

Heimstaden

Heimstaden AB (publ) Divests Danish Development Projects to Fredensborg 32 AS

Heimstaden AB (publ) ("Heimstaden") has today agreed to divest all of its shares in Thors Have MidCo ApS, Næsbyvej MidCo ApS and Atriet ApS (the "Target Companies") to Fredensborg 32 AS ("Fredensborg") for a total gross purchase price of DKK 849 million and cash at closing of approximately 341 million on a cash and debt free basis (corresponding to approximately SEK 1,308 million and SEK 525 million*, respectively). The transaction is expected to close in February 2025.

The Target Companies are, directly or indirectly, the holders of newly finalized or ongoing residential real estate projects in the Copenhagen region and in Odense, respectively, in total encompassing 591 units. The Target Companies had a book value of approximately DKK 790 million as per 31 December 2024 and the fair gross market value of the Target Companies is estimated to DKK 837.5 – 855.0 million (corresponding to approximately SEK 1,290 – 1,317 million) according to the fairness opinion obtained (see below).

The purchase price, on a cash and debt free basis, paid upon closing of the transaction amounts to approximately DKK 341 million (approximately SEK 525 million). The intention of Fredensborg is to divest the Target Companies (or properties included therein) within six years. When all Target Companies (or the underlying properties) have been divested within such time, Heimstaden has a right to receive an earn-out consideration. The earn-out consideration is time-limited and conditional upon Fredensborg having achieved an agreed internal rate of return (IRR) of 12 per cent per annum. The earn-out consideration would amount to 30 per cent of any excess return above the 12 per cent IRR.

The transaction is conditional upon the successful issue of new senior unsecured notes and completion of the tender offer announced by Heimstaden on 10 January 2025 in relation to its SEK 500 million floating rate notes due April 2025, its SEK 1,200 million floating rate notes due October 2025 and its EUR 350 million fixed rate notes due March 2026, as well as the approval by the current external finance providers of the Target Companies and/or their subsidiaries, respectively. Subject to the satisfaction of all closing conditions, the transaction is expected to close in February 2025.

The divestment follows the communicated strategy to continue the deleveraging of Heimstaden and the proceeds will be used for liability management.

Christian Fladeland, Chief Investment Officer and Co-CEO, comments:

- "The sale of our equity stakes in these entities allows for accelerating our deleveraging, whilst maintaining a possibility to capture future upside as the projects stabilise through strategic transaction structuring."

Related-Party Transaction

Fredensborg is a wholly owned subsidiary of Fredensborg 1994 AS, the indirect main shareholder of Heimstaden, and is controlled by the Chairperson of Heimstaden, Ivar Tollefsen, and is thus considered a related party within the meaning of the Swedish Annual Accounts Act.

As listed on Nasdaq First North Growth Market, Heimstaden is required to comply with good practice on the stock market, meaning amongst other things that certain related party transactions must be approved by the general meeting of Heimstaden. However, in its statement AMN 2023:45 concerning the particular circumstances in the company in terms of the character of the listed shares, the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) has stated that it is not required to apply the formal decision-making process set out in AMN 2019:25, provided that the shareholders are informed of the transaction by the company publishing information about the transaction corresponding to the information required by Chapter 16 a, Section 7, second paragraph of the Swedish Companies Act, as well as a fairness opinion regarding the fair market value of the transferred assets.

In view of the above, and as a basis for its decision to approve of the transaction, the board of directors has obtained a fairness opinion from CBRE A/S, as an independent valuation expert, regarding the fair market value of the Target Companies, which finds the purchase price from a financial point of view, within the range of what CBRE consider fair market value and has prepared a statement corresponding to Chapter 16 a, Section 7 of the Swedish Companies Act. The board of directors' statement and the fairness opinion are both available on Heimstaden's website and are attached to this press release.

Ivar Tollefsen has not taken part in the board of directors' preparation of or in the board of directors' resolution concerning the transaction.

**Based on the closing DKK/SEK exchange rate on the 9 January 2025. To be updated in accordance with the share purchase agreement concerning the transaction.*

Contacts:

Frederik Berling, Media
+45 2130 9489, media@heimstaden.com

Cody Nelson, Investor Relations
+47 948 94 196, ir@heimstaden.com

About Heimstaden:

Heimstaden is a leading European residential real estate manager and investor with around 162,000 homes across nine countries with a property value of SEK 332 billion. We acquire, develop, and manage properties with an evergreen perspective. Guided by our Scandinavian heritage and values Dare, Care, and Share – we fulfil our mission to enrich and simplify our customers' lives through Friendly Homes. Heimstaden is listed on Nasdaq First North Growth Market. Read more at www.heimstaden.com. Certified Adviser is Carnegie Investment Bank AB (publ).

This information is such information that Heimstaden 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 10 January 2025 at 09:35 CET.