Credit Update | 05 October 2026

Heimstaden Bostad AB / Heimstaden AB

Credit implications of a potential Alecta exit

Last week, unconfirmed reports emerged around a potential Alecta exit from Heimstaden Bostad. While the likelihood of a potential exit is highly uncertain, we believe that Heimstaden Bostad's bonds issued before March 2022 should trade tighter than the rest of the curve considering a comparatively strict event-of-default wording in the old EMTN docs, with a resulting non-negligible likelihood of a par call if a deal were to materialise.

We believe that a deal between Heimstaden AB and Alecta would be on Heimstaden AB's terms and see the negative market reaction in Heimstaden AB's bonds as exaggerated. Instead, we argue that an Alecta exit would be positive for Heimstaden AB as the likely substantial compensation to Heimstaden AB for a terminated management agreement would more than offset the negative impact of losing a capital-rich partner. We upgrade Heimstaden AB to Marketweight (from Underweight).

Background

Last week, an article by Green Street News claimed that Heimstaden AB and Alecta, the two main owners of Heimstaden Bostad, are closing in on a deal which would involve Alecta leaving the cooperation with a property portfolio consisting of c.50,000 rental apartments worth SEK110bn (out of Heimstaden Bostad's 155,600 apartments worth SEK331bn).

According to the article, the capital share of Heimstaden AB would increase to 59% from 36% currently, while Folksam would emerge as the second largest shareholder with 31% of the capital, up from 19% currently.

So far, none of the parties have made any written public statement to deny or confirm the reports.

In our view, ongoing dialogue between the Heimstaden Bostad owners should not come as a surprise considering how vocal Alecta has been in its ambitions to decrease its ownership. Based on the details of the article, we find it difficult

Key figures (Heimstaden Bostad)

SEKm	2024	2025	2026E	2027E	2028E
Rental income	17 609	18 010	17 938	18 205	18 554
EBITDA (rep.)	9 770	10 475	7 263	10 879	11 139
Net income	8 199	12 844	-724	-408	4 305
Investment properties	336 787	325 654	327 605	317 868	318 109
Total debt	197 946	178 162	172 411	167 489	168 091
Ratios	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Gross LTV	58.8%	54.7%	52.6%	52.7%	52.8%
NOI margin	63.5%	63.7%	64.5%	64.1%	64.3%
EBITDA interest coverage (x)	1.8x	1.9x	2.0x	2.0x	1.9x
Net debt/EBITDA (x)	19.9x	16.8x	23.3x	15.0x	14.7x
Total debt/total capital (x)	55.4%	52.4%	50.9%	50.5%	50.6%

Source: Company data, Danske Bank Credit Research estimates

Marketweight

Real estate

Corporate ticker: BF255064

Equity ticker: 1546973D SS

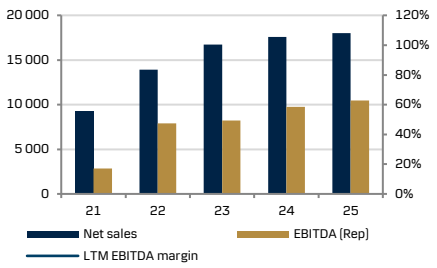
Ratings:
S&P: BBB- / S
Moody's: NR / NR
Fitch: BBB- / S

ESG rating:
Sustainalytics ESG Risk Rating: 8.1

Analyst
Marcus Gustavsson
marcg@danskebank.se
+46 7 524 80402

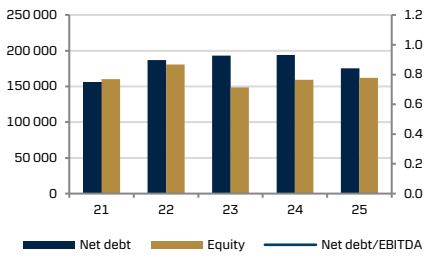
Christian Svanfeldt, CFA
chrsv@danskebank.com
+46 (0)75 248 15 38

Profitability (SEKm)



Source: Company data, Danske Bank Credit Research

Financial metrics (SEKm)



Source: Company data, Danske Bank Credit Research

This document is intended for institutional investors and is not subject to all the independence and disclosure standards applicable to debt research reports prepared for retail investors
Important disclosures and certifications are contained from page 12 of this report.

to ascertain whether the likelihood of an Alecta exit has increased recently. Nevertheless, we find it useful to consider the potential credit implications for Heimstaden Bostad and Heimstaden AB if, in fact, the reports turn out to be true.

Credit implications for Heimstaden Bostad

A deal as described in the Green Street article would result in Heimstaden Bostad's residential portfolio decreasing by roughly one-third to SEK220bn. Despite the smaller size, Heimstaden Bostad would still be one of Europe's largest residential companies, diversified over several countries. On its own, we would not see any material risk to Heimstaden Bostad's credit ratings as a result of the smaller size (S&P: 'BBB-'/stable; Fitch: 'BBB-'/stable).

Under the current shareholder agreement at Heimstaden Bostad, which lasts until 2047, any shareholder representing more than 10% can initiate an exit process from 2045 onwards. Prior to that, to our understanding, the owners need to agree on the exit of any shareholder. For this reason, we believe that if a deal were to materialise, it would be on Heimstaden AB's terms (as Heimstaden AB is the largest shareholder in terms of votes and the second largest in terms of capital). Due to the close ties between Heimstaden AB and Heimstaden Bostad, we would be very surprised to see a deal materialise if it had a negative impact on Heimstaden Bostad's credit quality.

If a deal of this magnitude were to happen, we believe that it would require the consent of bondholders of all Heimstaden Bostad bonds issued prior to March 2022. This is because the bonds issued prior to March 2022 were issued under EMTN docs with a slightly stricter event-of-default wording compared to the more recent bonds.

The post-2022 EMTN docs, include a carve for disposals on an arm's length basis while defining a cessation of business as "... the whole or substantially the whole of its business". The pre-2022 EMTN docs lack a carve out for disposals and defines a cessation of business as "... the whole or a substantial part of its business".

In recent years, we have seen a few cases where Nordic companies have struggled with the stricter cessation-of-default wording above. In these cases, the issuers have asked for bondholder consent, received it for some but not all bonds, and thereafter called the non-consenting bonds in line with what is allowed under the bond terms (Castellum and Stora Enso are two examples).

In Heimstaden Bostad's case, the company currently has eight bonds outstanding that were issued under the pre-2022 EMTN docs (combined nominal value of EUR3.55bn plus SEK300m). Out of these, six bonds with a total nominal value of EUR2.85bn are trading considerably below par. For these bonds, we would not be surprised if it proves difficult to get the necessary consent from bondholders, possibly resulting in the par call of bonds. Consequently, we find meaningful upside in these low-cash-price bonds if an Alecta exit were to materialise.

Table 1. Bonds issued under pre-2022 EMTN docs

Maturity	Outstanding volume	Issuer call	Optional red. amount	Approx. current cash price
22 Feb. 2027	SEK300m	Not Applicable	(Par call Nov. 26)	100
3 Mar. 2027	EUR700m	Applicable	Make whole*	99
13 Apr. 2028	EUR750m	Applicable	Make whole*	95
24 Jul. 2028	EUR500m	Applicable	Make whole*	95
6 Sep. 2029	EUR750m	Applicable	Make whole*	90
13 Oct. 2031	EUR750m	Applicable	Make whole*	85
4 May 2035	EUR50m	Applicable	Make whole*	79
4 May 2035	EUR50m	Applicable	Make whole*	75
-	**EUR3.55bn+ SEK300m**	-	-	-

Where 'make whole' is the higher of par and discounted cash flows.

Source: Bloomberg, Danske Bank Credit Research

In terms of a potential change-of-control event, we note that both Heimstaden AB and Alecta are exempt from the CoC clause.

Credit implications for Heimstaden AB

Again, we believe that if a deal were to materialise, it would be on Heimstaden AB's terms. In practice, this means that Alecta would have to compensate Heimstaden AB for lost income under the current shareholder and management agreements. Under the current arrangement, which lasts until 2047, Heimstaden AB is entitled to 0.4% of the gross asset value in Heimstaden Bostad per year, partly paid as a dividend and partly as a management fee. While the dividend has been withheld in recent years (it accumulates), the management fee has been paid. The lost income for Heimstaden AB that would need to be compensated for amounts to c.SEK9.2bn (0.4% x SEK110bn x 21 years). This compares to Heimstaden AB's senior debt of SEK9.1bn and hybrid debt of SEK7.8bn.

While the actual compensation would likely differ from this estimate, we believe it is important to emphasise that a large-scale deal with Alecta could mean either a significant cash inflow to Heimstaden AB, or a non-cash compensation such as a larger ownership in Heimstaden Bostad than would otherwise be the case.

Moreover, we believe that the likelihood of Heimstaden Bostad paying dividends in the near future would increase without Alecta in the cooperation. Under the shareholder agreement, dividend payments require institutional shareholder majority, and we would expect this to remain unchanged following a potential Alecta exit. Nevertheless, we believe that the likelihood of dividend payments would increase without Alecta as the ongoing dispute between Alecta and Heimstaden AB likely defers Alecta to consent to any dividends.

All-in-all, we would regard an Alecta exit as positive for Heimstaden AB because of the resulting likely-substantial cash or non-cash compensation to Heimstaden AB, more than offsetting the negative impact of losing a capital-rich institutional partner.

In terms of bond pricing, we find the recent negative market reaction as exaggerated. Instead, we argue that an Alecta exit would be positive for

Heimstaden AB bonds. However, we want to emphasise that the probability of a deal materialising is highly uncertain.

Recommendation

We maintain our Marketweight recommendation on Heimstaden Bostad but believe that bonds issued before March 2022 should trade tighter than the rest of the curve considering a non-negligible likelihood of a par call if an Alecta deal were to materialise.

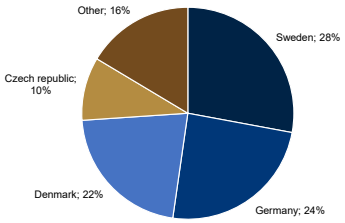
Following the recent reprising of Heimstaden AB's bonds, we upgrade our recommendation to Marketweight (from Underweight), reflecting the sharp increase in spreads, but also Heimstaden AB's negative operating cash flows, and the reduced probability of Heimstaden Bostad dividends in the currently volatile interest rate environment.

Company summary

Company description

Heimstaden Bostad is one of the largest residential real estate companies in Northern Europe. The company owns properties in Sweden, Denmark, Norway, Germany, Finland, the Netherlands, the UK, the Czech Republic and Poland.

Sales breakdown, segments



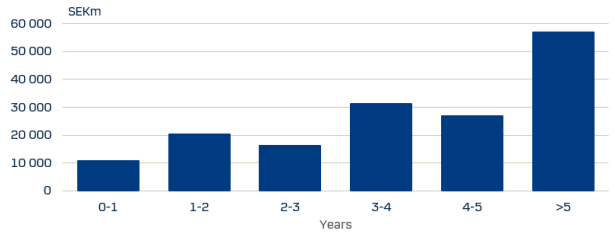
Key credit strengths

- Focus on residential properties implies stable cash flows and limited cyclicality
- Large and geographically diversified portfolio
- Limited vacancy risk
- Strong institutional owners that have contributed new equity in the past

Key credit challenges

- Limited cash-flow generation and weak ICR
- Uncertain ownership outlook considering differing views on shareholder agreement
- Sensitive to changes in interest rates and yield requirements

Debt maturity profile



Main shareholders

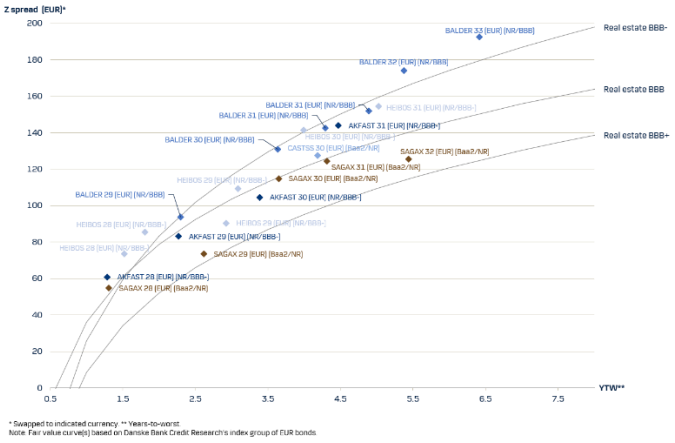
Name	Votes (%)	Capital (%)
Heimstaden AB	50.1%	36.2%
Alecta	30.4%	38.7%
Folksam	14.5%	18.9%
Swedish Pensions Agency	1.6%	2.1%
Others	3.4%	4.1%

Selected outstanding bonds

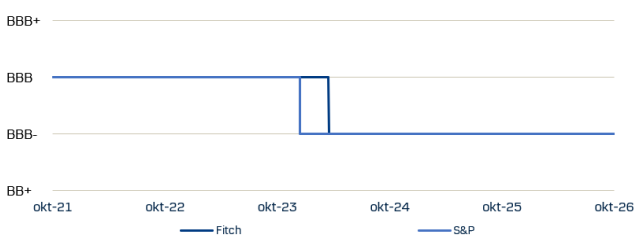
Isin	Coupon	Currency	Maturity /Call	Seniority	Rating*
XS2397252102	1%	EUR	2028-04-13	Sr Unsecured	NR/BBB-
XS2384269366	0.75%	EUR	2029-09-06	Sr Unsecured	NR/BBB-
XS2397252011	1.625%	EUR	2031-10-13	Sr Unsecured	NR/BBB-
XS2397251807	3.625%	EUR	2026-11-04	Jr Subordinated	NR/BB
XS3227944959	5%	EUR	2031-01-19	Subordinated	NR/BB

*Moodys/S&P

Relative valuation



Rating migration



Source: Company data, Bloomberg, Danske Bank Credit Research [all charts and tables]

Summary table

Income statement (SEKm)	2024	2025	2026E	2027E	2028E
Rental income	17 609	18 010	17 938	18 205	18 554
Other operating income	0	0	0	0	0
Total revenue	17 609	18 010	17 938	18 205	18 554
Total property related costs	6 422	6 542	6 370	6 532	6 621
Net operating income (NOI)	11 187	11 468	11 569	11 673	11 933
EBITDA	10 312	10 720	10 773	10 879	11 139
Net interest expenses	5 816	5 703	5 406	5 564	5 758
Profit from property management	1 990	7 870	647	5 315	5 381
Change in property values	7 932	9 222	-755	-7 768	0
Change in financial derivatives	-615	69	268	0	0
Other	-542	-245	-3 510	0	0
Pre-tax profit	10 989	15 672	-102	-2 452	5 381
Current tax	-2 790	-2 828	-1 456	490	-1 076
Deferred tax	0	0	835	1 554	0
Net income	8 199	12 844	-724	-408	4 305
Balance sheet (SEKm)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Market value properties	336 787	325 654	327 605	317 868	318 109
Other fixed assests	1 302	849	4 865	4 865	4 865
Intangible assets	19 002	14 803	13 704	13 704	13 704
Deffered tax assets	819	339	374	374	374
Investments in associated companies	8 847	8 360	492	492	492
Cash and cash equivalents	3 647	2 679	3 068	4 592	4 816
Total assets	373 107	354 720	352 249	344 036	344 501
Equity	159 485	162 090	165 991	164 255	164 117
Shareholder loans	0	0	0	0	0
Deferred taxes	20 668	21 080	21 551	19 998	19 998
Total debt	197 946	178 162	172 411	167 489	168 091
Other liabilities	7 304	5 760	5 875	5 875	5 875
Total equity and liabilities	373 104	354 720	352 249	344 036	344 501
Cash flow statement (SEKm)	**2024**	**2025**	**2026E**	**2027E**	**2028E**
FFO (adjusted)	2 892	3 148	4 291	5 142	3 584
Cash flow from operations (FFO)	2 821	2 457	4 166	5 142	3 584
Investment (properties)	-539	0	0	0	0
Disposals (properties)	8 103	13 996	8 644	6 000	4 000
Investments other (net)	103	15	83	0	0
Capex	-5 182	-4 327	-4 222	-4 031	-4 241
Free operating cash flow	5 203	12 126	8 588	7 111	3 343
Dividends and share repurchased	-1 003	-741	-971	-1 328	-4 443
Debt financing (net)	-12 502	-11 492	-10 020	-4 923	603
Change in cash	-7 551	-756	130	1 524	224

Source: Company data, Danske Bank Credit Research estimates

Summary table

Adjusted ratios (SEKm)	2024	2025	2026E	2027E	2028E
Sales growth	5.3%	2.3%	-0.4%	1.5%	1.9%
EBITDA margin	58.6%	59.5%	60.1%	59.8%	60.0%
NOI margin	63.5%	63.7%	64.5%	64.1%	64.3%
EBITDA interest coverage (x)	1.8	1.9	2.0	2.0	1.9
FFO/interest coverage (x)	1.5	1.6	1.8	1.9	1.6
FFO/debt (x)	1.5%	1.8%	2.5%	3.1%	2.1%
Net debt/EBITDA (x)	19.9	16.8	23.3	15.0	14.7
Gross LTV	58.8%	54.7%	52.6%	52.7%	52.8%
Net LTV	57.7%	53.9%	51.7%	51.2%	51.3%
Equity ratio	42.7%	45.7%	47.1%	47.7%	47.6%
Total debt/total capital	55.4%	52.4%	50.9%	50.5%	50.6%

Yearly overview (SEKm)	2024	2025	2026E	2027E	2028E
Rental income	17 609	18 010	17 938	18 205	18 554
EBITDA	9 770	10 475	7 263	10 879	11 139
Net interest expenses	5 816	5 703	5 406	5 564	5 758
Net income	8 199	12 844	-724	-408	4 305
CFO	2 821	2 457	4 166	5 142	3 584
Investment properties	336 787	325 654	327 605	317 868	318 109
Total debt	197 946	178 162	172 411	167 489	168 091
Net debt	194 299	175 483	169 343	162 897	163 275
Equity	159 485	162 090	165 991	164 255	164 117
Ratios					
LTM EBITDA margin					
Direct yield					
Gross LTV	58.8%	54.7%	52.6%	52.7%	52.8%
LTM EBITDA interest coverage					
Net debt/LTM EBITDA					
Total debt/total capital	55.4%	52.4%	50.9%	50.5%	50.6%
FFO/debt	1.5%	1.8%	2.5%	3.1%	2.1%

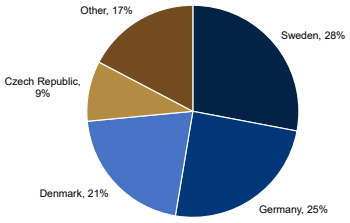
Source: Company data, Danske Bank Credit Research estimates

Company summary

Company description

Heimstaden AB is the main owner of Heimstaden Bostad, which owns, manages and develops residential properties in northern Europe. Heimstaden AB's ultimate owner is Fredensborg AS controlled by Norwegian investor Ivar Tollefsen. Following a reorganization in 2016, all material property holdings are concentrated to Heimstaden Bostad, which is Heimstaden AB's only meaningful investment.

Sales breakdown, segments



Key credit strengths

- Attractive underlying property portfolio in Heimstaden Bostad
- Strong institutional co-owners in Heimstaden Bostad which have contributed new equity in the past

Key credit challenges

- Structural subordination and high leverage
- Dependence on dividends from Heimstaden Bostad
- Weak liquidity profile awaiting Heimstaden Bostad dividends
- Uncertain ownership outlook at Heimstaden Bostad considering differing views on shareholder agreement

Main shareholders

Name	Votes (%)	Capital (%)
Fredensborg AS	95.9%	70.1%
Others	4.1%	29.9%

Source: Company data, Bloomberg, Danske Bank Credit Research [all charts and tables]

Summary table (Heimstaden AB with Heimstaden Bostad consolidated)

Income statement (SEKm)	2021	2022	2023	2024	2025
Rental income	9,685	14,433	17,003	17,631	18,033
Other operating income	0	0	0	0	0
Total revenue	9,685	14,433	17,003	17,631	18,033
Total property related costs	4,110	5,935	6,726	6,442	6,559
Net operating income (NOI)	5,575	8,498	10,277	11,189	11,474
EBITDA	5,158	7,774	9,600	10,567	11,101
Net interest expenses	1,563	2,911	5,375	6,315	6,400
Profit from property management	2,293	-4,289	4,044	1,484	7,978
Change in property values	21,903	-3,821	-31,056	7,848	9,465
Change in financial derivatives	819	1,115	-1,173	-615	69
Other	-2,006	412	-1,029	-538	-249
Pre-tax profit	25,015	-6,986	-29,008	10,405	16,012
Current tax	-500	-842	-463	-2,782	-2,956
Deferred tax	-4,691	2,028	4,171	0	0
Net income	23,464	8,066	-27,355	11,084	4,200
Balance sheet (SEKm)	**2021**	**2022**	**2023**	**2024**	**2025**
Market value properties	306,514	351,910	321,439	338,481	326,771
Other fixed assests	228	5,205	3,908	1,327	907
Intangible assets	16,562	16,788	15,893	16,223	12,020
Deffered tax assets	0	1,297	1,081	1,125	496
Investments in associated companies	760	9,758	8,702	8,957	8,388
Cash and cash equivalents	20,488	11,322	12,492	4,547	4,179
Total assets	350,863	404,102	367,010	373,417	354,849
Equity	147,093	168,807	137,929	147,803	150,557
Shareholder loans	0	0	0	0	0
Deferred taxes	23,252	24,463	19,729	21,856	22,262
Total debt	199,646	217,946	219,529	213,383	192,953
Other liabilities	7,285	9,837	6,732	7,458	6,267
Total equity and liabilities	355,027	404,102	367,009	373,416	354,848
Cash flow statement (SEKm)	**2021**	**2022**	**2023**	**2024**	**2025**
FFO (adjusted)	-490	4,741	1,960	8,567	2,864
Cash flow from operations (FFO)	2,890	3,636	327	8,321	2,021
Investment (properties)	-100,680	-11,292	-2,173	-539	0
Disposals (properties)	1,149	664	4,114	4,918	14,932
Investments other (net)	-6,326	-5,530	375	165	80
Capex	-5,511	-9,743	-8,432	-5,664	-4,492
Free operating cash flow	-102,152	-16,735	-6,164	7,036	12,461
Dividends and share repurchased	-3,189	-1,674	-6,562	-1,403	-741
Debt financing (net)	67,928	6,234	5,986	-12,300	-11,685
Change in cash	9,582	-9,789	1,016	-7,858	-229

Source: Company data, Danske Bank Credit Research estimates

Summary table (Heimstaden AB with Heimstaden Bostad consolidated)

Adjusted ratios (SEKm)	2021	2022	2023	2024	2025
Sales growth	38.5%	49.0%	17.8%	3.7%	2.3%
EBITDA margin	53.3%	53.9%	56.5%	59.9%	61.6%
NOI margin	57.6%	58.9%	60.4%	63.5%	63.6%
EBITDA interest coverage (x)	3.3	2.7	1.8	1.7	1.7
FFO/interest coverage (x)	0.7	2.6	1.4	2.4	1.4
FFO/debt (x)	-0.2%	2.2%	0.9%	4.0%	1.5%
Net debt/EBITDA (x)	56.8	25.2	24.2	20.8	17.4
Gross LTV	65.1%	61.9%	68.3%	63.0%	59.0%
Net LTV	58.5%	58.7%	64.4%	61.7%	57.8%
Equity ratio	41.9%	41.8%	37.6%	39.6%	42.4%
Total debt/total capital	57.6%	56.4%	61.4%	59.1%	56.2%

Yearly overview (SEKm)	2021	2022	2023	2024	2025
Rental income	9,685	14,433	17,003	17,631	18,033
EBITDA	3,152	8,186	8,571	10,029	10,852
Net interest expenses	1,563	2,911	5,375	6,315	6,400
Net income	23,464	8,066	-27,355	11,084	4,200
CFO	2,890	3,636	327	8,321	2,021
Investment properties	306,514	351,910	321,439	338,481	326,771
Total debt	199,646	217,946	219,529	213,383	192,953
Net debt	179,158	206,624	207,037	208,836	188,774
Equity	147,093	168,807	137,929	147,803	150,557
Ratios					
LTM EBITDA margin					
Direct yield					
Gross LTV	65.1%	61.9%	68.3%	63.0%	59.0%
LTM EBITDA interest coverage					
Net debt/LTM EBITDA					
Total debt/total capital	57.6%	56.4%	61.4%	59.1%	56.2%
FFO/debt	-0.2%	2.2%	0.9%	4.0%	1.5%

Source: Company data, Danske Bank Credit Research estimates

Danske Bank – Credit research platform

Denmark



Jakob Magnussen
Head of Credit Research
+45 45 14 14 92
jakja@danskebank.com
- Utilities
- Renewables



Brian Børsting
Chief Analyst
+45 45 14 14 96
brbr@danskebank.com
- Industrials & Services
- Transportation
- Pharma & Medtech



Mads Rosendal
Chief Analyst
+45 45 14 15 24
madros@danskebank.com
- TMT
- Industrials
- Consumer goods



Mark Elving Naur
Chief Analyst
+45 45 14 15 04
mnau@danskebank.com
- Financials
- Strategy



Rasmus Justesen
Chief Analyst
+45 45 14 15 30
rjus@danskebank.com
- Credit portfolios



Sivert Trana
Senior Analyst
+45 45 14 14 70
sivt@danskebank.com
- Credit portfolios



Oscar Pedersen
Analyst
+45 40 47 87 60
oscp@danskebank.com
- Financials

Norway



Mille Opdahl Muller
Head of Credit Research NO
+47 85 40 77 27
mifj@danskebank.com
- Real Estate
- Salmon
- Other IG/HY corporates



Marko Radman
Senior Analyst
+47 85 40 77 62
mradm@danskebank.com
- High Yield
- Shipping
- Industrials



Sebastian Grindheim
Senior Analyst
+47 85 40 78 13
sgrin@danskebank.com
- High Yield
- Oil Services

Sweden



Marcus Gustavsson
Head of Credit Research SE
+46 75 248 04 02
marcg@danskebank.com
- Real Estate
- Other IG/HY corporates



Lina Berg
Senior Analyst
+46 75 248 15 42
linab@danskebank.com
- Pharma & Medtech
- Metals & Mining
- Other IG/HY corporates



Christian Svanfeldt, CFA
Senior Analyst
+46 75 248 15 38
chrsv@danskebank.com
- Autos & Trucks
- Real Estate
- Other IG/HY corporates

Finland



Olli Eloranta
Senior Analyst
+358 10 5468479
oelo@danskebank.com
- Industrials
- Real Estate
- Other IG/HY corporates

ESG



Louis Landeman
Head of ESG Research
+46 75 248 04 12
llan@danskebank.com
- ESG



Ebba Edholm
Senior Analyst
+46 75 248 15 50
eedh@danskebank.com
- ESG



Find the latest Credit Research:
https://research.danskebank.com

Disclosures

This research report has been prepared by Credit Research, a division of Danske Bank A/S ('Danske Bank'). The authors of this research report are Marcus Gustavsson and Christian Svanfeldt, CFA.

Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

Regulation

Danske Bank is authorised and regulated by the Danish Financial Services Authority (Finanstilsynet). Danske Bank is authorised by the Prudential Regulation Authority in the UK and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

Danske Bank's research reports are prepared in accordance with the recommendations of Capital Market Denmark.

Danske Bank is not registered as a Credit Rating Agency pursuant to the CRA Regulation (Regulation (EC) no. 1060/2009), hence Danske Bank does not comply with, or seek to comply with, the requirements applicable to Credit Rating Agencies.

Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are physically separated from other business areas within Danske Bank and surrounded by arrangements (Chinese Walls) to restrict the flows of sensitive information.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Danske Bank, its affiliates, subsidiaries and staff may perform services for or solicit business from Heimstaden Bostad AB or Heimstaden AB and may hold long or short positions in, or otherwise be interested in, the financial instruments mentioned in this research report. The Equity and Corporate Bonds analysts of Danske Bank and persons in other departments of Danske Bank with which the relevant analysts have close links are not permitted to invest in 1) financial instruments that are covered by the relevant Equity or Corporate Bonds analyst and 2) the research sector within the geographical area (the Nordics) to which the analyst is linked.

Danske Bank, its affiliates and subsidiaries are engaged in commercial banking, securities underwriting, dealing, trading, brokerage, investment management, investment banking, custody and other financial services activities, may be a lender to Heimstaden Bostad AB or Heimstaden AB and have whatever rights as are available to a creditor under applicable law and the applicable loan and credit agreements. At any time, Danske Bank, its affiliates and subsidiaries may have credit or other information regarding Heimstaden Bostad AB or Heimstaden AB that is not available to or may not be used by the personnel responsible for the preparation of this report, which might affect the analysis and opinions expressed in this research report.

Danske Bank is a market maker and a liquidity provider and may hold positions in the financial instruments of the issuer(s) mentioned in this research report.
Within the previous 12 months, Danske Bank has acted as Joint Lead Manager of a public offer of credit bonds for Heimstaden Bostad AB and as Joint Bookrunner of a public offer of credit bonds for Heimstaden Bostad AB.
As an investment bank, Danske Bank, its affiliates and subsidiaries provide a variety of financial services, including investment banking services. It is possible that Danske Bank and/or its affiliates and/or its subsidiaries might seek to become engaged to provide such services to Heimstaden Bostad AB or Heimstaden AB in the next three months.

Risk warning

Major risks connected with recommendations or opinions in this research report, including a sensitivity analysis of relevant assumptions, are stated throughout the text.

Expected updates

Issuer research reports will be updated at least quarterly following results announcements and in response to credit updates arising from issuer news, ad hoc credit publications or sector thematic research.

Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the back page of this research report for the date and time of first dissemination.

Financial models, valuation and/or methodology used in this research report

Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country.

We base our bond valuation conclusion on an estimation of a fair business and financial risk profile of the issuing entity. By combining these risk profiles with market technical and bond-specific issues such as documentation and structuring, we arrive at an overall bond risk profile. We compare the bond spread to those of peers with similar risk profiles and against this background we estimate whether the bond is attractively priced in the market. We express this view with either an Overweight, Marketweight or Underweight recommendation. This signals our opinion of the bond's performance potential compared with relevant peers in the coming six months.

More information about the valuation and/or methodology and the underlying assumptions is accessible via *https://danskeci.com/ci/research/disclosures-and-disclaimers*. Select Credit Research Methodology.

Recommendation structure

Investment recommendations are based on the expected development in the credit profile as well as relative value compared with the sector and peers.

As at 30 June 2026, Danske Bank Credit Research had investment recommendations on 189 corporate bond issuers. The distribution of recommendations is represented in the distribution of recommendations column below. The proportion of issuers corresponding to each of the recommendation categories above to which Danske Bank provided investment banking services in the previous 12 months ending 30 June 2026 is shown below.

Rating	Anticipated performance	Time horizon	Distribution of recommendations	Investment banking relationships
Overweight	Outperformance relative to peer group	6 months	26%	50%
Marketweight	Performance in line with peer group	6 months	60%	62%
Underweight	Underperformance relative to peer group	6 months	13%	44%

Heimstaden Bostad AB

Changes to recommendation in the past 12 months:

Date	Old rec.	New rec.
30 Mar 2026	Overweight	Marketweight
27 Feb 2026	No recommendation	Overweight
13 Jan 2026	Overweight	No recommendation

Heimstaden AB

Changes to recommendation in the past 12 months:

Date	Old rec.	New rec.
New	Underweight	Marketweight
10 Dec 2025	Marketweight	Underweight

Validity time period

This communication and the communications in the list referred to below are valid until the earlier of (a) dissemination of a superseding communication by the author, or (b) significant changes in circumstances following its dissemination, including events relating to the market or the issuer, which can influence the price of the issuer or financial instrument.

Investment recommendations disseminated in the preceding 12-month period

A list of previous investment recommendations disseminated by the lead analyst(s) of this research report in the preceding 12-month period can be found at *https://danskeci.com/ci/research/disclosures-and-disclaimers*. Select Credit Research recommendation history – Recommendation history.

Other previous investment recommendations disseminated by Danske Bank Credit Research are also available in the database.

General disclaimer

This research has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments'). This research report has been prepared independently and solely based on publicly available information that Danske Bank A/S considers to be reliable, but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this research report and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report. The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this research report. This research report has been prepared for professional clients. Distribution of research reports containing investment recommendations and complex financial products to retail clients is prohibited unless Danske Bank A/S has conducted an evaluation and determined, on a case-by-case basis, that the client possesses the necessary financial knowledge and experience to understand the complexities and risks involved. Under no circumstances may this report be distributed to individual investors in the United States. This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank A/S's prior written consent.

Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank A/S is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank A/S who have prepared this research report are not registered or qualified as research analysts with the New York Stock Exchange or Financial Industry Regulatory Authority but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this document is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

Disclaimer related to distribution in the European Economic Area

This document is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

Report completed: 5 October 2026 at 16:19 CET
Report disseminated: 5 October 2026 at 16:45 CET