

Press release

30 June 2021

Heimstaden Expands in Germany

Heimstaden's subsidiary, Heimstaden Bostad AB, buys 1,732 homes for SEK 1.9 billion and expands to six new cities in Northern and Eastern Germany.

Germany is Europe's largest residential rental market and one of the world's leading economies with a favourable long-term economic outlook. The rental market is fully regulated and Heimstaden maintains a balanced exposure to regulated market rent in its portfolio, which provides stable cash flows with strong downside risk protection.

In 2020, following a large portfolio acquisition in Berlin, Heimstaden established local operations in Germany and has pursued opportunities to expand and diversify its German portfolio.

"We take a favourable view of the German residential market and are pleased to announce this acquisition of another attractive portfolio. Heimstaden is a long-term residential investor, and by diversifying our geographical footprint within Germany we solidify our platform for future growth," says Stanislav Kubacek, Senior Managing Director of Heimstaden's Investment Team for CEE and Germany.

The portfolio consists of 107,469 sqm residential and 7,574 sqm commercial space, spread across the cities of Halle (30%), Magdeburg (25%), Berlin (15%), Dresden (14%), Rostock (6%), Erfurt (5%) and Leipzig (3%).

The properties are well-maintained and offer good quality housing with 100% regulated residential units. The portfolio has an estimated gross rental income (GRI) of SEK 84 million p.a. and net operating income (NOI) of SEK 59 million p.a., with a current residential occupancy of 89%.

"We entered Germany with an evergreen perspective and this acquisition is a unique opportunity to strengthen our presence and provide quality homes throughout six new German cities. Heimstaden continues to follow a strategy for sustainable growth in Germany and we are looking forward to deliver excellent service for our new customers in line with our Friendly Homes concept," said Caroline Oelmann, Country Manager at Heimstaden Germany.

KEY FIGURES

- Acquisition price: SEK 1.9 billion (EUR 188.3 million)
- 65 properties
- 1,732 homes (107,484 sqm)
- 64 commercial units (7,574 sqm)
- 100% regulated residential income
- Est. GRI p.a.: SEK 84.1 million (EUR 8.3 million), of which SEK 77.5 million (EUR 7.6 million) from residentials
- Est. NOI p.a.: SEK 59.3 million (EUR 5.8 million)

Heimstaden

Heimstaden was advised by Mittelstein Rechtsanwälte, REELAB, and Warth & Klein Grant Thornton.

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Heimstaden is a leading residential real estate company in Europe, which buys, develops and manages homes. Through our values Care, Dare and Share, we create value for owners and Friendly Homes for customers. We own about 114,000 homes with a property value of SEK 180 billion. Read more at www.heimstaden.com
