



Year-end report 2025

HEMSÖ IS DEVELOPING A NEW ELEMENTARY SCHOOL AND KINDERGARTEN WITH CAPACITY FOR 650 STUDENTS AND 200 PRESCHOOL CHILDREN IN THE POHJOIS-PASILA DISTRICT OF HELSINKI.

HEMSÖ

The quarter in brief

October–December 2025

- » Rental income amounted to SEK 1,306 million (1,290).
- » Profit from property management amounted to SEK 616 million (620).
- » Operating cash flow amounted to SEK 611 million (561).
- » Changes in the value of properties amounted to SEK -212 million (-187).
- » Changes in the value of financial instruments amounted to SEK 48 million (-4).
- » Profit after tax for the quarter totalled SEK 581 million (477).
- » The market value of the properties amounted to SEK 87,231 million (85,973).
- » During the quarter, SEK 1,012 million (915) was invested in the existing property portfolio.
- » During the quarter, 1 property (2) was acquired for SEK 387 million (11), and 2 properties (10) were divested for SEK 215 million (881).

Summary, January–December 2025

- » Rental income amounted to SEK 5,149 million (5,130).
- » Profit from property management increased 2 per cent to SEK 2,541 million (2,498).
- » Operating cash flow increased 6 per cent to SEK 2,524 million (2,391).
- » Changes in the value of properties amounted to SEK -685 million (-99).
- » Changes in the value of financial instruments amounted to SEK 59 million (-234).
- » Profit after tax for the year totalled SEK 1,896 million (1,886).
- » The market value of the properties amounted to SEK 87,231 million (85,973).
- » During the year, SEK 3,521 million (3,490) was invested in the existing property portfolio.
- » During the year, 7 properties (5) were acquired for SEK 631 million (276), and 7 properties (16) were divested for SEK 431 million (1,367).

Hemsö in summary

	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Rental income, SEK million	5,149	5,130	1,306	1,290
Profit from property management, SEK million	2,541	2,498	616	620
Profit after tax, SEK million	1,896	1,886	581	477
Operating cash flow, SEK million	2,524	2,391	611	561
Loan-to-value ratio at period-end, %	56.9	58.3	56.9	58.3
Interest-coverage ratio, times	3.1	3.1	3.0	3.1
Market value of properties at period-end, SEK million	87,231	85,973	87,231	85,973
NOI margin, %	74.5	74.6	73.8	75.2
Economic occupancy rate at period-end, %	97.9	97.7	97.9	97.7
Lease duration at period-end, years	9.1	9.1	9.1	9.1
Lettable area at period-end, tsqm	2,470	2,425	2,470	2,425



CEO statement

My colleagues have shown great energy and commitment throughout the year. We often talk about what I refer to as ‘the day-to-day grind’ – the tireless work, the continuous small improvements and the courage needed to try new approaches and ways of working. And it is precisely this attitude that has enabled Hemsö to continue to evolve, even in a challenging business environment.

Our joint efforts have borne fruit. Our underlying business is demonstrating stable growth, as reflected in our financial ratios and our growing cash flow. Aside from this, we created 217 new nursing home beds and 2,860 new school places during the year. We also signed lease agreements for new and re-development projects corresponding to 50,000 sqm and SEK 125 million in annual rent.

Sustainable results

Our tireless efforts also left a mark in our sustainability work, which took clear steps forward during the year. Climate change, rising construction and energy costs, and a changing regulatory environment place high demands on our ability to prioritise correctly and make long-term sustainable decisions. We are mitigating risks and strengthening the resilience of our portfolio

by applying well-defined investment criteria, maintaining close cooperation with our tenants and a continued focus on energy efficiency and robust buildings. Sustainability is not something we do on the side, but is an integral part of how we pursue our operations and develop Hemsö over time.

Several of our development projects have a significantly lower carbon footprint than their conventional counterparts. Ektorp school, which was completed this summer, generated a carbon saving of 30 per cent, and data for the ongoing construction of the Myrsjö swimming centre indicates a 40-per cent reduction in the carbon footprint compared with a conventional swimming centre. Both projects are located in Nacka Municipality, and the Municipality will also be the tenant, leasing the properties for 25 and 33 years, respectively.

Optimising the energy use of our existing portfolio is another important piece of Hemsö's sustainability puzzle. During the year, energy use in Hemsö's Swedish property portfolio was reduced by 11 per cent compared to 2024.

Sustainability pays off

There are many reasons to invest in environmentally and socially sustainable social infrastructure. These include lower energy use, a healthy indoor environment, and good material choices that benefit both people and the environment. Sustainable investments also pay off when it comes to financing.

We held discussions with the European Investment Bank (EIB) regarding a new loan during the year. In January 2026, we signed a 15-year EUR 200 million loan agreement for nine development projects in Sweden, Finland and Germany. The EIB focuses on sustainable social infrastruc-

ture, and the fact that we secured one loan covering three development projects in European countries is unique.

Two new loan agreements were also signed with the Nordic Investment Bank (NIB), each for SEK 700 million. A 10-year loan was concluded in early 2025 and a 12-year loan was signed in February 2026. The financing will be used, among other purposes, for municipal schools in Helsinki and Turku, and for the new police headquarters in Borlänge.

I am pleased that Hemsö and our sustainable development projects are being recognised by both the NIB and EIB. The financing from both banks will support our continued investment in social infrastructure, which is much needed in the public sectors in Sweden, Finland and Germany.

After the close of the reporting period, we entered into unsecured loan agreements from the EIB and NIB totalling nearly SEK 3 billion, thereby further diversifying Hemsö's financing.

Well positioned for continued growth

I can conclude that Hemsö's strategy is both stable and sustainable. We are continuing to grow in the municipalities where we have operations and we are increasing our share of public sector tenants. We are creating social value by offering attractive and functional environments for our tenants, while delivering stable returns to our majority owner, the Third Swedish National Pension Fund.

Tenant demand remains strong and the transaction market has gained momentum during the year. My assessment is that 2026 will be a busy year with many expanded and new partnerships ahead.

Nils Styf, CEO

Significant events during the fourth quarter

- » Hemsö divested the Banslätt health care property by Tullinge Station in Botkyrka. The lettable area is 8,600 sqm.
- » Hemsö is redeveloping a former office building in central Malmö and will convert it into a state-of-the-art premises for health care operations. The lettable area is 11,200 sqm.
- » Hemsö acquired Seminarieskolan, an elementary school located in Hämeenlinna, Finland. The lettable area is 12,000 sqm.
- » Turku Technology Properties Oy (TTP), a property company jointly owned by Hemsö and the City of Turku, acquired the Arken university property. Åbo Akademi University leases the entire property through a 20-year lease agreement. The lettable area is 15,000 sqm. The investment amounted to EUR 43 million.
- » Hemsö signed a 20-year lease agreement with Linköping Municipality for a new nursing home with 80 beds and a lettable area of 6,550 sqm. The investment amounted to SEK 210 million.

Events after the period

- » Hemsö and the European Investment Bank (EIB) signed a 15-year unsecured loan agreement for EUR 200 million. The loan relates to nine projects in Sweden, Finland and Germany.
- » Hemsö signed a 12-year unsecured loan agreement for SEK 700 million with the Nordic Investment Bank (NIB). The loan relates to projects in Finland and Sweden.

This is Hemsö

- Hemsö is Sweden's leading owner of public properties.
- The business is based on sustainably owning, managing and developing properties for nursing homes, education, health care and the justice system.
- Hemsö owns properties in Sweden, Germany and Finland.
- Our vision is to strengthen the backbone of society. We are achieving this through sustainable development, ownership and management of social infrastructure.

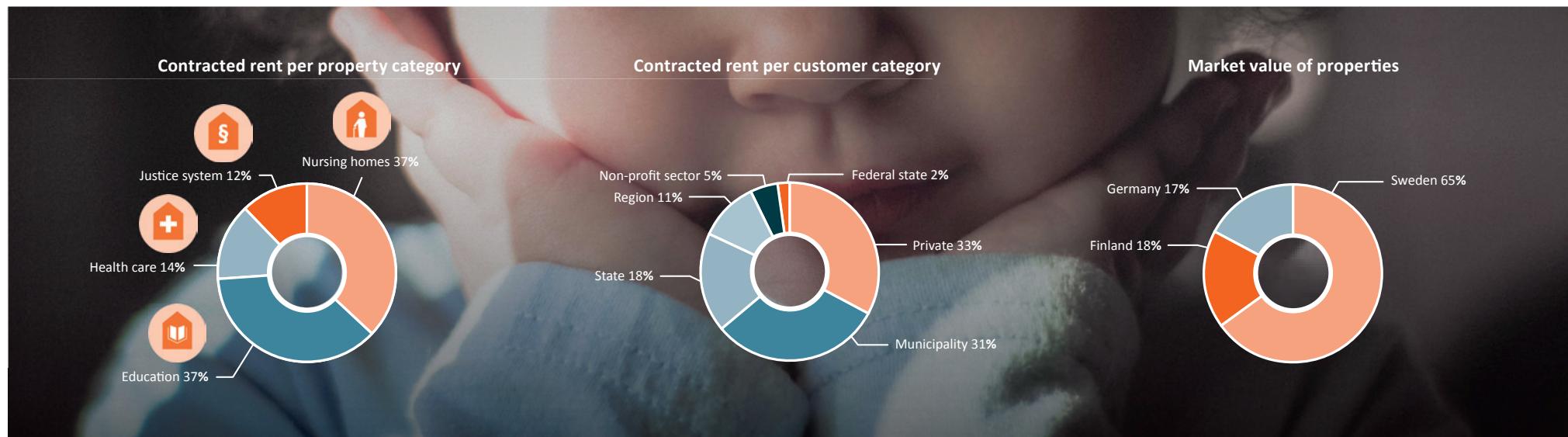
- The operations are characterised by long-term lease agreements and stable tenants.
- The Third Swedish National Pension Fund is our majority owner.
- The total value of Hemsö's property portfolio is SEK 87 billion.
- Hemsö has credit ratings of AA- from Fitch Ratings, A3 from Moody's and A- from Standard & Poor's. All with a stable outlook.

Vision

We strengthen the backbone of society

Business concept

To sustainably own, manage and develop social infrastructure



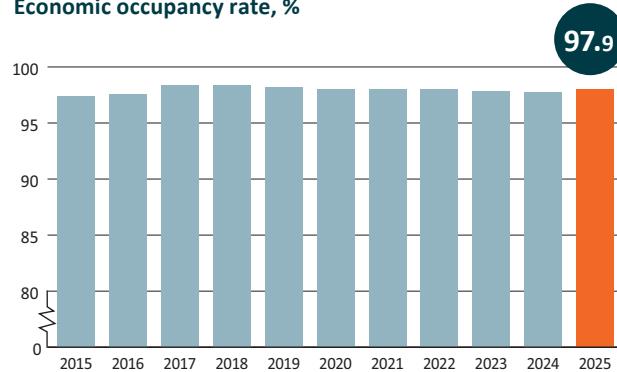
Income, costs and profit

Profit/loss and cash flow items refer to the January–December period of 2025, and are compared with the year-earlier period. Balance sheet items relate to the period-end position, and are compared with the corresponding period-end of the preceding year. Key ratio calculations are defined on pages 27–28.

Rental income

Rental income increased to SEK 5,149 million (5,130). Completed development projects and indexation increased income, while divested properties and negative currency effects reduced income. In Sweden, rental income rose 1 per cent. In local currency, rental income in Germany and Finland increased by 1 per cent and 4 per cent, respectively.

Economic occupancy rate, %



Rental income in the comparable portfolio decreased SEK 4 million with exchange rate changes having a negative impact of SEK 27 million on rental income.

SEK 5,149 million

Rental income

At year-end, contracted annual rent increased to SEK 5,201 million (5,100) before rent reductions of SEK 48 million (48). Economic vacancies amounted to SEK 110 million (123)

and the economic occupancy rate increased to 97.9 per cent (97.7). The lease duration was 9.1 years (9.1).

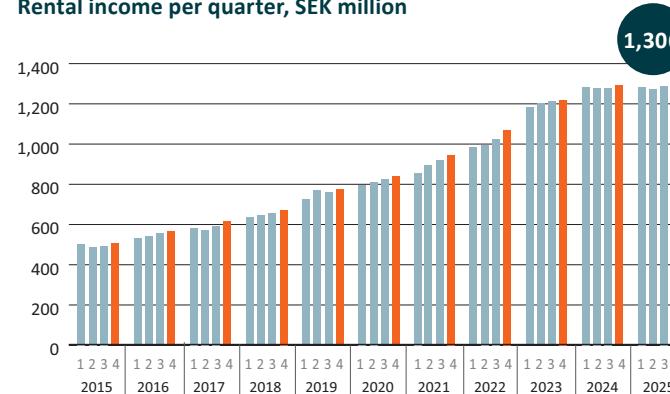
Lease agreements amounting to annual rent of SEK 307 million will be subject to renegotiation in 2026, corresponding to 6 per cent of Hemso's contracted rental income.

Property costs

Property costs amounted to SEK 1,314 million (1,305), up SEK 9 million, mainly due to increased maintenance costs.

In the comparable portfolio, property costs increased SEK 32 million, or 3 per cent.

Rental income per quarter, SEK million



Vacancy changes

SEK million	Jan–Dec 2025
Opening vacancy	123
Terminated lease agreements	31
Adjusted for vacancy rents	-15
New lease agreements	-27
Acquired	0
Divested	-1
Exchange rate changes	-1
Closing vacancy	110

Lease maturity

Year	Annual rent, SEK million	Share, %
2026	307	6
2027	431	8
2028	420	8
2029	346	7
2030	395	8
2031	327	6
2032	209	4
2033	255	5
2034	248	5
2035	269	5
>2035	1,994	38
Total	5,201	100

Net operating income

Net operating income increased to SEK 3,841 million (3,833). The increase was mainly attributable to higher property income. The NOI margin decreased slightly to 74.5 per cent (74.6). The property yield of the property portfolio, excluding development properties, was 4.7 per cent (4.8).

In the comparable portfolio, net operating income declined to SEK 3,574 million (3,611), with exchange rate effects having a negative impact of SEK 46 million.

Administration

Administrative expenses increased to SEK 219 million (216), primarily due to a higher number of employees. Administrative expenses in relation to rental income was 4 per cent.

Net interest expense

Net interest expense for the year decreased to SEK -1,162 million (-1,177), due to lower market rates. The interest-bearing liabilities

SEK 3,841 million

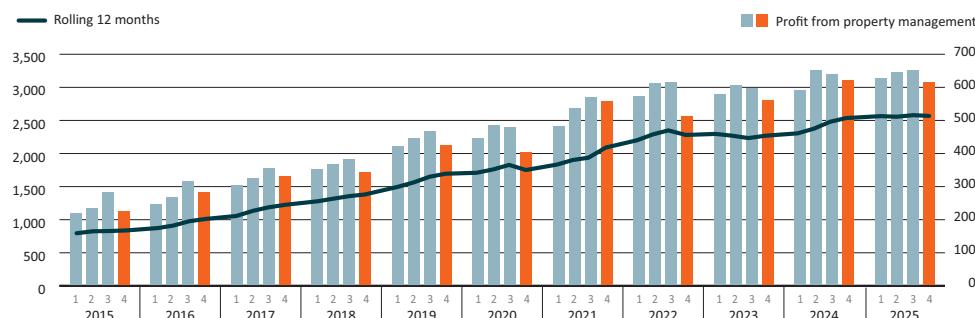
Net operating income

decreased to SEK 51,241 million (52,185) and the average interest rate decreased to 2.1 per cent (2.2).

Profit from property management

Profit from property management rose 2 per cent to SEK 2,541 million (2,498) mainly due to lower net interest expense and increased profit from property management from joint ventures.

Profit from property management, SEK million



Net interest expense

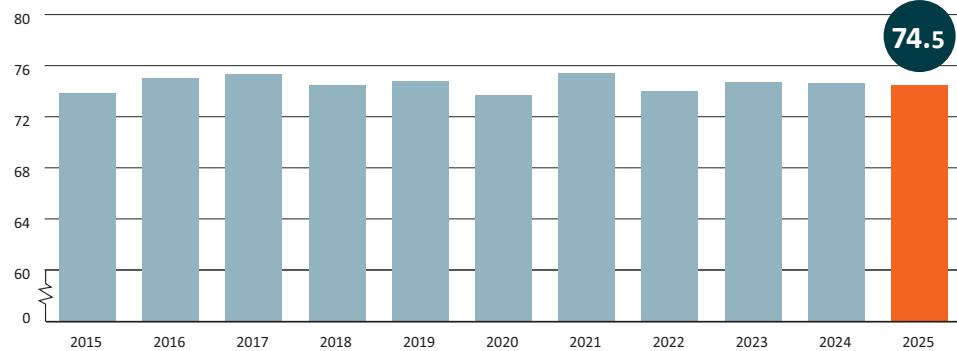
SEK million	Jan–Dec 2025	Jan–Dec 2024
Interest income	26	50
Interest expense	-1,065	-1,091
Other financial expenses	-82	-95
Ground leases	-41	-41
Net interest expense	-1,162	-1,177

Comparable portfolio

	31 Dec 2025	31 Dec 2024	Change
No. of properties	398	398	–
Market value of properties, SEK million	74,831	75,902	-1.4%
Property yield, %	4.7	4.8	-0.1

SEK million	Jan–Dec 2025	Jan–Dec 2024	Change, %
Rental income	4,748	4,752	-0.1
Other income	7	8	-12.2
Operating costs	-751	-744	0.9
Maintenance costs	-328	-311	5.4
Other property costs	-102	-94	9.1
Net operating income	3,574	3,611	-1.0

NOI margin, rolling 12-month period, %



Change in value of investment properties

Change in the value of investment properties was SEK -685 million (-99) for the year. Unrealised value changes amounted to SEK -668 million (-60), corresponding to a value change of -1 per cent (0). Realised changes in value amounted to SEK -17 million (-39).

Value change attributable to property management and development projects was SEK -447 million (225), or -0.5 per cent (0.3). Value change related to market factors was SEK -221 million (-286), or -0.3 per cent (-0.3).

The Swedish property market continued to recover in 2025 fuelled by lower short-term interest rates, more stable long-term interest rates and a brighter economic outlook. Activity in the transaction market is good.

In 2025, transaction activity in the public property segment was generally favourable, with the completion of several major transactions in all sub-segments. The education segment in particular recovered in 2025, following weak volumes in 2023 and 2024. As expected, the justice system remained a priority sector in the property market during the year. However, activity in the segment was mainly dominated by larger landlord procurements in 2025, although at the end of the year several transactions in the justice system were announced. The segment is expected to benefit from record levels of funding being allocated to both defence and law enforcement agencies.

The weighted yield used in the valuation of Hemsö's property portfolio was 5.1 per cent (5.1). The valuation yield was 5.0 per cent (5.0) in Sweden, 5.2 per cent (5.6) in Finland and 5.1 per cent (4.9) in Germany. In Sweden and Finland, market value is reported without taking transaction costs into consideration. In Germany, market value is reported after the deduction of transaction costs. To enable a better comparison of the countries' valuation yields, Hemsö has elected to report the adjusted German valuation yield calculated using the same method as for the Swedish and Finnish properties. The total yield was 3.6 per cent (4.4).

Property valuation

At year-end, the fair value of properties was SEK 87,231 million (85,973). Hemsö measures the fair value of its investment properties in accordance with IAS 40. The measurements are categorised within Level 3 of the fair value hierarchy in IFRS 13.

The market value of all properties is determined by an independent valuation institute at least once per year. The market value of all properties is determined quarterly by Hemsö with guidance from external valuations.

During the year, Hemsö has used the valuation service provider Cushman & Wakefield in Sweden and Finland as well as CBRE in Germany.

Change in value of property portfolio

	SEK million	No. of
Market value, opening balance	85,973	477
Acquisitions	631	7
Investments in new construction, extension and re-development	3,521	
Re-allotment	–	1
Divestments	-431	-7
Disposals	-3	
Exchange rate changes	-1,792	
Unrealised value changes	-668	
Market value, closing balance	87,231	478

Unrealised value changes, properties, Jan–Dec 2025

SEK million	Sweden	Germany	Finland	Total
Attributable to				
– Property management and project-related	-568	60	61	-447
– Market factors	-176	-51	5	-221
Total unrealised value changes	-743	10	66	-668

Sensitivity analysis, property valuation

	Change	Valuation effect, SEK million
Net operating income	+/- 1%	+/- 872
Valuation yield	+/- 0.10 percentage points	-1,690/+1,758

Change in value of financial instruments

Changes in the value of financial instruments had an impact of SEK 59 million (-234) on profit. Changes in the value of interest-rate derivatives had an impact of SEK -13 million (45) on profit. Derivatives attributable to currency risk management had an impact of SEK 72 million (-279) on profit.

Tax

Recognised tax for the year amounted to SEK -88 million (-379), of which current tax accounted for SEK 59 million (-142) and deferred tax for SEK -147 million (-237). Deferred tax mainly consisted of changes in the temporary difference between the market and taxable value of investment properties. Deferred tax was positive in the German operations given the gradual future reduction in the corporate tax rate. Deferred tax assets were netted against deferred tax liabilities on the balance sheet. At year-end, deferred tax liabilities amounted to SEK 6,580 million (6,558).

Earnings

Profit after tax for the year increased marginally to SEK 1,896 million (1,886). The change in earnings is mainly due to positive deferred tax in the German operations offset by a higher negative change in the value of investment properties.

Cash flow

Hemsö's operating cash flow rose 6 per cent to SEK 2,524 million (2,391). The increase was mainly attributable to higher profit from property management and lower tax

paid. Cash flow from operating activities before changes in working capital was SEK 2,524 million (2,392). The change in working capital was SEK -347 million (-316). Investing activities had an impact of SEK -4,020 million (-2,631) on cash flow, while borrowings, loan repayments, shareholder contributions and dividends had an impact of SEK 1,227 million (-184) on cash flow from financing activities. Overall, cash flow for the period totalled SEK -615 million (-738).

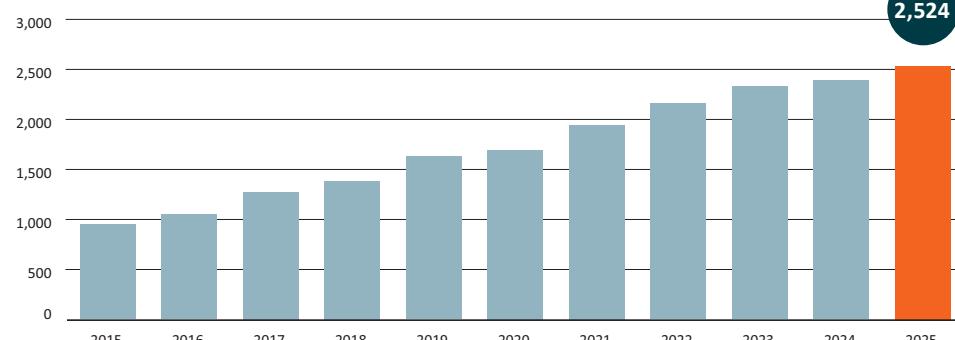
Parent Company

The operations of the Parent Company, Hemsö Fastighets AB, mainly consist of managing the Group's properties in the property-owning subsidiaries. Parent Company sales amounted to SEK 160 million (133) and consisted of fees for services to the subsidiaries. Administrative expenses increased to

SEK -287 million (-265), mainly due to higher personnel costs. Financial items amounted to SEK 1,403 million (567). Financial items include interest income of SEK 1,538 million (1,604), interest expense of SEK -1,223 million (-1,332), profit of SEK 62 million (377) from sales of participations in subsidiaries, profit/

loss of SEK -16 million (211) from participations in Group companies, and exchange rate effects of SEK 1,042 million (293). The change in value of derivatives amounted to SEK -12 million (-482) and profit for the year totalled SEK 507 million (416).

Operating cash flow rolling 12-month period, SEK million



Segment information

Amounts in SEK million	Profit/loss items per segment		Asset items per segment	
	Rental income	Net operating income	Market value of properties	31 Dec 2024
Sweden East	1,228	1,206	22,865	22,912
Sweden Central	701	670	10,703	10,471
Sweden North	787	825	14,072	13,523
Sweden South	536	518	9,463	8,873
Germany	818	836	14,385	14,825
Finland	1,079	1,074	15,742	15,369
Total	5,149	5,130	87,231	85,973
	3,841	3,833		

Segment identification is based on internal reporting. The CEO primarily uses net operating income per segment for performance analysis. Administrative expenses, financial income and expenses, and income tax are managed at Group level.

Property portfolio

Of the market value of properties of SEK 87,231 million (85,973), 65 per cent (65) was attributable to Sweden, 18 per cent (18) to Finland and 17 per cent (17) to Germany. The largest share of the market value of properties, 82 per cent, was attributable to properties located in metropolitan areas and large cities in Sweden, Germany and Finland.

Hemsö divides the property portfolio into four categories. Education accounts for 38 per cent of the market value of properties, Nursing homes for 36 per cent, Health care for 14 per cent and the Justice system for 12 per cent. At 31 December 2025, Hemsö's property portfolio comprised 478 properties (477) with a total lettable area of 2,470 tsqm (2,425).

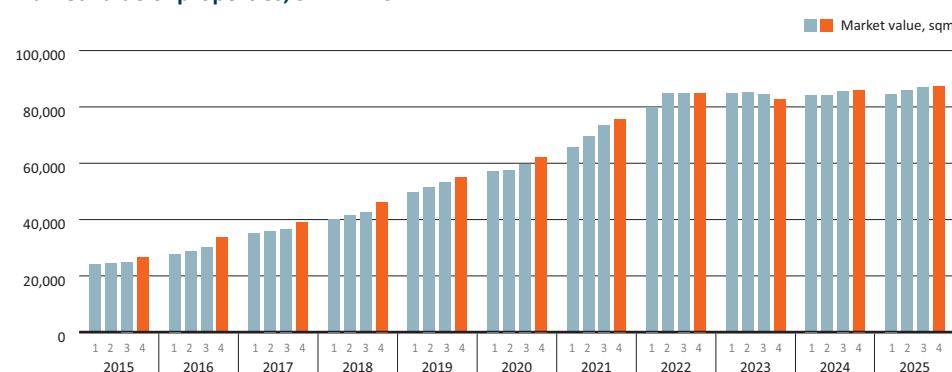
Investments

Investments pertain to investments in both existing properties and new developments. Investments in existing properties usually take place in conjunction with new lettings, with the aim of adapting and modernising the premises and thus increasing the rental value. During the period, SEK 3,521 million (3,490) was invested, of which SEK 2,681 million (2,526) was related to new developments and SEK 840 million (964) to improvements and new lettings.

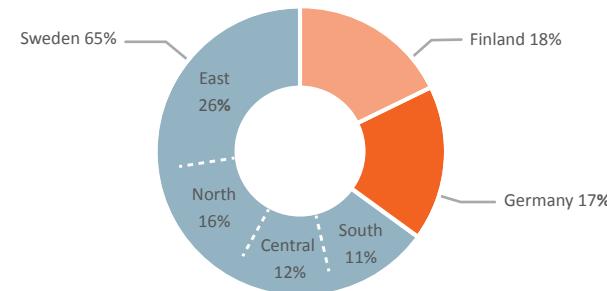
Transactions

During the year, 7 properties (5) were acquired for SEK 631 million (276), and 7 properties (16) were divested for SEK 431 million (1,367). The divestments had a positive impact of SEK 33 million after tax.

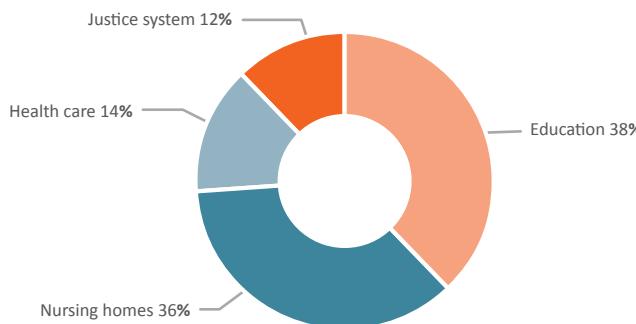
Market value of properties, SEK million



Market value of properties per segment



Market value of properties per property category



Hemsö's property categories

	Nursing homes	Education	Health care	Justice system	Total
No. of properties	232	159	58	29	478
Lettable area, tsqm	1,064	880	296	230	2,470
Lease duration, years	8.9	10.7	6.9	7.1	9.1
Market value of properties, SEK million	31,827	33,152	11,886	10,365	87,231
Rental income, SEK million	1,895	1,871	766	617	5,149
Net operating income, SEK million	1,381	1,446	548	466	3,841
Economic occupancy rate, %	98.5	98.2	95.9	97.9	97.9
Property yield, %	4.6	4.9	4.7	4.9	4.7

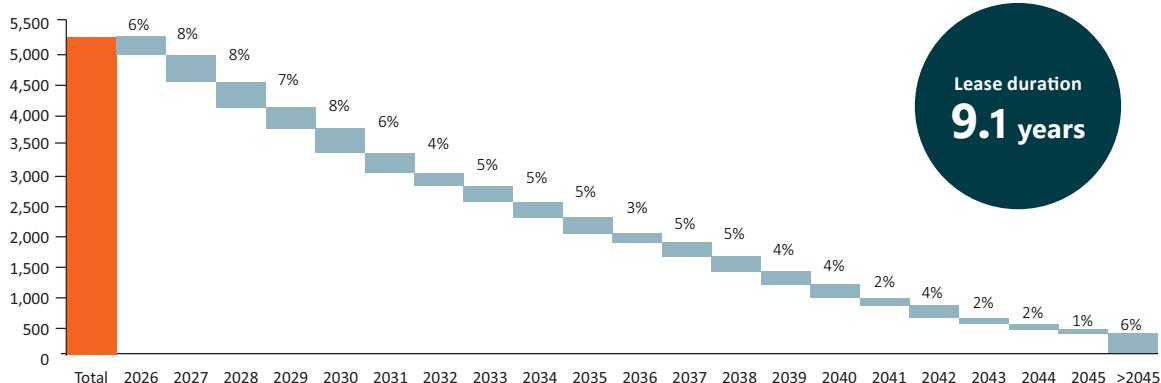
Tenants

Hemsö's business model is based on long-term lease agreements with public-sector tenants, or with private operators that are taxpayer-funded. In Sweden, rents are adjusted annually in January, based on the Consumer Price Index (CPI) in October of the preceding year. In Finland and Germany, rents are adjusted on an ongoing basis in accordance with applicable lease agreements. The CPI inflation in Hemsö's property portfolio was 93 per cent in Sweden, 79 per cent in Germany and 100 per cent in Finland.

95 per cent of Hemsö's rental income was derived from taxpayer-funded services. The proportion of contracted annual rent with public-sector tenants was 62 per cent. Contracted annual rent was 31 per cent with municipal operators, 18 per cent with state operators, 2 per cent with federal state operators and 11 per cent with regional operators. Private operators accounted for 33 per cent of the annual rent, and non-profit organisations for 5 per cent.

The largest tenants were the Swedish Police, Region Stockholm, Academedia, Attendo and the Wellbeing Services County of Southwest Finland, which jointly accounted for 20 per cent of rental income. Of Hemsö's 20 largest tenants, 14 were public-sector operators. In Sweden, most privately run education, health care and elderly care operations are taxpayer-funded via school, health care and care voucher schemes. In Finland, private operators receive funding through a system similar to Swedish schemes. In Germany, nursing home operations are funded through the public health insurance scheme and fees paid by the residents. When the residents are unable to pay their own expenses, funding is provided through municipal contributions.

Lease maturity, annual rent, SEK million



Hemsö's 20 largest tenants

Tenant	Category	Share of rental value, %	No. of lease agreements
Swedish Police	State	5	37
Region Stockholm	Region	4	64
Academedia	Private	4	26
Attendo	Private	3	62
Wellbeing Services County of Southwest Finland (FIN)	Region	3	17
City of Västerås	Municipality	3	22
Ministry of Justice (FIN)	State	3	12
Mälardalen University	State	2	3
AWO (GER)	Non-profit	2	12
City of Lahti (FIN)	Municipality	2	6
Mehiläinen (FIN)	Private	2	20
International English School	Private	2	8
Norrköping Municipality	Municipality	2	14
Alloheim (GER)	Private	2	10
Uppsala Municipality	Municipality	2	18
Karolinska Institute	State	2	3
Nacka Municipality	Municipality	2	9
Västra Götaland Region	Region	1	64
North Rhine-Westphalia (GER)	Federal state	1	1
City of Gothenburg	Municipality	1	12
Total		48	420

Rental value – public-sector tenants

	Annual rent, SEK million	% of Hemsö's rental value
Swedish municipalities	1,257	24
Swedish state	585	11
Swedish regions	355	7
Finnish municipalities	280	5
Finnish state	277	5
Finnish regions	238	5
German federal states	90	2
German state	57	1
German municipalities	55	1
Total	3,194	62

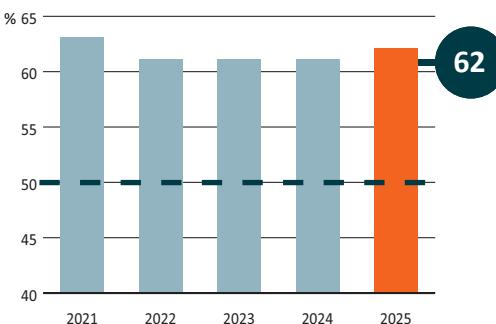
(FIN) = Finland
(GER) = Germany

Property frameworks

Hemsö has four property frameworks in order to clarify the company's strategy. The aim of these frameworks is to ensure a low level of risk in the property portfolio and that Hemsö's cash flow remains stable over time. During the year, Hemsö adjusted the framework for lease duration from at least 5 years to at least 7 years.

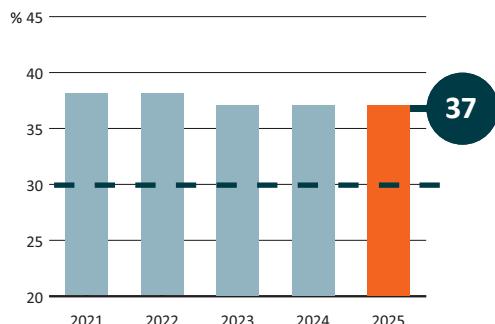
Public-sector tenants

– At least 50 per cent of rental income



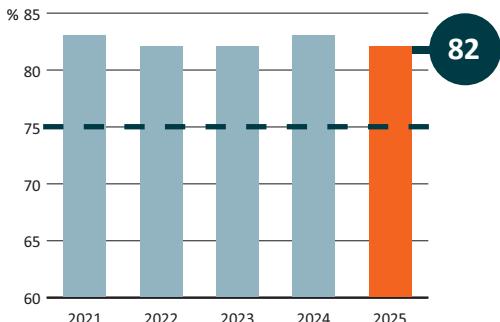
Nursing homes

– At least 30 per cent of rental income



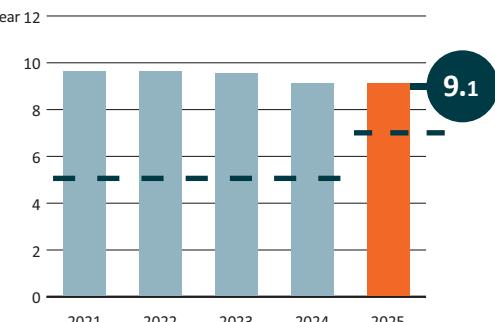
Metropolitan areas and large cities

– At least 75 per cent of rental income



Lease duration

– At least 7 years



Earnings capacity

The table reflects Hemsö's earnings capacity on a 12-month basis. It is important to note that this should not be compared with a forecast for the next 12 months as this does not include, for example, any assessments regarding future vacancies, rental trends, changes in property costs or future property transfers/exports. Rental income is based on annual rental value less vacant premises and rent reductions and adjusted for the outcome of rent surcharges based on actual outcome over the past 12 months. Other income and property costs are based on the actual outcome over the past 12 months, adjusted for the holding period.

Administrative expenses are based on the actual outcome over the past 12 months. Net interest income/expense has been calculated on the basis of interest-bearing assets and liabilities at the closing date. Interest expenses are based on the Group's average interest rate plus amortised origination fees and other estimated financial income and expenses. Profit from property management from joint ventures is calculated using the same assumptions as for Hemsö, with consideration for the size of the share. For the calculation of earnings capacity, an exchange rate of 10.82 (11.49) has been used for EUR.

Earnings capacity

SEK million	1 Jan 2026	1 Jan 2025	Change, %
Rental income	5,210	5,071	3
Other income	7	8	-14
Property costs	-1,303	-1,299	0
Net operating income	3,914	3,780	4
Central administrative expenses	-218	-216	1
Profit from property management, joint ventures	92	81	14
Net interest expense	-1,133	-1,179	-4
Profit from property management	2,655	2,466	8

Development projects

Ongoing development projects

Hemsö has many ongoing development projects, particularly new schools and nursing homes. Hemsö's ongoing development projects exceeding SEK 100 million comprise a total investment of SEK 5,643 million, of which the remaining investment amount is SEK 2,528 million. These are expected to generate annual rental income of SEK 329 million. Some development projects do not generate higher rental income but do achieve lower operating costs. The total volume of ongoing new construction and re-development projects amounted to SEK 6,168 million, of which the remaining investment amount was SEK 2,942 million.

During the year, 15 major development projects were completed with a total investment of SEK 2,637 million. These generate annual rental income of SEK 218 million and have a 16-year lease duration.



Hemsö's ongoing new construction and re-development projects exceeding SEK 100 million

Development projects	Municipality	Category	Lease duration, years	Area, sqm	Total investment, SEK million	Remaining investment, SEK million	Occupancy rate, %	Completion, year
Police headquarters	Borlänge	Justice system	15	18,800	896	345	100	2026
Virket	Malmö	Health care	11	11,200	565	458	66	2027
Herkules hotel & town hall	Trelleborg	Other	20	10,300	553	73	100	2026
Rangsdorf School	Rangsdorf	Education	20	7,900	472	173	100	2026
Novum ¹⁾²⁾	Huddinge	Health care	n/a	39,400	437	12	n/a	2026
Sätra ice arena	Stockholm	Education	25	10,500	387	356	100	2027
Pohjois-Pasila School	Helsinki	Education	20	7,200	369	294	100	2027
District court	Vänersborg	Justice system	15	7,000	352	154	100	2027
Ängegärde	Kungälv	Nursing homes	15	8,400	302	11	100	2026
Stauderstrasse	Essen	Nursing homes	20	5,900	224	7	100	2026
Selleberga	Bjuv	Nursing homes	20	6,100	214	179	100	2026
Lund International School	Lund	Education	20	5,100	211	131	100	2027
Hjorten	Trelleborg	Nursing homes	20	5,140	178	164	100	2027
Vallila elementary school ¹⁾	Helsinki	Education	20	2,800	173	64	100	2027
S-huset ¹⁾	Västerås	Education	10	6,000	168	86	100	2026
Byrådirektören ¹⁾²⁾	Malmö	Nursing homes	n/a	6,200	142	19	100	2026
Total					157,940	5,643	2,528	

Public-sector tenant Private-sector/non-profit tenant ¹⁾ Re-development. ²⁾ Investment in maintenance, modernisation and energy efficiency of the property.

Major completed development projects, 2025

Completed	Development projects	Municipality	Category	Lease duration, years	Area, sqm	Investment, SEK million	Occupancy rate ^{1), %}
Q1	Tempelridarorden	Stockholm	Nursing homes	15	5,800	278	100
Q1	Körbärsdalen preschool	Helsinki	Education	25	2,100	123	100
Q1	Sjöstöveln phase 1	Stockholm	Health care	7	3,000	61	100
Q2	Ektorp School	Nacka	Education	25	10,300	390	100
Q2	Brandvakten	Halmstad	Nursing homes	15	4,200	48	100
Q3	Capella	Gothenburg	Education	10	10,200	313	100
Q3	Stenkumla	Västerås	Nursing homes	25	4,700	197	100
Q3	Siltavuorenpengar	Helsinki	Education	15	7,100	186	100
Q3	Sarvträsk	Nacka	Nursing homes	15	4,800	162	100
Q3	Rotviksbro	Uddevalla	Nursing homes	20	2,000	87	100
Q3	Finntorp	Nacka	Education	15	3,600	78	100
Q4	Campus Tensta	Stockholm	Education	10	16,800	314	50
Q4	Tallbacken, building 25	Turku	Health care	20	3,500	152	100
Q4	Turku International School	Turku	Education	20	6,500	125	100
Q4	Vallgraven Arenaområdet	Ystad	Health care	10	3,000	124	63
Total					16	87,600	2,637

Public-sector tenant Private-sector/non-profit tenant ¹⁾ Occupancy rate at completion.

Sustainability

Hemsö contributes to social value by creating new and managing existing school places and nursing home beds in environments that are customised for the activities that take place in the buildings.

We also help Swedish pension funds to grow since most of our profits are returned to Swedish pensioners through our majority owner, the Third Swedish National Pension Fund.

Climate and environment

Hemsö's target is net zero value chain emissions (Scopes 1, 2 and 3) by 2040.

Hemsö has developed a new sustainability strategy containing focus areas and targets. When drafting the strategy, employees from across the organisation were involved in developing roadmaps on how to achieve our targets.

Our target is environmental certification of all new development. At the end of the fourth quarter, 100 per cent of all completed new developments were certified.

Energy use analysis

Improving the energy efficiency of our existing portfolio plays a key role in our climate and environmental work. During the year, energy use in the comparable portfolio was reduced by 11 per cent compared with 2024. This was achieved through our continued commitment to optimising operations. Actions taken that made a major contribution include heating adjustments, a focus on operating times and the separation of property electricity.

Analysis of carbon footprint of construction

The average carbon footprint of construction in 2025 is slightly higher than in 2024, despite individual projects having a lower carbon

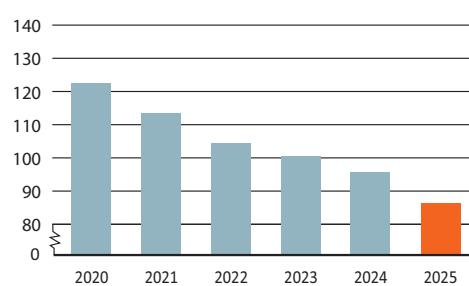
footprint than traditional new developments. The increase is due to a higher proportion of new developments during the year compared with 2024, when more projects were redevelopments.

Hemsö's role in society

We contribute to the maintenance and development of social infrastructure. In 2025, we completed a total of 217 new nursing home beds and 2,860 new school places.

Hemsö is a member of Omsorgsforum, a new independent initiative that aims to establish a hub for matters relating to care. In November, Hemsö participated in Omsorgsforum's seminar "Morgondagens äldreboende – rättvisa villkor och nya lösningar" (Tomorrow's nursing homes – fair conditions and new solutions). Issues discussed included how legislation, regulation and investments can be aligned to generate value and meet needs.

Energy use in Sweden, kWh/sqm A-temp¹⁾



¹⁾ Energy use (heating + electricity), normal-year corrected values.

KPIs Sustainability

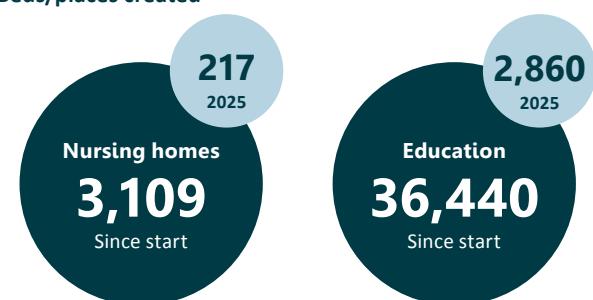
SEK million	2025	2024
Environmental certification, new developments, % ¹⁾	100	100
Carbon footprint, construction, Kg CO ₂ eq/sqm GIA ²⁾	216	203
Floor area under 100 kWh/sqm, % ³⁾	75	66

¹⁾ Percentage of completed buildings.

²⁾ Average value for completed buildings, calculated according to the Climate Declaration for Buildings Act.

³⁾ Pertains to Sweden.

Beds/places created¹⁾



¹⁾ The totals pertain to the number of beds/places that Hemsö has added through completed development projects between 2009 and the fourth quarter of 2025.



Continued initiatives in Tensta

Hemsö, in collaboration with the City of Stockholm, local associations and tenants of Campus Tensta, organises activities throughout the winter. One of the projects initiated in the autumn by Läsförämljningsinstitutet (a non-profit that promotes reading) involved children in Tensta writing their own fairy tales. The project is part of our social sustainability activities, which aim to create safe and vibrant places.

Joint ventures

At 31 December 2025, Hemsö owned shares in Turku Technology Properties Oy (TTP), Lanthem Samhällsfastigheter AB (Lanthem), HemTag Fastigheter AB (HemTag) and Köln Corintostraße 1 Immobilien GmbH (Kalk). These companies are reported in Hemsö's consolidated financial statements using the equity method. The participation in TTP is recognised at SEK 1,561 million (1,556), the participation in Lanthem at SEK 378 million (366), the participation in HemTag at SEK 78 million (54) and the participation in Kalk at SEK 248 million (–). Total investments in joint ventures amounted to SEK 2,325 million (1,981), which also included loans of SEK 60 million.

Profit from joint ventures, Jan–Dec 2025

SEK million	TTP	Lanthem	HemTag	Kalk	Total
Profit/loss from property management	64	23	-3	-3	80
Value changes, investment properties	-89	5	31	151	98
Value changes, financial instruments	7	0	–	–	7
Tax	-7	-6	-6	-17	-35
Profit recognised	-24	22	21	131	150



TTP

Hemsö has shared joint control over TTP since 2019. Hemsö owns 52 per cent of the shares in the company and is therefore the largest shareholder. The City of Turku owns 38 per cent of the company and Turku University of Applied Sciences owns 10 per cent. TTP is run as a joint venture and is not consolidated in the Hemsö Group.



Lanthem

In 2017, Hemsö entered a joint venture with Lantmännen Fastigheter AB through the jointly owned company Lanthem Samhällsfastigheter AB. The company is based on Lantmännen's land holdings and enables the development of new public properties. The property portfolio mainly consists of locations close to ports or central areas in Hemsö's prioritised locations.



HemTag

In autumn 2021, Hemsö and Tagebad formed the joint venture HemTag. The company's strategy is to develop, own and manage municipal swimming centres. HemTag owns and is developing a municipal swimming centre in Nacka that is scheduled for completion in 2027.



Kalk

During the year, Hemsö formed a joint venture with Austrian Real Estate (ARE), through the jointly owned Kalk. ARE is a wholly owned subsidiary of Bundesimmobiliengesellschaft (BIG), which is in turn owned by the Austrian state. BIG specialises in educational properties and other public properties owns more than 600 properties in Austria. Kalk is developing a new municipal school in Cologne, Germany, that is scheduled for completion in 2028.

	TTP	
	31 Dec 2025	31 Dec 2024
Carrying amount of participations, SEK million	1,561	1,556
Participation, %	52	52
Rental value, SEK million	489	485
No. of properties	27	26
Economic occupancy rate, %	91	93
Market value of properties, SEK million	6,355	6,236
Lease duration, years	8	7
Share of public-sector tenants, %	64	61

Lanthem	
31 Dec 2025	31 Dec 2024
378	366
50	50
107	106
15	15
100	100
1,579	1,562
7	8
65	65

HemTag	
31 Dec 2025	31 Dec 2024
78	54
50	50
27	27
1	1
100	100
225	81
27	27
90	90

Kalk	
31 Dec 2025	31 Dec 2024
248	n/a
50	n/a
94	n/a
1	n/a
100	n/a
876	n/a
25	n/a
100	n/a

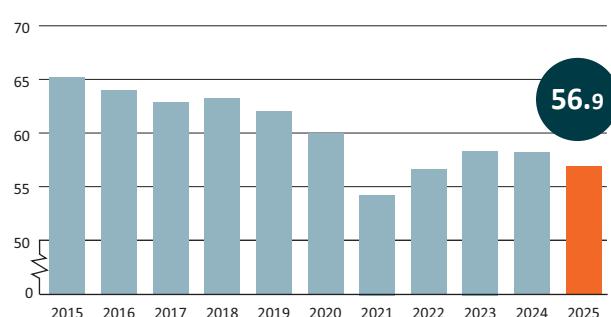
Financing

The aim of Hemsö's financing activities is to ensure a stable capital structure and the highest possible net interest income within predetermined risk constraints. Hemsö's loan-to-value ratio should not exceed 60 per cent, and the interest-coverage ratio should be at least 2.5 times. At year-end, the loan-to-value ratio was 56.9 per cent (58.3) and the interest-coverage ratio was 3.1 times (3.1).

Hemsö issues bonds in Swedish and European capital markets, and commercial papers in the Swedish market. In addition, Hemsö has committed credit facilities and underwriting commitments from Nordic banks and the Third Swedish National Pension Fund.

At year-end, Hemsö's undrawn committed credit facilities amounted to SEK 15,082 million (13,500). Cash and cash equivalents amounted to SEK 256 million (866). Available liquidity therefore totalled SEK 15,338 million (14,366). The debt-coverage ratio was 130 per cent (157).

Loan-to-value ratio, %

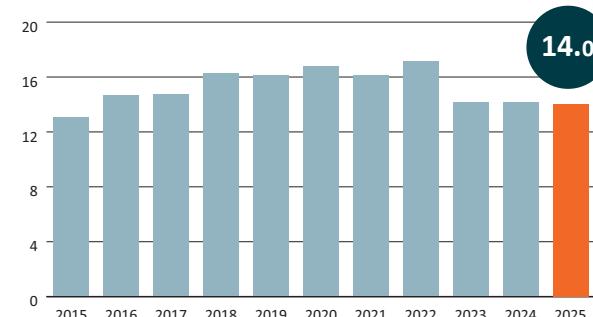


Interest-bearing liabilities

At year-end, Hemsö's interest-bearing liabilities amounted to SEK 51,241 million (52,185) and net debt decreased to SEK 50,986 million (51,319). Meanwhile, the loan-to-value ratio fell to 56.9 per cent (58.3).

During the year, Hemsö's bond issuance in the Swedish market amounted to SEK 4,670 million and in the European market to EUR 20 million. Hemsö regularly repurchases outstanding bonds in order to refinance maturities early. During the year, Hemsö repurchased bonds with a nominal value of SEK 2,287 million. In addition, Hemsö repaid SEK 2,439 million and raised a loan of SEK 700 million with the Nordic Investment Bank.

Net debt/EBITDA, times



Sources of funding, SEK million

	31 Dec 2025	31 Dec 2024
Bonds, SEK	15,085	14,326
Bonds, EUR	18,276	19,163
Bonds, AUD, JPY, NOK, USD	5,145	5,716
Total bonds	38,506	39,205
Commercial papers, SEK	5,944	5,831
Council of Europe Development Bank, EUR	250	257
European Investment Bank, SEK, EUR	4,031	4,230
Nordic Investment Bank, SEK	700	800
Schuldschein, EUR	811	861
Secured bank loans, SEK	1,000	1,000
Total interest-bearing liabilities	51,241	52,185

Capital structure, SEK million

	31 Dec 2025	31 Dec 2024
Non-current interest-bearing liabilities	39,436	43,019
Current interest-bearing liabilities	11,805	9,166
Cash and cash equivalents	-256	-866
Net debt	50,986	51,319
Investment properties	87,231	85,973
Investments in joint ventures	2,325	1,981
Total	89,556	87,954
Loan-to-value ratio	56.9%	58.3%
Share of secured debt	1%	1%

Hemsö uses derivatives to hedge the company's currency and interest-rate risk. At year-end, the nominal value of the interest-rate derivatives was SEK 6,175 million (6,975). The value of derivatives used to manage currency risk corresponded to SEK 6,834 million (8,122).

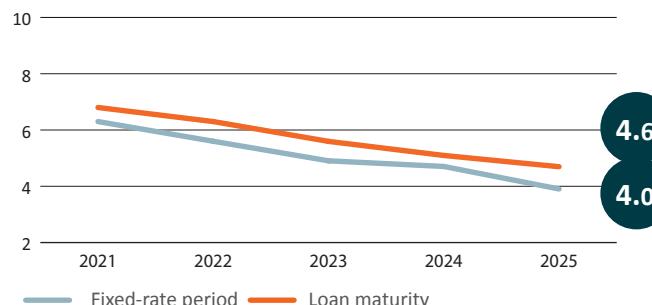
Currency exposure amounted to 12 per cent (4) of assets in EUR, corresponding to 12 per cent (5) of equity.

At year-end, the average loan maturity was 4.6 years (5.0) and the average fixed-rate period was 4.0 years (4.8). The average interest rate was 2.1 per cent (2.2).

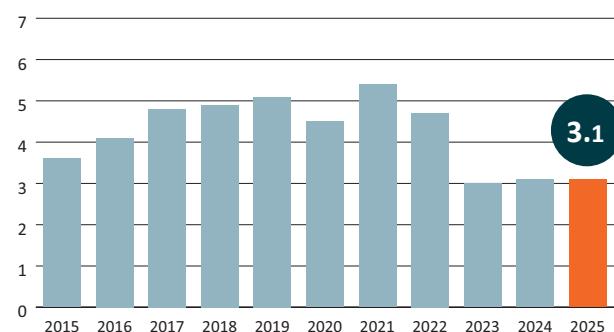


Groundbreaking ceremony for Sätra's new ice arena that will be completed in 2027

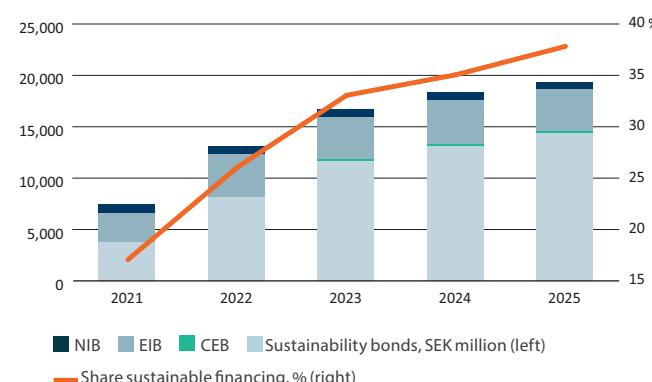
Loan maturity and fixed-rate period, years



Interest-coverage ratio, times



Sustainable financing, SEK million



Committed credit facilities and underwriting commitments, SEK million

	31 Dec 2025	31 Dec 2024
Banks	9,082	7,500
Third Swedish National Pension Fund	6,000	6,000
Total committed credit facilities	15,082	13,500
Cash and cash equivalents	256	866
Available liquidity	15,338	14,366
Short-term borrowings	11,805	9,166
Debt-coverage ratio	130%	157%

Currency exposure, SEK million

	31 Dec 2025	31 Dec 2024
Properties, EUR	30,127	30,194
Joint ventures, EUR	1,869	1,556
Cash, EUR	-14	101
Assets, EUR	31,982	31,852
Debt, EUR	22,438	23,582
Currency swaps, EUR	5,773	6,877
Exposure, EUR	3,772	1,392
Debt AUD, JPY, NOK, SEK and USD	6,834	8,122
Currency swaps AUD, JPY, NOK, SEK, USD	-6,834	-8,122
Exposure AUD, JPY, NOK, SEK, USD	0	0
Currency hedging	—	—
Currency exposure	3,772	1,392
Equity	31,347	29,436
Currency exposure, equity, %	12%	5%
Currency exposure, assets, EUR, %	12%	4%

Summary of Financial Policy

Financing risk	Risk mitigation according to Policy	Outcome
Loan-to-value ratio	Max. 60%	56.9%
Net debt/EBITDA	Max. 15 times	14.0 times
Loan maturity	At least 3 years	4.6 years
Loan maturity structure	Max. 25% within 12 months, thereafter max. 20% per year	Fulfilled
Debt-coverage ratio	At least 125%	130%
Share of secured debt	Max. 20%	1%
Interest-rate risk		
Interest-coverage ratio	At least 2.5 times (rolling 12-month period)	3.1 times
Fixed-rate period	Average fixed-rate period, 3–8 years	4.0 years
Fixed-rate maturity	Max. 35% within 12 months, thereafter max. 20% per year	Fulfilled
Counterparty risk		
Financial instruments	Bank with a minimum credit rating of A- (S&P)	Fulfilled
Currency risk		
Currency exposure relative to equity	Max. 35%	12%
Currency exposure relative to assets in EUR	5–30 %	12%

Hemsö's credit rating

Credit rating agency	Long-term	Short-term	Outlook	Date
Fitch Ratings	AA-	F1+	Stable	19 Mar 2025
Moody's	A3	n/a	Stable	4 Feb 2025
Standard & Poor's	A-	A-2	Stable	10 Sep 2025

Fitch Ratings

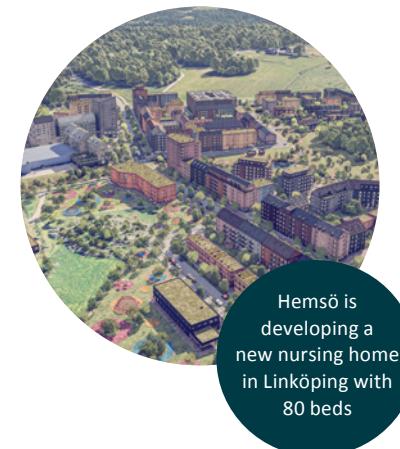
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RATINGSS&P Global
Ratings

Loan maturity and fixed-rate period

Year	Loan maturity		Fixed-rate period		
	Loans and committed credit facilities, SEK million	Loans, SEK million	Share, %	SEK million	Share, %
2026	5,862	5,862	11	15,871	31
2027	17,152	4,571	9	1,900	4
2028	8,941	8,941	17	9,150	18
2029	7,551	6,551	13	6,398	12
2030	7,027	5,527	11	4,575	9
2031	2,523	2,523	5	1,724	3
2032	1,474	1,474	3	2,474	5
2033	1,974	1,974	4	1,974	4
2034	1,082	1,082	2	1,082	2
>2034	6,792	6,792	13	6,092	12
Total	60,379	45,298	88	51,241	100
Commercial papers		5,944	12		
Total	60,379	51,241	100		



Hemsö
in developing
health care
premises in central
Malmö



Hemsö is
developing a
new nursing home
in Linköping with
80 beds

Quarterly overview

Amounts in SEK million	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Income statement									
Rental income	1,306	1,288	1,271	1,283	1,290	1,278	1,278	1,283	1,220
Other income	3	1	2	2	3	3	1	1	9
Property costs	-343	-305	-312	-354	-320	-311	-315	-360	-334
Net operating income	966	984	961	931	973	971	965	924	896
Central administrative expenses	-58	-60	-53	-47	-69	-50	-48	-49	-43
Profit/loss from participations in joint ventures	-41	150	23	18	133	13	4	8	-70
Operating profit	866	1,074	931	901	1,036	933	922	883	782
Net interest expense	-305	-296	-289	-273	-297	-300	-286	-295	-300
Profit after net interest income	562	779	642	628	739	634	636	588	482
<i>- of which Profit from property management</i>	616	651	645	628	620	638	650	590	560
Value change, properties	-212	14	-280	-207	-187	423	-144	-190	-1,661
Value change, financial instruments	48	75	-149	86	-4	-134	-117	21	-86
Profit/loss before tax	398	867	212	507	548	923	374	420	-1,265
Current tax	166	-38	-62	-7	12	-62	18	-109	152
Deferred tax	17	-120	9	-52	-82	-122	-89	56	39
Profit/loss for the period	581	709	160	447	477	739	303	367	-1,074
Other comprehensive income	-114	-12	72	-182	46	9	-55	65	-64
Comprehensive income for the period	467	697	232	265	524	747	248	432	-1,138

Amounts in SEK million	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Balance sheet									
Investment properties	87,231	86,909	85,875	84,655	85,973	85,598	84,126	84,236	82,624
Right-of-use assets	1,104	1,141	1,044	1,035	1,084	1,005	1,003	1,027	988
Participations in joint ventures	2,265	2,200	1,933	1,910	1,977	1,670	1,648	1,709	1,636
Other assets	1,563	1,474	1,353	1,156	1,352	2,870	2,833	2,452	2,391
Cash and cash equivalents and current investments	256	94	501	591	866	1,856	1,022	365	1,593
Total assets	92,418	91,818	90,706	89,348	91,253	92,999	90,632	89,789	89,231
Equity	31,347	30,380	29,184	30,201	29,436	29,194	28,447	28,589	28,156
Deferred tax liabilities	6,240	6,289	6,176	6,201	6,197	6,095	5,986	5,908	5,954
Derivatives	723	731	761	382	604	606	376	357	187
Interest-bearing liabilities	51,241	51,539	51,804	49,775	52,185	52,497	51,379	50,876	50,823
Lease liabilities	1,104	1,141	1,044	1,035	1,084	1,005	1,003	1,027	988
Non-interest-bearing liabilities	1,762	1,738	1,736	1,753	1,746	3,601	3,441	3,032	3,123
Total equity and liabilities	92,418	91,818	90,706	89,348	91,253	92,999	90,632	89,789	89,231
Key ratios									
Financial ratios	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Loan-to-value ratio, %	56.9	57.7	58.4	56.8	58.3	58.0	58.7	58.8	58.4
Interest-coverage ratio, times ¹⁾	3.1	3.1	3.1	3.2	3.1	3.0	3.0	3.0	3.0
Operating cash flow, SEK million	611	623	617	674	561	580	617	634	616
Property-related ratios									
Property yield, % ¹⁾	4.7	4.8	4.8	4.8	4.8	4.7	4.7	4.7	4.7
Total yield, % ¹⁾	3.6	3.7	4.2	4.4	4.4	2.5	1.2	-0.6	-1.9
Economic occupancy rate, %	97.9	97.9	97.8	97.6	97.7	97.6	97.5	97.8	97.8
NOI margin, %	73.8	76.3	75.5	72.5	75.2	75.8	75.4	72.0	72.8
No. of properties	478	479	476	474	477	485	487	487	488
Lettable area, tsqm	2,470	2,459	2,435	2,427	2,425	2,470	2,457	2,446	2,458

¹⁾ Based on rolling 12-month outcome.

Group – Condensed statement of comprehensive income

Amounts in SEK million	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Rental income	5,149	5,130	1,306	1,290
Other income	7	8	3	3
Operating costs	-851	-855	-212	-205
Maintenance costs	-349	-339	-101	-84
Other property costs	-114	-112	-31	-31
Net operating income	3,841	3,833	966	973
Central administrative expenses	-219	-216	-58	-69
Profit/loss from participations in joint ventures	150	157	-41	133
- of which profit from property management	80	59	14	13
- of which changes in value	105	154	-49	162
- of which tax	-35	-55	-6	-43
Operating profit	3,772	3,775	866	1,036
Net interest expense	-1,162	-1,177	-305	-297
Profit after net interest income	2,610	2,597	562	739
- of which Profit from property management ¹⁾	2,541	2,498	616	620
Value change, investment properties	-685	-99	-212	-187
Value change, financial instruments	59	-234	48	-4
Profit before tax	1,984	2,265	398	548
Current tax	59	-142	166	12
Deferred tax	-147	-237	17	-82
Profit for the period	1,896	1,886	581	477

¹⁾ For the calculation of Profit from property management, refer to Key ratio calculations on page 27.

Amounts in SEK million	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Profit for the period attributable to				
Parent Company shareholders	1,803	1,848	558	488
Non-controlling interests	93	38	23	-11
Other comprehensive income				
Profit for the period	1,896	1,886	581	477
Translation difference	-236	67	-114	46
Comprehensive income for the period	1,660	1,953	467	524
Comprehensive income for the period attributable to				
Parent Company shareholders	1,571	1,912	445	533
Non-controlling interests	89	40	21	-10

Group – Condensed statement of financial position

Amounts in SEK million	31 Dec 2025	31 Dec 2024
ASSETS		
Investment properties	87,231	85,973
Right-of-use assets	1,104	1,084
Participations in joint ventures	2,265	1,977
Receivables from joint ventures	53	–
Other non-current assets	90	151
Total non-current assets	90,743	89,185
Current receivables	1,419	1,201
Cash and cash equivalents	256	866
Total current assets	1,675	2,067
TOTAL ASSETS	92,418	91,253
EQUITY AND LIABILITIES		
Equity	31,347	29,436
Deferred tax liabilities	6,240	6,197
Non-current interest-bearing liabilities	39,436	43,019
Lease liabilities	1,104	1,084
Derivatives	723	604
Total non-current liabilities	47,503	50,904
Current interest-bearing liabilities	11,805	9,166
Other current liabilities	1,762	1,746
Total current liabilities	13,568	10,913
TOTAL EQUITY AND LIABILITIES	92,418	91,253

Group – Condensed statement of changes in equity

Amounts in SEK million	Share capital	Other capital contributions	Translation reserve	Retained earnings	Non-controlling interests	Total equity
Opening equity, 1 Jan 2024	1	8,180	392	18,261	1,322	28,156
Dividends	–	-200	–	-973	–	-1,173
Shareholder contributions	–	500	–	–	–	500
Reversal of non-controlling interests	–	–	–	39	-39	–
Comprehensive income	–	–	64	1,848	40	1,953
Closing equity, 31 Dec 2024	1	8,480	456	19,174	1,324	29,436
Opening equity, 1 Jan 2025	1	8,480	456	19,174	1,324	29,436
Dividends	–	-1,249	–	–	–	-1,249
Shareholder contributions	–	1,500	–	–	–	1,500
Comprehensive income	–	–	-232	1,803	89	1,660
Closing equity, 31 Dec 2025	1	8,731	225	20,977	1,413	31,347

Group – Condensed statement of cash flows

Amounts in SEK million	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Operating activities				
Profit from property management	2,541	2,498	616	620
Adjustment for non-cash items				
- Loss from property management, joint ventures	-80	-59	-14	-13
- Depreciation	32	16	8	3
- Exchange differences, unrealised	0	1	-2	2
Dividends from joint ventures	29	28	19	0
Tax paid	3	-93	-19	-49
Cash flow before changes in working capital	2,524	2,392	609	562
Increase (+)/decrease (-) in working capital	-347	-316	-39	-205
Cash flow from operating activities	2,177	2,077	570	357
Investing activities				
Acquisition of properties	-631	-276	-387	-11
Investments in new construction, extension and re-development	-3,521	-3,482	-1,012	-908
Divestment of properties	404	1,310	204	840
Investments in financial assets	-270	-175	-91	-165
Other non-current assets	-2	-7	0	-3
Cash flow from investing activities	-4,020	-2,631	-1,286	-247

Amounts in SEK million	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Financing activities				
Interest-bearing loans raised	7,356	8,756	1,575	1,850
Repayment of interest-bearing liabilities	-6,360	-8,272	-1,197	-2,670
Financial instruments realised	-20	5	-15	0
Shareholder contributions received	1,500	500	500	500
Dividends paid	-1,249	-1,173	–	-782
Cash flow from financing activities	1,227	-184	863	-1,102
Cash flow for the period	-615	-738	146	-992
Opening cash and cash equivalents	866	1,593	94	1,856
Exchange rate differences in cash and cash equivalents	5	12	16	2
Cash and cash equivalents at period-end	256	866	256	866
Operating cash flow	2,524	2,391	611	561

Parent Company – Condensed income statement

Amounts in SEK million	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Net sales	160	133	40	36
Central administrative expenses	-287	-265	-76	-79
Operating loss	-127	-132	-36	-43
Financial items	1,403	567	519	31
Change in value of derivatives	-12	-482	-11	-74
Appropriations	-719	353	-719	353
Profit/loss before tax	546	306	-247	266
Recognised tax	-39	110	102	42
Profit/loss for the period	507	416	-146	308

Profit for the period is consistent with comprehensive income for the period.

Parent Company – Condensed balance sheet

Amounts in SEK million	31 Dec 2025	31 Dec 2024
ASSETS		
Non-current assets		
Intangible assets	15	18
Equipment	3	4
Shares and participations in Group companies	20,845	19,498
Deferred tax assets	133	171
Non-current receivables	29,698	31,613
Total non-current assets	50,695	51,303
Current assets		
Current receivables	8,808	7,346
Cash and cash equivalents	0	5
Total current assets	8,808	7,351
TOTAL ASSETS	59,503	58,655
EQUITY AND LIABILITIES		
Equity		
Restricted equity	1	1
Non-restricted equity	5,893	5,134
Total equity	5,894	5,135
Liabilities		
Deferred tax liabilities	31	30
Interest-bearing liabilities	51,247	52,198
Non-interest-bearing liabilities	2,332	1,292
Total liabilities	53,610	53,519
TOTAL EQUITY AND LIABILITIES	59,503	58,655

Other information

Significant events after period-end

Hemsö and the European Investment Bank (EIB) signed a 15-year unsecured loan agreement for EUR 200 million. The loan relates to nine projects in Sweden, Finland and Germany. Hemsö also signed a 12-year unsecured loan agreement for SEK 700 million with the Nordic Investment Bank (NIB). The loan relates to projects in Finland and Sweden.

Employees

At year-end, Hemsö had 176 employees, of whom 83 were women and 93 men. Of these employees, 53 worked with asset and property management and 27 with development projects. Other employees work with administration, accounting, financing, IT, legal affairs, communication, management, HR and transactions. Of all employees, 143 are employed in Sweden, 17 in Finland and 16 in Germany.

Risks and uncertainties

Hemsö's access to capital remains favourable and the company's long loan maturity and fixed-rate period provide stability. At 31 December 2025, 69 per cent of the loan portfolio was hedged against rising rates and 31 per cent carried variable interest rates, which means that net interest income was impacted by changes in market rates. For more detailed information, refer to page 72 of the 2024 Annual Report. In addition to the above, no changes are deemed to have impacted

Hemsö's risks and uncertainties, which are described on pages 72–79 of the 2024 Annual Report.

Related-party transactions

Hemsö's related-party transactions are set out in Note 24 of Hemsö's 2024 Annual Report.

Joint ventures

Hemsö owns participations in Hemsö Norden KB jointly with the Third Swedish National Pension Fund. This company is included in Hemsö's consolidated financial statements. Hemsö Norden KB currently owns 25 investment properties through limited partnerships.

Hemsö owns 52 per cent of the shares in Turku Technology Properties Oy, which owns 27 public properties in Turku through subsidiaries. The company is run as a joint venture together with other partners and is not included in the consolidated financial statements, since Hemsö does not have a controlling interest.

Hemsö and Lantmännen each own a 50 per cent stake in Lanthem Samhällsfastigheter AB. The company is run as a joint venture and is not included in the consolidated financial statements. Lanthem Samhällsfastigheter owns 15 investment properties through subsidiaries.

Hemsö and Tagebad each own 50 per cent of the shares in HemTag Fastigheter AB. The

purpose of the collaboration is to develop and manage municipal swimming centres. The company owns and is developing a municipal swimming centre in Nacka that is scheduled for completion in 2027.

During the year, Hemsö formed a joint venture with Austrian Real Estate (ARE). ARE is a wholly owned subsidiary of Bundesimmobiliengesellschaft (BIG), an Austrian state-owned company which specializes in educational properties. In July, Hemsö and ARE each acquired 50 per cent of the Cologne company, Corintostraße 1 Immobilien GmbH. The company is developing a new municipal school in Cologne, that scheduled for completion in 2028.

Accounting policies applied

This year-end report was prepared in accordance with IAS 34 Interim Financial Reporting. The same recognition and measurement principles were applied as in the 2024 Annual Report, pages 60–110. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have also been prepared in accordance with Swedish law, with application of the Swedish Corporate Reporting Board's recommendation RFR, 1 Supplementary Accounting Rules for Groups.

The carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable and other liabilities is considered a reasonable estimate of fair value. Interest rate derivatives and foreign exchange swaps are measured at fair value on the statement of financial position and classified as Level 2 assets in the fair value hierarchy (IFRS 13).

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation, RFR 2 Accounting for Legal Entities.

Unless otherwise stated, all amounts in the year-end report have been rounded to the nearest SEK million, which means that tables and calculations may not always add up. Figures between 0 and 0.5 in the text and tables are reported as 0.

New and revised IFRSs effective on or after 1 January 2025

No new or amended standards or interpretations issued by the IASB have had any effect on this interim report, or the accounting policies applied by Hemsö.

Signing of the report

Stockholm, 5 February 2026

Nils Styf, Chief Executive Officer

This report has not been audited.

Definitions

Financial definitions

Share of secured debt

Interest-bearing secured debt in relation to investment properties.

Loan-to-value ratio

Net debt in relation to investment properties and investments in joint ventures. Loan-to-value ratio is used to measure the company's financial risk.

Property yield

Net operating income over the past 12 months, adjusted for the holding period and currency of the properties during the period, in relation to market value of properties at period-end, excluding development properties. Property yield is used to measure the return on the value of an investment property.

Available liquidity

Cash and cash equivalents and current investments plus undrawn committed credit facilities.

Profit from property management

Profit or loss after net interest income after reversal of changes in value and tax from participations in joint ventures.

Average interest rate

The weighted interest rate on interest-bearing liabilities with consideration for interest-rate derivatives and committed credit facilities on the closing date. Used to measure the company's financial risk.

Investments in joint ventures

The share of equity in joint ventures, and loans to joint ventures.

Adjusted operating profit

Net operating income less administrative expenses plus dividends from joint ventures.

Loan maturity

The weighted average of the remaining term of interest-bearing liabilities, including the maturities of undrawn committed credit facilities. Average loan maturity is used to measure Hemsö's financial risk.

Short-term borrowings

Loan maturities within 12 months (current interest-bearing liabilities).

EMTN programme

European bond programme.

Net debt

Interest-bearing liabilities less cash and cash equivalents and current investments.

Operating cash flow

Profit from property management after reversal of depreciation and amortisation and profit from property management in joint ventures less tax paid plus dividends from joint ventures.

Interest-coverage ratio

Net operating income less central administrative expenses plus dividends from joint ventures in relation to net interest expense. The interest-coverage ratio is used to measure how vulnerable the company's profit is to interest-rate fluctuations.

Operating profit/loss

Net operating income plus share of profit from joint ventures and administrative expenses.

Net debt/EBITDA

Net debt in relation to adjusted operating profit over the past 12 months. Net debt/EBITDA is used to measure debt in relation to earnings and thereby evaluate the company's capital structure based on the company's cash flow.

Debt-coverage ratio

Available liquidity in relation to short-term borrowings.

Equity/assets ratio

Equity in relation to total assets. Used to measure the company's financial stability.

Total yield

The sum of net operating income and changes in value in relation to the average market value of properties, adjusted for changes in value over a rolling 12-month period.

Currency exposure

Net of market value of properties, joint ventures, cash and liabilities in foreign currency less currency hedging. The key ratio is presented relative to equity, or to the sum of properties, joint ventures and cash in foreign currency.

Property-related definitions

Net operating income

Rental income less operating and maintenance costs as well as property tax. Ground rent is not included in net operating income.

Economic occupancy rate

Contracted annual rental income in relation to rental value. The occupancy rate is used to measure how efficiently the Group uses its investment properties.

Rental income

Rental income for the period less vacancies, rent reductions and rental losses.

Lease duration

The weighted average remaining lease duration, excluding garage/parking storage and housing let to private individuals.

Rental value

Contracted annual rental income plus vacancy rent. Rental value used to measure the Group's revenue potential.

Comparable portfolio

The properties owned throughout the entire period and entire comparative period and not classified as development properties during these periods. Comparable portfolio is used to measure the rental income trend, excluding non-recurring effects for prematurely terminated lease agreements and property costs unaffected by development properties, and properties acquired and sold.

Contracted annual rent

Contracted annual rental income plus vacancy rent. Rental value used to measure the Group's revenue potential.

Net investments

Total of purchasing, including stamp duty and other direct transaction costs and investments in development projects, less the selling price of properties sold and the selling price of properties sold via companies and direct transaction costs. Given as a measure of capital invested in properties.

Development property

Properties under construction and development rights. Development properties also include properties where a significant part of the space has been vacated in order to convert and develop the property.

Public property

A property that is predominantly used for taxpayer-funded operations and is purpose-built for public services. Assisted living is also included in the public properties concept.

Large cities

The definition of large cities in Sweden, Finland and Germany according to Statistics Sweden and the OECD: In Sweden and Finland, municipalities with a population of 100,000 or more, and in Germany, with a population of 200,000 or more.

Lettable area

Those areas of the property for which a tenant can be debited rent at period-end.

Rent based on vacancy rate

Rental value of vacancy rent as a percentage of total rental value.

Vacancy rent

Estimated market rent for vacant premises in "as-is" condition.

NOI margin

Net operating income in relation to the sum of property income and other income. The NOI margin is used to measure the remaining amount of the Group's rental income after property costs.

Sustainability-related definitions**Energy use, kWh/sqm**

Energy use, rolling 12-month period, divided by the building's temperate area.

Normal year correction

Normal year correction, also known as climate correction, means that energy use has been restated to account for changes in temperature between different years. This type of calculation makes it possible to compare values between years, without the effect of deviations in weather conditions.

Scopes 1, 2 and 3

A method for defining various activities when calculating GHG emissions. This method is provided by the globally recognised Greenhouse Gas (GHG) Protocol.

Scope 1: Direct emissions from controlled and company-owned resources.

Scope 2: Indirect emissions from the generation of purchased energy (electricity, steam, heating and cooling) from a utility provider.

Scope 3: All indirect emissions that are a consequence of the company's business activities but occur from sources the company does not own or control. They are often divided into upstream and downstream emissions, depending on where they occur in the company's value chain.

Science Based Targets (SBT)/Science Based Targets initiative (SBTi)

Science Based Targets enable companies to set actionable emissions-reduction goals in line with the Paris Agreement. The company commits to aligning its strategies to limit global warming to a maximum of 1.5°C. In order to set Science Based Targets, the company needs to make an inventory of all of its value chain GHG emissions. The company then presents its Science Based Targets to the SBTi for official validation.

Key ratio calculations

Hemsö presents some financial measures in interim and annual reports that are not defined under IFRS. The company believes that these measures provide useful supplemental information for investors and company management since they enable evaluation of the

company's earnings and financial position. Since financial measures are calculated differently by different companies, they are not always comparable with the measures used by other companies. Amounts in SEK million.

Profit from property management	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Profit after net interest income	2,610	2,597	562	739
Reversal				
<i>Changes in value, joint ventures</i>	-105	-154	49	-162
<i>Tax, joint ventures</i>	35	55	6	43
Profit from property management	2,541	2,498	616	620

Interest-coverage ratio	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Net operating income	3,841	3,833	966	973
Central administrative expenses	-219	-216	-58	-69
Dividends from joint ventures	29	28	19	28
Total	3,651	3,645	927	931
Net interest expense	-1,162	-1,177	-305	-297
Interest-coverage ratio	3.1 times	3.1 times	3.0 times	3.1 times

Operating cash flow	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Profit from property management	2,541	2,498	616	620
Dividends from joint ventures	29	28	19	–
Tax paid	3	-93	-19	-49
Reversal				
<i>Loss from property management joint ventures</i>	-80	-59	-14	-13
<i>Depreciation</i>	32	16	8	3
Operating cash flow	2,524	2,391	611	561

NOI margin	Jan–Dec 2025	Jan–Dec 2024	Oct–Dec 2025	Oct–Dec 2024
Rental income	5,149	5,130	1,306	1,290
Other property income	7	8	3	3
Total property income	5,156	5,138	1,309	1,293
Net operating income	3,841	3,833	966	973
NOI margin	74.5%	74.6%	73.8%	75.2%

Share of secured debt	31 Dec 2025	31 Dec 2024
Secured debt outstanding	1,000	1,000
Investment properties	87,231	85,973
Share of secured debt	1.1%	1.2%

Loan-to-value ratio	31 Dec 2025	31 Dec 2024
Non-current interest-bearing liabilities	39,436	43,019
Current interest-bearing liabilities	11,805	9,166
Cash and cash equivalents	-256	-866
Net debt	50,986	51,319
Investment properties	87,231	85,973
Investments in joint ventures	2,325	1,981
Total	89,556	87,954
Loan-to-value ratio	56.9%	58.3%

Property yield	31 Dec 2025	31 Dec 2024
Net operating income in profit or loss	3,841	3,833
Adjusted for 12-month holding period and exchange rate	-20	-43
Adjustment development properties	-160	-101
Adjusted net operating income	3,662	3,689
Investment properties	87,231	85,973
Adjustment development properties	-10,094	-8,342
Adjusted market value of properties	77,136	77,631
Property yield	4.7%	4.8%

Equity/assets ratio	31 Dec 2025	31 Dec 2024
Equity	31,347	29,436
Total assets	92,418	91,253
Equity/assets ratio	33.9%	32.3%

Net debt/EBITDA	31 Dec 2025	31 Dec 2024
Net debt	50,986	51,319
Net operating income	3,841	3,833
Central administrative expenses	-219	-216
Dividends from joint ventures	29	28
Adjusted operating profit	3,652	3,645
Net debt/EBITDA	14.0 times	14.1 times

Debt-coverage ratio	31 Dec 2025	31 Dec 2024
Cash and cash equivalents	256	866
Undrawn committed credit facilities	15,082	13,500
Available liquidity	15,338	14,366
Short-term borrowings	11,805	9,166
Debt-coverage ratio	130%	157%

Total yield	Jan–Dec 2025	Jan–Dec 2024
Net operating income	3,841	3,833
Value change, investment properties	-685	-99
Total	3,156	3,734
Opening value investment properties	85,973	82,624
Closing value investment properties	87,231	85,973
Adjustment of value change for the period	685	99
Adjusted average property value	86,944	84,348
Total yield	3.6%	4.4%



**Accessible
Reliable
Progressive**

Questions and more information

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Financial statements and press releases are available on Hemsö's website: hemso.se

Financial calendar

Annual Report 2025 31 Mar 2026

Interim report Jan–Mar 2026 28 Apr 2026

Annual General Meeting 28 April 2026

Half-year report Jan–Jun 2026 10 July 2026

Interim report Jan–Sep 2026 22 Oct 2026