

Investor Report 2021

HUMLEGÅRDEN

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Investor Report

2021 was the year that Humlegården achieved its objective that all its financing should be green. The company's commercial paper programme was updated during the year to also include green commercial papers, which means that 100 percent of the Group's interest-bearing liabilities are now green. During the year, we issued green bonds totalling SEK 1,910 million and green commercial papers, of which SEK 709 million were outstanding at the turn of the year.

At year end, Humlegården's total available green financing headroom amounted to SEK 20,476 million and consisted of approved properties and projects.

Humlegården's sustainability work

Sustainability for Humlegården is about contributing to sustainable development while we create value for our customers and other stakeholders as well as long-term profitability. Our sustainability work is based on our Code of Conduct, our values and the UN Global Compact. We report our sustainability work according to the GRI Standards, level Core. Our sustainability strategy is based on three basic principles that permeate our work: Create conditions, Minimise impact and Drive development.

Long-term goal of climate neutrality

Our long-term goal is to be climate neutral by the year 2045. Our climate impact comes from, among other things, consumable materials, energy use and transport. Therefore, we work continuously to make wise material choices and reduce resource use overall. In addition, we only source renewable electricity from hydropower. To further reduce our climate impact, we introduced requirements in our leases during the year that tenants with their own electricity contracts must source electricity from renewable sources.

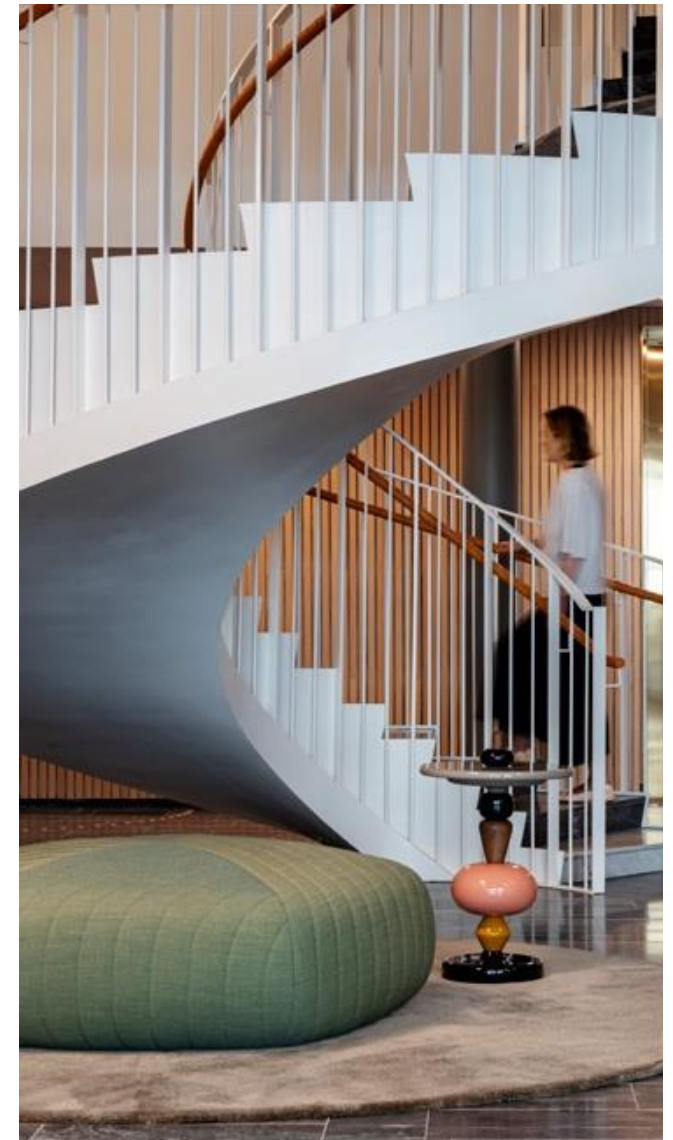
Through energy efficiency improvements and our active choices and agreements regarding the sourcing of renewable energy, we reduced our climate impact by 1,833 tonnes of CO₂e during the year for the properties that are approved assets according to Humlegården's framework for green financing. For the corresponding approved properties, we estimate that by setting high project targets against current legal requirements in the Swedish building code and the sourcing of renewable energy, we will avoid annual emissions corresponding to 747 tonnes of CO₂e.

Renewable energy and energy efficiency

Working with energy efficiency is part of our everyday work and we have set an ambitious long-term energy goal in the form of reducing our energy use by 32 percent by 2030, compared with 2019. By working with energy optimisation, we can reduce our energy use and thus our climate impact further. In addition, energy costs make up a large part of our total operating costs, which means that reduced energy use has a direct positive impact on our profitability. To further contribute to our long-term energy goal, we carried out in-depth energy surveys of our properties during the year to produce action proposals and action plans. Another part of our strategy is to add more renewable energy to the energy grid and we always investigate the potential for solar cells when conducting major new projects and redevelopments.

Circularity

The Vinnova-funded research project "Circularity metrics in business KPIs" (CIRinK), which we have conducted together with RISE, IVL Svenska Miljöinstitutet AB and Kinnarps AB since November 2019, was completed in the autumn. But our work towards a more circular society will continue. Our goal is that by 2030, all renovations and new construction will be carried out according to circular principles, which also benefit the climate and help realise financial savings. Continuing a linear use of resources is not an option if we want to remain relevant and profitable. We know that the future is circular and that it is those who dare to be innovative that are successful. Every conscious choice of material is a step towards reduced emissions and a more circular society.



Entréplan Nybrogatan 17, Riddaren 18.

Environmental certifications are central to our business

Our long-term ambition is to environmentally certify all our investment properties. This is to meet customer and other stakeholder requirements and expectations, reduce our environmental and climate impact, decrease risk, increase value and to obtain better loan terms. Certifications are a tool to create long-term property management and clear objectives. The properties in our portfolio are certified according to the international standard BREEAM In-Use, with the ambition to achieve at least the level of Very Good in the management part of the certification. The proportion of properties with a certification level of at least BREEAM In-Use Very Good or equivalent (in both management and building) amounts to 71 percent of our total market value. The certification affects both the property and customers as management is the starting point for the certification as well as various energy and environmental improvement measures in the property. For Humlegården, the certification of existing properties is the start of continuous improvement work regarding operation and management, where sustainability ambitions are raised step by step.

In 2021, 15 properties were certified and all but one achieved at least Very Good in the management part of the certification. The Cirkusängen 6 was rated Excellent. The proportion of certified investment properties at the turn of the year amounted to 97 percent of LOA (premises area). Properties we classify as development projects are first certified on completion.

Charging stations – part of our sustainable management

To further help our tenants to contribute to the transition to a more sustainable society, we have installed charging stations in our properties. We now have 208 charging stations installed, which provide 416 parking spaces with charging capabilities.

Bond issue 2021

In 2021, a total of SEK 1,910 million of bonds were issued and Humlegården has a total of SEK 8,083 million outstanding in green bonds. During the year, we also issued green commercial papers with SEK 709 million outstanding at the turn of the year.

The proceeds from green bonds are used exclusively for green investments and real estate. As a basis for Humlegården's green bonds, a framework clearly shows the type of projects and properties that can be financed. Read more under "Qualified properties and projects".

The green bonds are listed on the Nasdaq Stockholm Sustainable Bonds List and the commercial papers on the Nasdaq Stockholm Sustainable Commercial Paper, and marketplaces for sustainable bonds and commercial papers.

Qualified properties and projects

At the turn of the year, Humlegården had a project portfolio that included SEK 2,519 million in new construction and redevelopment projects, including land, all with high environmental requirements. The green bonds mainly finance investments in such projects along with certified properties. Other categories include investments in energy efficiency, renewable energy and green transport.

97%

Environmentally certified to LOA¹⁾

¹⁾ With the exception of properties with upcoming and potential projects.

The framework and CICERO's perspective are available at www.humlegarden.se/cicero

Certifications 2021

In 2021, the certification of 15 of Humlegården's properties was renewed:

Apelsinen 4	-	Very Good
Apelsinen 5	-	Very Good
Blasieholmen 24	-	Very Good
Cirkusängen 6	-	Excellent
Kåkenhuset 25	-	Very Good
Käpplingholmen 3	-	Very Good
Päronet 8 ¹⁾	-	Very Good
Smultronet 2	-	Very Good
Sparbössan 1	-	Very Good
Stenhöga 1 ²⁾	-	Good
Stenhöga 2	-	Very Good
Stenhöga 4	-	Very Good
Styrpinnen 19	-	Very Good
Styrpinnen 22 ¹⁾	-	Very Good
Österbotten 8	-	Very Good

¹⁾ Only Very Good in management part

²⁾ Ongoing project, only the office property certified in the building part

The selection of development projects and properties to be financed with green bonds is guided by a framework that has been designed together with Handelsbanken and reviewed by the Norwegian Climate Research Foundation CICERO (Centre for International Climate Research).

Financed projects



Härden 15, Norra Station

Where Vasastaden meets Hagastaden is the property Härden 15, which is now undergoing extensive development. The project is creating an attractive and modern office building. The tenants will include the Swedish Post and Telecom Authority (Post- och telestyrelsen), which has signed a six-year agreement for premises of approximately 5,700 m². Tenants were welcomed to the property in the fourth quarter of 2021. The property is certified according to BREEAM In-Use, Very Good.



Stenhöga 1, Origo

Humlegården is actively working to develop, densify and modernise the Stenhöga district in Solna Strand into a modern and urban office development. The Origo district will connect all the buildings in the district and create a modern urban feel with greater openness, new accessibility and spacious meeting spaces. Origo is being built in stages and tenants will have access in 2023. The property is certified according to Miljöbyggnad, level Gold.

Approved properties and projects according to Humlegården's framework for green financing

As of 2021-12-31	Amount inc.	Utilised	Energy use forecast per year		Estimated avoided
Ongoing projects	outgoing balance	financing			emissions (annual) CO ₂
	SEK million	SEK million	MWh	kWh/m ²	Tonnes
Solna, Stenhöga 1	341	0	1,153	39	747
Stockholm, Härden 15 ¹⁾	1,268	976	0	0	0
Total completed and ongoing projects	1,609	976	1,153	39	747

Existing properties / completed projects	Market value	Utilised	Energy use forecast per year		Estimated avoided
		financing			emissions (annual) CO ₂
			MWh	kWh/m ²	Tonnes
Investment properties	18,867	11,727	22,086	74	1,833
Total	20,476	12,703	23,239	113	2,580

¹⁾ The property is qualified for green financing. There is no forecast for energy use and climate impact at present, but there is a clear project goal to meet the requirements.

Approved investment amount

2021-12-31, SEK million	
Total financing headroom	20,476
<i>Minus existing debt</i>	
Green bank financing	3,911
Green bonds	8,083
Green commercial papers	709
Remaining green financing headroom	7,773

Auditor's report

Report on observations and review measures

To Humlegården Fastigheter AB (publ), organisation number 556682–1202

Purpose and responsibility

Our report is only intended to help Humlegården Fastigheter AB's ("Humlegården") investors to determine whether the paid-in net amount from issued green borrowing as of 31 December 2021 has been used exclusively for projects/assets that follow the categories and criteria in Humlegården's framework for green financing and may not be suitable for any other purpose.

Our report is intended solely for the purpose stated in this report and for information, and it should not be used for any other purpose or disseminated to other parties.

Humlegården (which is the responsible party) has confirmed that the agreed review measures are suitable for the purpose of the assignment. Humlegården (also the responsible party) is responsible for the inspection that is the subject of the agreed inspection measures.

We have performed audits according to a special agreement in accordance with International Standard on Related Services ISRS 4400 *Assignments to perform audits according to a special agreement* (revised). An assignment to perform an audit according to a special agreement involves that we perform the audit measures that have been agreed with Humlegården and report our observations, which are the actual results of the agreed audit measures that have been performed. We do not make any statements regarding the appropriateness of the agreed review measures.

This assignment to perform an audit according to a special agreement is not a certification assignment. Consequently, we do not make a statement and do not draw any conclusions.

If we had taken further audit action, other issues might have come to our attention that would have then been reported.

Professional ethics and quality control

We have complied with the professional ethics requirements of the International Ethics Standards Board for the Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code of Ethics). For this assignment, there are no requirements for independence that we are obliged to follow.

The auditing firm applies ISQC 1 (International Standard on Quality Control) and therefore has a comprehensive system for quality control, which includes documented guidelines and routines regarding compliance with professional ethics requirements, standards for professional practice and applicable requirements in laws and other regulations.

Review measures and observations

We have performed the review measures described below, which were agreed with

Humlegården in the terms of the assignment dated 24 February 2022 regarding that paid-in net amount from issued green borrowing as of 31 December 2021 has been used exclusively for projects/assets that follow the categories and criteria in Humlegården's framework for green financing. The audit measures performed are summarised as follows:

1. We have verified that the sum corresponding to the paid-in net amount from issued green borrowing has been transferred to a special account ("Green Account") or otherwise tracked by Humlegården ("Green Portfolio") in accordance with Humlegården's framework for green financing ("Green Financing Framework").
2. We have verified that the sum corresponding to the paid-in net amount from issued green borrowing has been used exclusively for projects/assets that follow the categories and criteria in Humlegården's framework for green financing ("Green Financing Framework").

We have made the following observations:

- With regard to point 1), we found no discrepancies.
- With regard to point 2), we found no discrepancies.

Stockholm, 24 March 2022

KPMG AB

Peter Dahllöf
Chartered Accountant

Torbjörn Westman
Head of KPMG Assurance Services

Appendices:

1. *List of approved projects/assets according to Humlegården Fastigheter AB's framework for green financing ("Green Financing Framework") per KPMG's review on 31 December 2021.*

Appendix to the Auditor's report

Appendix 1

Approved projects/assets according to Humlegården's framework for green financing ("Green Financing Framework") as of 31 December 2021.

Property	Category	Total approved amount (SEK million)
Apelsinen 4	"Green buildings"	445
Apelsinen 5	"Green buildings"	716
Blasieholmen 55	"Green buildings"	1,290
Bremen 2	"Green buildings"	2,680
Bremen 4	"Green buildings"	1,540
Cirkusängen 6	"Green buildings"	2,600
Kåkenhusen 25	"Green buildings"	1,400
Käpplingeholmen 3	"Green buildings"	538
Päronet 6	"Green buildings"	802
Skravelberget Större 20	"Green buildings"	1,250
Smultronet 2	"Green buildings"	1,060
Stenhöga 2	"Green buildings"	297
Stenhöga 4	"Green buildings"	1,670
Styrpinnen 19	"Green buildings"	1,200
Österbotten 7	"Green buildings"	289
Österbotten 8	"Green buildings"	1,090
Project		
Härden 15		1,268
Stenhöga 1		341
Total approved amount	Outstanding green	Remaining green
20,476	bonds	financing headroom
	8,083	7,773
	bank loans	
	3,911	
	commercial paper	
	709	