

Press Release

28 February 2025

Heimstaden Bostad: 2024 Annual, Governance, and Sustainability Report

2024 Highlights:

- Residential fundamentals remain strong, reflected in annualised like-for-like rental growth above 5%, annualised real economic occupancy increasing to 98.5%, and an LTM NOI margin above 70%
- Property values increased 2.7% on a year-over-year basis due to NOI growth stemming from strong operating performance alongside value-accretive CAPEX projects
- Privatisation sales for 2024 reached an estimated SEK 7,589 million with 1,673 units sold at a 26.1% premium to book value across five markets
- Return to the capital markets with issuance of approximately SEK 14,360 million stemming from five transactions for the purposes of liability management
- Continued access to asset-backed financing with approximately SEK 27,500 million raised including EUR 725m sustainability-linked credit facility backed by a Dutch portfolio
- Fitch revised their Outlook to Stable from Negative in January 2025 following their downgrade to 'BBB-' from 'BBB' in Q1 2024
- Stabilisation in key credit metrics including S&P-defined LTV and ICR
- Greenhouse gas emissions reduced by 15.5% across scope 1, 2, and 3 compared to SBTi Climate Roadmap baseline year of 2020 while Morningstar Sustainalytics has confirmed our "Negligible" ESG Risk Rating for 2024

Q4 2024 Standalone Highlights (figures in brackets refer to same quarter 2023):

- Like-for-like rental growth of 5.3% (5.6%) and rental income of SEK 4,076 million (3,845)
- Quarterly NOI margin improved to 70.4% (66.0%) and the LTM NOI margin was 70.4% (67.4%)
- Continued improvements to operating fundamentals supported a 0.7% (-1.6%) increase in property values
- Privatisation sales, for the quarter, reached SEK 2,379 (876) million with 530 (206) residential units sold at a 24% (31%) premium to book value
- Real economic occupancy of 98.6% (98.4%)
- Net LTV of 53.8% (56.3%) and ICR of 2.0x (2.0x)
- S&P-defined LTV of 56.9% (58.6%) and S&P ICR of 1.6x (1.7x)
- Issued SEK 500 million floating rate notes, EUR 500 million senior unsecured fixed rate notes, and EUR 500 million perpetual hybrid securities

Co-CEO Helge Krogsbøl comments:

"Heimstaden Bostad's portfolio achieved impressive operating results with rental income growth maintaining strong momentum and our NOI margin ended the year at a record 70.4%. This underscores our ability to deliver continued income growth while maintaining equally sustained cost control."

Co-CEO Christian Fladeland comments:

"Following a successful reopening of the capital markets, all eyes are on operational resilience and Heimstaden Bostad's operations have proven best-in-class. Looking ahead, we expect the momentum in income growth to spur a continued recovery in residential property values throughout 2025."

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Heimstaden Bostad is a leading European residential real estate company with more than 162,000 homes across nine countries with a property value of SEK 334 billion. We acquire, develop, and manage properties with an evergreen perspective. Guided by our Scandinavian heritage and values Dare, Care, and Share – our about 2,000 colleagues fulfil our mission to enrich and simplify our customers' lives through Friendly Homes. Read more at www.heimstadenbostad.com.