

Press Release

24 February 2023

Heimstaden Bostad: Annual and Sustainability Report 2022

2022 Highlights:

- Strong operational result with rental income of SEK 12.7 billion (8.6) and like-for-like growth of 5.4% (2.5%).
- SEK 5.1 billion negative fair value adjustment while a weaker SEK gave a net positive FX effect of SEK 7.1 billion.
- Comprehensive income SEK 8.4 billion.
- Investment properties SEK 345 billion (158,326 homes).
- Real economic occupancy 98.4% (97.9%).
- Net LTV 50.3% (46.2%) and ICR 3.4x (4.1x).
- Raised SEK 15 billion equity from existing equity partners.
- Closed second partnership with Allianz in December.
- Buybacks of bonds in July (EUR 868 million) and December (SEK 750 million), funded with equity from shareholders.
- Maintained a BBB investment grade rating with S&P and Fitch, with revised outlook to negative (from stable). S&P changed downgrade ICR thresholds to 1.8x from 2.4x and LTV to 60% from 55% due to the strengthened governance framework and improved business risk profile.
- Science Based Targets initiative validated our climate roadmap to reduce emissions in line with the Paris Agreement.
- Reduced greenhouse gas emissions by 7% and energy usage by 11% per sqm compared to 2021 (Scope 1 & 2).

CEO Helge Krogsbøl comments:

“Despite a challenging macroeconomic environment, our affordable and geographically diversified portfolio delivered a strong operational result in 2022.

The change in market conditions gave a negative fair value adjustment of our properties. Uncertainty follows into 2023, but the fundamentals of residential real estate are intact and will improve as the fall in construction activity reduces supply sharply.

Strong liquidity position, long loan duration, good variation in debt maturity, and a balanced mix of debt instruments, give us good coverage for upcoming maturities in the bond market. Bond buybacks funded with equity demonstrated shareholder support to the company.

Heimstaden BOSTAD

With high demand for rental housing, we are confident that we will continue to deliver Friendly Homes to our customers combined with strong operational results.”

Chief Sustainability Officer Katarina Skalare comments:

By implementing many measures in our properties and engaging our tenants to have an efficient energy usage in their homes, we reduced our Scope 1 and 2 greenhouse gas emissions by 7% and energy usage by 11% per sqm compared to 2021.

Science Based Targets initiative's (SBTi) approval of our Climate Roadmap reconfirms the quality of our work and ambitious climate goals to reduce greenhouse gas emissions in line with the Paris Agreement.

Our partnership with SOS Children's Villages reached more than 55,000 children in 25 countries with our SEK 125 million contribution in 2022. In addition, we helped more than 1,000 Ukrainian refugee families with housing during the year.”

Heimstaden Bostad AB Annual, Governance, and Sustainability Report 2022 is available at www.heimstadenbostad.com and is attached to this release.

Contacts:

Christian Dreyer, CCO	+47 90 72 49 99	christian.dreyer@heimstaden.com
Malin Lethenström, DCM	+44 77 48 05 58 21	lr@heimstaden.com

Heimstaden Bostad is a leading European residential real estate company with around 158,000 homes across 9 countries and a property value of SEK 345 billion. We acquire, develop, and manage properties with an ever-green perspective. Guided by our Scandinavian heritage and values Care, Dare and Share - our 2,200 colleagues strive to fulfil our mission to enrich and simplify our customers' lives through Friendly Homes. Read more at www.heimstadenbostad.com.

This information is such information that Heimstaden Bostad AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the agency of the above contact persons, for publication on 24 February 2023 at 15:45 CET.
