

The English text is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

The board of directors' proposal on resolution on dividend and statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551)

Proposal on resolution on dividend pursuant to item 9

The board of directors of Heimstaden AB (publ), reg.no. 556670-0455, proposes that the annual general meeting resolves on a dividend to the shareholders as follows.

The board of directors has proposed an authorisation for the board to issue preference shares (item 16c)). For this reason, the board proposes dividends as follows.

- a) The board of directors proposes that the general meeting resolves to distribute dividends to holders of ordinary shares with SEK 75.73462587 per share (prior to the proposed share split), amounting to a total of SEK 1,000,000,000. The board of directors shall be authorised to determine the record date for the dividends.
- b) The board of directors proposes that the general meeting resolves to distribute dividends to the holders of preference shares with SEK 20 per share (or SEK 2.00 per share if the general meeting resolves pursuant to item 16), amounting to a total of SEK 46,875,000. Dividend to the preference shareholders shall be paid quarterly in an amount of SEK 5 per disbursement (or SEK 0.50 per disbursement if the general meeting resolves pursuant to item 16). Record dates for the dividends shall in accordance with the articles of association be 5 July 2021, 5 October 2021, 5 January 2022 and 5 April 2022.
- c) The board of directors proposes that the general meeting resolves to distribute a dividend for all those preference shares that may be issued by the board on the basis of the authorisation pursuant to the board's proposal in item 16c). The record dates for the dividend shall in accordance with the articles of association be 5 July 2021, 5 October 2021, 5 January 2022 and 5 April 2022. The dividend shall amount to SEK 20 per share (or SEK 2.00 per share if the general meeting resolves pursuant to item 16). Dividend to the preference shareholders shall be paid quarterly in an amount of SEK 5 per disbursement (or SEK 0.50 per disbursement if the general meeting resolves pursuant to item 16). If the authorisation were to be exercised to issue the maximum amount of preference shares possible, the dividend pursuant to the board's proposal will amount to a total of SEK 80,000,000. The dividend shall be paid commencing on the first record date that occurs following the registration of the preference shares with the Swedish

Companies Registration Office and their entering into the share register of Euroclear Sweden AB or such later date as may be specified in the issue decision.

The proposals above entail that a maximum of SEK 1,126,875,000 of the means at the disposal of the annual general meeting (which amount to SEK 18,302,020,985) shall be distributed to the shareholders. The remaining amount, SEK 17,175,145,985, shall be carried forward.

If the record date stated above is not a business day, the record date shall be the nearest preceding business day. Disbursement of the dividend shall be executed the third business day following the record date.

The board of directors' statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act is appended to this proposal.

Resolution in accordance with this item 9 requires that the proposal is approved by shareholders representing more than half of the votes cast at the general meeting.

Malmö in March 2021

Heimstaden AB (publ)

The board of directors

The board of directors' statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act

This statement has been prepared in accordance with Chapter 18, Section 4 of the Swedish Companies Act and constitutes the board of directors' assessment of whether the proposed dividend is justified according to Chapter 17, Section 3, second and third paragraph of the Swedish Companies Act.

The board of directors proposes distribution of a dividend amounting to SEK 75.73462587 per ordinary share. The board of directors further proposes distribution of a dividend of SEK 20 per preference share (or SEK 2.00 per preference share if the general meeting resolves pursuant to item 16), amounting to a total of SEK 46,875,000. The board of directors also proposes that dividend shall be distributed by SEK 20 per share (or SEK 2.00 per share if the general meeting resolves pursuant to item 16) in regards to those preference shares that may be issued by the board on the basis of the authorisation pursuant to the boards' proposal in item 16c). The dividend in total amounts to no more than SEK 1,126,875,000, which is circa 13.5 per cent of the group's result for the financial year of 2020. The proposed dividend reduces the company's equity ratio from circa 78.4 per cent to circa 77.3 per cent and the group's equity ratio from circa 47.2 per cent to circa 46.8 per cent. The equity ratio is satisfactory both in short and long term.

The company's and the group's financial positions as of 31 December 2020 are stated in the 2020 annual report (which will be published on 18 March 2021). As of 31 December 2020 the unrestricted equity of the company amounted to SEK 18,302,020,985. No assets or liabilities have been valued at fair value in accordance with Chapter 4, Section 14 a of the Swedish Annual Accounts Act (1995:1554).

The operations conducted by the company and the group do not pose any risks beyond what is occurring or what can be presumed to occur in the industry or the risks associated with the course of business operations. The board of directors have taken into account the company's and the group's need for consolidation through a comprehensive assessment of the company's and group's financial position, as well as the company's and the group's capability to comply with its undertakings in the long run. The company's and group's financial position does not indicate anything other than that the company and the group will be able to continue their operations and are expected to be able to comply with all of their obligations in the short and long term and to be able to make necessary investments. The board of directors' assessment is that the amount of the company's equity, even after the proposed dividends, is in a reasonable proportion to the extent of the operations conducted

by the company and the group as well as the risks associated with the course of the business' operations.

In light of, and taking the above into account, it is the board of directors' assessment that the proposed dividends are justified according to Chapter 17, Section 3, second and third paragraph of the Swedish Companies Act regarding the requirements on the company's equity, the company's and group's need for consolidation, liquidity and position in general as determined by the nature of business, scope and risk.

Malmö 8 March 2021

Heimstaden AB (publ)

The board of directors

Ivar Tollefsen

Patrik Hall

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Magnus Nordholm