

Investor Report 2024

Green and sustainability-linked financing

HUMLEGÅRDEN

Humlegården Fastigheter AB (publ) | Box 5182, 102 44 Stockholm | Engelbrektsplan 1
Tel: 08-678 92 00 | humlegarden.se | Organisationsnummer: 556682-1202

Investor Report

Humlegården's long-term goal is to be climate neutral by 2045 and its climate targets are validated by the Science Based Targets initiative (SBTi). In 2024, Humlegården updated its green framework, which is adapted to the EU taxonomy. This means that the company is taking another step towards its long-term goal of climate neutrality across its entire operations.

In June 2017, Humlegården issued its first green bond, and today all the company's bonds are green or linked to sustainability. The financing will be allocated to projects and assets such as green and energy-efficient buildings, but also to investments in energy efficiency and renewable energy. This is responsible financing that is in line with our sustainability strategy.

Qualified properties and projects

The selection of projects and properties to be financed through green bonds is based on a framework that has been designed together with Handelsbanken and has been reviewed and vetted by S&P Global Ratings. Read more about Humlegården's work with green and sustainable financing and access the green framework on our website (in Swedish): <https://humlegarden.se/om-humlegarden-fastigheter/finansuell-information/finansiering/gron-finansiering/>

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

As of 2023-12-31 Ongoing projects	Amount inc.	Utilised financing	Energy use forecast per year	
	outgoing balance		SEK million	MWh
Greenhouse (Päronet 8)	265	0	1,434	61
Total completed and ongoing projects	265	0	1,434	

Existing properties / completed projects	Market value	Utilised financing	Energy use 2023	
	SEK million		SEK million	MWh
Investment properties	11,483	9,916	15,505	67
Total	11,748	9,916	16,939	

Green loans and emissions during 2024

In 2024, green bonds of SEK 1,850 million were issued with maturities of between 3-10 years. Furthermore, the volume of green bank loans was increased by SEK 768 million. Humlegården's total green loan facility at the end of the year amounted to SEK 11,483 million and consisted of approved properties and projects. Outstanding green financing at the end of the year amounted to SEK 9,916 million, of which green bonds amounted to approximately SEK 6,120 million, green commercial paper of SEK 198 million and green bank loans of SEK 3,598 million. The bonds are listed on the Nasdaq Stockholm Sustainable Bonds List and the corporate certificates on the Nasdaq Stockholm Sustainable Commercial Paper, which are marketplaces for sustainable bonds and commercial paper respectively.

First sustainability-linked bonds

In December 2022, Humlegården's first sustainability-linked loan commitment was signed and in 2023, a sustainability-linked framework for bonds was launched. This means that the company will have access to better financing terms if its targets for climate impact and energy efficiency are achieved. Sustainability-linked financing is an important step in Humlegården's sustainability work. By linking our targets to the terms of financing, additional incentives are created to deliver on the company's ambitious goals. During the turn of 2024, bonds of SEK 1,000 million were issued with a five-year term. Humlegården therefore became the second company in the Nordic real estate market to issue sustainability-linked bonds. In addition to targets for climate impact and energy efficiency, targets for circular principles are also included.

Approved investment amount

2024-12-31, SEK m	
Total financing headroom	11,483
<i>Minus existing debt</i>	
Green bank financing	3,598
Green bonds	6,120
Green commercial papers	198
Remaining green financing headroom	1,567



Sustainability-linked key

Climate targets validated by SBTi

The SBTi is a method for companies to set science-based climate targets in line with the Paris Agreement’s 1.5-degree ambition level. In the autumn of 2022, our climate targets for Scope 1 and 2 were validated by the SBTi, with 2019 as the base year, and we have a separate target for Scope 3. Our goal is to halve our Scope 1, Scope 2 and Scope 3 emissions by 2030. We chose to include Scope 3 in our target because Scope 3 (indirect impact) contributes the most to our total climate impact. With the base year, we have calculated at what rate greenhouse gas emissions need to be reduced to be halved by 2030 and for us to be able to reach our long-term goal of being climate neutral by 2045.

Of the reported climate impact (including development projects) in 2024, greenhouse gas emissions decreased by 31 percent compared to the previous year, which was mainly due to the fact that no development projects were undertaken in 2024. In total, our climate impact decreased by 38 percent compared to 2019.

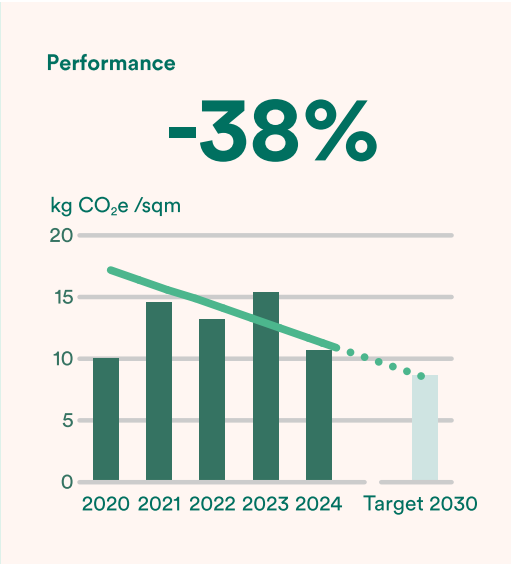
Reduced energy use

We have set the ambitious goal to reduce our energy use by 32 percent by 2030, from the base year 2019. During the year, our work on energy analyses for our properties continued, with the aim of identifying the most effective measures to achieve our objective. Our goal is to reduce energy use per square meter (degree day corrected) by approximately 3 percent per year, by 2030. Through both efficiency measures and the installation of PV solar, we reduced our energy use for our investment properties by 1 percent in 2024, and decreased our property electricity use by 5 percent.

We installed solar PV on three properties during the year and have plans to install more systems in the future. The total reduction since 2019 amounted to 11 percent by the end of 2024, which is slightly lower than the target of 15 percent. During the year, many measures were taken with the aim of achieving our target in the future. An example of this is that we reviewed responsibilities regarding energy and developed an energy plan broken down by property.

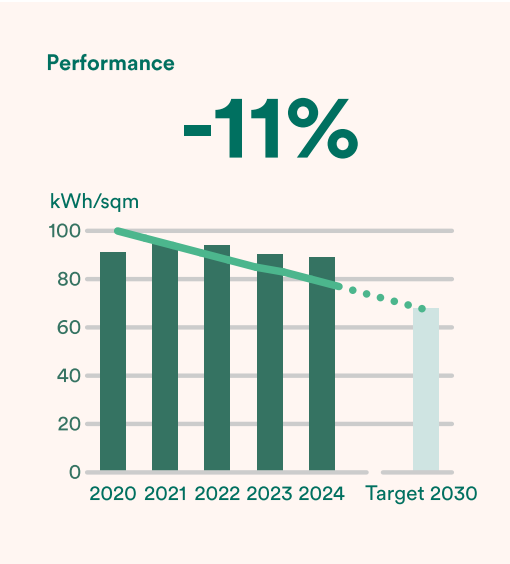
Greenhouse gas emissions (kg CO₂e/m²), %

Our goal is to reduce greenhouse gas emissions by 50 percent by 2030, compared to 2019. The target for the period 2019 through 2024 is a reduction of 23 percent. Our actual reduction was 38 percent, which means that we achieved the target.



Total energy performance (kWh/m²), %

Our goal is to reduce energy use by 32 percent by 2030, compared to 2019. Our goal for the period 2019 through 2024 is a reduction of 15 percent. We realised a reduction of 11 percent, which means that the goal was not achieved. Several initiatives to reduce energy use are underway, which are expected to yield results in the coming years.



Sustainability-linked key

Circularity principles

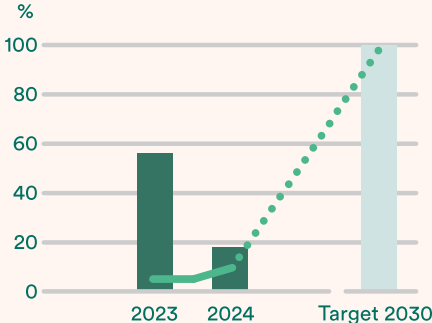
Our climate roadmap is based on three parts; Science Based Targets, sustainability programmes for our development projects and the implementation of circular principles in renovation and new construction. The construction and real estate industry is facing major challenges to reduce its greenhouse gas emissions, resource extraction and waste. What is required to solve today's challenges is to think more long-term than before. Circular economy is a prerequisite for long-term profitability and for achieving climate goals. Our long-term goal is that all local adaptations and new construction will be carried out according to circularity principles by 2030. We have a strong focus on developing processes and methodology for circular construction and reuse, a basic prerequisite for being able to build and renovate more circularly. We have also developed a number of KPIs that measure results in relation to our goals, both in terms of their implementation and impact. In 2024, a local renovation project was completed according to circularity principles, corresponding to 18 percent of the project volume, which was higher than this year's goal of 10 percent.

Circularity principles

Our goal is for all new and renovation projects to be circular by 2030. Our goal for 2024 was for 10 percent of the projects completed during the year to be implemented according to circularity principles. We realised 18 percent during the year, which means that the goal was achieved.

Performance

18%



Green key figures

Updated green framework during 2024

In 2024, Humlegården updated its green framework, which is adapted to the EU taxonomy. This means that the company is raising its level of ambition in the transition to climate neutrality, and continues to have access to favourable financing terms. Updates in the framework included that our green-classified investment properties must, in addition to certification, also be within the top 15 percent of the best properties from an energy performance perspective. Furthermore, all properties underwent a climate adaptation inventory in 2024. The updated green framework also ensures that Humlegården's green projects implement circular principles.

EU Taxonomy

To meet its climate goals, the EU has agreed on a taxonomy that defines which economic activities are sustainable. Humlegården's total rental income, capital expenditure and operating expenses are fully covered by the taxonomy as they have been able to be attributed to the description of economic activities listed within the construction and real estate industry. These activities are relevant for 2024:

- 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking spaces adjacent to buildings)
- 7.5 Instruments and devices for measuring, regulating and controlling the energy performance of buildings
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings

During 2024, we worked actively to complete a large number of climate risk analyses and establish action plans, which means that for 2024 we can report significantly higher taxonomic compliance with the taxonomy's Goal 1: Mitigation of climate change compared to the previous year.

EU Taxonomy	2024	2023
Compatible turnover, %	45	18
Compatible capital expenditure, %	20	17
Compatible operating expenses, %	41	11

Environmental certifications are an important tool in management

Our long-term ambition is to environmentally certify all our properties. This is to meet the demands and expectations of our customers and other stakeholders, reduce our environmental and climate impact, mitigate risk, increase value and create conditions for better loan terms. The certifications are a good tool for long-term management with clear management and objectives. The properties in the management portfolio are certified according to the international standard BREEAM In-Use, with the ambition to achieve at least the Very Good level in part 1 of the certification.

The certification affects both properties and customers as facilities management is the starting point for the certification and various types of energy and environmental improvement measures are implemented in the property. This may include the installation of motion-controlled lighting systems, the establishment of gardens and green areas, the development of recycling facilities, bicycle parking and the management of stormwater. The proportion of managed properties with existing or ongoing certification amounted to 100 percent of the premises area (LOA) and 100 percent of the total market value at the end of the year. The properties we classify as projects are only certified after the project is completed.

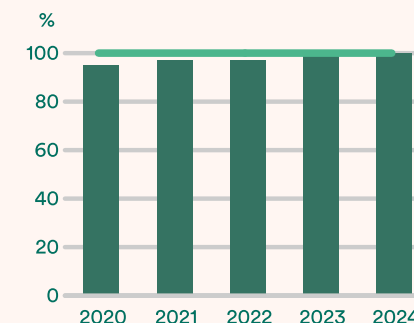
Environmental certifications ²⁾

Our goal is for 100 percent of our investment properties to be environmentally certified. As we realised 100 percent during the year, the goal was achieved.

¹⁾ Projects commenced by 1 January 2023.

Performance

100%



Projects that meet the requirements of the green framework

Päronet 8, Greenhouse, Solna strand

In one of Solna Strand's best locations, adjacent to the metro station, is the property Päronet 8. Here, an extensive development is underway where Humlegården is creating an inviting property, adapted to modern working and an active lifestyle. With a strong focus on people, sustainability and recycling, new flexible environments are being created. Traditional offices with great opportunities to make your own mark are combined with shared meeting and workspaces and move-in ready offices. In addition to this, services and facilities are also offered, such as a gym and yoga room, cafe, bicycle storage room, changing room and parcel lockers.

- Total leasable area: Approximately 20,000 m²
- Occupancy: From 2024
- Environmental certification: BREEAM In-Use, level Very Good¹⁾
- Architect: Strategic Architecture, Koncept Stockholm

¹⁾ Certifications are preliminary due to the ongoing nature of the project.



Auditor's Report

Report of actual observations

For Humlegården Fastigheter AB, Swedish corporate registration number 556682-1202

Purpose

Our report is solely intended to assist Humlegården Fastigheter AB's ("Humlegården") investors in determining whether the net amount paid in from the issued green loans as of 31 December 2023 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 your information, and it shall not be used for any other purpose or distributed to other parties. Our review in relation to this document covers only that which is stated in this report.

Responsibilities of the client and the responsible party

Humlegården (which is the responsible party) has confirmed that the agreed audit procedures are appropriate for the purpose of the engagement.

Humlegården (also the responsible party) is responsible for the audit item that is the subject of the agreed audit procedures.

Auditor's responsibility

We have performed the engagement to perform a review under a special agreement in accordance with the International Standard on Related Services ISRS 4400 (Revised), Agreed-Upon Procedures Engagements. Such an engagement involves us performing the audit procedures that have been agreed upon with Humlegården and reporting our findings, which are the actual results of the agreed upon audit procedures that have been performed. We do not express an opinion regarding the appropriateness of the agreed upon audit procedures.

This engagement to perform a review is not an assurance engagement. Accordingly, we do not express an opinion or form a conclusion.

If we had performed additional audit procedures, other issues might have come to our attention that would have then been reported.

Professional ethics and quality control

We have complied with the ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including the International Independence Standards) (IESBA Code) and the independence requirements in paragraph 4A of the IESBA Code.

The auditor applies ISQM 1 (International Standard on Quality Management) and thus has a comprehensive system for quality control, which includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards for professional practice and applicable requirements in laws and other regulations.

Audit measures and observations

We have performed the audit procedures described below, which were agreed with Humlegården in the terms of the engagement dated 31 January 2025, regarding the fact that the net amount paid in from issued green loans as of 31 December 2024 has been used exclusively for projects/assets that comply with the categories and criteria in Humlegården's green financing framework. The audit procedures performed are summarised as follows:

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

We have made the following observations:

- Regarding point 1) we found no discrepancies.
- Regarding point 2) we found no discrepancies.

Stockholm, 24 march 2025
KPMG

Fredrik Sjölander
Certified Public Accountant

Torbjörn Westman
Head of KPMG Assurance Services

Attachments:

List of approved projects/assets according to Humlegården Fastigheter AB's Green Financing Framework as of KPMG's review on 31 December 2024.

Appendix to the Auditor's

Appendix 1 Approved projects/assets according to Humlegården's Green Financing Framework as of 31 December 2024.

Assets	ESG Certificate	Certificate	Climate Risk	I op 15% Energi prestanda	Market value (msek)	
Apelsinen 5	"Green buildings"	BREEAM In-Use: Excellent	Yes	Yes	706	
Bremen 4	"Green buildings"	BREEAM In-Use: Very good	Yes	Yes	1 160	
Cirkusängen 6	"Green buildings"	BREEAM In-Use: Excellent	Yes	Yes	2 570	
Dykaren 10	"Green buildings"	BREAM In-Use: Very good	Yes	Yes	783	
Härden 15	"Green buildings"	BREAM In-Use: Very good	Yes	Yes	2 090	
Härden 16	"Green buildings"	BREAM In-Use: Very good	Yes	Yes	1 830	
Landbyska Verket 9	"Green buildings"	BREAM In-Use: Very good	Yes	Yes	213	
Päronet 6	"Green buildings"	BREAM In-Use: Very good	Yes	Yes	767	
Riddaren 18	"Green buildings"	BREEAM SE: Excellent	Yes	Yes	1 220	
Stenhöga 2	"Green buildings"	BREEAM In-Use: Very good	Yes	Yes	279	
Stenhöga 4	"Green buildings"	BREEAM In-Use: Excellent	Yes	Yes	1 640	
Projects						
Greenhouse (Päronet 8)					265	
Total	Outstanding green			Outstanding sustainability linked	Remaining	
Approved amount	Bonds	Bank loans	Comercial papers	Bank loans	Bonds	Financial headroom
13 523	6 120	3 598	198	2 040	1 000	1 567