governance, Risk, and Compliance (GRC). It evaluates the adequacy and effectiveness of our governance framework and oversees the implementation of mitigating actions. The A&GRC Committee also monitors adherence with the Code of Conduct and reports raised through the whistleblowing function.

Executive Management, together with the GRC function, is responsible for implementing the Code of Conduct and driving a culture of integrity. GRC is addressed in quarterly meetings between Local and Executive Management teams to monitor progress made by each region. All local markets have a Legal & GRC representative handling implementation, either as a separate function or as part of the Finance function.

We pay special attention to relationships with public officials as they pose a greater risk. We ensure that all lobbying activities carried out on our behalf are appropriate, and that all political lobbying, contacts, and meetings are transparent and free from financial contributions.

Code of Conduct

Our Code of Conduct (CoC) sets out ethical guidelines for how we conduct business. It affirms our commitment to equal opportunities and our zero tolerance for any form of criminality, corruption, fraud, bribery, money laundering, conflict of interest, privacy violation, anti-competitive actions, insider trading, human rights violation, bad working environment, harassment and retaliation. The Code also includes our responsibility to conduct business transparently, and to protect

personal data. It reflects our commitment to the environment and climate, and our role in supporting local communities and economic growth. It is aligned with the UN Guiding Principles and the ILO Declaration.

The CoC applies to everyone working for and with us; employees, board members, consultants, agents, business partners, and parties acting on our behalf. The CoC is complemented by detailed policies, manuals, guidelines, and routines.

Violations of the CoC can result in a private disciplinary conversation, a warning, relocation, or, in serious cases, a notice of termination. Any incidents related to corruption and other illegal activity demand immediate intervention and will include, if applicable, a report to relevant authorities. Breaches can also result in updated and/or new internal governing documents or updated and/or additional training within a relevant Policy area. Internal control routines might also be implemented or updated.

The CoC is reviewed by the Audit & GRC Committee. The Board of Directors own and approve all changes to the CoC, which is reviewed and updated in line with legislative changes and

internal needs. An updated version was approved by the Board in 2024.

Whistleblowing

We have a Whistleblower function where employees, customers and external stakeholders can report any concerns regarding irregularities, unlawful behaviour or violations of the CoC. The system is owned and managed by a neutral third party. Our Whistleblower Policy specifies how reported cases are to be processed, followed-up and communicated.

In 2024, the whistleblower function was moved from the P&C function to the GRC function. We launched an internal awareness campaign explaining the process and how cases are handled, highlighting management commitment to ethical business practices, and sharing Q&As for further employee understanding. Relevant training will be provided to all management levels and to the persons handling cases in Q1 2025.

During 2024, 9 concerns raised through the whistleblower system were investigated as potential breaches to our CoC, of which 8 have been closed and 1 remains in process. We report all

whistleblowing and related incidents to the Board on a quarterly basis.

Whistle-blowers are protected from any kind of retaliation or discriminatory or disciplinary action, in line with EU regulations. We do not tolerate any form of retaliation, including separation, demotion, suspension, or loss of benefits, against anyone who makes a good faith report of potential misconduct or helps with an investigation. Our external whistleblower channel makes anonymous registration possible, and all reports will be handled confidentially and shared with a minimum of involved persons according to our Whistleblowing guidelines.

Training and Follow-up

Training and awareness activities are essential for fostering a culture of integrity and creating a common understanding of what is expected from our employees. Our P&C team is responsible for employee training of our CoC, culture, and values, as well as of how to report breaches using our whistleblowing and employee engagement tools. The GRC function is responsible for updating the CoC and the content of relevant training material.

We conduct mandatory e-learning courses every 18 months and P&C provides workshop materials to leaders, focussing on business ethics, human

rights, and working conditions. New hires sign the CoC during onboarding and undergo mandatory training in their first month of employment and all employees need to re-sign the CoC every year. The Board also re-sign every year. In 2024, we launched short trainings on conflict of interest and whistleblowing, related to the implementation of a conflict-of-interest register.

Managers hold the responsibility to ensure proper training and information dissemination among their teams, with P&C monitoring completion rates quarterly or more often if requested or needed.

Payments

Our Procurement Manual details our standard contract and invoicing terms. Our standard payment terms are a minimum of 30 days from invoicing and our company payment practice is to pay all invoices on time within due date. We do not differentiate payment terms between different types of suppliers. We do not have any legal proceedings currently outstanding for late payments.

G1-3 Prevention and Detection of Corruption and Bribery

We have zero tolerance for bribery and corruption, as outlined in our Anti-Corruption Policy and supported by our CoC. In line with our

commitment to the UN Global Compact, we take active anti-corruption measures within our compliance management system, spanning internal policies and our entire value chain. In addition to our Governance Framework, our full Anti-Corruption framework also includes:

- Gifts and Hospitality guideline
- Group and Country Authorisation Matrices
- Group Accounting Manual
- Know Your Counterparty Questionnaire
- Procurement Manual
- Memberships, Sponsorships, Sustainability Partnerships & Donations Guideline

Our GRC function is responsible for the Anti-Corruption Policy and for implementing the Anti-Corruption Manual. The Policy is approved by the Co-CEO.

Additionally, Group functions, and especially our investment teams, have specific risks related to insider trading and confidentiality. Two trainings were completed in 2024 to ensure relevant employees were onboarded on the Policy, Manual and Guidelines for Insider trading.



Our Anti-Corruption Due Diligence Process can be summarised as follows:

1. **Policy Commitment.** In 2024, we updated our Anti-Corruption Policy and created a new Anti-Corruption Manual. Group Director GRC is given the mandate from CLO to administer the Anti-corruption Policy and implement the Anti-corruption Manual throughout the Group.
2. **Business Partner Principles.** In 2024, we updated our Business Partner Principles, which must be signed by all partners and suppliers, and cover all forms of corruption, specifying hospitality and gifts, sanctions, information management, fraud and money laundering, and protection of personal data.
3. **Training for employees.** All employees must complete our mandatory Anti-Bribery and Corruption training when employed and every 18 months following employment. It sets out behaviour expectations, examples of business situations which could present a bribery or corruption risk and includes dilemmas and a quiz to test employee understanding. We offer additional training to specific at-risk function. In 2024, we conducted conflict of interest trainings for management, P&C and Country Managers. We also conducted training for conflict of interest, whistleblowing and sustainability for staff, management and the Board.

CLO and Group Director GRC are responsible for providing up-to-date training material.

4. **Oversight mechanism for suppliers and other business partners.** We maintain zero tolerance for conducting business with sanctioned individuals, entities, countries, or regions. To minimize counterparty risk, we perform Know Your Counterparty (KYC) checks and sanction screening for our business partners, tenants, and other third parties. All business partners must sign our Business Partner Principles, and all strategic suppliers and contractors go through an assessment, see G1-2. In Norway, a separate assessment is carried out in compliance with the Norwegian Transparency Act.
5. **Detecting corruption risks.** Corruption risks are included in our Risk Tool and are updated quarterly by relevant countries, functions and management in accordance with our Risk Policy and Manual. The updated risk picture for the countries is reviewed and discussed in the management quarterly business reviews and the top risk picture is presented bi-annually to the A&GRC Committee and the Board.
6. **Procedure to deal with corruption cases.** We ask all employees, contractors and suppliers to raise any concerns regarding bribery or corruption through our independent whistle-blowing system, see G1-1.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

	Managers	Executive Management and Supervisory bodies	All other employees
Training coverage			
Total	100%	100%	100%
Total receiving training ¹	96%	100%	94%
Frequency			
18 months	X	X	X
Topics covered			
Definition of corruption	X	X	X
Policy	X	X	X
Procedures on suspicion/detection	X	X	X

¹ The training on Corruption and Bribery was launched in December 2023 and remains valid for 18 months, allowing employees ample time to complete it. As a result, the reported figures also include those who completed the training in December 2023

Our Corruption and Bribery training is available online to 100%. In 2024, approximately 200 employees in Czechia participated in classroom sessions.

Performance, Metrics, and Targets

G1-4 Incidents of Corruption or Bribery

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

	2024
Number of convictions for violation of anti-corruption and anti- bribery laws	0
Amount of fines for violation of anti-corruption and anti- bribery laws	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
Number of reported cases of corruption or bribery from all reported whistleblowing cases	0

G1-5 Political Influence and Lobbying Activities

We actively engage in politics to promote and protect our interests regarding laws, regulations, and policies. Our engagement is both direct, through communication with policymakers, and indirect, via memberships in trade associations and other intermediary organisations whose activities may influence policy, law, or regulation. In 2024, the amount paid for membership fees to lobby associations (defined as industry organisations that we are members of) corresponded to SEK 4,314,461.

By sharing our expertise and insights with

stakeholders, including government officials, members of parliament, and local authorities, we support informed discussions and decisions.

We maintain strict political neutrality and do not provide financial support to political parties, politically motivated organisations, or individual politicians, even in countries where such support is authorised and regulated by law. If undemocratic political movements or actions contradict the Paris Agreement, our values, or CoC, Country Managers will evaluate the need for broader engagement or mitigating actions, involving the CLO and CEO as required. The Group Director Brand and Communication is responsible for

the execution of our political influence and lobbying activities, reporting monthly to Group Management and the Board.

Heimstaden Bostad is not registered in the EU Transparency Register or an equivalent transparency register in any Member State. We have not engaged in lobbying activities or similar efforts with EU regulatory bodies during 2024.

Main Topics and our Position

Property and residential investments are long-term by nature. The residential real estate sector is non-cyclical, faces minimal disruption risk, and benefits from strong demographic trends. We advocate for clear, straightforward laws and regulations that ensure transparency and predictability for all investors in the real estate sector. We believe regulations should be enacted through broad agreements to promote stability and a long-term transparent vision for sustainable growth, addressing social and environmental challenges.

This perspective guides our view on rent regulation, tax levels, ESG requirements, and the development of new real estate projects. These topics are all directly connected to our operating

costs, ability to generate income and grow our business in a sustainable way.

In 2024, we advocated for addressing demographic changes and the need for new housing production in Europe’s growth regions. The imbalance between housing supply and demand is widening in several markets, and we have consistently argued that regulations should facilitate further investments in new developments to meet current and future demand. We engaged on this topic either directly or via our industry organisations in Denmark, Sweden, Norway, Germany, Czechia, and The Netherlands.

We also engaged in the topic of better utilisation of solar energy (PV) in new residential real estate development in Denmark. We were active in the media and directly with national decision-makers to improve the current regulatory framework which complicates PV implementation and increases its cost compared to other countries. Greater PV adoption in our assets would benefit our tenants by reducing energy costs and the environment by lowering emissions from traditional energy sources, directly related to our material impact E1-5.

Actions and Targets Related to Tax (Entity Specific Disclosure)

Transparency and compliance with tax obligations are fundamental to our business. We maintain open communication with relevant tax authorities, adhering to all tax administration and payment requirements. We work continuously with stakeholders to follow their interests and to identify potential new requirements in the tax area. If there is uncertainty about a tax matter, we often initiate a dialogue with the concerned tax authority to clarify how the matter should be handled correctly.

We maintain a low tax risk profile by focusing on accurate tax handling and reporting. For acquisitions, we integrate tax risk management into our due diligence, collaborating closely with local external counsel, supported by local or Group Tax resources as needed.

We monitor Transfer Pricing to safeguard against any negative impact on our tax footprint. In cases of late filings or non-compliance, we take prompt corrective action. Any person suspecting serious business irregularities can alert Group Tax or use our Whistleblowing function.

Our Group Tax function assesses our management approach by reporting tax at the Group level, overseeing tax matters, and offering tax advice. In certain countries, we engage local tax advisors to manage and supervise ongoing tax reporting to local authorities. In other jurisdictions, we collaborate closely with external counsel to meet tax reporting requirements, ensuring strict compliance with our Tax Policy, which was developed and approved by the Co-CEO in 2024. We maintain annual updates of Transfer Pricing documentation, comprising a Group Master File and Local File for each country of operation. This standardised framework provides transparency on essential tax factors at an aggregated level and is shared with relevant stakeholders, including local tax authorities when necessary. We submit an annual aggregated country-by-country report at the Group level and fulfil notification requirements with tax authorities in each country. Country Heads of Finance, in collaboration with Group Tax, conduct an annual review to detect significant discrepancies between aggregated revenues and country-specific tax data.

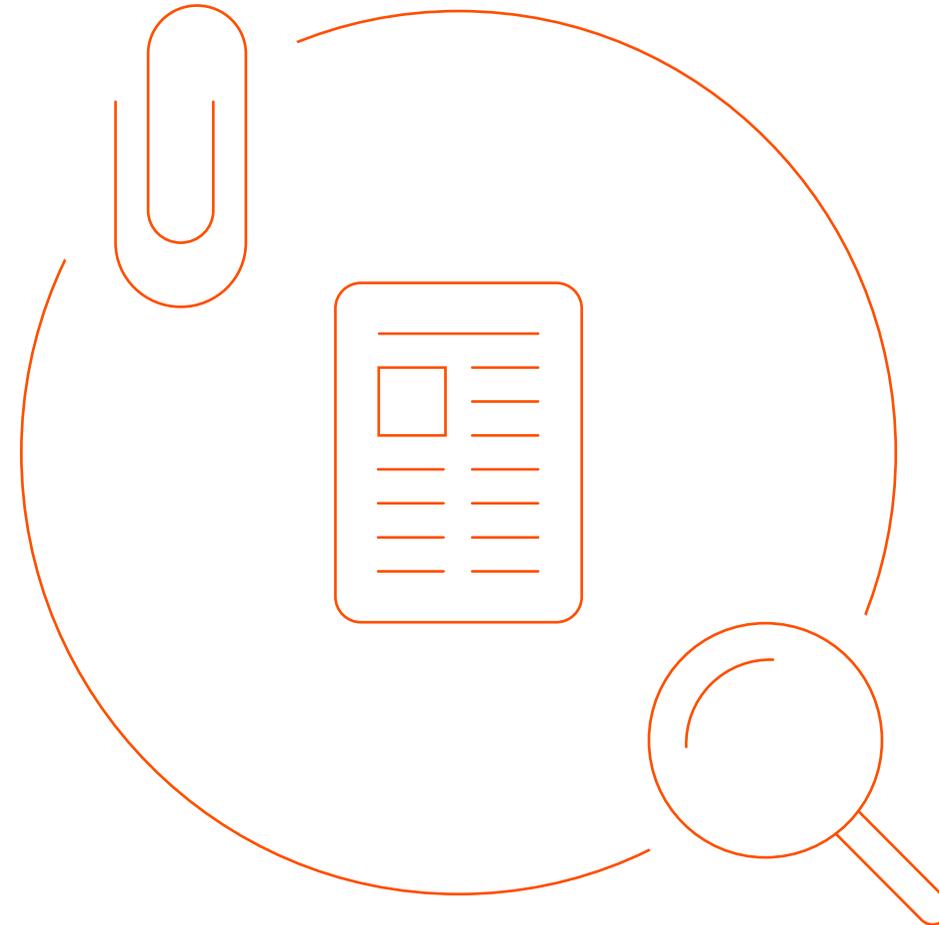
Accounting Policies – G1

ESRS DR	Datapoint/Metric	Accounting Policy
G1-4	Confirmed incidents of corruption or bribery	Number of confirmed incidents of corruption or bribery reported via the whistleblowing function.
G1-4	Confirmed incidents of corruption or bribery relating to contracts with business partners	Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery is collected annually from each country and consolidated on Group level.
G1-5	Amount paid for membership to lobbying associations	Membership fees paid to industry organisations who also engage in political lobbying for the industry.

Sustainability Report

Appendix

ESRS2 GOV-4 Report on Due Diligence	133
ESRS2 IRO-2 Content Index of ESRS Disclosure Requirements	134



ESRS2 GOV-4 Report on Due Diligence

Core elements of Due Diligence	Paragraphs or pages in the Sustainability Report	Does the disclosure relate to people and/or the environment?
a) Embedding due diligence in governance, strategy and business model	ESRS 2, GOV-1 page 50–52, 62	People and Environment
	ESRS 2, GOV-2 page 62	People and Environment
	ESRS 2, GOV-3 page 62	People and Environment
	ESRS 2, GOV-5 page 62	People and Environment
	ESRS 2 SBM-1 page 63	People and Environment
	ESRS 2 SBM 3 page 68–69	People and Environment
	ESRS 2 SBM 3 E1 page 71	Environment
	ESRS 2 SBM 3 E3 page 86	Environment
	ESRS 2 SBM 3 E5 page 89	Environment
	ESRS 2 SBM 3 S1 page 101, 108	People
	ESRS 2 SBM 3 S2 page 115	People
	ESRS 2 SBM 3 S4 page 120	People
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2, GOV-2 page 62	People and Environment
	ESRS 2 SBM-2 page 64	People and Environment
	ESRS 2 IRO-1 page 65–67	People and Environment
	E1-2 page 73	Environment
	E3-1 page 87	Environment
	E5-1 page 90	Environment
	S1-1 page 103, 109	People
S1-2, S1-3 page 103	People	

Core elements of Due Diligence	Paragraphs or pages in the Sustainability Report	Does the disclosure relate to people and/or the environment?
	S2-1 page 116	People
	S2-2 page 116	People
	S2-3 page 118	People
	S4-1, S4-2 page 121	People
	S4-3 page 122	People
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 page 65–67	People and Environment
	ESRS 2 SBM 3 page 68–69	People and Environment
	ESRS 2 SBM 3 E1 page 71	Environment
	ESRS 2 SBM 3 E3 page 86	Environment
	ESRS 2 SBM 3 E5 page 89	Environment
	ESRS 2 SBM 3 S1 page 101, 108	People
	ESRS 2 SBM 3 S2 page 115	People
	ESRS 2 SBM 3 S4 page 120	People
d) Taking actions to address those adverse impacts	IRO-1 page 66	Environment
	E1-1 page 70	Environment
	E1-3 page 73	Environment
	E3-2 page 87	Environment
	E5-2 page 90	Environment
	S1-4 page 104, 109	People
	S2-4 page 118	People
	S4-4 page 122	People

Core elements of Due Diligence	Paragraphs or pages in the Sustainability Report	Does the disclosure relate to people and/or the environment?
e) Tracking effectiveness of these efforts and communicating	E1-4 page 77	Environment
	E1-5 page 79	Environment
	E1-6 page 82	Environment
	E1-7 page 83	Environment
	E1-8 page 83	Environment
	E1-9 page 83	Environment
	E3-3 page 87	Environment
	E3-4 page 87	Environment
	E5-3 page 91	Environment
	S1-5 page 105, 111	People
	S1-6 page 105	People
	S1-7 page 106	People
	S1-8 page 106	People
	S1-9 page 111	People
	S1-13 page 111	People
	S1-14 page 106	People
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Consolidated Statement of Comprehensive Income

SEK million	Note	2024	2023
Rental income	2.1, 2.2	15,898	14,974
Service charges paid by tenants	2.1, 2.2	1,712	1,750
Property expenses	2.1, 2.3, 2.6	-6,423	-6,633
Net operating income		11,187	10,091
Corporate administrative expenses	8.1	-874	-860
Other operating income	2.4	97	275
Other operating expenses	2.5	-579	-448
Realised gains/losses from divestment of properties	2.7	1,682	235
Profit before unrealised fair value adjustments		11,512	9,293
Fair value adjustment of investment properties	2.1, 3.1	8,639	-31,130
Value adjustment of inventory properties	2.1, 4.1	-707	25
Operating profit/loss		19,444	-21,812
Share of net profits/losses of associated companies and joint ventures	3.4	-58	-844
Impairment of goodwill	3.2	–	-1,058
Interest income	2.9	207	324
Interest expenses	2.9	-6,023	-4,939
Net currency translation gains/losses	2.9	-1,773	419
Fair value adjustment of derivative financial instruments	2.8	-615	-1,173
Other financial items	6.1	-191	461
Profit/loss before tax		10,990	-28,623

SEK million	Note	2024	2023
Income tax expense	2.10	-2,790	-3,768
Profit/loss for the period		8,200	-24,855
Other comprehensive income			
Currency translation differences	2.11	3,446	-1,428
Total comprehensive income/loss		11,647	-26,283
Profit/loss attributable to:			
The Parent Company's shareholders		7,998	-22,926
Non-controlling interests		202	-1,928
Comprehensive income/loss attributable to:			
The Parent Company's shareholders		11,406	-24,403
Non-controlling interests		241	-1,880

Consolidated Statement of Financial Position

SEK million	Note	31 December 2024	31 December 2023
ASSETS			
Investment properties	2.1, 3.1	333,728	319,491
Goodwill and Intangible assets	3.2	19,002	18,674
Machinery and equipment	3.3, 6.5	293	332
Investments in associated companies and joint ventures	3.4	8,847	8,636
Derivative financial instruments	6.1	57	34
Deferred tax assets	7.1	819	800
Other financial assets	3.5	952	3,444
Total non-current assets		363,697	351,411
Inventory properties	2.1, 4.1	896	538
Rent and trade receivables	4.2	238	227
Other current assets	4.3	1,598	863
Derivative financial instruments	6.1	8	464
Prepayments	4.4	859	1,146
Cash and cash equivalents	4.5	3,647	11,276
Assets held for sale	3.1	2,163	294
Total current assets		9,409	14,807
TOTAL ASSETS		373,106	366,219

SEK million	Note	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
Share capital		97	97
Other capital contributions		131,887	131,887
Hybrid bonds		24,597	24,249
Currency translation reserve		13,573	10,166
Retained earnings		-24,394	-31,152
Total equity attributable to Parent Company shareholders	5	145,759	135,246
Non-controlling interests	5	13,726	13,485
Total equity	5	159,485	148,731
Interest-bearing liabilities	6.1, 6.3, 6.4	172,912	171,650
Lease liabilities	6.5	1,297	1,091
Derivative financial instruments	6.1	632	481
Deferred tax liabilities	7.1	20,668	18,492
Other financial liabilities		1,875	1,614
Total non-current liabilities		197,384	193,326
Interest-bearing liabilities	6.4	11,379	19,601
Lease liabilities	6.5	59	85
Trade payables		662	738
Other liabilities	7.2	1,803	1,017
Derivative financial instruments	6.1	28	–
Accrued expenses and prepaid income	7.3	2,304	2,721
Total current liabilities		16,237	24,162
TOTAL EQUITY AND LIABILITIES		373,106	366,219

Consolidated Statement of Changes in Equity

SEK million	Note	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2023		93	128,559	24,330	11,643	-662	163,964	16,891	180,854
Profit/loss for the period		–	–	–	–	-22,926	-22,926	-1,928	-24,855
Currency translation differences	2.11	–	–	–	-1,477	–	-1,477	49	-1,428
Total comprehensive income/loss		–	–	–	-1,477	-22,926	-24,403	-1,880	-26,283
New share issue		3	3,334	–	–	–	3,337	–	3,337
Costs of issuance		–	-6	–	–	–	-6	–	-6
Buyback of hybrid bonds		–	–	-82	–	23	-58	–	-58
Currency translation on buyback of hybrid bonds		–	–	–	–	-5	-5	–	-5
Coupon expense on hybrid bonds		–	–	841	–	-841	–	–	–
Coupon paid on hybrid bonds		–	–	-841	–	–	-841	–	-841
Dividends		–	–	–	–	-6,742	-6,742	-1,526	-8,268
Total transactions with the company's shareholders		3	3,328	-82	–	-7,564	-4,315	-1,526	-5,841
Equity, 31 December 2023	5	97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Opening balance, 1 January 2024		97	131,887	24,249	10,166	-31,152	135,246	13,485	148,731
Profit/loss for the period		–	–	–	–	7,998	7,998	202	8,200
Currency translation differences	2.11	–	–	–	3,407	–	3,407	39	3,446
Total comprehensive income/loss		–	–	–	3,407	7,998	11,406	241	11,647
Issue of hybrid bonds		–	–	5,743	–	–	5,743	–	5,743
Cost of issuance		–	–	-61	–	–	-61	–	-61
Buyback of hybrid bonds		–	–	-5,334	–	–	-5,334	–	-5,334
Currency translation on buyback of hybrid bonds		–	–	–	–	-444	-444	–	-444
Net coupon expense on hybrid bonds		–	–	796	–	-796	–	–	–
Net coupon paid on hybrid bonds		–	–	-796	–	–	-796	–	-796
Total transactions with the company's shareholders		–	–	348	–	-1,241	-893	–	-893
Equity, 31 December 2024	5	97	131,887	24,597	13,573	-24,394	145,759	13,726	159,485

Consolidated Statement of Cash Flows

SEK million	Note	2024	2023 ¹
Operating activities			
Profit/loss before tax		10,990	-28,623
Adjustments to reconcile profit before tax to net cash flows:			
Fair value adjustment on investment properties	3.1	-8,639	31,130
Value adjustment of inventory properties	4.1	707	-25
Fair value adjustment of derivative financial instruments	2.8	615	1,173
Interest income	2.9	-207	-324
Interest expenses	2.9	6,023	4,939
Share of net profits/losses of associated companies and joint ventures	3.4	58	844
Realised gains/losses from divestment of properties	2.7	-1,682	-235
Other adjustments	4.6	1,980	-78
Working capital changes			
Increase(-)/decrease(+) in rent and other receivables		-494	-293
Increase(+)/decrease(-) in trade and other payables		423	-1,024
Cash generated from operations		9,774	7,483
Interest paid		-6,106	-4,880
Interest received		205	324
Income tax paid		-552	-1,000
Net cash flows from operating activities		3,321	1,927

SEK million	Note	2024	2023 ¹
Investing activities			
Acquisition of investment properties		-538	-2,132
Proceeds net of direct transaction cost from divestments of properties from privatisation programme ¹	2.7	7,068	2,703
Proceeds net of direct transaction cost from divestments of properties from portfolio sales	2.7	1,035	–
Capital expenditure on investment and inventory properties	3.1, 4.1	-5,182	-7,964
Deposits for signed acquisitions		1	320
Purchases/sales of machinery and equipment		-22	-63
Purchase of intangible assets		-56	-62
Investments in associated companies and joint ventures	3.4, 3.5	54	711
Other cash flows from investing activities		127	-543
Net cash flows from investing activities		2,486	-7,029
Financing activities			
Proceeds from issuance of interest-bearing liabilities	6.4	34,718	35,264
Repayment of interest-bearing liabilities	6.4	-47,221	-25,584
Dividends paid	5	–	-5,851
Proceeds from non-controlling interests		–	3,937
Proceeds from share issuances	5	–	920
Proceeds from issuances of hybrid bonds	5	5,743	–
Buyback of hybrid bonds	5	-5,759	-58
Hybrid bonds coupons		-1,003	-841
Settlement of derivative financial instruments		–	176
Other cash flows from financing activities		164	-1,137
Net cash flows from financing activities		-13,357	6,826
Net change in cash and cash equivalents		-7,550	1,723
Cash and cash equivalents at the beginning of the period		11,276	9,385
Net currency exchange effect in cash and cash equivalents		-78	168
Cash and cash equivalents at the end of the period		3,647	11,276

¹ Comparables restated, see [Note 1.2](#)

Notes to the Consolidated Financial Statements

1. Corporate information and general accounting policies

1.1 Corporate information

Heimstaden Bostad AB (publ), Corp. ID No. 556864-0873, is a Swedish limited liability company with its registered office in Malmö, at Carl Gustafs Väg 1, SE-217 42. Heimstaden Bostad's operations consist of owning, developing, and managing residential properties.

The ultimate parent entity of Heimstaden Bostad AB is Fredensborg AS, a company domiciled in Norway. Fredensborg AS is the majority owner of Heimstaden AB, which in turn holds a controlling interest in Heimstaden Bostad AB.

1.2 General accounting policies

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with IFRS® accounting standards and in accordance with Swedish law by applying the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. This section provides summary of material accounting policy information in the preparation of these financial statements. This section must be read in conjunction with the specific notes that also include material accounting policy information.

The Consolidated Financial Statements were approved by the Board of Directors on 27 February 2025 and will be laid before the Annual General Meeting for approval on 1 April 2025.

The Consolidated Financial Statements are presented in SEK, which is the Group's functional currency and rounded to the nearest million. Due to rounding, numbers and percentages presented in these financial statements may not add up precisely to the totals provided. Unless explicitly stated, comparative information refers to the corresponding period before.

The Consolidated Financial Statements have been prepared on a going-concern basis, applying a historical cost convention except for the measurement of investment property, derivative financial instruments and contingent consideration, that have been measured at fair value.

Consolidation

Heimstaden Bostad controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and through its power over the subsidiary can influence the level of these returns. Generally, there is a presumption that a majority of voting rights results in control. Subsidiaries are fully consolidated from the date on which control is transferred to Heimstaden Bostad and deconsolidated from the date that control ceases. All Group companies are set to have 31 December as their year-end. Newly acquired companies that have a different financial year-end are changed to align with the Group at the earliest opportunity. Accounting policies of subsidiaries are changed where necessary to ensure consistency.

Intercompany transactions, balances, and unrealised gains or losses on transactions between Group companies are eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Associated companies and joint ventures are investments where Heimstaden Bostad has significant influence or joint control. The investments are accounted for using the equity method in the Consolidated Financial Statements.

When Heimstaden Bostad ceases to have control, it derecognises the related assets, liabilities, non-controlling interest and other components of equity. On an asset sale, any gain or loss is recognised in realised gains/losses from divestment of properties in the Statement of Comprehensive Income. If the divestment meets the criteria of a discontinued operation, the profit/loss on

divestment is presented as a separate line item divestment of business unit.

Any retained interest in the entity is remeasured to its fair value at the date when control is lost. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. The change in the carrying amount is recognised in the Statement of Comprehensive Income.

On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is reclassified to the Statement of Comprehensive Income.

Asset acquisitions and business combinations

Where properties are acquired, either through acquisition of a subsidiary or otherwise, management considers the substance of the assets and the relevant activities in determining whether the acquisition represents a business combination or an asset acquisition. In most cases, a voluntary 'concentration test' is performed. If the fair value of the gross assets acquired can substantially be attributed to an asset or a group of similar assets, it is determined to be an asset acquisition. Further assessment is made by management if the concentration test is not conclusive to be an asset acquisition.

Business combinations

Heimstaden Bostad identifies a business combination when it obtains control of a business where the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. Heimstaden Bostad applies the acquisition method if it obtains control.

Goodwill arising from the business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. See [Note 3.2](#) for detailed accounting policies related to Goodwill.

Asset acquisitions

For acquisition of a subsidiary that is not considered a business combination, Heimstaden Bostad allocates the cost between the individual identifiable assets and liabilities based on their relative fair values as at the date of acquisition. Such transactions do not give rise to goodwill.

The Group recognises only the identifiable assets and liabilities. Any deferred tax is subject to the initial recognition exemption in accordance with IAS 12.

Foreign currencies

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are converted to the functional currency at the exchange rate prevailing on the transaction date.

Monetary Assets and liabilities in foreign currency are translated into the functional currency at the period-end rate. Net currency translation gains and losses from monetary assets and liabilities is presented in net currency translation gains/losses in the consolidated statement of comprehensive income. Historical cost non-monetary items are translated into the functional currency using the transaction date rate.

The Group's consolidated financial statements are presented in Swedish kronor, which is also the parent company's functional currency. Translation differences arising on currency translation of foreign operations are recognised in other comprehensive income.

Statement of Cash Flows

The Statement of Cash Flows have been prepared in accordance with the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

Proceeds from the Privatisation programme and proceeds from portfolio divestments are presented as investing activities in separate lines in the Statement of Cash Flows. Comparable figures have been presented accordingly.

1.3 Significant estimates

The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions that affect the Statement of Comprehensive Income, Statement of Financial Position, and the accompanying disclosures. Presented below are the Group's significant sources of estimation uncertainty, and their nature.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Heimstaden Bostad based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Uncertainty about these assumptions and estimates may occur due to market changes or circumstances arising that are beyond the control of the Group. In such cases, the related amounts are prospectively adjusted.

Estimation of fair value of investment properties

Heimstaden Bostad measures its investment properties at fair value, with changes recognised in fair value adjustment of investment properties in the Statement of Comprehensive Income. Valuations are obtained from independent valuation specialists.

The estimation uncertainty arises from the valuation method and non-observable inputs. Assumptions used to arrive at the fair value are sensitive.

The uncertainty in respect of individual properties is normally considered to be in the range of +/- 5% and

should be regarded as the uncertainty that exists in assumptions and estimates made. For Heimstaden Bostad, a range of uncertainty of +/- 5% could result in a change in fair value adjustment of investment properties of SEK +/- 16,686 million, corresponding to a range of investment properties in the Statement of Financial Position of SEK 317,041– 350,414 millin.

Management assesses the accuracy and reasonableness of the third-party values provided, prior to their adoption, as well as in relation to the valuation of assets under construction or redevelopment when internal assumptions surrounding cost and margin deductions are required. The key assumptions used to determine the fair value of the investment properties and sensitivity analyses are provided in [Note 3.1](#).

Impairment testing of goodwill

Each year and whenever impairment indicators are present, Heimstaden Bostad tests goodwill for impairment. Recoverable amounts for CGUs have been determined by calculating value in use and are estimated using a Discounted Cash Flow (DCF) model.

The estimation uncertainty arises from the assumptions about future cash flows, growth rates, and discount rates.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash flows and growth rates used. For these calculations management applies estimates related to key assumptions. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis are disclosed and explained in [Note 3.2](#).

1.4 Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements which is considered to have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

Assets held for sale

Investment properties are classified as assets held for sale when the asset is available for immediate sale, there is commitment to locate a buyer, and the sale is highly probable within a year. Management has made the judgement that the above criteria are met at the point in time the contract for sale is unconditionally signed. These assets are classified on the balance sheet as current assets. See [Note 3.1](#) for details on assets held for sale

Classification of hybrid bonds

Management makes a judgement on the classification of Hybrid Bonds as equity based on the nature of the contractual obligation of the instrument.

There is no explicit contractual obligation to settle the agreement by paying cash or another financial asset, nor are there any other circumstances indicating that the agreement will be settled in cash or other financial assets. Heimstaden Bostad is entitled to postpone coupons for an indefinite period as long as hybrid bond holders are notified within the agreed period and the hybrid bond is subordinated to all other creditors. See [Note 5](#) for further information on the accounting policies for hybrid bonds.

Consolidation of partnerships

Heimstaden Bostad with Allianz has two partnerships owning parts of the Swedish and German portfolio. Heimstaden Bostad consolidates the partnership based on the following judgements:

- due to its existing rights through 50.1% of voting rights and ability to direct relevant activities;
- exposure, or rights, to variable returns through its shareholdings; and
- the ability to use its power over the partners through its role as manager to affect the amount of the returns.

1.5 Climate risks

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risk. Even though the Group believes its business model will still be viable after the transition to a low-carbon economy, climate-related matters is considered in estimates and assumptions underpinning impairment assessments and fair value measurements, among others, in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group does closely monitor relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- The external valuation of investment properties disclosed in [Note 3.1](#) considers environmental, social and governance risks in the fair value calculation of investment properties. While the Group believes it is not currently exposed to notable environmental risks, it anticipates investors may consider the impact of social and governance risks, such as increasing energy efficiency requirements due to climate-related legislation, and tenants' growing demand for low-emission investment properties in their considerations.
- The Group's value-in-use assessment for goodwill disclosed in [Note 3.2](#) reflects transition risks, such as climate-related regulations and demand changes. While no single climate assumption is key for the 2024 goodwill test, the Group's cash-flow forecasts include anticipated demand for flood prevention, and higher utility costs (including recycling and waste removal).

1.6 New and changed accounting policies and disclosures

Recently issued accounting standards, interpretations, and amendments

The Group applied for the first-time certain standards and amendments, which are effective for annual periods on or after 1 January 2024. Other than those described below, no other standards, amendments or interpretations effective from fiscal years beginning on or after 1 January 2024 had an impact on the consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements for

classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have resulted in additional disclosures in [Note 6.3](#), but did not have an impact on the classification of the Group's Consolidated Financial Statements.

Standards issued but not yet effective

The following standards, interpretations, and amendments to existing standards are not required to be adopted for the 2024 fiscal year. The Group has not applied any of these changes early. Changes effective 1 January 2025 (IAS 21) have been assessed to have no material impact on adoption. For all other future changes, the Group is currently considering the impact of adopting the standards, amendments, and interpretations on its Consolidated Financial Statements.

Relevant new standards, interpretations, and amendments	Effective date
Amendments to IAS 21: Lack of Exchangeability	1 January, 2025
Amendments to IFRS 7 and IFRS 9: Classification and Measurement of Financial Instruments	1 January, 2026
Amendments to IFRS 7 and IFRS 9: Contracts Referencing Nature-dependent Electricity	1 January, 2026
IFRS 18: Presentation and Disclosure in Financial Statements	1 January, 2027

Voluntary changes in accounting policies

The Group did not apply any voluntary changes in accounting policies in the year.

2. Income and expenses

2.1 Segment reporting

Accounting policies

The Group organises and governs its activities based on geographical areas where the investment properties are located, and these geographical areas form the basis of the definition of segments. Heimstaden Bostad has identified ten reportable segments consisting of the geographical areas of Sweden, Germany, Denmark, the Netherlands, Czechia, Norway, United Kingdom, Poland, Finland and Corporate. Senior management is the chief operating decision maker and monitors net operating income and changes in the value of managed properties in the identified segments; other Statement of Comprehensive Income items are not allocated per segment. Additionally, management monitors the value of investment properties in each segment. Other items are not allocated per segment in the segments' profits, assets, and liabilities. The segment statements include only directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. See also [Note 3.1](#) for fair value of investment properties per segment.

2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate/Adjustments ¹	Total
Statement of Comprehensive Income											
Rental income ²	4,873	2,840	3,595	1,405	1,797	720	211	170	286	-1	15,898
Service charges paid by tenants	90	762	20	–	758	25	1	45	12	–	1,712
Total Income	4,963	3,603	3,615	1,405	2,556	745	211	215	298	-1	17,609
Utilities	-867	-456	-127	–	-721	-40	-3	-22	-51	4	-2,284
Repair and maintenance	-177	-171	-134	-87	-153	-49	-2	-1	-12	120	-666
Property tax	-103	-67	-144	-65	-16	-4	–	2	-9	–	-405
Other	-166	-181	-177	-47	-100	-18	-7	-6	-18	12	-708
Property management	-729	-528	-390	-126	-222	-77	-46	-50	-57	-134	-2,359
Total property expenses	-2,042	-1,403	-971	-325	-1,212	-188	-59	-76	-148	1	-6,423
Net operating income	2,921	2,200	2,643	1,080	1,344	557	152	139	150	–	11,187
Net operating margin %	59.9	77.5	73.5	76.9	74.8	77.4	72.4	81.4	52.5	–	70.4
Corporate administrative expenses	–	–	–	–	–	–	–	–	–	-874	-874
Other income and expenses	–	–	–	–	–	–	–	–	–	-482	-482
Realised gains/losses from divestment of properties	78	34	520	1,009	25	17	–	–	–	–	1,682
Segment Profit before unrealised fair value adjustment	2,999	2,234	3,163	2,089	1,369	574	152	139	150	-1,357	11,512
Fair value adjustment on investment properties	2,068	-813	564	4,120	1,773	18	143	751	13	–	8,639
Value adjustment of inventory properties	–	–	–	–	–	-707	–	–	–	–	-707
Segment profit/loss	5,067	1,421	3,727	6,209	3,141	-115	296	890	163	-1,357	19,444

¹ The corporate segment of the consolidated financials mainly consist of reclassifications due to internal services provided within countries.

² The rental income from the portfolio in Sweden reflects rents including heating and water, meaning that the majority of property expenses is not recoverable towards the tenants.

2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate/Adjustments ¹	Total
Statement of Comprehensive Income											
Rental income ²	4,448	2,693	3,539	1,404	1,718	741	95	69	268	-1	14,974
Service charges paid by tenants	84	934	4	-	663	34	-	17	12	-1	1,750
Total Income	4,532	3,628	3,543	1,404	2,381	775	95	86	280	-2	16,724
Utilities	-797	-585	-125	-	-636	-60	-4	-8	-49	3	-2,260
Repair and maintenance	-205	-173	-182	-92	-187	-55	-3	-1	-18	159	-755
Property tax	-105	-85	-194	-62	-9	-3	-4	-4	-9	-	-475
Other	-156	-165	-136	-68	-110	-29	-4	-3	-20	9	-682
Property management	-705	-546	-481	-131	-229	-72	-38	-29	-59	-170	-2,460
Total property expenses	-1,967	-1,553	-1,118	-353	-1,170	-219	-53	-45	-155	2	-6,633
Net operating income	2,565	2,074	2,425	1,051	1,211	556	42	42	125	0	10,091
Net operating margin %	57.7	77.0	68.5	74.8	70.5	75.1	44.0	60.3	46.8	-	67.4
Corporate administrative expenses	-	-	-	-	-	-	-	-	-	-860	-860
Other income and expenses	-	-	-	-	-	-	-	-	-	-173	-173
Realised gains/losses from divestment of properties	29	-	104	87	15	-1	-	-	-	-	235
Segment Profit before unrealised fair value adjustment	2,594	2,074	2,529	1,137	1,227	555	42	42	125	-1,033	9,293
Fair value adjustment on investment properties	-10,385	-14,511	-4,138	-3,659	1,704	-275	367	171	-404	-	-31,130
Value adjustment of inventory properties	-	-	-	-	-	25	-	-	-	-	25
Segment profit/loss	-7,791	-12,436	-1,608	-2,522	2,931	305	409	212	-279	-1,033	-21,812

¹ The corporate segment of the consolidated financials mainly consist of reclassifications due to internal services provided within countries.

² The rental income from the portfolio in Sweden reflects rents including heating and water, meaning that the majority of property expenses is not recoverable towards the tenants.

RECONCILIATION OF PROFIT

SEK million	2024	2023
Segment profit/loss	19,444	-21,812
Share of net profits/losses of associated companies and joint ventures	-58	-844
Impairment of goodwill	-	-1,058
Financial income and expenses	-5,816	-4,615
Net currency translation gains/losses	-1,773	419
Other financial items	-191	461
Fair value adjustment of derivative financial instruments	-615	-1,173
Profit/loss before tax	10,990	-28,623

2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate/ Adjustments	Total
Statement of Financial Position											
Investment properties	91,565	81,925	71,301	30,256	28,406	16,377	5,344	4,701	3,852	–	333,728
Inventory properties	–	–	–	–	88	547	–	261	–	–	896
Non-current segment assets	3,184	11,994	3,103	245	197	21	6	7	4	–	18,761
Total segment assets	94,749	93,919	74,404	30,501	28,691	16,945	5,350	4,969	3,856	–	353,385
Total segment liabilities											
Capital expenditures on investment properties	1,195	1,113	467	256	860	296	541	318	82	–	5,127

2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Corporate/ Adjustments	Total
Statement of Financial Position											
Investment properties	89,262	79,404	71,446	27,337	25,185	17,109	4,305	1,815	3,627	–	319,491
Inventory properties	–	–	–	–	–	538	–	–	–	–	538
Non-current segment assets	3,126	11,682	3,206	243	197	21	4	7	6	–	18,491
Total segment assets	92,388	91,086	74,652	27,580	25,381	17,669	4,309	1,822	3,633	–	338,520
Total segment liabilities											
Capital expenditures on investment properties	3,000	873	923	838	773	107	1,070	132	170	–	7,885

Investments in financial assets that are managed by the corporate finance team are not considered to be segment assets.

The Group's borrowings and derivative financial instruments are not considered to be segment liabilities, but are managed by the corporate finance team at Group level.

RECONCILIATION OF ASSETS

SEK million	2024	2023
Total segment assets	353,385	338,520
Other assets, non-current	2,362	4,793
Investments in associated companies and joint ventures	8,847	8,636
Other assets, current	4,866	2,994
Cash and cash equivalents	3,647	11,276
Total assets	373,106	366,219

RECONCILIATION OF LIABILITIES

SEK million	2024	2023
Total segment liabilities	–	–
Interest-bearing liabilities, non current	172,912	171,650
Other liabilities, non-current	24,472	21,677
Interest-bearing liabilities, current	11,379	19,601
Other liabilities, current	4,858	4,561
Total liabilities	213,621	217,488

2.2 Rental income and service charges paid by tenants**Accounting policies**

Heimstaden Bostad leases out its investment properties to tenants (lessee) with contracted non-cancellable lease terms and a normal term of notice of three months. The Group classifies these leases as operating because they do not transfer substantially all the risks and rewards, or control, incidental to ownership of the properties to the tenant. For investment property leases the payment is largely fixed under the contracts, however, it is subject to an annual index adjustment.

Rental income is accounted for on a straight-line basis over the contractual period. Rental contracts are classified as residential, commercial premises, and garages, parking and other premises. Most rental contracts (leases) are invoiced monthly, and there are no substantial financing components included in any rental contracts. Initial direct costs incurred in negotiating and arranging the rental contract are recognised as an expense when they incur. Incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental income on a straight-line basis over the term of the lease. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Statement of Comprehensive Income when the right to receive them arises.

Service charges paid by tenants mainly comprise utility cost and other operating costs to be covered by the tenants under the lease agreement and are separately invoiced to tenants. The Group arranges for third parties to provide certain of these services to its tenants. Service charges paid by tenants are recognised in the period when the performance obligation in the contract with the tenant is satisfied.

The assessment of whether the Group is acting as an agent or as a principal with respect to such service costs is done on a case-by-case basis and depends on the specific jurisdiction of operations. The Group recognises revenue on a gross basis where the Group concludes that it acts as a principal in relation to these services as it controls the specified services before transferring them to the tenant. If the Group concludes it does not control the specified services before transferring them to the tenant revenue is recorded on a net basis.

No single customer accounts for more than 1% of total revenues. For rental income and service charges paid by tenants by geographic market, see [Note 2.1](#).

RENTAL INCOME AND SERVICE CHARGES PAID BY TENANTS

SEK million	2024	2023
Rental income before lease incentives	16,043	15,099
Lease incentives	-146	-125
Rental income	15,898	14,974
Service charges paid by tenants	1,712	1,750
Total income	17,609	16,724

RENTAL INCOME DISTRIBUTED BY PROPERTY CATEGORY

SEK million	2024	2023
Residential	14,621	13,757
Commercial premises	1,053	1,010
Garages, parking spaces and other premises	224	207
Total rental income	15,898	14,974

SERVICE CHARGES PAID BY TENANTS DISTRIBUTED BY PROPERTY CATEGORY

SEK million	2024	2023
Residential	1,592	1,643
Commercial premises	119	107
Total service charges paid by tenants	1,712	1,750

Most of the Company's lease contracts (source of rental income) have a notice period of three months, hence most of the contracts only have three months non-cancellable lease payments to be received. An undiscounted maturity analysis of operating leases as of 31 December are as follows:

2024 MATURITY ON LEASE CONTRACTS

SEK million	Residential	Commercial premises	Garages and parking spaces
Within one year	3,571	1,364	107
1–5 years	346	558	–
> 5 years	132	328	–
Total lease contracts	4,049	2,249	107

2023 MATURITY ON LEASE CONTRACTS

SEK million	Residential	Commercial premises	Garages and parking spaces
Within one year	4,141	1,254	125
1–5 years	47	–	–
> 5 years	59	–	–
Total lease contracts	4,247	1,254	125

2.3 Property expenses

Accounting policies

Property expenses are split into the categories in the table below. Utilities include costs for electricity, heating, and water. Repairs and maintenance costs consist of both periodic and ongoing measures to maintain the properties' standard. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Property management refers to costs incurred by the Group to facilitate the overall management such as cleaning, waste management, back-office functions like bookkeeping, letting, marketing and other overarching property management services. Other consists primarily of insurance, bad debt, and home-owner association fees.

PROPERTY EXPENSES

SEK million	2024	2023
Utilities	2,284	2,260
Repairs and maintenance	666	755
Property tax	405	475
Property management	2,359	2,460
Other	708	682
Total property expenses	6,423	6,633

2.4 Other operating income

OTHER OPERATING INCOME

SEK million	2024	2023
Buy-out settlement	–	106
Hospitality income	39	45
Other	58	123
Total other operating income	97	275

2.5 Other operating expenses

OTHER OPERATING EXPENSES

SEK million	2024	2023
A Home for a Home	74	140
Audit assignment	38	34
Acquisition cost	18	59
Privatisation cost	75	6
Depreciation	123	18
Hospitality cost	44	49
Other	207	141
Total other operating expenses	579	448

During 2024, SEK 74 million (140) were expensed as donations to SOS Children's Villages as part of the "A Home for a Home" partnership.

Privatisation cost is indirect cost directly linked to the privatisation business unit.

The audit assignment refers to the audit of the Consolidated Financial Statements and the annual financial statements for the Group companies. Other assurance services provided by the auditors include services related to review procedures on interim reports and other attestation services. The fees are summarised in the table below:

EY

SEK million	2024	2023
Audit assignment	33	29
Other assurance services	3	3
Total	36	32

OTHER

SEK million	2024	2023
Audit assignment	5	5
Other assurance services	–	1
Other services	–	2
Total	5	7

TOTAL

SEK million	2024	2023
Audit assignment	38	34
Other assurance services	3	4
Other services	–	2
Total	41	39

2.6 Employee benefit expenses and senior management compensation**Accounting policies**

Employee benefits in the form of salaries, paid vacation, paid absence due to illness, etc., are recognised as employees perform services in exchange for compensation. All Heimstaden Bostad's pension obligations consist of defined contribution plans, which are met through ongoing payments to the independent authorities or organisations that administer the plans. Defined contribution plan obligations are expensed in Statement of Comprehensive Income as they are incurred.

AVERAGE NUMBER OF EMPLOYEES

	2024			2023		
	Women	Men	Total	Women	Men	Total
Sweden	168	293	461	176	271	447
Germany	123	181	304	132	160	292
Denmark	78	139	216	77	146	223
Netherlands	47	64	111	52	64	116
Czechia	251	383	635	277	391	668
Norway	20	72	92	16	54	70
United Kingdom	8	9	16	5	6	12
Poland	18	9	27	9	5	14
Finland	–	4	4	–	4	4
Total	713	1,153	1,866	744	1,102	1,846

Remuneration

The Co-CEO's and senior management receive remuneration from Heimstaden AB and these costs are included in the administrative services from Heimstaden AB. For other employees, the customary pension commitments within the framework of general pension plans apply.

The Board of Directors and Group management are presented on [pages 53–54](#).

BOARD MEMBER REMUNERATION

SEK	2024 Board fees	2023 Board fees
Casper von Koskull ¹	–	607,342
Helge Leiro Baastad	960,000	352,658
Ivar Tollefsen	–	–
John Giverholt	–	–
Bente A Landsnes	–	400,000
Fredrik Reinfeldt	–	–
Daniel Kristiansson	–	–
Rebecka Elkert	–	–
Klas Åkerbäck	–	–
Wenche Karin Nistad ²	200,000	–
Total	1,160,000	1,360,000

¹ Resigned during 2023.

² New in 2024. Board fees per AGM of SEK 300,000 pro-rated for the number of months served as Board member in 2024.

SALARIES, REMUNERATION, SOCIAL SECURITY, AND PENSION COST

2024

Position	Board Members	Employees	Total
SEK million			
Base salary	–	962	962
Benefits	–	47	47
Social security costs	–	185	185
Pension costs	–	65	65
Variable remuneration	–	21	21
Board remunerations	1	–	1
Total	1	1,279	1,280
Women in %	33	38	

2023

Position	Board Members	Employees	Total
SEK million			
Base salary	–	1,110	1,110
Benefits	–	43	43
Social security costs	–	249	249
Pension costs	–	68	68
Variable remuneration	–	20	20
Board remunerations	1	–	1
Total	1	1,490	1,491
Women in %	33	40	

2.7 Realised gains/losses from divestment of properties

Accounting policies

Realised gain/loss on divestment of properties is calculated based on the most recent carrying value at the latest financial statement prior to sale and proceeds net of direct transactions cost related to sale of a specific unit. A property is classified as sold or held for sale at the date the contract is unconditionally signed and derecognised from the balance sheet on the date of transfer. Gains and losses arising from divestment of properties are included in Statement of Comprehensive Income in the period which they arise.

Realised gain/loss from divestment of assets held for sale is calculated at the contractually agreed upon sale price and the most recent carrying value at the latest financial statement prior to sale.

REALISED GAINS/LOSSES FROM DIVESTMENT OF INVESTMENT PROPERTIES

SEK million	2024	2023
Proceeds net of direct transaction cost from divestments of properties from privatisation programme	7,068	2,703
Proceeds net of direct transaction cost from divestments of properties from portfolio sales	1,035	–
Realised gains/losses from divestment of assets held for sale	222	–
Book value of divestments of properties	-6,643	-2,468
Realised gains/losses on divestments of properties	1,682	235

2.8 Fair value adjustment of derivative financial instruments

Accounting policies

Derivative financial instruments include interest rate derivatives and forward purchase contracts and are measured at fair value. Gains and losses arising from changes in the fair value of the derivative financial instruments are included in Statement of Comprehensive Income in the period in which they arise. For more information regarding fair value assessments see [Note 6.1](#).

SEK million	2024	2023
Unrealised value change	-615	-1,186
Gains/losses on repurchased derivatives	–	13
Total fair value adjustment of derivative financial instruments	-615	-1,173

2.9 Financial income and expenses

Accounting policies

Interest income on bank balances, as well as interest and other borrowing costs, are recognised as income and expenses, respectively. Payments in accordance with interest-rate derivative agreements are included in interest expenses and are expensed in the period to which they relate. Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalised to the cost of those assets, until the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Comprehensive Income in the period they incur.

FINANCIAL INCOME AND EXPENSES REPORTED IN COMPREHENSIVE INCOME STATEMENT

SEK million	2024	2023
Interest income, promissory notes	2	64
Interest income, associated companies and joint ventures	50	51
Interest income, bank deposits	155	209
Total interest income	207	324
Interest expenses, loans	-6,612	-5,607
Interest expenses, derivatives	547	539
Interest expenses, leasing	-3	-4
Borrowing expenses capitalised within investment property	45	133
Total interest expenses	-6,023	-4,939
Currency translation losses	-3,755	-301
Currency translation gains	1,983	720
Total net currency translation gains/losses	-1,773	419

2.10 Income tax expenses

Accounting policies

Current Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in the countries where Heimstaden Bostad operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income.

Current tax is determined by this year's taxable income, and calculated using the tax rates applicable at the balance sheet date

Income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Group has recognised taxes related to Hybrid capital (see [Note 5](#)) directly in equity. No other tax items have been recognised directly in other comprehensive income or equity. For information about deferred tax see [Note 7.1](#).

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two model rules were adopted at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied.

The Group has assessed that the immediate effects of the Pillar Two rules is limited, and there are no related current tax expenses. The Pillar Two effective tax rates in the jurisdictions in which the Group operates is above 15%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	2024	2023
Current tax expense	-944	-466
Change in deferred tax	-1,846	4,234
Income tax expenses reported in the Consolidated Statement of Comprehensive Income	-2,790	3,768

The differences between the effective tax rate for the year and the tax expense based on the Swedish tax rate of 20.6% is mainly driven by non-deductible interest, and effect of different statutory tax rates between the jurisdictions Heimstaden Bostad operates in. Profit/loss from associated companies are reported net after tax which also impacts the effective tax rate. The underlying tax rates in the countries in operation are in the range of 19% to 30.2%.

RECONCILIATION OF EFFECTIVE TAX RATE

SEK million	2024	2023
Reported profit/loss before tax	10,990	-28,623
Nominal Swedish tax rate (20.6%)	-2,264	5,896
Tax effect of:		
Tax effect of different statutory tax rates	-283	-601
Non-deductible interest	-584	-36
Tax effect of Hybrid bonds	–	173
Tax on share in earnings from associated companies	12	-172
Fair value change of investment properties below initial recognition	207	-888
Non-taxable income	32	–
Non-deductible costs	-66	-343
Changes in statutory tax rates	–	-480
Tax attributable to previous years	118	197
Other	38	22
Income tax expenses reported in the Consolidated Statement of Comprehensive Income	-2,790	3,768
Effective tax rate, %	25	13

2.11 Other comprehensive income

Other comprehensive income is related to foreign currency translation differences that may be reclassified to Statement of Comprehensive Income in subsequent periods. For more information see [Note 1.2](#).

SPECIFICATION OF OTHER COMPREHENSIVE INCOME

SEK million		2024	2023
Country	Currency code		
Czechia	CZK	206	-623
Denmark	DKK	917	45
Netherlands, Germany, and Finland	EUR	2,161	98
Norway	NOK	-341	-1,321
Poland	PLN	144	308
United Kingdom	GBP	321	17
Non-controlling interests	EUR	39	49
Total		3,446	-1,428

3. Non-current assets

3.1 Investment properties

Accounting policies

Investment properties comprise completed properties, properties under construction, and land and building rights that are held, to earn rental income or for capital appreciation or both. A property held under a lease is classified as investment property when it is held to earn rental income or for capital appreciation, or both.

Acquisition of investment properties

An investment property is recognised when Heimstaden Bostad obtains control. Such control is obtained when Heimstaden Bostad has the material risk and reward associated with the investment property at delivery of the property. Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, brokers' fees, and professional fees for legal services. Borrowing costs that are directly attributable to the construction or redevelopment of assets that take a substantial period to get ready for their intended use are capitalised.

Subsequent measurement of investment properties

Subsequent measurement is at fair value, which reflects market conditions at the reporting date. Fair value adjustment of investment properties is recognised in Statement of Comprehensive Income in the period in which they arise.

Capital expenditure on standing assets is all subsequent expenditure capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. Heimstaden Bostad uses judgement in determining whether the criteria for capitalisation is met. The judgement is applied on both a project and individual expenditure level considering the future economic benefit. All other costs that do not meet the criteria to be capitalised are expensed when incurred.

When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Investment property under construction is measured at fair value if the fair value is reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects the fair value to be reliably determinable

when construction is completed, are measured at cost until the fair value becomes reliably determinable or construction is completed.

Management has determined that investment properties under construction are eligible for fair value measurements once all three following criteria are fulfilled

- Administrative authorisations are obtained
- Construction commenced and costs are committed toward the contractor
- Uncertainty in future rental income has been assumed low

Management considers the following factors when evaluating whether the fair value of property under construction can be measured reliably

- Provisions of the construction contract
- Stage of construction
- Custom or standard project/property
- Reliability of cash flows after completion
- Risks specific to the property
- Experience with similar construction
- Status of construction permits

Divestment of investment properties

An investment property is derecognised when it has been divested. If an investment property is divested, the difference between the net disposal proceeds and the carrying amount of the asset at its most recent valuation is recognised in realised gains/losses from divestment of properties.

Investment properties are reclassified to current assets in the Statement of Financial Position as assets held for sale when the asset is available for immediate sale, there is commitment to locate a buyer, and the sale is highly probable within a year. Management has made the judgement that the above criteria are met at the point in time the contract for sale is unconditionally signed, but transfer of the unit is not completed as this is when the sale is highly probable. Investment properties classified as held for sale are measured at fair value which is the contractually agreed upon sale price. On reclassification, the realised gains/losses from divestment of assets held for sale is recognised in the Statement of Comprehensive Income. Upon transfer of the unit, it is derecognised.

The Privatisation Programme operates as a line of business that works across all segments of the organisation, focused on the sale of a portion of the portfolio to the private home-owner market. Divestments related to the Privatisation Programme are integrated into the operating business model and includes transactions of individual units and small portfolios. During 2024, the classification changed from operating activities to investing activities in the Statement of Cash Flows. Portfolio divestments are considered distinct from the operating model due to their scale and strategic nature. As such, these are classified as investing activities in the Statement of Cash Flows.

VALUATION GAIN OR LOSS INVESTMENT PROPERTIES

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Fair Value of investment properties, 31 December 2022	96,851	92,820	73,640	30,048	23,443	20,338	2,854	1,026	3,837	344,856
Acquisitions during the period	24	–	1,768	613	–	–	–	399	–	2,805
Divestments	-243	–	-426	-251	-36	-1,512	–	–	–	-2,468
Land leases	15	–	–	–	–	-254	–	–	25	-214
Capital expenditure on investment properties	1,650	873	524	838	773	36	1	–	170	4,865
Capital expenditure on investment properties under construction	1,350	–	399	–	–	70	1,068	132	–	3,020
Currency translation	–	222	-311	32	-699	-1,294	14	87	–	-1,948
Fair Value after transactions	99,647	93,915	75,595	31,279	23,481	17,385	3,938	1,644	4,031	350,915
Value change	-10,385	-14,511	-4,138	-3,659	1,704	-275	367	171	-404	-31,130
Reclassification to assets held for sale	–	–	-11	-283	–	–	–	–	–	-294
Fair Value of investment properties, 31 December 2023	89,262	79,404	71,446	27,337	25,185	17,109	4,305	1,815	3,627	319,491
Acquisitions during the period	244	–	549	–	491	–	–	1,606	–	2,890
Transferred to assets held for sale during the year	-1,213	-79	-3,787	-2,261	-130	-819	–	–	–	-8,290
Land leases	8	–	–	–	–	96	–	78	35	217
Capital expenditure on investment properties	773	1,005	434	256	814	296	1	–	81	3,660
Capital expenditure on investment properties under construction	422	108	32	–	46	–	540	318	1	1,467
Currency translation	–	2,300	2,062	804	228	-323	354	133	95	5,653
Fair Value after transactions	89,497	82,737	70,737	26,135	26,634	16,359	5,201	3,950	3,839	325,089
Value change	2,068	-813	564	4,120	1,773	18	143	751	13	8,639
Fair Value of investment properties, 31 December 2024	91,565	81,925	71,301	30,256	28,406	16,377	5,344	4,701	3,852	333,728

ASSETS HELD FOR SALE

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Opening balance, 1 January 2024	–	–	11	283	–	–	–	–	–	294
Transferred from investment properties	1,213	79	3,787	2,261	130	819	–	–	–	8,290
Divestments	-127	-79	-3,619	-2,198	-130	-490	–	–	–	-6,643
Realised gains/losses from divestment of assets held for sale at balance sheet date	79	–	37	104	–	3	–	–	–	222
Closing balance, 31 December 2024	1,165	–	217	450	–	331	–	–	–	2,163

BREAKDOWN BY CATEGORY, 31 DECEMBER 2023

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Investment properties, residential	78,755	72,245	67,124	26,209	23,898	14,529	3,170	1,433	3,131	290,494
Investment properties, commercial	4,726	5,162	3,107	226	898	1,490	25	69	81	15,785
Investment properties, parking	2,980	854	511	279	77	303	76	90	53	5,223
Investment properties, other	443	1,143	307	6	112	375	–	12	1	2,400
Investment properties under construction	1,863	–	327	617	–	–	1,034	210	–	4,052
Land and building rights	254	–	68	–	200	–	–	–	–	522
Land leases	241	–	–	–	–	412	–	–	362	1,015
Total	89,262	79,404	71,446	27,337	25,185	17,109	4,305	1,815	3,627	319,491

BREAKDOWN BY CATEGORY, 31 DECEMBER 2024

SEK million	Sweden	Germany	Denmark	Netherlands	Czechia	Norway	United Kingdom	Poland	Finland	Total
Investment properties, residential	82,095	74,599	67,029	29,760	27,148	13,780	5,218	4,406	3,311	307,347
Investment properties, commercial	4,969	5,243	3,071	206	907	1,407	43	85	88	16,019
Investment properties, parking	2,823	862	484	280	103	299	82	113	56	5,102
Investment properties, other	435	1,220	576	11	38	385	–	19	1	2,684
Investment properties under construction	740	–	–	–	–	–	–	–	–	740
Land and building rights	255	–	140	–	211	–	–	–	–	606
Land leases	250	–	–	–	–	507	–	78	397	1,232
Total	91,565	81,925	71,301	30,256	28,406	16,377	5,344	4,701	3,852	333,728

Fair value of investment properties

A significant source of estimation uncertainty is the valuation of fair value of investment properties. The below sections describe the nature of the estimate, the key assumptions, and judgements made in arriving at the carrying value as at the end of the reporting period.

External valuation

All investment properties are valued quarterly by external real estate advisory companies, whose employees are professionally qualified valuers and have the appropriate competence to carry out the valuation in accordance with the required

International Valuation Standards (IVS). The policies and procedures for property valuations are assessed by the Group's in-house valuation team, which has aligned methods with the external valuers. The valuation team holds relevant professional qualifications and are experienced in valuing the types of property in the applicable locations.

At each reporting date, the valuation team analyses the development in property value including review of major unobservable inputs applied and reconciling the information in the valuation computation to rent rolls, market reports, and other relevant documents. The internal team also compares each property's change in fair value with relevant external benchmarks to determine whether the change in fair value is reasonable.

Each Property shall be valued by the same valuer for a maximum period of five (5) years at the time and shall thereafter be replaced by a new independent valuer for a maximum period of five (5) years.

Country	Valuer	Valuation technique
Sweden	CBRE	DCF
Germany	CBRE, Savills	DCF
Denmark	CBRE	DCF
Netherlands	JLL	DCF
Czechia	Cushman & Wakefield	DCF
Norway	Cushman & Wakefield, Nyverdi, Eie, Aktiv	Sales comparison
United Kingdom	Savills	DCF
Poland	Savills	DCF
Finland	CBRE	DCF

Valuation assumptions

The adopted valuation methodologies are based on best market practice in each respective country. Valuations are based on a “highest-and-best-use” principle, adopting the highest value given by a re-letting scenario (assuming a re-letting of units at market terms upon tenant churn) or a divestment scenario (assuming a sale of each unit upon tenant churn).

The Group acknowledges that there may be instances where observable inputs are limited or not available, necessitating the use of non-observable inputs which are based on assumptions, estimates, and judgements. These inputs may include, but are not limited to, future expectations on rental income and property expense

data, future vacancy levels, and yield. Assumptions made in the absence of observable data are based on the best available information and judgement of the management supported by the external valuations.

In most markets, properties are valued using either an explicit income approach (discounted cash flow), except for Norway where a sales comparison approach is applied.

When using an explicit income approach, future cash flows are projected for a certain period, usually 10 years, with an assumed sale/exit of either

- part of the property (individual units) during the cashflow period and the remainder at the end of the cashflow period; or
 - the whole property at the end of the cash flow period.
- The projected cash flows are then discounted back to a present value using an appropriate discount rate.

The inputs into the projected cash flows and the discount rate take into consideration the characteristics, market position and risk profile of the property and, where possible, are informed by market data. Significant non-observable inputs applied in the cash flows and the key assumptions used are

- Assumed market rental income: Expectations of future rental income are based on actual rents and adjusted for future rental increases. Rental growth is modelled by external valuers using accepted RICS valuation methodologies. These assumptions are influenced by the local regulations, location, type, and quality of the properties, as well as any planned improvements. The assumptions are supported by the

existing rental contracts, or external evidence such as current market rents for similar units.;

- Assumed property expenses: Expectations of future property expenses are based on valuers market based assumptions and adjusted for future expected market conditions. These assumptions are influenced by location, type, and quality of the properties. Property expenses include assumed capital expenditures including maintenance and necessary investments (including climate related investments) to maintain functionality of the property;
- Stabilised vacancy rates: Expectations of future vacancy rates are based on valuers market based opinion of the normalised economic vacancy percentage of the property over time; and
- Running yield: Expectations of the running yield requirement are based on comparable market transaction data at the valuation date. The yield requirement considers the location, type, and quality of the properties. Macroeconomic factors are considered when there are few comparable market transactions.

The resulting value is benchmarked against other similar transactions in the market.

In Norway, the residential units are valued individually on a vacant possession value basis using a sales comparison approach. The units are compared to market transaction data of similar units taking into consideration the key attributes of each unit. Values are assigned to each unit by three external valuers. The average of those three values is then adopted. The commercial units, parking units and development potential are valued each quarter by an external valuer using a DCF valuation.

There were no material changes to the valuation techniques during the year.

For properties under construction or redevelopment, the DCF model also takes into account cost to complete including developers margin and completion date based on internal forecasts and management’s experience and knowledge of market conditions.

Valuation hierarchy

The majority of the property portfolio is deemed to be at Level 3 in the fair value hierarchy according to IFRS 13 Fair Value Measurement due to the non-observable inputs used in the valuation method. The Norwegian residential assets are based on Level 2 as the inputs to the sales comparison approach are directly or indirectly observable through market transaction data of similar units. There have been no transfers between the levels in the valuation hierarchy throughout the period.

Sensitivity analysis

A quantitative sensitivity analysis regarding the significant non-observable inputs is shown in the below tables.

Property valuations are estimates and the actual fair value of a property can only be determined when it is sold. Accordingly, the valuation includes non-observable inputs and a degree of uncertainty in the inputs and assumptions made. The uncertainty related to the valuation and its assumptions are reduced by obtaining external assurance from independent third parties in addition to management's internal review, which among other factors include comparing values to recent transactions in the market. A reasonable range of outcomes of the fair value from the methodology applied by the external valuers is in the range of +/-5%.

INTERRELATIONSHIPS OF NON-OBSERVABLE INPUTS

Non-observable input ¹	Assumed market rental income	Assumed property expenses	Running yield, %	Stabilised vacancy rates	Fair value of investment properties
<i>Increase in:</i>					
Assumed market rental income	N/A	–	±	–	↑
Assumed property expenses	–	N/A	±	–	↓
Running yield, %	–	–	N/A	–	↓
Stabilised vacancy rates	↓	↑	±	N/A	↓

¹ The symbols in the table represent the following impacts to non-observable inputs: ↑ increase, ↓ decrease, ± impacted, but direction is dependent on the relative change compared to fair value

The above table presents the interrelationships between non-observable inputs and the impacts to the fair value of investment property if an input is changed in isolation.

Changes in the non-observable inputs may result in a significantly higher or lower fair value measurement. The tables below present the following information for investment properties in each of our markets

1. The fair value measurements at the end of the reporting period
2. Quantitative information about the significant non-observable inputs used in the fair value measurement. The summary quantitative information presented is the year one assumption, and future growth is based on the external valuers market based assumptions
3. Impact on investment properties value resulting from a percentage change in the non-observable inputs

SUMMARY OF NON-OBSERVABLE INPUTS

2024

Markets	Fair value (SEK million)	Assumed market rental income	Assumed property expenses	Running yield, %	Stabilised vacancy rates
Sweden	91,565	5,166	1,808	3.67	0.48
Germany	81,925	3,004	436	3.13	1.01
Denmark	71,301	3,689	720	4.16	1.75
Netherlands	30,256	1,462	285	3.89	0.90
Czechia	28,406	1,827	460	4.81	4.15
United Kingdom	5,344	330	73	4.82	4.00
Poland	4,701	301	54	5.27	2.58
Finland	3,852	295	91	5.31	2.86
	317,351	16,074	3,925	3.83	

2023

Markets	Fair value (SEK million)	Assumed market rental income	Assumed property expenses	Running yield, %	Stabilised vacancy rates
Sweden	89,262	4,776	1,728	3.42	0.48
Germany	79,404	2,798	431	2.98	0.95
Denmark	71,446	3,652	718	4.11	1.75
Netherlands	27,337	1,406	368	3.80	1.71
Czechia	25,185	1,759	513	4.95	3.91
United Kingdom	4,305	190	41	3.45	4.00
Poland	1,815	121	30	5.01	2.02
Finland	3,627	279	88	5.27	2.80
	302,382	14,981	3,917	3.66	

SENSITIVITY ANALYSIS OF NON-OBSERVABLE INPUTS

2024

Markets	Change in fair value as a % change of assumed market rental income						Change in fair value as a % change of assumed property expenses						Change in fair value as a %-point change of running yield						Change in fair value as a % change of stabilised vacancy									
	-2.00%	-1.50%	-1.00%	1.00%	1.50%	2.00%	-2.00%	-1.50%	-1.00%	1.00%	1.50%	2.00%	1.00%	0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	-1.00%	1.00%	0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	-1.00%
Sweden	-2,817	-2,113	-1,409	1,409	2,113	2,817	986	739	493	-493	-739	-986	-19,617	-15,545	-10,985	-5,843	6,698	14,453	23,537	34,323	-1,415	-1,062	-708	-354	354	708	1,062	1,415
Germany	-1,917	-1,438	-958	958	1,438	1,917	278	209	139	-139	-209	-278	-19,816	-15,819	-11,271	-6,052	7,101	15,550	25,771	38,386	-968	-726	-484	-242	242	484	726	968
Denmark	-1,772	-1,329	-886	886	1,329	1,772	346	259	173	-173	-259	-346	-13,806	-10,881	-7,643	-4,038	4,554	9,729	15,662	22,532	-902	-676	-451	-225	225	451	676	902
Netherlands	-752	-564	-376	376	564	752	147	110	73	-73	-110	-147	-6,191	-4,893	-3,448	-1,828	2,079	4,466	7,233	10,479	-379	-285	-190	-95	95	190	285	379
Czechia	-759	-569	-380	380	569	759	191	143	96	-96	-143	-191	-4,887	-3,830	-2,674	-1,403	1,557	3,294	5,245	7,451	-396	-297	-198	-99	99	198	297	396
United Kingdom	-137	-103	-69	69	103	137	30	23	15	-15	-23	-30	-918	-720	-502	-264	292	619	985	1,399	-71	-54	-36	-18	18	36	54	71
Poland	-114	-86	-57	57	86	114	20	15	10	-10	-15	-20	-749	-585	-407	-213	234	492	780	1,100	-59	-44	-29	-15	15	29	44	59
Finland	-111	-83	-56	56	83	111	34	26	17	-17	-26	-34	-611	-477	-332	-173	190	401	634	895	-57	-43	-29	-14	14	29	43	57

2023

Markets	Change in fair value as a % change of assumed market rental income						Change in fair value as a % change of assumed property expenses						Change in fair value as a %-point change of running yield						Change in fair value as a % change of stabilised vacancy									
	-2.00%	-1.50%	-1.00%	1.00%	1.50%	2.00%	-2.00%	-1.50%	-1.00%	1.00%	1.50%	2.00%	1.00%	0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	-1.00%	1.00%	0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	-1.00%
Sweden	-2,797	-2,098	-1,398	1,398	2,098	2,797	1,012	759	506	-506	-759	-1,012	-20,217	-16,073	-11,399	-6,088	7,050	15,310	25,119	36,958	-1,405	-1,054	-703	-351	351	703	1,054	1,405
Germany	-1,877	-1,408	-938	938	1,408	1,877	289	217	144	-144	-217	-289	-19,944	-15,960	-11,404	-6,143	7,268	16,000	26,688	40,074	-947	-711	-474	-237	237	474	711	947
Denmark	-1,778	-1,334	-889	889	1,334	1,778	349	262	175	-175	-262	-349	-13,989	-11,031	-7,753	-4,099	4,630	9,903	15,960	22,992	-905	-679	-453	-226	226	453	679	905
Netherlands	-741	-556	-370	370	556	741	194	146	97	-97	-146	-194	-5,700	-4,510	-3,182	-1,689	1,927	4,147	6,732	9,778	-377	-283	-188	-94	94	188	283	377
Czechia	-711	-533	-356	356	533	711	208	156	104	-104	-156	-208	-4,236	-3,316	-2,312	-1,212	1,341	2,832	4,502	6,383	-370	-278	-185	-93	93	185	278	370
United Kingdom	-110	-82	-55	55	82	110	24	18	12	-12	-18	-24	-967	-768	-544	-291	336	729	1,194	1,755	-57	-43	-29	-14	14	29	43	57
Poland	-48	-36	-24	24	36	48	12	9	6	-6	-9	-12	-302	-236	-165	-86	95	201	320	453	-25	-19	-12	-6	6	12	19	25
Finland	-106	-79	-53	53	79	106	33	25	17	-17	-25	-33	-579	-452	-315	-164	181	381	602	850	-54	-41	-27	-14	14	27	41	54

2024

Market	Fair value (SEK million)	Change in fair value as a % change of sales price	
		-10%	10%
Norway	16,377	-1,638	1,638

2023

Market	Fair value (SEK million)	Change in fair value as a % change of sales price	
		-10%	10%
Norway	17,109	-1,711	1,711

3.2 Goodwill and Intangible assets

Accounting policies

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Heimstaden Bostad's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.

Intangible assets comprise of software and are expected to have a useful life of 3–15 years.

SEK million	Goodwill	Software/Licences	Total
Opening balance, 1 January 2023	19,569	167	19,737
Investments for the year	–	62	62
Currency translation	-20	2	-19
Closing balance, 31 December 2023	19,549	231	19,780
Opening balance accumulated depreciation, 1 January 2023	–	-43	-43
Depreciation for the year	–	-4	-4
Closing balance accumulated depreciation, 31 December 2023	–	-47	-47
Opening balance accumulated impairment, 1 January 2023	–	–	–
Impairment for the year	-1,058	–	-1,058
Closing balance accumulated impairment, 31 December 2023	-1,058	–	-1,058
Carrying amount, 31 December 2023	18,491	183	18,674

SEK million	Goodwill	Software/Licences	Total
Opening balance, 1 January 2024	19,549	231	19,780
Investments for the year	–	65	65
Currency translation	270	–	270
Closing balance, 31 December 2024	19,819	295	20,115
Opening balance accumulated depreciation, 1 January 2024	–	-47	-47
Depreciation for the year	–	-6	-6
Closing balance accumulated depreciation, 31 December 2024	–	-53	-53
Opening balance accumulated impairment, 1 January 2024	-1,058	–	-1,058
Closing balance accumulated impairment, 31 December 2024	-1,058	–	-1,058
Carrying amount, 31 December 2024	18,761	242	19,002

Impairment

A significant source of estimation uncertainty is the recoverable amount of goodwill. The below sections describe the nature of the estimate, the key assumptions, and judgements made in arriving at the carrying value as at the end of the reporting period

The Group performs an impairment test annually in Q4, or if impairment indicators are identified, of the CGU's which goodwill is allocated. When testing for impairment on goodwill, management identify the recoverable amount by calculating the "value in use" by discounting the estimated future cash flows from the groups cash generating units (CGU's).

The goodwill identified in the business combination is allocated to the Group's CGU's. Heimstaden Bostad

CGU's are defined as the Group's operating segments as this is the lowest level within the Group which goodwill is monitored, hence the impairment assessment is performed at this level.

The Group considers the current real estate market, such as property values, and market prices, among other factors, when reviewing for indicators of impairment. Management also takes into consideration adverse economic factors, such as changes in risk free rate and development in equity risk premium, vacancy rates and yield trends, which may impact the Group's CGU's. In addition to pure financial factors, the Group also considered future environmental risk such as the possible impact of climate change, see [Note 1.5](#) for more information.

Akelius goodwill

Akelius goodwill is derived from the business combination of Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS (DK) and Akelius GmbH (DE) that was completed in 2021, hereafter referred to as Akelius portfolio.

The total carrying amount of the Akelius goodwill amounted to SEK 15,892 million as at 31 December 2024 (15,622). Heimstaden Bostad's operating segments are expected to benefit from the synergies derived by combining the Akelius and Heimstaden Bostad asset base and lower financing cost. Goodwill of SEK 11,213 million (10,960) is attributable to the difference between nominal and fair value of deferred tax relating to the acquisition of the properties in the business combination. Core goodwill subject to impairment testing is SEK 4,679 million (4,657).

The projected cash flows have been updated to reflect the budget approved by the Board of Directors at the end of 2024. Based on the budget and assumptions on inflation, rent adjustments at churn, the expected cash flow for the following four-year period is estimated. Based on the final year of the estimated five-year period, the terminal value of the cash flows is calculated using Gordons-growth model.

The discount rate applied is specified per CGU in the table Carrying Amount of Goodwill Allocated by CGU on the following page. The growth rate used beyond the five-year period was held constant at 2.0% (2.0%), the same growth rate was applied to all CGU's. As a result of the impairment test, management did not identify impairment for these CGU's at the balance sheet date.

Country Management goodwill

Country Management goodwill relates to the Country Management organisation in Sweden, Germany, Denmark, Netherlands, Czechia, Norway, Finland, United Kingdom and Poland that was sold from Heimstaden AB to Heimstaden Bostad AB in 2022.

The carrying amount of the Country Management goodwill amounted to SEK 2,869 million as at 31 December 2024 (2,869). The goodwill is derived from the management companies in each country and relates to operational cost savings. The projected cash flows have been updated to reflect the budget approved by the Board of Directors at the end of 2024.

The discount rate applied is specified per CGU in the table Carrying Amount of Goodwill Allocated by CGU on the following page. The growth rate used beyond the five-year period was held constant at 2.0% (2.0%), the same growth rate was applied to all CGU's. As a result of the impairment test, management did not identify impairment at the balance sheet date.

Assumptions

The calculation of value in use for both Akelius CGU's and Country Management CGU's are both sensitive to the following assumptions.

Net Operating Income (NOI)

NOI reflects the budget approved by the Board of Directors and is influenced by a combination of factors. Income is most impacted from rental rates, inflation forecasts, and considers the expected rental income uplift upon tenant churn. Cost is most impacted by maintaining investment properties, managing operating

expenses and the transition to green economy. Cash flow between two and five years are based on long term financial plan with growth specific for each CGU.

Discount rates

The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both equity and debt. The cost of equity is derived from the risk free rate, market risk premium and levered beta. These factors are derived from public available market data and is segment specific. Beta is updated and evaluated when conducting an impairment assessment. The cost of debt is based on the average borrowing cost and leverage rate of a group of relevant peers.

Growth rates

Growth rates are based on external observable data published by well reputable industry researchers. The terminal growth rate is corresponding to 2.0% (2.0%) for all CGU's. This growth is based on reasonable prudence and does not exceed long term growth for the industry.

Sensitivity analysis

Heimstaden Bostad has conducted an analysis on the assumptions with highest sensitivity within the impairment assessment. The change in assumption is applied based on management's best estimate on what could be a reasonable change of the different assumptions. The analysis assumes all other variables/assumptions held constant.

AKELIUS GOODWILL

Assumption	Change in assumption	Impairment (SEK million)
Discount rates	+0.25 pp	83
Terminal Growth rates	-0.25 pp	83

COUNTRY MANAGEMENT GOODWILL

Assumption	Change in assumption	Impairment (SEK million)
Discount rates	+0.25 pp	–
Terminal Growth rates	-0.25 pp	–

Impairment of Country Management goodwill will start with an increase of discount rate of 1 percentage point, all other factors held constant or decrease of growth rate of 2 percentage points, all other factors held constant.

CARRYING AMOUNT OF GOODWILL ALLOCATED BY CGU

	2024			2023		
	Discount rate, %	Goodwill Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS and Akelius GmbH	Goodwill Country Management	Discount rate, %	Goodwill Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS and Akelius GmbH	Goodwill Country Management
Sweden	4.3	2,942	243	5.0	2,883	243
Germany	4.0	11,096	899	4.5	10,783	899
Denmark	3.9	1,772	1,331	4.7	1,875	1,331
Netherlands	4.5	83	162	5.0	81	162
Czechia	6.3	–	197	7.0	–	197
Norway	5.8	–	21	5.9	–	21
United Kingdom	6.4	–	6	6.9	–	4
Poland	7.5	–	7	7.9	–	7
Finland	4.9	–	4	5.6	–	6
Total		15,892	2,869		15,622	2,869

The allocation of carrying amount of goodwill was corrected in the year. As a result, comparables have been restated. The revised allocation of carrying amount had no impact on the prior year impairment test or the current year impairment test.

3.3 Machinery and equipment

Accounting policies

Machinery and equipment mainly comprise vehicles, operational equipment, and office and computer equipment. Machinery and equipment are recognised at cost less accumulated depreciation and impairment. Cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are capitalised to the asset's carrying amount or recognised as a separate asset only if it is likely that future economic benefits associated with the asset will be received by the Group and when the cost of the asset can be reliably calculated. The useful life of computer equipment and of other machinery and equipment has been calculated at 3 years and 5 years, respectively. Depreciation is applied on a straight-line basis over the useful life and is recognised in Statement of Comprehensive Income. The residual value of the assets and their useful life is reviewed every closing and adjusted when necessary.

SEK million	Machinery and Equipment
Opening balance, 1 January 2023	274
Acquisitions	26
Investments for the year	43
Divestments	-6
Currency translation	-7
Closing balance, 31 December 2023	331
Opening balance accumulated depreciation, 1 January 2023	-143
Depreciation for the year	-18
Divestments	3
Currency translation	2
Closing balance accumulated depreciation, 31 December 2023	-157
Carrying amount, 31 December 2023	174
Opening balance, 1 January 2024	331
Investments for the year	21
Divestments	-16
Currency translation	5
Closing balance, 31 December 2024	342
Opening balance accumulated depreciation, 1 January 2024	-157
Depreciation for the year	-26
Divestments	13
Currency translation	-2
Closing balance accumulated depreciation, 31 December 2024	-172
Carrying amount, 31 December 2024	170

3.4 Investments in associated companies and joint ventures

Accounting policies

The Group has interest in associated companies and joint ventures. Associated companies and joint ventures are investments where the Group has significant influence or joint control. The considerations in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. It is presumed that the Group has significant influence if it holds 20 per cent or more of the voting power. In cases where the presumption is not met, management makes judgements on factors such as representation on the Board of Directors, participation in policy making decisions, and other criteria to determine whether there is evidence of significant influence. The investments are accounted for using the equity method in the Consolidated Financial Statements. The financial information is based on the same reporting period as the Group.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The Statement of Comprehensive Income reflects the Group's share of the results of operations of the associate or joint venture. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Statement of Comprehensive Income.

Impairment

At each reporting date, Heimstaden Bostad determines whether there are indicators of impairment in each joint venture and associated company. If indicators are present, Heimstaden Bostad performs an impairment test by determining the recoverable amount of the associated company or joint venture, and compares to its carrying value. If impairment is identified, the amount is recognised as Share of net profits/losses of associated companies and joint ventures in the Statement of Comprehensive Income.

INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

SEK million	31 December 2024	31 December 2023
Opening balance	8,636	9,698
Investment for the year	53	16
Associated companies/joint ventures that were reclassified as financial investments	-14	-
Divestments of associated companies and joint ventures	-8	-25
Currency translation	238	6
Dividend from associated companies and joint ventures	-	-215
Share of net profits/losses of associated companies and joint ventures	-58	-844
Closing balance	8,847	8,636

2024 SPECIFICATIONS OF THE GROUP'S INVESTMENTS IN ASSOCIATED COMPANIES

Company	Corp. ID No	Reg. office	No. of shares	Share in %	Value of share of equity, SEK million
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	262
Kojamo Oyj ¹	0116336-2	Helsinki	49,389,283	20	8,325
Kiinteistö Oy Hiihtomäentie 14	0819867-2	Helsinki	13,327	47	106
Asunto Oy Jyväskylän Tanhurinne	2550507-2	Jyväskylä	2,412	24	8
Asunto Oy Hämeenlinnan Aaponkuja 3	0476973-0	Hämeenlinna	3,339	33	4
Asunto Oy Lahden Jyrkkärinteenpuisto	0149959-5	Lahti	2,094	41	24
Asunto Oy Lahden Roopenkuja	0854949-5	Lahti	2,556	26	5
Asunto Oy Jyväskylän Vaneritori 4	1656220-0	Jyväskylä	3,666	37	21
Asunto Oy Oulun Tulliveräjä	2335738-7	Oulu	4,068	41	15
Asunto Oy Puolukkavarikko	0823818-7	Jyväskylä	3,391	34	6
Asunto Oy Jyväskylän maalaiskunnan Kirkkotie 3	1518422-8	Jyväskylä	6,158	38	20
Asunto Oy Oulun Notaarintie 1	1749066-7	Oulu	2,440	24	16
Total					8,812

¹ Heimstaden Bostad's share of market capitalisation of Kojamo Oyj as at 31 December 2024 amounted to SEK 5,315 million. An impairment test for Kojamo Oyj has not been performed, as the investment is recognised based on Heimstaden Bostad's proportional share of the underlying equity. If Kojamo has not published its financial statements prior to the Group's reporting date, Heimstaden Bostad estimates its share of Kojamo's equity using assumptions similar to its Finnish operations, adjusted for known portfolio differences.

2023 SPECIFICATIONS OF THE GROUP'S INVESTMENTS IN ASSOCIATED COMPANIES

Company	Corp. ID No	Reg. office	No. of shares	Share in %	Value of share of equity, SEK million
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	231
Kojamo Oyj ¹	0116336-2	Helsinki	49,389,283	20	8,070
Kiinteistö Oy Hiihtomäentie 14	0819867-2	Helsinki	13,327	47	101
Asunto Oy Jyväskylän Tanhurinne	2550507-2	Jyväskylä	2,412	24	8
Asunto Oy Hämeenlinnan Aaponkuja 3	0476973-0	Hämeenlinna	3,339	33	3
Asunto Oy Jyväskylän Harjukartano	2000294-3	Jyväskylä	1,837	23	19
Asunto Oy Lahden Jyrkkärinteenpuisto	0149959-5	Lahti	2,094	41	23
Asunto Oy Lahden Roopenkuja	0854949-5	Lahti	2,556	26	5
Asunto Oy Jyväskylän Vaneritori 4	1656220-0	Jyväskylä	3,666	37	23
Asunto Oy Oulun Tulliveräjä	2335738-7	Oulu	4,068	41	17
Asunto Oy Puolukkavarikko	0823818-7	Jyväskylä	3,391	34	6
Asunto Oy Jyväskylän maalaiskunnan Kirkkotie 3	1518422-8	Jyväskylä	6,158	38	19
Asunto Oy Oulun Notaarintie 1	1749066-7	Oulu	2,440	24	15
Byggrätt Norr AB	559207-4859	Skellefteå	94	19	0
Total					8,540

¹ Heimstaden Bostad's share of market capitalisation of Kojamo Oyj as at 31 December 2023 amounted to SEK 6,546 million. Heimstaden Bostad bases its investment book value on its share of Kojamo Oyj's equity. If Kojamo has not published its financial statements prior to the Group's reporting date, Heimstaden Bostad estimates its share of Kojamo's equity using assumptions similar to its Finnish operations, adjusted for known portfolio differences.

2024 SPECIFICATIONS OF THE GROUP'S INVESTMENTS IN JOINT VENTURES

Company	Corp. ID No	Reg. office	No. of shares	Share in %	Value of share of equity, SEK million
Upplands Bro Brogårds etapp 2	559175-4915	Stockholm	500	50	25
Gamblebro AB	556791-3990	Norrköping	500	50	3
JV Edeh Bostad AB	559254-2251	Stockholm	250	50	1
Österåkerporten AB	559175-4907	Stockholm	500	50	6
Total					35

2023 SPECIFICATIONS OF THE GROUP'S INVESTMENTS IN JOINT VENTURES

Company	Corp. ID No	Reg. office	No. of shares	Share in %	Value of share of equity, SEK million
Upplands Bro Brogårds etapp 2	559175-4915	Stockholm	500	50	49
Gamblebro AB	556791-3990	Norrköping	500	50	16
Österåkerporten AB	559175-4907	Stockholm	500	50	32
Total					97

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SEK million	Kojamo Oyj	Rosengård Fastighets AB	Upplands Bro Brogårds Etapp 2 AB	Kiinteistö OY Hiihtomäentie 14	Other	Total
Rental income	5,166	177	14	7	42	5,406
Property expenses	-1,683	-77	-9	-7	-28	-1,803
Net operating income	3,483	100	4	1	14	3,602
Corporate administrative expenses	-627	-23	-3	0	-13	-666
Financial items, net	-1,165	-40	-71	0	-130	-1,406
Unrealised value change	-1,577	126	29	2	-50	-1,471
Tax expenses	-8	-39	-5	0	0	-53
Profit/loss for the period	106	123	-47	2	-179	6
Group's share of profit/loss	21	31	-23	2	-89	-58
Financial position						
Investment properties	90,816	2,071	704	162	695	94,448
Assets except investment properties	5,005	36	171	4	44	5,259
Equity	41,659	1,023	47	152	285	43,166
Liabilities	54,161	1,085	828	13	454	56,541
Group's carrying amount of the investment as of 31 December 2024	8,325	262	25	106	129	8,847

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SEK million	Kojamo Oyj	Rosengård Fastighets AB	Upplands Bro Brogårds Etapp 2 AB	Kiinteistö OY Hiihtomäentie 14	Other	Total
Rental income	5,074	160	16	7	34	5,291
Property expenses	-1,663	-43	-10	-6	-28	-1,751
Net operating income	3,411	117	5	1	6	3,540
Corporate administrative expenses	-492	-13	-2	-1	-3	-510
Financial items, net	-3,760	-17	-73	–	-7	-3,856
Unrealised value change	-3,390	-68	-30	-2	-10	-3,501
Tax expenses	267	7	8	–	2	286
Profit/loss for the period	-3,963	26	-91	-1	-12	-4,041
Group's share of profit/loss	-792	7	-45	-1	-11	-844
Financial position						
Investment properties	89,532	1,898	787	157	900	93,274
Assets except investment properties	1,331	35	231	4	89	1,689
Equity	40,383	968	94	148	451	42,044
Liabilities	50,480	964	924	13	538	52,918
Group's carrying amount of the investment as of 31 December 2023	8,070	231	49	101	186	8,636

3.5 Other financial assets

SEK million	31 December 2024	31 December 2023
Funds granted for properties under construction	–	1,725
Loans granted to associated companies and joint ventures	459	557
Promissory note loan	92	89
Investment guarantee ¹	–	695
Other	401	379
Closing balance	952	3,444

¹ Refer to [Note 8.1](#) for further explanation of the investment guarantee

4. Current assets

4.1 Inventory properties

Accounting policies

Property acquired or being constructed or redeveloped for sale, rather than to be held for rental or capital appreciation, is held as inventory property and measured at the lower of cost and net realisable value (NRV). Principally, this is residential property that Heimstaden Bostad develops and intends to sell before, or on completion of, development. NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date, and is determined by the Group based on comparable transactions identified by the Group for property in the same geographical market serving the same segment. NRV in respect of inventory property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, considering the time value of money, if material. Inventory properties are primarily related to certain projects in Oslo, Norway.

SEK million	31 December 2024	31 December 2023
Opening balance	538	573
Acquisition	329	–
Capital expenditures	55	79
Currency translation	-9	-38
Divestments of inventory properties	–	-80
Value change ¹	-18	5
Closing balance	896	538

¹ Value adjustment of inventory properties in the Statement of Comprehensive Income, SEK 707 million (25), also includes return on investment guarantee from Fredensborg of SEK 689 million (19). Refer to [Note 8.1](#) for details on the transaction.

4.2 Rent and trade receivables

Accounting policies

Heimstaden Bostad holds rent and trade receivables with the objective to collect contractual cash flows. Rent and trade receivables are recognised initially at transaction price and subsequently at amortised cost using the effective interest method, less a provision for expected credit losses.

Heimstaden Bostad applies the simplified method for recognising expected credit losses for rent and trade receivables. This means that expected credit losses are recognised for the remaining term, which is expected to be less than one year for all receivables. Heimstaden Bostad makes provisions for expected credit losses based on historical credit losses and forward-looking information which impacts property expenses in the Statement of Comprehensive Income by the realised amount for each reporting period. Any major individual receivables are assessed per counterparty.

To mitigate any risks regarding the leased properties, Heimstaden Bostad assesses the creditworthiness of its counterparties, receives rent deposits, and receives guarantees from its lessees. Heimstaden Bostad writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been discontinued. See [Note 6.3](#) for further information on financial risks on financial instruments which includes rent and trade receivables.

AGE DISTRIBUTION OF RENT AND TRADE RECEIVABLES

SEK million	31 December 2024	31 December 2023
–30 days	113	111
31–60 days	35	32
61–90 days	25	18
91 days +	179	159
Total	353	320
Expected credit loss provision	-115	-93
Rent and trade receivables, net	238	227

EXPECTED CREDIT LOSS PROVISION

SEK million	31 December 2024	31 December 2023
Opening balance	-93	-56
Provisions made during the year	-80	-87
Provisions used during the year	38	29
Unutilised provisions reversed during the year	20	22
Closing balance	-115	-93

4.3 Other current assets

SEK million	31 December 2024	31 December 2023
Current tax assets	547	196
Deposits related to acquisitions	48	13
Insurance Claims	51	35
Receivable from divestment of investment properties	506	234
Inventories	20	69
Other receivables	425	317
Total	1,598	863

4.4 Prepayments

SEK million	31 December 2024	31 December 2023
Prepaid insurance premium	48	33
Prepaid interest	178	273
Prepaid operating expenses	253	338
Accrued investment aid	79	271
Other	301	231
Total	859	1,146

4.5 Cash and cash equivalents

Cash and cash equivalents primarily comprise of cash on hand and short-term, easily convertible investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

SEK million	31 December 2024	31 December 2023
Cash	3,351	5,625
Cash equivalents	–	5,650
Restricted Cash	297	–
Total	3,647	11,276

There are unutilised credit commitments of SEK 19,262 million (18,855), which are not included in cash and cash equivalents.

4.6 Other adjustments in Statement of Cash Flows

SEK million	2024	2023
Depreciation	139	124
Rental losses	93	86
Exchange rate difference	1,773	-419
Other financial items	-25	-927
Impairment of goodwill	–	1,058
Total	1,980	-78

5. Equity

Accounting policies

Heimstaden Bostad issues hybrid bonds that are classified as equity. Hybrid bonds classified as equity instruments are initially recognised at the fair value of the proceeds received, net of any transaction costs. The classification of hybrid bonds as equity involves management judgement as described in [Note 1.4](#). Subsequent to initial recognition, hybrid bonds are not remeasured and are not subject to amortisation as there is no contractual obligation to repay the principal or accrued interest. Hybrid bonds are reclassified to debt only if the respective hybrid bond is called. Hybrid bonds issued in EUR are held at a fixed currency.

Any distributions to holders of hybrid bonds are classified as distributions of equity and recognised directly in equity. In accordance with the terms of the hybrid bonds, coupons to the bond holders may be deferred. Deferred coupons must, however, be paid in before dividends can be distributed to shareholders, including deferred dividends.

At the end of the financial year there were 12,914,568 (12,914,568) ordinary shares, 200 (200) Share Class A shares, 47,155,687 (47,155,687) Share Class B shares and, 941,963 (941,963) Share Class C shares. The voting value of an ordinary share is one half vote per share, the voting value for Share Class A and B shares is one tenth of a vote per share and the voting value for Share Class C shares is one vote per share.

Event	Type	Date of registration	Change in number of shares	Total number of shares	Change in share capital	Total share capital	Par value
Opening balance, 1 January 2023				58,950,289		93,253,971	1.58
New share issue	Ordinary, Share Class B and C	06.03.2023	2,062,129	61,012,418	3,262,078	96,516,048	1.58
Closing balance, 31 December 2023				61,012,418		96,516,048	1.58
Opening balance, 1 January 2024				61,012,418	–	96,516,048	1.58
Closing balance, 31 December 2024				61,012,418	–	96,516,048	1.58

Other capital contributions

Other contributed capital refers to equity contributed by the owners, as well as share premiums for issues of ordinary shares and other share classes.

Hybrid bonds

Heimstaden Bostad has SEK 24,597 (24,249) million in outstanding hybrid bonds, net of own holdings. These have a perpetual maturity with a fixed coupon rate until first reset date. Heimstaden Bostad has the opportunity to redeem outstanding hybrid bonds as of first possible call, which is 5–7 years from the issue date.

During 2024, Heimstaden Bostad issued hybrid bonds amounting to SEK 5,743 million, with an annual fixed rate coupon of 6.25% to the first reset date on 4 March 2030.

During 2024, Heimstaden Bostad bought back hybrid bonds amounting to SEK 5,334 million at their full nominal value, incurring a currency translation loss amounting to SEK 425 million.

The 50% accrued hybrid dividend in accordance with S&P methodology is SEK 433 million (442).

HYBRID BONDS

First Call Date	First Reset Date	Currency	Outstanding amount (million)	Of which held on own book (million)	Fair value (million) ¹	Rating ²	Fixed/Floating	Coupon (bps)	Exchange	ISIN
2024-11-19	2025-02-19	EUR	299	211	298	BB	Fixed	325	Euronext Dublin	XS2010037765
2026-01-15	2026-04-15	EUR	500	164	487	BB	Fixed	338	Euronext Dublin	XS2125121769
2026-10-13	2027-01-13	EUR	600	119	574	BB	Fixed	363	Euronext Dublin	XS2397251807
2027-02-01	2027-05-01	EUR	800	176	743	BB	Fixed	263	Euronext Dublin	XS2294155739
2027-10-29	2028-01-29	EUR	600	254	551	BB	Fixed	300	Euronext Dublin	XS2357357768
2029-12-04	2030-03-04	EUR	500	–	504	BB	Fixed	625	Euronext Dublin	XS2930588657
Total			3,299	924	3,157					

¹ Based on quoted market prices as of the Balance Sheet date.

² Based on S&P rating or, if not available, on Fitch rating.

Currency translation difference

Accumulated translation differences arise as a result of translation of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. Please refer to [Note 2.11](#) for specification of other comprehensive income.

Retained earnings

Retained earnings refer to earned profits in the Group. This item also includes previous allocations to the reserve fund.

Non-controlling interests

Non-controlling interests consist of external ownership interests in subsidiaries and their subsidiaries. Non-controlling interests refers primarily to Allianz Real Estate's investments in partnerships within the Swedish and German portfolio.

NON-CONTROLLING INTERESTS' SHARE OF COMPREHENSIVE INCOME/LOSS FOR THE PERIOD

SEK million	2024	2023
Comprehensive income/loss for the period	241	-1,880

6. Capital structure and financial items**6.1 Financial instruments****Accounting policies****Financial assets**

The Group's financial assets include rent and other trade receivables, cash, investment guarantee's and derivative financial instruments.

Recognition and subsequent measurement

Heimstaden Bostad's financial assets are classified in two categories:

- Financial assets at fair value through Statement of Comprehensive Income (derivative financial instruments, and investment guarantee's). These financial assets are carried in the Statement for Financial Position at fair value with fair value changes recognised in Statement of Comprehensive Income line item fair value adjustment of derivative financial instruments, and value adjustment of inventory properties respectively.
- Financial assets at amortised cost (rent and other trade receivables, and cash). These financial assets are measured using the effective interest method. The financial assets are only classified in this category if the financial asset is held to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Gains and losses are recognised in Statement of Comprehensive Income when asset is derecognised, modified or impaired.

Impairment of financial assets

Financial assets of the Group is subject to value change. Assets carried at fair value are included as part of the fair value assessment. Financial assets at amortised cost are subject to impairment. The Group has identified rent and trade receivables for such impairment, please refer to [Note 4.2](#) for accounting policy and details. Impairment of other financial assets are assessed to be immaterial at the reporting date.

Financial liabilities

Heimstaden Bostad's financial liabilities comprise interest-bearing liabilities, lease liabilities, derivative financial instruments, trade payables and other liabilities. The main purpose of these financial liabilities is to finance the Group's operations.

Recognition and subsequent measurement

All financial liabilities are recognised initially at fair value and, except for derivative financial instruments and trade payables.

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Specifically for interest-bearing financial liabilities, amortised cost using the EIR method is calculated by considering any discount or premium on acquisition and fees or costs that are integral to the EIR and included as interest expense in the Statement of Comprehensive Income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. On a change of terms of the financial liability, management performs both a quantitative and qualitative assessment to determine whether the new terms constitute a modification or extinguishment. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange is treated as the derecognition of the original liability and the recognition of a new liability. Gains and losses on modification or extinguishment are included in other financial cost in the Statement of Comprehensive Income.

When the Group makes full or partial repayments, or repurchases of financial liabilities, the financial liability settled is considered extinguished and derecognised at carrying amount. The differences between carrying amount and the amount paid is recognised as a gain/loss on extinguishment in other financial items in the Statement of Comprehensive Income. The gain/loss on extinguishment includes one-time costs paid to facilitate the repayment or repurchase, and the unamortised portion of upfront cost included in the original EIR.

Derivative financial instruments

Heimstaden Bostad does not apply hedge accounting. Derivative financial assets and liabilities are classified as financial assets or liabilities at fair value through Statement of Comprehensive Income. Derivative financial assets and liabilities comprise mainly interest rate swaps, and forward purchase contracts ([Note 3.1](#)) for investment properties held in limited liability companies.

Recognition of the derivative financial instruments takes place when the economic contracts are entered. They are measured initially and subsequently at fair value; transaction costs are included directly in fair value adjustment of derivative financial instruments.

Derivatives are classified based on their final settlement date. Derivatives with settlement date within 12 months are classified as current asset/liability and derivatives that are expected to be held for more than 12 months and with settlement date after 12 months are classified as non-current.

Forward purchase contracts

The Group accounts for forward purchase contracts of investment properties held in limited liability companies as a financial instrument at fair value and are recognised in fair value adjustment of derivative financial instruments in the Statement of Comprehensive Income. The investment properties are valued based on the assumption that it will be completed and then let out.

When forward purchase contracts for investment properties held in limited liability companies are settled and the Group takes control of the new subsidiary, the fair value of the forward contract is transferred to the fair value of the investment property. For further information, see [Note 3.1](#).

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. When Heimstaden Bostad holds its own debt, it is offset in the Statement of Financial Position.

FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Below is a comparison of the carrying amounts and fair values of financial assets and financial liabilities:

SEK million	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Derivative financial instruments	65	65	498	498
Other financial assets, non-current	952	952	3,444	3,444
Rent and trade receivables	238	238	227	227
Other current assets	1,598	1,598	863	863
Cash and cash equivalents	3,647	3,647	11,276	11,276
Total	6,500	6,500	16,308	16,308
Financial liabilities				
Derivative financial instruments	661	661	481	481
Interest-bearing liabilities, non-current	172,912	168,336	171,650	156,158
Other financial liabilities, non-current	1,875	1,875	1,614	1,614
Interest-bearing liabilities, current	11,379	11,379	19,601	19,601
Trade payables	662	662	738	738
Lease liabilities	1,356	1,356	1,175	1,175
Total	188,846	184,269	195,258	179,766

The following tables provide the fair value measurement hierarchy of the Group's financial assets and financial liabilities:

AS AT 31 DECEMBER 2024

SEK million	Total	Fair value measurement using:		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:	65	–	65	–
Derivative financial assets				
Interest rate swaps	65	–	65	–
Financial liabilities measured at fair value:	661	–	661	–
Derivative financial liabilities				
Interest rate swaps	661	–	661	–
Loans for which fair values are disclosed	168,336	–	120,067	48,269
Interest-bearing liabilities, non-current	168,336	–	120,067	48,269

There were no changes in the Group's valuation processes, valuation techniques, or types of inputs used in the fair value measurements during the period. There were no transfers between Level 1 and Level 2 fair value measurements during 2024, and no transfers into or out of Level 3 fair value measurements during 2024.

AS AT 31 DECEMBER 2023

SEK million	Total	Fair value measurement using:		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:	498	–	363	135
Derivative financial assets				
Interest rate swaps	363	–	363	–
Forward purchase contracts	135	–	–	135
Financial liabilities measured at fair value:	-481	–	-481	–
Derivative financial liabilities				
Interest rate swaps	-481	–	-481	–
Loans for which fair values are disclosed	156,158	–	114,276	41,882
Interest-bearing liabilities, non-current	156,158	–	114,276	41,882

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest-level input that is significant to the fair value measurement as a whole, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

RECONCILIATION OF DERIVATIVES

SEK million	Interest rate swaps	Forward purchase contracts	Total
Opening balance, 1 January 2024	-118	135	17
Unrealised value change	-479	–	-479
Currency exchange effect on derivatives	2	–	2
Transferred gains/losses to investment properties	–	-135	-135
Closing balance, 31 December 2024	-595	–	-595

6.2 Capital management

Having access to long-term capital is important for the Group to both operate and actively optimise our property portfolio. The Group defines its managed capital as the sum of consolidated net debt and equity, including hybrid capital and the part attributable to non-controlling interests. The Group manages its capital structure and adjusts in the case of changes to economic conditions. The Group is continuing with its strategic plan to reduce leverage through the privatisation plan that will support the path towards compliance with the financial policy.

FINANCIAL POLICY

	Policy	2024	2023	
Interest coverage ratio, S&P method	Multiple	≥ 1.8	1.6	1.7
Net debt / net debt + equity, S&P method	%	≤ 60	56.9	58.6
Average loan tenor	Years	≥ 4	7.9	8.0
Loan maturity in individual year	%	≤ 25	15	20
Loans from individual lender	%	≤ 20	7.7	7.7
Interest rate hedge ratio	%	≥ 75	92	86
Liquidity ratio	Multiple	≥ 1.25	2.17	1.40

6.3 Financial risks

Management of financial risks is guided by the financial policy, and key funding agreements such as the EMTN programme under which the Group's listed senior unsecured bonds are issued. The financial policy is outlined in [Note 6.2](#). Oversight of the financial policy is delegated to the Board of Directors via the Shareholder Agreement. The Board of Directors is provided with regular reporting and forecasts, as well as dedicated material covering financial risks and actions taken to mitigate these risks. The Group has identified Refinancing risk, Liquidity risk, Financial Obligations and Covenants, Rating risk, Credit risk, Interest rate risk, and Currency risk as the key financial risks.

Refinancing risk

To minimise refinancing risk, the Group uses various funding sources with a diversified maturity profile. The Group's financial policy stipulates the level of key credit ratios, such as a minimum average loan tenor of the debt portfolio of 4 years. To mitigate refinancing risk, the Group also maintains adequate liquidity reserves and unutilised credit facilities.

Liquidity risk

Liquidity risk is the risk that the Group doesn't have the accessible means to fulfil its financial or operational obligations, or that the Group cannot pay for other obligations such as signed acquisitions and capital expenditures. To mitigate this risk, the Group has unutilised credit facilities of SEK 19,262 million available, a financial policy stating that there may never be more than 25% of total debt maturing in a single year and that the liquidity ratio always has to exceed 125%. See [Note 6.2](#) and [Note 6.4](#) for further information.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments):

Maturity 31 December, 2024, SEK million	0–1 years	1–5 years	>5 years
Derivative financial instruments	29	580	119
Interest-bearing liabilities ¹	16,660	118,654	103,861
Trade payables	662	–	–
Lease liabilities	73	76	1,232
Other financial liabilities	3,678	–	–
Total	21,102	119,310	105,211

Maturity 31 December, 2023, SEK million	0–1 years	1–5 years	>5 years
Derivative financial instruments	–	418	62
Interest-bearing liabilities ¹	25,210	111,918	112,158
Trade payables	738	–	–
Lease liabilities	97	81	1,015
Other financial liabilities	2,631	–	–
Total	28,675	112,418	113,236

¹ Of which interest-bearing liabilities excluding interest expenses amounts to SEK 185,140 million (191,757).

Financial obligations and Covenants

The Group's agreements for borrowing presented as "interest-bearing liabilities" include financial covenants. The most significant financial covenants are described below:

- The EMTN programme financial liabilities with a carrying amount of SEK 62,183 million (73,987):
 - Limitations on the Incurrence of Financial Indebtedness. Consolidated Solvency Ratio, defined as "Net Debt / Total Assets". Covenant limited to below 65%. At 31 December 2024, the Net Debt / Total Assets ratio was 48.4% (49.1%)
 - Maintenance of Consolidated Coverage Ratio, defined as "Profit before financial items" (or any equivalent line item) divided by net interest charges (interest expense minus interest income). Covenant limited to above 1.5x. At 31 December 2024, the Interest Coverage Ratio was 2.0 (2.0).
 - Limitations on the Incurrence of Secured Indebtedness. "Secured LTV", defined as secured debt divided by total assets. The covenant is limited to below 45%. At 31 December 2024, the Secured LTV was 32.6% (31.8%).
- Bank and mortgage facilities: Covenants are specific to the individual loan agreement for single properties and/or property portfolios, and commonly include covenants such as Loan to value, Interest coverage ratio and Equity ratio. These covenants are typically monitored at the borrower level.

Management monitors all covenants on a frequent basis and tests the covenants in accordance with the debt agreements. The most significant covenants are tested quarterly. Continuous internal review and external auditing assures accurate reporting and information. A breach of a financial covenant normally includes cure rights to give the Group time to meet the covenant with certain actions, but it can also lead to a requirement of extra ordinary amortisation, termination of loans, or a claim on secured assets.

Management has assessed all financial covenants. As at 31 December, 2024 there have been no material breaches of the financial covenants of interest-bearing loans and borrowing in the current period. Further, the Group has no indication that it will have difficulty complying with these covenants in the next 12 months.

Rating risk

The Group views an investment grade rating as fundamental to develop its business and ensure competitive access to capital. A rating downgrade below investment grade may be seen as negative by the Group's creditors hence the access to financing and the terms can deteriorate.

Credit risk

If counterparties cannot meet their obligations towards the Group or if a substantial number of customers fail to pay rent, it would lead to reduced liquidity and losses. To counter this, the Group regularly assesses the creditworthiness of its counterparties. For the majority of rental contracts rent is paid in advance and risk is further reduced through a large and diversified customer base.

Interest rate risk

Rising interest rates increase the financing costs for the Group and may negatively impact profitability. According to the financial policy, the Group shall maintain at least 75% of its loan portfolio at a fixed rate as of the balance sheet date, which is managed through having a high share of fixed rate loans and bonds together with interest rate swaps, see [Note 6.4](#) for further information.

Currency risk

The Group owns assets in other currencies than the reporting currency, which leads to a risk of negative impact on cash flows and asset values in the case of fluctuating currency exchange rates. To mitigate this risk the Group is targeting a currency match funding principle between assets and liabilities. The value of currency derivatives may be affected by changes in base rates or foreign currency exchange rates. The Group's financial policy dictates which derivative instruments may be used for hedging strategies, stating that only marketable instruments for which prices can be obtained may be utilised. The Group also continuously monitors market movements and obtains external and internal derivative valuations.

Interest rate sensitivity

The following table shows the sensitivity by a change in interest rates on that portion of floating rate loans and borrowings affected, considering financial instruments. With all other variables held constant, the Group's profit before tax is affected as follows:

INTEREST EXPENSES

2024	Increase/decrease in underlying IBOR	Effect on profit before tax (+)	Effect on profit before tax (-)	Effect on equity (+)	Effect on equity (-)
SEK million					
	+/-1%	149	-149	127	-127
	+/-2%	298	-298	255	-255
2023	Increase/decrease in underlying IBOR	Effect on profit before tax (+)	Effect on profit before tax (-)	Effect on equity (+)	Effect on equity (-)
SEK million					
	+/-1%	271	-271	224	-224
	+/-2%	543	-543	449	-449

FOREIGN CURRENCY SENSITIVITY

The following table shows the sensitivity by a change in foreign currency on senior unsecured bonds and financial instruments. With all other variables held constant, the Group's profit before tax is affected through the impact of changes in foreign currency as follows:

2024			
million	Increase/decrease in foreign currency rate	Effect on profit before tax (+)	Effect on profit before tax (-)
EUR	10%	558	-558
NOK	10%	53	-53

2023			
million	Increase/decrease in foreign currency rate	Effect on profit before tax (+)	Effect on profit before tax (-)
EUR	10%	1,346	-1,346
NOK	10%	290	-290

6.4 Interest-bearing liabilities

SEK million	2024				2023			
	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	62,138	–	34		74,037	–	39	
Mortgages/bank loans	123,003	99	66	19,262	117,720	99	61	18,855
Total	185,140	66	100	19,262	191,757	61	100	18,855
Deferred charges	-849				-506			
Total incl. deferred charges	184,292				191,250			

As of 31 December 2024, SEK 743 million (861) of the total unutilised credit commitments is related to future ESG Capex.

INTEREST-BEARING LIABILITIES PER CURRENCY

Currency	2024		2023	
	SEK million	Local currencies	SEK million	Local currencies
SEK	33,132	33,132	31,020	31,020
NOK	517	532	3,010	3,035
EUR	113,487	9,903	119,575	10,736
DKK	38,005	24,728	38,151	25,541
Total	185,140		191,757	
Deferred charges	-849		-506	
Total incl. deferred charges	184,292		191,250	

CORPORATE BONDS

Maturity	Currency	Outstanding amount (million)	Of which held on own book (million)	Fair value (million) ¹	Rating ²	Fixed/ Floating	Coupon (bps)	Exchange	ISIN
2025-07-24	EUR	700	24	689	BBB-	Fixed	63	Euronext Dublin	XS2435603571
2026-01-21	EUR	500	15	489	BBB-	Fixed	113	Euronext Dublin	XS2105772201
2027-03-03	EUR	700	27	670	BBB-	Fixed	138	Euronext Dublin	XS2225207468
2028-04-13	EUR	750	96	686	BBB-	Fixed	100	Euronext Dublin	XS2397252102
2028-07-24	EUR	500	30	461	BBB-	Fixed	138	Euronext Dublin	XS2435611244
2029-09-06	EUR	750	72	651	BBB-	Fixed	75	Euronext Dublin	XS2384269366
2029-11-05	EUR	500	–	496	BBB-	Fixed	388	Euronext Dublin	XS2931248848
2031-10-13	EUR	750	50	640	BBB-	Fixed	163	Euronext Dublin	XS2397252011
2035-05-04	EUR	50	–	37	BBB-	Fixed	280	Euronext Dublin	XS2168047087
2035-05-04	EUR	50	–	35	BBB-	Fixed	280	Euronext Dublin	XS2161838276
Total		5,250	315	4,854					
2025-02-25	SEK	400	85	399	BBB-	Fixed	137	Euronext Dublin	XS2259781230
2025-04-07	SEK	750	405	749	BBB-	Floating	Stibor 3m + 80	Euronext Dublin	XS2327990649
2026-09-11	SEK	1,300	–	1,311	BBB-	Floating	Stibor 3m + 200	Euronext Dublin	XS2899592112
2026-11-23	SEK	1,000	–	993	BBB-	Floating	Stibor 3m + 110	Euronext Dublin	XS2412106853
2026-12-05	SEK	500	–	497	BBB-	Floating	Stibor 3m + 130	Euronext Dublin	XS2954868647
2027-02-22	SEK	500	–	498	BBB-	Floating	Stibor 3m + 140	Euronext Dublin	XS2447755351
2027-09-03	SEK	1,100	–	1,118	BBB-	Floating	Stibor 3m + 240	Euronext Dublin	XS2894928287
Total		5,550	490	5,565					
2025-02-25	NOK	400	–	398	BBB-	Fixed	202	Oslo Børs	NO0010906951
2026-04-22	NOK	1,250	1,134	1,246	BBB-	Floating	Nibor 3m + 95	Oslo Børs	NO0010976327
2028-04-24	NOK	350	334	345	BBB-	Floating	Nibor 3m + 115	Oslo Børs	NO0010976335
Total		2,000	1,468	1,990					

¹ Based on quoted market prices as of the Balance Sheet date.

² Based on S&P rating or, if not available, on Fitch rating.

MATURITY SCHEDULE INTEREST-BEARING LIABILITIES

SEK million	31 December 2024					
	Interest-bearing liabilities, secured	Interest-bearing liabilities, unsecured	Total interest-bearing liabilities	Share, %	Unutilised credit commitment	Share, %
Loan maturity						
Within 1 year of the Balance Sheet date	1,705	8,796	10,501	6	–	–
Within 1–2 year of the Balance Sheet date	19,303	8,468	27,771	15	9,340	48
Within 2–3 year of the Balance Sheet date	15,587	9,314	24,901	13	9,092	47
Within 3–4 year of the Balance Sheet date	13,138	14,197	27,336	15	743	4
Within 4–5 year of the Balance Sheet date	8,042	13,496	21,538	12	–	–
>5 years after balance sheet date	63,927	9,166	73,093	39	87	–
Total	121,703	63,438	185,140	100	19,262	100
SEK million	31 December 2023					
	Interest-bearing liabilities, secured	Interest-bearing liabilities, unsecured	Total interest-bearing liabilities	Share, %	Unutilised credit commitment	Share, %
Loan maturity						
Within 1 year of the Balance Sheet date	107	18,869	18,976	10	81	–
Within 1–2 year of the Balance Sheet date	5,672	10,272	15,945	8	4,841	26
Within 2–3 year of the Balance Sheet date	30,486	7,638	38,124	20	11,794	63
Within 3–4 year of the Balance Sheet date	7,737	7,997	15,734	8	–	–
Within 4–5 year of the Balance Sheet date	10,367	14,166	24,533	13	2,138	11
>5 years after balance sheet date	61,989	16,456	78,445	41	–	–
Total	116,357	75,399	191,757	100	18,855	100

The average loan maturity, as at 31 December 2024 was: 7.86 years (7.96)

SEK million	Interest maturity, 31 December 2024				Interest maturity, incl financial instruments, 31 December 2024			
	Fixed interest-bearing liabilities	Floating interest-bearing liabilities	Total interest-bearing liabilities	Average interest rate, % incl. margin	Fixed interest-bearing liabilities	Marginal hedge ratio, %	Total interest-bearing liabilities	Average interest rate, % incl. margin
Interest maturity								
Within 1 year of the Balance Sheet date	15,048	70,893	85,941	3.86	20,312	11	35,234	3.87
Within 1–2 year of the Balance Sheet date	14,369	–	14,369	3.13	21,643	12	21,643	3.17
Within 2–3 year of the Balance Sheet date	14,385	–	14,385	2.75	31,053	17	31,053	2.73
Within 3–4 year of the Balance Sheet date	18,542	–	18,542	2.08	30,433	16	30,433	2.02
Within 4–5 year of the Balance Sheet date	22,593	–	22,593	2.65	30,842	17	30,842	2.67
>5 years after balance sheet date	29,311	–	29,311	2.80	35,935	19	35,935	2.78
Total	114,248	70,893	185,140	3.22	170,218	92	185,140	3.22

SEK million	Interest maturity, 31 December 2023				Interest maturity, incl financial instruments, 31 December 2023			
	Fixed interest-bearing liabilities	Floating interest-bearing liabilities	Total interest-bearing liabilities	Average interest rate, % incl. margin	Fixed interest-bearing liabilities	Marginal hedge ratio, %	Total interest-bearing liabilities	Average interest rate, % incl. margin
Interest maturity								
Within 1 year of the Balance Sheet date	14,943	80,262	95,206	4.57	30,199	16	57,326	4.28
Within 1–2 year of the Balance Sheet date	13,812	–	13,812	1.11	18,406	10	18,406	1.62
Within 2–3 year of the Balance Sheet date	14,102	–	14,102	3.19	22,889	12	22,889	3.07
Within 3–4 year of the Balance Sheet date	14,094	–	14,094	2.37	25,172	13	25,172	2.52
Within 4–5 year of the Balance Sheet date	14,713	–	14,713	1.55	23,140	12	23,140	1.98
>5 years after balance sheet date	39,830	–	39,830	2.34	44,824	23	44,824	2.40
Total	111,494	80,262	191,757	3.36	164,629	86	191,757	2.93

The average term of fixed interest in the loan portfolio, including financial instruments, as at 31 December 2024 was: 3.43 years (3.28)

RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

SEK million	Corporate bonds	Mortgages/ bank loans	Deferred charges	Total
Opening balance, 1 January 2023	91,779	91,471	-559	182,691
Repayment of interest-bearing liabilities	-18,434	-7,203	53	-25,584
Proceeds from issuance of interest-bearing liabilities	719	34,544	–	35,264
Gains/losses on buyback of corporate bonds	–	-839	–	-839
Assumed debt in connection with acquisitions	–	750	–	750
Currency translation on loans	-28	-1,002	–	-1,030
Closing balance, 31 December 2023	74,037	117,720	-506	191,250
Opening balance, 1 January 2024	74,037	117,720	-506	191,250
Repayment of interest-bearing liabilities	-22,530	-24,690	–	-47,221
Proceeds from issuance of interest-bearing liabilities	8,719	26,342	-343	34,718
Gains/losses on buyback of corporate bonds	–	-15	–	-15
Assumed debt in connection with acquisitions	–	1,046	–	1,046
Currency translation on loans	1,913	2,599	–	4,512
Closing balance, 31 December 2024	62,138	123,003	-849	184,292

Heimstaden Bostad bought back SEK 2,913 million (11,868) of outstanding senior unsecured bonds, obtaining an average discount of 0.5% (7.5%) and resulted in a SEK 15 million gain (839), net of SEK 3 million (173) in tax, recognised in other financial items.

Reconciliation of leasing liabilities attributable to financing activities is presented in [note 6.5](#).

6.5 Leases

Accounting policies

Heimstaden Bostad has a lease commitment for leasehold rights, premises, and vehicles. The commitment is classified as a lease liability in the Statement of Financial Position and the right to use the underlying asset during the lease term is classified as an asset. Amortisation of the asset is reported in the Statement of Comprehensive Income. Lease payments are reported partly as payment of interest and partly as amortisation of the lease liability. Lease payments are renegotiated at the end of the agreements to reflect market rents. The agreements mainly fall due for renegotiation in more than 5 years. Premises and vehicles are reported at discounted values in the Statement of Financial Position as a right-of-use asset and a lease liability. In the Statement of Comprehensive Income, the right-of-use asset is depreciated over the term of the agreement and payment made to the landlord / lessor is reported partly as amortisation of the lease liability and partly as interest expense in Statement of Comprehensive Income.

The Group applies the recognition exemption and recognise lease payments for low value leases and leases with lease term less than 12 months as other operating expenses in the Consolidated Statement of Comprehensive Income.

The table below shows the rights of use per category:

SEK million	Premises	Vehicles	Other	Total
Opening balance, 1 January 2023	125	58	1	183
Changes to contracts	29	51	–	80
Depreciation	-71	-35	-1	-106
Currency translation	–	–	–	–
Closing balance, 31 December 2023	83	74	–	158
Changes to contracts	19	33	–	52
Depreciation	-53	-36	–	-89
Currency translation	2	1	–	3
Closing balance, 31 December 2024	51	72	–	123

Below are the carrying amounts of lease liabilities and the movements during the period:

SEK million	2024	2023
As at 1 January	1,175	1,416
Additions	283	136
Divestments	-15	-225
Accretions of interest	4	5
Payments	-97	-111
Currency translation	5	-46
As at 31 December	1,356	1,175
Current	59	85
Non-current	1,297	1,091

The following amounts are recognised in Statement of Comprehensive Income:

SEK million	2024	2023
Depreciation expense of right-of-use assets	-113	-106
Interest expense on lease liabilities	-4	-5
Expense relating to short-term leases	-13	-4
Expense relating to leases of low-value assets	-8	-4
Total amount recognised in Statement of Comprehensive Income	-138	-119

Breakdown of undiscounted lease debt:

SEK million	2024	2023
Within one year	65	97
1–5 years	65	81
> 5 years	1,232	1,015
Total	1,361	1,193

The Group's lease income from operating leases is presented in rental income in Statement of Comprehensive Income.

For more information see [Note 2.2](#).

The Group had total cash outflows as a lessee of SEK 97 million (111).

7. Other liabilities

7.1 Deferred tax

Accounting policies

Deferred tax is estimated in accordance with the liability method based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Heimstaden Bostad recognise temporary differences from fair value adjustments of investment property, derivative financial instruments and other events affecting the tax and accounting treatment of assets and liabilities.

The Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two rules referred to in [Note 2.10](#).

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- Deferred tax is not accounted for in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal can be controlled by Heimstaden Bostad and it is probable that it will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

DEFERRED TAX

SEK million	2024		2023	
	Tax base	Deferred tax	Tax base	Deferred tax
Deferred tax asset loss carryforwards				
Opening balance	-4,268	-800	-5,034	-982
Change for the year	-319	-37	766	182
Closing balance	-4,587	-838	-4,268	-800
Deferred tax liabilities investment properties				
Opening balance	70,766	17,738	95,568	22,694
Depreciation for the year	516	106	282	58
Value change for investment properties	8,639	2,042	-24,964	-5,489
Reversal for the year due to sale	-1,138	-223	-120	-26
Other changes	4,382	1,001	–	–
Changed tax rate	–	–	–	500
Closing balance	83,165	20,664	70,766	17,738
Derivative financial instruments				
Opening balance	17	20	1,354	281
Change for the year	-613	-143	-1,337	-261
Closing balance	-595	-123	17	20
Other temporary differences				
Opening balance	3,218	735	-396	-33
Change for the year	-2,793	-589	3,614	768
Closing balance	425	146	3,218	735
Net deferred tax				
Opening balance	69,733	17,692	91,492	21,960
Change for the year	8,674	2,157	-21,759	-4,268
Closing balance	78,408	19,850	69,733	17,692

Capitalised tax loss carryforward relates to a tax loss of SEK 4,587 million (4,268). There are no expiry date on capitalised tax losses carried forward.

7.2 Other liabilities

SEK million	31 December 2024	31 December 2023
Current tax liabilities	575	37
Real estate transfer tax	55	103
Liabilities related to investment property transactions	424	405
VAT	143	43
Social security charges	11	18
Stamp duty	75	–
Other liabilities	520	411
Total	1,803	1,017

7.3 Accrued expenses and prepaid income

SEK million	31 December 2024	31 December 2023
Accrued interest	569	652
Prepaid rent	508	479
Accrued personnel expenses	122	114
Accrued operating expenses	716	488
Accrued administrative expenses	27	30
Other accrued items	362	959
Total	2,304	2,721

8. Other disclosures

8.1 Related-party disclosures

Transactions with related parties are carried out at arm's length terms.

The following are defined as related parties:

- All companies within the Heimstaden- and Fredensborg Group
- Board Members and Group management
- Close family members of Board Members or Group management
- Companies controlled by Board Members or Group management
- Shareholders in control of more than 10% of the shares or votes in the Group
- Transactions with associated companies and joint ventures

Summary of transactions with related parties

In 2024, Heimstaden Bostad acquired administrative services from Heimstaden AB and its subsidiaries for SEK 874 million (860).

In 2018, Fredensborg AS sold a Norwegian housing portfolio to Heimstaden Bostad AB. As part of the sales and purchase agreement, Fredensborg AS guaranteed the development projects would provide an annual equity return of at least 7.5% upon completion. In September 2024, the agreement was extended to April 2030. If there are ongoing projects when the guarantee expires in April 2030, these projects will be settled at their completion. As per 31 December 2024, it is estimated that Fredensborg will have to pay SEK 0 million (695) under the guarantee. The estimated guaranteed settlement is recognised in other non-current financial assets, while the value change is recognised in value adjustment of inventory properties.

In 2024, Ivar Tollefsen and his family received SEK 13 million (11) in total fees for ground rent.

TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES

SEK million	2024	2023
Interest income from investments in associated companies and joint ventures	50	51
Repayments of loans to associated companies and joint ventures	-98	-7
Acquisition of joint venture to subsidiary	–	-489
Capital contributions to investments in associated companies and joint ventures	53	16

In addition to the related parties presented above see also [Note 3.4](#), Associated companies and joint ventures, and [Note 2.6](#) Employee benefit expenses and senior management compensation.

8.2 Pledged assets

SEK million	31 December 2024	31 December 2023
Mortgages ¹	166,045	156,349
Pledged shares in subsidiaries, associated companies and joint ventures ¹	11,042	12,336
Total	177,086	168,685

¹ The collateral has been pledged with regard to interest-bearing loans from credit institutions.

8.3 Contingencies and commitments

Investment obligations and capital expenditures

Heimstaden Bostad has entered into contracts with sellers of investment property under construction placed in a corporate wrapper. Heimstaden Bostad will acquire 100% of the outstanding shares in the corporate wrapper at a future date. The contract is valued at fixed price (forward purchase) based on the equity in the corporate wrapper, where investment property is measured at fair value. The arrangements are recognised as financial instruments under IFRS 9 at fair value through Statement of Comprehensive Income. For more information see [Note 6.1](#).

As of 31 December 2024, Heimstaden Bostad had total investment obligations of SEK 185 million (1,595). The forward funding contracts with third parties are committed to future capital expenditure in respect of investment properties under construction similar to own developments, which combined amount to SEK 760 million (2,019).

2024

SEK million	2025	2026	Total
Forward funding	443	71	514
Own development	203	43	246
Forward purchase	185	–	185
Total	831	114	946

2023

SEK million	2024	2025	2026	2027	Total
Forward funding	1,430	445	39	21	1,934
Own development	85	–	–	–	85
Forward purchase	1,592	3	–	–	1,595
Total	3,107	448	39	21	3,614

Disputes

As of the balance sheet date, Heimstaden Bostad is not a part in any ongoing legal processes or administrative proceedings which have had or may have a material impact to its financial statements.

8.4 Events after the reporting period

Subsequent to the balance sheet date of 31 December, Heimstaden Bostad issued SEK 650 million and SEK 850 million senior unsecured floating rate notes with a maturity of two years and three years with a floating rate to maturity of 3 months STIBOR plus 120 basis points and STIBOR plus 135 basis points; respectively. In addition, Fitch Ratings revised Heimstaden Bostad's 'BBB-' rating to Stable from Negative.

The financial statements form part of the Annual Report and were approved by the Board of Directors and the CEO on 27 February 2025.

Parent Company Financial Statements and Notes

Parent Company Statement of Comprehensive Income

SEK million	Note	2024	2023 ¹
Management service income		369	390
Other operating expenses		-27	-44
Administrative expenses	2.1 , 2.2 , 7.2	-848	-778
Operating profit/loss		-506	-432
Dividends from subsidiaries		1,529	99
Impairment of investment in subsidiaries and associated companies	3.1 , 7.4	-4,722	-1,955
Share of net profits/losses of associated companies	3.1	255	-786
Interest income	2.3	3,932	4,128
Interest expenses	2.3	-2,158	-2,138
Net currency translation gains/losses	2.3	-1,451	-165
Fair value adjustment of derivative financial instruments	5.2	97	-16
Other financial items	2.3	376	4
Profit/loss after financial items		-2,647	-1,261
Appropriations	2.4	2,392	1,078
Profit/loss before tax		-255	-183
Income tax expense	2.5	-176	-
Deferred tax income/expense	2.5	-44	-77
Profit/loss for the period		-476	-260

SEK million	Note	2024	2023
Profit/loss for the year according to the Income Statement		-476	-260
Total comprehensive income/loss		-476	-260

¹ Comparables restated, see [Note 1.1](#)

Parent Company Statement of Financial Position

SEK million	Note	31 December 2024	31 December 2023 ¹
ASSETS			
Shares in subsidiaries	7.4	80,483	60,115
Investments in associated companies and joint ventures	3.1	8,325	8,070
Bonds		2,813	5,683
Deferred tax assets	3.2	496	439
Non-current receivables, subsidiaries	3.3, 7.2	78,249	90,696
Total non-current assets		170,366	165,002
Current receivables, subsidiaries	3.4, 7.2	31,501	43,005
Accrued income, subsidiaries		174	188
Other financial assets		47	126
Cash and cash equivalents	3.5	131	8,777
Total current assets		31,852	52,097
TOTAL ASSETS		202,218	217,099

SEK million	Note	31 December 2024	31 December 2023 ¹
EQUITY AND LIABILITIES			
Share capital		97	97
Restricted equity		97	97
Share premium reserve		129,437	129,437
Hybrid bonds		24,582	24,234
Retained earnings		-40,448	-38,732
Unrestricted equity		113,572	114,940
Total equity	4.1	113,668	115,037
Interest-bearing liabilities	5.1	21,974	18,855
Derivative financial instruments	5.2	222	318
Deferred tax liability	6.3	579	483
Non-current liabilities, subsidiaries	6.1, 7.2	63,999	81,628
Total non-current liabilities		86,773	101,285
Interest-bearing liabilities	5.1	1,049	302
Trade and other payables		24	1
Short-term debt, subsidiaries		–	39
Accrued expenses, subsidiaries		450	187
Accrued expenses and prepaid income	6.2	253	248
Total current liabilities		1,777	778
TOTAL EQUITY AND LIABILITIES		202,218	217,099

¹ Comparables restated, see [Note 1.1](#)

Parent Company Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 January 2023	93	126,110	24,316	-31,122	119,397
Profit/loss for the period				-260	-260
Effects of change in accounting policy	-	-	-	215	215
Total profit/loss	-	-	-	-46	-46
New share issuance	3	3,334	-	-	3,337
Costs of issuance	-	-6	-	-	-6
Buyback of hybrid bonds	-	-	-82	23	-58
Currency translation on buyback of hybrid bonds	-	-	-	-5	-5
Coupon expense on hybrid bonds	-	-	841	-841	-
Coupon paid on hybrid bonds	-	-	-841	-	-841
Dividends	-	-	-	-6,742	-6,742
Total transactions with the Company's shareholders	3	3,328	-82	-7,564	-4,315
Equity, 31 December 2023	97	129,437	24,235	-38,732	115,037

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 January 2024	97	129,437	24,235	-38,732	115,037
Profit/loss for the period	-	-	-	-476	-476
Total profit/loss	-	-	-	-476	-476
Issuance of hybrid bonds	-	-	5,743	-	5,743
Costs of issuance	-	-	-61	-	-61
Buyback of hybrid bonds	-	-	-5,334	-	-5,334
Currency translation on buyback of hybrid bonds	-	-	-	-444	-444
Coupon expense on hybrid bonds	-	-	796	-796	-
Coupon paid on hybrid bonds	-	-	-796	-	-796
Total transactions with the Company's shareholders	-	-	348	-1,240	-892
Equity, 31 December 2024	97	129,437	24,582	-40,448	113,669

Parent Company Statement of Cash Flows

SEK million	Note	2024	2023 ¹
Operating activities			
Profit/loss before income tax		-255	-183
Adjustments to reconcile profit before tax to net cash flows:			
Other adjustments	7.3	3,582	174
Working capital changes			
Increase(-)/decrease(+) in rent and other receivables		-95	3,702
Increase(+)/decrease(-) in trade and other payables		6	-237
Cash generated from operations		3,237	3,456
Paid income tax		-	-
Net cash flows from operating activities		3,237	3,456

SEK million	Note	2024	2023 ¹
Investing activities			
Net cash flows from investing activities		-	-
Financing activities			
Proceeds from interest-bearing liabilities	5.1	12,669	6,103
Repayment of interest-bearing liabilities	5.1	-7,746	-4,290
Buyback of bonds		-	-16,224
Dividends paid	4.1	-	-1,133
Proceeds from share issuances	4.1	-	-2,272
Proceeds to subsidiaries		-15,655	17,957
Proceeds from issuance of hybrid bonds		5,743	-
Buyback of hybrid bonds		-5,759	-58
Coupon payments on hybrid bonds		-1,003	847
Settlement of derivative financial instruments		-	-196
Net cash flows from financing activities		-11,751	734
Cash and cash equivalents at the beginning of the period		8,777	4,735
Net change in cash and cash equivalents		-8,514	4,190
Net currency exchange effect in cash and cash equivalents		-132	-148
Cash and cash equivalents at the end of the period		131	8,777

¹ Comparables restated, see [Note 1.1](#)

Notes to the Parent Company Financial Statements

1. Accounting policies

1.1 Accounting Policies

The Parent Company applies the same accounting policies as the Group (see [Note 1.2](#), Significant accounting policies), with the following differences:

Investments in subsidiaries

Investments in subsidiaries are recognised at historical cost less deductions for any impairments. Acquisition-related costs and any contingent consideration are capitalised if there are indications that participations in Group companies have decreased in value. The recoverable amount is calculated and if this is lower than the carrying amount, the investment is impaired. Impairment is recognised under the item 'Impairment of investments in subsidiaries.

Financial instruments

The guidance for financial instruments under IFRS 9 is not applied by the Parent Company. The Parent Company applies the lower of cost or market method in accordance with the Swedish Annual Accounts Act. Accordingly, financial non-current assets are valued at cost and financial current assets at the lower of cost or market. The Parent Company applies the expected credit loss method under IFRS 9 for assets that are debt instruments. For other financial assets, impairment is based on market value.

The Parent Company applies the exemption not to value financial guarantee agreements benefitting subsidiaries, associated companies, and joint ventures in accordance with IFRS 9, applying instead the valuation policies under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Impairment of financial assets

The Parent Company applies the same impairment method as the Group for expected credit losses. The Parent Company considers the subsidiaries to have similar risk profiles and assessments are performed on a collective basis for similar transactions. At the Balance Sheet date, no material increase in credit risk has been deemed to prevail for any intra-Group receivables. The Parent Company's receivables from its subsidiaries are subordinated external lenders' claims. The Parent Company's expected loss in the event of default takes into account the average of the subsidiaries' loan-to-value ratios and their expected market value in the event of a forced sale. Based on the Parent Company's assessments, it is estimated that expected loan losses will not be significant and no provision has been reported.

Group contributions and shareholder contributions

Group contributions are deductible, unlike shareholder

contributions. Group contributions paid and received are reported in the Comprehensive Income Statement. Shareholder contributions are reported as an increase of participations in Group companies and tested for impairment.

Credit risk

The Parent Company's maximum credit risk is the net amount of the financial assets. The Parent Company has no collateral for its net financial assets.

Based on our assessment there has been no significant increase in credit risk of the Parent Company's financial assets.

Leases as a lessee

When the Parent Company is the lessee, lease payments are expensed on a straight-line basis over the term of the lease. The cost of leases attributable to leaseholds and the cost for other leases are recognised in operating profit. The right-of-use asset and the lease liability are therefore not recognised in the Balance Sheet.

Presentation

For the Parent Company, the Income Statement and other comprehensive Income are presented in two reports. For the Parent Company, the Statement of

Comprehensive Income and Balance Sheet are prepared in accordance with the Annual Accounts Act's schedule while the Statement of Changes in Equity and the Cash Flow Statement are based on IAS 1, Presentation of Financial Statements, and IAS 7 Statement of Cash Flows.

Change in accounting policy

In 2024, The Company changed accounting policy for its investment in associated companies from the lowest value principle to the equity method. The change provides more relevant financial information by recognising the Company's share of the associate's profits or losses in the statement of comprehensive income and reflects the economic reality of the Parent's influence over its associate, while also aligning with the Group's accounting policy. The change in accounting policy has been applied retrospectively. The key impacts are:

- The carrying amount of investments in associates has been adjusted to reflect the share of post-acquisition profits or losses and other comprehensive income, and represents the Company's share of the associated companies equity
- Retained earnings and other equity components have been restated accordingly.
- Comparative figures for prior periods have been restated where applicable.

2. Income and expenses

2.1 Audit fee

The audit assignment refers to the audit of the financial statements. Other assurance services provided by the auditors include services related to review procedures on interim reports and other attestation services. The fees are summarised in the table below:

EY

SEK million	2024	2023
Audit assignment	4	3
Other assurance services	4	3
Total	8	6

2.2 Personnel and senior management

The remuneration to the Chairman of the Board amounts to SEK 0.96 million (0.96). No other remuneration was paid to the Members of the Board except board fees presented in Group [Note 2.6](#). The CEO receives remuneration from Heimstaden Group Norway AS.

During the year, the Board of Directors consisted of 9 (9) Members, of whom 6 (5) were men. There was 1 (1) other senior management, of whom 1 (1) are men.

2.3 Financial income and expenses

SEK million	2024	2023
Assets and liabilities measured at amortised cost:		
Interest income, subsidiaries	3,805	3,805
Interest income, other financial assets	127	323
Total interest income in accordance with the effective interest method	3,932	4,128
Interest expenses, loans	-680	-988
Interest expenses, Group companies	-1,477	-1,150
Total interest expenses in accordance with the effective interest method	-2,158	-2,138
Other financial items		
Foreign currency, financial items	-1,451	-165
Other financial income	422	43
Other financial expenses	-46	-39
Total other financial items	-1,075	-161
Total income/loss from financial items	699	1,829

2.4 Appropriations

SEK million	2024	2023
Group contributions received	2,392	1,078
Total	2,392	1,078

2.5 Income tax expense

SEK million	2024	2023
Current tax expense	-175	-
Deferred tax	-44	-77
Income tax expense reported in Comprehensive Income Statement	-220	-77
Profit before tax	-255	57
Tax according to current rate	53	-12
Tax effect of:		
Non-taxable income	31	-
Transferred deductible interest from subsidiaries	151	283
Tax effects hybrid bonds	202	156
Tax attributable to previous years	-	-
Deferred tax capitalised on prior years losses carried forward	-28	116
Write down of shares in subsidiaries and associated companies	-918	-559
Non-deductible costs	-25	-49
Dividends	314	65
Change in deferred tax derivatives	-	39
Deferred tax capitalised on prior years losses carried forward	-	-116
Income tax expense reported in Comprehensive Income Statement	-220	-77

3. Assets

3.1 Investments in associated companies

SEK million	31 December 2024	31 December 2023
Opening balance – prior to change in accounting policy	8,070	9,544
Net effect from change in accounting policy	–	-473
Opening Balance – equity method	8,070	9,071
Dividend from associated companies	–	-215
Share of net profits/losses of associated companies	255	-786
Closing balance	8,325	8,070

In 2024, the Company changed accounting policy for its investment in associated companies from the lowest value principle to the equity method. Refer to [Note 1.1](#) for description of this change.

3.2 Deferred tax assets

SEK million	31 December 2024	31 December 2023
Opening balance	439	555
Change for the year	57	-116
Closing balance	496	439

Capitalised tax loss carryforward relates to tax loss of SEK 2,405 million (2,100).

3.3 Non-current receivables, subsidiaries

SEK million	31 December 2024	31 December 2023
Opening balance	90,696	97,472
Change for the year	-12,447	-6,776
Closing balance	78,249	90,696

Receivables from Group companies are attributable to transactions between the Parent Company and the subsidiaries. Intra-group loans are subject to market terms and are without collateral.

3.4 Current receivables, subsidiaries

SEK million	31 December 2024	31 December 2023
Opening balance	43,005	48,374
Change for the year	-11,504	-5,369
Closing balance	31,501	43,005

Receivables from Group companies are attributable to transactions between the Parent Company and the subsidiaries. Intra-group loans are subject to market terms and are without collateral.

3.5 Cash and cash equivalents

Cash and cash equivalents primarily comprise traditional cash and short-term, easily convertible investments that can quickly be transformed into known amounts of cash. The change in cash and cash equivalents is shown in the Consolidated Statement of Cash Flows.

4. Equity

4.1 Equity

Event	Type	Date of registration	Change in number of shares	Total number of shares	Change in share capital	Total share capital	Quota value
Opening balance at 1 January 2023							
New share issue	Ordinary, Share Class B and C	06.03.2023	2,062,129	61,012,418	3,262,078	96,515,418	1.58
Closing balance at 31 December 2023				61,012,418		96,515,418	
Opening balance at 1 January 2024							
New share issue	Ordinary, Share Class B and C			61,012,418		96,515,418	
Closing balance at 31 December 2024				61,012,418		96,515,418	

At 31 December 2024, there were 12,914,568 (12,914,568) ordinary shares, 200 (200) Share Class A shares, 47,155,687 (47,155,687) Share Class B shares, and 941,963 (941,963) Share Class C shares. The voting value of an ordinary share is one half vote per share, the voting value for Share Class A and B is one-tenth of a vote per share and the voting value for Share Class C is one vote per share. For information regarding hybrid bonds, see Group [Note 5](#).

Proposed appropriation of accumulated profit, SEK

Share premium reserve	129,437,115,324	Dividend to shareholders	–
Hybrid bonds	24,582,465,133	Share premium reserve	129,437,115,324
Retained earnings	-39,971,823,096	Hybrid bonds	24,582,465,133
Profit/loss for the year	-475,610,232	Retained earnings	-40,447,433,328
Total	113,572,147,129	Total	113,572,147,129

It is proposed that the funds at the disposal of the Annual General Meeting of SEK 113,572,147,129 is to be carried forward. No dividend shall be paid to any of the Share Classes.

5. Capital structure and financial items

5.1 Interest-bearing liabilities

SEK million	2024				2023			
	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	18,008	–	78	–	12,632	–	65	–
Mortgages/bank loans	5,236	75	23	13,240	6,722	81	35	14,453
Total	23,245	17	100	13,240	19,354	28	100	14,453
Deferred charges	-221				-197			
Total incl. deferred charges	23,024				19,157			

INTEREST-BEARING LIABILITIES PER CURRENCY

Currency	2024		2023	
	SEK million	Local currencies	SEK million	Local currencies
SEK	6,360	6,360	5,548	5,548
NOK	517	532	2,453	2,473
EUR	16,367	1,428	11,155	1,001
Total	23,245		19,354	
Deferred charges	-221		-197	
Total incl. deferred charges	23,024		19,157	

SEK million	31 December 2024	31 December 2023
Loan maturity, year		
Within 1 year of the Balance Sheet date	1,049	302
Within 1–2 year of the Balance Sheet date	12,404	2,743
Within 2–3 year of the Balance Sheet date	1,600	13,048
Within 3–4 year of the Balance Sheet date	1,315	500
Within 4–5 year of the Balance Sheet date	5,730	1,647
>5 years after balance sheet date	1,146	1,114
Total	23,245	19,354
Deferred charges	-221	-197
Total	23,024	19,157

RECONCILIATION OF LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

SEK million	Corporate bonds	Mortgages/ bank loans	Deferred charges	Total
Opening balance, 1 January 2023	24,390	4,257	-190	28,457
Loan repayments	-12,388	-1,148	–	-13,536
New borrowings/assumed debt in connection with acquisitions	719	3,669	–	4,388
Currency exchange effect on loans	-88	-57	-7	-152
Closing balance, 31 December 2023	12,632	6,722	-197	19,157
Opening balance, 1 January 2024	12,632	6,722	-197	19,157
Loan repayments	-3,528	-5,568	–	-9,096
New borrowings/assumed debt in connection with acquisitions	8,719	3,950	–	12,669
Currency exchange effect on loans	186	132	-24	294
Closing balance, 31 December 2024	18,008	5,236	-221	23,024

5.2 Interest-rate derivatives

SEK million	2024	2023
Gains or losses on disposal of interest-rate derivatives	97	210
Value change	–	-226
Total	97	-16

6. Other liabilities

6.1 Non-current liabilities, subsidiaries

SEK million	31 December 2024	31 December 2023
Opening balance	81,628	72,158
Change for the year	-17,629	9,470
Closing balance	63,999	81,628

6.2 Accrued expenses and prepaid income

SEK million	31 December 2024	31 December 2023
Accrued interest expenses	196	225
Other accrued expenses	47	19
Total	243	244

6.3 Deferred tax liabilities

SEK million	31 December 2024	31 December 2023
Opening balance	483	518
Changes arising from temporary differences	96	-35
Closing balance	579	483

7. Other disclosures

7.1 Contingencies and commitments

SEK million	31 December 2024	31 December 2023
Issued financial guarantees for the benefit of subsidiaries	97,696	93,692
Total	97,696	93,692

There are pledged assets of SEK 5,315 million (6,456) as of 31 December 2024.

7.2 Related-party disclosures

Heimstaden Bostad has bought asset management services from Heimstaden AB of SEK 44 million in 2023 (43).

For more information, see Group [Note 8.1](#).

TRANSACTIONS WITH SUBSIDIARIES

SEK million	2024	2023
Sales to subsidiaries	369	387
Purchases from subsidiaries	812	834
Interest income from subsidiaries	3,812	3,794
Interest costs to subsidiaries	-1,477	-1,150
Receivables from subsidiaries	109,750	133,701
Liabilities to subsidiaries	63,999	81,667
Capital contributions to subsidiaries	25,101	-5,735
Issued financial guarantees for the benefit of subsidiaries	97,696	93,692
Total	300,062	318,664

Executive management

For information of remuneration to the Board of Directors and the CEO, see [Note 2.2](#).

7.3 Other adjustments in Cash Flow Statement

SEK million	2024	2023
Interest income, subsidiaries	-2,240	-2,613
Dividends from shares in subsidiaries and associated companies	–	-313
Share of net profits/losses of associated companies	-255	786
Impairment of subsidiaries	4,722	1,955
Fair value adjustment of derivative financial instruments	-96	192
Exchange rate difference	1,451	168
Total	3,582	174

7.4 Group companies

SHAREHOLDINGS IN SUBSIDIARIES

Company	Corp.ID.nr	Registered office	Number of shares	Share in % ¹	Recognised value in Parent Company, SEK million	
					2024	2023
Heimstaden Bostad Invest 1 AB	556867-8444	Malmö	1,000	100	1,039	1,039
Heimstaden Bostad Invest 2 AB	556867-8451	Malmö	1,000	100	249	249
Heimstaden Bostad Invest 3 AB	556871-1153	Malmö	1,000	100	608	608
Heimstaden Bostad Invest 4 AB	556871-1104	Malmö	1,000	100	1,563	1,358
Heimstaden Bostad Invest 5 AB	556910-3467	Malmö	500	100	1,086	1,086
Heimstaden Bostad Invest 6 AB	556989-5690	Malmö	500	100	348	348
Heimstaden Bostad Invest 7 AB	559106-1584	Malmö	500	100	917	917
Heimstaden Bostad Invest 8 AB	559106-1550	Malmö	500	100	18,571	2,329
Heimstaden Bostad Invest 9 A/S	38714953	Copenhagen	500	100	10,356	10,356
Heimstaden Bostad Invest 10 AS	819330492	Oslo	500	100	10,095	10,095
Heimstaden Bostad Invest 12 AB	559228-4433	Malmö	500	100	7,613	7,613
Heimstaden Bostad Invest 13 AB	559276-3345	Malmö	500	100	2,183	1,356
Heimstaden Bostad Invest 14 AB	559295-8168	Malmö	500	100	168	–
Heimstaden Bostad Invest 15 AB	559298-5260	Malmö	500	100	1,654	771
Heimstaden Bostad Invest 16 AB	559326-5225	Malmö	500	100	–	4
Heimstaden Eagle AB	559326-5233	Malmö	500	37.7 ²	6,195	10,802
Heimstaden Bostad Invest AB	559190-1607	Malmö	500	100	–	–
Heimstaden Bostad Bostadsfinansiering AB	559112-2105	Malmö	500	100	–	–
Heimstaden Bostads Portalen AB	559085-2264	Malmö	500	100	–	–
Heimstaden Satelliten AB	559163-3457	Malmö	500	100	278	178
Heimstaden Bostad Skrinet AB	559177-3436	Malmö	500	100	7	7
Heimstaden Bostad Skrinet 2 AB	559322-6771	Malmö	500	100	–	–
Heimstaden Bostad Portalen 2 AB	559177-3451	Malmö	500	100	–	–
Heimstaden Bostad Parkering AB	559001-2414	Malmö	500	100	–	–
Heimstaden Burlöv AB	559147-4076	Malmö	500	100	–	6

Company	Corp.ID.nr	Registered office	Number of shares	Share in % ¹	Recognised value in Parent Company, SEK million	
					2024	2023
Heimstaden Castor AB	559101-4963	Malmö	500	100	14,644	8,202
Heimstaden Bostad Treasury B.V.	78619610	Amsterdam	100	100	100	41
Heimstaden Country Manager AB	559382-7909	Malmö	25,000	100	2,603	2,603
Heimstaden Bostad Invest 19 AB	559365-7512	Malmö	250	100	89	89
Heimstaden Services AB	559382-7917	Malmö	25,000	100	85	9
Heimstaden Bostad Invest 20 AB	559396-1120	Malmö	250	100	–	–
Heimstaden Bostad Invest 18 AB	559331-8768	Malmö	250	100	30	46
Total					80,483	60,114

¹ Except for the Group companies acquired in 2024 the share of capital in 2024 corresponds to the share of capital in 2023.

² Voting share of 50.3%

SEK million	31 December 2024	31 December 2023
Opening balance	60,114	55,643
Divestments	-43	–
Write-down	-4,689	-1,268
Shareholder contributions	25,101	5,739
Closing balance	80,483	60,114

Proposed Appropriation of Accumulated Profit and Signatures

Proposed Appropriation of Accumulated Profit

According to the Parent Company's Balance Sheet, the following earnings are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	129,437,115,324
Hybrid bonds	24,582,465,133
Retained earnings	-39,971,823,096
Profit (loss) for the year	-475,610,232
Total	113,572,147,129

The Board of Directors proposes that loss for the year is distributed as follows:

SEK	
Dividends to shareholders	–
Share premium reserve	129,437,115,324
Hybrid bonds	24,582,465,133
Retained earnings	-40,447,433,328
Total	113,572,147,129

It is proposed that the funds at the disposal of the Annual General Meeting of SEK 113,572,147,129 is to be carried forward. No dividend shall be paid to any of the Share Classes.

Signatures

The undersigned provide their assurance that the Consolidated Financial Statements have been prepared in accordance with the International Accounting Standards (IFRS), as adopted by the EU, as well as the Swedish Financial Reporting Board's recommendation RFR 1, and that the Annual Report has been prepared in accordance with the Annual Accounts Act and the recommendation RFR2 of the Swedish Financial Reporting Board. The Consolidated and Annual Financial Statements have been prepared in accordance with good accounting practices, and provide a fair view of the Group's and the Parent Company's financial position and profit, and that the Administration Report provides a fair overview of the development of the operations, position, and results of the Group and the Company, as well as describing significant risks and uncertainty factors facing the companies within the Group. The Annual Report also contains the Group's and Parent Company's statutory sustainability reporting in accordance with the Swedish Annual Accounts Act, see [page 59](#).

Malmö, 27 February 2025

Helge Krogsbøl CEO	Helge Leiro Baastad Chairman of the Board	Ivar Tollefsen Board Member	John Giverholt Board Member
Bente A. Landsnes Board Member	Fredrik Reinfeldt Board Member	Daniel Kristiansson Board Member	Klas Åkerbäck Board Member
Rebecka Elkert Board Member	Wenche Karin Nistad Board Member		

Our Audit Report was submitted on 27 February 2025
Ernst & Young AB

Jonas Svensson
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Heimstaden Bostad AB (publ), corporate identity number 556864-0873

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Heimstaden Bostad AB (publ) except for the corporate governance statement on [pages 47–58](#) and the statutory sustainability report on [pages 63, 68–114](#) and [125–130](#) for the year 2024. The annual accounts and consolidated accounts of the company are included on [pages 2–4, 7, 20–23, 56, 137–201](#) 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 31st of December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31st of December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act.

Our opinions do not cover the corporate governance statement on [pages 47–58](#) and the statutory sustainability report on [pages 63, 68–114](#) and [125–130](#). 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 consolidated comprehensive income statement and the consolidated balance sheet for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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.

Property Valuations

Description

The fair value of the Group's investment properties reported in the Statement of Financial Position at 31 December 2024 amount to SEK 333 728 million.

The valuations are made through a combination of local price analyses and market simulations of future cash flows. The properties were valued externally at year-end. The properties' direct return requirements are assessed on the basis of each property's unique risk and transactions made in the market for objects of a similar nature.

In view of the many assumptions and assessments made in connection with the valuation of investment properties, we believe that this area is to be considered of particular importance in our audit.

A description of the valuation of the property holdings is shown in the Annual Report under [Note 3.1](#) Investment Properties.

How our audit addressed this key audit matter

In our audit of the fair value of the Group's investment properties, we have among other things:

- Evaluated and examined the property valuation process.
- Evaluated the valuation method.
- With the support of our internal property valuation specialists, we have examined a sample of the external property valuations and assessed the reasonableness of assumptions made, such as direct return requirements, vacancy rates, rental income and operating costs.
- For a selection of investment properties, we have examined inputs on revenue and operating expenses and calculations in the external valuations at the property level.
- We have evaluated the external valuers' competence and objectivity.
- We have reviewed supplementary disclosures made in the Annual Report.

Goodwill

Description

At 31 December 2024 the Group's consolidated statements of financial position includes goodwill amounting to SEK 18 761 million.

The Group has assessed goodwill for impairment at 31 December 2024. Assessment of the impairment of the Group's goodwill incorporate significant judgments and estimates, specifically concerning factors such as forecast cashflows, discounts rates and terminal growth rates. Minor changes in certain assumptions can lead to significant changes in the recoverable amount of these assets.

Accordingly, based on the significant judgements and estimates involved in the impairment testing of goodwill we considered this to be a key audit matter in our audit.

Break-down of Goodwill and impairment test is found in [note 3.2](#) Goodwill and intangible Assets in the Annual Report.

How our audit addressed this key audit matter

Our audit procedures included among others the following:

- Assessed the cash flow forecasts, assumptions and estimates used by the Group, by considering the reliability of the Group's cash flow forecasts based of our knowledge of the business.
- With support from our valuation specialists assessed the methodology applied and evaluated the key assumptions applied in the impairment models. These include in particular discount rates and growth rates.
- Tested the mathematical accuracy of the impairment testing models including the consistency of relevant inputs.
- Performed sensitivity analysis on key assumptions.
- We have reviewed supplementary disclosures made 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 5–6, 8–19, 24–46, 59–62, 64–67, 115–124](#) and [131–136](#). 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.

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

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 Heimstaden Bostad AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of 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 corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on [pages 47–58](#) has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is 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.

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on [pages 63, 68–114](#) and [125–130](#), and that it is prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, P.O Box 7850, 103 99 Stockholm, was appointed auditor of Heimstaden Bostad AB (publ) by the general meeting of the shareholders on the 2nd of April 2024 has been the company's auditor since the 16th of April 2018.

Stockholm the 27th of February 2025
Ernst & Young AB

Jonas Svensson
Authorized Public Accountant

Financial Calendar

Q1 2025 Report	6 May 2025
Q2 2025 Report	22 August 2025
Q3 2025 Report	28 October 2025
2025 Annual Report	27 February 2026

Contacts

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This information is such that Heimstaden Bostad AB (publ) is required to disclose under the EU Market Abuse Regulation.

The information was submitted for publication through the agency of the above contact persons at 08:00 CET on 28 February 2025.

Heimstaden
BOSTAD

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