

12 February 2021

Heimstaden Bostad: Year-End Report January-December 2020

Highlights

- Rental income increased by 62.5 percent compared to 2019, with net operating income margin of 57.9 percent, in line with the previous year.
- Like-for-like rental income growth was 3.6 percent.
- Real economic letting ratio of 97.5 percent (98.8). Continued resilient market and strong operational performance with more than 99 percent rent collection.
- Completed acquisitions of SEK 25,445 million. Change in fair value of investment- and development properties was SEK 8,122 million (+5.9 percent).
- Property portfolio market value was SEK 143.8 billion and included 103,345 homes.
- Strong financial position with net loan-to-value of 40.2 percent (44.8) and interest coverage ratio of 2.9x (2.5).
- S&P credit rating upgraded to 'BBB' with stable outlook.
- Announced acquisition of 6,237 residential units in Denmark for SEK 16.6 billion. Transaction closed in January 2021.
- Announced first investment in Poland, consisting of two build-to-rent, turnkey projects in Warsaw.

Commenting on the results, CEO Patrik Hall said:

"2020 was a uniquely challenging year, therefore we are pleased to have continued our positive development, despite the difficult circumstances. Overall, the year was characterised by solid operational results, a strengthened and increasingly diversified property portfolio and improved financial metrics.

Towards the end of the year, we reached several important milestones such as an upgrade to 'BBB' by S&P and our first CDP score. In addition, we announced some significant transactions, including a major acquisition in Denmark and our first investment in Poland.

In 2021, we will continue to successfully execute on our ambitious strategy; working diligently to identify new attractive acquisitions, further improve our operational performance and, most importantly, become even better at meeting our customers' needs and deliver on our vision to enrich and simplify lives through friendly homes."

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Heimstaden Bostad is a leading residential real estate company in Europe, with a focus on acquiring, developing and managing housing and premises. Through our values Care, Dare and Share, we create value for our owners and friendly homes for our customers. Heimstaden Bostad has about 103,300 apartments and a property value of approximately SEK 144 billion. The head office is located in Malmö, Sweden. For more information, visit www.heimstadenbostad.com.

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