



Heba's goals, strategies and results for 2021

SHB Real Estate Seminar 2022

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Business goals and property portfolio

Profitable growth while maintaining a strong financial position

Our core business is to own, manage and develop rental housing and community properties in Stockholm region and Mälardalen.



Heba's goals 2022

1. Increase profitability through growth with financial stability.
2. Annual dividend must be at least 70 percent of the management result adjusted for tax.
3. Work active within sustainability.

Have satisfied tenants with a service index that is on a par with or exceeds the average value for private housing companies in big cities.

Be perceived as an attractive employer which encourages employees to skills development and collaboration.

Enviromental inpact – we must not leave a negative mark on the environment.

4. Strengthen the brand.
5. Work for increased digitalization and develop the IT maturity.

Goal number 1: Increase profitability through growth with financial stability

New financial targets:

- Annually increase income from property management by 10 percent
- LTV ratio shall not exceed 50 percent over time
- Economic efficiency must increase:
 - Management margin: approx. 50 percent
 - Yield: approx. 3 percent
 - Operating surplus: approx. 75 percent
- The dividend annually must be at least 70 percent of the management result adjusted for tax.



Own project portfolio

Norrtälje, rental housing:

84 apartments, April 2022

Norrtälje, housing for the elderly:

80 apartments, March 2022

Hägersten, rental housing:

50 apartments, July 2023

Axelsberg, rental housing:

120 apartments, January 2024

Uppsala, rental housing:

146 apartments, Autumn 2022

Framtiden Stora Sköndal, rental housing:

Approx. 200 apartments, 2025

Enköping, rental housing and housing for the elderly:

154 apartments October 2023

Ekerö, housing for the elderly :

60 apartments, January 2023

Källberga, rental housing :

123 apartments, 2023

Approx. 1 000 apartments





Partners and collaboration

Åke Sundvall Byggnads AB

Bredäng, Panorama:

200 tenant-owned apartments

Framtidens Stora Sköndal:

340 tenant-owned apartments, 260 rental apartments

Skärgårdsskogen, Skarpnäck:

100 tenant-owned apartments

Vårbergstoppen, Skärholmen:

300 tenant-owned apartments

Rosendal, Uppsala:

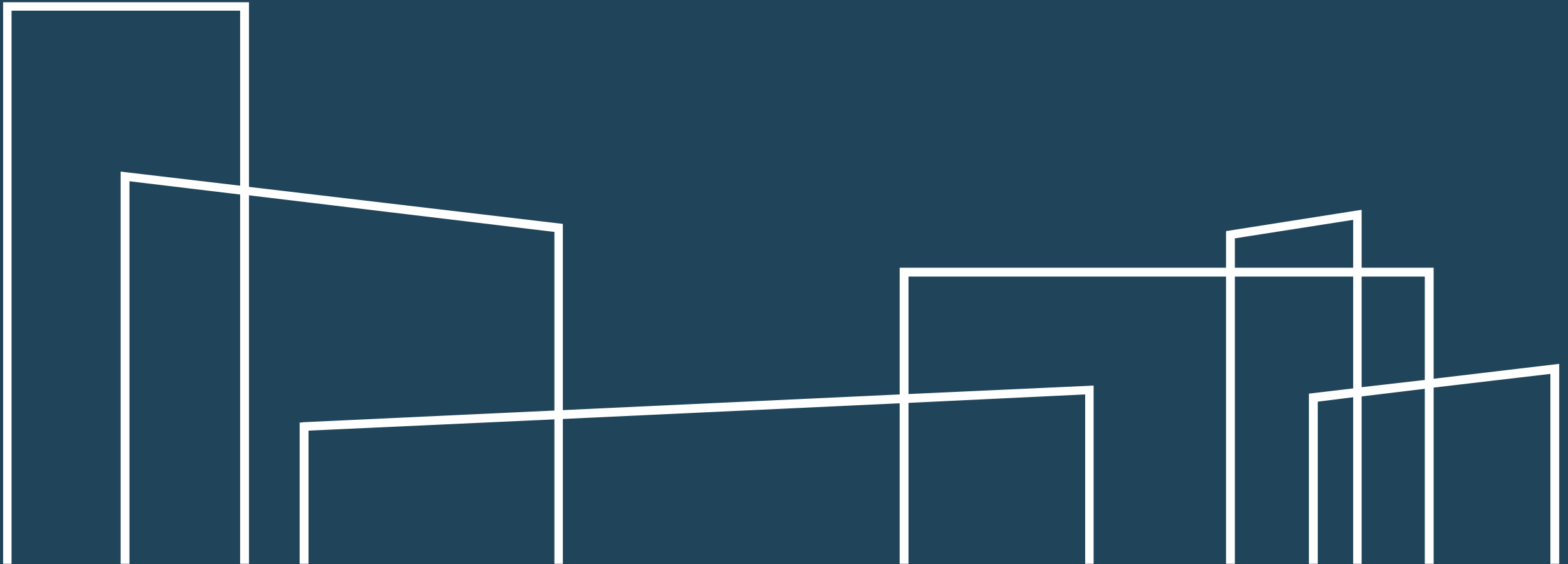
158 tenant-owned apartments, 146 rental apartments

1 500 apartments including 400 tenant-owned apartments



Heba's results for 2021

**Continued growth and
consistently strong financial
position**



Significant events 2021

Moving in's:

- Norrtälje Hamn (October), rental housing, 143 apartments
- Vallentuna (August), rental housing, 64 apartments
- Vallentuna (June), housing for the elderly, 60 apartments
- Österåker (May), housing for the elderly and a kinder garden

Acquisitions:

- Enköping (June), rental housing and housing for the elderly, 154 apartments. Planned occupancy quarter three 2023.
- Enköping (September), rental housing, 33 apartments
- Källberga/Nynäshamn (October), rental housing, 123 apartments. Planned access March 2022 and occupancy quarter three 2023.

Divestments:

- 4 properties within the renovation program

Geographical expansion:

- Three new municipalities - Vallentuna, Nynäshamn, Enköping



A photograph of a modern building facade with dark grey vertical siding and several balconies with black metal railings. The building is set against a clear blue sky.

Significant events 2021

Sustainability:

- Satisfied customer index: service index 85, renovation index 86, new production index 87
- Satisfied employee index: 4,4
- Energy consumption decreased by another 3%

IT: Digital twin for more efficient and sustainable management.

Liquid guarantor: Ensure stability in the share price.

Bonds and certificates:

- Issued green bonds, the entire framework of SEK 2 billion used.
- Decision to increase framework for bonds to SEK 5 billion (January 2022) and for certificates to SEK 4 billion (October 2021).

New financial targets

Target

Result 2021

- | | |
|---|-------------------------------|
| • Annually increase income from property management by 10 percent | 22,2% |
| • LTV ratio shall not exceed 50 percent over time | 41,1% |
| • Economic efficiency must increase: | |
| ○ Management margin: approx. 50 percent | 50,9% |
| ○ Yield: approx. 3 percent | 2,2% |
| ○ Operating surplus: approx. 75 percent | 69,6% |
| • The dividend annually must be at least 70 percent of the management result adjusted for tax | The board's proposal is 72,7% |

Summary for 2021

Profit for the period amounted to

1 475,2 SEK M

(718,2) SEK M, which equates to 17,87 (8,70) SEK per share

Income from property management grew by

22,2%

to SEK M 228,9 (187,3)

Rental income increased by

14,0%

to SEK M 449,6 (393,8)

Operating surplus improved by

14,0%

to SEK M 312,9 (273,5)

Net Asset Value amounted to

111,46 sek per share

(91,95), which equates to an increase with 21,2%

Property values increased by

12,4%

to SEK B 14,7 (12,0)

Financing

Financial position 2021 – long term rating A- negative outlook

Interest-bearing debt:

Real Estate loans	2 550
Green bonds	2 000
Certificates	1 475
	6 025

Average
interest:
0,93%

Net LTV

41,1%

Secured share

42%

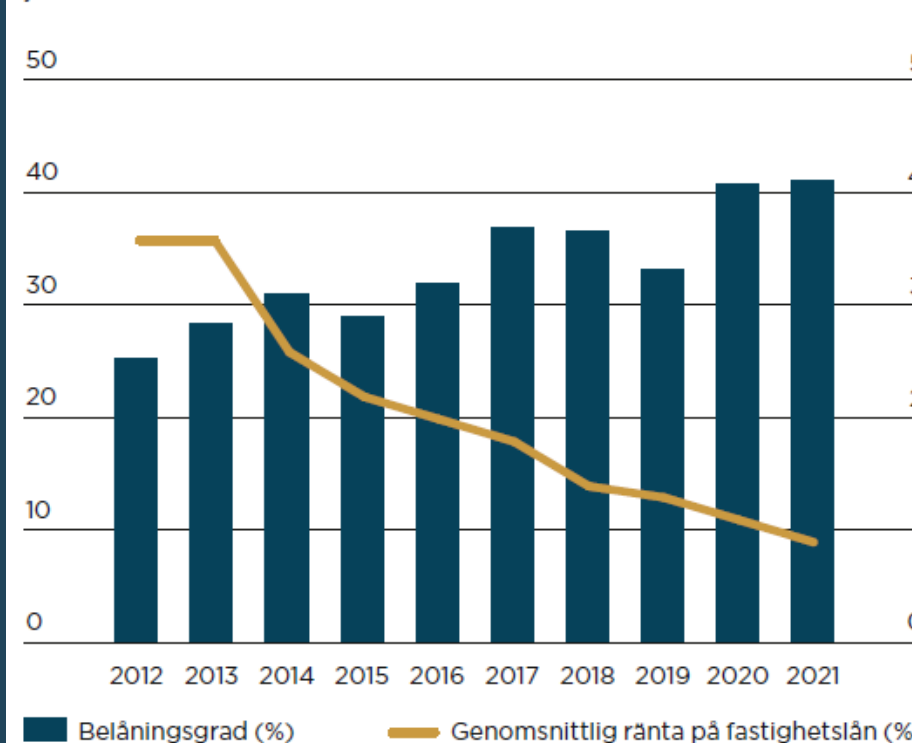
Fixed interest period

3,4 years

Average loan-to-maturity

4,3 years

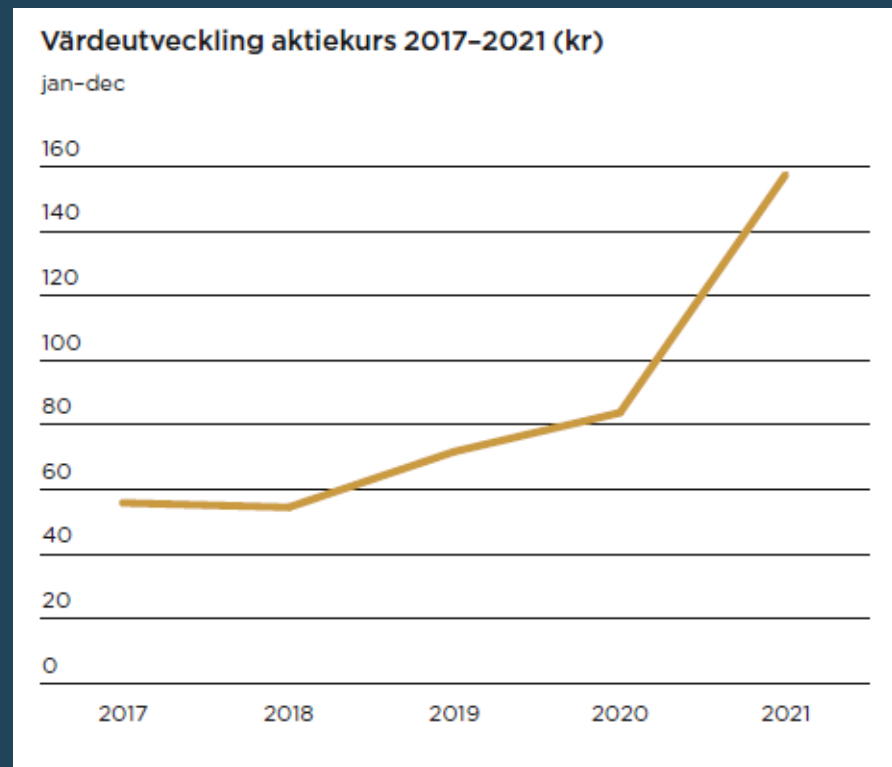
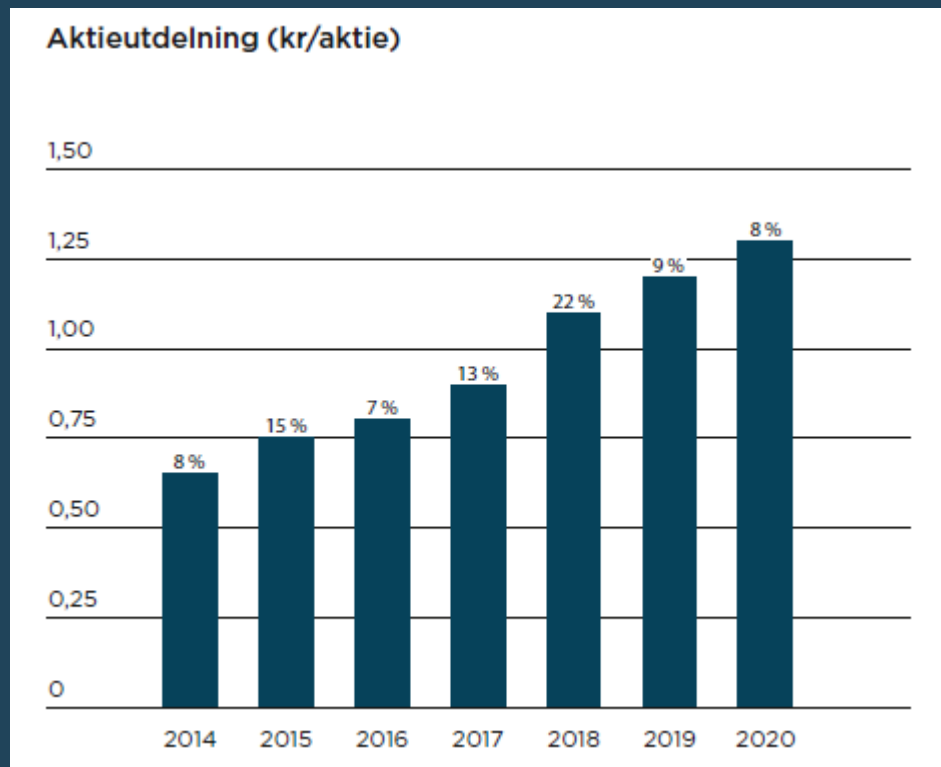
Belåningsgrad och genomsnittlig ränta på fastighetslån (%)
jan-dec



LTV: 41,1 %

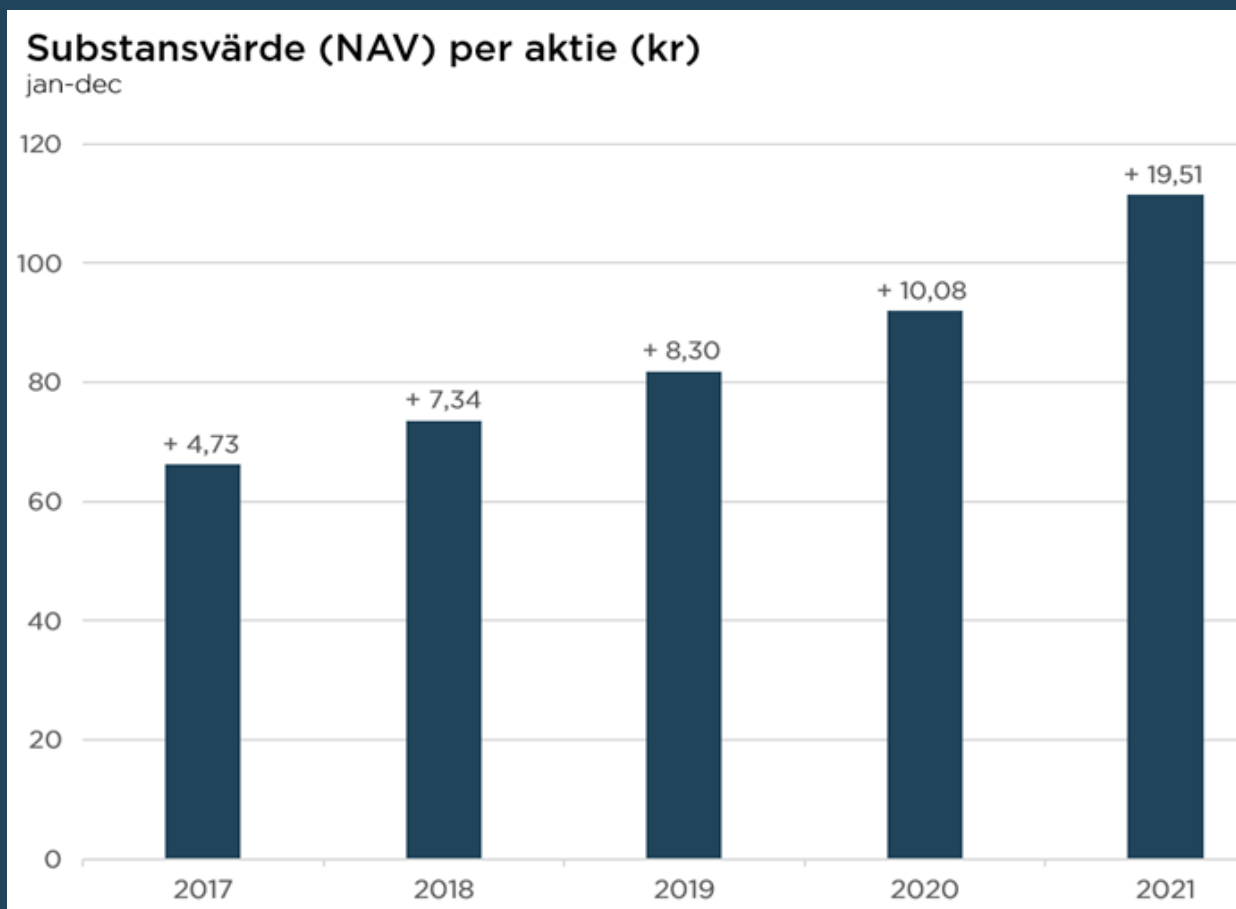
Goal: LTV shall not, over time, exceed 50%

Dividend and stock price



The Board proposes a dividend of SEK 1,60 (1,30) per share
Corresponds to 72,7% of the management result adjusted for tax

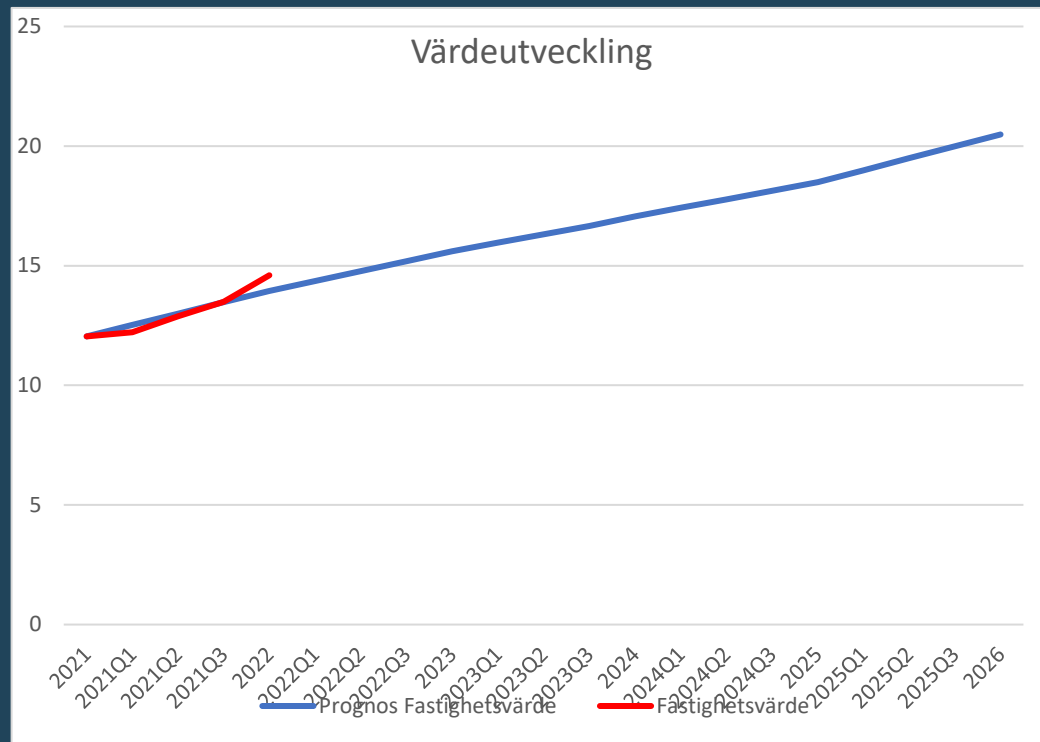
Development of Net Asset Value



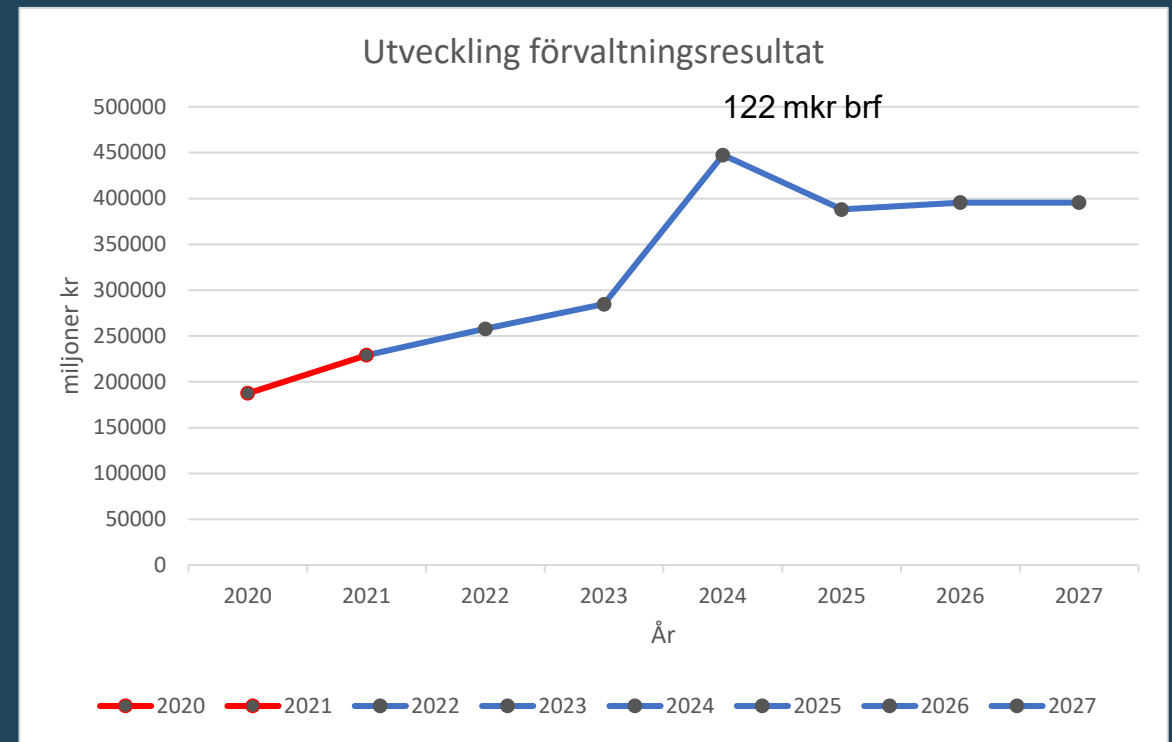
2017: 66,23 SEK
2021: 111,46 SEK
A total increase of SEK 45,23 per share

Looking forward

Property value



Income from property management



A woman with long brown hair is shown in profile, looking out a large window. She is wearing bright orange over-ear headphones and holding a teal-colored mug with both hands. The window looks out onto a balcony with several potted plants, including a tall green plant and a smaller one with reddish-brown flowers. In the background, other buildings are visible. A dark teal rectangular box is superimposed over the center of the image, containing the word 'Sustainability' in white text.

Sustainability

Sustainability permeates all Heba's activities

Employer responsibility (Organisation)

- Health, safety, equality and diversity
- Professional corporate governance:
Sustainability policy, code of conduct, code of conduct for contractors
- Whistle-blower function
- Allbright's green list for gender equality for listed companies

Social responsibility (Society)

- Produces various types of housing
- Housing for vulnerable women
- Stockholms stadsmission
- Situation Stockholm
- Salmon releasing in Stockholm waters
- Night patrol volunteers
- Hammarby bandy
- Huddinge female ice hockey

Environmental responsibility (Environment)

- Climate neutrality 2045 and by year 2030 within property management
- Minimise energy and water consumption, use of chemicals
- Meet environmental demands
- Utilise sustainable materials
- Biochar and Bio-CCS
- Hybrid energy solution – geothermal with solar panels
- Climate compensation

Sustainability is a holistic approach

Use of energy 2021:

The energy consumption was reduced by 3% during 2021, with an energy intensity of 98 kWh/sqm.

New climate target:

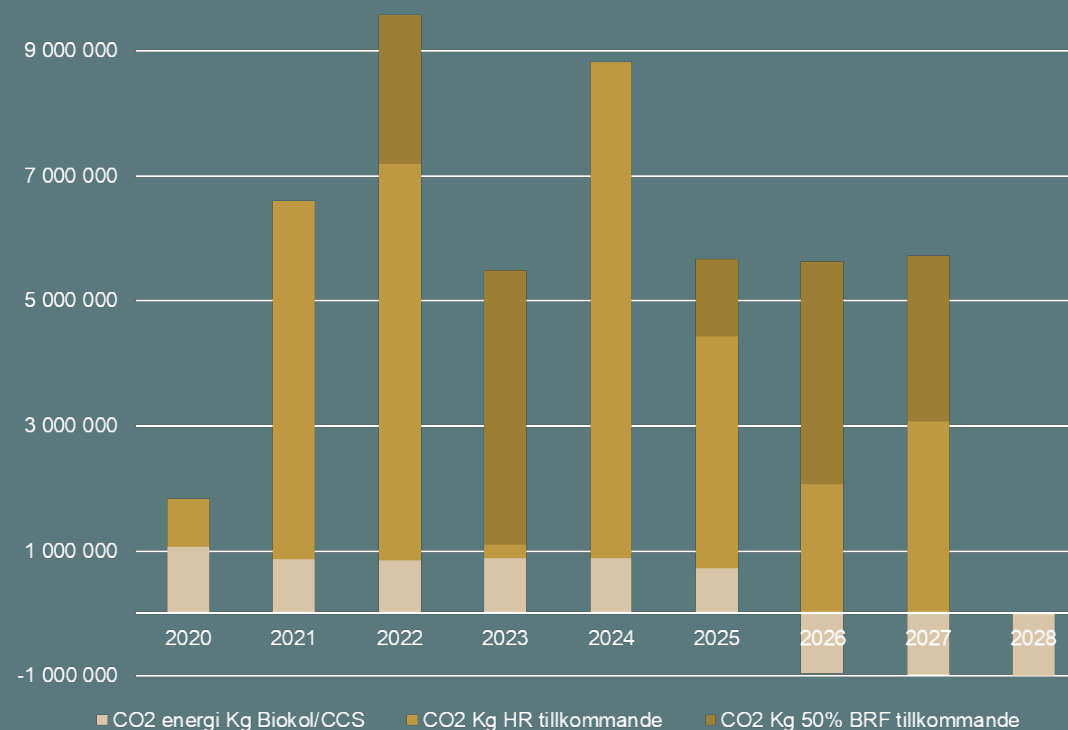
Net zero carbon emissions by 2030 within property management (scope 1 and 2).

New target:

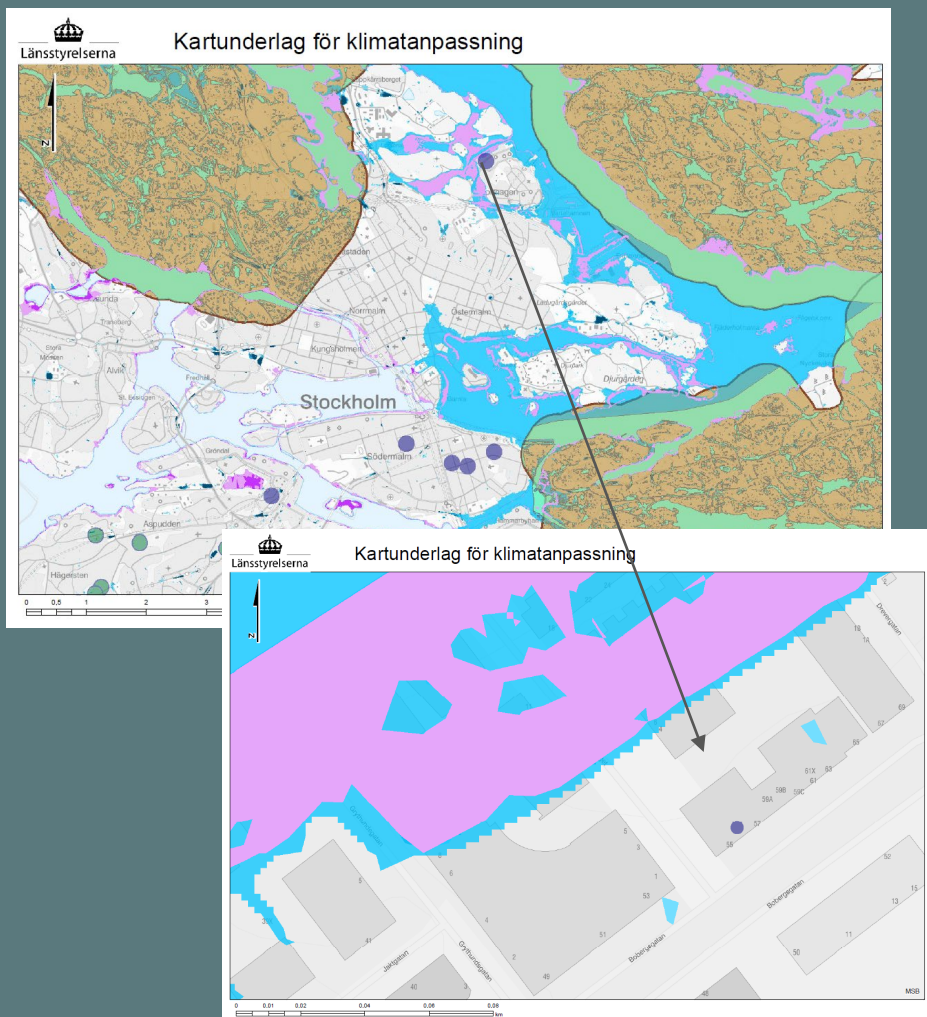
All parking spaces within the portfolio will have a chargepoint for electrical vehicles by 2030.

The total emissions in scope 3 also includes the tenants electricity consumption and waste, construction waste, waste generated in operations and employee commuting, together approximately 20% of the total emissions in scope 3. 80% is represented by the capital goods.

Hebas alla fastigheter + 50% BRF. Energi och CO2 för scope 2 och "3" (nyprod vid inflyttsår)



Climate change adaption



Physical climate risks

- rising sea levels, floods, extreme precipitation, heat stress

When analysing the existing portfolio, three of Heba's properties have a higher risk of being damaged due to higher sea levels.
Financial impact – Loss in rental income yearly: 43 SEK M

Climate transition risks

- Changes in prices, e.g. energy and water, liability, policy

The energy consumption 2021 reached 26,5 GWh, equal a cost of 35 SEK M. If the energy price would increase by 0,5 SEK / kWh, the total cost of energy would increase by 13 SEK M yearly.



Heba – A reliable and responsible landlord