

HEMSÖ IS DEVELOPING A NEW MUNICIPAL NURSING HOME IN BJUV.

Q1

Interim report 2025

HEMSÖ



Summary, January–March 2025

- Rental income remained unchanged at SEK 1,283 million (1,283).
- Profit from property management increased 6 per cent to SEK 628 million (590).
- Operating cash flow increased 6 per cent to SEK 674 million (634).
- Changes in the value of properties amounted to SEK -207 million (-190).
- Changes in the value of financial instruments amounted to SEK 86 million (21).
- Profit after tax for the period totalled SEK 447 million (367).
- The market value of the properties amounted to SEK 84,655 million (84,236).
- During the period, SEK 723 million (828) was invested in the existing property portfolio.
- During the period, 1 property (2) was acquired for SEK 17 million (206) and 4 properties (3) were divested for SEK 175 million (359).

Hemsö in summary

	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Rental income, SEK million	1,283	1,283	5,129	5,130
Profit from property management, SEK million	628	590	2,536	2,498
Profit after tax, SEK million	447	367	1,966	1,886
Operating cash flow, SEK million	674	634	2,431	2,391
Loan-to-value ratio at period-end, %	56.8	58.8	56.8	58.3
Interest-coverage ratio, times	3.2	3.0	3.2	3.1
Market value of properties at period-end, SEK million	84,655	84,236	84,655	85,973
NOI margin, %	72.5	72.0	74.7	74.6
Economic occupancy rate at period-end, %	97.6	97.8	97.6	97.7
Lease duration at period-end, years	9.0	9.4	9.0	9.1
Lettable area at period-end, tsqm	2,427	2,446	2,427	2,425



CEO statement

Global turmoil continues. Trade wars and rising geopolitical risks are creating uncertainty in global markets, which is affecting capital markets and the investment climate. We have not noted any immediate effects on Hemsö's tenant demand, since it is primarily driven by long-term structural changes rather than the current economic environment. It may affect the property market due to higher interest rates and reduced risk appetite.

When there is uncertainty in the world, many investors become more cautious and tend to shift their capital to more stable alternatives. Hemsö is one such alternative. Our stable business model, combined with long-term partnerships with the public sector and good access to capital, gives us a strong starting position. This creates opportunities to diversify our funding, while also strengthening our market position and solidifying our role as a natural and reliable partner for the public sector.

Strong start to the year

Hemsö had a good start to the new year, both financially and operationally, through several new partnerships with municipalities in Sweden and Finland regarding new project investments. Profit from property management and operating cash flow both increased by 6 per cent.

One example of deepened municipal partnership is a new nursing home and new sports hall, for which Bjuv Municipality has signed a 20-year lease agreement. In addition, Hemsö signed a 20-year lease agreement with the not-profit Lund International School, for a new elementary school with places for 450 students. In Helsinki, Hemsö is also developing a new preschool and elementary school with places for 850 students. A 20-year lease agreement was signed with the City of Helsinki. This development project is the fifth school project with the City of Helsinki over the past four years, in which 2,800 new and modern school places are created.

The demographic shifts in Sweden, with fewer births and reduced immigration, are leading some people to draw the simplistic conclusion that the need for new schools is decreasing. However, the true demand is not only about the number of students, but the quality of the existing schools. Many of these schools were built in the 1960s and 1970s, when major investments were made in the school infrastructure. The rate of investment subsequently slowed, while maintenance has often been inadequate. In Sweden, 65 per cent of schools are over 40 years old. We are seeing a similar situation in Germany. Despite the overall population decline in Germany, a recent report from PwC estimates that the investment need for elementary schools is EUR 50 billion. This shows clearly that even in areas with slow population growth, there is still a need to modernise the social infrastructure.

As a society, we face a major need for investment and a shortage of modern, purpose-built schools in the right micro-locations. This presents an opportunity for Hemsö to act as an experienced, long-term partner to the municipalities.

Diversified financing

During the quarter, Hemsö signed a ten-year loan agreement for SEK 700 million with the Nordic Investment Bank (NIB). The financing will be used to develop essential social infrastructure, including two municipal schools in Helsinki, one municipal school in Turku, and new police headquarters in Borlänge. We are pleased that the NIB is recognising these environmentally sustainable projects. The loan will also help to further diversify Hemsö's funding sources.

The credit rating agency Moody's assigned Hemsö a credit rating of A3 with a stable outlook, reflecting the company's strong financial position and long-term stability. This is Hemsö's third and most recent credit rating, further confirming the company's position as a reliable and solid capital market participant.

We strengthen the backbone of society

The need for public properties is great. We are continuing to strengthen our partnership with the public sector in social infrastructure and look forward to further developing this throughout the rest of the year.

Nils Styf, CEO

Significant events during the first quarter

- The credit rating agency Moody's assigned Hemsö a credit rating of A3 with a stable outlook.
- Hemsö signed a ten-year loan agreement for SEK 700 million with the Nordic Investment Bank (NIB). The financing will be used for municipal schools in Helsinki and Turku, and the new police headquarters in Borlänge.
- Hemsö and Bjuv Municipality signed 20-year leases agreements for a new 6,800-sqm nursing home with 80 beds and a sports hall in central Bjuv.
- Hemsö signed a 20-year lease agreement with Lund International School for a new elementary school with places for 450 students and a lettable area of 5,100 sqm.
- Hemsö and Läsfrämjarinstitutet (LFI) signed a seven-year lease agreement for 235 sqm in Campus Tensta.
- Hemsö and the City of Helsinki signed a 20-year lease agreement for a new elementary school and preschool with places for 850 students in Helsinki. The total lettable area is 10,600 sqm.

- **Events after the period**
  Hemsö is developing a new health care centre with a lettable area of 11,000 sqm in central Malmö. A ten-year lease agreement was signed with Aleris, and a 15-year lease agreement was signed with Medley.
- Hemsö and Mälardalen University signed a 10-year lease agreement for 18,000 square metres, of which 6,000 square metres is a new letting.

This is Hemsö

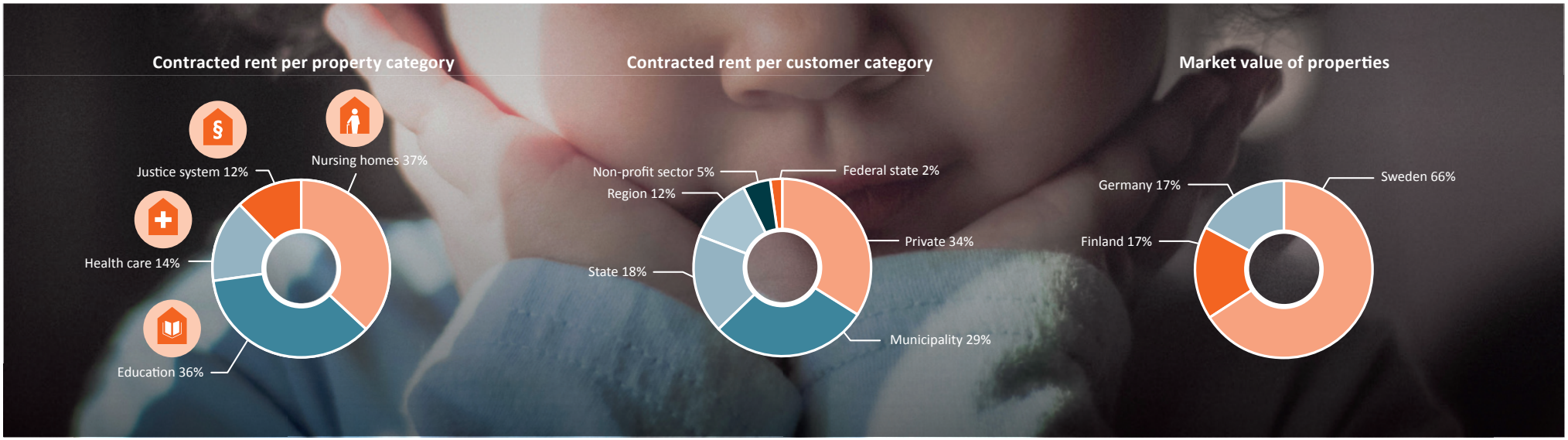
- Hemsö is Sweden's leading owner of social infrastructure.
- The business is based on sustainably owning, managing and developing properties for nursing homes, education, health care and the justice system.
- Hemsö owns properties in Sweden, Germany and Finland.
- Our vision is to strengthen the backbone 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 84.7 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-March 2025 period, 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 amounted to SEK 1,283 million (1,283), which was in line with the preceding year. Completed development projects and indexation increased income, while exited properties reduced income. Rental income declined 0.5 per cent in Sweden, but increased by 1 per cent in Germany and it increased by 0.5 per cent in Finland. Rental income in the comparable portfolio increased with SEK 2 million, or 0.2 per cent. Exchange rate changes had a negative impact of SEK 2 million on rental income.

SEK 1,283 million

Rental income

At period-end, contracted annual rent decreased to SEK 5,022 million (5,089) before rent reductions of SEK 52 million (50). Economic vacancies amounted to SEK 123 million (113).

At period-end, the economic occupancy rate was 97.6 per cent (97.8). The lease duration was 9.0 years (9.4).

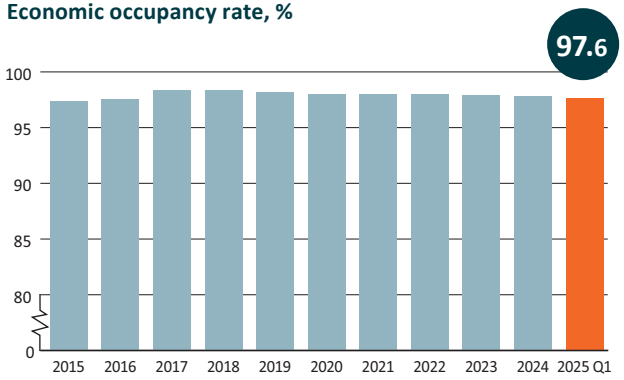
Lease agreements amounting to annual rent of SEK 223 million will be subject to renegotiation in 2025, corresponding to 4 per cent of Hemsö's contracted rental income.

Property costs

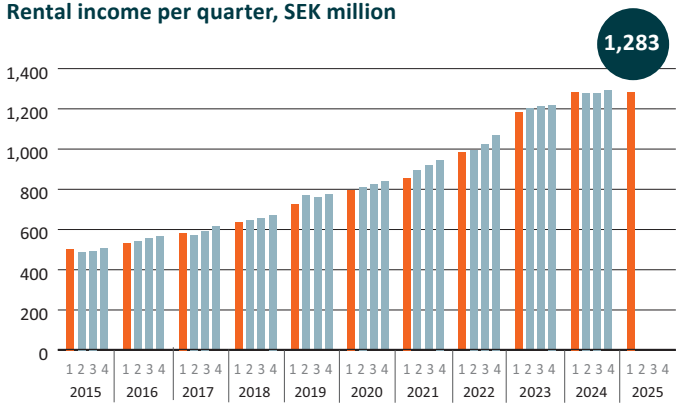
Property costs amounted to SEK 354 million (360), down SEK 6 million, primarily due to a decrease in operating costs.

In the comparable portfolio, property costs decreased SEK 2 million, corresponding to 0.1 per cent.

Economic occupancy rate, %



Rental income per quarter, SEK million



Vacancy changes

SEK million	Jan–Mar 2025
Opening vacancy	123
Terminated lease agreements	15
Adjusted for vacancy rents	-7
New lease agreements	-6
Acquired	0
Divested	0
Exchange rate changes	-1
Closing vacancy	**123**

Lease maturity

Year	Annual rent, SEK million	Share, %
2025	223	4
2026	348	7
2027	388	8
2028	430	9
2029	236	5
2030	368	7
2031	292	6
2032	200	4
2033	254	5
2034	247	5
>2034	2,036	41
Total	**5,022**	**100**

Net operating income

Net operating income increased to SEK 931 million (924). The increase was mainly attributable to indexation and lower operating costs. The NOI margin increased to 72.5 per cent (72.0). The property yield of the property portfolio, excluding development properties, was 4.8 per cent (4.7).

In the comparable portfolio, net operating income increased 1 per cent to SEK 888 million (883).

Administration

Administrative expenses decreased to SEK 47 million (49).

Net interest expense

Net interest expense for the period decreased to SEK -273 million (-295) due to lower market rates.

SEK 931 million

Net operating income

Both the average interest rate and interest-bearing liabilities declined during the period. The average interest rate at the closing date decreased to 2.1 per cent (2.3). The interest-bearing liabilities decreased to SEK 49,775 million (50,876).

Profit from property management

Profit from property management rose 6 per cent to SEK 628 million (590) due to lower interest expense, increased profit from property management from joint ventures and higher net operating income.

Net interest expense

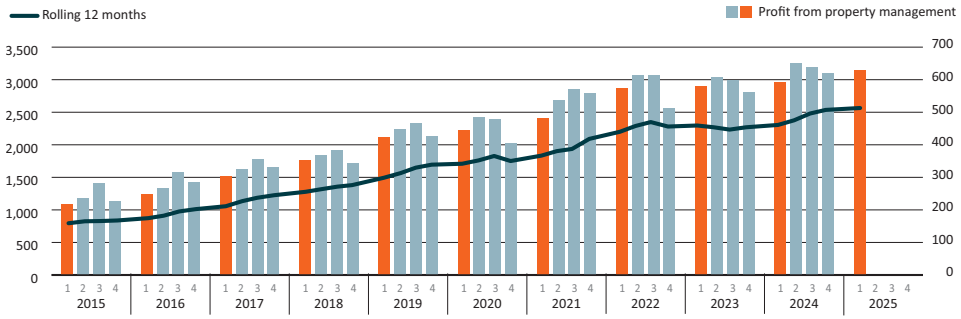
SEK million	Jan–Mar 2025	Jan–Mar 2024
Interest income	8	15
Interest expense	-254	-285
Other financial expenses	-17	-15
Ground leases and leasehold properties	-10	-10
Interest expense, other leases	0	–
Net interest expense	**-273**	**-295**

Comparable portfolio

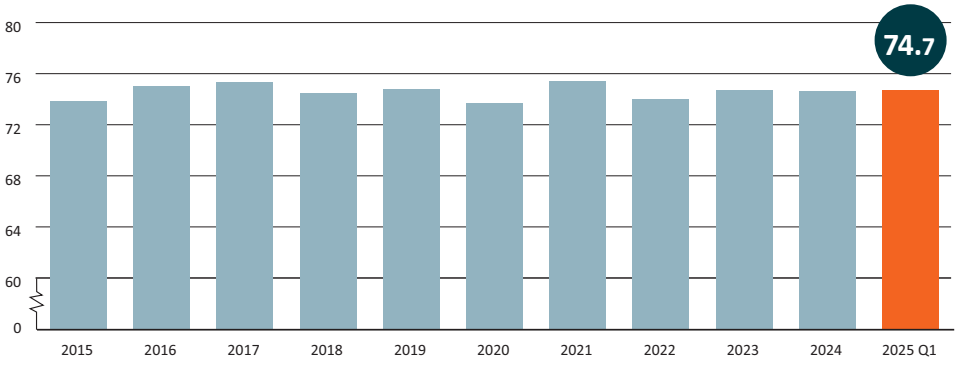
	31 Mar 2025	31 Mar 2024	Change
No. of properties	403	403	–
Market value of properties, SEK million	75,330	76,073	-1%
Property yield, %	4.8	4.6	0.1

SEK million	Jan–Mar 2025	Jan–Mar 2024	Change, %
Rental income	1,208	1,206	0.2
Other income	2	1	59.8
Operating costs	-228	-230	-1.0
Maintenance costs	-70	-70	-0.3
Other property costs	-24	-24	0.7
Net operating income	**888**	**883**	**0.6**

Profit from property management, SEK million



NOI margin, rolling 12-month period, %



Change in value of investment properties

Change in the value of investment properties was SEK -207 million (-190) for the period. Unrealised value changes amounted to SEK -201 million (-174), corresponding to a value change of -0.2 per cent (0.2). Realised changes in value amounted to SEK -6 million.

Value change attributable to property management and development projects was SEK -218 million (-19), or -0.3 per cent (0.0). Value change related to market factors amounted to SEK 17 million (-155).

In contrast to the preceding year, the property market as a whole showed strong transaction activity in early 2025. This also applies to the public properties segment where completed transactions were noted in several segments, even in those that have been somewhat inactive in recent years such as educational properties. In January, Infranode acquired a newly constructed elementary school in Gothenburg and in March, it was announced that Nordiqus had acquired five preschools and one elementary school from Aedifica. The purchase price for these two transactions was an estimated SEK 54,500 per sqm and SEK 42,000 per sqm, respectively, confirming demand for modern educational properties with long-term lease agreements.

An increasingly clear trend is that new demographic and political conditions are having a greater impact on the property market. In all of Hemsö's markets, a continued ageing population in the 80+ age group is anticipated, which will reinforce the need for nursing homes in the long term. Major investments in police, correctional services and defence mean a high demand for properties in Hemsö's Justice category.

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, 5.6 per cent (5.7) in Finland and 4.9 per cent (4.8) 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 4.4 per cent (-0.6).

Property valuation

At period-end, the fair value of properties was SEK 84,655 million (84,236). 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. Over the past year, Hemsö has used the valuation service providers Cushman & Wakefield, CBRE and JLL.

Change in value of property portfolio

	SEK million	No. of
Market value, opening balance	85,973	477
Acquisitions	17	1
Investments in new construction, extension and re-development	723	
Divestments	-175	-4
Exchange rate changes	-1,682	
Unrealised value changes	-201	
Market value, closing balance	**84,655**	**474**

Unrealised value changes, properties, Jan–Mar 2025

SEK million	Sweden	Germany	Finland	Total
Attributable to				
– Property management and project-related	-241	0	23	-218
– Market factors	17	0	0	17
Total unrealised value changes	**-224**	**0**	**23**	**-201**

Sensitivity analysis, property valuation

	Change	Valuation effect, SEK million
Net operating income	+/- 1%	+/- 847
Valuation yield	+/- 0.10 percentage points	-1,633/+1,699

Change in value of financial instruments

Changes in the value of financial instruments had an impact of SEK 86 million (21) on profit. Changes in the value of interest-rate derivatives had an impact of SEK 32 million (55) on profit. Derivatives attributable to currency risk management had an impact of SEK 53 million (-34) on profit.

Tax

Recognised tax for the period amounted to SEK -60 million (-53), of which current tax accounted for SEK -7 million (-109) and deferred tax for SEK -52 million (56). Deferred tax mainly consisted of changes in the temporary difference between the market and taxable value of investment properties. Deferred tax assets were netted against deferred tax liabilities on the balance sheet. At period-end, deferred tax liabilities amounted to SEK 6,497 million (6,271).

Earnings

Profit after tax for the period increased to SEK 447 million (367). The earnings improvement was mainly attributable to a positive change in the value of financial instruments and improved profit from property management.

Cash flow

Hemsö's operating cash flow increased 6 per cent to SEK 674 million (634). The increase was mainly attributable to higher profit from property management. Cash flow from operating activities before changes in working capital was SEK 673 million (633). The change in working capital was SEK 5 million (-218).

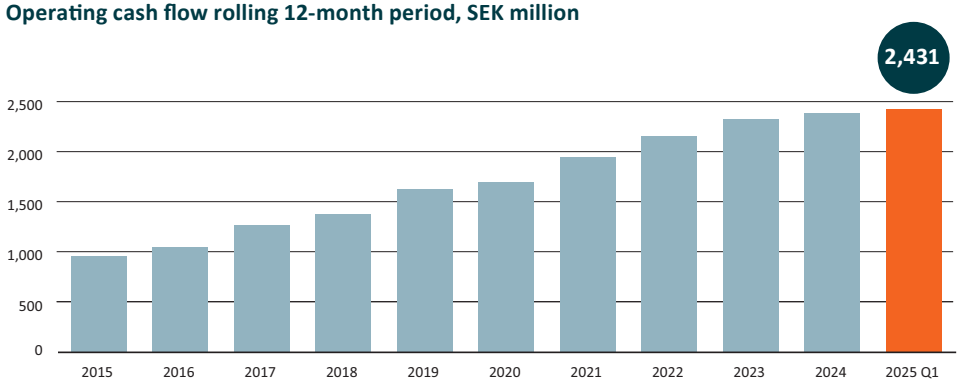
Investing activities had an impact of SEK -584 million (-726) on cash flow, while borrowings, loan repayments and dividends had an impact of SEK -363 million (-932) on cash flow from financing activities. The overall change in cash and cash equivalents during the period was SEK -275 million (-1,228).

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 45 million (31) and consisted of fees for services to the subsidiaries. Administrative expenses increased to SEK -73 million (-62), mainly due to an increase in the number of employees but also to higher costs for digitisation projects. Financial items amounted to SEK 765 million (-91).

Financial items include interest income of SEK 391 million (383), interest expense of SEK -301 million (-324), profit of SEK 0 million (190) from sales of participations in subsidiaries, profit of SEK -11 million (3) from participations in Group companies, and exchange rate effects of SEK 687 million (-342). Changes in the value of derivatives amounted to SEK 219 million (-192), and profit for the period totalled SEK 790 million (-210).

Operating cash flow rolling 12-month period, SEK million



Segment information

	Profit/loss items per segment				Asset items per segment	
	Rental income		Net operating income		Market value of properties	
Amounts in SEK million	Jan–Mar 2025	Jan–Mar 2024	Jan–Mar 2025	Jan–Mar 2024	31 Mar 2025	31 Mar 2024
Sweden East	305	309	227	228	22,832	22,192
Sweden Central	175	161	124	108	10,465	9,937
Sweden North	196	210	131	145	13,611	13,831
Sweden South	132	131	84	85	9,048	8,418
Germany	207	205	169	171	14,033	14,954
Finland	267	266	196	188	14,665	14,904
Total	**1,283**	**1,283**	**931**	**924**	**84,655**	**84,236**

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 84,655 million (84,236), 66 per cent (64) was attributable to Sweden, 17 per cent (18) to Finland and 17 per cent (18) to Germany. The largest share of the market value of the properties, 83 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 37 per cent of the market value of properties, Nursing homes for 37 per cent, Health care for 14 per cent and the Justice system for 12 per cent. At 31 March 2025, Hemsö's property portfolio comprised 474 properties (487) with a total lettable area of 2,427 tsqm (2,446).

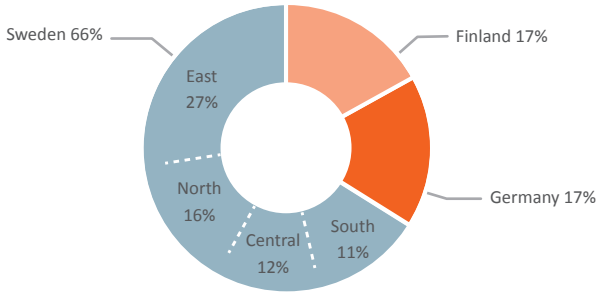
Investments

Investments pertain to new development and investments in existing properties. 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 723 million (828) was invested, of which SEK 542 million (630) pertained to new construction, extension and re-development and SEK 181 million (198) to improvements and tenant adaptations in connection with new lettings.

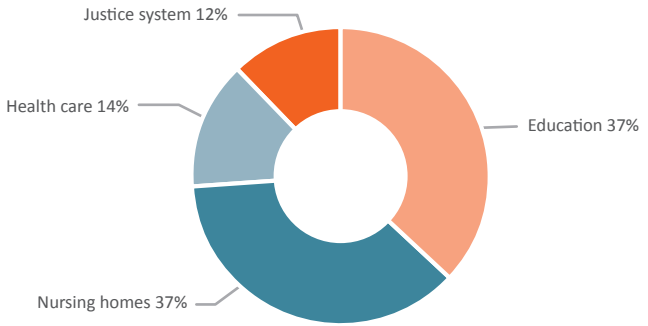
Transactions

During the period, 1 property (2) was acquired for SEK 17 million (206) and 4 properties (3) were divested for SEK 175 million (359). The divestments had a positive impact of SEK 8 million after tax. The properties were divested at an agreed property value of SEK 182 million, compared with their market value of SEK 171 million at 31 December 2024.

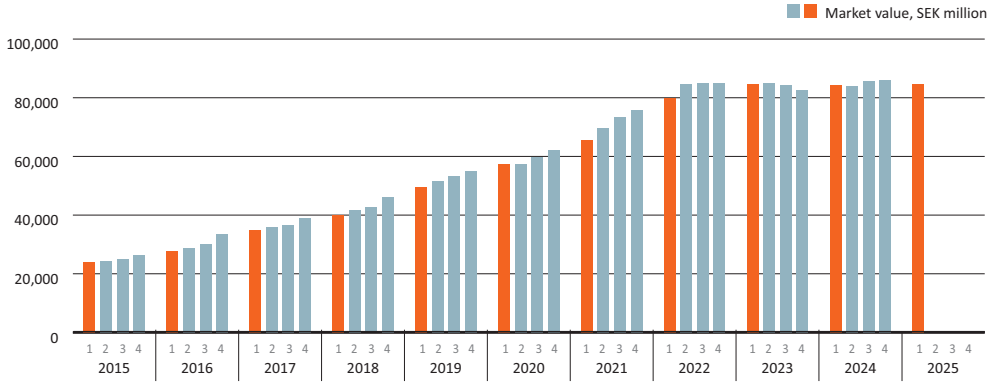
Market value of properties per segment



Market value of properties per property category



Market value of properties, SEK million



Hemsö's property categories

	Nursing homes	Education	Health care	Justice system	Total
No. of properties	230	155	60	29	474
Lettable area, tsqm	1,045	848	303	230	2,427
Lease duration, years	8.6	10.8	6.8	7.6	9.0
Market value of properties, SEK million	31,441	31,692	11,741	9,782	84,655
Rental income, SEK million	471	460	197	155	1,283
Net operating income, SEK million	338	342	137	114	931
Economic occupancy rate, %	98.1	97.7	96.1	97.6	97.6
Property yield, %	4.6	4.8	5.0	5.0	4.8

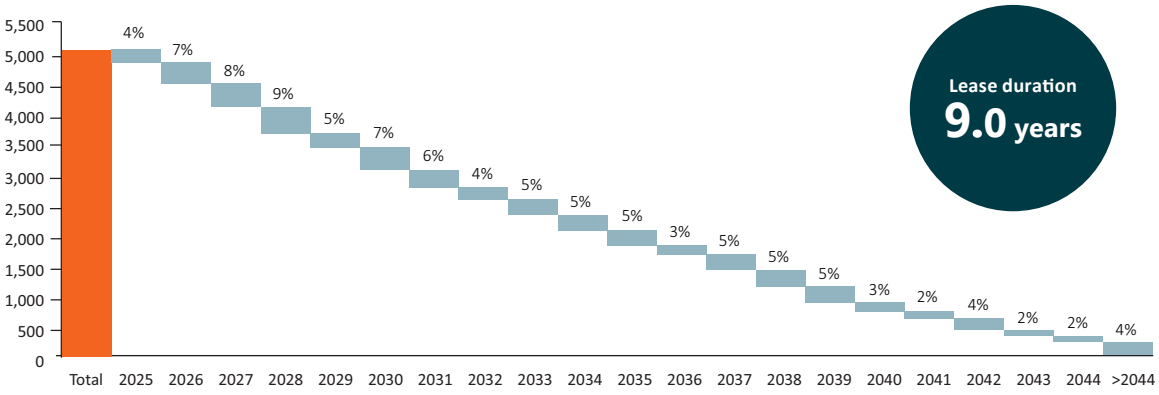
Tenants

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, 80 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 61 per cent. Contracted annual rent was 29 per cent with municipal operators, 18 per cent with state operators, 2 per cent with federal state operators and 12 per cent with regional operators. Private operators accounted for 34 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 21 per cent of rental income. Of Hemsö's 20 largest tenants, 13 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	36
Region Stockholm	Region	5	65
Academedia	Private	4	24
Attendo	Private	4	64
Wellbeing Services County of Southwest Finland (FIN)	Region	3	17
Ministry of Justice (FIN)	State	3	12
City of Västerås	Municipality	3	22
Mälardalen University	State	3	3
AWO (GER)	Non-profit	2	12
Mehiläinen (FIN)	Private	2	18
International English School	Private	2	8
City of Lahti (FIN)	Municipality	2	4
Alloheim (GER)	Private	2	10
Norrköping Municipality	Municipality	2	15
Uppsala Municipality	Municipality	2	18
Karolinska Institute	State	2	4
Västra Götaland Region	Region	1	63
North Rhine-Westphalia (GER)	Federal state	1	1
City of Gothenburg	Municipality	1	12
HEWAG (GER)	Private	1	9
Total		**49**	**417**

Rental value – public-sector tenants

	Annual rent, SEK million	% of Hemsö's rental value
Swedish municipalities	1,169	24
Swedish state	579	12
Swedish regions	372	7
Finnish state	249	5
Finnish regions	237	5
Finnish municipalities	231	5
German federal states	90	2
German state	57	1
German municipalities	54	1
Total	**3,037**	**61**

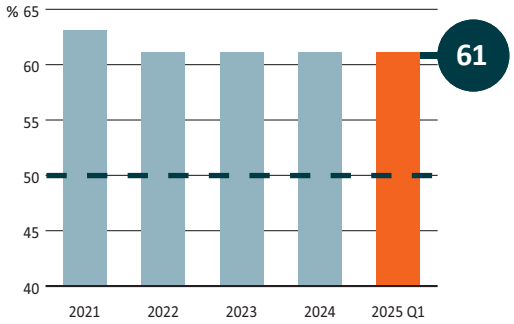
Public-sector tenant
Private-sector tenant

(FIN) = Finland
(GER) = Germany

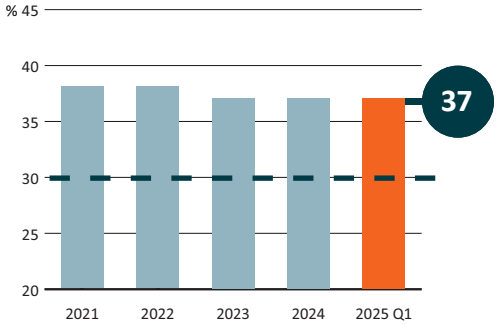
Property frameworks

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.

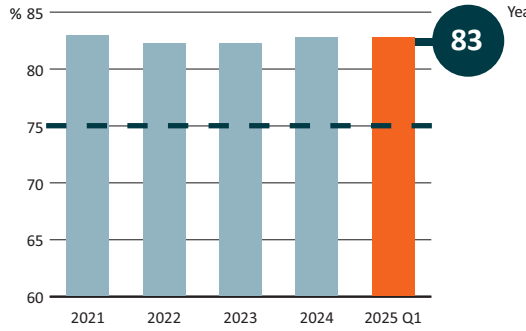
Public-sector tenants
– At least 50 per cent of rental income



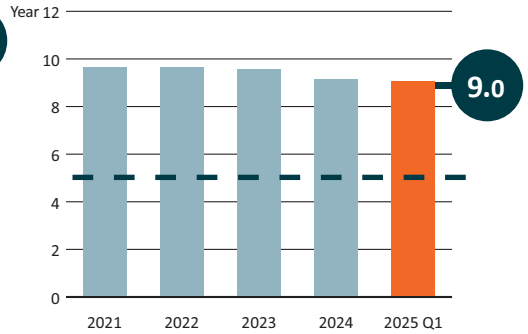
Nursing homes
– At least 30 per cent of rental income



Metropolitan areas and large cities
– At least 75 per cent of rental income



Lease duration
– At least 5 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/exits. 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 venture is calculated according to the same assumptions as for Hemsö, with consideration for the size of the share. For the calculation of earnings capacity, an exchange rate of 10.85 (11.53) has been used for EUR.

Earnings capacity

SEK million	1 Apr 2025	1 Apr 2024	Change, %
Rental income	5,032	5,045	0
Other income/expense	9	35	-74
Property costs	-1,253	-1,256	0
Net operating income/expense	**3,788**	**3,824**	**-1**
Central administrative expenses	-212	-197	8
Profit from property management, joint ventures	71	55	30
Net interest expense	-1,118	-1,204	-7
Profit from property management	**2,528**	**2,477**	**2**

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 5,178 million, of which the remaining investment amount is SEK 2,505 million. These are expected to generate annual rental income of SEK 297 million. The total volume of ongoing new construction and re-development projects amounted to SEK 6,206 million, of which the remaining investment amount was SEK 2,698 million.

During the quarter, three development projects were completed with a total investment of SEK 463 million. The projects generate annual rental income of SEK 28 million and have a 15-year lease duration.



Hemsö is developing a new elementary school for Lund International School in Lund

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	617	100	2026
Herkules hotel & town hall	Trelleborg	Other	21	10,300	487	143	100	2026
Rangsdorf School	Rangsdorf	Education	20	7,900	474	376	100	2026
Novum [1) 2)]	Huddinge	Health care	n/a	39,400	440	52	n/a	2025
Ektorp School	Nacka	Education	25	9,900	395	36	100	2025
District court	Vänersborg	Justice system	15	7,000	326	195	100	2027
Campus Tensta, phase 2 [1)]	Stockholm	Education	7	12,200	314	125	44	2024–2025
Ängegärde	Kungälv	Nursing home	15	8,400	291	79	100	2025
Stauderstrasse	Essen	Nursing home	20	5,900	225	145	100	2026
Lund International School	Lund	Education	20	5,100	212	210	100	2027
Stenkumla	Västerås	Nursing home	25	4,500	207	44	100	2025
Siltavuorenpenger [1)]	Helsinki	Education	15	7,100	184	119	98	2025
Vallila elementary school	Helsinki	Education	20	2,800	161	138	100	2026
Sarvträsk	Nacka	Nursing home	15	4,800	160	42	100	2025
Tallbacken, building 25	Turku	Health care	20	3,500	144	82	100	2025
Byrådirektören [1) 2)]	Malmö	Nursing home	n/a	6,200	136	74	86	2026
Vallgraven Arenaområdet	Ystad	Health care	10	3,000	124	28	50	2025
Total				**156,800**	**5,178**	**2,505**		

Public-sector tenant Private-sector 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	Tempelriddarorden	Stockholm	Nursing home	15	5,900	279	100
Q1	Körsbärsdalen preschool	Helsinki	Education	25	2,100	123	100
Q1	Sjöstöveln phase 1	Stockholm	Health care	7	3,000	62	100
Total				**15**	**11,000**	**463**	

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 owner, the Third Swedish National Pension Fund. Hemsö's Board has formed a Sustainability Committee to develop the company's sustainability initiatives, and to ensure the quality of the company's sustainability reporting.

Climate and environment

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

We work continuously with energy efficiencies in the existing portfolio. We completed two energy projects in Finland, which are expected to result in an annual decrease of 800 MWh and 90 tonnes of CO_2eq. Three heat pumps and heat recovery were installed In Liinahaka in Turku, and in Helsingiuksentie in Lohja, the last remaining gas boiler in the Finnish portfolio was replaced by heat pumps.

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

Energy use analysis

In the first quarter of 2025, energy use in the comparable portfolio decreased 9 per cent compared with 2024. This shows the continued positive effects of our efforts to optimise operations, improve energy efficiency, and to separate property energy.

Analysis of carbon footprint of construction

In the first quarter of 2025, the average carbon footprint of completed development projects was 129 kg CO_2eq/sqm GIA, compared with 203 kg CO_2eq/sqm GIA in 2024. The lower outcome is due to one of the completed projects being a re-development project, which has a significantly lower carbon footprint than new developments, and that one of the finished buildings is Noll-CO_2-certified and meets strict requirements for low GHG emissions.

Hemsö's role in society

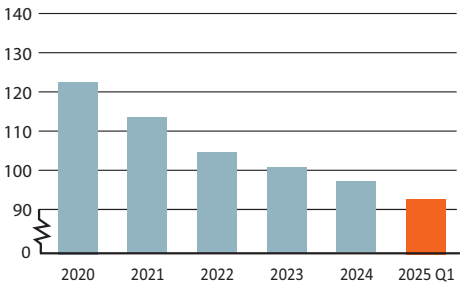
We contribute to the maintenance and development of social infrastructure. During the period, we completed a total of 62 new nursing home beds and 350 new school places.

At Campus Tensta, a lease agreement was signed with Läsfrämjarinstitutet, which provides reading, literature and cultural activities for children. It is fantastic that such an important and award-winning organisation like Läsfrämjarinstitutet is establishing itself long-term at Campus Tensta. Their activities will make a real difference for both children and adults in Tensta and Järva.

New environmentally certified nursing home

The nursing home in the Tempelriddarorden 5 property in Bredäng was completed in the first quarter. The building has been certified according to the Miljöbyggnad Gold and NollCO_2 standards – certifications that require the reduction of GHG emissions through limit values and that the building's remaining carbon footprint is offset by measures that contribute to achieving net zero emissions. Some of the measures that led to a lower carbon footprint are a timber frame, low-carbon concrete, low energy use, a high proportion of renewable energy and HVO biofuel-powered and electric machines on the construction site.

Energy use in Sweden, kWh/sqm Atemp [1)]



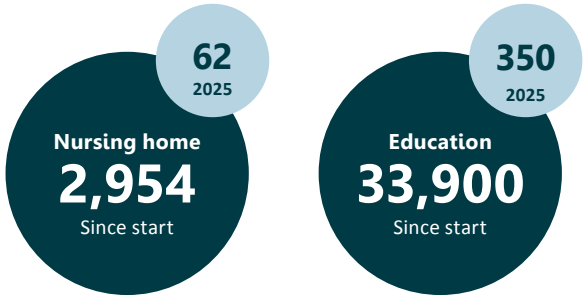
[1)] Energy use (heating + electricity), normal-year corrected values.

KPIs Sustainability

SEK million	Jan–Mar 2025	Jan–Dec 2024
Environmental certification, new developments, % [1)]	100	100
Carbon footprint, construction, kg CO_2eq/sqm GIA [2)]	129	203
Floor area under 100 kWh/sqm, % [3)]	68	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 created [1)]



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

Joint ventures

At 31 March 2025, Hemsö owned shares in Turku Technology Properties Oy (TTP), Lanthem Samhällsfastigheter AB (Lanthem) and HemTag Fastigheter AB (HemTag). These companies are reported in Hemsö's consolidated financial statements using the equity method. The participation in TTP is recognised at SEK 1,482 million (1,470), the participation in Lanthem at SEK 373 million (214) and the participation in HemTag at SEK 56 million (25). Total investments in joint ventures amounted to SEK 1,915 million (1,709), which also included loans of SEK 4 million to Lanthem.

Profit from joint ventures, Jan–Mar 2025

SEK million	TTP	Lanthem	HemTag	Total
Profit/loss from property management	14	5	-1	18
Value changes, investment properties	–	4	–	4
Value changes, financial instruments	1	1	–	2
Tax	-3	-3	–	-6
Profit/loss recognised	**12**	**6**	**-1**	**18**







Turku Technology Properties (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 2026.

	TTP		Lanthem		HemTag	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
Carrying amount of participations, SEK million	1,482	1,470	373	214	56	25
Participation, %	52	52	50	50	50	50
Rental value, SEK million	459	482	107	51	27	n/a
No. of properties	26	26	15	6	1	–
Economic occupancy rate, %	93	93	100	99	100	n/a
Market value of properties, SEK million	5,935	5,693	1,570	858	111	n/a
Lease duration, years	7	7	8	10	27	n/a
Share of public-sector tenants, %	62	62	66	38	90	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 period-end, the loan-to-value ratio was 56.8 per cent (58.8) and the interest-coverage ratio was 3.2 times (3.0).

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.

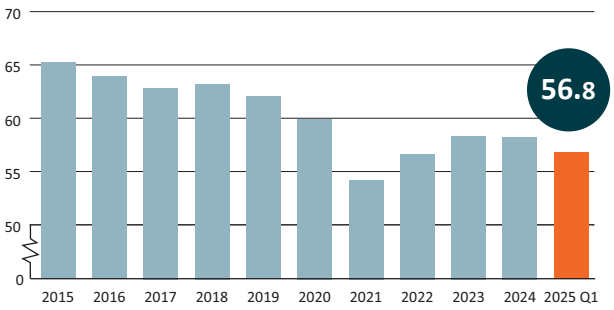
At period-end, Hemsö's undrawn committed credit facilities amounted to SEK 14,585 million (13,628). Cash and cash equivalents amounted to SEK 591 million (365). Available liquidity therefore totalled SEK 15,176 million (13,993). The debt-coverage ratio was 175 per cent (183).

Interest-bearing liabilities

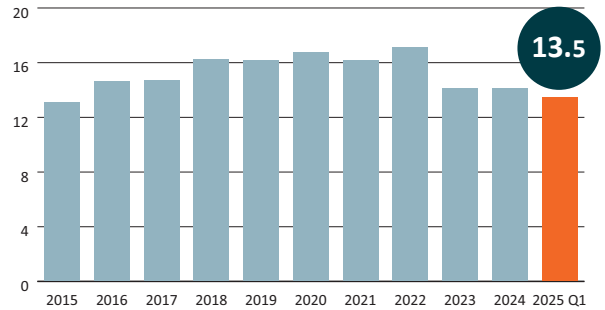
At period-end, Hemsö's interest-bearing liabilities amounted to SEK 49,775 million (50,876). The decrease was mainly due to a strong SEK exchange rate, which meant that the translation of Hemsö's debt in foreign currency reduced the Group's recognised interest-bearing debt.

In the first quarter, Hemsö issued an SEK 500 million fixed-rate bond in the Swedish market. This was the 100th bond issued by Hemsö under its EMTN programme. Hemsö regularly repurchases outstanding bonds in order to refinance maturities early. During the period, Hemsö repurchased bonds with a nominal value of SEK 1,024 million.

Loan-to-value ratio, %



Net debt/EBITDA, times



Sources of funding, SEK million

	31 Mar 2025	31 Mar 2024
Bonds, SEK	13,562	14,789
Bonds, EUR	18,102	20,108
Bonds, AUD, JPY, NOK, USD	5,474	4,783
Total bonds	**37,138**	**39,681**
Commercial papers, SEK	5,034	4,161
Council of Europe Development Bank, EUR	250	128
European Investment Bank, SEK, EUR	4,040	4,242
Nordic Investment Bank, SEK	1,500	800
Schuldschein, EUR	814	864
Secured bank loans, SEK	1,000	1,000
Total interest-bearing liabilities	**49,775**	**50,876**

Capital structure, SEK million

	31 Mar 2025	31 Mar 2024
Non-current interest-bearing liabilities	41,097	43,246
Current interest-bearing liabilities	8,678	7,630
Cash and cash equivalents	-591	-365
Net debt	**49,184**	**50,512**
Investment properties	84,655	84,236
Investments in joint ventures	1,915	1,709
Total	**86,570**	**85,945**
Loan-to-value ratio	**56.8%**	**58.8%**
Share of secured debt	**1.2%**	**1.2%**

Hemsö uses derivatives to hedge the company's currency and interest-rate risk. At the end of the quarter, the nominal value of the interest-rate derivatives was SEK 6,975 million (3,675). The value of derivatives used to manage currency risk corresponded to SEK 7,875 million (7,112).

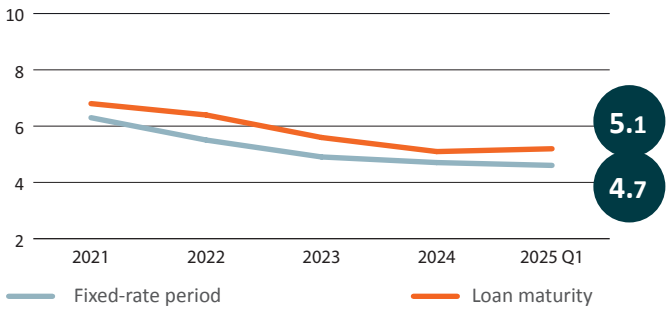
Currency exposure amounted to 6.5 per cent (0.7) of assets in EUR, corresponding to 6.5 per cent (0.8) of equity.

At period-end, the average loan maturity was 5.1 years (5.4) and the average fixed-rate period was 4.7 years (5.1). The average interest rate was 2.1 per cent (2.3).

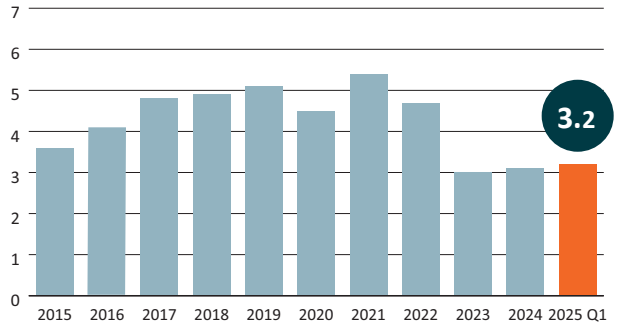


Inauguration of Attendo's premises in the new nursing home in Bredäng, Stockholm

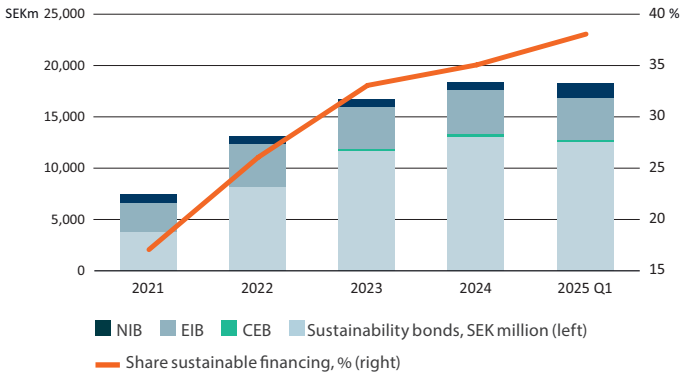
Loan maturity and fixed-rate period, years



Interest-coverage ratio, times



Sustainable financing



Committed credit facilities and underwriting commitments, SEK million

	31 Mar 2025	31 Mar 2024
Banks	8,585	7,500
Third Swedish National Pension Fund	6,000	6,000
Council of Europe Development Bank	–	128
Total committed credit facilities	**14,585**	**13,628**
Cash and cash equivalents	591	365
Available liquidity	**15,176**	**13,993**
Short-term borrowings	8,678	7,630
Debt-coverage ratio	175%	183%

Currency exposure, SEK million

	31 Mar 2025	31 Mar 2024
Properties, EUR	28,699	29,858
Joint ventures, EUR	1,482	1,470
Cash, EUR	177	344
Assets, EUR	**30,357**	**31,672**
Debt, EUR	22,276	24,543
Currency swaps, EUR	6,495	6,900
Exposure, EUR	**1,585**	**230**
Debt AUD, JPY, NOK, SEK and USD	7,875	7,112
Currency swaps AUD, JPY, NOK, SEK, USD	-7,875	-7,112
Exposure AUD, JPY, NOK, SEK, USD	**0**	**0**
Currency hedging	390	–
Currency exposure	**1,976**	**230**
Equity	30,201	28,589
Currency exposure, equity, %	**6.5%**	**0.8%**
Currency exposure, assets, EUR, %	**6.5%**	**0.7%**

Summary of Financial Policy

Financing risk	Risk mitigation according to Policy	Outcome
Loan-to-value ratio	Max. 60%	56.8%
Net debt/EBITDA	Max. 15 times	13.5 times
Loan maturity	At least 3 years	5.1 years
Loan maturity structure	Max. 25% within 12 months, thereafter max. 20% per year	Fulfilled
Debt-coverage ratio	At least 125%	175%
Share of secured debt	Max. 20%	1.2%
Interest-rate risk		
Interest-coverage ratio	At least 2.5 times (rolling 12-month period)	3.2 times
Fixed-rate period	Average fixed-rate period, 3–8 years	4.7 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%	6.5%
Currency exposure relative to assets in EUR	5–30%	6.5%

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 2024

Loan maturity and fixed-rate period

	Loan maturity			Fixed-rate period	
Year	Loans and committed credit facilities, SEK million	Loans, SEK million	Share, %	SEK million	Share, %
2025	2,255	2,255	5	8,927	18
2026	11,901	6,901	14	6,312	13
2027	12,836	4,751	10	7,124	14
2028	7,225	7,225	15	4,436	9
2029	6,328	6,328	13	5,813	12
2030	5,657	4,157	8	4,311	9
2031	1,895	1,895	4	1,324	3
2032	1,261	1,261	3	3,452	7
2033	1,992	1,992	4	800	2
>2033	7,977	7,977	16	7,277	15
Total	**59,326**	**44,741**	**90**	**49,775**	**100**
Commercial papers		5,034	10		
Total	**59,326**	**49,775**	**100**		

Credit rating

Hemsö has a credit rating of AA- from Fitch Ratings, A3 from Moody's and A- from Standard & Poor's. All with a stable outlook.



An art project with students from KV Art school has given new life to a stairwell in our Capella property in Gothenburg

Quarterly overview

Amounts in SEK million	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Income statement									
Rental income	1,283	1,290	1,278	1,278	1,283	1,220	1,211	1,203	1,183
Other income	2	3	3	1	1	9	19	6	7
Property costs	-354	-320	-311	-315	-360	-334	-280	-287	-328
Net operating income	**931**	**973**	**971**	**965**	**924**	**896**	**951**	**923**	**862**
Central administrative expenses	-47	-69	-50	-48	-49	-43	-55	-50	-48
Profit/loss from participations in joint ventures	18	133	13	4	8	-70	14	22	20
Operating profit	**901**	**1,036**	**933**	**922**	**883**	**782**	**910**	**895**	**834**
Net interest expense	-273	-297	-300	-286	-295	-300	-313	-291	-250
Profit after net interest income	**628**	**739**	**634**	**636**	**588**	**482**	**597**	**604**	**584**
- of which Profit from property management	***628***	***620***	***638***	***650***	***590***	***560***	***598***	***607***	***580***
Value change, properties	-207	-187	423	-144	-190	-1,661	-672	-1,699	-1,255
Value change, financial instruments	86	-4	-134	-117	21	-86	-63	-178	103
Profit/loss before tax	**507**	**548**	**923**	**374**	**420**	**-1,265**	**-138**	**-1,273**	**-568**
Current tax	-7	12	-62	18	-109	152	-33	-102	-40
Deferred tax	-52	-82	-122	-89	56	39	41	322	145
Profit/loss for the period	**447**	**477**	**739**	**303**	**367**	**-1,074**	**-130**	**-1,054**	**-463**
Other comprehensive income	-182	46	9	-55	65	-64	-40	93	16
Comprehensive income for the period	**265**	**524**	**747**	**248**	**432**	**-1,138**	**-171**	**-961**	**-448**

Quarterly overview, cont.

Amounts in SEK million	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Balance sheet									
Investment properties	84,655	85,973	85,598	84,126	84,236	82,624	84,369	85,071	84,784
Right-of-use assets	1,035	1,084	1,005	1,003	1,027	988	984	1,018	943
Participations in joint ventures	1,910	1,977	1,670	1,648	1,709	1,636	1,726	1,737	1,699
Derivatives	–	–	–	–	–	–	–	–	87
Other assets	1,156	1,352	2,870	2,833	2,452	2,391	2,142	1,834	1,368
Cash and cash equivalents and short-term investments	591	866	1,856	1,022	365	1,593	1,041	1,334	1,009
Total assets	**89,348**	**91,253**	**92,999**	**90,632**	**89,789**	**89,231**	**90,260**	**90,993**	**89,889**
Equity	30,201	29,436	29,194	28,447	28,589	28,156	28,294	27,465	29,581
Deferred tax liabilities	6,201	6,197	6,095	5,986	5,908	5,954	6,033	6,059	6,378
Derivatives	382	604	606	376	357	187	170	313	–
Interest-bearing liabilities	49,775	52,185	52,497	51,379	50,876	50,823	52,029	53,645	50,535
Lease liabilities	1,035	1,084	1,005	1,003	1,027	988	984	1,018	943
Non-interest-bearing liabilities	1,753	1,746	3,601	3,441	3,032	3,123	2,751	2,494	2,453
Total equity and liabilities	**89,348**	**91,253**	**92,999**	**90,632**	**89,789**	**89,231**	**90,260**	**90,993**	**89,889**

Key ratios	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Financial ratios									
Loan-to-value ratio, %	56.8	58.3	58.0	58.7	58.8	58.4	59.2	60.3	57.3
Interest-coverage ratio, times [1]	3.2	3.1	3.0	3.0	3.0	3.0	3.1	3.5	4.0
Operating cash flow, SEK million	674	561	580	617	634	616	546	615	551
Property-related ratios									
Property yield, % [1]	4.8	4.8	4.7	4.7	4.7	4.7	4.5	4.4	4.2
Total yield, % [1]	4.4	4.4	2.5	1.2	-0.6	-1.9	-2.6	-4.0	0.9
Economic occupancy rate, %	97.6	97.7	97.6	97.5	97.8	97.8	97.7	97.6	97.9
NOI margin, %	72.5	75.2	75.8	75.4	72.0	72.8	77.3	76.3	72.4
No. of properties	474	477	485	487	487	488	485	484	484
Lettable area, tsqm	2,427	2,425	2,470	2,457	2,446	2,458	2,452	2,438	2,415

[1] Based on rolling 12-month outcome.

Group – Condensed statement of comprehensive income

Amounts in SEK million	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Rental income	1,283	1,283	5,129	5,130
Other income	2	1	9	8
Operating costs	-254	-258	-851	-855
Maintenance costs	-73	-74	-337	-339
Other property costs	-27	-28	-111	-112
Net operating income	**931**	**924**	**3,839**	**3,833**
Central administrative expenses	-47	-49	-215	-216
Profit from participations in joint ventures	18	8	167	157
- of which profit from property management	*18*	*10*	*67*	*59*
- of which changes in value	*6*	*–*	*159*	*154*
- of which tax	*-6*	*-2*	*-59*	*-55*
Operating profit	**901**	**883**	**3,792**	**3,775**
Net interest expense	-273	-295	-1,155	-1,177
Profit after net interest income	**628**	**588**	**2,637**	**2,597**
- of which Profit from property management [1]	***628***	***590***	***2,536***	***2,498***
Value change, investment properties	-207	-190	-116	-99
Value change, financial instruments	86	21	-169	-234
Profit before tax	**507**	**420**	**2,352**	**2,265**
Current tax	-7	-109	-40	-142
Deferred tax	-52	56	-346	-237
Profit for the period	**447**	**367**	**1,966**	**1,886**

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

Amounts in SEK million	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Profit/loss for the period attributable to				
Parent Company shareholders	436	369	1,915	1,848
Non-controlling interests	11	-2	51	38
Other comprehensive income				
Profit for the period	447	367	1,966	1,886
Translation difference	-182	65	-181	67
Comprehensive income for the period	**265**	**432**	**1,785**	**1,953**
Comprehensive income for the period attributable to				
Parent Company shareholders	257	431	1,738	1,912
Non-controlling interests	8	1	47	40

Group – Condensed statement of financial position

Amounts in SEK million	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS			
Investment properties	84,655	84,236	85,973
Right-of-use assets	1,035	1,027	1,084
Participations in joint ventures	1,910	1,709	1,977
Other non-current assets	147	147	151
Total non-current assets	**87,748**	**87,120**	**89,185**
Current receivables	1,009	2,305	1,201
Cash and cash equivalents	591	365	866
Total current assets	**1,600**	**2,669**	**2,067**
TOTAL ASSETS	**89,348**	**89,789**	**91,253**
EQUITY AND LIABILITIES			
Equity	**30,201**	**28,589**	**29,436**
Deferred tax liabilities	6,201	5,908	6,197
Non-current interest-bearing liabilities	41,097	43,246	43,019
Lease liabilities	1,035	1,027	1,084
Derivatives	382	357	604
Total non-current liabilities	**48,716**	**50,538**	**50,904**
Current interest-bearing liabilities	8,678	7,630	9,166
Other current liabilities	1,753	3,032	1,746
Total current liabilities	**10,431**	**10,662**	**10,913**
TOTAL EQUITY AND LIABILITIES	**89,348**	**89,789**	**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
Reversal of non-controlling interests	–	–	–	39	-39	0
Comprehensive income (1 Jan 2024–31 Mar 2024)	–	–	63	369	1	432
Closing equity, 31 Mar 2024	**1**	**8,180**	**455**	**18,668**	**1,285**	**28,589**
Opening equity, 1 Apr 2024	1	8,180	455	18,668	1,285	28,589
Dividends	–	-200	–	-973	–	-1,173
Shareholder contributions	–	500	–	–	–	500
Comprehensive income (1 Apr 2024–31 Dec 2024)	–	–	1	1,479	39	1,520
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
Shareholder contributions	–	500	–	–	–	500
Comprehensive income (1 Jan 2025–31 Mar 2025)	–	–	-178	436	8	265
Closing equity, 31 Mar 2025	**1**	**8,980**	**278**	**19,610**	**1,332**	**30,201**

Group – Condensed statement of cash flows

Amounts in SEK million	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Operating activities				
Profit from property management	628	590	2,536	2,498
Adjustment for non-cash items				
- Loss from property management, joint ventures	-18	-10	-66	-59
- Depreciation	7	5	18	16
- Exchange differences, unrealised	-1	-1	1	1
Dividends from joint ventures	–	–	28	28
Tax paid	56	48	-84	-93
Cash flow before changes in working capital	**673**	**633**	**2,432**	**2,392**
Increase (+)/decrease (-) in working capital	5	-218	-92	-316
Cash flow from operating activities	**678**	**415**	**2,340**	**2,077**
Investing activities				
Acquisition of properties	-17	-206	-86	-276
Investments in new construction, extension and re-development	-723	-828	-3,378	-3,482
Divestment of properties	164	336	1,138	1,310
Investments in financial assets	-7	-27	-155	-175
Other non-current assets	-1	-1	-6	-7
Cash flow from investing activities	**-584**	**-726**	**-2,488**	**-2,631**

Amounts in SEK million	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Financing activities				
Interest-bearing loans raised	1,440	1,652	8 543	8,756
Repayment of interest-bearing liabilities	-2,301	-2,588	-7,985	-8,272
Financial instruments realised	-1	3	1	5
Shareholder contributions received	500	–	1,000	500
Dividends paid	–	–	-1,173	-1,173
Cash flow from financing activities	**-363**	**-932**	**386**	**-184**
Cash flow for the period	**-268**	**-1,244**	**237**	**-738**
Opening cash and cash equivalents	866	1,593	365	1,593
Exchange rate differences in cash and cash equivalents	-6	15	-10	12
Cash and cash equivalents at period-end	**591**	**365**	**591**	**866**
Operating cash flow	**674**	**634**	**2,431**	**2,391**

Parent Company – Condensed income statement

Amounts in SEK million	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Net sales	45	31	147	133
Central administrative expenses	-73	-62	-276	-265
Operating profit/loss	**-28**	**-31**	**-129**	**-132**
Financial items	765	-91	1,423	567
Change in value of derivatives	219	-192	-71	-482
Appropriations	–	–	353	353
Profit/loss before tax	**957**	**-314**	**1,576**	**306**
Recognised tax	-166	104	-160	110
Profit/loss for the period	**790**	**-210**	**1,417**	**416**

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

Parent Company – Condensed balance sheet

Amounts in SEK million	31 Mar 2025	31 Mar 2024	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets	17	13	18
Equipment	4	2	4
Shares and participations in Group companies	19,502	18,621	19,498
Deferred tax assets	103	163	171
Non-current receivables	31,012	33,887	31,613
Total non-current assets	**50,637**	**52,685**	**51,303**
Current assets			
Current receivables	6,821	5,950	7,346
Cash and cash equivalents	0	0	5
Total current assets	**6,821**	**5,950**	**7,351**
TOTAL ASSETS	**57,458**	**58,635**	**58,655**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	1	1	1
Non-restricted equity	6,425	5,181	5,134
Total equity	**6,426**	**5,182**	**5,135**
Liabilities			
Deferred tax liabilities	30	28	30
Interest-bearing liabilities	49,786	50,837	52,198
Non-interest-bearing liabilities	1,217	2,588	1,292
Total liabilities	**51,033**	**53,453**	**53,519**
TOTAL EQUITY AND LIABILITIES	**57,458**	**58,635**	**58,655**

Other information

Significant events after period-end

Hemsö signed a 10-year lease agreement with Aleris and a 15-year agreement with Medley for the development of a new health care facility in central Malmö. The lettable area is 11,000 sqm.

Hemsö and Mälardalen University are expanding their collaboration on the Västerås campus with Södra huset, a 6,000 square metre building. A 10-year lease agreement has been signed for 18,000 square metres, of which 6,000 square metres is a new letting.

Employees

At period-end, Hemsö had 177 employees, of whom 83 were women and 94 men. Of these employees, 55 worked with asset and property management and 28 with development projects. Other employees work with administration, accounting, financing, IT, legal affairs, communication, management, HR and transactions. Of all employees, 146 are employed in Sweden, 16 in Finland and 15 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 March 2025, 82 per cent of the loan portfolio was hedged against rising rates and 18 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 26 public properties in Turku. 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 2026.

Accounting policies applied

This interim 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 interim 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, 25 April 2025

Nils Styf, CEO

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.

Definitions, cont.

Contracted annual rent
Contracted annual rental income less rent reductions and rental losses.

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–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2024	Jan–Dec 2024
Profit after net interest income	628	588	2,637	2,597
Reversal				
Changes in value, joint ventures	*-6*	*–*	*-159*	*-154*
Tax, joint ventures	*6*	*2*	*59*	*55*
Profit from property management	**628**	**590**	**2,536**	**2,498**

Interest-coverage ratio	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Net operating income	931	924	3,839	3,833
Central administrative expenses	-47	-49	-215	-216
Dividends from joint ventures	–	–	28	28
Total	**884**	**875**	**3,652**	**3,645**
Net interest expense	-273	-295	-1,155	-1,177
Interest-coverage ratio	**3.2 times**	**3.0 times**	**3.2 times**	**3.1 times**

Operating cash flow	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Profit from property management	628	590	2,536	2,498
Dividends from joint ventures	–	–	28	28
Tax paid	56	48	-84	-93
Reversal				
Loss from property management joint ventures	*-18*	*-10*	*-66*	*-59*
Depreciation	*7*	*5*	*18*	*16*
Operating cash flow	**674**	**634**	**2,431**	**2,391**

NOI margin	Jan–Mar 2025	Jan–Mar 2024	Apr 2024–Mar 2025	Jan–Dec 2024
Rental income	1,283	1,283	5,129	5,130
Other property income	2	1	9	8
Total property income	**1,284**	**1,284**	**5,138**	**5,138**
Net operating income	931	924	3,839	3,833
NOI margin	**72.5%**	**72.0%**	**74.7%**	**74.6%**

Key ratio calculations, cont.

Share of secured debt	31 Mar 2025	31 Mar 2024
Secured debt outstanding	1,000	1,000
Investment properties	84,655	84,236
Share of secured debt	**1.2%**	**1.2%**

Loan-to-value ratio	31 Mar 2025	31 Mar 2024
Non-current interest-bearing liabilities	41,097	43,246
Current interest-bearing liabilities	8,678	7,630
Cash and cash equivalents	-591	-365
Net debt	**49,184**	**50,512**
Investment properties	84,655	84,236
Investments in joint ventures	1,915	1,709
Total	**86,570**	**85,945**
Loan-to-value ratio	**56.8%**	**58.8%**

Property yield	31 Mar 2025	31 Mar 2024
Net operating income in profit or loss	3,839	3,693
Adjusted for 12-month holding period and exchange rate	-120	7
Adjustment development properties	-135	-120
Adjusted net operating income	**3,584**	**3,580**
Investment properties	84,655	84,236
Adjustment development properties	-9,552	-8,332
Adjusted market value of properties	**75,103**	**75,904**
Property yield	**4.8%**	**4.7%**

Equity/assets ratio	31 Mar 2025	31 Mar 2024
Equity	30,201	28,589
Total assets	89,348	89,789
Equity/assets ratio	**33.8%**	**31.8%**

Net debt/EBITDA	31 Mar 2025	31 Mar 2024
Net debt	49,184	50,512
Net operating income	3,839	3,693
Central administrative expenses	-215	-197
Dividends from joint ventures	28	45
Adjusted operating profit	**3,652**	**3,541**
Net debt/EBITDA	**13.5 times**	**14.3 times**

Debt-coverage ratio	31 Mar 2025	31 Mar 2024
Cash and cash equivalents	591	365
Undrawn committed credit facilities	14,585	13,628
Available liquidity	**15,176**	**13,993**
Short-term borrowings	8,678	7,630
Debt-coverage ratio	**175%**	**183%**

Total yield	Apr 2024–Mar 2025	Apr 2023–Mar 2024
Net operating income	3,839	3,693
Value change, investment properties	-116	-4,221
Total	**3,724**	**-528**
Opening value investment properties	84,236	84,784
Closing value investment properties	84,655	84,236
Adjustment of value change for the period	116	4,221
Adjusted average property value	**84,504**	**86,621**
Total yield	**4.4%**	**-0.6%**

Accessible
Reliable
Progressive

Questions and more information

For more information, please contact:

CEO, Nils Styf, phone: +46 (0)8-501 170 01, e-mail: nils.styf@hemso.se

CFO and Deputy CEO, Rutger Källén, phone: +46 (0)8-501 170 35, e-mail: rutger.kallen@hemso.se

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

Financial calendar

Annual General Meeting	25 April 2025
Half-year report Jan–Jun 2025	11 July 2025
Interim report Jan–Sep 2025	23 Oct 2025

Hemsö Fastighets AB (Corp. Reg. No. 556779-8169) Tel: +46 (0)8-501 170 00 E-mail: kontaktaoss@hemso.se Website: hemso.se
Street address: Linnégatan 2, Box 24 281, SE-104 51 Stockholm, Sweden