

annual report
2017



Heimstaden

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We are leaders in the Nordic housing market



KEY EVENTS FOR HEIMSTADEN IN 2017





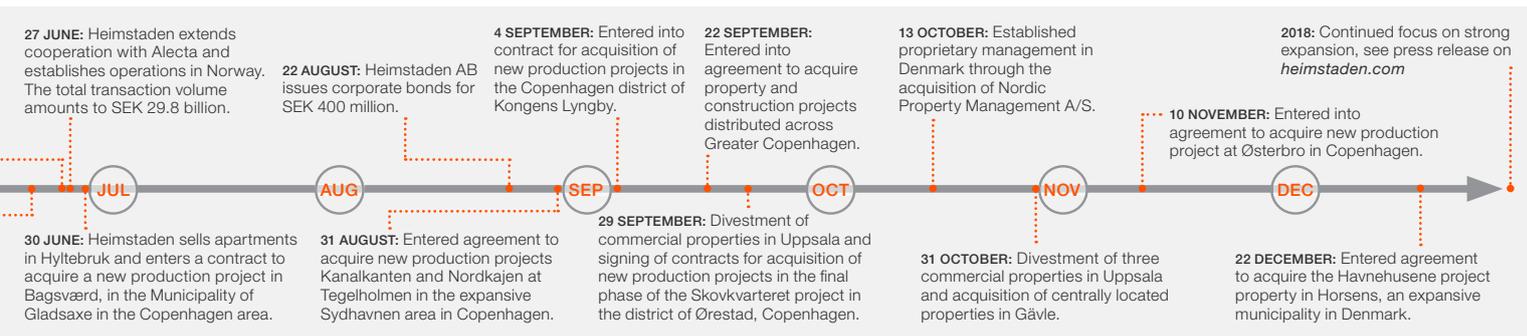
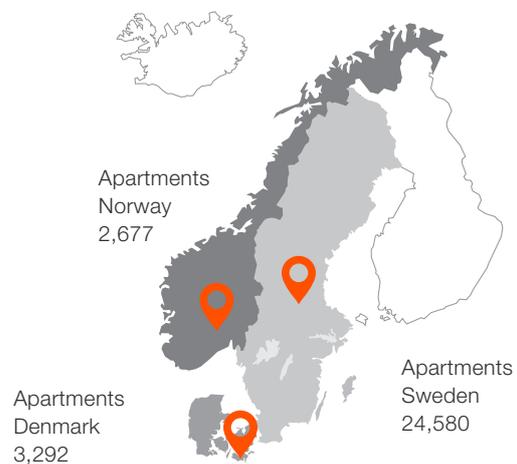
Leading in the Nordic countries

Heimstaden generates lasting value for shareholders, partners and customers by acquiring, refining and managing residential properties in growth communities in Sweden, Denmark and Norway.

We work according to our vision of brightening and simplifying life with well-considered housing. At the end of 2017, there were about 250 of us working at Heimstaden and we had a total of 828 properties, valued at a total of SEK 50,285 million and with slightly more than SEK 2,013 million in rental income. We are listed on Nasdaq Stockholm, with two debenture loans and with a preference share on Nasdaq First North Premier.

Our ambition is to grow responsibly and sustainably together with partners who share our values. Within the framework of our strategy, we will work with other stakeholders, to generate new transactions and create opportunities by contributing experience, knowledge and capital.

In 2017, 262 properties were acquired. Net investments increased to SEK 21,732 million (6,412) and the total lettable area amounted to 2,126,616 square metres at the end of the year (1,457,559). We have also entered into an agreement to acquire 15 project properties in Denmark, which we will gain possession of in 2018-2020 (see Note 16, pages 76–79).



Business model

We generate long-term value through active management of our properties. Our core processes:

- Analysis and transaction
- Project and property development
- Property management

interact when we actively manage property stocks, expand and optimize the portfolio, and refine and develop individual properties.



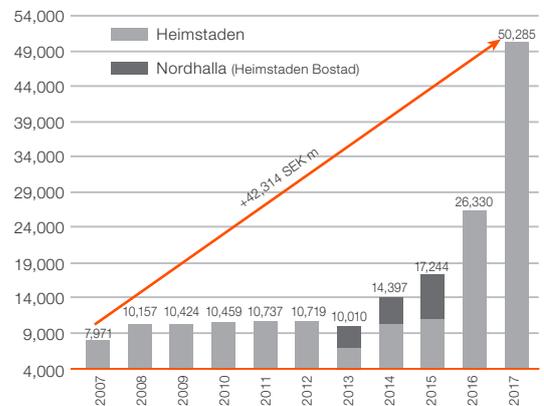
Investment philosophy

When investing in a new property, we proceed from a number of simple and clearly measurable variables and trends. Fundamental to this is our view of the property as a product and its characteristics.

- Everybody needs a home.
- Housing cannot be digitized.
- For housing, there are no major remodelling or adaptation costs following the termination of the rental relationship.
- Housing is a stable and long-term product that looks much the same today as it did 100 years ago.



PROPERTY VALUE



PROPERTY VALUE BY COUNTRY



Heimstaden's property portfolio has grown sharply in value in recent years, both through acquisitions, as well as through increases in the value of existing stocks. In 2017, properties were acquired for a value of SEK 22,878 million.

Rental income

2,013

SEK million

Profit from property management

515

SEK million

Property value

50,285

SEK million

Loan-to-value ratio

59

percent

Hardware and software in symbiosis

– a prerequisite for success

An intensive and eventful 2017 is now behind us. It was a year pervaded by strong growth, deepened and new partnerships, and a continued focus on customer-oriented and sustainable management.

Over the year, we acquired residential properties in Sweden, Denmark and Norway for about SEK 23 billion. These properties are located in Stockholm, Copenhagen and Oslo, as well as in university cities and growth regions. Those less up-to-date on the market might ask whether property prices haven't risen dramatically in recent years and whether we have thus acquired properties too expensively and with too little return.

Let me reassure you. Acting as a housing company across the Nordic region has afforded us unmatched opportunities to make acquisitions in the appropriate sub-markets at attractive prices and, accordingly, to avoid precisely that scenario. We have, for example, acquired existing and well-managed residential properties in university cities and regional towns at a third of new production costs, while also acquiring newly produced properties with condominium apartments in central Copenhagen for DKK 30 – 40,000 per square metre, which can be compared with tenant-owned apartments in central Stockholm with sales prices of at least the double.

More than 30,000 apartments in the Nordic region

I am proud of the Nordic housing portfolio of slightly more than 30,000 apartments that Heimstaden currently owns, and I am

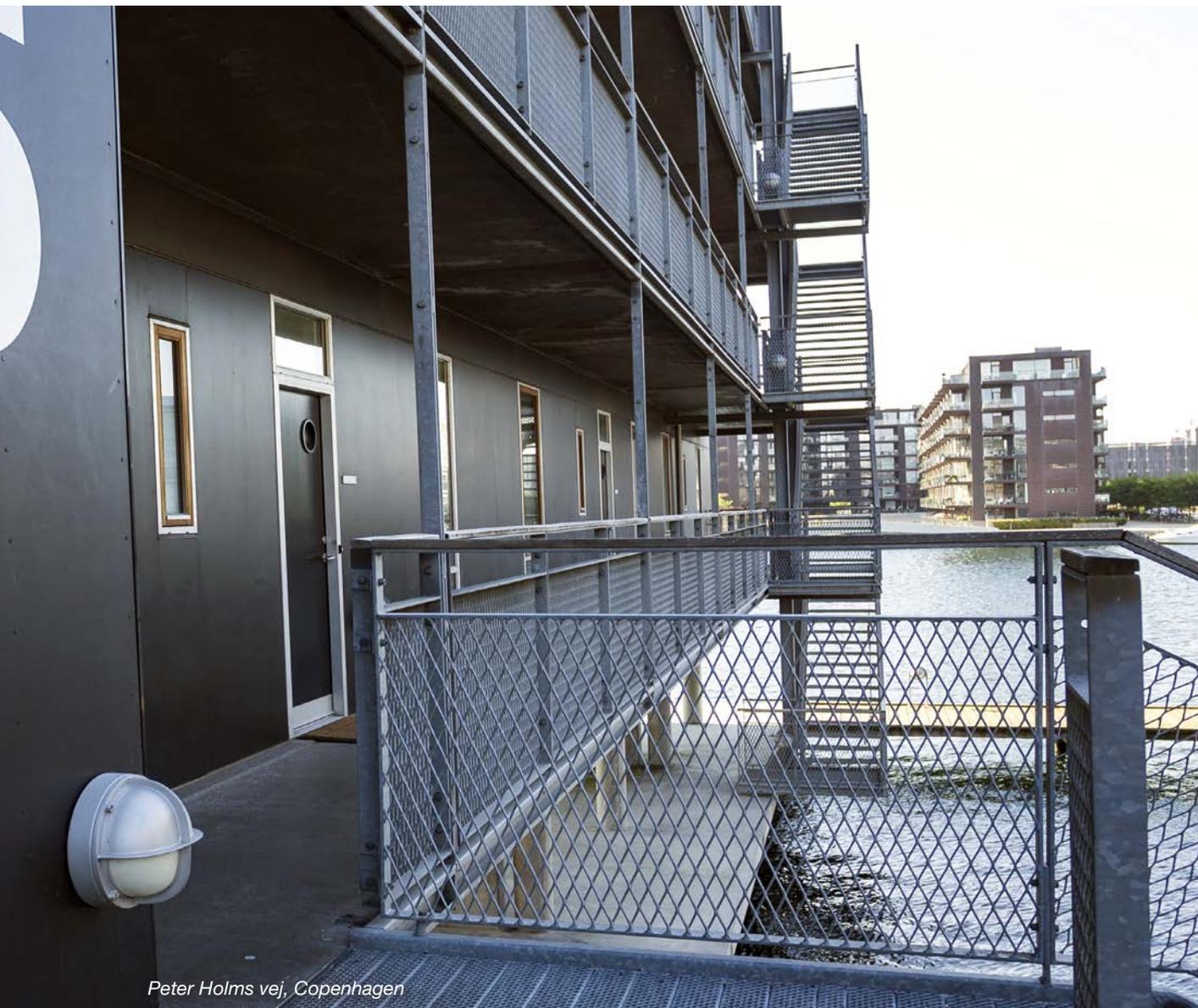


enthusiastic and confident about the future. Today, we have housing that allows us to provide accommodation meeting tenants' different wishes and needs in terms of size, standard, rent level, location, local environment, etc. In short, we can deliver the "hardware" that is in demand among the vast majority of people. This generates stable and broad demand regardless of economic fluctuations.

» With well-filled cash and bank balances, I look forward to continued growth.«

Secure, considerate accommodation

Our homes are our foundation and stability in life. This is where we spend time with those near and dear to us, find security, relaxation, and rest, where we study and sometimes work, where our children grow up and where we make friends for life. But we know that the home is also where many of us struggle with the loneliness, problems and demons with which life occasionally confronts us.



Peter Holms vej, Copenhagen

Heimstaden seeks to make a difference. We must be there for our tenants, considerably helping and supporting them by also providing the social “software” – because what can really be more important than noticing and caring for our fellow human beings. We firmly believe that “hardware” and “software” must go hand in hand and that our task is to “brighten and simplify life with well-considered housing”.

Key partnership extended

Today, nearly 70,000 people live in Heimstaden properties and we embrace a future in which we can welcome even more people home.

About a week ago, we took another major step in this direction in our extended partnership with Alecta and the Ericsson and Sandvik pension foundations. Within the framework of our jointly-owned Heimstaden Bostad, it was agreed to acquire additional residential properties and construction projects in Denmark and residential properties in Oslo. When Heimstaden Bostad takes possession of these properties on 17 April, it will own properties valued at SEK 60 billion, as well as contracted construction projects in Denmark and Sweden valued at slightly less than SEK 9 billion.

Continued growth in 2018

With well-filled cash and bank balances, I look forward to continued growth, focusing on sustainability and community commitment and, above all, customer-oriented management with satisfied and secure tenants. We are also able to continue on the course we have set, occasionally seasoning the recipe with positive surprises!

Finally, I would like to take this opportunity to shine the spotlight on all of Heimstaden’s employees. It is your motivation, dedication and constant desire to deliver considerate and much-appreciated housing that makes this journey possible. THANK YOU!

Over and out....

Patrik Hall, CEO Heimstaden

Platform for continued expansion

Heimstaden shall be the leading owner of residential properties in the Nordic region by offering customers secure, pleasant accommodation with appropriate service, and by providing shareholders and investment partners an attractive return in relation to risk.

In ten years, Heimstaden has progressed from being a relatively small player in the Swedish housing market to being one of the Nordic countries' largest players in the private housing market. The expansion has been possible through a clear and ambitious strategy, with a scalable organization and capital structure, and thanks to our employees' commitment. By generating synergies and economies of scale, our size and strength contribute to increased value for all of our stakeholders.

Our business concept

Our business concept is to acquire, refine and manage primarily residential properties.

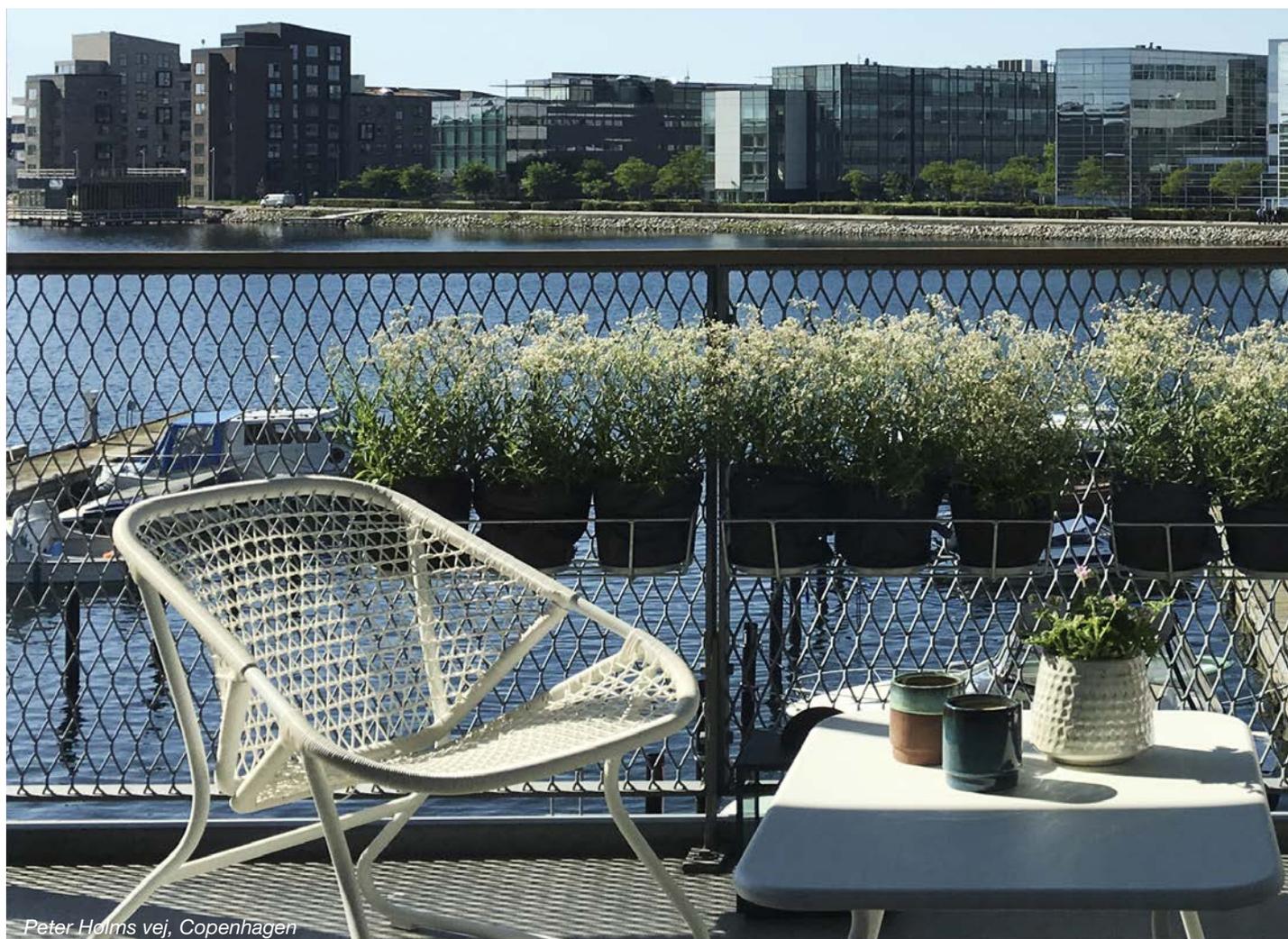
Our vision

Our vision revolves around the place in which people lead their lives. This drives, motivates and inspires us, shaping our purpose, which acts as a unifying force. We work according

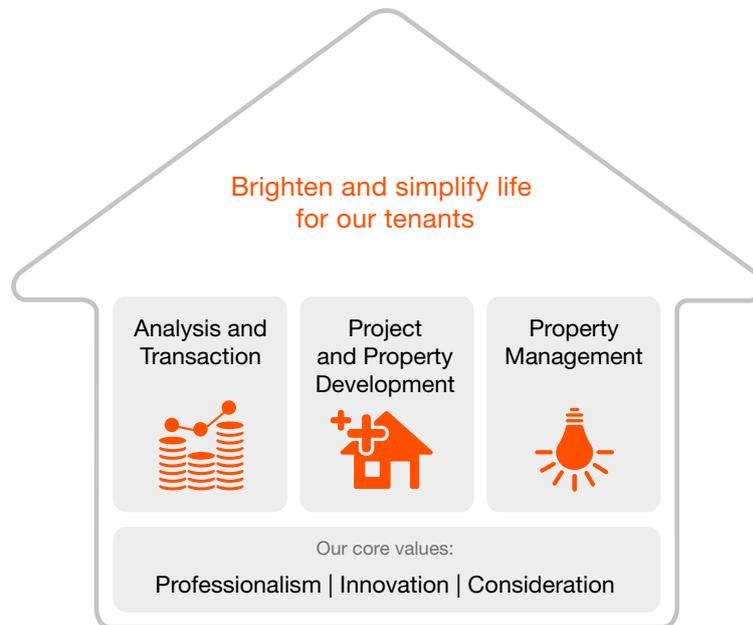
to the vision to "brighten and simplify life with well-considered housing".

Our offering

- We generate value for shareholders and partners by developing and optimizing an attractive residential property portfolio in Swedish, Danish and Norwegian growth regions.
- We generate value for customers by developing and providing well-considered housing in Swedish, Danish and Norwegian growth communities.
- We generate value for our employees by cultivating a corporate culture and work environment pervaded by our core values of professionalism, innovation and consideration.
- We generate value for society through sustainable and safe housing and new residential production in communities with housing shortages.



» Our strategy is based on a responsible business model with satisfied customers, employees and partners.«



Our business model

We generate long-term value both for shareholders and investment partners, as well as for our customers through acquisitions, refinement and development, and through active management of our properties. Our core processes Analysis and transaction, Project and property development and Property management interact when we actively manage the property stocks, expand and optimize the portfolio, and refine and develop individual properties. In this way, we ensure that we have high-quality residential properties in locations where demand is strong.

ANALYSIS AND TRANSACTION

We work continuously to optimize and refine the property portfolio by acquiring properties in line with our strategy and selling non-strategic properties. This work is based on thorough analysis and good market presence. Read more on pages 28–29.

PROJECT AND PROPERTY DEVELOPMENT

By means of a long-term approach and close dialogue with the various stakeholders in the market, we refine and develop our existing property stocks, while making use of land and building rights to develop new housing properties. This benefits both the society in which we operate and enhances the value of the properties in our portfolio. Read more on pages 30–31.

PROPERTY MANAGEMENT

Our locally based organization builds long-term relationships with customers based on our values – consideration, innovation and professionalism. Our work ensures that the focus is on establishing good quality in our properties and providing attractive housing. Read more on pages 32–35.

Our strategy

Our strategy is based on the strong trends we are seeing in the market. All investments are measured against one another across national borders and micro locations, and we invest in the properties and projects deemed most attractive at any given time. With population growth, urbanization, strong economic development and a housing market where there will be a housing shortage for the foreseeable future, we perceived continued

opportunities for good returns, which is why we currently intend to continue growing through acquisitions and new production of residential properties. The strategy is based on a responsible business model with long-term, high profitability and growth with the right customers, employees and partners. This builds a sustainable and successful business for both the short and long term. We will achieve this by focusing on:

			
<p>Excellence in customer experience</p> <ul style="list-style-type: none"> • We shall have an in-depth understanding of our customers' needs. • We shall develop smart digital solutions throughout the customer's journey. • We shall offer our customers a beneficial and safe living environment. • We shall always be easily available to our customers. 	<p>Sustainable and profitable growth</p> <ul style="list-style-type: none"> • Our expansion strategy embraces Sweden, Denmark and Norway. • We shall build strong relationships with municipalities. • We shall build long-term relationships with financial institutions and investors. • Our operations shall be pervaded by balanced risk management. 	<p>Sustainable refinement and development of properties</p> <ul style="list-style-type: none"> • We shall prioritize esthetically pleasing and sustainable materials in new production. • We shall refine more of our properties to preserve the characteristics of the periods in which they were built. • We shall focus on continuously improving the portfolio's technical quality, operating finances and energy efficiency. 	<p>An organization governed by valuation</p> <ul style="list-style-type: none"> • Our operations need committed and involved employees. • We must have a corporate culture in which we always focus on the customer. • We must have a strong brand that attracts and develops active and innovative leaders and employees who choose to stay with us, acting as strong and positive role models. 

Core values

Our core values capture our very essence. They describe what seek to represent now and in the future. They describe how we are as people, how we work and how we want to be perceived. Without these values, it would be difficult to simplify and brighten the lives of others.

PROFESSIONALISM

We always take responsibility for our actions and work long term in the best interests of the property portfolio and the company. We build long-term relationships with the external community and generate value for all of our stakeholders.

INNOVATION

We are flexible, open, adaptable to change and innovative. We encourage diversity and divergent thinking. We constantly seek new ways to enhance growth and productivity.

CONSIDERATION

We care about and respect our employees, partners and customers, taking good care of our properties by nurturing a favourable living environment and sustainability.

Right customers

We strive to have a good mix of customers in our properties – students, single-person households, couples without children, families with children and seniors. We want to attract customers who:

- Impose demands on their housing.
- Shows respect for their surroundings.
- Enjoy having neighbours.
- Want to take responsibility for, and be involved in, their housing situation.
- Want to remain with us even when their housing needs change.



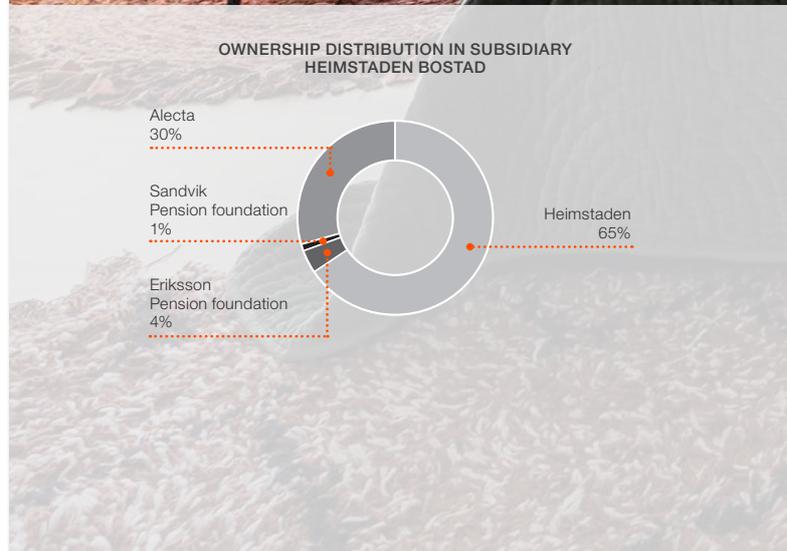
Partnership for sustainable growth

Our ambition is to grow responsibly and sustainably together with partners who share our values. Our strategy includes partnering with other stakeholders to generate new transaction and create opportunities by contributing experience, knowledge and capital.

The importance of cooperation

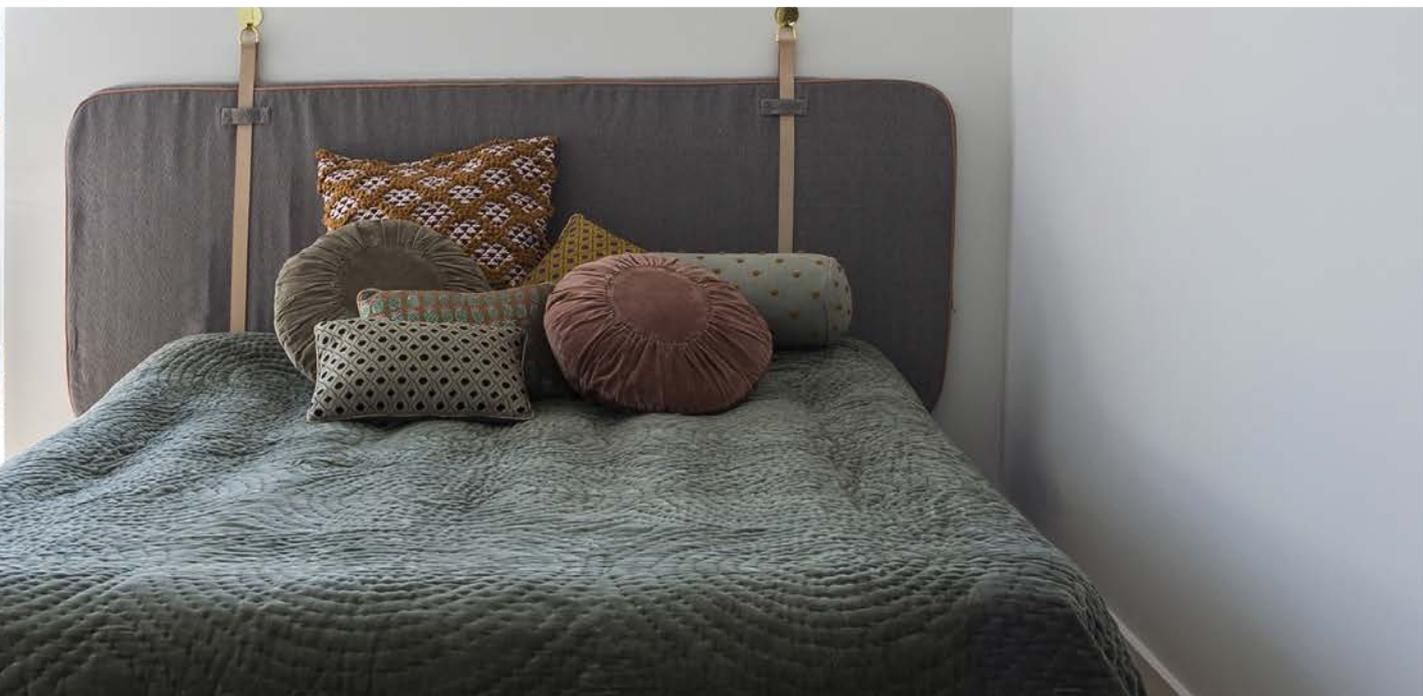
To build a scalable platform with the objective of becoming the Nordic region's largest private owner of residential properties, a strong and scalable capital and ownership structure is needed. Against this background, in 2013, Heimstaden made the strategic choice to invest in the housing market together with a number of institutions that shared our view of the housing market and had the same long-term investment horizon. In partnership with Alecta and the Ericsson and Sandvik pension foundations, we have, since then, built up a unique Nordic housing portfolio in areas with housing shortages and with a sustainable and clear focus of the operations on the long term and appropriate quality of management. In this way, the operations benefit from having an active and committed industrial owner in Heimstaden and from capital-strong institutional investors, generating additional financial stability and security for our lenders. The partnership also makes it possible act vigorously and expansively when the conditions are right. In 2017, a major joint transaction was conducted that included properties in Sweden, Denmark and Norway for a total value of SEK 29.8 billion. In February 2018, this was followed by another major joint transaction at a total value of SEK 24 billion, including properties and construction projects in Denmark and properties in Oslo.

Together with municipal companies and other important regional players, we focus on maintaining a close and constructive dialogue to facilitate the development of the municipality and the community. We contribute responsible management and improvement of existing property stocks and, in partnership with municipal actors and others, we promote new production through densification or utilization of new building rights. We are currently engaged in new construction projects in, for example, Malmö, Norrköping, Umeå, Skellefteå and Copenhagen.

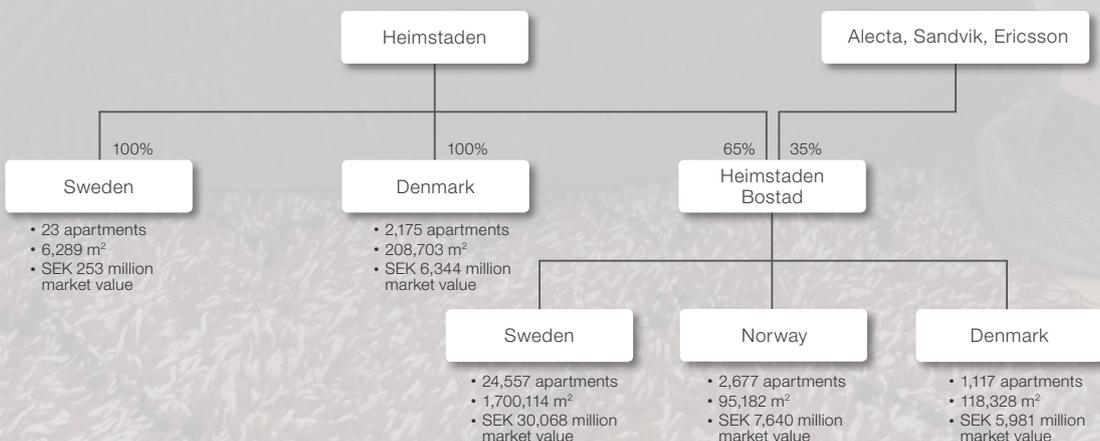




Since Heimstaden commenced its partnership with Alecta and the Ericsson and Sandvik pension foundations, properties have been acquired for SEK 43.7 billion through Heimstaden Bostad.



OWNERSHIP STRUCTURE 31 DEC. 2017



Continued high demand for housing

Our strategy for growth is based on a number of strong trends and driving forces. Population growth, urbanization, rising real income and strong economic development are driving demand for housing in the Nordic region, while, in many communities, a shortage of housing persists.



Continuously monitoring different trends and assessing their strength has a major impact on our potential for profitable growth. The strong expansion of the property portfolio in recent years has resulted in our now holding large stocks of residential properties in three Nordic economies. Of the value of the property portfolio at the end of 2017, properties in Sweden accounted for 60 percent, properties in Denmark for 25 percent and properties in Norway for 15 percent. These three countries differ somewhat in terms of the driving forces in their economies and conditions in the housing markets.

Macroeconomic analysis

The economies of the Nordic countries continued to develop positively in 2017, with significant contributions from both private consumption, exports and investments. Growth was relatively even between the countries. GDP growth slowed slightly to 2.7 percent in Sweden, was unchanged at 2.0 percent in Denmark and rose to 1.9 percent in Norway. All of the Nordic economies continued to be affected positively by low interest rates, high employment, rising real income and higher demand from a strong international economy. In addition, the Swedish and Norwegian export industries derived further advantage of their relatively weak currencies. Investment in

housing has increased in all three countries in recent years. Although forecasts indicate a continued high level of investment in new housing, investment growth in 2018 will likely be driven primarily by industry, as a consequence of high capacity utilization. In Norway, oil and gas investments are expected to increase after a few years of negative investment growth.

For a long time, growth in private consumption has benefited from low interest rates, rising asset values and increased employment. However, concerns of an over-valued housing market and rising interest rates make it likely that households will be more cautious in the future, particularly in Sweden. In addition, several years of extremely expansive monetary policy in all three economies has led to increased risks and imbalances. Besides regulations already adopted and implemented to dampen household borrowing, in Norway and Sweden in particular, additional measures are also being discussed to curb debt. If these are realized and interest rates rise, there is a risk of falling asset values and that increased housing costs will restrict household consumption.

Despite these concerns, most things suggest continued good GDP growth in the economies over the next few years. In Norway, for example, various indicators reflect continued recovery driven by both higher oil and gas investments, as well as stronger domestic demand. Private consumption in all three countries is also expected to continue to benefit from low interest rates, since none of the countries' central banks envisage any rapid rate hikes in the foreseeable future.

Swedish housing market

According to the National Board of Housing, Building and Planning, some 100,000 new homes have been completed in Sweden over the past two years, relatively evenly distributed between rental apartments and tenant-owned apartments. At the same time, in its latest forecast, the National Board of Housing, Building and Planning assesses that 80,000 homes a year need to be constructed by 2020, which poses a risk of continued housing shortages despite high production levels. Recent years' construction has also had elements of local over-production of more expensive housing, primarily tenant-owned apartments, while population growth in the larger cities has largely consisted of households with less opportunities to finance expensive housing purchases. The price decline in tenant-owned apartments that began in Stockholm in the autumn of 2017 spread somewhat to other Swedish communities, mainly impacting

» Demand for rental apartments remains strong.«

sales of newly constructed tenant-owned apartments. Continued concern that additional policy measures will be introduced to curb debt has led to a cautious housing market, although prices for tenant-owned apartments have stabilized in early 2018. At the same time, demand for rental apartments has remained intact and has even risen in many places. The continued strong inflow of investment capital means that we are not seeing any negative impact on demand for rental properties in the places where Heimstaden operates.

Danish housing market

In 2017, there was a high level of activity with favourable demand in the Danish housing market, driven by low interest rates and increased employment. Housing prices in several cities have begun to approach or even surpassed levels prior to the price



decline in 2007–2009. Urbanization is a strong driving force behind the rise in prices, although low relocation levels and increased birth rates are also clearly contributing to population growth in cities. Although housing construction has gathered pace in recent years, particularly in Copenhagen and its environs, the Danish research institute, Dansk Byggeri, estimates that an average of about 20,000 new homes need to be constructed every year up to and including 2025. The strong trend in housing prices, combined with the good income growth in households, has caused the banks to become less restrictive with lending, which created some concern for a new housing bubble, and financial supervision authorities have therefore proposed austerity measures to manage the highest risk loans and thus curb debt.

Norwegian housing market

In Norway, new mortgage regulations were introduced in early 2017, including a 40 percent cash deposit for the purchase of a second home in Oslo and a new debt ceiling of five times gross income that will limit the banks' lending potential. Combined with high supply, the stricter loan terms have resulted in falling prices in the housing market, especially in Oslo where prices fell in 2017, following a sharp rise in 2016. The decline in Oslo began in the spring and prices then fell by slightly more than 10 percent up to year-end. Sales of new housing decreased by 22 percent in 2017, according to statistics from Boligprodusentene (Norwegian property owners association).

Population growth

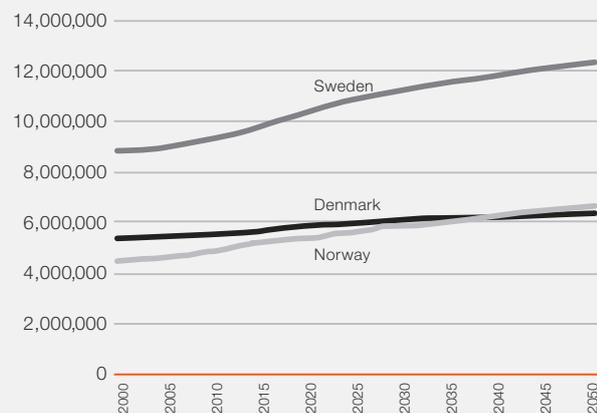
For a long time, the population in the Nordic region has grown faster than in Europe as a whole, and is expected to continue showing a positive and stable trend. In the past ten years, Sweden's population has increased by 10 percent, Denmark's by 6 percent and the population of Norway by 12 percent, while the EU in total increased by only 3 percent. It appears as though the trend, which has been even clearer in the larger cities, will persist for the foreseeable future, driven by a positive net birth rate, continued immigration, and urbanization. Accordingly, continued population growth is generating further need for housing in all three countries.

Urbanization

The urbanization trend in northern Europe is clear. In Denmark, Copenhagen alone accounts for one third of the country's population growth over the past five years, and the city is expected to grow by an additional 100,000 inhabitants over the next ten years.

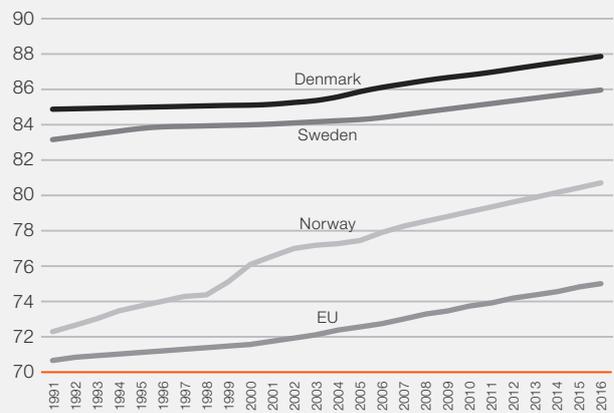


POPULATION TREND 2000-2017 AND FORECAST 2018-2050



Source: Statistics Sweden, Statistics Norway and Statistics Denmark.

DEGREE OF URBANIZATION, %

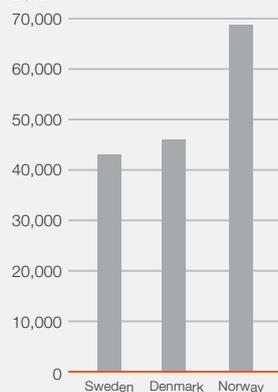


Source: World Bank



In Copenhagen, average rent levels have risen by almost 35 percent since 2010. Over the same period, inflation in Denmark has been 11 percent.

GDP PER CAPITA IN NORWAY,
EUR



Source: Eurostat

68,200

Per capita GDP amounted to EUR 68,200. This is highest in the Nordic countries and among the highest in Europe.

In Sweden and Norway too, urban areas, mainly regional centres, are growing at the expense of the countryside, driven by jobs and good access to service and culture.

Housing supply

There is a considerable need for housing in the Nordic countries. A low pace of new construction, combined with urbanization and a shortage of developable land, has created a pent-up housing demand with demand for apartments being greater than supply. This is reflected in rent levels in Denmark and Norway, where rent levels are relatively unregulated. In Copenhagen, for example, the average rent level has risen by almost 35 percent since 2010. Over the same period, inflation in Denmark has been 11 percent. Rent levels have not risen at the same pace in Sweden, as a result of the regulated negotiation system that exists for rental apartments. In Stockholm, average rent levels has risen by 14 percent since 2010. In Malmö, on the other hand, rent levels have risen by 17 percent over the same period, mainly due to a large amount of new production having been added. The Swedish rent control system results in housing not being utilized efficiently, and reduced mobility in the market due to a lack of incentives to move out of large apartments with low rent in central locations. In both Copenhagen (properties built from 1992 and onwards) and Oslo, there is an entirely different mobility in the housing market, including in central locations. Another effect of the Swedish rental system is that housing-production is not maximized, since construction costs and willingness to pay justify higher rent levels than those that can be levied in the market. This situation has resulted in a significant portion of recent years' new construction in Sweden having included production of more expensive tenant-owned apartments in central locations, as well as on the outskirts of the cities. The market for this type of housing has become saturated

and many newly produced tenant-owned apartments therefore remain unsold.

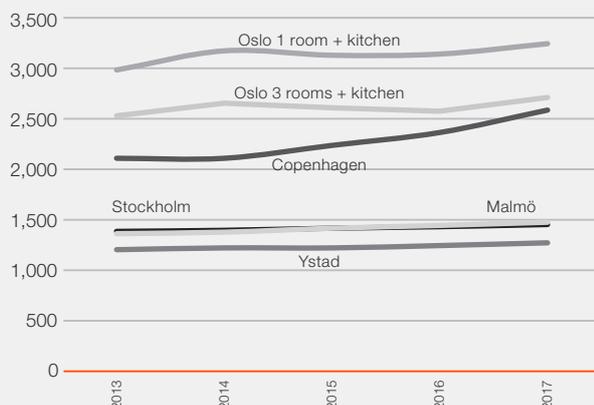
At the same time, Sweden, in particular, still has considerable need of housing for the growing proportion of households with lower capacity to pay. For this group of people, housing production has been limited, aggravated by slow planning processes and capacity shortages in the construction sector, giving rise to higher construction costs. Being able to build housing that more people can afford is one of the most important challenges facing the Swedish housing market in the next few years.

Transaction market in 2017

The investment market for residential properties in the Nordic region remained highly active in 2017. In Denmark, housing accounted for 45 percent of the total property transactions volume, corresponding to a value of SEK 39 billion. Slightly more than two thirds involved housing transactions in the Copenhagen region, where competition, particularly for larger items, increased in line with growing interest from major international investors. In Sweden, housing accounted for approximately a fourth of the total transaction volume, corresponding to a value of SEK 37 billion, and was accordingly the largest segment. Locations outside the three metropolitan areas accounted for about half of the volume of housing transactions and interest from foreign investors remained high. In Norway, there is a limited range of residential properties to acquire and this segment therefore corresponds to a small proportion of the total transaction volume. The transactions completed were mainly in Oslo, dominated by Heimstaden's acquisition of sister company Fredensborg Eiendomsselskab's property portfolio.

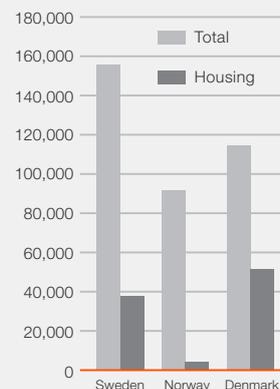
» The Swedish system for determining rent levels leads to housing not being utilized efficiently and to reduced mobility.«

AVERAGE RENT HOUSING (PRIME), SEK/M²/YEAR



Source: Newsec, S&A, JLL

TRANSACTION VOLUME NORDIC REGION 2017, SEK M



Source: S&A, JLL

Central government influence on the housing market

So alike – but still so different. The Nordic countries have similar welfare models and economic conditions, and yet the housing markets are so unlike.

The rental apartment, as we know it in Sweden, exists only to a limited extent, mainly in Norway. There are nonetheless many apartments available for rent because a large proportion of the apartments in Norway and Denmark are condominium apartments, making it possible to rent them out on market terms. Conversely, there are extremely few condominium apartments in Sweden, but a relatively large proportion of tenant-owned apartments. This is not the case in Norway and Denmark however.



Following World War II, housing was a central issue. Overcrowding, squalor and housing shortages needed to be combated. But the Nordic countries chose different strategies. Sweden chose to build up municipal housing companies with subsidies that grew sharply. Tenant owner housing associations grew in Sweden driven by, among other things, cooperative movements such as HSB and Riksbyggen. In Norway, the leading political forces focused on as many people as possible owning their own homes, and built up financing structures such as Husbanken, home savings, etc. And in Denmark, housing policy was pervaded by self-administration. While Norway and Denmark have subsequently chosen to adopt a more normal European arrangement with unregulated rent levels for rental apartments, Sweden initially chose a rent arrangement according to which rent levels would be determined by public housing cost levels. Effective from 2011, a model applies according to which rent levels are negotiated between the parties.

In Sweden, there is broad political consensus that public housing should be for all income groups, while the rest of Europe has more or less chosen models with specific housing/areas for those with lower incomes, “social housing”. From the perspective of public finances, the Swedish model is cheaper, since most countries in Europe have high cost levels for their subsidized housing. On the other hand, waiting lists for housing are shorter and segregation less problematic in Sweden than in many other countries. Reality is more subtly shaded than the black and white world of theory.

For those seeking to invest in rental accommodation, the rules of play will be somewhat different in the different countries. In Denmark, it is important to know what type of rental property you are investing in. Is it a condominium apartment with unregulated rent and the possibility of selling at market price? Or is it public housing with cost-based rent levels? Or is it a cooperative more reminiscent of a cooperative rental property? In Norway, it is possible to own condominium apartments or rental apartments with relatively unregulated rent levels. In Sweden, all rental apartments are subject to the same rules. The rent should reflect the value in use and is negotiated between the Swedish Union of Tenants and the property companies. In most growth areas with housing shortages, rent levels will be below market prices and waiting lists arise. On the other hand, they never fall when the market declines. And if costs rise, the property owners are compensated in the annual negotiations.

Heimstaden’s strategy of spreading its housing investments between the three Nordic countries brings increased security for investors. This entails diversification in three strong economies, with housing markets that are not only different in character but that can also be developed differently in terms of value – and the past year has been a good example of this.

Stefan Attefall
strategic adviser to Heimstaden

+12%

Prices for condominium apartments in Copenhagen rose by 12 percent in 2017.

Uppsalegade 1, Copenhagen



A Nordic housing portfolio

We are one of the largest private owners of residential properties in the Nordic region with stocks in three countries and in a total 30 locations. At the end of the year, our portfolio was valued at SEK 50,285 million, divided between 828 properties with 2.1 million square metres of lettable space and a total 30,549 apartments. In addition, there are approximately 1,633 apartments under contracted production in Sweden and Denmark, as well as contracted property acquisitions for a value of SEK 19,117 million that are not included in the Balance Sheet. At the end of the year, 90 percent of the total area of Heimstaden's properties was residential and 10 percent was commercial premises. These premises primarily comprise restaurant, office and retail space on the lower floors of our properties and are not, accordingly, purely commercial properties.

In 2017, we expanded the portfolio with 262 properties, comprising a total of 10,752 apartments, for a total value of SEK 22,194 million, including:

- Acquisitions in new locations for us in Sweden – Falköping, Linköping, Stockholm and Umeå.
- Continued expansion in Gävle, Lund, Norrköping and Ystad.
- Acquisitions of residential properties for a value of SEK 8.2 billion in Oslo, Norway.
- Acquisitions of property portfolios in Denmark for a value of SEK 6 billion.

During 2017, we advanced our positions in Denmark substantially, and at the end of the year, our portfolio in Denmark totalled approximately SEK 12 billion. The acquisition in Norway brought access to about half of sister company Fredensborgs Eiendomsselskab's portfolio of residential properties, located primarily in Oslo. The expansion in 2017 resulted in us becoming one of the larger private players in residential properties in all three countries.

As a whole, the value of Heimstaden's property portfolio developed well in 2017, albeit with differences between the countries.

» During 2017, we advanced our positions in Denmark substantially.«

50,285

In 2017, we expanded the property portfolio to a total value of SEK 50,285 million.



The value trend was positive in both Sweden and Denmark. In the wake of previous years' sharp increases in value, the value of our Norwegian stocks declined in 2017, primarily against the background of new borrowing limitation regulations. By diversifying investments in different countries with different conditions and by being present in several locations, today we have a good risk spread in our property portfolio.

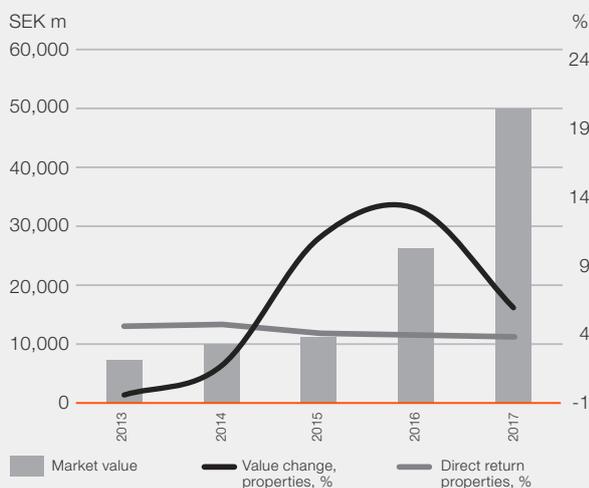
Fair value and potential

At the end of 2017, the market value of Heimstaden's properties amounted to SEK 50,285 million, an increase of SEK 23,955

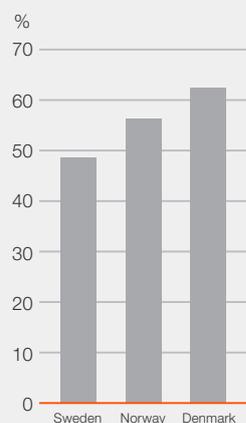
million compared with the preceding year. Of the increase, SEK 21,146 million is related to net acquisitions.

We value our property stocks four times a year. At the end of the year, an external valuation of each property is performed, providing a basis for the financial statements. At the end of each of the other quarters, an internal valuation of the properties is performed. For Sweden and Denmark, this is based on the most recently determined external market value, adjusted for the estimated change in the market's return requirement for the property and net operating income. The updated return

MARKET VALUE, VALUE CHANGE AND DIRECT YIELD



SURPLUS RATIO PER SEGMENT



The surplus ratio is higher in Denmark and Norway compared with Sweden as an effect of higher rents per square metre due to freer setting of rent levels, but also because these countries generally have newer properties with relatively low needs for maintenance and repairs.

requirement is based on the assessment of yield requirements that we perform for our locations with an external valuation institute as we approach the end of each quarter. For Norway, the most recently determined valuation is updated with changes in apartment prices according to official statistics. During 2017, external valuations were conducted by Newsec and Forum Fastighetsekonomi for Sweden, Sadolin & Albæk for Denmark, and Eie Eiendomsmegling, Aktiv Eiendomsmegling and Nyverdi AS for Norway.

Valuation basis for investment properties

For housing in Sweden and Denmark, valuations are performed on the basis of rent levels, specific rent surcharges and any discounts. For premises, the basis consists of rent, lease term, indexation and any surcharges, such as for heating, water and electricity. Estimates of operating and maintenance costs are based on the historical cost of the property, investments made and the external valuer's knowledge of costs for comparable items. The latter is an important part of the valuation, since active decisions and the owner's organization affect the reported cost. Consequently, the operating costs in a valuation may differ, either positively or negatively, from the reported cost. The costs vary for each individual property, depending on the type of property, its standard and function. For each property, an anticipated long-term vacancy rate has been assigned to which the current opening vacancy is "normalized" during the valuation period. In addition to the above, the basis of valuation also includes property prices for sales of properties, tenant-owned apartments and condominium apartments.

In Norway, valuation is based on publicly available brokerage statistics for all apartments sold in the immediate vicinity of each property.

Valuation method for investment properties

In Sweden and Denmark, the valuation is performed using cash flow analyses based on each property's net operating income, as well as analyses of local prices. Based on the estimated net operating income, a simulation is performed for the ensuing five to ten years' earnings capacity and a present value is calculated based on annual flows and a terminal value calculated according to the Gordon growth model. The sum of the calculated present values represents the estimated market value of the property. Heimstaden and the external valuers apply the following assumptions in the individual valuations:

- Rent levels develop largely in line with the anticipated rate of inflation, taking into account the indexation level for each commercial contract.
- The discount rate and return requirement are based on local price analyses of completed transactions, as well as individual assessments of the risk level and the property's market position. Read more in Note 16 on pages 76–79.

The Norwegian valuations are performed as traditional local price analyses, taking into account the structure and content of the lease. The basis for this is that an apartment can either be rented or sold as a condominium apartment or tenant-owner apartment.

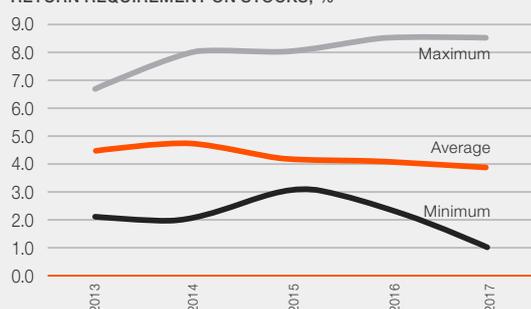
In addition to residential properties, we also have project properties. Classified as project properties are those under construction, extension or remodelling. Project properties are valued on the basis of the completed project, less remaining investments. Depending on the phase to which the project has progressed, there is a risk premium on the return requirement.

Building rights are valued on the basis of an estimated market value for established building rights in accordance with detailed/municipal plans that have gained legal force, or where it is judged that a detailed/municipal plan may gain legal force in the near future.

Valuation 2017

During the year, Heimstaden acquired and invested in properties for a total SEK 22,879 million (6,738). In 2017, properties were sold for SEK 1,146 million (279), generating a profit of SEK 78 million (95). At the end of the year there were 828 properties in Heimstaden's portfolio, which, according to the external valuations, as per 31 December 2017, were valued at SEK 50,285 million (26,330). This value includes an unrealized change in value of SEK 2,124 million (2,221), explained primarily by reduced direct return requirements in existing stocks, primarily in Denmark. Low interest rates, good availability of capital and high demand for residential properties have generated higher valuations and thus lower direct returns. The weighted direct return requirement for the portfolio as a whole amounted to 3.86 percent (4.08) at the end of the year. Rent increases and continued optimization of operations led to an increase in net operating income, which gave a positive value change in Sweden and Denmark. Our property stocks in Norway have declined in value as an effect of the introduction of stricter mortgage terms for households, resulting in declining prices for condominium apartments, mainly in the Oslo region in 2017. The total change in the value of the Heimstaden portfolio in 2017, including realized gains and unrealized changes in value, amounted to SEK 2,202 million (2,316).

RETURN REQUIREMENT ON STOCKS, %



CHANGE IN ASSESSED MARKET VALUE, SEK THOUSANDS

Market value 31 Dec. 2016	26,330,189
Sales during the year	-1,048,186
Acquisitions, currency and investments during the year	22,879,167
Market value after transactions	48,161,170
Unrealized change in value due to changed return requirement	1,132,750
Unrealized change in value due to changed net operating income	991,257
Market value 31 Dec. 2017	50,285,176



The property stocks are valued four times a year. At the end of the year, an external valuation is performed of each property and an internal valuation of the properties is performed at the end of each other quarter.



**PROPERTY VALUE ON CHANGED RETURN REQUIREMENT,
SEK THOUSANDS**

0.75 percentage points lower return requirement	62,243,895
0.50 percentage points lower return requirement	57,595,708
0.25 percentage points lower return requirement	53,591,789
Market value of properties on balance sheet date	50,285,176
0.25 percentage points higher return requirement	47,046,180
0.50 percentage points higher return requirement	44,336,702
0.75 percentage points higher return requirement	41,921,263

**PROPERTY VALUE ON CHANGED NET OPERATING INCOME,
SEK THOUSANDS**

2.00 percent higher net operating income	51,112,573
1.50 percent higher net operating income	50,861,147
1.00 percent higher net operating income	50,609,721
Market value of properties on balance sheet date	50,285,176
1.00 percent lower net operating income	49,604,018
1.50 percent lower net operating income	49,352,592
2.00 percent lower net operating income	49,101,166



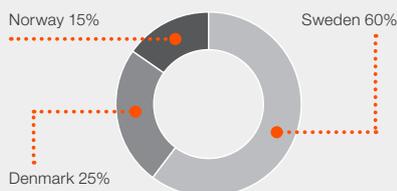
Geographic distribution

Today, following the transactions made in 2017, Heimstaden holds large property stocks in Sweden, Denmark and Norway. However, the stocks in each country differ in terms of their geographical concentration.

In Norway, we by and large own residential properties only in Oslo and its environs. In Sweden, we have for a long time been focusing on growing by acquiring residential properties in medium size communities with positive population growth, well-developed infrastructure and located close to universities or colleges. The Swedish locations are geographically dispersed throughout the country. Our operations in Denmark commenced in 2014 through investments in modern properties in central Copenhagen, although we have, since then, made a vigorous expansion to also include older residential properties and other locations, including Odense and Århus.

The expansion of the property portfolio has continued in Sweden and Denmark in early 2018. In accordance with previously agreed acquisitions, we will also take over sister company Fredensborg Eiendomselskab's remaining residential properties in the Oslo region in April 2018, virtually doubling the size of our Norwegian property portfolio.

PROPERTY VALUE BY COUNTRY ¹⁾

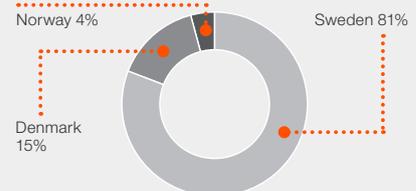


1) On the balance sheet date, 31 December 2017

DISTRIBUTION OF SPACE BY COUNTRY ¹⁾

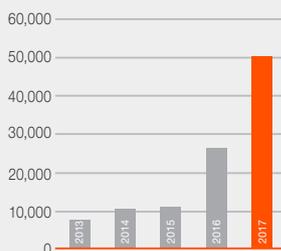


DISTRIBUTION OF INCOME BY COUNTRY ²⁾

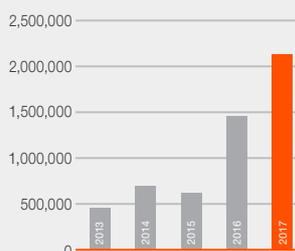


2) For the 2017 financial year

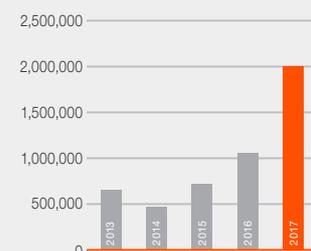
DEVELOPMENT OF TOTAL MARKET VALUE, SEK M



DEVELOPMENT OF TOTAL AREA, M²



DEVELOPMENT IN TOTAL RENTAL INCOME, SEK



Change in market value of investment properties, SEK m	31 Dec. 2017	31 Dec. 2016	30 Sep. 2016	30 Jun. 2016	31 Mar. 2016
Opening balance	26,330	11,143	10,378	7,042	10,719
Divested	-1,048	-262	-3,864	-1,045	-3,779
Acquisitions	22,194	6,738	3,562	4,200	0
Acquisitions from associated companies	0	6,236	0	0	0
Investments	393	143	227	39	33
Currency change	291	110	0	0	0
Market value after transactions	48,161	24,109	10,303	10,236	6,972
Unrealized value change	2,124	2,221	840	142	70
Closing balance	50,285	26,330	11,143	10,378	7,042

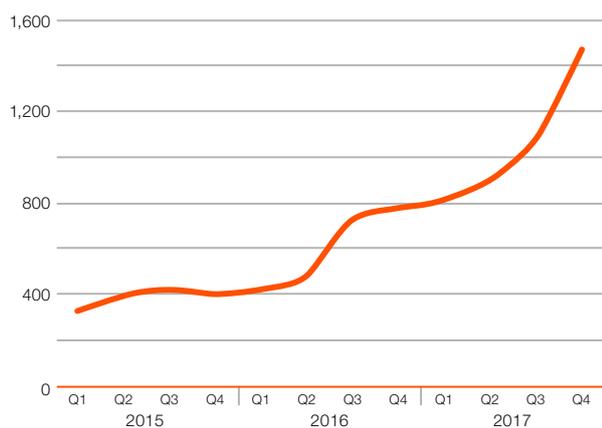
Earning capacity

Presented below is our earning capacity on an annual basis for the past three financial years and on the balance sheet date for each quarter in 2017. Earning capacity is not a forecast for the current year or the next 12 months but should be seen only as a theoretical snapshot. Current earning capacity takes as its departure point the properties taken over prior to, and held on, the balance sheet date and is based on the contracted rental income, current property costs and administrative costs. The

costs for the interest-bearing liabilities have been based on the Group's average interest rate, including the effect of derivative instruments on the balance sheet date. Accordingly, the current earnings capacity does not include any assessment of the future development of rent levels, vacancy rates, property costs and interest rates. Nor does it include an assessment of value changes, or acquisitions and disposals of properties.

Current earning capacity, SEK m	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
Rental income	2,826	1671	721
Property costs	-1,244	-806	-351
Net operating income	1,582	865	370
Central administration	-90	-82	-42
Other operating income	0	5	62
Other operating costs	-21	-10	-59
Participations in profit of associated companies	0	0	75
Profit before financial items	1,472	779	406
Financial income	4	0	37
Financial costs – interest on subordinated shareholder loans	0	-109	0
Financial costs – interest-bearing liabilities	-532	-218	-137
Profit from property management	944	452	307
Profit from property management attributable to:			
Parent Company's shareholders	472	361	307
Non-controlling interests	472	92	0
Key data			
Surplus ratio, %	56.0	51.8	51.4
Interest coverage ratio (ICR), multiple	2.8	3.6	3.2

EARNING CAPACITY BY QUARTER BASED ON PROFIT BEFORE FINANCIAL ITEMS, SEK M





Sweden

Our strategy for expansion in Sweden stands firm. In 2017, we continued to acquire housing in existing locations but also established ourselves in new expanding communities, where we perceive opportunities to establish our own efficient management organization to generate additional value for our customers.

Property stocks

At the end of the year, the portfolio comprised 721 properties with a total lettable area of 1,706,403 square metres. Of the total stocks, 88 percent consisted of housing. Since the first acquisition in 2006, we have built up a diversified portfolio of both modern and older residential properties, addressing tenants of different income categories and age groups. The portfolio includes approximately 4,500 student apartments. Stocks also include commercial premises, primarily comprising restaurant, office and retail space on the lower floors of our properties. As part of our strategy to generate value, we are planning production of new housing in, for example the northern Swedish municipalities of Umeå and Skellefteå, as well as in Norrköping, south of Stockholm.

Choice of location

We have a broad geographical spread in the Swedish property stocks, from Luleå in the north to Trelleborg in the south. At the end of the year, we were present in a total 24 locations, and have a clear strategy to grow through acquisitions and by refining residential properties in areas with population growth, good infrastructure and close proximity to universities or colleges.

Challenges and opportunities

The price decline in tenant-owned apartments that began in the Stockholm region in the autumn of 2017, is likely to continue spreading, leading to declining values across the country, which will affect the value of our properties. However, when major price corrections occur, there are also opportunities to make new, attractive acquisitions.

Significant events in 2017

- In 2017, we acquired a total 175 properties in Sweden, valued at about SEK 8 billion, and we divested 23 properties, valued at slightly more than SEK 1 billion. This included:
 - Establishing operations in new locations, such as Falköping, Linköping and Umeå.
 - Continued expansion through acquisitions in, for example, Gävle, Lund, Norrköping and Ystad.

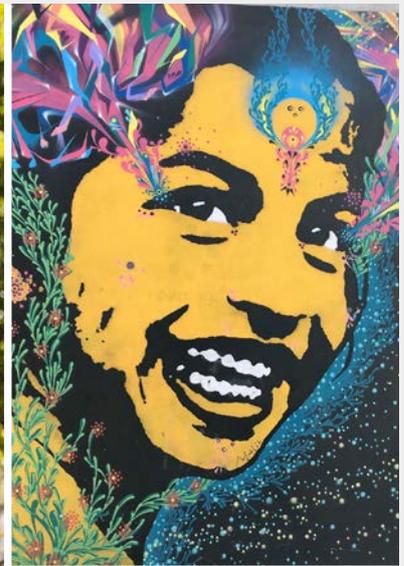


Folkets Park, Malmö

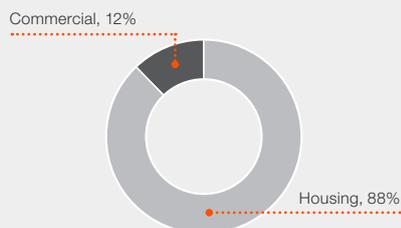
- Acquisitions and subsequent disposals of commercial properties in Uppsala. The acquisition in Uppsala was included in an acquisition of residential properties in Norrköping.
- Acquisition of building rights for 525-575 apartments in Linköping and Umeå.
- Acquisitions of newly produced housing in the Stockholm region through a transaction with our partner Alecta.
- Acquisition of approximately 1,660 apartments in Rosengård, Malmö, together with Fastighets AB Balder, MKB Fastighets AB and Victoria Park AB. The partnership also includes work on a detailed development plan for new production of approximately 200 residential units and 30 commercial premises in the area.
- Disposal of our stocks in Hyltebruk and Ronneby.
- Total renovation of 90 apartments.
- Heimstaden's first customer satisfaction survey was conducted, encompassing all customers in Sweden.

Priorities 2018

Although our portfolio in Sweden is well-balanced geographically, we perceive opportunities for continued expansion through complementary acquisitions in existing locations, as well as acquisitions in new locations meeting our investment criteria.



DISTRIBUTION OF AREA AMONG PROPERTY STOCKS, %



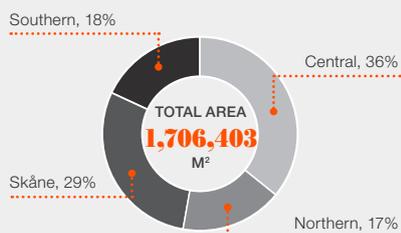
NUMBER OF APARTMENTS IN SWEDEN

24,580

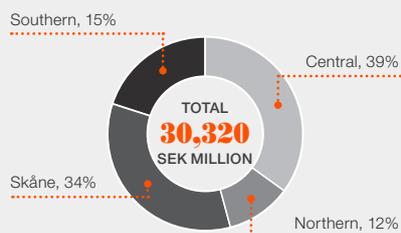
SWEDEN

	2017	2016
Market value, SEK m	30,320	21,172
Rental income, SEK m	1,622	907
Net operating income, SEK m	788	429
Surplus ratio, %	48.6	47.3
Letting ratio (housing), %	99.3	99.7
Number of properties	721	546
Area, m ²	1,706,403	1,347,930

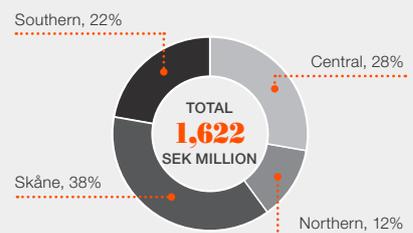
AREA BY REGION ¹⁾



MARKET VALUE BY REGION ¹⁾

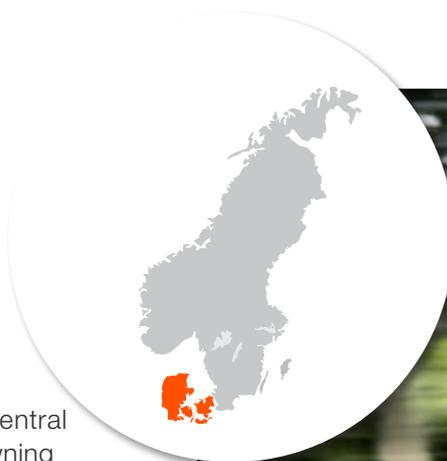


RENTAL INCOME BY REGION ²⁾



1) On the balance sheet date, 31 December 2017 2) For the 2017 financial year

Denmark



In Denmark, we have progressed, in a little over two years, from owning a few modern residential properties in central Copenhagen and Frederiksberg to owning a comprehensive and geographically diversified residential portfolio consisting of condominium apartments, rental apartments and new construction projects.

Property stocks

At the end of the year, the portfolio comprised 57 properties with a total lettable area of 327,031 square metres. Of the total stocks, 98 percent consisted of housing. Heimstaden has been present in the Danish market since 2014 and has since then undergone a vigorous expansion. Today, we are one of Denmark's largest residential housing companies, with the bulk of the properties consisting of condominium apartments*, with the option of either leasing at market-based rent levels or selling them individually on the open market. In addition to condominium apartments, our portfolio includes 1,813 rental apartments. We have also entered into an agreement to acquire project properties. At the end of the year, these included a total 1,761 apartments where tenants will be able to move in between 2018 and 2020. Read more about project properties in Note 16, on pages 76–79.

Choice of location

While we have continued to search for attractive stocks in central locations in Copenhagen and the Municipality of Frederiksberg, we have also gradually expanded our geographical presence to the entire Copenhagen region, as well as to other communities, such as Odense and Århus.

Challenges and opportunities

Our vigorous expansion in the Danish market in recent years has entailed certain challenges for us as an organization in maintaining the pace in skills, financing opportunities and network development. Through a structured internal process and professional partners, we have resolved these challenges in a favourable way. We have a clear Group-wide strategy for our growth and maintain a close and constructive dialogue with, for example, contractors, municipalities, urban planners and various central government actors to generate together attractive development in the communities and areas in which Heimstaden operates. As in large parts of the western world, Denmark is undergoing a strong trend of urbanization, with Copenhagen, in particular, being expected to grow rapidly over the next decade. Århus is Denmark's second-largest city and has a well-developed transport network, is a very popular student city and has one of Northern Europe's largest industrial ports. Odense is Denmark's third-largest city and is, like Aarhus, a popular student city, offering more than 100,000 jobs, with robotics and automation being an area of distinct growth.

* A condominium apartment is an individual demarcated space in a building owned separately from the other apartments in the building. Accordingly, condominium apartments differ from tenant-owner apartments, where the association owns a property and the tenant has a holding in the association. An owner, such as Heimstaden, may own some or all of the condominium apartments in a property and then lease them.



Park, Copenhagen

Significant events in 2017

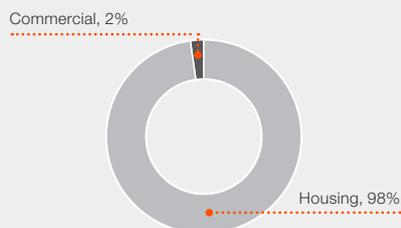
- In 2017, we acquired a total 37 properties in Denmark for a value of approximately SEK 6 billion. This included:
 - Acquisition of 1,496 apartments and townhouses in the Copenhagen region, Odense, Aarhus, Zealand and the Triangle region.
 - Acquisition of Hostrups Have in the Municipality of Frederiksberg, an entire residential neighbourhood of 679 apartments and 33 commercial premises, requiring comprehensive renovation.
- Agreement signed for future acquisition of 15 project properties primarily in the Copenhagen region. See Note 16, pages 74–76.
- Acquisition of Nordic Property Management (NPM) with 15 employees, previously responsible, on contract, for technical and administrative management of our stocks in Copenhagen and the Municipality of Frederiksberg.

Priorities 2018

The focus for 2018 and the upcoming years will – in addition to completing and leasing of ongoing contracted project properties – be on continued expansion by complementing our current stocks. Over the year, we will also commence the extensive development and renovation of the Hostrup Have residential neighbourhood in Frederiksberg.



DISTRIBUTION OF AREA AMONG PROPERTY STOCKS, %



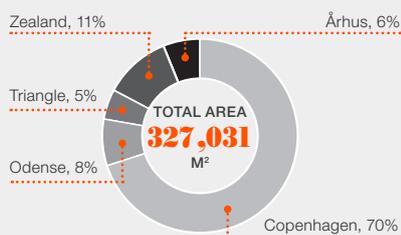
NUMBER OF APARTMENTS IN DENMARK

3,292

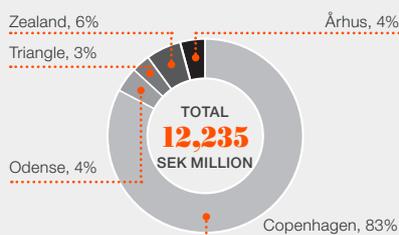
DENMARK

	2017	2016
Market value, SEK m	12,325	5,159
Rental income, SEK m	309	151
Net operating income, SEK m	193	101
Surplus ratio, %	62.3	66.9
Letting ratio (housing), %	96.4	97.4
Number of properties	57	20
Area, m ²	327,031	109,629

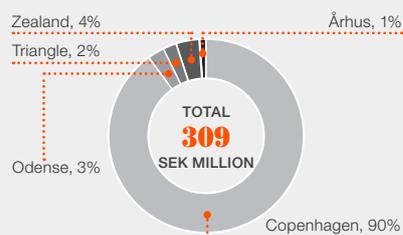
AREA BY REGION ¹⁾



MARKET VALUE BY REGION ¹⁾



RENTAL INCOME BY REGION ²⁾



1) On the balance sheet date, 31 December 2017 2) For the 2017 financial year

Norway



Effective from 2017, Heimstaden has become a new player in the Norwegian housing market through the acquisition of part of sister company Fredensborg Eiendomsselskap's residential properties. The properties are primarily located in the central parts of Oslo.

Property stocks

At the end of the year, the Norwegian portfolio comprised 50 properties with a total lettable area of 95,182 square metres. Of the total stocks, 94 percent consists of housing. The 2,677 apartments are located in attractive, central locations in Oslo, at Nesodden, by Gardermoen and in Asker and Baerum. Most of the stocks are located in central Oslo. The properties consist primarily of condominium apartments*, with the option of either leasing the apartments at market-based rent levels or selling them individually on the open market. The average apartment is only 35 square metres in area. At the end of the year, the property portfolio also included an ongoing remodelling project comprising 266 student apartments with occupancy planned to commence in the first half of 2018.

Choice of location

Heimstaden's properties are located almost exclusively in Oslo and its environs. In addition to positive economic development with increased purchasing power among households, it is mainly in the Norwegian capital that there have been sufficient stocks to acquire and thus establish efficient proprietary management. The apartments are small because we perceive a greater demand for smaller apartments, and thus opportunities for better value growth.

Challenges and opportunities

The Norwegian economy has continued to develop well, with low unemployment and rising wages. For several years, housing prices in Oslo have risen sharply – by slightly more than 23 percent during 2016 alone. In early 2017, the government introduced various regulations to slow the increase in prices and, over the year, prices in Oslo fell by slightly more than 10 percent. We now consider the housing market to be balanced and anticipate a long-term favourable trend, according to which, Oslo will, among other things, benefit from being the central community in a fast-growing region with approximately 1.6 million inhabitants.

* A condominium apartment is an individual demarcated space in a building owned separately from the other apartments in the building. Accordingly, condominium apartments differ from tenant-owner apartments, where the association owns a property and the tenant has a holding in the association. An owner, such as Heimstaden, may own some or all of the condominium apartments in a property and then lease them.



The Acrobat Bridge at Barcode, Oslo

Significant events in 2017

- New establishment in Norway through the acquisition of sister company Fredensborg Eiendomsselskab's residential properties in Oslo and its environs. The agreed transaction comprises two acquisitions, the first of which was completed in June 2017 and encompassed 50 properties at a value of SEK 8.2 billion.
- Remodelling of a major office and school property as student apartments in Nydalen, a former industrial area in Oslo, which has been transformed into an attractive urban district.
- Customer survey conducted in Oslo.

Priorities 2018

On 1 April 2018, Heimstaden will gain access to the rest of sister company Fredensborgs Eiendomsselskab's property portfolio in the Oslo region. In the future, the focus will be on continuing to develop the Norwegian stocks to further enhance the living experience.

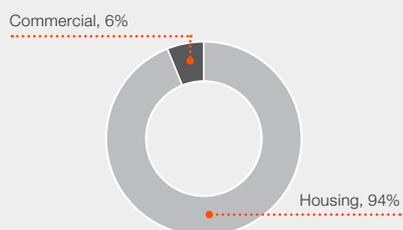


Vigeland Park, Oslo



The Oslo Opera House.

DISTRIBUTION OF AREA AMONG PROPERTY STOCKS, %



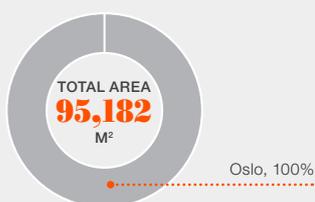
NUMBER OF APARTMENTS IN NORWAY

2,677

NORWAY

	2017	2016
Market value, SEK m	7,640	–
Rental income, SEK m	82	–
Net operating income, SEK m	46	–
Surplus ratio, %	56.5	–
Letting ratio (housing), %	95.4	–
Number of properties	50	–
Area, m ²	95,182	–

AREA BY REGION ¹⁾



MARKET VALUE BY REGION ¹⁾



RENTAL INCOME BY REGION ²⁾



1) On the balance sheet date, 31 December 2017 2) For the 2017 financial year



A thorough acquisition analysis

We work continuously to optimize and refine the property portfolio by acquiring properties in accordance with the strategy and divesting non-strategic properties. This work is based on thorough analysis and good market presence and awareness. In 2017 we made 22 acquisitions for a total value of SEK 22.2 billion in priority Nordic locations and divested properties in Sweden for a value of slightly more than SEK 1.1 billion.

Our acquisition analysis is based on driving forces, including population growth, urbanization and positive economic development, generating long-term demand for residential properties. With this as our starting point, we have identified a number of attractive locations in the Nordic region. For each location, we perform an analysis of local industry, infrastructure, proximity to universities and colleges and the current housing and population situation. If a location meets the criteria we have established, we monitor the market to be prepared when the appropriate projects appears on sale. The properties should be centrally located and preferably adjacent to one another to facilitate efficient management. The objective is to achieve a critical mass of at least 600 apartments in each location to establish a proprietary local management organization.

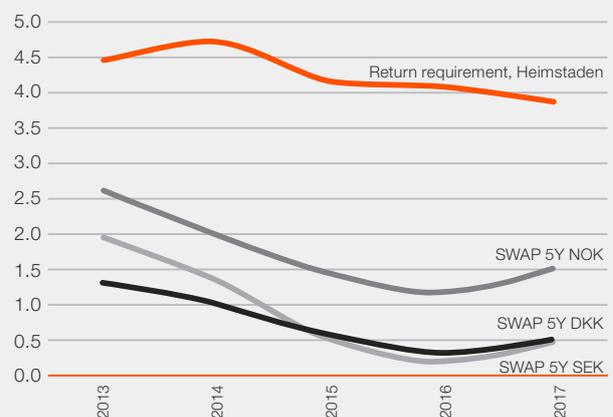
Vigorous expansion

In 2017, we accelerated our expansion. Although we continued investing in residential properties in Sweden, it was the acquisitions in Denmark and Norway that had the greatest net effect on our portfolio.

In Denmark, 13 acquisitions were made, primarily focusing on the Copenhagen region, but also in other Danish cities, like Aarhus and Odense.

» In 2017, we accelerated our expansion, primarily through acquisitions in Denmark and Norway.«

RETURN REQUIREMENT V. MARKET INTEREST RATES, %



In Norway, we carried out the first of two phases of property takeovers in accordance with the previously agreed acquisition of all of sister company Fredensborg Eiendomsselskap AS's residential properties. The second takeover will take place in April 2018.

The acquisitions in Denmark and Norway have resulted in Heimstaden being one of the larger private owners of residential properties in each market. In 2017, we made 22 acquisitions with a total value of SEK 22.2 billion in our three markets, Sweden, Denmark and Norway. We have also entered an agreement to acquire 15 project properties in Denmark. Heimstaden will gain access to these when the properties are completed and ready for occupancy.

Analysis, Denmark and Norway

Our vigorous expansion in Denmark is mainly based on an attractive valuation in relation to other markets in the Nordic region. In comparison between central Stockholm and central Copenhagen, for example, a considerable discrepancy in prices remains. At the end of the year, prices for tenant-owned apartments in Stockholm were more than twice as high as prices for condominium apartments in Copenhagen (adjusted for different measures of area, currency and association loans). In our view, there is no reasons for such a sizable difference between two capitals in the Nordic countries with relatively equal salary levels and factors such as population growth, economic fluctuations and housing shortages persisting in both cities. In Oslo, prices per square metre are on a par with Stockholm, although, measured in relation to income levels, the valuation is lower. Factors including rising real incomes, a low supply of new housing and an accelerating Norwegian economy, also favour long-term value growth for housing in the Norwegian capital.

Strategic disposals

During 2017, property stocks in Hyltebruk and Ronneby, commercial properties in Uppsala, one property in Norrköping and some smaller residential properties in Landskrona were divested. The total transaction value amounted to slightly more than SEK 1.1 billion. In Hyltebruk, we sold all 192 apartments since the possibility of achieving sufficient volume for an efficient administrative unit was considered limited. The stocks in Ronneby were sold since we chose to focus our investment in the province of Blekinge to Karlskrona.

The importance of cooperation

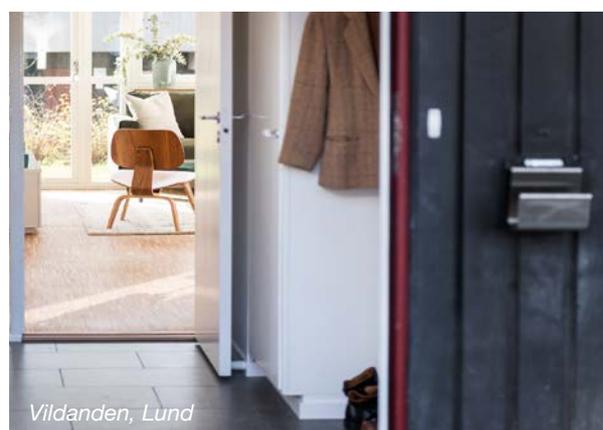
Heimstaden's expansion encompasses acquisitions of primarily residential properties in growth communities in the Nordic region. This strategy is to provide a long-term stable and secure return, an objective in line with that often required by pension fund managers and, accordingly, we are perceiving considerable interest in residential properties among both Swedish and international pension managers. Our close cooperation with Alecta and Ericsson's and Sandvik's pensions foundations has created the conditions for the vigorous expansion of recent years. In 2017, we expanded this through a major joint transaction that included properties in Sweden, Denmark and Norway for a total value of SEK 29.8 billion. The partnership creates stability and security, allowing us to work long term and sustainably. It also makes it possible to act vigorously and expansively when the conditions are right.

Priorities 2018

Our long-term strategy for continued expansion stands firm. In 2018, we will continue to focus on acquisitions, primarily in locations in Sweden and Denmark.

HEIMSTADEN'S PROPERTY TRANSACTIONS IN 2017

Type	Date of access	Properties	Location	Segments	Transaction value, SEK m
Acquisition	1 Jan. 2017	Vestervoldgade 6-8	Copenhagen	Denmark	83
Acquisition	1 Feb. 2017	Package (5 items)	Norrköping	Sweden	275
Acquisition	15 Feb. 2017	Röken 24	Norrköping	Sweden	41
Acquisition	29 Mar. 2017	Package (13 items)	Ystad	Sweden	735
Acquisition	1 Apr. 2017	Package (2 items)	Copenhagen	Denmark	176
Acquisition	3 Apr. 2017	Package (58 items)	Falköping	Sweden	597
Acquisition	2 May 2017	Vildanden 2-32	Lund	Sweden	376
Acquisition	31 May 2017	Package (23 items)	Norrköping, Uppsala	Sweden	1,572
Acquisition	31 Aug. 2017	Package (2 items)	Ljungby	Sweden	53
Acquisition	1 Sep. 2017	Hostrups Have	Copenhagen	Denmark	2,139
Acquisition	26 Sep. 2017	Package (23 items)	Denmark diversified	Denmark	2,821
Acquisition	1 Oct. 2017	Package (2 items)	Copenhagen	Denmark	217
Acquisition	10 Oct. 2017	Package (50 items)	Oslo	Norway	8,169
Acquisition	10 Oct. 2017	Package (6 items)	Stockholm, Huddinge	Sweden	2,214
Acquisition	2017-10-31	Package (5 items)	Gävle	Sweden	123
Acquisition	1 Nov. 2017	Package (11 items)	Linköping	Sweden	892
Acquisition	1 Nov. 2017	Ryesgade	Copenhagen	Denmark	118
Acquisition	1 Nov. 2017	Bianco Lunos Alle	Copenhagen	Denmark	131
Acquisition	2 Nov. 2017	Flintholm Kollegiet	Copenhagen	Denmark	190
Acquisition	9 Nov. 2017	Borresövej	Copenhagen	Denmark	110
Acquisition	17 Nov. 2017	Fredriksundsvej	Copenhagen	Denmark	68
Acquisition	15 Dec. 2017	Package (3 items)	Umeå	Sweden	1,095
Total acquisitions					22,194
Sale:	28 Feb. 2017	Tranan 23, 26	Landskrona	Sweden	19
Sale:	30 Mar. 2017	Gripen 9	Norrköping	Sweden	150
Sale:	31 May 2017	Package (8 items)	Ronneby	Sweden	248
Sale:	30 Jun. 2017	Norra roten 14	Landskrona	Sweden	9
Sale:	30 Aug. 2017	Package (7 items)	Hyltebruk	Sweden	109
Sale:	29 Sep. 2017	Fälhagen 11:4	Uppsala	Sweden	132
Sale:	30 Nov. 2017	Package (3 items)	Uppsala	Sweden	480
Total sales					1,147



Refinement and new production

We focus on continuous improvement through ongoing maintenance and renovation to create a pleasant living environment, satisfied customers and increased property values. To meet demand for housing in expanding areas in the Nordic region, we accelerated our development of new housing projects in 2017.

Over the year, we strengthened our expertise in refinement and new production, developing several close partnerships to implement our various development projects efficiently.

Refinement

The process of refining the property portfolio is a priority for Heimstaden, and in all three countries – Sweden, Denmark and Norway – projects are in progress to enhance existing residential environments. This includes a careful review of, for example, the windows, roofs, doors, ventilation, waste management, supporting structure and facade of each property. We are also gradually upgrading apartments interiors as tenants move. All renovations are pervaded by a sustainable philosophy in which caution is in focus and contemporary details are, as far as possible, preserved and refreshed or replaced with replicas.

In Sweden, 90 apartments were renovated in 2017, mainly in Malmö. Extensive renovation with original characteristics being preserved has also begun on the 313 student apartments acquired in Lund in early 2017.

In Denmark, we are conducting a gradual upgrade of our existing stock of older (pre-1992) apartments through so-called 5:2 renovation. This type of upgrade involves remodelling and renovating for a value of at least DKK 250,000 per apartment, after which we can convert the rent to “utility value rent”. We have also commenced planning for the extensive renovation and remodelling of the Hostrups Have residential neighbourhood in the Municipality of Frederiksberg.

In Norway too, continuous investments are being made in a better living environment to increase the attractiveness of our housing. In good time before a customer moves, a detailed plan is prepared for the maintenance or upgrading of the apartment, such as remodelling or other major measures.

New production of housing

As a long-term owner of residential properties, we have extensive knowledge of what is demanded in our different markets and we see new production as a way of growing in attractive markets. With our own project development organization, we have good insight into all aspects of housing production. We also see being able to own the properties we are involved in developing as a strength and competitive advantage in our ongoing expansion. We are engaged in new construction projects for rental apartments, tenant-owned apartments and condominium apartments, depending on what is in demand in the location and what is deemed most profitable.



Bjerglandsbyen, Copenhagen

In addition to agreeing to acquire project properties, we regularly review the detailed plans of our existing properties with the purpose of developing existing stocks and we consider the potential for densification and new construction.

In 2017, Heimstaden gained control of 26 newly built apartments, all of which were in Sweden. At the end of the year, agreements were in place to acquire 15 project properties with condominium apartments in Denmark, which will be completed for occupancy between 2018 and 2020. Read more about our project properties in Note 16, on pages 76–79.

In Norway, we have completed a comprehensive remodelling of office and school premises as 266 student apartments in Nydalen, Oslo, which were ready for occupation in early March 2018.

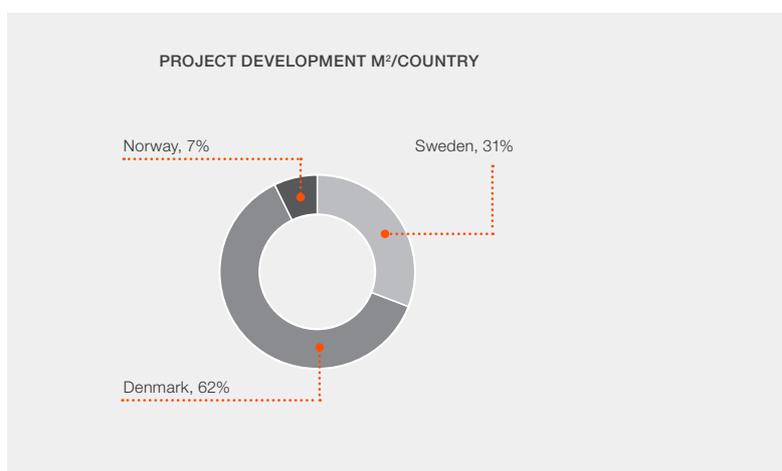


The importance of cooperation

Heimstaden seeks to be a responsible actor that partners with various stakeholders to help develop the location or part of the larger community in which we are active. Our vigorous expansion of the project portfolio in 2017 was made possible by advantageous partnership including with landowners, municipalities, architects, construction contractors, banks and other financiers.

Priorities 2018

In Sweden, we will continue to upgrade our stocks. In Denmark, we are focused on gaining access to several of the project properties that we have entered agreements to acquire. We will also begin development of Hostrups Have in the Municipality of Frederiksberg in Denmark. In Norway, we will continue to make gradual improvements in the living environment in various properties, while also preparing for tenants to occupy the new student apartments in Nydalen.



Always close to our customers

Heimstaden maintains local administrative offices through which it meets and maintains a close dialogue with customers, ensuring that premises, housing and other aspects of the living environment maintain an appropriate level of quality. At the end of the year, the management organization consisted of some 230 employees in 23 locations.

Our locally based property managers and leasing agents build long-term relationships with our tenants, based on our values – Professionalism, Innovation and Consideration – and we work continuously with maintenance and active supervision of the property portfolio to detect and address any shortcomings at an early stage. Combined, this means that the properties maintain the appropriate level of quality and that we are able to offer considerate and attractive housing. Although the approach differs from country to country, the objective is to hold sufficient stocks in each location to achieve operational benefits with a proprietary management organization. This serves to ensure that we achieve sustainable development and satisfied customers.

In Sweden, property management is organized into four regions, each under a Regional Property Manager, working with local management offices in individual locations. Each management office is responsible for a critical mass of apartments to generate efficiency in management. There is also a country-wide organization managing major maintenance projects, as well as an operating organization that continuously implements measures to improve the living environment in the properties.

In Denmark, all management was previously outsourced, but after acquiring Nordic Property Management at the end of 2017, most management is now conducted in-house. Heimstaden also partners with external actors to manage the growing stocks as efficiently as possible.

In 2017, our properties in Norway were managed by sister company Fredensborg Eiendomsselskab's property management company, Fredensborg Norge AS. This company was acquired by Heimstaden on 1 March 2018, meaning that all management in the Norwegian market has been conducted in-house effective from that date.

Heimstaden's management organization has grown substantially in recent years. In 2018, the focus will be on integrating the operations in the different countries, to learn from one another to continue developing and streamlining the working methods in each market.

Focus on customer service

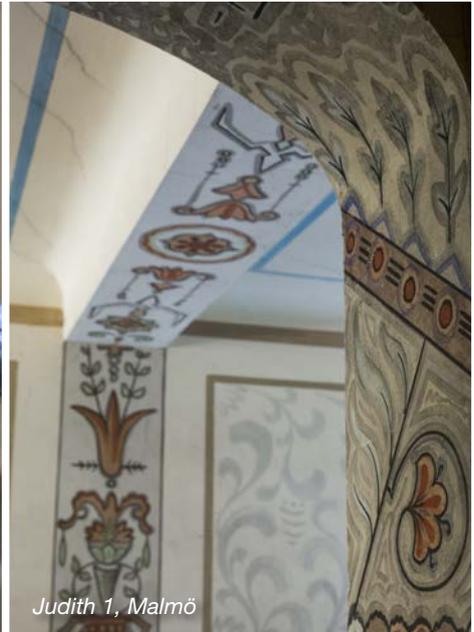
One of the most important prerequisites for efficient management



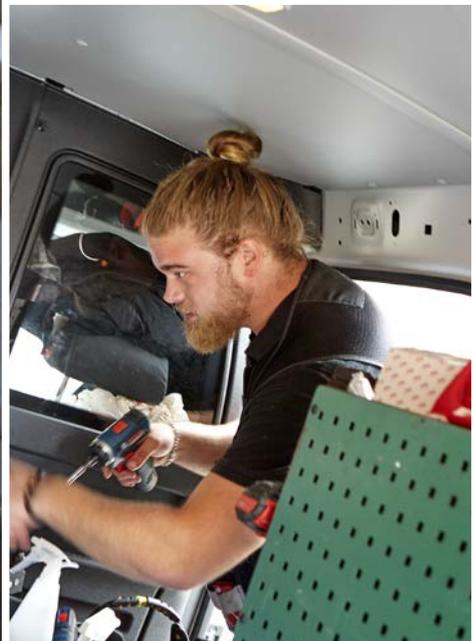
is clear and personal communication with customers, as well as fast and effective feedback on the questions and requests that arise.

In Sweden, customer service is managed centrally in Norrköping, where advisers assist customers with their issues. Our new Heimservice service offers customers who have recently moved in a couple of hours of free relocation service from our caretakers, including advice and simpler craftsman services in the apartment. Residents are also offered the opportunity to borrow a toolbox. A pilot version of the service was launched in selected locations in 2017 and then in all locations in January 2018. In the long run, the objective is also to introduce the service in Denmark and Norway.

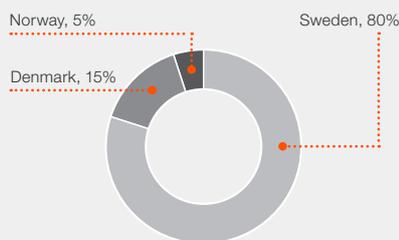
In Denmark, tenants are in contact with the relevant management company report faults and receive information. This entails contact with Heimstaden's own management company NPM for customers in Copenhagen and with the external managers with whom Heimstaden cooperates in other locations.



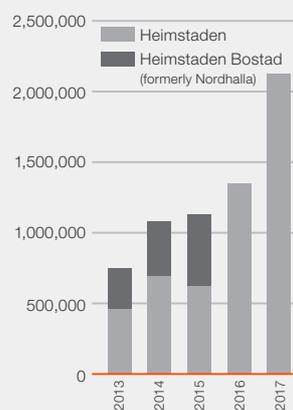
Judith 1, Malmö



DISTRIBUTION OF AREA UNDER MANAGEMENT BY COUNTRY, M²



AREA UNDER MANAGEMENT, M²



+46%

The total area managed by Heimstaden increased by 46 percent in 2017. Among other events, the total area managed by Heimstaden in Norway doubled in 2018.

In Norway, customer service is provided to all customers through Heimstaden's own management operations. In addition to responsibilities and an arrangement similar to those in Sweden, this unit works extra proactively in connection with the renewal of a contract.

Digital tools gaining increasing importance in simplifying life for our customers and increasing customer satisfaction. In the properties in both Sweden and Norway, new electronic locking systems have begun to be installed to facilitate key management, and we have digitized the system for service requests to provide faster responses to customers and a more efficient process for our caretakers. In addition, we have further developed our customer web portals to provide increased user friendliness and clearer communications.

Differences in leasing systems between the countries

The leasing systems differ between the countries. In Sweden, customers lease their apartments until further notice and rent levels for the entire housing stock are negotiated once a year. The period of notice is three months. Customer turnover is relatively limited and often attributable to changed family circumstances.

In Denmark, the ongoing dialogue when moving in or out is conducted either by our own property management personnel

or by external suppliers. External suppliers are responsible for leasing vacant apartments and signing contracts with customers. Rent levels vary depending on the age of the property. Properties constructed after 1991 are regulated according to NPI, net price index, but also through annual enumeration in accordance with previously signed leases. For older properties, rent levels are generally determined according to overhead costs, with the rent being adjusted in line with increases in, for example, taxes, fees and cleaning. There is also a variant called "lejeværdi", a form of utility value rent for remodelled apartments constructed before 1992. However, to be able to charge "lejeværdi", the owner must be able to show invoices for valid investments exceeding DKK 250,000 for the individual apartment. Regardless of the property type leases apply until further notice with a notice period of three months.

In Norway, a three-year lease is signed, with the rent level being adjusted up annually during the lease period in line with the consumer price index. In good time before the end of the contract, customers are contacted to determine whether they want to sign a new three-year agreement and if they want anything in their apartments to be adjusted. Market rent levels apply for each new three-year period, which can lead to relatively large changes in rent levels. This system entails a clearly higher customer turnover compared with Sweden and Denmark and additional focus is therefore needed on dialogue with both



existing and new customers for a smooth leasing process. Of the approximately 900 apartments in Norway, for which new leases were signed in 2017, about 30 percent involved customers renewing their contracts.

Keeping customers satisfied

Many good ideas regarding how properties and customer service are to be developed come from the customers themselves. For this reason, we always strive to afford our customers opportunities for participation and influence. Customer surveys are an important platform for this. In 2017, customer surveys were conducted in Sweden and Norway that encompassed all customers in each country.

In Sweden, a so-called CSI survey (Customer Satisfaction Index) was conducted. This included, in part, general questions about the housing situation in order to be able to compare with other housing companies and, specifically, adapted questions regarding Heimstaden's living environment and the service that Heimstaden offers. The survey gives us a status report in our continued efforts to develop the living environment and our customers' well-being. In summary, the survey showed that customers are satisfied with our caretakers' and customer service's responsiveness. On the other hand, they sought more information on Heimstaden as a company and clearer information on what is happening in the properties where they live.

As part of improving this, during the year, we launched the national customer magazine Heimkänsla and local editions of the magazine in different communities. We have also launched a new and more informative website for Heimstaden.

The customer survey in Norway in 2017 asked customers how well they enjoyed their homes and to rank this on a scale of 1 to 6. The average ranking was 4.1, meaning that most people are largely satisfied. All customers indicating a ranking of 3 or lower were contacted to be able to undertake measures to increase customer satisfaction.

In the future, customer surveys will be carried out continuously in all three countries, including both surveys of all customers, as well as specially targeted surveys involving an individual property or group of customers. In Sweden, the next CSI survey is planned for the spring of 2019, to follow up on, for example, whether implemented improvement measures have had an impact and increased customer satisfaction. In Norway, a new customer survey will be conducted within a few years among the properties with the lowest rankings to ascertain whether measures have had an effect. In Denmark, the management organization is in a build-up phase and plans to conduct its first customer survey within a couple of years.



At Heimstaden, we prioritize close dialogue with our customers, and our caretakers meet an average of more than 20 customers each day.



A well-balanced capital structure

Owning, managing and developing residential properties requires a stable and favourable access to capital. Through a well-diversified financing structure, as well as a high-quality property portfolio and stable cash flows, we safeguard future availability of capital on favourable terms.

Of our property portfolio, housing accounts for 90 percent of the total lettable area. The letting ratio for our existing housing was 98.7 percent at the end of the year. The portfolio is therefore characterized by stable cash flows both in the short and long term, as customer risk is spread between more than 70,000 payers. This security of cash flow makes residential properties interesting even to lenders as a basis for lending and as collateral. The assets' physical location is another important part of a lender's assessment of credit risk. We primarily own centrally located residential properties in strong growth regions in Sweden, Denmark and Norway, further reducing asset and payment risk and increasing attractiveness to banks.

Policies

Our financial policy is determined by the Board and reviewed annually. It serves to limit the company's financial risks which essentially consist of liquidity, refinancing and interest rate risk without limiting the company's commercial opportunities. The company's short and long-term capital supply is to be safeguarded by adapting the financial strategy to the company's operations. Read more about opportunities and risks in financing, on pages 46–49.

A well-balanced capital structure

The choice of capital structure, that is, the relationship between proprietary and borrowed capital, is of great importance to the operations. The availability of long-term capital is a prerequisite for our being able to successfully acquire, develop and own property. Changes in capital structure affect the operations' financial risk and earning capacity, meaning we are continuously and proactively working to ensure an appropriate capital structure. This creates favourable conditions for long-term trust among lenders and actors in the capital market. At the end of the year, the value of our assets amounted to SEK 52,643 million, which was financed through SEK 18,807 million in equity and SEK 33,386 million in liabilities. Of the liabilities, SEK 30,936 million was interest-bearing and SEK 2,900 million non-interest bearing, of which SEK 1 741 million was deferred tax. To simplify analysis of Heimstaden and to elucidate its capital structure, earlier subordinate shareholder loans in Heimstaden Bostad were replaced with equity at the end of 2017. The borrowing ratio, that is, net debt in relation to estimated market value, amounted to 58.8 percent (50.5) and the equity/assets ratio was 35.7 percent.

Interest-bearing liabilities

At the end of the period, Heimstaden had interest-bearing liabilities of SEK 30,936 million (17,501). Of the interest-bearing liabilities, 92 percent were secured by property mortgages and 8 percent were not guaranteed. Net debt, that is, interest-bearing



Enen 4, Norrköping

PERIOD FOR WHICH CAPITAL IS TIED UP

Years	Capital tied up, loans			Lines of credit	
	SEK million	Market share, %	Interest, incl. margin, %	SEK million	Market share, %
0-1 years	3,054	10	1.4	300	48
1-2 years	3,096	10	1.9	0	0
2-3 years	10,194	33	1.8	329	52
3-4 years	4,105	13	2.1	0	0
4-5 years	2,077	7	2.4	0	0
> 5 years after balance sheet date	8,410	27	0.7	0	0
Total	30,936	100	1.5	629	100

The average remaining period for which capital is tied up amounts to: 7.8 years



Enen 4, Norrköping

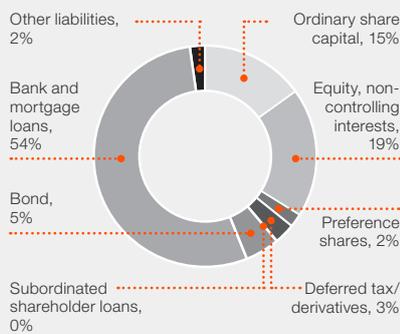


Heimstaden owns more than 30,000 apartments, which entails a large number of payers and, accordingly, a property portfolio characterized by stable cash flows.

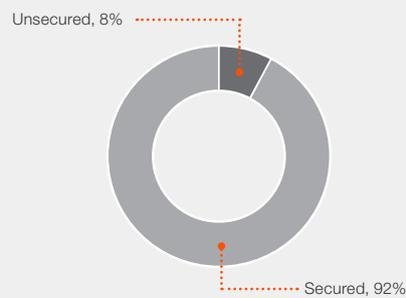


Enen 4, Norrköping

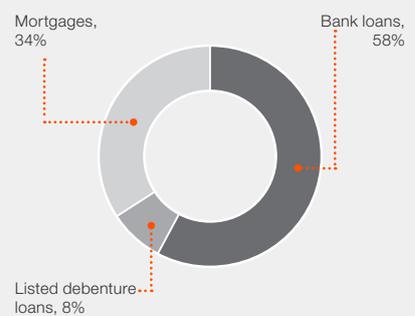
CAPITAL STRUCTURE
31 DEC. 2017



PROPORTION OF SECURED FINANCING



DISTRIBUTION OF INTEREST-BEARING LIABILITIES



liabilities less cash and cash equivalents, increased by SEK 16,375 million, to SEK 29,543 million (13,168). In 2017, the Group's borrowing, including currency effects, increased by SEK 16,157 million, primarily against the background of property acquisitions in Sweden, Denmark and Norway. Of the interest-bearing liabilities, SEK 2,500 million (1,250) pertained to non-covered bonds, SEK 10,484 million (5,767) pertained to financing based on covered bonds and SEK 17,952 million (7,664) pertained to traditional bank loans. Confirmed but unutilized credit facilities at banks amounted to SEK 629 million (1,002) at the end of the year.

Debenture loan

Heimstaden has two outstanding debenture loans of SEK 1,250 million each, which are listed on the Nasdaq Stockholm exchange. Debenture loan 2014/2019 matures in September 2019 with variable interest at three-month STIBOR plus 3.00 percent and is traded under the ticker HEIM 1. Debenture loan 2017/2021 was issued in two stages in 2017 and matures in September 2021 with variable interest at three-month STIBOR plus 3.15 percent and is traded under the ticker HEIM 2.

Deferred tax

Deferred tax was calculated at a nominal tax rate of 22 percent for Sweden and Denmark and 23 percent for Norway on the difference between the fair value and consolidated cost of assets and liabilities. Deferred tax, the net of deferred tax assets and deferred tax liabilities, amounted to SEK 1,741 million (1,119) at the end of the year, and was primarily attributable to investment properties. Remaining tax loss carryforwards in the Group amounted to SEK 405 million (425).

Loan structure and financial risks

The need for external financing means that financial risks are a permanent element of ongoing operations and annual surpluses

BOND PROGRAM IN BRIEF

Unsecured debenture		
	HEIM 1	HEIM 2
Scale:	SEK 1,250 million	SEK 1,250 million
Coupon:	3M STIBOR +300 points	3M STIBOR +315 points
Term	5 years, maturing 16 September 2019	4 years, maturing 16 September 2021
Clearing system:	Euroclear Sweden AB	Euroclear Sweden AB
Listing:	Nasdaq OMX	Nasdaq OMX
Issuing institution:	Skandinaviska Enskilda Banken AB	Carnegie Investment Bank AB (publ)
ISIN code:	SE0006259669	SE0009895055

CHANGE IN LOAN VOLUME, SEK M

Interest-bearing loans 31 Dec. 2016	14,779
Repayments on loans	-1,789
New borrowing	17,946
Interest-bearing loans 31 Dec. 2017	30,936

CHANGE IN MARKET VALUE OF DERIVATIVES, SEK M

Market value of derivatives 31 Dec. 2016	-56
Acquired derivatives	-13
Redeemed derivatives	13
Unrealized changes in value	24
Market value of derivatives 31 Dec. 2017	-31

may be affected by changes in both market interest rates and credit margins. Regulations and conditions in the credit market can change rapidly, affecting both interest rate risk and the capacity to obtain and refinance credit. The financial operations manage and control the need for capital within the framework of our financial policy and taking the identified financial risks into account. Read more on page 48.

Fixed interest and interest rate sensitivity

The average interest rate for total borrowing, including derivatives, amounted to 1.72 percent (1.47), which was mainly a consequence of higher credit margins in Norway and positive market interest rates in Norway (NIBOR). Sweden and Denmark continued to have negative market interest rates. At the end of the year, about 76 percent (74) of the portfolio had a period of fixed interest rate shorter than 12 months. All else being equal, an increase in market interest rates by 1 percent would increase Heimstaden's interest costs by approximately SEK 136 million (75). A decrease in market interest rates by 1 percent would decrease interest costs by approximately SEK 35 million (8). The difference in sensitivity between rising and falling interest rates is explained by the fact that several credit agreements include interest rate floor clauses that limit rate fluctuations on the downside by, for example, preventing the base rate or coupon rate from being negative, while the cost of outstanding and purchased interest rate derivatives may increase with negative market rates.

Interest rate risk management

To manage interest rate risk, Heimstaden uses both fixed interest rate loans and interest rate derivatives, predominantly traditional interest rate swaps. Fixed-interest loans are reported at nominal value while derivatives are reported on an ongoing basis at fair value in the Balance Sheet and with changes in value in the Income Statement. At the end of the year, the change in the value of Interest rate derivatives amounted to SEK 24 million (36) and the market value was a negative SEK 31 million (56). The nominal volume of interest rate swaps amounted to SEK 8,528 million (4,566) and the volume of fixed-interest loans amounted to SEK 618 million (294). In addition to these traditional interest rate swaps, there are agreements on interest rate ceilings with a nominal value of SEK 400 million (600) that today, in view of current interest rate levels, have no value and are therefore not included in the calculations of key ratios.

Currency

At the end of the year, Heimstaden owned properties in Denmark for a value of SEK 12,325 million (5,159) and properties in Norway for a value of SEK 7,640 million (0), entailing currency risks. The currency arises in the Group's net assets, that is, the difference between assets and liabilities in each currency, DKK and NOK, when the foreign companies' balance sheets are consolidated. No hedging is performed for this currency risk.

Equity

Equity amounted to SEK 18,807 million (8,975). The change for the period is attributable to profit, a new share issue and dividends. During the period, SEK 47 million (47) was paid in dividends on preference shares, SEK 100 million (74) was distributed to holders of ordinary shares and SEK 193 million (103) was distributed to non-controlling interests. Equity attributable to non-controlling interests amounted to SEK 9,879 million (1,424). The equity/assets ratio was 35.7 percent (41.5).

» The availability of long-term capital is a prerequisite for our being able to successfully acquire, develop and own property.«

FIXED INTEREST

Years	Fixed interest, loans			Fixed interest incl. derivatives ¹⁾		
	SEK million	Market share, %	Interest, incl. margin, %	SEK million	Market share, %	Interest, incl. margin, %
0-1 years	30,708	99.3	1.5	23,411	75.7	1.6
1-2 years	150	0.5	1.6	1,459	4.7	1.7
2-3 years	78	0.2	1.7	1,407	4.5	1.8
3-4 years	-	-	-	1,668	5.4	2.4
4-5 years	-	-	-	1,098	3.6	2.1
> 5 years after balance sheet date	-	-	-	1,894	6.1	2.5
Total	30,936	100	1.5	30,936	100	1.7

¹⁾ The credit margin is evenly spread across the maturity structure

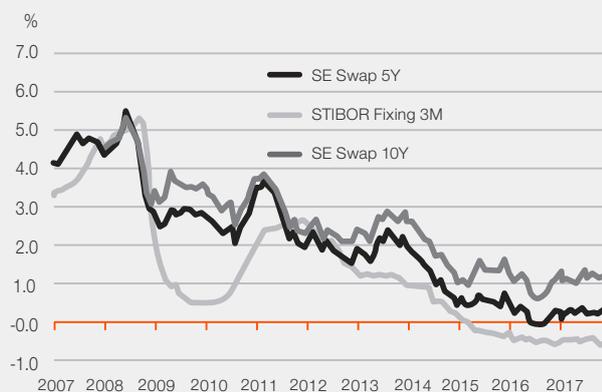
The average remaining term of fixed interest in the loan portfolio, excluding derivatives, amounts to:

0.26 years

The average remaining term of fixed interest in the loan portfolio, including derivatives, amounts to:

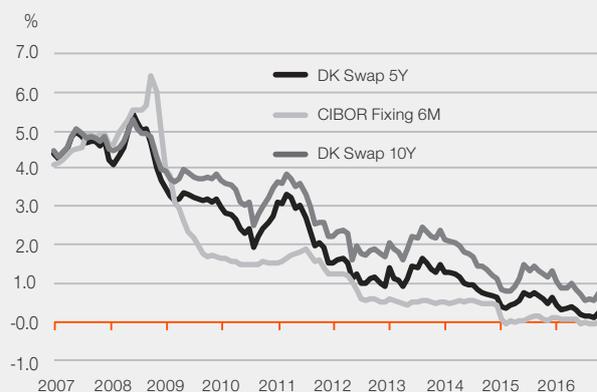
1.11 years

MARKET INTEREST RATES, SWEDEN, %



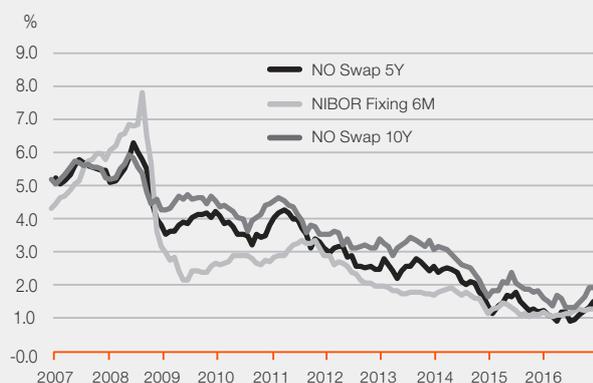
Source: Bloomberg

MARKET INTEREST RATES, DENMARK, %



Source: Bloomberg

MARKET INTEREST RATES, NORWAY, %



Source: Bloomberg

AVERAGE INTEREST, %



Increased interest in preference shares

As a complement to ordinary shares, bank loans and unsecured debentures, we have a preference share of SEK 750 million listed on Nasdaq First North Premier. This provides additional financial strength while also helping increase knowledge about Heimstaden's operations and strategy.

Heimstaden's preference share has been listed on Nasdaq First North Premier since 11 June 2015 under the ticker HEIM PREF. In 2017, the highest price paid for the preference share was SEK 339.50 on 28 December, and the lowest price paid was SEK 277 on 30 January. The last price paid in 2017 was SEK 336 (290), entailing an increase of 16 percent. The total return, including a dividend of SEK 20, amounted to 22.8 percent (13.6). An average, 3,446 shares (3,945) were traded per trading day in 2017.

The share and owners

Heimstaden AB has two share classes, ordinary shares and preference shares. The difference between the classes lies in different voting rights and different rights to the company's assets and profits. At the end of the year, there were 15,547,750 shares, divided between 13,204,000 ordinary shares and 2,343,750 preference shares. Each preference share conveys one vote and ordinary shares convey ten votes per share. All ordinary shares in Heimstaden AB are owned by Fredensborg AS, which is wholly owned by Ivar Tollefsen, who is also the Chairman of the Board of Directors of Heimstaden AB. At the end of the year, the preference shares were distributed among 1,808 shareholders (1,427).

Dividend policy

Dividends on ordinary shares are affected by market conditions, investment options, financial position and capital structure, and, combined with dividends on preference shares, may only be paid to the extent that the Group complies with the adopted finance policy and has the cash and cash equivalents needed to conduct operations in accordance with the business model and vision. The current focus is on growth with retained financial strength, and dividends on ordinary shares are therefore expected to be restricted over the next few years.

Dividends and terms of redemption

The Board of Directors proposes to the 2018 Annual General Meeting that a dividend of SEK 47 million (147) be paid, of which SEK 0 million (100) be paid on ordinary shares and SEK 47 million (47) on preference shares. The dividend corresponds to 2 percent (6) of Heimstaden's profit. The preference shares convey preferential rights over ordinary shares for an annual dividend of SEK 20.00 per share with quarterly payments of SEK 5.00 per share. Pending the approval of the Annual General Meeting, and within ten years following the initial issue on 11 June 2015, Heimstaden AB may redeem the preference shares at a price of SEK 375 per share.



KEY DATA

Data per share	2017	2016	2015	2014
Profit after tax per ordinary share, SEK	123	134	176	404
Equity per ordinary share, SEK	609	504	377	5,271
Equity per preference share, SEK	380	380	380	–
Price per preference share (on the balance sheet date), SEK	336	290	273.0	–
Dividend paid per preference share (during the period), SEK/share	20	20	10	–
Dividend paid on preference shares (during the period), SEK m	46.9	46.9	23.5	–
Direct return per preference share (on the balance sheet date), %	6.0	6.9	7.3	–
Number of ordinary shares outstanding at the end of the period	13,204,000	13,204,000	13,204,000	660,200
Number of preference shares outstanding at the end of the period	2,343,750	2,343,750	2,343,750	0
Average number of ordinary shares outstanding	13,204,000	13,204,000	9,629,876	660,200
Average number of preference shares outstanding	2,343,750	2,343,750	1,354,880	0



Proposed record dates for the preference share:

• 5 July 2018 • 5 October 2018 • 4 January 2019 • 5 April 2019

The proposed dividend per preference share is SEK 5 per quarter.

Source: Nasdaq

» The total return, including a dividend of SEK 20.00, amounted to 22.8 percent in 2017.«

TEN LARGEST SHAREHOLDERS ON 31 DEC. 2017

Name	Number of ordinary shares	Number of preference shares	Holding, %	Votes, %
Fredensborg AS	13,204,000	200,000	86.2	98.4
Ica-Handlarnas Förbund Finans AB	0	276,815	1.8	0.2
Karl Bjerkes Stipendiefond Foundation	0	140,505	0.9	0.1
Danica Pension	0	90,440	0.6	0.1
Kamprad Family Foundation	0	75,000	0.5	0.1
Ålandsbanken on shareholders behalf	0	70,824	0.5	0.1
Volvo Pension Foundation	0	62,500	0.4	0.0
Avanza Pension insurance company	0	57,222	0.4	0.0
Nordnet Pensionsförsäkring AB	0	53,366	0.3	0.0
Carl Trygger Foundation for Scientific Research	0	50,000	0.3	0.0
Other shareholders	0	1,267,078	8.1	0.9
Total	13,204,000	2,343,750	100.0	100.0

A scalable and focused organization

At Heimstaden, we have a flexible working approach that, together with delegated responsibilities, makes us an effective organization in which we maintain our focus on our customers even when growing vigorously.

A scalable and dedicated internal organization, combined with effective partnerships with selected partners are decisive factors in our robust expansion. The organization that we are continuously building and improving focuses on the principal value-generating core processes Analysis and Transaction, Project and Property Development and Property Management. The headquarters in Malmö houses Group management and key functions including HR, Finance, Accounting, Legal, Communications, and IT. Our organization for transactions and project and property development is spread across a number of offices in the three countries to be close to both sellers and buyers, as well as property owners, regardless where these are to be found.

Proprietary management organization

Technical and administrative management of our companies and properties is dealt with primarily through our own staff. In addition to our own organization, there are a number of external partners who manage parts of our stocks, primarily in Denmark.

The management of the Swedish properties is governed and administrated from Malmö. Stocks are managed in different geographic regions, each with a property manager and local management offices with proprietary personnel who meet our customers on a daily basis. At the end of the year, Heimstaden had administration offices in 22 locations in Sweden and 216 employees. All of the Swedish properties are managed through this organization.

The management of the Danish property stocks is handled primarily by the Danish company Nordic Property Management A/S, which was acquired in 2017. Responsibility for the leasing of apartments is handled by external suppliers. Parts of our portfolio are managed by external property managers, since, in individual cases, this has been assessed as most advantageous given the nature of the property, its geographical location or other reasons. The proprietary management organization in Denmark comprises 15 employees, who, in

» The organization we are continuously building and improving focuses primarily on our value-generating processes. «



addition to the management of the stocks in Copenhagen, are responsible for coordinating reporting from external partners in Denmark.

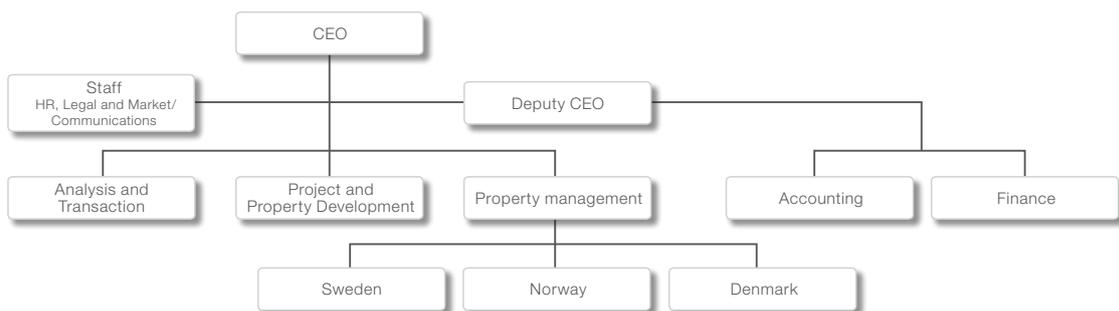
Our Norwegian properties are managed by Fredensborg Norge AS, with approximately 110 employees, who, as of March 2018, have joined Heimstaden as part of the acquisition of sister company Fredensborgs Eiendomsselskab's portfolio, with properties being taken over in two phases.

A scalable platform

Since 2013, we have, together with Alecta and the Ericsson and Sandvik Pension Foundations, shared ownership of Heimstaden Bostad, in which we have created a unique Nordic housing portfolio with a sustainable and clear long-term operational focus. In this way, Heimstaden Bostad benefits from having an active and committed industrial owner in Heimstaden (65%) and from capital-strong institutional owners (35%), generating additional financial stability and security for our lenders. At the end of the year, Heimstaden Bostad AB's property portfolio was valued at SEK 43.7 billion. In addition, Heimstaden AB owned properties for a value of SEK 6.6 billion. The joint transaction announced at the end of February 2018 entails Heimstaden Bostad AB's property portfolio increasing to a value of about SEK 60 billion through acquisitions of properties from Heimstaden AB and the remaining part of Fredensborgs Eiendomsselskab's stocks.



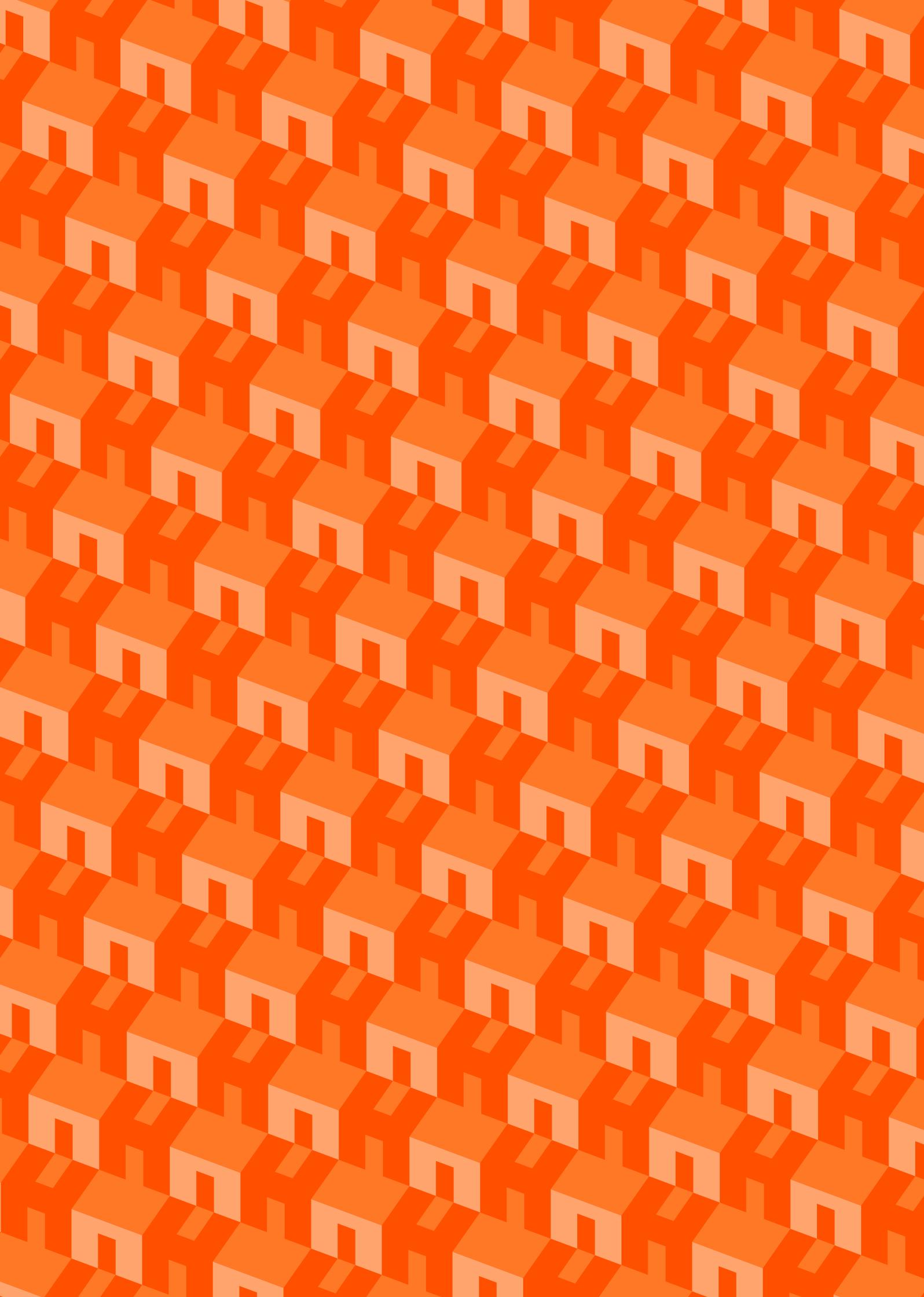
ORGANIZATIONAL STRUCTURE AS PER JANUARY 2018



Heimgjort generates value

Heimstaden's initiative Heimgjort generates value for the company while building pride among employees by making them part of our success. During 2017, one employee suggestion a month was implemented in the Group. This increases customer satisfaction and strengthens our brand. We are continuing with Heimgjort in 2018.





Operations

The Board of Directors and CEO of Heimstaden AB (publ), Corp. ID No. 556670-0455, hereby present the following Annual Report and consolidated accounts for the financial year 2017.

Operations and organization

Heimstaden shall generate value by acquiring, managing and refining residential properties in central locations in growth regions in Sweden, Denmark and Norway. The Group is organized into three primary units:

- Analysis and Transaction.
- Project and Property Development.
- Property Management.

In support of the organization, there is a central finance team, a Group unit for accounting/IR and a Group staff unit for legal affairs and communications. For the 2017 financial year, Group management, including the CEO, consisted of six people.

The year 2017 was highly active with considerable growth in management, properties and employees. Personnel in Denmark joined the Group at the end of the year and, in 2018, personnel will join the Group in Norway.

Major investments, primarily in Denmark and Norway, contributed to an increased focus outside Sweden to balance our property portfolio.

Through acquisitions of properties from sister company Fredensborg Eiendom AS, the Group added a portfolio in Norway with 50 properties and 2,677 apartments. In Denmark, we increased our portfolio by 37 properties and 2,212 apartments, primarily as a result of a major transaction that also added cities and regions outside Copenhagen.

Future development and risks

The company's strategy continues to be conducting property operations. In 2017, we continued our expansion and sought to continue increasing our stocks in locations where we were already present and in new ones, through acquisitions, and by developing the project and cooperation opportunities we had and sought to create.

Heimstaden is mainly exposed to two primary risks: operational risk and financial risk. To facilitate risk management, we have divided the risks into the following areas:

- External – risks attributable to the influence of external factors and events.
- Property portfolio – risks associated with the ownership of the Heimstaden property portfolio.
- Management – risks associated with the ongoing management of the property portfolio.
- Financing – risks in the financing of the properties.
- Employees – risks associated with recruiting, developing and retaining the right employees.

The operational risk is limited by concentrating the property portfolio to residential properties in locations with population growth. Through business intelligence and by focusing on analysis, we ensure good risk management. A strong rental market for housing reduces the risk of long-term vacancies, and high earnings capacity provides opportunities to develop

employees and property stocks. Financial risk can be divided into two components: the risk of increased costs and the risk of insufficient access to capital. To reduce the risk, or fluctuations in cash flow, interest rates are fixed in accordance with the financial policy.

Environment

Heimstaden does not conduct any operations requiring permits or reporting under Chapter 9, Section 6 of the Environmental Code.

Parent Company

The Parent Company covers only Group-wide functions. Profit for the year was SEK 1,984,202 thousand (3,522,420). At the end of the year, the Parent Company's equity was SEK 8,026,718 thousand (6,189,742).

Events after the end of the financial year

On 12 January 2018, Heimstaden agreed to acquire two residential properties in Copenhagen with about 275 apartments. The total area is approximately 27,000 square metres and the transaction value amounts to approximately DKK 900 million, with Heimstaden taking possession on 1 February 2018.

On 24 January 2018, Heimstaden received an unconditional shareholder contribution from Fredensborg AS of NOK 1,700 million.

On 8 February 2018, Heimstaden agreed to acquire three project properties in Copenhagen for a value of about DKK 1,185 million. The acquisition comprises approximately 34,000 square metres, distributed between 489 apartments. Heimstaden will gain access at the end of 2019.

On 15 February 2018, Heimstaden signed an agreement to acquire, and gained access to, a property in Copenhagen with 105 apartments. The total area is approximately 9,500 square metres and the transaction value amounts to approximately DKK 340 million.

On 27 February 2018, Heimstaden agreed to expand its cooperation in Heimstaden Bostad AB through the acquisition of the Norwegian sister company, Fredensborg Eiendomsselskap AS, and the restructuring of the Danish portfolio. The transaction is funded through external capital via a new issue of shares in Heimstaden Bostad AB and through an unconditional shareholder contribution from Fredensborg AS to Heimstaden AB. Heimstaden will gain access on 17 April (financially from 1 April).

On 28 February 2018, Heimstaden agreed to acquire a construction project in Burlöv comprising 275 apartments. The transaction amounts to SEK 400 million and is expected to be completed in 2019-2020.

On 1 March 2018, Heimstaden acquired the sister company, Fredensborg Norge AS, from its parent company Fredensborg AS. Fredensborg Norge AS manages the stocks in Norway and all of its personnel have been transferred to the Heimstaden Group. The purchase consideration amounted to approximately NOK 12 million.

On 20 March 2018, Heimstaden agreed to acquire two properties in Trelleborg of 7,895 square metres distributed between 80 apartments. The transaction value amounted to approximately SEK 61 million and Heimstaden will gain possession in May 2018.

Risk analysis and prioritization

A crucial part of a fast growing business is the ability to be able to identify, assess and manage the impact of various risks on the operations and hence on the earnings trend and financial position. We control the Group's risk exposure by working actively with risk diversification and risk management, applying clear policies and structures.

Heimstaden continuously assesses, manages and monitors the risks that comprise a natural part of the operations. For the risks identified, the Board of Directors and management have prepared policies, instructions and areas of responsibility that have been followed up on a regular basis. Risk management should help achieve a balance between limiting the identified risk and achieving our objectives.

EXTERNAL

Risk	Management
<p>MACROECONOMIC FACTORS The demand for, and supply of, housing and premises are affected by general economic conditions, regional economic development, employment, the production rate for new housing and premises, changes in infrastructure, population growth, inflation, interest rates, etc. Demographic factors can affect the type of housing required.</p>	<p>We monitor external conditions continuously, focusing on both the global economy as well as the markets in which we are most exposed to economic fluctuations: Sweden, Denmark and Norway. Our property portfolio is concentrated on growth areas with a strong labour market, net immigration and a limited housing supply. We have a strong Balance Sheet, low loan-to-value ratio and use several different sources of funding.</p>
<p>TAXES Within the framework of Heimstaden's operations, several areas are subject to taxation. In addition to the income taxes charged to the companies in the Group, property taxes, VAT, stamp duty and energy taxes are also incurred. Political decisions on changes in corporate taxation, tax legislation or interpretations thereof can lead to a change in Heimstaden's tax situation, both positively and negatively.</p>	<p>We monitor actively developments in the area of taxation regarding new positions, interpretations of legal cases and regulatory changes, as these may lead to changes in our tax position. Heimstaden's foremost tax payments mainly include VAT costs, where, as a property company, we have limited deduction rights, as well as property taxes, energy taxes and stamp duties, as well as personnel-related taxes and charges.</p>
<p>RISKS RELATED TO RENTAL LEVELS Pricing on rent for apartments differs between the three markets in which we operate. In Denmark, rent levels on apartments constructed after 1991 are unregulated, and in Norway this applies to all apartments. In the Swedish rental market for housing, rent levels are determined according to the principle of "utility value". Rental negotiations are normally conducted between property owners, or associations thereof, and the Swedish Union of Tenants. If the property owner and the Swedish Union of Tenants cannot agree on the rent level, the regional rent tribunal may be called upon to determine the rent level.</p>	<p>In Denmark and Norway, we monitor the rental market for different properties and locations closely to be able to set the rent level as high as possible. In Sweden, we maintain a close and ongoing dialogue with the Swedish Union of Tenants to ensure appropriate rent levels. We negotiate all rents with the Swedish Union of Tenants ourselves and our negotiators have often previously worked for the Swedish Union of Tenants. In all markets, we hold information meetings in connection with remodelling projects, and conduct preliminary negotiations in connection with investments and new production.</p>
<p>LEGISLATION, PERMITS, RULINGS AND COMPLIANCE Operations are regulated and influenced by a large number of laws, regulations and government guidelines, as well as various processes and decisions related to these regulations, at both the political and official level. These may change or our interpretation of them may be incorrect. We are also dependent on various forms of permits and rulings. Inadequate compliance can lead to financial losses, supervisory sanctions and impaired reputation.</p>	<p>We continuously monitor developments with regard to laws, regulations and practices in the areas most crucial to Heimstaden, to be able to prepare in good time to for new or amended regulations. We have a corporate culture based on high ethical ideals, good internal control and quality assurance at several levels and, in early 2018, we introduced a Code of Conduct for all employees. This also includes a whistleblower function.</p>

PROPERTY PORTFOLIO

Risk	Management
<p>GEOGRAPHICAL RISKS Geographically, we have a relatively diversified property portfolio with properties in 25 locations in Sweden, 23 locations in Denmark, and in Oslo, Norway. Demand for residential properties and rented housing may decline in the geographic markets in which we operate, although demand does not generally decline in these countries.</p>	<p>We perform regular macro analyses of conditions in the different markets, covering, for example, economic growth, the rental market, collaborative climate, and infrastructure initiatives. We also perform an annual review of the property portfolio with regard to both geographical exposure and product types and, as a basis for our long-term decisions, we work according to an annual strategy document approved by the Board.</p>
<p>RISKS RELATED TO ASSOCIATED COMPANIES AND SHAREHOLDER MATTERS IN SUBSIDIARIES THAT ARE NOT WHOLLY OWNED. Our property ownership consists, in part, of ownership through participations in associated companies, and a large part of our operations is conducted through subsidiaries that we do not own 100 percent. According to the governance documents of some of these companies, the non-controlling interests are entitled to have an influence in certain matters. From this, it follows that measures beyond our control and counteractive to our interests may adversely affect our ability to act as planned in these non-wholly-owned subsidiaries.</p>	<p>A good dialogue with other shareholders and active board work in jointly owned subsidiaries and associated companies ensure that we maintain continuous insight and control of our interests. Well-considered shareholder agreements safeguard rights and obligations in both directions, thereby reducing the risk. To further ensure impartiality and increase internal control, jointly owned subsidiaries have different auditors than the Parent Company.</p>
<p>CHANGES IN THE VALUE OF PROPERTIES Our properties are reported at fair value in the Balance Sheet and changes in value are reported in the Income Statement. Both property-specific changes for the worse, such as lower rental levels and increased vacancy rates, as well as market-specific changes for the worse, such as higher direct return requirements, may mean that we need to adjust the fair value of the properties.</p>	<p>Of our property portfolio, housing accounts for 90 percent of the lettable area. The stocks comprises a large number of properties with a good geographical spread over three different economies, and with the vast majority being centrally located in communities with good growth. The properties undergo internal quality assurance and we check our own valuations internally. External valuations are performed at least once a year.</p>
<p>ACQUISITION RISKS, SALES RISKS AND OTHER TRANSACTION-RELATED RISKS All property transactions are associated with uncertainty and risks. When acquiring property, there is uncertainty regarding the handling of tenants and unforeseen costs for personnel or environmental decontamination. When acquiring property, there is a risk that opportunities to make warranty claims deteriorate or that guarantees are of limited duration. Claims could also be made against Heimstaden due to disposals or the condition of divested properties.</p>	<p>Upon acquisition, an analysis is made of the relevant property and/or company to assess market value, as well as future opportunities and risks. We have a structured decision-making process prior to the acquisition of properties and companies and perform comprehensive due diligence supported by both internal and external individuals with the relevant skills.</p>
<p>PROJECT RISKS Opportunities to carry out remodelling, extension or new construction are dependent on, for example, obtaining the necessary permits and official rulings. In addition, opportunities to implement these profitably can be influenced by whether demand for, or prices of, properties and housing change in general or due to lack of planning, analysis and cost control, changes in taxes and fees, as well as delays or increased or unforeseen costs.</p>	<p>In proprietary development projects, responsibility lies with experienced project managers, and the risks of delays and increases in costs are limited through detailed agreements with contractors and regular internal monitoring of budgets and schedules.</p>
<p>INDEMNITY RISKS All ownership entails responsibility. In Heimstaden's case, properties could be destroyed by fire, or suffer water damage, theft or other damage. In addition, through the negligence, Heimstaden could cause injury to a person, damage the property of another or cause environmental damage for which the company is found liable.</p>	<p>We work preventively to minimize the risk of personal injury or damage to property or the environment. We have full-value insurance for all of our properties, as well as insurance cover for liability and property damage. We perform continuous inventories of existing stocks and, in connection with acquisitions, to identify and address environmental and health risks. We have special fire regulations within the framework of our property management in all three countries.</p>
<p>ENVIRONMENTAL RISKS AND REQUIREMENTS Climate change, increased official requirements and increased awareness among tenants impose rigorous demands on an organization and demand an approach able to cope with the challenges in the area. We do not conduct out any operations requiring permits under the Environmental Code (1998:808). However, there may be, or have been, tenants in the properties that we directly or indirectly own, who are conducting or have conducted operations that require or would have required special permits in accordance with the Environmental Code.</p>	<p>We carefully monitor the development of legislation and regulations and work actively with a number of measures to mitigate negative environmental impacts, which are reported in the Sustainability section on pages 52-57. We conduct due diligence audits in connection with transactions and ensure through warranty agreements that any discrepancies are rectified or replaced.</p>
<p>BUSINESS ETHICAL RISKS Heimstaden is a social actor with broad customer and supplier bases. Many participants are involved within the framework of the operations and services/products are procured through subcontractors at several levels. Despite clear requirements in procurement processes, the extensive supplier chain is difficult to survey and there is a risk of activities contradictory to Heimstaden's values. There is also a risk that employees will violate internal rules and competition regulations in their contacts with customers and other actors.</p>	<p>Heimstaden accepts no form of bribery, threats or unsound employment contracts. Collaborations with contractors are evaluated continuously and Heimstaden's assessment is that there is good control of direct suppliers. In 2017, Heimstaden recruited a purchasing manager and work has begun to prepare clearer guidelines for the company's purchasing based on social and environmental requirements. In addition, a new review of purchasing streams is being carried out. Heimstaden has developed a Code of Conduct in which all business ethics principles are gathered and that describes how everyone working at and for Heimstaden is expected to behave. We also urge our suppliers to act in the spirit of this Code. We also provide a whistleblower function through which employees can submit reports anonymously. External stakeholders also have the opportunity to report suspected irregularities.</p>

PROPERTY MANAGEMENT

Risk	Management
<p>RENTAL INCOME AND RENT DEVELOPMENT If letting ratios or leasing levels fall, our earnings will be adversely affected. We are also dependent on tenants paying agreed rents on time and otherwise meeting their obligations.</p>	<p>At the end of the year, 90 percent of the Group's total rental income derived from housing/garages and 10 percent from commercial premises. In the markets where we operate, there is currently strong demand for housing while the supply is relatively constant, entailing low vacancies and safe income flows. The letting ratio for existing housing amounted to 98.7 percent at the end of the year.</p>
<p>PROPERTY AND MAINTENANCE COSTS Property costs consist mainly of tariff-based costs, such as electricity, cleaning, water and heating costs. Both taxes and consumption change and affect our operating costs. Maintenance costs are attributable to measures aimed at maintaining long-term property standards.</p>	<p>Our tenant agreements covers most of the operating costs and include supplements for any unexpected major changes. We are working with plans for maintenance and repairs to maintain the properties' condition and standard. Continuous operational optimization and energy efficiency are key elements of this work.</p>
<p>TECHNICAL RISK Technical risk refers to risks associated with the technical operation of properties, including risks for design and installation errors, other hidden errors and deficiencies, damage and pollution.</p>	<p>In both acquisitions and the ongoing management of existing stocks, a technical review of the properties is performed. This includes a careful review of the physical environment in each property, such as the windows, roofs, doors, plumbing, ventilation, waste management, supporting structure and facade.</p>

FUNDING

Risk	Management
<p>CREDIT AND COUNTERPARTY RISK We are exposed to the risk that counterparties cannot meet their obligations to Heimstaden. We are also exposed to credit risks in the financial operations, in the investment of liquidity surpluses and the signing of long-term and short-term credit agreements.</p>	<p>We continuously evaluate all suppliers regarding the financial part of the business, to ensure that this credit risk is limited. Since we primarily invest in residential properties, rent is paid in advance, eliminating a large part of the potential credit risk associated with many customers.</p>
<p>INTEREST-RATE RISK Interest costs are one of the largest cost items. Interest rate risk refers to the risk that changes in market interest rates will affect borrowing costs. Interest costs are mainly affected by the level of current market interest rates and the banks' margins, as well as the chosen strategy for periods of fixed interest.</p>	<p>Interest rates are fixed in accordance with the financial policy. Primarily interest rate derivatives are used to achieve the terms of fixed interest and degree of interest rate hedging that we seek. We apply an internal interest rate hedging model that allows the degree of interest rate hedging and average terms of fixed interest to vary over time. The degree of interest rate hedging must not be less than 25 percent at any given time.</p>
<p>REFINANCING AND FINANCING RISK Financing risk refers to the risk that funding cannot be obtained, can only be obtained to a certain extent, or can only be obtained on unfavourable terms for the company. There is a corresponding risk when existing financing expires and is to be repaid, which is called refinancing risk.</p>	<p>Our finance policy determines the risk mandate for the operations. We aim to control the period for which capital is tied up over the long term and, at the end of the year, the average maturity of the loan portfolio was 7.8 years (9.5). To minimize the financing risk, it is important to be independent of individual funding sources. At the end of 2017, there were loans from 12 different lenders from 3 countries and two outstanding market-listed bonds.</p>
<p>CHANGES IN VALUES OF DERIVATIVES Changes in the value of Heimstaden's interest rate or currency derivatives arise in connection with changes in market interest rate or the exchange rate ratios SEK/DKK and SEK/NOK.</p>	<p>Our finance policy determines which derivative instruments may be used. We only use instruments that can be sold on the market, meaning that quoted prices can be obtained. Continuous reconciliation is conducted between internal and external valuation and we have a treasury function to ensure independence.</p>
<p>FINANCIAL OBLIGATIONS Some of the loan agreements bear financial commitments and we have posted collateral and provided guarantees for some of the loans. If we were to violate any of these commitments in the loan agreements, it could lead to the termination of the loan or loans with immediate payment or collateral being seized by the relevant credit institutions.</p>	<p>Our financial policy regulates our risk mandate for credit institutions and capital markets. We also have a compliance function with competent and experienced personnel to ensure that we comply with our obligations under loan agreements. The external audit also ensures that the information reported and compliance are accurate.</p>

EMPLOYEES

Risk	Management
<p>DEPENDENCE ON KEY INDIVIDUALS AND OTHER EMPLOYEES We are dependent on a number of key individuals, including senior executives and people with specialist skills. These key individuals are important for the successful development of the operations. If key individuals leave Heimstaden, this could have a negative impact on the operations.</p>	<p>We work actively to recruit and retain talented employees by being an attractive and long-term employer. We have established a common value base within the company that supports an open and transparent working environment. We also work with ongoing competence and leadership development and with compensation and incentives at competitive levels.</p>
<p>WORKING ENVIRONMENT Heimstaden's employees are exposed to occupational health risks of various kinds. Out in the property management operations, these consist of risks of physical stress and risks related to psychosocial factors, including threats/harassment, particularly in vulnerable areas. At headquarters and at other offices, psychosocial risks predominate, such as stress and ergonomic burden.</p>	<p>Within our Swedish management organization there is a special working environment group and security representatives are appointed. Meetings are held every two months, at which casualties and injuries are discussed and inspection rounds and possible educational efforts are considered. A special review was also made of new working environment regulations regarding the psychosocial working environment, which was disseminated to all managers.</p>



POLICIES

	Financial policy in summary	Outcome 31 Dec. 2017	Listing
Refinancing risk			
Capital tied up, months	at least 15	93	
Loan maturity, percentage in individual year	maximum 40	33	(2020)
Limitation, individual lenders, percent	maximum 50	16	(New credit)
Interest-rate risk			
Fixed interest, years	In accordance with separate interest rate hedging strategy	1.1	
Interest rate hedge, percent	at least 25	28	
Credit risk			
Equity/assets ratio, %	at least 25	36	
Interest coverage ratio, multiple, rolling 12 months	at least 1.4	2.6	

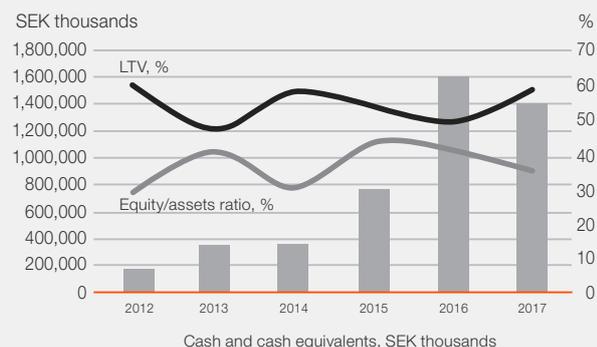
SENSITIVITY ANALYSIS

Rental income	+/-1 percent	Effect SEK +20/-20 m
Letting ratio	+/-1 percent	Effect SEK +21/-21 m
Property costs	+/-1 percent	Effect SEK +10/-10 m
Interest rate level, liabilities	+/-1 percent	Effect SEK +136/35 m

SENSITIVITY ANALYSIS – VALUE CHANGE, PROPERTIES

	+/-5 percent	+/-10 percent	+/-20 percent
Equity	SEK 21,321/16,293 m	SEK 23,835/13,778 m	SEK 28,864/8,750 m
Equity/assets ratio	38.7%/32.5%	41.3%/28.9%	46.0%/20.5%
LTV	56.0%/61.8%	53.4%/65.3%	49.0%/73.4%

FINANCIAL STABILITY



Multi-year overview

Group in summary 2013–2017	2017	2016	2015	2014	2013
Income Statement					
Rental income	2,013,381	1,057,448	719,072	471,287	646,734
Operating costs	-986,300	-527,519	-372,309	-229,417	-331,525
Central administration	-84,905	-48,251	-32,593	-39,195	-42,594
Other operating income and costs	19,370	12,146	12,030	17,398	19,499
Profit from participations in associated companies	12,396	67,003	211,002	36,035	49,949
Profit before financial items	973,942	560,827	537,202	256,108	342,063
Financial income	5,763	27,510	26,397	23,172	21,671
Financial costs	-464,992	-220,763	-172,440	-166,835	-270,347
Profit from property management	514,714	367,574	391,159	112,445	93,387
Changes in value of investment properties	2,201,612	2,315,843	1,121,986	143,719	-42,388
Changes in value of interest rate derivatives	24,024	36,252	28,290	-266	214,313
Current tax	-75,684	-55,657	-28,749	-233	0
Deferred tax	-600,992	-449,070	204,848	11,076	102,177
Profit for the year	2,063,674	2,214,942	1,717,533	266,741	367,489
Other comprehensive income	99,374	14,936	61	0	0
Comprehensive income for the year	2,163,048	2,229,878	1,717,594	266,741	367,489
Balance Sheet					
Investment properties	50,285,176	26,330,189	11,143,273	10,377,664	7,042,250
Other fixed assets	401,711	52,761	1,596,846	517,253	416,342
Current assets	1,955,620	1,822,660	830,181	418,717	380,686
Total assets	52,642,508	28,205,610	13,570,300	11,313,634	7,839,278
Equity	18,806,863	8,975,398	5,864,458	3,479,955	3,213,214
Deferred tax	1,740,903	1,119,372	597,202	815,421	450,766
Interest-bearing subordinated shareholder loans	0	2,722,058	0	0	0
Interest-bearing liabilities	30,935,834	14,779,408	6,821,909	6,425,518	3,724,108
Interest-rate derivatives	30,793	55,977	74,307	376,151	307,135
Non-interest-bearing liabilities	1,128,115	553,397	212,424	216,589	144,055
Total liabilities	52,642,508	28,205,610	13,570,300	11,313,634	7,839,278
Property-related key figures					
Number of properties on the balance sheet date	828	566	257	226	221
Lettable area on the balance sheet date, m ²	2,128,616	1,457,559	627,238	701,759	465,792
Number of apartments on the balance sheet date	30,549	19,797	7,676	6,565	6,340
Proportion of living space on the balance sheet date, %	90	88	86	66	90
Lettable time-weighted area, m ² thousands	1,701	965	655	442	642
Rental income per m ² , SEK	1,184	1,096	1,099	1,067	1,008
Operating costs per m ² , SEK	-580	-547	-569	-519	-506
Operating costs excluding administration and property tax, per m ² , SEK	-482	-473	-469	-426	-421
Letting ratio, housing (number), %	98.7	99.5	99.6	99.5	99.5
Surplus ratio, %	51.0	50.1	48.2	51.3	48.7
Financial key figures					
Cash flow, SEK thousands	-218,878	826,566	413,770	10,594	188,412
Interest coverage ratio (ICR), multiple ¹⁾	2.6	3.2	3.3	1.7	1.3
Loan-to-value ratio, % ¹⁾	58.8	50.0	54.2	58.4	47.8
Equity/assets ratio, % excluding shareholder loans in equity	35.7	31.8	43.2	30.8	41.0
Equity/assets ratio, % including shareholder loans in equity ¹⁾	35.7	41.5	43.2	30.8	41.0
Average interest, %	1.7	1.5	1.9	3.1	4.4
Average period of fixed-interest on loans by derivative, year	1.2	1.3	0.9	2.1	1.5
Average period for which capital is tied up, year	7.8	9.5	6.3	5.4	1.0
Net asset value on the balance sheet date, SEK thousands	20,547,766	10,094,770	6,461,660	4,295,376	3,663,980
Long-term asset value (EPRA NAV) on the balance sheet date, SEK thousands ¹⁾	20,578,559	10,150,747	6,535,967	4,671,527	3,971,115
Interest-bearing debt ratio on the balance sheet date, % ¹⁾	164.5	103.1	116.3	184.6	115.9
DEBT/EBITDA, multiple	20.3	19.0	12.4	16.4	16.4
Data per share					
Profit after tax per ordinary share, SEK	116	133	176	404	557
Equity per ordinary share, SEK	609	504	377	5,271	4,867
Equity per preference share, SEK	380	380	380	0	0
Number of ordinary shares outstanding at the end of the period	13,204,000	13,204,000	13,204,000	660,200	660,200
Number of preference shares outstanding at the end of the period	2,343,750	2,343,750	2,343,750	0	0
Average number of ordinary shares outstanding	13,204,000	13,204,000	9,629,876	660,200	660,200
Average number of preference shares outstanding	2,343,750	2,343,750	1,354,880	0	0

¹⁾ Interest-bearing subordinated shareholder loans from non-controlling interests are classified as equity in calculating key data.

Definitions and glossary ¹⁾

Letting ratio, housing (number), %

Leased housing divided by total number of homes.

Surplus ratio, %²⁾

Net operating surplus as a percentage of rental income

Proportion living area on balance sheet date, %

Living area divided by total property area.

Interest coverage ratio (ICR), multiple

Profit after net financial items plus financial costs divided by financial costs attributable to interest-bearing liabilities excluding the effect of subordinated shareholder loans.

Equity/assets ratio including shareholder loans, %

Equity including interest-bearing subordinated shareholder loans as a percentage of total assets at the end of the period.

*Equity/assets ratio excluding shareholder loans, %**

Equity as a percentage of total assets.

Loan-to-value ratio (LTV), %

Net liabilities in relation to estimated market value.

Net liabilities

Net interest-bearing liabilities excluding interest-bearing subordinated shareholder loans and provisions less financial assets, including cash and equivalents.

Average interest, %

Average interest on the balance sheet date for interest-bearing liabilities, excluding subordinated shareholder loans with interest rate derivatives taken into account.

Net asset value on the balance sheet date, SEK m

Equity plus deferred tax liability.

Long-term asset value (EPRA NAV) on the balance sheet date, SEK m

Equity with deferred tax liability and interest rate derivatives reversed.

DEBT/EBITDA, multiple

Time-weighted interest-bearing liabilities excluding subordinated shareholder loans divided by profit before financial items with reversal of depreciation.

Equity per ordinary share, SEK

Equity at the end of the period, in relation to the number of ordinary shares at the end of the period, after preferential capital is taken into account.

Equity per preference share, SEK

Preference shares' preferential rights on liquidation of the company (SEK 375 per preference share) and the share's remaining entitlement to dividends.

Profit after tax per ordinary share, SEK

Profit in relation to the average number of ordinary shares once the preference shares' portion of the profit for the period has been taken into account

Heimstaden presents certain financial measures that are not defined in accordance with IFRS. Heimstaden believes that these measures provide valuable additional information to investors and management as they enable assessment of the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be considered as a replacement for measures defined in accordance with IFRS. Note 36 presents the derivation of key data.

¹⁾ Certain key ratios are calculated with particular regard to interest-bearing subordinated shareholder loans, which are reclassified and defined as equity given their financial structure.

²⁾ These specific key data are operational and are not considered to be key data in accordance with ESMA's guidelines



Responsibility for the environment and people

For us, sustainability is about conducting our operations without undue negative impact on the environment, to generate added value for employees and customers, while contributing to a positive trend in the regions and locations where we operate.



During 2017, we commenced an extensive process to define our objectives and priorities in the area of sustainability. As one of the Nordic region's largest private owners of residential properties, we have a particular focus on implementing continuous improvements that reduce our environmental impact while, under these conditions, providing the best possible comfort for our tenants.

Energy efficient properties

In the area of the environment, Heimstaden focuses primarily on enhancing the energy efficiency of its properties, by working to reduce the amount of energy consumed for the same benefit, or increasing utility with the same energy consumption. The

objective includes increased use of modern and cost-efficient technologies, to be able to provide the properties with economical and reliable energy and to limit the climate impact of the buildings.

Total energy consumption in Sweden increased in 2017, due to the vigorous expansion of the stocks. Energy consumption per square metre also increased somewhat compared with previous years. This is largely due to the fact that several of the acquired properties consume more energy than the stocks we have managed for a few years. When reviewing the statistics for each location, we can affirm that, in several locations where we have managed properties for more than two years, we have reduced

100%

In our Swedish property stocks, we only use renewable electricity.

energy consumption per square metre by up to 5–8 percent over a two-year period. Our streamlining efforts are continuing and we are prioritizing actions that provide the best results taking the life cycle cost into account, reducing the environmental impact and contributing to an appropriate level of comfort for our customers.

New system of measurement

In Sweden, Heimstaden has installed a new system for energy metering, to be able to be more efficiently and clearly observe buildings' energy consumption and environmental impact. The system enables our operating engineers to monitor and analyze consumption in a detailed way. This is an important tool for identifying efficiency enhancement opportunities and for evaluating the measures we implement. The system means that we can test new technology in a property and monitor the expected decrease in consumption.

Where the results are positive, we can then proceed with the same improvement measure in other properties, thereby reducing energy consumption. The introduction of the system means that, effective from 2018, we can measure an initial year in a consistent manner and, based on this, to then set environmental targets for the Swedish operations.

In Denmark, there are energy consumption meters in each apartment and all costs for heat and electricity are charged to customers monthly and retroactively. In Norway, there is a system for the measurement and registration of hourly energy consumption in most of the properties. In Sweden, we are also installing digital control systems for the optimization of operations. By means of temperature sensors in the apartments and intelligence in the control equipment, these systems can be used to continuously measure current conditions and adjust the energy supply to achieve an appropriate indoor temperature.

Depending on the circumstances, in certain cases, we also use self-learning systems that perform analyses to ascertain how the outdoor climate, the design of the property and customers' behaviours affect energy needs. Through these analyses, the system derives which control method currently offers the best possibilities for achieving the appropriate level of comfort using as little heating energy use as possible.

Measures produce effects

When a new property has been acquired, our work to enhance energy efficiency is conducted in several stages. Initially, we review, fix and fine-tune existing systems and control equipment to optimize heating and other energy consumption. This resetting of technology in a property involves on-going fine-tuning and monitoring over a period of one to two years. Depending on the conditions of the property, this process often helps reduce energy consumption by about 5 percent, sometimes more. During the initial years, operations technicians gain more in-depth knowledge and awareness of the property's specific needs and can then identify further actions. This entails subsequently planning and, together with the project department, replacing identified inefficient equipment with more efficient, customized technologies and systems. This often includes heating and ventilation systems and lighting, but also installation of intelligent control equipment to further digitize operation, as well as construction engineering measures to prevent heat loss. In older properties, these measures can provide up to 10 percent lower energy consumption within a few years.

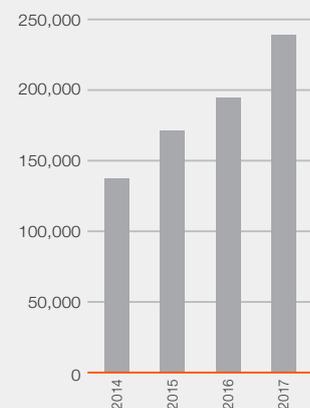
Training and dialogue

Day-to-day activities are important in working preventively and gradually reducing energy consumption. One way of contributing to such development is through training. In Sweden, all caretakers, property managers and property directors have undergone an energy training programme that makes it easier to continuously undertake various measures to enhance efficiency in energy consumption. Equally important as new technology and good maintenance of our properties, is what our customers contribute every day. We seek to use dialogue to teach them to use energy and water sensibly and to encourage them to submit service requests immediately when problems arise.

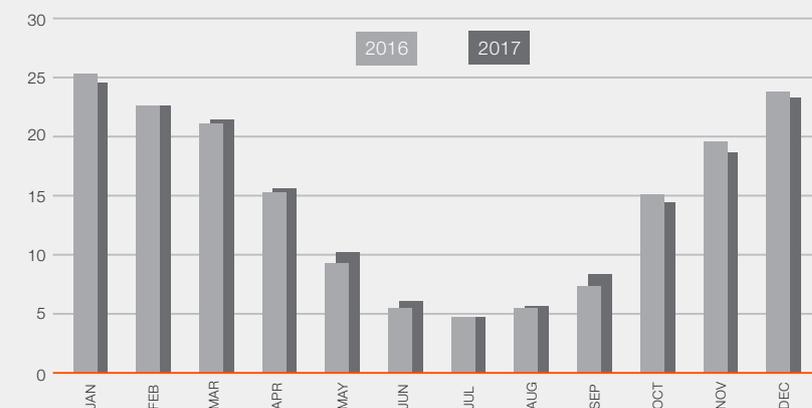
Sustainable new production

When we construct new housing, environmental aspects are always a priority issue, not least in terms of the selection of materials and technologies. Newly produced properties are

TOTAL ENERGY CONSUMPTION, SWEDEN, MWH PER YEAR *



ENERGY CONSUMPTION, SWEDEN, KWH/M² PER MONTH *



* Normal year-adjusted district heating and natural gas consumption

significantly more energy efficient than older ones. In some cases, the difference in energy consumption is as much as 40 percent. In all new apartments that Heimstaden completed in Sweden in 2016 and 2017, we installed individual hot water meters, and all electricity derives from source-certified hydroelectric power. Several of our upcoming projects, such as Inre Hamnen in Norrköping, will be constructed in accordance with Environmental Building Silver, a certification system that pays particular attention to energy, indoor environment and materials. In Denmark, we maintain a dialogue with the contractors responsible for new construction projects, with the aim of creating sustainable housing, to the greatest extent possible, with solid materials and environmentally sound energy supply based on, for example, wind power and solar energy.

More renewable energy

Our objective is to use only renewable electricity in our properties. This process has progressed furthest in Sweden. In both existing stocks, as well as in any new properties we take over, we switch to electricity contracts based on source-certified hydroelectric power when new contracts are to be signed.

At the end of the year, such agreements were in place for most of the Swedish properties and during 2017 we reduced our carbon dioxide emissions by 38 percent by choosing hydroelectric power.

In Denmark, wind power accounts for about 40 percent of the electricity produced in the electricity grids to which our properties are connected.

Solar cells for generation of renewable electricity are another area in which we are investing. In partnership with the City of Malmö and E.ON, and supported by the Swedish Society for Nature Conservation, in 2017, we invested in a solar cell facility in one of our properties in Malmö. A year after installation, we can note that the solar cells generated around 15 percent of the property's total electricity consumption. In Linköping, we have acquired two student housing properties with solar cell facilities and many of the new construction projects in Denmark are equipped with solar cells as a part of their energy solutions.

An attractive and secure workplace

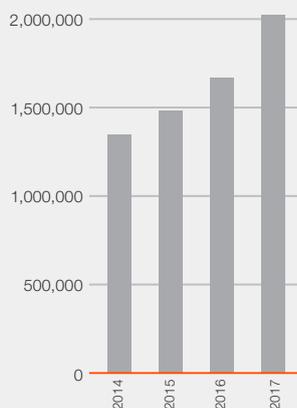
Heimstaden's ambition is to become the sector's most attractive workplace in the Nordic region. We will achieve this by offering our employees a positive and secure working environment with



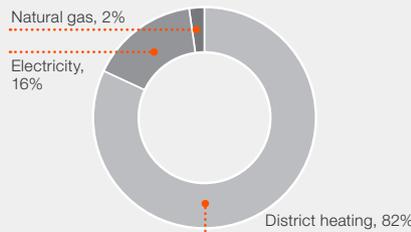
Given place for a bicycle

In Denmark, the bicycle is the preferred mode of transport. At the project properties on the Bryggen Bastion in central Copenhagen, for example, four bicycle parking spaces are being provided for each apartment. Separate bicycle lifts are being installed into which customers will ride directly from the street level and then proceed down to the bicycle garage, where there is also a small workshop.

WATER CONSUMPTION, SWEDEN, M³



PROPORTION OF PURCHASED ENERGY, SWEDEN



The vigorous expansion of the property stocks means that Heimstaden's total energy and water consumption is increasing. The increase in energy consumption per square metre is largely due to the fact that several of the acquired properties consume more energy than existing stocks.



Our core values

PROFESSIONALISM

We take responsibility for our actions and work long term in the best interests of the property portfolio and the company. We nurture long-term relationships with the external community and generate value for all of our stakeholders.

INNOVATION

We are flexible, open, adaptable to change and innovative. We encourage diversity and divergent thinking and constantly seek new ways to promote growth and productivity.

CONSIDERATION

We care about and respect our employees, partners and customers, taking good care of our properties by nurturing a favourable living environment and sustainability.

sound leadership, where all individuals are afforded opportunities to develop in their roles or in other positions in the Group. The focus is on the work environment, well-being, health and personal development – areas reflected in our values: Consideration, Professionalism and Innovation.

Heimstaden is growing rapidly. Since 2015, the average number of employees has increased by about 60 percent, or from 142 to 226 people in 2017, and today we have substantial operations in three countries. To cope with this rapid growth, while ensuring we have managers and employees with the prerequisite skills and support, Heimstaden established a Group-wide HR function in 2017. With increased staffing in this area, we have been able to create better conditions for forward-looking, strategic HR work. We have continued the process of translating our values from words into the behaviours we want to see reflected in daily lives of all employees. We have also reviewed our work processes and how digital tools can be used to free-up time from administration, allowing it to be spent instead on supporting managers and employees.

Working environment

There are increasing signs of ill health in today's society. Consequently, at Heimstaden, we prioritize a stable, healthy, secure and safe environment in which employees feel secure and have a sense of belonging. Important factors in employees' well-being include leadership and the workplace climate, which is why we seek to train managers and other employees to build

a sound business culture. To prevent ill health and sick leave, we work actively with healthcare issues and encourage employees to exercise, including through wellness benefits.

Heimstaden also has agreements with occupational healthcare provider Previa and all employees are covered by accident insurance. All managers and employees at Heimstaden bear responsibility for the working environment within their respective units, and all employees are tasked with contributing personally to a favourable working environment and seeking continuous improvements. We monitor a number of indicators, including sickness leave and accidents, gender distribution and possible pay gaps.

During 2018, Heimstaden will conduct a Group-wide personnel survey. The purpose is to gain deeper knowledge of how our employees view Heimstaden as an employer, of their well-being and the areas in which we can work with improvement measures.

Focus on continuous learning

Every year, a certain amount is budgeted for training and development. We want our employees to have opportunities to grow in their professional roles, with their current duties or new ones. As we grow, we will be able to offer better opportunities for internal mobility – including between our geographic areas. Every employee within Heimstaden works on the basis of an individual development plan developed and updated in connection with annual development interviews held with their immediate manager. In parallel with providing tailored development plans allowing all employees to develop their skills, we will invest more in learning within the organization – for example, learning from internal or external mentors, and undergoing internships to try a different role, for example. During 2017, we also prioritized our managers' development. A management portal has been launched on the intranet to support day-to-day work, and all managers have undergone training in how to give feedback. In 2018, our sustainability work, and the new policies supporting this, will be updated.

Diversity and equal conditions for all

We view diversity as a strength and a prerequisite for our development. Accordingly, terms, rights and development opportunities are afforded equally to all within Heimstaden, regardless of gender, age, origin or other factors. Our customers come from every part of the world, which is why new employees are being recruited with language skills that help engender a positive dialogue with residents. We have continued to challenge our view of what diversity is and how we can bring in more people to various functions where a particular gender or cultural background is underrepresented, or to include people with disabilities.

Our social commitment and cooperation with selected actors should contribute positively to social development through improved social integration and preparing and strengthening future employment generations. In 2017, we have, among other things, been involved in Drivkraft Malmö's mentoring activities, and participated in a project within the framework of the so-called Oskarshamn model.

Code of Conduct

For many years, Heimstaden has been working to ensure that all employees are treated in accordance with the following policy against discrimination and offensive treatment:

“All forms of abusive discrimination are prohibited within Heimstaden. Heimstaden endeavours to maintain a working climate pervaded by a positive perception of people and mutual respect. All employees are entitled to be treated with respect



All managers have undergone training in providing feedback as part of efforts to strengthen our culture and to be constructive, clear and honest in how we provide and receive feedback.

and with consideration for each person's legitimate demands for integrity.”

In 2017, we formulated a more broadly focused Code of Conduct that will be launched Group-wide in 2018. The Code of Conduct covers issues of anti-corruption and clearly guides how we are to act in relationships with colleagues, suppliers and customers to be a long-term, sustainable, transparent and reliable company with a sound value base. As part of this, a decision has also been made to introduce a policy and function for reporting irregularities, a so-called whistle-blower policy, which will be implemented in 2018. No irregularities or crimes occurred in 2017 of which we are aware. In the future, we will monitor and report the number of possible cases reported through our whistle-blower service or other channels.

An extended responsibility

As a large and growing company, we have increasing opportunities to contribute to a positive change even beyond our own operations. We can influence everyday life for many people by contributing to secure environments, in and around customers' homes. This is something we have been working on for a long time.

We can also influence the working environment and the conditions of those who work on our projects, both in new construction and renovation, for example. In construction projects, a continuous dialogue is maintained regarding both environmental and occupational safety issues, and we receive ongoing incident reports that we follow up on directly with the contractor.

In 2018, we will review the possibility of receiving more systematic and consistent reporting and data on workplace accidents and incidents from suppliers contracted in construction projects.

In 2018, we have begun work on developing a Code of Conduct with more specific requirements for our contractors and other suppliers. In general, the supply chain for products and services for our operations involves numerous actors and is often long. We are well aware that there may be a risk of shortcomings in workplace environments and of violations in terms of human rights and working conditions. Based on these risks and our actual opportunities to make a difference, we will clarify our demands to our suppliers within different areas of purchasing. As part of this process, we will also review appropriate indicators for monitoring our efforts.

Governance of sustainability work

Heimstaden acquires, refines and manages residential properties in Sweden, Denmark and Norway. Sustainability work at Heimstaden has a clear link to the company's long-term generation of value, and to relations with the company's customers, employees and other stakeholders. The concept of sustainability encompasses efforts in the areas of the environment, personnel and social conditions, human rights and anti-corruption. Efforts are based on both risks and opportunities in relation to these areas. The risks considered of major importance to the operations and how they are handled are reported on pages 46-48. Risks are also included as part of our efforts to determine the sustainability issues that the company prioritizes.

Sustainability work is governed by a number of different policies and more specific procedures and guidelines. The policies most central to sustainability are the company's Code of Conduct, its personnel policy, environmental policy and policies regarding gender equality, anti-discrimination and offensive discrimination. These encompass the areas of the environment, anti-corruption, personnel and social conditions, as well as human rights.

A group comprising the Project and Environmental manager, Operations Manager, CFO, HR Manager, Purchasing Manager and Communications Manager met regularly in 2017 to further advance this work. Discussions were held with stakeholders and the group has attended workshops to clearly delineate the Group's most central sustainability issues.

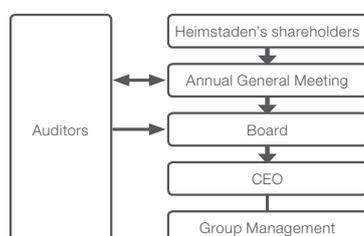
In 2017, a Group-wide Code of Conduct was prepared and in the spring of 2018, this will be presented to all employees through various communications and training efforts. Among other matters, the Code of Conduct encompasses occupational safety issues, anti-discrimination, social commitment and respect issues of employee and customer integrity.

In 2018, a specific Code of Conduct for suppliers will be developed to complement existing policies and to sharpen our focus on sustainability matters, including working conditions, human rights, environmental issues and business ethics in the purchasing of goods and services.

An overarching objective in 2018 is to develop clearer targets and metrics for our sustainability efforts.

Corporate governance

Heimstaden AB (publ) is a public limited company with registered offices in Malmö, Sweden. Its preference share is listed on Nasdaq First North Premier and there is also a corporate bond listed on Nasdaq Stockholm. Heimstaden applies the Annual Accounts Act's rules for corporate governance and hereby submits its Corporate Governance Report for 2017.



The responsibility for management and control of Heimstaden is distributed between shareholders, the Board of Directors and the CEO.

The basis for corporate governance in Heimstaden.

The objective of the company's operations is to own, refine and manage properties and property-owning companies, and to conduct therewith compatible operations. The overarching assignment from the owner is to generate a high return that is stable in the long term. This requires good corporate governance, according to which responsibilities are clearly distributed between the owner, the Board of Directors and management. Heimstaden does not apply the Swedish Code of Corporate Governance since the company considers this to counteract the company's interest in having an active and operational majority shareholder. Because the majority shareholder is operationally active within the Group, and both the CEO and Deputy CEO are members of the Board of Directors, control of the company is enhanced, costs are reduced and decisions can be reached more efficiently.

A nomination committee in accordance with the Code would reduce the majority shareholder's transparency and control over the company, as well as contributing to increased costs. Furthermore, proposals from members are addressed directly at the Annual General Meeting, which all shareholders have the opportunity to attend.

To meet the interests of other shareholders, the Board shall always include of at least one member who is independent in relation to the company and its majority shareholder.

Heimstaden is working to achieve a balanced mix in terms of ethnicity, age and gender in its operations. Diversity in the company is addressed in two different policy documents, "Equal rights and opportunities", and "Discrimination and offensive treatment", adopted in May 2015, and affirming that diversity represents a strength for the Group. Improved diversity and inclusion have the potential to further advance Heimstaden's development and profit, both at team level and individually. See further page 56. The company follows the Group's policy on diversity in the composition of the Board of Directors.

Ownership

All ordinary shares in Heimstaden AB are held by Fredensborg AS, corporate identification number 9435582815, based in Norway. These shares convey ten votes and one participation per share and, on the balance sheet date, totalled 13,204,600 in number, with a quota value of SEK 5.00 each, totalling SEK 66,020,000 in ordinary share capital.

The company also has preference shares listed on the Nasdaq First North Premier. The preference shares convey one vote and one participation each, totalling 2,343,750 in number on the balance sheet date and with a quota value of SEK 5.00, totalling SEK 11,718,750 in preference capital.

Annual General Meeting

The Annual General Meeting is the company's highest decision-making body and is where shareholders exercise their right of decision in the company's affairs. The Annual General Meeting makes decisions regarding changes to the Articles of Association and regarding changes in equity. The Annual General Meeting appoints the Board of Directors and the auditors for the company. An Extraordinary General Meeting is held if so requested by the auditor or holders of at least one tenth of all shares, or if the Board of Directors considers there to be due cause. The 2017 Annual General Meeting took place on 28 April 2017 at the company's premises on Östra Promenaden in Malmö, Sweden. Nine shareholders participated at the Meeting, in person or by proxy. These represented 98.41 percent of the total votes. A single shareholder, Fredensborg AS, represented alone 99.99 percent of the votes represented at the Meeting. The CEO of Heimstaden, Patrik Hall, was elected Chairman of the Meeting. Besides the Chairman of the Board, Ivar Tollefsen, and Ossie Everum, all Board Members were present.

Decisions by the 2017 Annual General Meeting

The complete minutes and information about the 2017 Annual General Meeting can be found at www.heimstaden.com. Among other things, the Meeting decided:

- That dividend be paid in accordance with the proposal by the Board of Directors and the CEO in the amount of SEK 20.00 per preference share to preference share holders, and that SEK 7.60 per ordinary share be distributed to the ordinary shareholder.
- Discharge from liability for the Board of Directors and the CEO for the preceding financial year.
- Re-election of Magnus Nordholm, Ivar Tollefsen, Ossie Everum and Patrik Hall Board Members.
- Re-election of the Chairman of the Board.
- Election of auditor.
- Determination of remuneration to the Board of Directors and auditors.

2018 Annual General Meeting

Heimstaden's Annual General Meeting will be held on 27 April 2018 in Malmö, Sweden. For more information about the Annual General Meeting, see page 115 or www.heimstaden.com/arsstamma

Shareholders, shares and debenture loans

For information about shareholders, Heimstaden's preference share and debenture loans, see pages 40–41 and www.ir.heimstaden.com

Board of Directors

The overall task of the Board of Directors is to assume responsibility for organizing and managing the operations, and for the financial reporting. The Board of Directors is also responsible for setting up systems for governance, internal control and risk management. The Board of Directors' work and responsibilities, and the delineation of these in relation to

BOARD WORK IN 2107



the work and responsibilities of the CEO are regulated by the rules of procedure and the instructions to the CEO determined by the annual statutory meeting of the Board of Directors. At Board meetings, matters of vital importance to the company are discussed, such as the adoption of a business plan for the upcoming financial year, the financial policy and policies for the governance of operations and internal control, the work of the Board of Directors and instructions for the CEO, purchasing and issues relating to property sales and financing. The Board of Directors is also informed of the current business situation in the property and credit markets.

In accordance with the Articles of Association, the Board of Directors shall consist of at least three and at most five members. Board Members are elected annually at the Annual General Meeting for the period up to the end of the following Annual General Meeting.

Composition of the Board of Directors in 2017

In 2017, Heimstaden's Board of Directors consisted of four members elected by the Annual General Meeting, including the CEO. Other employees in the Group participate in Board meetings as necessary, reporting on specific matters. For further information about the Board Members, see page 60.

Chairman of the Board

The Chairman of the Board shall lead and control the Board's work and is responsible for the work of the Board being well organized and conducted efficiently, and that the Board meets its commitments. The Chairman monitors operations in dialogue with the CEO and is responsible for the other Board Members receiving the information and documentation necessary for a high of quality in discussions and decision-making, as well as verifying that the Board's decisions are implemented.

Board independence

The Board's assessment, with regard to members' dependency in relation to Heimstaden and shareholders is presented on page 60. As stated there, three out of four Board Members are dependent in relation to Heimstaden's principal owner.

Audit Committee

The Board has not appointed an Audit Committee. Instead, the Board in its entirety bears this responsibility. Ongoing management is delegated to the Group's CFO, who reports to the Board of Directors.

AUDITOR REMUNERATION IN 2017

SEK thousands	2017	2016
EY		
Audit engagement	765	940
Auditing activities beyond the audit engagement	143	350
Tax consultancy	332	16
Other services	56	107
Total	1,296	1,413

Auditor

The Annual General Meeting appoints an auditor who examines the annual report, the accounting and the consolidated accounts, the administration by the Board of Directors and the CEO, as well as the annual accounts and the accounts of the subsidiaries, and issues an audit report. According to the Articles of Association, the Annual General Meeting shall appoint at least one and not more than two auditors.

Auditor in 2017

Heimstaden's auditor is the authorized firm of auditors EY, with Authorized Public Accountants Peter von Knorring and Ingemar Rindstig. Peter von Knorring is the Auditor in Charge. EY was elected by the 2017 Annual General Meeting as Heimstaden's auditor for a period of one year.

Peter von Knorring

Authorized Public Accountant, Auditor in Charge
Ordinary auditor for Heimstaden since 2015.

Ingemar Rindstig

Authorized Public Accountant
Ordinary auditor for Heimstaden since 2015.

CEO and Management

The Board of Directors appoints the CEO and annually sets instructions regulating the division of labour and responsibilities between the Board of Directors and the CEO. The CEO is responsible for the ongoing operations and for financial reporting and shall report to the Board of Directors on an ongoing basis on the company's development relative to established control documents. The CEO is assisted by the Deputy CEO and a Group Management team consisting of the heads of the staff units.

Group Management in 2017

At the end of 2017, Group Management consisted of six individuals. During 2017, Group Management held 12 meetings. The meetings are focused on the Group's strategic and operational development, and monitors performance. For further information about Group Management, see page 61.

Internal control regarding financial reporting

The planning, governance and control of operations follows the organizational structure, with a clear delegation of responsibilities and authority. Business plans are prepared for both the Group as a whole and for the entities subordinate to the CEO.

Alongside policies, guidelines and instructions, business plans provide a framework for the governance and control of the operations. To ensure that the financial reporting provides, on all occasions, a true and fair view, the development of the operations is monitored in relation to this framework. Regular monitoring, combined with a close collaboration with the company's auditors, and the control and monitoring conducted through the annual audit are considered sufficient for the assessment of the Board and for effective internal control and risk management. Accordingly, a dedicated internal audit unit is not currently considered to be motivated.

Board of Directors



IVAR TOLLEFSEN

PRINCIPAL OCCUPATION: President and Executive Chairman, Fredensborg AS

BORN: 1961

ELECTED: 2005

POSITION ON

THE BOARD: Chairman of the Board

OWN HOLDINGS AND THOSE OF RELATED PARTIES: Indirect holding of 13,204,000 ordinary shares and 200,000 preference shares.

DEPENDENCE ON THE COMPANY'S PRINCIPAL SHAREHOLDER:

Principal shareholder

ATTENDANCE AT BOARD MEETINGS: 11 of 11 meetings

NATIONALITY: Norwegian



PATRIK HALL

PRINCIPAL OCCUPATION: CEO Heimstaden

BORN: 1965

ELECTED: 2005

POSITION ON THE BOARD: Board Member

OWN HOLDINGS AND THOSE OF RELATED PARTIES:

900 preference shares

DEPENDENCE ON THE COMPANY'S PRINCIPAL SHAREHOLDER:

Dependent in relation to the company's principal shareholder.

ATTENDANCE AT BOARD MEETINGS: 11 of 11 meetings

NATIONALITY: Swedish



MAGNUS NORDHOLM

PRINCIPAL OCCUPATION: Deputy CEO Heimstaden and Deputy CEO Fredensborg AS

BORN: 1974

ELECTED: 2008

POSITION ON THE BOARD: Board Member

OWN HOLDINGS AND THOSE OF RELATED PARTIES: None

DEPENDENCE ON THE COMPANY'S PRINCIPAL SHAREHOLDER:

Dependent in relation to the company's principal shareholder.

ATTENDANCE AT BOARD MEETINGS: 11 of 11 meetings

NATIONALITY: Swedish



OSSIE EVERUM

PRINCIPAL OCCUPATION: Chairman and shareholder in Intea AB and Board Member of Intea Fastigheter AB

BORN: 1950

ELECTED: 2015

POSITION ON THE BOARD: Board Member

OWN HOLDINGS AND THOSE OF RELATED PARTIES: None

DEPENDENCE ON THE COMPANY'S PRINCIPAL SHAREHOLDER:

Independent in relation to the company's principal shareholder.

ATTENDANCE AT BOARD MEETINGS: 11 of 11 meetings

NATIONALITY: Swedish

Management



PATRIK HALL
TITLE: CEO Heimstaden
BORN: 1965
EMPLOYED SINCE: 2001
IN CURRENT POSITION SINCE: 2003
EDUCATION: Swedish Military Academy
PREVIOUS EXPERIENCE: Negotiation Manager, Swedish Union of Tenants, Professional military officer
HOLDINGS OF PREFERENCE SHARES: 900



MAGNUS NORDHOLM
TITLE: Deputy CEO Heimstaden
BORN: 1974
EMPLOYED SINCE: 2008
IN CURRENT POSITION SINCE: 2014
EDUCATION: MBA, University of Gothenburg
PREVIOUS EXPERIENCE: Deputy Head of Nordic Real Estate Products & Head of Structured Real Estate Financing, HSH Nordbank AG. Business Manager, HSH N Nordic Finance AB
HOLDINGS OF PREFERENCE SHARES: None



SUZANNA MALMGREN
TITLE: HR Manager
BORN: 1971
EMPLOYED SINCE: 2017
IN CURRENT POSITION SINCE: 2017
EDUCATION: M Sc Business Administration, Uppsala University
PREVIOUS EXPERIENCE: Partner Alumni and Impact Executives
HOLDINGS OF PREFERENCE SHARES: None



MARIA PETERSSON
TITLE: President, Heimstaden Förvaltnings AB
BORN: 1966
EMPLOYED SINCE: 2007
IN CURRENT POSITION SINCE: 2015
EDUCATION: M Sc Business Economics, Lund University
PREVIOUS EXPERIENCE: CFO and Senior Vice President of Heimstaden Förvaltnings AB, Controller at LKF AB
HOLDINGS OF PREFERENCE SHARES: None



KARMEN MANDIC
TITLE: Communications and Marketing Manager Heimstaden AB
BORN: 1971
EMPLOYED SINCE: 2015
IN CURRENT POSITION SINCE: 2015
EDUCATION: MSc Business Administration, Lund University
PREVIOUS EXPERIENCE: Global Director, Marketing and Communications, OctoFrost Group. Head of Global Brand Licensing Partnerships and Global Marketing Activation manager, Sony Mobile
HOLDINGS OF PREFERENCE SHARES: None



CARL-FREDRIK STREIBY
TITLE: CFO
BORN: 1975
EMPLOYED SINCE: 2014
IN CURRENT POSITION SINCE: 2014
EDUCATION: MSc Business Administration, Lund University
PREVIOUS EXPERIENCE: CFO, Kockum Sonics AB. Finance Manager Finland, Spain and Tiger of Sweden, IC Companys AS. Authorized Public Accountant, KPMG
HOLDINGS OF PREFERENCE SHARES: None

Consolidated Statement of Comprehensive Income

Amounts in SEK thousands	Note	2017	2016
Rental income	3	2,013,381	1,057,448
Operating costs	4, 6	-986,300	-527,519
Net operating income		1,027,081	529,929
Central administration	5, 6	-84,905	-48,251
Other operating income	7	35,570	51,525
Other operating costs		-16,200	-39,379
Profit from participations in associated companies	18	12,396	67,003
Profit before financial items		973,942	560,827
Financial income	8	5,763	27,510
Financial costs – interest-bearing liabilities	9	-379,410	-185,550
Financial costs – interest-bearing subordinated shareholder loans	10	-85,582	-35,213
Profit from property management		514,714	367,574
Changes in value of investment properties	11	2,201,612	2,315,843
Change in value of interest rate derivatives	12	24,024	36,252
Profit before tax		2,740,350	2,719,669
Current tax	13	-75,684	-55,657
Deferred tax	13	-600,992	-449,070
Profit for the year		2,063,674	2,214,942
Other comprehensive income	14	99,374	14,936
Comprehensive income for the year		2,163,048	2,229,878
<i>Profit for the year attributable to:</i>			
Parent Company's shareholders		1,484,436	1,788,977
Non-controlling interests		579,237	425,965
<i>Comprehensive income for the year attributable to:</i>			
Parent Company's ordinary shareholders		1,526,890	1,757,038
Parent Company's preference shareholders		46,874	46,875
Non-controlling interests		589,284	425,965
Average number of ordinary shares outstanding		13,204,000	13,204,000
Average number of preference shares outstanding		2,343,750	2,343,750
Profit per ordinary share, SEK		116	133
No dilution effect exists.			

Rental income

Rental income for the period amounted to SEK 2,013 million (1,057), a doubling compared with the preceding period. This growth is primarily a result of completed property transactions and is due in particular to a transaction in which the subsidiary, Heimstaden Bostad, acquired properties in Norway and Sweden, gaining access to these properties in October. In addition to property transactions, revenue-raising investments in existing stocks, as well as completed rental adjustments, have also had a positive effect. For the housing stocks, the average rental income is SEK 1,172 per square metre of time-weighted area (1,096).

The letting ratio for housing remained at a high and stable level of 98.7 percent (99.5) for the period. The lower level is primarily attributable to apartments in Copenhagen vacated awaiting renovation and a lower level in the Norwegian market.

Property costs

Total property costs amounted to SEK 986 million (528). The increase is mainly due to increased property volumes as a result of transactions made during the year.

Net operating income

Net operating income amounted to SEK 1,027 million (530) for the period, corresponding to a surplus ratio of 51.0 percent (50.1). The improvement is primarily a consequence of an increased volume of properties in Denmark and Norway, which run at a higher surplus than Sweden.

Central administration costs

Costs for central administration amounted to SEK 85 million (48), with the increase mainly being attributable to the growth of the organization.

Other operating income and operating costs

Other operating income relates primarily to a non-recurring insurance case amounting to approximately SEK 19 million and Other operating costs relates primarily to impairment of goodwill by SEK 16 million.

Net financial items

Financial income during the period was SEK 6 million (28) and financial costs were SEK 465 million (221), of which SEK 86 million (35) was attributable to shareholder loans (repaid on 10 October). The greater negative net financial items is primarily attributable to an increased loan portfolio in the light of increased borrowing due to a larger property portfolio. The average interest rate on the balance sheet date for total borrowing and derivatives and unutilized credit increased marginally to 1.72 percent (1.47), mainly as a consequence of acquisitions of assets in Norway running at higher market interest rates. About 76 percent (74) of the portfolio will switch interest rates within a year and a change in the base rate (Stibor, Cibor, Nibor) of 1 percent at any given time would, all else being equal, increase Heimstaden's interest costs on an annual basis by approximately SEK 136 million (75) were rates to rise, and decreases by approximately SEK 35 million (8) in the event that interest rates were to fall. The difference in sensitivity is explained by the fact that several credit agreements include interest rate floor clauses that limit rate fluctuations on the downside by, for example, preventing the

base rate from being negative, while the cost of outstanding and purchased interest rate derivatives may increase with negative market rates.

Profit from property management

Profit from property management was SEK 515 million (368). The merger in 2016 of with Heimstaden Bostad AB, previously reported as an associated company and now as a subsidiary, causes the profit effect from participations in associated companies decreasing compared with the preceding period and, as of 1 September 2016, being divided between several items in the consolidated accounts. For example, the previous period included value changes in properties from Heimstaden Bostad in profit from participations.

Changes in the value of financial instruments

In accordance with the established financial policy and interest rate hedging strategy, Heimstaden uses interest rate derivatives to manage the Group's interest rate risk. The change in the value of derivatives during the period amounted to SEK 24 million (36), of which unrealized amounted to SEK 24 million and realized amounted to SEK 0 million. At the end of the period, the market value of the current derivative portfolio amounted to a negative SEK 31 million (56) The nominal volume of interest rate swaps amounts to SEK 8,528 million (4,566) purchased swaps. In addition to these, there are agreements on interest rate ceilings with a nominal value of SEK 400 million (600) that today, in view of current strike level, has no value and is, accordingly, not included in the calculations of key ratios.

Changes in the value of investment properties

As per 31 December 2017, the entire property portfolio has been valued on externally obtained valuation data. In total, the unrealized changes in the values of the properties amounted to SEK 2,124 million (2,221). The change is mainly explained by lower direct return requirements in existing stocks but also by lower return requirements for acquired stocks in Denmark, primarily through Copenhagen-based properties. Significant rental increases in the Danish property portfolio have also had a positive impact on market value. During the period, however, Norway experienced a negative development with values declining by SEK 461 million, although this was offset by the positive value trend in Heimstaden's diversified property portfolio. The direct return requirements in the valuation average 3.86 percent, which compares with 4.06 percent at the end of 2016. During the period, properties were sold for a value of SEK 1,146 million with a profit effect of SEK 78 million, and the total change in the value of the properties therefore amounted to SEK 2,202 million (2,316) in the Income Statement.

Tax

In addition to the current tax of SEK 76 million (56), the Group also reports deferred tax of SEK 601 million (449). The deferred tax primarily comprises temporary differences between carrying amounts and consolidated cost attributable to investment properties and financial instruments.

Consolidated Statement of Financial Position

Amounts in SEK thousands	Note	2017	2016
Assets			
Non-current assets			
Goodwill	15	0	0
Investment properties	16	50,285,176	26,330,189
Machinery and equipment	17	5,737	5,188
Participations in associated companies	18	107,960	13,135
Other non-current securities holdings	19	1,500	1,500
Receivables from associated companies	20	75,200	32,000
Other non-current receivables	21	211,314	939
Total non-current assets		50,686,887	26,382,950
Current assets			
Accounts receivable	22	9,570	3,646
Other receivables		406,167	152,600
Prepaid costs and accrued income	23	146,743	55,487
Cash and bank balances		1,393,139	1,610,927
Total current assets		1,955,620	1,822,660
TOTAL ASSETS		52,642,508	28,205,610

Investment properties

As per 31 December, Heimstaden's property portfolio had a market value of SEK 50,285 million, compared with SEK 26,330 million at the end of the year on 31 December 2016. The total change in value during the period amounted to SEK 2,124 million (2,316) and the remaining change in the book value of the property portfolio consists of net corporate and property transactions, investments in existing stocks, as well as exchange rate effects.

Market value has increased, mainly in view of the fact that the market's return requirement decreased, but also due to improved operating surpluses.

For a more detailed description of Heimstaden's methodology for valuing properties, see pages 71-72 and 76.

Machinery and equipment

The change for the period consists primarily of ongoing investments in equipment.

Participations in associated companies

Heimstaden holds shares in a small number of associated companies. Since 1 September 2016, participations have declined significantly as an effect of Heimstaden Bostad AB no longer being reported as an associated company but as a subsidiary.

Among other associated companies, Heimstaden owns 50 percent in Heimstaden Projektutveckling, a company that, together with other market actors focuses on planning and developing new properties. During the year, Heimstaden, together with KPC Ejendomsadministration A/S, has set up a development company owned by 50 percent each.

During the year, 25 percent of the shares in Rosengårds Fastigheter AB was added as part of the cooperation with MKB, Balder and Victoria Park.

Receivables from associated companies

Other financial assets refer primarily to loans to associated companies.

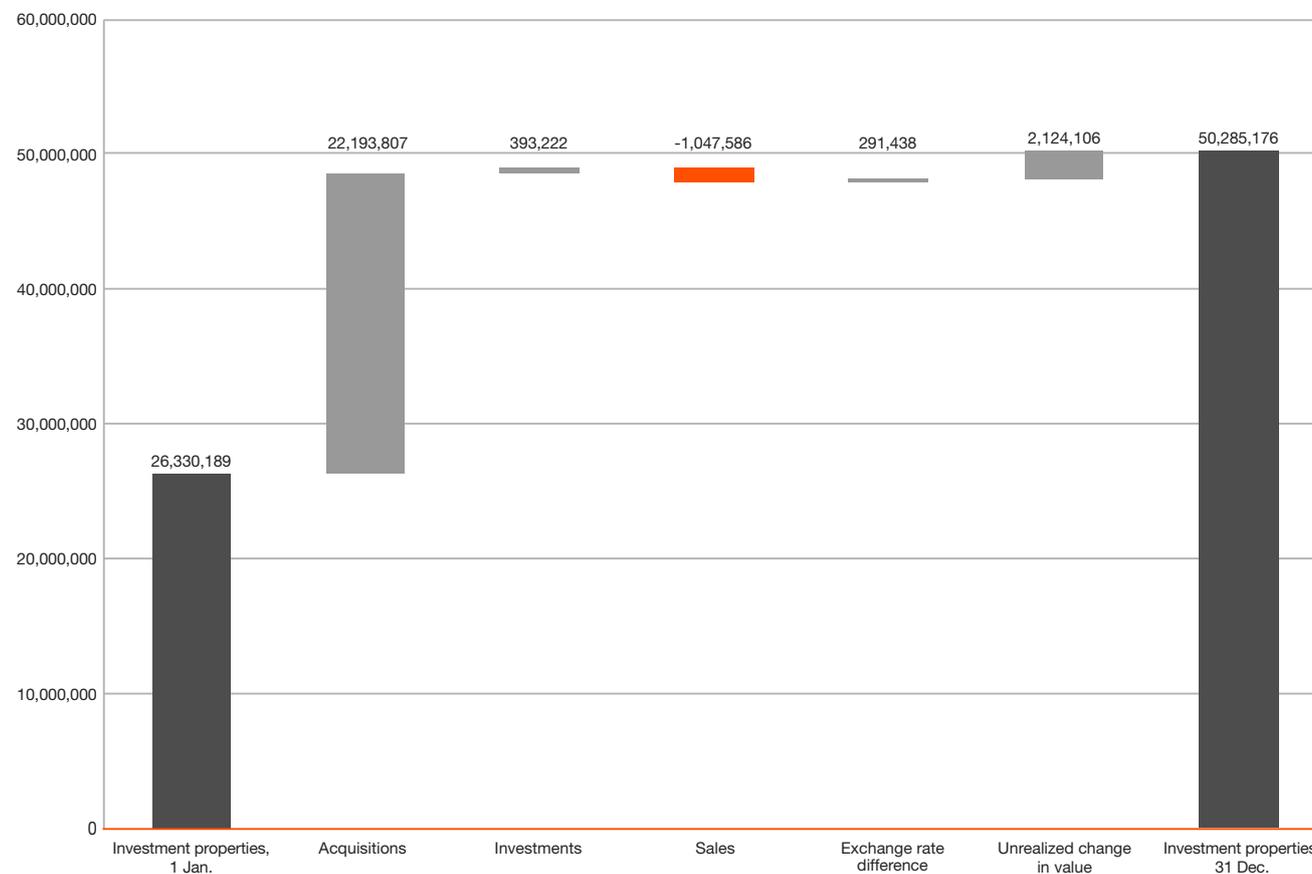
Other non-current receivables

The year's change relates to lending to contracted construction projects.

Other current receivables

The item consists predominantly of advance payments for future acquisitions, primarily in Denmark.

DEVELOPMENT OF INVESTMENT PROPERTIES FOR THE YEAR, SEK THOUSAND



Consolidated Statement of Financial Position

Amounts in SEK thousands	Note	Group	
		2017	2016
EQUITY AND LIABILITIES			
Equity	24		
Share capital		77,739	77,739
Other capital contributions		728,650	728,650
Currency translation reserve		104,325	14,997
Profit brought forward		8,017,530	6,680,319
Total equity attributable to Parent Company shareholders		8,928,244	7,501,705
Non-controlling interests		9,878,619	1,473,693
Total equity		18,806,863	8,975,398
LIABILITIES			
Non-current liabilities			
Interest-bearing subordinated shareholder loans	25	–	2,722,058
Non-current interest-bearing liabilities	26	27,882,167	11,572,499
Interest-rate derivatives	27	30,793	55,977
Deferred tax liability	29	1,740,903	1,119,372
Total non-current liabilities		29,653,863	15,469,906
Current liabilities			
Current interest-bearing liabilities	26	3,053,667	3,206,909
Accounts payable		131,187	86,724
Current tax liabilities		96,931	129,732
Other liabilities		588,568	125,489
Accrued costs and prepaid income	30	311,430	211,451
Total current liabilities		4,181,782	3,760,306
TOTAL LIABILITIES AND EQUITY		52,642,508	28,205,610

Consolidated Statement of Changes in Equity

Amounts in SEK thousands	Number of outstanding shares	Share capital	Other capital contributions	Currency translation reserve	Retained profit	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity 31 December 2015	15,547,750	77,739	728,650	61	5,058,008	5,864,458	–	5,864,458
Dividend, ordinary shares					-69,981	-69,981	–	-69,981
Dividend, preference shares					-46,875	-46,875	–	-46,875
Contributions from non-controlling interests						–	1,059,515	1,059,515
Contributions and dividends from non-controlling interests						–	-61,598	-61,598
Effect of transition from associated company to subsidiary					-49,811	-49,811	49,811	0
Profit for the year					1,788,977	1,788,977	425,966	2,214,942
Other comprehensive income				14,936		14,936		14,936
Equity. 31 December 2016	15,547,750	77,739	728,650	14,997	6,680,318	7,501,704	1,473,693	8,975,398
Dividend, ordinary shares					-100,350	-100,350		-100,350
Dividend, preference shares					-46,875	-46,875		-46,875
Contributions from non-controlling interests							8,008,270	8,008,270
Dividend to non-controlling interest							-192,628	-192,628
Profit for the year					1,484,436	1,484,436	579,237	2,063,674
Other comprehensive income				89,328		89,328	10,047	99,374
Equity. 31 December 2017	15,547,750	77,739	728,650	104,325	8,017,530	8,928,243	9,878,619	18,806,863

Deferred tax

Deferred tax is calculated applying a nominal tax rate of 22 percent on differences between the carrying amount and consolidated cost of assets and liabilities. At 31 December 2017, deferred tax, which is the net of deferred tax assets and deferred tax liabilities, amounted to SEK 1,741 million (1,119) and was, for the most part, attributable to investment properties. The remaining tax deficit in the Group amounts to SEK 405 million.

Interest-bearing liabilities

At the end of the period, Heimstaden had interest-bearing liabilities amounting to SEK 30,936 million (17,501), of which subordinated shareholder loans amount to SEK 0 million (2,722). Of the SEK 30,936 million in interest-bearing liabilities, 92 percent were secured through mortgages on properties and 8 percent were unsecured. With deductions for cash and cash equivalents, net liabilities increased by SEK 16,375 million, to SEK 29,543 million (13,168). In the period at hand, the Group's borrowing, including currency effects, had increased by SEK 16,157 million, relating primarily to acquisitions of properties in Sweden, Norway and Denmark.

Of the interest-bearing liabilities, SEK 2,500 million (1,250) refers to bonds, SEK 10,484 million (5,767) refers to financing based on mortgage bonds, SEK 17,952 million (7,762) refers to traditional bank loans and the remaining part, SEK 0 million (2,722), refers to shareholder loans. Confirmed but unutilized credit facilities from banks amount to SEK 629 million (1,002) on the balance sheet date.

Heimstaden has two outstanding debenture loans, both of which are listed on Nasdaq Stockholm, ISIN SE0006259669 and ISIN

SE0009895055. The debentures run at a floating interest rate corresponding to 3m Stibor +3.00 percent and 3m Stibor +3.15 percent.

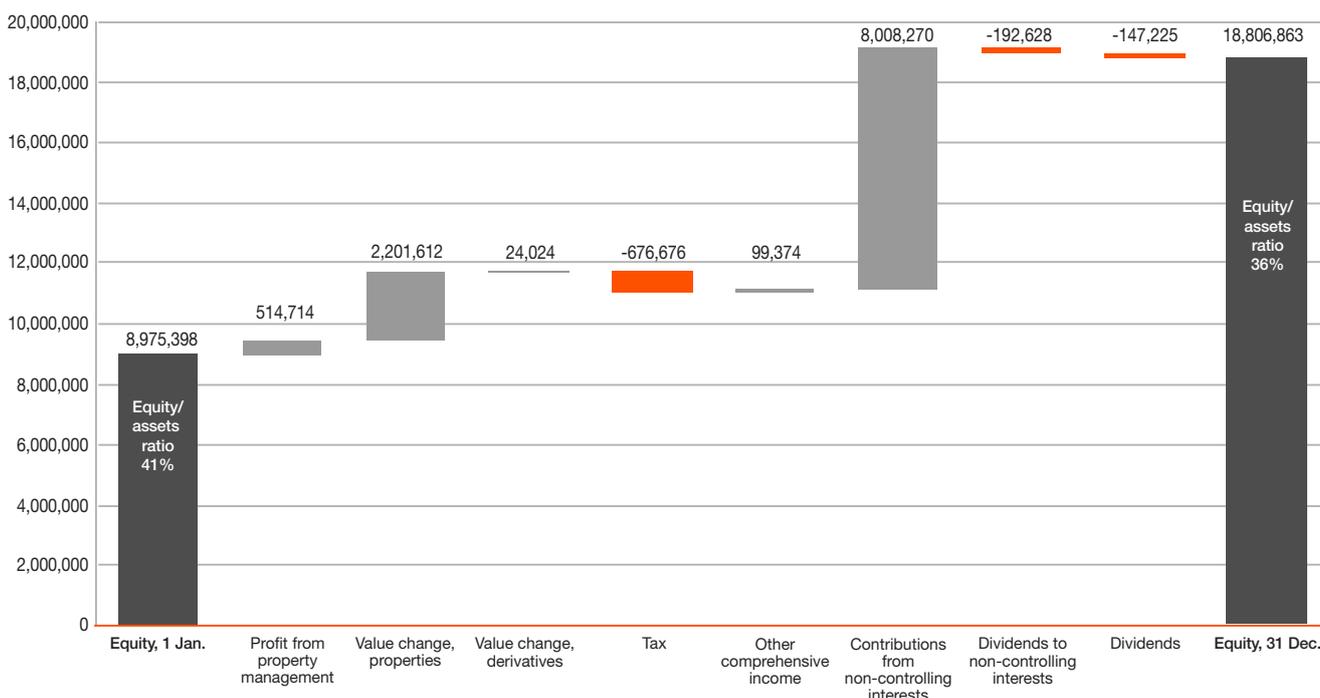
The average period for which capital is tied up on Heimstaden's interest-bearing liabilities amounted 7.8 years (9.5). The largest proportion of loan maturities in an individual year amounts to 33 percent (22), maturing in 2020 (2017). At the same time, the average period of fixed interest, including the effect of derivatives, amounted to 1.11 years (1.28).

Equity

Equity amounted to SEK 18,807 million (8,975). The change during the period is attributable to profit, contributions from non-controlling interests and dividends. During the period, SEK 47 million (47) was paid in dividends on preference shares, SEK 100 million (70) was distributed to holders of ordinary shares and SEK 193 million (103) was distributed to minority shareholders. The minority interest amounts to SEK 9,879 million (1,474) after Heimstaden Bostad AB issued new shares for SEK 12,747 million on 10 October, upon which the interest-bearing subordinated shareholder loans were repaid. The equity/assets ratio was 36 percent (32).

Heimstaden is exposed to a currency risk linked to the Danish and Norwegian operations. Since both assets and liabilities are denominated in local currency, the currency risk exists only in the equity invested in the subsidiaries. The Group finances property acquisitions locally and there are, accordingly, no intra-Group transactions across national borders that would entail currency risk. Furthermore, the currency risk can also have a direct effect on profit thereby also affecting equity. There were no currency hedges as per the balance sheet date.

EQUITY DEVELOPMENT OVER THE YEAR ¹⁾,
SEK THOUSANDS



1) Profit from participations in associated companies is allocated to the relevant item.

Consolidated Cash flow Statement

Amounts in SEK thousands	Note	2017	2016
Operating activities			
Profit before tax		2,740,350	2,719,669
Adjustments for non-cash items			
– Change in value of investment properties		-2,201,612	-2,315,843
– Change in value of derivative instruments		-24,024	-36,252
– Other non-cash items		5,462	-65,552
Tax paid		-42,883	–
Cash flow from operating activities before changes in working capital		477,292	302,022
Change in working capital			
Change in current receivables		-315,669	-53,280
Change in tenant-owner participations		–	–
Change in current liabilities		617,601	244,711
Cash flow from operating activities		779,224	493,453
Investing activities			
Acquisitions and property investments		-22,878,468	-6,690,703
Acquisitions of subsidiaries		-23,161	–
Deposits paid, acquisitions		–	-100,127
Other investments		-2,208	-2,038
Property sales		1,146,452	279,107
Acquisitions of participations in associated companies		-82,427	-4,500
Sales of participations in associated companies		–	555,222
Change in loans to associated companies		-43,200	-20,000
Dividends from associated companies		–	21,293
Change in financial assets		-210,375	5,461
Cash flow from investing activities		-22,093,386	-5,956,285
Financing activities			
Dividend, preference shares		-46,876	-46,874
Dividend, ordinary shares		-100,350	-69,981
Contributions from non-controlling interests		8,008,269	391,600
Dividends from non-controlling interests		-192,628	-103,250
Change in shareholder loans		-2,722,058	1,914,603
Change in interest-bearing liabilities	31	16,156,426	4,253,717
Redemption of interest rate derivatives		-7,500	-50,417
Cash flow from financing activities		21,095,284	6,289,398
Cash flow for the year		-218,878	826,566
Opening cash and cash equivalents		1,610,927	782,955
Currency effect in cash and cash equivalents		1,091	1,405
Closing cash and cash equivalents		1,393,139	1,610,927
Disclosures on interest rates			
Interest paid amounts to		370,994	178,980
Interest received amounts to		4,001	27,510

Operating activities

Cash flow from operating activities, before changes in working capital, increased to SEK 477 million (302). The improvement is primarily a consequence of changed and increased property holdings. During the period, the improvement was decreased by Heimstaden paying corporate tax. After a change in working capital of SEK 301 million (191), cash flow from operating activities amounted to SEK 779 million (493). The change in working capital is largely an effect of a larger Balance Sheet as a result of transactions completed in Denmark and Norway.

Investing activities

Cash flow from investing activities was negative in the amount of SEK 22,093 million (5,956). Most of this flow consists of corporate transactions, property transactions and investments in properties, of which most are attributable to acquisitions in Falköping, Lund, Norrköping, Ystad, Linköping and Umeå in Sweden, as well as in Copenhagen, Odense, Aarhus and properties in the triangle region and the other parts of Zealand in Denmark, and Oslo in Norway.

Financing activities

Cash flow from financing activities amounted to SEK 21,095 million (6,289). Most of which consist of changes in interest-bearing liabilities and non-controlling interests (new share issue in the subsidiary Heimstaden Bostad).

Cash flow

Cash flow for the period was negative in the amount of SEK 219 million (827) and cash and cash equivalents amounted to SEK 1,393 million (1,611) at the end of the period.

Accounting principles and notes to the consolidated accounts

Note 1 Accounting principles

General information

Heimstaden AB (publ) is a limited liability company registered in Sweden and domiciled in Malmö, Sweden. Heimstaden's operations consist of owning, developing and managing residential properties. The operations are described in greater detail in the Administration Report.

The Annual Report and consolidated accounts for the year 2017 have been approved for publication in accordance with a resolution by the Board of Directors on 23 March 2018. It is proposed that the Annual Report and consolidated accounts be approved by the Annual General Meeting on 27 April 2018.

Basis for accounting

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the consolidated accounts have been prepared in accordance with Swedish law through the application of the Swedish Financial Reporting Board's recommendation RFR 1.

The functional currency for the Parent Company is Swedish kronor, which is also the reporting currency for the Group. The financial reports are presented in Swedish kronor rounded to the nearest SEK 1,000 unless otherwise stated.

The accounts are based on cost with the exception of investment properties and interest rate derivatives that are reported at fair value, and deferred tax, which is recognized at nominal value.

Non-current assets and liabilities consist, essentially, of amounts expected to be recovered or paid after more than 12 months of the balance sheet date. Current assets and liabilities consist, essentially, of amounts expected to be recovered or paid within 12 months of the balance-sheet date. Current liabilities to credit institutions include one year's agreed amortization, as well as credits to be repaid during the coming years in accordance with the agreements.

Key assumptions and assessments

To be able to prepare the accounts in accordance with IFRS and generally accepted accounting principles, Management and the Board of Directors must make a number of key assumptions and assessments that affect the reporting of assets, liabilities, income, costs and other disclosures. The assumptions and assessments are based on historical experience and current information. Actual outcomes may differ from the assumptions and assessments made.

The area where assumptions and assessments could entail a risk for adjustments in the carrying amount of assets and liabilities in future reporting periods consists mainly of the valuation of investment properties. In valuation, assumptions are made regarding future cash flows and return requirements, and changing conditions could have a significant impact on the Group's profit and financial position. To reflect the uncertainty that exists in the assumptions and assessments made, an range of uncertainty of +/- 5 to 10 percent is usually stated in connection with property valuations.

In connection with the report, an estimate is made of the market value, which in the accounting context is referred to as fair value.

Further information on valuation documentation and valuation methods applicable to property valuation is presented in Note 14.

Consolidated accounts

In addition to the Parent Company, the consolidated accounts cover all companies in which the Parent Company, directly or indirectly, has a decisive influence. In addition to the Parent Company, the Group also comprises the subsidiaries listed in Note 11 and their sub-groups.

The consolidated accounts have been prepared in accordance with the acquisition method. This means that, the subsidiaries' equity on acquisition, determined as the difference between the fair value of the assets and liabilities, is eliminated in its entirety. Accordingly, consolidated equity includes only that part of the subsidiaries' capital that has arisen following the acquisition. Companies acquired and divested during the year are included in the Consolidated Income Statement at amounts relevant to the duration of Heimstaden's holding. Intra-Group sales, gains, losses and balances are eliminated in the consolidated accounts.

The portion of equity attributable to non-controlling interests is reported as specific item within equity, separate from the Parent Company's portion of equity. Its portion of profit for the period is also specifically disclosed.

Foreign subsidiaries are translated into SEK by translating the Balance Sheet at the exchange rate on the balance sheet date, with the exception of equity, which is recalculated as historical cost, while the Income Statement is translated at the average exchange rate for the period. Translation differences that occur are reported in other comprehensive income.

An acquisition of a company may constitute an asset acquisition or a business combination. A company acquisition with the purpose of acquiring the property, and where any administration organization and management are limited and of secondary importance to the acquisition, is classified as an asset acquisition. Other company acquisitions, which normally encompass independent operations, are classified as business combinations.

In connection with an asset acquisition, no deferred tax is recognized for the acquired properties, and any discount decreases the cost of the properties instead. In connection with subsequent valuations, this entails changes in value being affected by the tax discount.

Business combinations are reported according to the acquisition method, taking goodwill and deferred tax assets or deferred tax liabilities into account.

Associated companies

Companies that are not subsidiaries but in which the company, directly or indirectly, holds at least 20 percent of the votes, are considered to be associated companies and are reported according to the equity method. This means that participations in an associated company are reported at cost on the acquisition date and are subsequently according to the company's share of the change in the associated company's net assets. The company's participation in the associated company's income is reported in the Income Statement.

Income

Rent is charged in advance and rental income is allocated linearly, thus only rent charged for the period is reported as income. Rent paid in advance is recognized as prepaid income.

Property sales are reported when the material risks and benefits have been transferred to the buyer. Accordingly, such income is reported, in principle, on the access date, as long as this does not contravene specific terms of the purchase agreement. When selling a property through a company, the underlying price of the property, the estimated tax and sales costs are reported net and the profit from the sale is reported as a change in value.

Income from external property management assignments are reported on a continuous basis throughout the contract period.

Interest income is recognized in the Income Statement in the period to which it relates.

Financial costs

Financial costs refer to interest and other borrowing costs and are recognized as costs in the period to which they relate. Payments in accordance with interest rate derivative agreements, are also included in this item and are expensed in the period to which they relate. Adjustments in the fair value of interest rate derivatives to fair value are not included in this item but are reported as separate items in the Income Statement. Costs for setting up mortgages are not considered to be financial costs, but are instead capitalized as value-enhancing property investments.

Profit from property management

IAS 1 prescribes what information is to be reported in the Income Statement and how this information may be presented. What is prescribed and described is not exhaustive nor specific to Swedish property management companies. A clear trend has emerged among property management companies whereby profit from property management is reported in a section in the Income Statement and changes in the value of properties and derivatives in a separate section between profit from property management and profit before tax.

In view of the fact that Heimstaden manages and assesses its operations based on profit from property management and in view of practices within the sector, the company has chosen to report changes in the value of investment properties and interest rate derivatives in its own section between profit from property management and profit before tax.

Income taxes

Tax costs/income for the period consist of current and deferred tax. Taxes are reported in the Income Statement except where the underlying transaction is recognized directly in equity, upon which the associated tax effect is also recognized directly in equity. Current and deferred tax is calculated on the basis of the current tax rate, 22 percent in Sweden and Denmark and 23 percent in Norway.

Current tax is calculated based on taxable profit for the period. Taxable profit for the year differs from the reported profit for the year in that it has been adjusted for non-taxable and non-deductible items. Current tax also includes adjustment of current tax attributable to earlier periods.

Deferred tax is calculated on temporary differences according to the balance sheet method between the reported or taxed value of an asset or liability, except for temporary differences arising on initial recognition of assets and liabilities constituting asset acquisitions.

A deferred tax liability is tax relating to taxable temporary differences to be paid in the future. A deferred tax asset represents a reduction of future tax relating to deductible temporary differences, tax-loss carryforwards or other tax deductions. All tax liabilities/tax receivables are valued at nominal amounts in accordance with the determined tax regulations and tax rates.

Deferred tax liabilities in the Group mainly relate to differences in the estimated fair value and tax value of properties, as well as differences between the fair value and cost of interest rate derivatives.

Deferred tax assets are recognized in the Balance Sheet for tax-loss carryforwards and deductible temporary differences to the extent that the amounts are likely to be utilized against future taxable surpluses.

In Heimstaden, there are four items with temporary differences: properties, interest rate derivatives, untaxed reserves and tax-loss carryforwards.

The year's property acquisitions through companies have been classified as asset acquisitions, meaning that deferred tax existing on the acquisition date is not included in the consolidated Balance Sheet.

According to the accounting regulations, deferred tax is reported in accordance with applicable tax rates and without discounting. The actual tax rate is significantly lower, partly due to the time factor and partly as a result of current opportunities to sell properties in a tax-efficient manner.

Leases

Leases in which essentially all of the risks and benefits associated with ownership remain with the lessor are classified as operating leases. All lease agreements linked to Heimstaden's investment properties have been considered to be operating leases. Leasehold agreements have been considered to be operational leases. Ground rent is expensed in the period to which it refers. There is also a smaller number of leases in which Heimstaden is the lessee. These have been considered to be operational leases and relate primarily to cars and office equipment.

Payments made during the lease period are expensed linearly over the lease period in the Income Statement.

Employee benefits

Employee benefits are reported as employees perform services in exchange for compensation. Pensions and other post-employment benefits may be classified as defined contribution plans or defined benefit plans. All of Heimstaden's pension obligations consist of defined contribution plans, which are met through ongoing payments to the independent authorities or organizations that administer the plans. Obligations regarding defined contribution plans expensed in the Income Statement as they are incurred.

Investment properties

Investment properties are properties held to generate rental income and/or increases in value. All properties owned by Heimstaden or held through leasehold have been classified as investment properties.

If the Group initiates an investment in an existing investment property for continued use as investment property, the property continues to be reported as an investment property.

Investment properties are initially reported at cost including costs directly attributable to the acquisition. Following initial recognition, investment properties are reported at fair value in the Balance Sheet with the change in value in the Income Statement. Fair value is based

on an internal valuation of each property. These valuations are performed at the end of each quarter. To safeguard these valuations, external valuations are obtained annually from valuation companies for all properties as per the closing date of the annual accounts. The Group also examines continuously whether there are any other indications of changes in the value of the properties. These may comprise, for example, major lease agreements, terminations and material changes in the return requirement.

Value changes comprise realized and unrealized changes in value and are reported net for all properties. The unrealized change in value is calculated on the basis of the valuation at the end of the financial year compared with the same period in the preceding year plus capitalized, value enhancing investments during the year. For properties acquired during the year, unrealized changes in value are calculated as the difference between the valuation at the end of the financial year and the cost of the acquisition plus any value-enhancing investments. For divested properties, the unrealized change in value is calculated as the difference between the value according to the latest year-end accounts compared with the value at the end of the preceding financial year.

Realized changes in value are calculated as the difference between the sales price less sales costs and value-enhancing investments undertaken following the most recent year-end accounts and the cost stated in the most recent year-end accounts.

Additional costs of a value-enhancing nature are capitalized. Costs for repairs and maintenance are expensed in the period in which they are incurred.

Machinery and equipment

Non-current assets are reported at cost plus revaluations and less depreciation and any impairment.

Non-current assets consist of equipment. Depreciation is recognized linearly over the estimated useful life, which normally amounts to five years.

Non-current assets are impaired when the carrying amount exceeds the recoverable amount. Individual testing is performed for each asset when there is an indication of impairment.

Financial instruments

A financial asset or liability is recognized in the Balance Sheet when Heimstaden becomes party to an agreement. A financial asset is removed from the Balance Sheet when the rights inherent in the agreement are realized or expire, or if the company loses control of them. A financial liability is removed from the Balance Sheet when the obligation has been met or otherwise been extinguished. Financial assets and financial liabilities are offset and recognized at a net amount in the Balance Sheet where there is a legal right to offset the amounts and there is an intention to settle the items at a net amount, or to realize the asset and settle the liability at the same time.

Initially, financial instruments are reported at cost, corresponding to fair value plus transaction costs, with the exception of the category financial instruments reported at fair value through the Income Statement, where transaction costs are not included. Subsequent reporting depends on the categorization of the financial instrument. Presented below is how different financial instruments are categorized.

Financial assets and liabilities measured at fair value through the Income Statement.

The category refers to two groups of financial assets and liabilities, in part assets and liabilities constituting holdings for trading purposes and, in part, other assets and liabilities that the company initially chooses to define in this category (according to the Fair

Value Option). Derivatives are classified as being held for trading purposes unless defined as hedges. Financial assets and liabilities in this category are valued at fair value with changes in value being reported in the Income Statement. Heimstaden has not classified any financial assets or liabilities according to the Fair Value Option. Hedge accounting is not applied, and changes in the value of derivatives are instead recognized at fair value through the Income Statement.

Interest rate derivatives are reported in this category.

Interest-rate derivatives

Heimstaden uses derivatives to mitigate interest rate risks by swapping borrowing at floating interest rates with fixed interest rates and vice versa by means of interest rate derivative contracts. The Group reports interest rate derivatives as financial instruments valued at fair value through the Income Statement. Interest rate derivatives are initially recognized at cost in the Balance Sheet on the contract date and are subsequently measured at fair value through the Income Statement. Interest rate derivative refers to interest rate swaps for which the initial cost is zero.

Ongoing payment flows under these agreements are recognized in the Income Statement in the period to which they pertain. Fair value is determined using generally accepted calculation methods based on market interest rates listed on the closing date for the different maturities. This means that fair value is determined according to valuation level 2, IFRS 13.

The reported change in value may consist of realized as well as unrealized changes in value. Realized changes in value consist of redeemed interest derivative contracts and constitute the difference between the redemption price and the carrying amount according to the most recent year-end accounts. Unrealized changes in value constitute the difference between the valuation at the end of the financial year compared with the valuation for the same period in the preceding year, alternatively the cost if the derivative contract is entered into during the financial year.

Loan receivables and accounts receivable

Financial assets that have fixed or determinable payments and that are not listed in an active market are reported as receivables. Following individual valuation, loan receivables, accounts receivable and rent receivables are reported in the amounts expected to be received. This means they are reported at cost less any doubtful receivables.

Cash and bank balances relate to positive account funds and are reported at nominal value. This category includes non-current receivables, accounts receivable, cash and bank balances and other financial receivables.

Other financial liabilities

Interest-bearing liabilities are reported in the Balance Sheet at accrued cost. Accounts payable and other current operating liabilities are reported at nominal value.

This category includes interest-bearing liabilities, accounts payable and other financial liabilities.

Accounts payable are reported when the invoice has been received. Liabilities regarding work performed in which the counterparty has fulfilled its commitments and a contractual obligation to pay prevails is reported under the item accrued costs. Accrued unpaid interest is reported under the item accrued costs.

Foreign currency

Transactions in foreign currency are translated into SEK at the exchange rate prevailing on the transaction date. Monetary assets and liabilities are translated at the exchange rate on the balance sheet date.

Segment reporting

Heimstaden organizes and governs its activities based on geographical areas. These geographical areas form the basis of the definition of segments. Group management monitors operating profit and changes in the value of properties; other Income Statement items are not distributed per segment. On the asset side, investment properties and interest-bearing liabilities are monitored.

Cash Flow Statement

Cash flow analyses have been prepared in accordance with the indirect method.

New accounting principles

New standards that came into effect in 2017 have not had any material impact on Heimstaden's financial reporting.

In the autumn of 2016, IFRS 15 Revenue from Contracts with Customers was adopted. The standard came into effect on 1 January 2018. The purpose of the revenue standard is to provide a comprehensive and principle-based standard for all reporting of income. Heimstaden's income consists of rental income and income from property sales. In accordance with IFRS 15, rental income is divided into two parts: rental income and service income. Rental income refers to rent, including index adjustments, supplementary debiting for investments and property taxes. Service income refers to any other form of additional debiting, such as for TV, broadband, heating and cooling. The company's sales consist virtually exclusively of rental income. Under current regulations, income from property sales is normally reported on either the contract date or the access date. IFRS 15 may entail sales income being reported on the access date. Heimstaden already reports income from property sales on the access date. The recommendation also implies an expanded

disclosure requirement regarding a sale if, for example, there is any kind of variable or conditional purchase consideration and/or financing element. On the whole, IFRS 15 is not expected to have any material impact on reported income and reported profit.

In the autumn of 2016, IFRS 9 Financial Instruments was adopted by the EU. The standard replaces IAS 39 and came into effect on 1 January 2018. The standard introduces new principles for the classification and valuation of financial assets, for hedge accounting and for credit provisions. The new principles regarding classification and valuation of financial assets build on an analysis of the company's purpose for the holding and on the asset's cash flow nature. The largest item covered by IFRS 9 is derivative instruments, although these will continue to be reported at fair value through the Income Statement. According to IFRS 9, provisions for loan losses should be made in accordance with a model based on anticipated losses. As a result of rent being invoiced in advance and rent losses historically having been small, claims are low. On the whole, IFRS 9 is not expected to have any material impact on the company.

In the autumn of 2017, IFRS 16 Leases was adopted by the EU. The standard came into effect on 1 January 2019. The new standard includes regulations for both lessors and lessees. Heimstaden's income consists mainly of rental income and is therefore subject to the regulations for lessors. For lessees, the regulations remain essentially unchanged. On the other hand, significant changes are being made to the regulations for lessees. Heimstaden is a lessee regarding a few leasehold agreements and few other minor leases. Although Heimstaden is evaluating and analyzing the new regulations, they are not expected to have any material impact on the company.



Sparven 9, Norrköping

Note 2 Segment reporting

Segment reporting is prepared for the Group's geographical areas. Heimstaden has identified three segments consisting of the geographical areas of Sweden, Norway and Denmark. As a consequence of the development of the Nordic region's development, preceding years' Swedish regions + Denmark have been replaced by the Nordic countries. In the segments' profits, assets and liabilities have included directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. Heimstaden's business concept is to own, develop and manage residential properties and this is why no segments other than the geographical areas have been identified.

	Sweden	Norway	Denmark	Group in total	Sweden	Norway	Denmark	Group in total
SEK thousands	Dec. 2017	Dec. 2017	Dec. 2017	Dec. 2017	Dec. 2016	Dec. 2016	Dec. 2016	Dec. 2016
Income Statement								
Rental income	1,622,241	81,739	309,401	2,013,381	906,760	–	150,688	1,057,448
Operating costs	-834,257	-35,543	-116,500	-986,300	-477,585	–	-49,934	-527,519
Net operating income	787,984	46,196	192,901	1,027,081	11,923	0	100,754	346,763
Central administration, unallocated	–	–	–	-84,905	–	–	–	-48,251
Other income and costs, unallocated	–	–	–	31,766	–	–	–	79,149
Net financial items	-372,989	-38,186	-48,054	-84,333	-172,094	–	-21,159	-193,253
Profit from property management	414,995	8,011	144,847	889,609	11,923	0	100,754	391,159
Change in value of investment properties	2,014,001	-476,625	664,236	2,201,612	1,841,246	–	474,597	2,315,843
Change in value of derivatives	27,137	-3,385	272	24,024	40,919	–	-4,667	36,252
Profit before tax	2,456,133	-471,999	809,355	3,115,245	36,927	0	575,351	1,541,435
Balance Sheet								
Investment properties	30,320,444	7,639,816	12,324,917	50,285,176	21,171,605	–	5,158,584	26,330,189
Unallocated assets	1,201,844	333,842	821,645	2,357,331	1,691,081	–	184,341	1,875,422
Total assets	31,522,288	7,973,658	13,146,562	52,642,508	22,862,686	0	5,342,925	28,205,611
Equity	–	–	–	18,806,863	–	–	–	8,975,398
Liabilities to credit institutions	16,196,507	5,018,407	7,220,921	28,435,834	10,416,963	–	3,362,445	13,779,408
Debenture loans	2,500,000	–	–	2,500,000	1,000,000	–	–	1,000,000
Other unallocated liabilities	2,315,012	206,568	378,231	2,899,811	4,149,986	–	300,817	4,450,803
Total liabilities and equity	21,011,518	5,224,975	7,599,152	52,642,508	0	0	0	0
Investments in investment properties	315,862	75,413	1,947	393,222	186,085	0	0	186,085

Note 3 Rental income

SEK thousands	2017	2016
Housing	1,762,582	916,962
Premises	214,215	120,359
Garages and parking spaces	36,584	20,127
	2,013,381	1,057,448

Lease maturities	Number of contracts	Estimated contract value, 2017	Portion of value, %
2018	673	46,214	2
2019	307	55,604	2
2020	232	54,635	2
2021	184	45,740	2
2022-	70	45,879	2
Total, premises	1,466	248,072	9
Vacant premises	407	21,453	1
Housing	30,656	2,495,539	89
Garages and parking spaces	13,084	34,421	1
Total	45,613	2,799,485	100

Leases for premises are normally signed with a contract period of three to five years and are normally index-adjusted. Leases for housing, which represent 88 percent of the total contract value, are normally signed "until further notice", with a normal term of notice for the tenant in three months.

Note 4 Operating costs

Operation includes costs for electricity, heating, water, property management, cleaning and insurance. Maintenance costs consist of both periodic and ongoing measures to maintain the properties' standard. Property management refers to rental costs, financial services and certain overarching property management services.

Operating costs, SEK thousands	2017	2016
Operation	602,926	329,705
Maintenance	212,762	113,735
Property tax	35,456	20,821
Ground rent	1,831	1,334
Property administration	131,667	60,472
Amortization and depreciation	1,658	1,451
	986,300	527,519

Operating costs, SEK/m ²	2017	2016
Operation	354	342
Maintenance	125	118
Property tax	21	22
Ground rent	1	1
Property administration	77	63
Amortization and depreciation	1	2
	580	547

Operating costs, SEK/m² are calculated on time-weighted area.

Note 5 Central administration

Central administration includes costs at the Group-wide level not directly attributable to property management, such as costs for Group management, property investments and finance. Costs for central administration include, remuneration to the auditors, as follows:

EY, SEK thousands	2017	2016
Audit engagement	3,820	1,997
Auditing activities beyond the audit engagement	427	380
Tax consultancy	332	16
Other assignments	56	107
	4,635	2,500
Moore Stephens, SEK thousands	2017	2016
Audit engagement	1,641	1,043
Auditing activities beyond the audit engagement	75	15
Tax consultancy	–	–
Other assignments	–	–
	1,716	1,058
Total, SEK thousands	2017	2016
Audit engagement	5,461	3,039
Auditing activities beyond the audit engagement	502	394
Tax consultancy	332	16
Other assignments	56	107
	6,351	3,557

Note 6 Personnel

SEK thousands	2017	2015
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Average number of employees

Average number of employees	227	189
of whom, women	87	70

Salaries, remuneration, social security and pension costs have been paid as follows:

Chairman of the Board	0	0
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CEO (Board Member)

Base salary	2,316	1,979
Benefits	75	76
Pension costs	577	446
	2,968	2,501

Deputy CEO (Board Member)

Base salary	2,135	1,960
Benefits	134	135
Pension costs	512	438
	2,781	2,533

Board Member, Ossie Everum

Board fees	250	250
	250	250

Other senior executives:

Base salary	4,138	3,083
Benefits	211	185
Pension costs	975	633
	5,324	3,901

The CEO and Board Members have been paid variable remuneration of SEK 0 million (335)

Note 6 cont.

Other employees:

Salaries	100,534	75,272
Benefits	1,355	1,026
Pension costs	8,277	6,700
	110,166	82,998

Social security costs	35,910	28,608
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Board Members and senior executives

Board Members	4	4
of whom, women	–	–
CEO and senior executives	6	5
of whom, women	3	2

Remunerations

Between the company and the CEO, a mutual notice period of 6 months applies. In the event of termination by the company, severance pay corresponding to 18 months salary is to be paid. Between the company and Board Members, a mutual notice period of 3 months applies. For senior executives and other employees, the customary pension commitments within the framework of general pension plans apply. In addition to customary pension, the company has taken out pension insurance for the CEO with annual premiums corresponding to 10 percent of gross salary.

Note 7 Other operating income

SEK thousands	2017	2016
Profit on disposal of tenant-owner participations	–	–
External property management assignments	2,751	51,111
Other operating income	32,819	414
Total other operating income	35,570	51,525

Note 8 Financial income

SEK thousands	2017	2016
Interest income, promissory notes	3,226	–
Interest income, associated companies	1,218	24,445
Interest income, other	1,319	3,065
	5,763	27,510

Note 9 Financial costs – interest-bearing liabilities

SEK thousands	2017	2016
Interest costs, other	-370,837	-180,017
Other financial costs	-8,573	-5,533
	-379,410	-185,550

Note 10 Financial costs

– Interest-bearing subordinated shareholder loans

SEK thousands	2017	2016
Interest costs, shareholder loans	-85,582	-35,213
	-85,582	-35,213

Note 11 Value change, properties

SEK thousands	2017	2016
Sales income	1,125,192	356,782
Carrying amount at the beginning of the year, properties sold	-1,047,586	-261,725
Unrealized value change attributable to change in return requirement	1,132,750	2,087,762
Unrealized value change attributable to change in net operating income	991,257	133,024
	2,201,612	2,315,843

Note 12 Change in value of interest rate derivatives

SEK thousands	2017	2016
Realized value change	-7,500	-50,417
Unrealized value change	31,524	86,669
	24,024	36,252

Interest rate derivatives are used to limit the impact of interest changes in interest rates. If the agreed interest rate deviates from the market rate, a theoretical surplus or deficit value on the interest rate derivatives arises and is reported above as an unrealized value change.

Note 13 Tax

SEK thousands	2017	2016
Current tax	-75,684	-55,657
Deferred tax	-600,992	-449,070
	-676,676	-504,727
Reported profit before tax	2,740,350	2,719,669
Tax according to current rate	-598,157	-598,327
Tax effect of:		
Non-deductible costs	-4,320	-5,010
Non-taxable income	12	250
Non-taxable profit on disposal of participations	33,945	83,620
Tax on participations in profit of associated companies	2,727	14,741
Tax attributable to preceding years	-1,341	-
Negative value change in properties acquired during the year	-109,541	-
	-676,676	-504,727

Tax according to the applicable tax rate has been calculated based on the following nominal rates: Sweden and Denmark 22 percent. Norway 23 percent.

Note 14 Other comprehensive income

SEK thousands	2017	2016
Exchange rate difference	99,374	14,936
	99,374	14,936

Note 15 Goodwill

SEK thousands	31/12/2017	31/12/2017
Opening balance	-	-
Business combinations	16,061	-
Impairment for the year	-16,061	-
Closing balance	-	-

The item relates to the acquisition of the company NPM Property Management A/S in Denmark.

The acquisition of NPM Property Management A/S constitutes a business combination in accordance with IFRS 3. Goodwill arose as an item that could not be deducted from the fair value of assets and liabilities in the acquisition analysis. The goodwill item was impaired to 0 because it could not be defended on the balance sheet date.

Acquisition analysis NPM Property Management A/S

SEK thousands	
Equipment	389
Other assets	1,850
Banking	1,468
Current liabilities	-3,059
Acquired net assets	649
Purchase consideration paid	16,710
Goodwill	16,061

Note 16 Investment properties

SEK thousands	31/12/2017	31/12/2016
Opening balance	26,330,189	11,143,273
Acquisition	22,193,807	6,738,286
Acquisitions from associated companies	-	6,236,034
Investments	393,222	143,158
Sales	-1,047,586	-261,724
Currency change	291,438	110,376
Unrealized value change	2,124,106	2,220,786
Closing balance	50,285,176	26,330,189

Breakdown by category

Residential properties	46,426,190	26,270,064
Project properties	3,750,757	57,400
Land and building rights	108,229	2,725
	50,285,176	26,330,189

Valuation model

Heimstaden reports its investment properties at fair value, i.e. market value, and has valued each individual property externally as per 31 December 2017. The external valuations were conducted by Newsec and Forum Fastighetsekonomi for Sweden, Sadolin & Albæk for Denmark, and Eie Eiendomsmedling, Aktiv Eiendomsmedling and Nyverdi AS for Norway. The valuations were made in accordance with the International Valuation Standards (IVSC) and the European Valuation Standard and guidance notes from The European Group of Valuer's Association (TEGoVA) through its national industry organizations (Samhällsbyggarna – SFF in Sweden, Norges Takseringsforbund – NTF in Norway, and Dansk Ejendomsmaeglerforening – DE in Denmark). The Danish valuations are also prepared in accordance with Practice Statements and Relevant Guidance Notes by RICS.

At the end of the year, Heimstaden had classified all properties as investment properties. The concept of investment properties includes buildings and land, groundwork, construction and groundwork equipment, as well as work in progress. In addition, properties under construction or being developed for future use as investment properties are reported as investment properties.

In Sweden and Denmark, as well as for premises in Norway, the valuation is performed through a combination of spot price analysis and market simulation using cash flow analyses based on the each unit's net operating income. Based on the estimated net operating income, a simulation is performed for the ensuing ten years' earnings capacity and a present value is calculated based on annual flows and a terminal value calculated according to the Gordon growth model. The sum of the calculated present values represents the estimated market value of the property.

The Norwegian valuations for housing are performed as traditional local price analyses, taking into account the structure and content of the lease. The basis for this is that an apartment can either be rented or sold as a condominium apartment or tenant-owner apartment.

Valuation hierarchy

The fair value of the property portfolio is based on Level 2 and level 3 input data under the valuation hierarchy in IFRS 13. The valuations are classified as being within level 2 for housing in Norway and within level 3 for Sweden and Denmark, as well as for premises in Norway.

Valuation basis for investment properties

For housing in Sweden and Denmark, valuations are performed on the basis of rent levels, specific rent surcharges and any discounts. For premises, the basis consists of rent, lease term, indexation and any surcharges, such as for heating, water and electricity. Estimates of operating and maintenance costs are based on the historical cost of the property, investments made and the external valuer's knowledge of costs for comparable items. The latter is an important part of the valuation, since active decisions and the owner's organization affect the reported cost. Consequently, the

operating costs in a valuation may differ, either positively or negatively, from the reported cost. The costs vary for each individual property, depending on the type of property, its standard and function. For each property, an anticipated long-term vacancy rate has been assigned to which the current opening vacancy is "normalized" during the valuation period. In addition to the above, the basis of valuation also includes property prices for sales of properties, tenant-owned apartments and condominium apartments.

In Norway, valuation is based on publicly available brokerage statistics for all apartments sold in the immediate vicinity of each property.

Project properties, Land and building rights

Classified as project properties are those under construction, extension or remodelling. Project properties are valued on the basis of the completed project, less remaining investments. Depending on the phase to which the project has progressed, there is a risk premium on the return requirement.

Building rights are valued on the basis of an estimated market value for established building rights in accordance with detailed plans that have entered legal force, or where detailed plans are expected to enter legal force in the near future.

Assumptions

In the valuation, key assumptions are made based on future cash flow, i.e. future net operating income, and assumptions regarding return requirements.

Assumptions regarding cash flow

Heimstaden's property portfolio consists mainly of residential properties, where rent level trends are regulated in Sweden but unregulated in Denmark and Norway. The long-term rent and cost trends are assumed to correspond to the anticipated long-term inflation level and inflation target. The valuation is based on a normalized level of operating and maintenance costs, excluding property tax and land leasehold payments, at between about SEK 240 and SEK 510 per square metre.

Investment obligations

During the year, Heimstaden agreed on property acquisitions whereby it would take possession after the balance sheet date. Most of the acquisitions concern ongoing construction projects that will be ready for tenants to move in when construction is complete. Since Heimstaden has not taken possession of the properties, they are not included in the financial statements.

Property	Segment	Anticipated possession	Contracted property value	Market value per 31 Dec. 2017
Kaalundsgade & Nørre Farimagsgade	Denmark	2018 Q1	203	208
Oehlenschlaegergade 26	Denmark	2018 Q1	41	41
Lystrup vej I – B	Denmark	2018 Q1	120	118
Norrköping (package 382 townhouses)	Sweden	2018 Q1	371	371
Gävle (package 6 items)	Sweden	2018 Q1	200	200
Nørrebrogade 56 & Griffenfeldsgade 4	Denmark	2018 Q1	176	188
Ø-huset	Denmark	2018 Q2	1,164	1,227
Bjerglandsbyen	Denmark	2018 Q3	502	542
Skovkvartalet	Denmark	2018 Q3	198	210
Bagsværdlund	Denmark	2018 Q3	357	369
Scherfigs Have	Denmark	2018 Q3	899	920
Lystrup vej II	Denmark	2018 Q4	269	263
Kirsebærhaven	Denmark	2018 Q4	175	181
Tegtholmen L + M	Denmark	2019 Q1 and Q2	1,045	1,078
Faste Batteri	Denmark	2018 Q3, 2019 Q1 and Q4	1,587	1,589
Havnehuset Horsens	Denmark	2019 Q3	344	354
Miliegræsset	Denmark	2019 Q3	201	206
			7,850	8,065

In addition to the above-mentioned property acquisitions, Heimstaden has future costs for contracted investments as of the balance sheet date of SEK 2,843 million (SEK 0 million) and not included in the financial statements. The acquisitions are to be financed through bank /mortgage loans and capital contributions

The inflation targets according to each country's central bank amount to: Sweden 2 percent, Denmark 2 percent and Norway 2 percent.

Assumption regarding return requirement

The return requirement assumes a real interest rate (risk-free interest rate less inflation) and a risk premium, where the risk premium is specific for each property. The risk premium is based on property-specific characteristics, such as the property's location, in terms of both location and micro location, area advantage technical standard, alternative use and who is the most likely buyer, etc.

+ 10-year government bond	0.79%
- Inflation	-2.00%
+ Risk premium	2.25% to 9.71%
= Return requirement	1.04% to 8.50%

At the end of the financial year, the average initial return requirement was 3.86% for the entire portfolio. Broken down by segment as below:

Segments	Return requirement, %
Sweden	3.93
Norway	4.30
Denmark	3.40
Average	3.86

Acquisitions after the balance sheet date

After the balance sheet date, Heimstaden has agreed to acquire properties with access dates after the balance sheet date. Since Heimstaden has not taken possession of the properties, they are not included in the financial statements.

Property	Segments	Anticipated possession	Contracted property value
Schades Have & Klöverbladsparken	Denmark	2018 Q1	1,190
Valby Maskinfabrik	Denmark	2018 Q1	450
Burlöv (construction project)	Sweden	2018 Q1	400
Vanlöse Allé 55–63 / Bangsbovej 17	Denmark	2018 Q2	56
Bjerregaards gate 2	Norway	2018 Q2	360
Brobekkveien 31AB	Norway	2018 Q2	152
Brobekkveien 33	Norway	2018 Q2	225
Holmestrandgata 4	Norway	2018 Q2	141
Stavangergata 23, 25, 27	Norway	2018 Q2	482
Sarpsborggata 2	Norway	2018 Q2	275
Maridalsveien 11	Norway	2018 Q2	143
Maridalsveien 9	Norway	2018 Q2	133
Møllerveien 4	Norway	2018 Q2	86
Nedre Ullevål 2, 4	Norway	2018 Q2	307
Sognsveien 9AB	Norway	2018 Q2	544
Ullevålsalléen 5	Norway	2018 Q2	214
Oppsalveien 24–26	Norway	2018 Q2	316
Sinsenveien 56–64	Norway	2018 Q2	708
Sinsenveien 66–70	Norway	2018 Q2	537
Sinsenveien 72–74	Norway	2018 Q2	251
Thulstrups gate 5	Norway	2018 Q2	128
Thulstrups gate 7	Norway	2018 Q2	117
Ullevålsalléen 2	Norway	2018 Q2	469
Sandakerveien 58BC	Norway	2018 Q2	139
Sandakerveien 78	Norway	2018 Q2	249
St. Olavs Gate 21	Norway	2018 Q2	101
Fredensborgveien 24	Norway	2018 Q2	215
Ammerudveien 20–22	Norway	2018 Q2	223
Tredalsveien 8–12	Norway	2018 Q2	14
Baches Vei 1	Norway	2018 Q2	201
Blingsmovegen 38	Norway	2018 Q2	49
Sjømannsveien 1D	Norway	2018 Q2	47
Fredensborgveien 24B	Norway	2018 Q2	296
Waldemar Thranes gate 71	Norway	2018 Q2	85
Darres gate 2	Norway	2018 Q2	234
Sofienberggata 35–39	Norway	2018 Q2	66
Maridalsveien 37	Norway	2018 Q2	97
Byalaget 1 and 2	Sweden	2018 Q2	61
Grønttorvet & Tegholmen	Denmark	2018 Q3, 2019 Q3 and Q4	1,567
			11,327

Financed through capital contributions from the Parent Company and bank financing.

Uncertainty interval and sensitivity analysis

The fair value (price) of a property can only be determined when it is sold. Property valuations are estimates that build on accepted principles based on certain assumptions, as explained above. Accordingly, the valuation naturally includes a degree of uncertainty in the assumptions made. The valuation is assured and uncertainty is minimized through ongoing valuation work and by evaluating completed sales in Heimstaden's property portfolios and those of others.

Generally, market value is displayed in a value range of +/-5-10 percent to reflect the uncertainty in the assumptions. The reported property value

per 31 Dec. 2017 amounts to SEK 50,285 million. With an uncertainty interval of +/-5 percent, this value is affected by SEK 2,514 million and at +/-10 percent, the value is affected by SEK 5,029 million.

Presented below is a more detailed sensitivity analysis linked to the above-mentioned significant assumptions regarding return requirements and net operating income. Since rental income from housing is regulated in certain countries, the principal risk for a change in net operating income lies in the costs. Note that the following sensitivity analysis has been made in accordance with the present value method and that the change in return requirement and net operating income is 1 for the year at hand.

Property value at other yield requirements, SEK thousands

0.75 – unit lower	62,243,895
0.50 – unit lower	57,595,708
0.25 – unit lower	53,591,789
Market value of properties on balance sheet date	50,285,176
0.25 – unit higher	47,046,180
0.50 – unit higher	44,336,702
0.75 – unit higher	41,921,263

Property value on changed net operating income, SEK thousands

2.00 percent higher net operating income	51,112,573
1.50 percent higher net operating income	50,861,147
1.00 percent higher net operating income	50,609,721
Market value of properties on balance sheet date	50,285,176
1.00 percent lower net operating income	49,604,018
1.50 percent lower net operating income	49,352,592
2.00 percent lower net operating income	49,101,166

Total property value and broken down by segment

The total property value, measured at fair value, amounts to SEK 50,285,176 thousand. This value includes unrealized value increase for 2017 of SEK 2,124,106 thousand (2,220,786). Expressed as a percentage, the unrealized increase in value is 4.4 percent (9.2) of the total property value before changes in value. The total property value breaks down by segment as shown below.

Change in market value of investment properties, SEK m	Total	Sweden	Denmark	Norway
Market value of investment properties 31 Dec. 2016	26,330	21,172	5,159	0
Sales during the period	-1,048	-1,048	0	0
Acquisitions during the period	22,194	7,973	6,052	8,169
Acquisitions from associated companies	0	0	0	0
Investments during the period	393	316	2	75
Currency change	291	0	434	-143
Market value after transactions	48,161	28,413	11,647	8,101
Unrealized value change	2,124	1,907	678	-461
Market value of investment properties 31 Dec. 2017	50,285	30,320	12,325	7,640

Note 17 Non-current assets

SEK thousands	31/12/2017	31/12/2016
Equipment		
Opening cost	17,206	15,170
Corporate acquisitions for the year	483	-
Investments for the year	1,685	2,036
Closing cost	19,374	17,206
Opening depreciation	-12,020	-10,569
Depreciation for the year	-1,617	-1,451
Closing depreciation	-13,637	-12,020
Closing cost	5,737	5,186

Note 18 Participations in associated companies

SEK thousands	31/12/2017	31/12/2016
Participations in associated companies		
Opening balance	13,135	1,007,952
Investment for the year	82,429	4,500
Disposals for the year	-	-1,045,027
Dividend	-	-21,293
Share of profit	12,396	67,003
Closing balance	107,960	13,135



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Participations are reported in accordance with the equity method.

Specifications of the Group's participations in associated companies

Company	Corporate identification number	Reg. office	No. of shares	Share in %	Capital participation, SEK thousand
Heimstaden Projektutveckling AB	559001-2430	Malmö	10,000	50	5,331
Gamlebro AB	556791-3990	Norrköping	400	40	4,099
HKS Fastighets AB	556784-6794	Malmö	80,000	40	8,000
HKS Bostäder AB	556791-8379	Malmö	800	40	24
Rosengård Fastighets AB	559085-4708	Malmö	250	25	89,840
Udviklingselskabet af 31. oktober 2017 A/S	39104369	Herning	5,000	50	666
					107,960

Specification of rental income and profit for the financial year 2017, as well as assets and liabilities per 31 Dec. 2017

Company	Rental income	Profit	Assets	Liabilities
Heimstaden Projektutveckling AB	19,894	-9,685	9,257	4,983
Gamlebro AB	598	-6,395	247,965	246,594
HKS Fastighets AB	-	-1	9,944	10
HKS Bostäder AB	-	-2	161	-
Rosengård Fastighets AB	32,814	68,364	1,166,322	806,958
Udviklingselskabet af 31. oktober 2017 A/S	-	-	1,332	1,332

Note 19 Other non-current securities holdings

The item relates to 100 shares (SEK 0.5 million) in Kalmarsund Vind Ekonomisk Förening Corp. ID No. 769613-9661. 1 percent (SEK 1million) of the shares in Landskrona Stadsutveckling AB, 556918-1836.

Note 20 Receivables from associated companies

SEK thousands	31/12/2017	31/12/2016
Opening balance	32,000	576,393
Loans granted	43,200	20,000
Repayments on loans	–	-564,393
Closing balance	75,200	32,000

Company/Corp. ID No./Receivable		
Gamlebro AB, 556791-3990	75,200	32,000
	75,200	32,000



Note 21 Other non-current receivables

SEK thousands	31/12/2017	31/12/2016
Opening balance	939	6,400
Loans provided	210,374	–
Repayments on loans	–	-5,461
	211,314	939

The item relates to loans granted to tenant-owner associations, promissory notes on property sales and loans in connection with new production. Loan of SEK 210 million (0) to Fastighets Senapsfabriken kv 3 AB, 559053-1405.

Note 22 Accounts receivable

Accounts receivable amounted to SEK 9.6 million (3.6) per 31 Dec. 2017. Heimstaden continuously assesses overdue receivables. There are considered to be relatively few doubtful receivables and these are treated as confirmed losses. Consequently, no provisions are made for doubtful receivables, and receivables are either assessed at full value or as confirmed losses. As of 31 December 2017, past-due receivables amounted to SEK 6.5 million (1.8).

Note 23 Prepaid costs and accrued income

SEK thousands	31/12/2017	31/12/2016
Prepaid insurance premium	3,350	–
Prepaid interest	35,807	36,913
Other items	107,586	18,574
	146,743	55,487

Note 24 Equity

Changes in equity are specified in the report on Change in Equity, immediately following the Report on Financial Position.

Note 25 Interest-bearing subordinated shareholder loans

SEK thousands	31/12/2017	31/12/2016
Loan maturity, year		
Within 1 year of the balance sheet date	–	–
Within 2-5 years of the balance sheet date	–	143,651
Later than 5 years from the balance sheet date	–	2,578,406
	–	2,722,057

All interest-bearing subordinated shareholder loans are settled during the year.

Note 26 Interest-bearing liabilities

SEK thousands	31/12/2017	31/12/2016
Loan maturity, year		
Within 1 year of the balance sheet date	3,053,667	3,206,887
Within 2-5 years of the balance sheet date	19,472,057	6,318,702
Later than 5 years from the balance sheet date	8,410,080	5,253,819
	30,935,804	14,779,408

SEK thousand	2017		2016	
	Loan amount	Average interest, % incl margin	Loan amount	Average interest, % incl margin
Interest maturity, year *				
Within 1 year of the balance sheet date	23,409,700	1.6	10,947,820	1.3
Within 2-5 years of the balance sheet date	5,632,198	2.0	2,768,183	1.9
Later than 5 years from the balance sheet date	1,893,606	2.5	1,063,405	1.6
	30,935,504	1.7	14,779,408	1.5

* includes financial derivative instruments

31 Dec. 2017	Capital tied up			Fixed interest incl. derivatives ¹⁾		
	SEK million	Market share, %	Interest, incl. margin, %	SEK million	Market share, %	Interest, incl. margin, %
Maturity analysis						
0-1 years	3,054	9.9	1.4	23,410	75.7	1.6
1-2 years	3,096	10.0	1.9	1,459	4.7	1.7
2-3 years	10,194	33.0	1.8	1,407	4.5	1.8
3-4 years	4,105	13.3	2.1	1,668	5.4	2.4
4-5 years	2,077	6.7	2.4	1,098	3.6	2.1
>5 years after balance sheet date	8,410	27.2	0.7	1,893	6.1	2.5
Total	30,936	100.0	1.5	30,936	100.0	1.7

¹⁾ The credit margin is evenly spread across the maturity structure.

The average remaining term of fixed interest in the loan portfolio amounts to:	0.26 years
The average remaining term of fixed interest in the loan portfolio, including derivatives, amounts to:	1.11 years
The average remaining period for which capital is tied up amounts to:	7.80 years

FINANCIAL RISK MANAGEMENT

Financial risk factors

The Heimstaden Group is continuously exposed to a number of risk factors. Management and employees work actively to quantify and control its risks. Practically all risk management is performed by the finance department in accordance with the overarching finance policy that has been prepared. Risk management is reported on and discussed regularly at Board meetings. The overall objectives of the finance policy are summarized as follows:

- Safeguard the Group's short and long-term capital supply through diversified borrowing in the capital market or with strong counterparties in the banking and financial sectors.
- The maturity structure of the period of fixed interest on the loans shall be well distributed over time.
- The period of fixed interest on the loans (including the effects of derivatives) shall be distributed over time.

MARKET RISK

Currency risk

Heimstaden owns properties in Denmark for a value of SEK 12,325 million (5,158) and in Norway for a value of SEK 7,640 million (0), entailing currency risks. The currency effect arises in the Group's net assets when the foreign companies' balance sheets are consolidated. No hedging is currently performed for this currency risk.

Price risk

Price risk refers to the risk that the value of an asset will change unfavourably on fluctuations in asset prices. The Group's price exposure is limited by the framework imposed by the finance policy, and Heimstaden may only use bank accounts and short-term market-listed instruments for liquidity investments. There are no market-listed instruments with extended maturities within the Group.

Interest risks

Interest rate risk refers to the risk that changes in market interest rates will affect Heimstaden's borrowing cost. Interest costs are mainly affected by the level of current market interest rates and the banks' margins, as well as the company's chosen strategy for periods of fixed interest. To manage the risk, the Group uses derivative instruments. Interest rates are fixed in accordance with the finance policy based on the assessed interest rate trend, cash flow and capital structure, as well as the prevailing market conditions at any given time.

CREDIT RISK

Credit risk refers to the risk that Heimstaden's counterparties are unable to meet their financial obligations towards the company. Credit risk in the financing activities arises when, for example, investing liquidity surpluses, on the subscription of interest rate agreements and issued credit agreements. Heimstaden continuously evaluates all suppliers regarding the financial part of the business, to ensure that this credit risk is limited. Since the Group primarily invest in residential properties, rent is paid in advance, eliminating a large part of the potential credit risk among end-customers.

LIQUIDITY RISKS

The risk of a company encountering difficulties in meeting its obligations associated with financial liabilities and settled in cash or with other financial assets. Heimstaden has an attractive property portfolio, a balanced Loan-to-value ratio, a positive forecast for future cash flows and a broad network of financial institutions that supply capital.

For other risks, see pages 46–49.

Note 27 Interest-rate derivatives

SEK thousands	31/12/2017	31/12/2016
Asset	-	-
Liability	-30,793	-55,977
Net value, derivatives	-30,793	-55,977

The fair value of interest rate derivatives has been determined on level 2 inputs according to the valuation hierarchy in IFRS 13. As a key assumption, current market interest rates for the different maturities have been used and the value has been determined as the actual repurchase price received by the counterparty.

Interest-rate derivatives, SEK thousands		31/12/2017			31/12/2016		
	Type	Nominal amount	Market share, %	Average interest % ¹⁾	Nominal amount	Market share, %	Average interest % ¹⁾
Maturity, year							
Within 1 year of the balance sheet date	Paying fixed	1,231,017	14.4	0.7	924,245	20.2	2.6
Within 2-5 years of the balance sheet date	Paying fixed	5,403,823	63.4	0.4	2,578,178	56.5	0.6
Later than 5 years from the balance sheet date	Paying fixed	1,893,606	22.2	0.9	1,063,405	23.3	0.3
Total purchased swaps		8,528,446	100.0	0.6	4,565,828	100.0	0.9
Within 1 year of the balance sheet date	Receiving fixed	-	-	-	-	-	-
Within 2-5 years of the balance sheet date	Receiving fixed	-	-	-	-	-	-
Later than 5 years from the balance sheet date	Receiving fixed	-	-	-	-	-	-
Total swaps sold							

¹⁾ The interest rate indicates the agreed average fixed interest in the contracts. A negative interest rate indicates that we receive fixed interest.

Note 28 Financial instruments

Presented below are the various categories of financial instruments included in the consolidated Balance Sheet.

SEK thousands	Loan and accounts receivable		Financial liabilities measured at fair value through the Income Statement		Financial liabilities measured at amortized cost	
	2017	2016	2017	2016	2017	2016
Assets						
Accounts receivable	9,570	3,646				
Other receivables	406,167	152,600				
Prepaid costs and accrued income	146,743	55,487				
Cash and bank balances	1,393,139	1,610,927				
Liabilities						
Interest-bearing subordinated shareholder loans					-	2,722,058
Non-current interest-bearing liabilities					27,882,167	11,572,499
Interest-rate derivatives			30,793	55,977		
Current interest-bearing liabilities					3,053,667	3,206,909
Accounts payable					131,187	86,724
Other liabilities					588,568	125,489
Accrued costs and prepaid income					311,430	211,451
Total	1,955,620	1,822,660	30,793	55,977	31,967,019	17,925,130

Financial instruments, such as accounts receivable, accounts payable, etc. are reported at amortized cost less any impairment losses, which is why fair value is deemed to be in accordance with the carrying amount. Current and non-current interest-bearing liabilities are generally subject to short terms of fixed interest, and the fair value of non-current bonds do not differ significantly from the nominal values, which, together, means that amortized cost is well-matched with fair value.



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Note 29 Deferred tax liability

SEK thousands	2017		2016	
	Basis	Tax 22%	Basis	Tax 22%
Deferred tax asset				
At the beginning of the year	-425,357	-93,579	-314,266	-69,139
Corporate acquisitions	-	-	-6,750	-1,485
Change for the year	22,135	4,870	-104,341	-22,955
At the end of the year	-403,222	-88,709	-425,357	-93,579
Deferred tax liability				
Properties				
At the beginning of the year	5,569,389	1,225,266	3,065,523	674,415
Corporate acquisitions	96,919	21,322	118,437	26,056
Depreciation for the year	89,416	19,672	75,123	16,527
Value change for the year ¹⁾	2,677,879	589,133	2,315,843	509,486
Reversal for the yeardue to sale	-86,394	-19,007	-5,537	-1,218
At the end of the year	1,836,386	5,569,389	1,225,266	
Interest-rate derivatives				
At the beginning of the year	-55,977	-12,315	-61,839	-13,605
Corporate acquisitions	-	-	-68,290	-15,024
Change for the year	25,184	5,540	74,152	16,313
At the end of the year	-30,793	-6,774	-55,977	-12,315
Untaxed reserves				
At the beginning of the year	-	-	25,127	5,528
Corporate acquisitions	-	-	12,146	2,672
Change for the year	-	-	-37,273	-8,200
At the end of the year	-	-	-	-
Net deferred tax				
At the beginning of the year	5,088,055	1,119,372	2,714,545	597,200
Corporate acquisitions	96,919	21,322	55,543	12,219
Change for the year	2,728,220	600,208	2,317,967	509,953
At the end of the year	7,913,194	1,740,903	5,088,055	1,119,372

¹⁾ The amount is adjusted for a negative change in value of SEK 476 million, which has not affected changes in deferred tax.

Note 30 Accrued costs and prepaid income

SEK thousands	31/12/2017	31/12/2016
Personnel costs	29,051	20,979
Accrued interest	22,407	13,991
Prepaid rent	208,770	112,796
Other items	51,202	63,685
	311,430	211,451

Note 31 Reconciliation of liabilities attributable to financing activities

SEK thousands	31/12/2016	Cash flow	31/12/2017
Current interest-bearing liabilities	3,206,909	-153,242	3,053,667
Non-current interest-bearing liabilities	11,572,499	16,309,668	27,882,167
Total interest-bearing liabilities	14,779,408	16,156,426	30,935,834

Note 32 Pledged assets

SEK thousands	31/12/2017	31/12/2016
Mortgages	27,877,531	12,019,321
Pledged shares in subsidiaries	8,687,151	4,527,001
	36,564,682	16,546,322

Note 33 Contingent liabilities

In addition to the construction project contracts listed in Note 16, the Group has no other outstanding contingent liabilities as per the balance sheet date.

Note 34 Related parties

Related-party transactions

The Group is under the controlling influence of Fredensborg AS, which holds 98.4 percent of the votes in the Parent Company, Heimstaden AB. The Parent Company in the largest group in which Heimstaden is included is Fredensborg AS. In addition to the related-party relationships specified for the Group, the Parent Company has a controlling influence over subsidiaries in accordance with Note 11 in the Parent Company's Balance Sheet.

Summary of related-party relationships

At the end of the financial year, transactions with Fredensborg AS amounted to SEK 0 million (0). During the financial year, Heimstaden has received/paid SEK 0 million (0) in interest from/to Fredensborg AS.

Heimstaden AB's net receivables from subsidiaries amounted to SEK 9,243 million (5,919) at the end of the financial year.

During the year, properties valued at SEK 8,169 million were acquired in Norway from Heimstaden's sister group Fredensborg Eiendomsselskap AS, which is controlled by the Chairman of the Board of the company. The acquisition was conducted at market values audited by the company's auditors. The properties have been sold to the subsidiary Heimstaden Bostad AB, on the Board of which Heimstaden AB has no voting rights regarding internal acquisitions. Decision-making shareholders were Alecta and the Sandvik and Ericsson pension foundations.

During the year, Heimstaden paid out SEK 100 million (70) in dividends to Fredensborg AS, in accordance with a resolution by the Annual General Meeting. No further related-party transactions took place during the period.

Transactions with key individuals in leading positions.

The company's Chairman of the Board and companies he owns control 98.4 percent of the votes in Heimstaden AB. Regarding the Board of Directors, the CEO and other executives' salaries, as well as other remunerations, costs and agreements relating to pensions and similar benefits, as well as severance pay agreements, please see note 6. The CEO and Deputy CEO hold shares in the subsidiary Heimstaden Bostad AB, and accordingly received dividends in 2017 and participated in the new share issue.

Note 35 Events after the balance sheet date

The financial statements form part of the Annual Report and were signed by the Board of Directors and the CEO on 23 March 2018.

On 12 January 2018, Heimstaden agreed to acquire two residential properties in Copenhagen with about 275 apartments. The total area is approximately 27,000 square metres and the transaction value amounts to approximately DKK 900 million, with Heimstaden taking possession on 1 February 2018.

On 24 January 2018, Heimstaden received an unconditional shareholder contribution from Fredensborg AS of NOK 1,700 million.

On 8 February 2018, Heimstaden agreed to acquire three project properties in Copenhagen for a value of about DKK 1,185 million. The acquisition comprises approximately 34,000 square metres, distributed between 489 apartments. Heimstaden will gain access at the end of 2019.

On 15 February 2018, Heimstaden signed an agreement to acquire, and gained access to, a property in Copenhagen with 105 apartments. The total area is approximately 9,500 square metres and the transaction value amounts to approximately DKK 340 million.

On 27 February 2018, Heimstaden agreed to expand its cooperation in Heimstaden Bostad AB through the acquisition of the Norwegian sister company, Fredensborg Eiendomsselskap AS, and the restructuring of the Danish portfolio. The transaction is funded through external capital via a new issue of shares in Heimstaden Bostad AB and through an unconditional shareholder contribution from Fredensborg AS to Heimstaden AB.

On 28 February 2018, Heimstaden agreed to acquire a construction project in Burlöv comprising 275 apartments. The transaction amounts to SEK 400 million and is expected to be completed in 2019-2020.

On 1 March 2018, Heimstaden acquired the sister company, Fredensborg Norge AS, from its parent company Fredensborg AS. Fredensborg Norge AS manages the stocks in Norway and all of its personnel have been transferred to the Heimstaden Group. The purchase consideration amounted to approximately NOK 12 million.

On 20 March 2018, Heimstaden agreed to acquire two properties in Trelleborg of 7,895 square metres distributed between 80 apartments. The transaction value amounted to approximately SEK 61 million and Heimstaden will gain possession in May 2018.



Note 36 Derivation of key data

Derivation of key data considered alternative according to the ESMA guidelines.

Letting ratio, housing (number), %	31/12/2017	31/12/2016	Non-current asset value (EPRA NAV) on the balance sheet date, SEK thousands		
			31/12/2017	31/12/2016	
Number of available/vacant homes as per the balance sheet date	410	93	Net asset value	20,547,766	10,094,770
Number of leased homes as per the balance sheet date	30,139	19,704	Interest-rate derivatives	30,793	55,977
Total number of homes as per balance sheet date	30,549	19,797	Net asset value	20,578,559	10,150,747
Letting ratio, housing (number), %	98.7%	99.5%	DEBT/EBITDA, multiple		
Proportion living area on balance sheet date, %			2017	2016	
Living area as per balance sheet date	1,908,884	1,279,336	Time-weighted interest-bearing liabilities	19,836,443	13,426,319
Premises area as per balance sheet date	219,732	178,223	– Subordinated interest-bearing shareholder loans	0	-2,722,058
Total area as per balance sheet date	2,128,616	1,457,559	DEBT	19,836,443	10,704,262
Proportion living area as per balance sheet date, %	89.7%	87.8%	Profit before financial items	973,942	560,827
Interest coverage ratio (ICR), multiple			Amortization and depreciation	1,658	1,451
Profit from property management	514,714	367,574	EBITDA	975,601	562,278
Reversal:			DEBT/EBITDA, multiple	20.3	19.0
Financial costs			Equity per preference share, SEK		
– Interest-bearing liabilities	379,410	185,550	31/12/2017	31/12/2016	
Financial costs			Preferential rights of the preference shares upon liquidation of the company	375	375
– Interest-bearing subordinated shareholder loans	85,582	352,125	Remaining entitlement to dividends	5	5
Profit from property management plus financial costs	979,705	588,337	Equity per preference share	380	380
Interest coverage ratio (ICR), multiple	2.6	3.2	Equity per ordinary share, SEK		
Equity/assets ratio including shareholder loans, %			2017	2016	
Equity	18,806,863	8,975,398	Equity attributable to Parent Company shareholders, SEK thousands	8,928,244	7,501,705
Interest-bearing subordinated shareholder loans	0	2,722,058	Number of preference shares	2,343,750	2,343,750
Equity including interest-bearing shareholder loans	18,806,863	11,697,456	Equity per preference share, SEK	380	380
Total assets	52,642,508	28,205,610	Preference capital, SEK thousands	890,625	890,625
Equity/assets ratio including shareholder loans, %	35.7%	41.5%	Equity excluding preference capital, SEK thousand	8,037,619	6,611,080
Net liabilities			Average number of ordinary shares	13,204,000	13,204,000
Interest-bearing liabilities	30,935,834	14,779,408	Equity per ordinary share, SEK	609	501
Cash and bank balances	-1,393,139	-1,610,927	Profit per ordinary share, SEK		
Net liabilities	29,542,695	13,168,482	2017	2016	
Loan-to-value ratio (LTV), %			Comprehensive income for the year attributable to:		
Net liabilities	29,542,695	13,168,482	Parent Company's ordinary shareholders		
Investment properties	50,285,176	26,330,189	1,526,890		
Loan-to-value ratio (LTV), %	58.8%	50.0%	Average number of ordinary shares		
Net asset value on the balance sheet date, SEK thousands			13,204,000		
Equity	18,806,863	8,975,398	Profit after tax per ordinary share, SEK		
Deferred tax liability	1,740,903	1,119,372	116		
Net asset value	20,547,766	10,094,770	133		

Parent Company Income Statement

Amounts in SEK thousands	Note	31/12/2017	31/12/2016
Other operating income	2	82,198	34,276
Central administration	3, 4	-63,903	-55,722
Profit before amortization and depreciation		18,295	-21,446
Amortization and depreciation	5	-1,153	-1,009
Operating profit/loss		17,142	-22,454
Dividend		-	753,000
Impairment		-18,039	-7,228
Profit from participations in Group companies	6	1,983,537	2,874,729
Interest income and similar Income Statement items	7	3,094	1,753
Interest costs and similar Income Statement items	8	-65,329	-122,479
Net financial items		1,903,263	3,499,774
Profit after net financial items		1,920,404	3,477,320
Group contributions	9	66,514	45,100
Profit before tax		1,986,918	3,522,420
Tax		-2,717	-
Profit for the year		1,984,202	3,522,420

Parent Company Statement of Comprehensive Income

Amounts in SEK thousands	31/12/2017	31/12/2016
Profit for the year according to the Income Statement	1,984,202	3,522,420
Other comprehensive income	-	-
Comprehensive income for the year	1,984,202	3,522,420

Parent Company Balance Sheet

Amounts in SEK thousands	Note	31/12/2017	31/12/2016
ASSETS			
NON-CURRENT ASSETS			
Non-current assets			
Machinery and equipment	10	3,566	3,941
		3,566	3,941
Financial fixed assets			
Shares in subsidiaries	11	3,980,156	1,250,277
Receivables from subsidiaries		–	1,001,700
Deferred tax asset		–	2,717
Other non-current securities holdings	12	1,000	1,000
		3,981,156	2,255,694
Total non-current assets		3,984,722	2,259,635
CURRENT ASSETS			
Current receivables			
Accounts receivable		2,077	388
Receivables from subsidiaries		9,383,403	5,997,058
Other current receivables		61,619	72
Prepaid costs and accrued income		37,465	9,174
		9,484,564	6,006,692
Cash and bank balances		352,760	1,064,035
Total current assets		9,837,324	7,070,727
TOTAL ASSETS		13,822,046	9,330,362

Parent Company Balance Sheet

Amounts in SEK thousands	Note	31/12/2017	31/12/2016
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	13	77,739	77,739
Unrestricted equity			
Share premium reserve		728,650	728,650
Retained profit		5,236,128	1,860,933
Profit for the year		1,984,202	3,522,420
		7,948,979	6,112,003
Total equity		8,026,718	6,189,742
Non-current liabilities			
Debenture loan	14	2,500,000	1,250,000
Liabilities to subsidiaries	15	139,651	77,711
		2,639,651	1,327,711
Current liabilities			
Liability Group account	16	3,137,039	1,778,081
Accounts payable		739	5,450
Other liabilities		1,461	5,147
Accrued costs and prepaid income	17	16,438	24,232
		3,155,677	1,812,910
TOTAL LIABILITIES AND EQUITY		13,822,046	9,330,362
Pledged assets	20	–	–
Contingent liabilities	21	3,942,076	228,285

Parent Company Statement of Changes in Equity

Amounts in SEK thousands	Share capital	Share premium reserve	Profit brought forward incl. profit for the year	Total equity
Equity, 31 December 2015	77,739	728,650	1,977,788	2,784,177
Dividend, ordinary shares			-69,980	-69,980
Dividend, preference shares			-46,875	-46,875
Profit for the year			3,522,420	3,522,420
Equity, 31 December 2016	77,739	728,650	5,383,353	6,189,742
Dividend, ordinary shares			-100,350	-100,350
Dividend, preference shares			-46,875	-46,875
Profit for the year			1,984,202	1,984,202
Equity, 31 December 2017	77,739	728,650	7,220,329	8,026,718

Parent Company Cash Flow Analysis

Amounts in SEK thousands	Note	2017	2016
Operating activities			
Profit after financial items		1,920,404	3,477,320
Adjustments for non-cash items		-1,964,345	-3,619,492
Tax paid		-	-
Cash flow from operating activities before changes in working capital		-43,941	-142,172
Change in working capital			
Change in current receivables		-91,527	-1,419
Change in current liabilities		-16,191	5,952
Cash flow from operating activities		-151,660	-137,638
Investing activities			
Disposals of subsidiaries		-	3,918,701
Acquisitions of subsidiaries		-2,747,779	-967,201
Acquisitions/disposals of associated companies		-	-
Acquisitions of non-current assets		-778	-1,374
Cash flow from investing activities		-2,748,557	2,950,126
Financing activities			
Dividend		-147,224	-116,856
Loans received from subsidiaries		-272,793	-3,671,395
Change in interest-bearing liabilities	19	1,250,000	250,000
Change in Group account		1,358,958	1,158,024
Cash flow from financing activities		2,188,941	-2,380,227
Cash flow for the year		-711,275	432,262
Opening cash and cash equivalents		1,064,035	631,773
Closing cash and cash equivalents		352,760	1,064,035
Disclosures on interest rates			
Interest paid amounts to		77,929	125,366
Interest received amounts to		3,094	1,753

Parent Company accounting principles and notes

Note 1 Accounting principles

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities). RFR 2 means that the Parent Company's Annual Report for the legal entity shall apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation indicates what exceptions from, and additions to, IFRS are to be made.

Differences between the Group's and the Parent Company's accounting policies

The Parent Company applies the same accounting principles as the Group (see Note 1 to the consolidated accounts), with the following exceptions and additions.

Presentation

For the Parent Company, the Income Statement and Other comprehensive income are reported in two separate reports. For the Parent Company, the Income Statement and Balance Sheet are prepared in accordance with the Annual Accounts Act's schedule while Other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Participations in Group companies

Participations in Group companies are reported at cost less any impairment. Cost includes acquisition-related costs. The carrying amount is continuously tested against the fair value of the Group company's assets and liabilities. In cases where the carrying amount of the participations exceeds the Group company's fair value, impairment is applied and charged to the Income Statement. In cases where impairment is no longer justified, it is reversed.

Participations in associated companies

Participations in associated companies are reported at cost.

Deferred tax

Deferred tax receivables attributable to tax-loss carryforwards are recognized if it is likely that the tax-loss carryforwards will be offset against future tax surpluses.

Contingent liabilities

The Parent Company's financial guarantee agreements consist primarily of guarantee commitments to the benefit of Group companies. For the accounting of financial guarantee agreements, the Parent Company applies RFR 2. This means that the Parent Company reports financial guarantee agreements as a provision in the Balance Sheet when the company has an obligation for which payment is likely to be required to settle the obligation. Beyond this, disclosures are only provided in a note.

Interest-rate derivatives

The company has chosen not to apply IAS 39.

Interest rate derivatives are reported in accordance with the cost method and, since the agreements entered refer to the swapping of interest rates, this means that the cost is zero.

Group account

Balances on accounts included in a corporate account structure are reported as bank balances in the Parent Company since the Parent Company is the bank's counterparty. Subsidiaries included in the structure, then report their positive or negative balances on sub-accounts as receivables or liabilities from or to the Parent Company.

Group contributions

Heimstaden reports in accordance with the alternative rule in RFR 2, entailing Group contributions disbursed or received being reported as financial statements.

New accounting principles

No new accounting principles affecting the Parent Company came into effect in 2017. Upcoming approved amendments to accounting principles are expected to have a limited impact on the Parent Company's accounts.

Group disclosures

Heimstaden AB (publ) is owned 86.21 percent by Fredensborg AS, Corp. ID No. 9435582815, domiciled in Norway. Fredensborg AS prepares consolidated accounts for the largest group.

The foreign parent company's consolidated accounts are available at Fredensborg AS, Stensberggata 27, 0170 Oslo, Norway, e-mail: post@fredensborg.no

Note 2 Group-internal purchases and sales

Of the Parent Company's income, SEK 79.4 million (29.4) consists of compensation for administrative services provided.

Note 3 Central administration

Central administration includes costs at the Group-wide level not directly attributable to property management, such as costs for Group management, property investments and finance. Costs for central administration include, remuneration to the auditors, as follows.

EY, SEK thousands	2017	2016
Audit engagement	765	940
Auditing activities beyond the audit engagement	143	350
Tax consultancy	332	16
Other assignments	56	107
	1,296	1,413

Note 4 Personnel costs

SEK thousands	2017	2016
Average number of employees		
Average number of employees	22	20
of whom, women	8	6

Salaries, remunerations, etc.

Salaries, remuneration, social security and pension costs have been paid as follows:

CEO (Board Member)

Base salary	2,316	1,979
Benefits	75	76
Pension costs	577	446
	<u>2,968</u>	<u>2,501</u>

Deputy CEO (Board Member)

Base salary	2,135	1,960
Benefits	134	135
Pension costs	512	438
	<u>2,781</u>	<u>2,533</u>

Board Member, Ossie Everum

Board fees	250	250
	<u>250</u>	<u>250</u>

Other senior executives:

Base salary	2,712	1,760
Benefits	176	144
Pension costs	663	343
	<u>3,551</u>	<u>2,246</u>

The CEO and Board Members have been paid variable remuneration of SEK 0 million (335)

Other employees:

Salaries	16,688	13,487
Pension costs	2,480	2,205
	<u>19,168</u>	<u>15,692</u>
Social security costs	8,643	7,089

Board Members and senior executives

Board Members	4	4
of whom, women	-	-
CEO and senior executives	5	4
of whom, women	2	1

Remunerations

Between the company and the CEO, a mutual notice period of 6 months applies. In the event of termination by the company, severance pay corresponding to 18 months salary is to be paid. Between the company and Board Members, a mutual notice period of 3 months applies. For senior executives and other employees, the customary pension commitments within the framework of general pension plans apply. For the CEO, the company has taken out pension insurance with annual premiums corresponding to 10 percent of gross salary.

Note 5 Amortization and depreciation

SEK thousands	2017	2016
Equipment	1,153	1,009
	<u>1,153</u>	<u>1,009</u>

Note 6 Profit from participations in Group companies

SEK thousands	2017	2016
Profit on disposal	1,983,537	2,874,729
	<u>1,983,537</u>	<u>2,874,729</u>

Note 7 Interest income and similar Income Statement items

SEK thousands	2017	2016
Interest income, Parent Company	-	-
Other interest income	3,094	1,753
	<u>3,094</u>	<u>1,753</u>

Note 8 Interest costs and similar Income Statement items

SEK thousands	2017	2016
Interest costs, interest rate derivatives	52,675	72,818
Redemption of interest rate derivatives	7,843	46,650
Other financial costs	4,811	3,011
	<u>65,329</u>	<u>122,479</u>

Note 9 Group contributions

SEK thousands	2017	2016
Group contributions received	66,514	45,100
Group contributions paid	-	-
	<u>66,514</u>	<u>45,100</u>

Note 10 Tax

SEK thousands	2017	2016
Current tax	-	-
Deferred tax	-2,717	-
	<u>-2,717</u>	<u>-</u>
Reported profit before tax	1,986,918	3,522,420
Tax according to current rate	-432,402	-774,932
Tax effect of:		
Non-deductible costs	-6,694	-23,168
Non-taxable dividend	-	165,660
Non-taxable profit on disposal of participations	436,378	632,440
	<u>-2,717</u>	<u>0</u>

Note 11 Equipment

SEK thousands	31/12/2017	31/12/2016
Opening cost	7,546	6,173
Investments for the year	779	1,373
Closing cost	8,324	7,546
Opening depreciation	-3,605	-2,597
Depreciation for the year	-1,153	-1,009
Closing depreciation	-4,758	-3,605
Carrying amount at the end of the year	3,566	3,941

Note 12 Shares in subsidiaries

SEK thousands	31/12/2017	31/12/2016
Opening cost	1,250,277	1,360,870
Acquisitions for the year	16,593	100
Sales for the year	–	-1,077,358
Contributions paid	2,731,325	973,894
Impairment	-18,039	-7,229
Closing cost	3,980,156	1,250,277



Specifications of the Group's shareholdings in subsidiaries

Subsidiary	Corporate identification number	Reg. office	No. of shares	Share in %	Carrying amount, SEK thousands
Heimstaden Exploatering AB	556485-9014	Malmö	1,000	100	1,790
Heimstaden i Skåne AB	556694-5753	Malmö	1,000	100	100
Heimstaden Fastighets AB	556564-7913	Malmö	100,000	100	10,000
Heimstaden Bostadsfinansiering AB	556618-3256	Malmö	20,000	100	3,131
Heimstaden Förvaltnings AB	556615-4497	Malmö	1,000	100	–
Heimstaden Bostadsproduktion AB	559022-9877	Malmö	1,000	100	100
Heimstaden Investment AB	556788-1205	Malmö	1,000	100	41,100
Heimstaden Ängen AB	556969-3921	Malmö	500	100	50
Heimstaden i Göteborg AB	556514-2584	Malmö	1,000	100	261
Heimstaden Passagen AB	556985-5033	Malmö	500	100	65
Heimstaden Fastigheter AB	559063-8580	Malmö	500	100	50
Heimstaden Danmark A/S	35852093	Copenhagen	500,000	100	3,918,138
Heimstaden NPM A/S	35524525	Copenhagen	500,000	100	5,262
Heimstaden Invest AS	819,499,632	Oslo	1,000	100	110
					3,980,156

Note 13 Other non-current securities holdings

The item refers to 1 percent of the shares in Landskrona Stadsutveckling AB, 556918-1836.

Note 14 Equity

SEK thousands	Share capital	Unrestricted equity	Total equity
Opening balance	77,739	6,112,003	6,189,742
Dividend, preference shares		-46,875	-46,875
Dividend, ordinary shares		-100,350	-100,350
Profit for the year		1,984,202	1,984,202
Closing balance	77,739	7,948,979	8,026,718

Number of ordinary shares	13,204,000
Quota value, SEK	5
Number of preference shares	2,343,750
Quota value, SEK	5

Proposed appropriation of accumulated profit

Share premium reserve	728,649,810
Retained profit	5,236,127,528
Profit for the year	1,984,201,736
	7,948,979,074

No dividends are paid to holders of ordinary shares.

Dividends are paid to preference shareholders in accordance with the Articles of Association. Accordingly, the funds at the disposal of the Annual General Meeting, of SEK 7,948,979,074, shall be distributed such that SEK 20.00 per preference share is paid to holders of preference shares, totalling SEK 46,875,000. The remaining amount, SEK 7,902,104,074, is to be carried forward to a new account.

Dividends to preference shareholders are to be paid quarterly, in the amount of SEK 5.00 per payment date. In accordance with the Articles of Association, the record dates for the dividend payments shall be 5 July 2018, 5 October 2018, 5 January 2019 and 5 April 2019.

In the event that a record date, as stated above, is not a banking day, the record date shall be the immediately preceding banking day. Dividends are to be paid out on the third banking day following the record date.

Note 15 *Debenture loans*

SEK thousands	31/12/2017	31/12/2016
Loan maturity, year		
Within 1 year of the balance sheet date	–	–
Within 2-5 years of the balance sheet date	2,500,000	1,250,000
Later than 5 years from the balance sheet date	–	–
	2,500,000	1,250,000

Note 16 *Liabilities to subsidiaries*

All liabilities fall due for payment within 2 to 5 years.

Note 17 *Liability Group account*

The amount consists of a negative bank balance associated with Heimstaden AB's Group account.

Note 18 *Accrued costs and prepaid income*

SEK thousands	31/12/2017	31/12/2016
Personnel costs	12,662	8,711
Accrued interest	–	15,376
Other items	3,776	145
	16,438	24,232

Note 19 *Reconciliation of liabilities attributable to financing activities*

SEK thousands	31/12/2016	Cash flow	31/12/2017
Bond	1,250,000	1,250,000	2,500,000
Change in interest-bearing liabilities	1,250,000	1,250,000	2,500,000

Note 20 *Pledged assets*

SEK thousands	31/12/2017	31/12/2016
Pledged shares in subsidiaries	0	10,520
	0	10,520

Note 21 *Contingent liabilities*

SEK thousands	31/12/2017	31/12/2016
Guarantee undertakings for the benefit of Group companies	3,942,076	228,285
	3,942,076	228,285

Note 22 *Related parties*

Related-party transactions

The Group is under the controlling influence of Fredensborg AS, which holds 98.4 percent of the votes in the Parent Company, Heimstaden AB. The Parent Company in the largest group in which Heimstaden is included is Fredensborg AS. In addition to the related-party relationships specified for the Group, the Parent Company has a controlling influence over subsidiaries in accordance with Note 11.

Summary of related-party relationships

At the end of the financial year, transactions with Fredensborg AS amounted to SEK 0 million (0). During the financial year, Heimstaden has received/paid SEK 0 million (0) in interest from/to Fredensborg AS.

Heimstaden AB's net receivables from subsidiaries amounted to SEK 9,243 million (5,919) at the end of the financial year.

During the year, properties valued at SEK 8,169 million were acquired in Norway from Heimstaden's sister group Fredensborg Eiendomsselskap AS, which is controlled by the Chairman of the Board of the company. The acquisition was conducted at market values audited by the company's auditors. The properties have been sold to the subsidiary Heimstaden Bostad AB, on the Board of which Heimstaden AB has no voting rights regarding internal acquisitions. Decision-making shareholders were Alecta and the Sandvik and Ericsson pension foundations.

During the year, Heimstaden paid out SEK 100 million (70) in dividends to Fredensborg AS, in accordance with a resolution by the Annual General Meeting. No further related-party transactions took place during the period.

Transactions with key individuals in leading positions.

The company's Chairman of the Board and companies he owns control 98.4 percent of the votes in Heimstaden AB. As regards the Board's, the CEO's and the senior executive's salaries and other remuneration, costs and obligations relating to pensions and similar benefits and agreements regarding severance pay, please see Note 4. The CEO and Deputy CEO hold shares in the subsidiary Heimstaden Bostad AB, and accordingly received dividends in 2017 and participated in the new share issue.



Peter Holms vej, Copenhagen

Proposed appropriation of accumulated profit

The Board of Directors proposes that dividends be paid to preference shareholders in accordance with the Articles of Association and that dividends to the ordinary shareholder be paid in accordance with the following.

At the disposal of the Annual General Meeting, SEK:

Share premium reserve	728,649,810
Retained profit	5,236,127,528
Profit for the year	1,984,201,736
	<hr/>
	7,948,979,074

The Board of Directors proposes that dividends be paid to shareholders as follows.

No dividends are paid to holders of ordinary shares.

Dividends are paid to preference shareholders in accordance with the Articles of Association. Accordingly, the funds at the disposal of the Annual General Meeting, of SEK 7,948,979,074, shall be distributed such that SEK 20 per preference share is paid to holders of preference shares, totalling SEK 46,875,000. The remaining amount, SEK 7,902,104,074, is to be carried forward to a new account.

Dividends to preference shareholders are to be paid quarterly, in the amount of SEK 5 per payment date. In accordance with the Articles of Association, the record dates for the dividend payments shall be 5 July 2018, 5 October 2018, 5 January 2019 and 5 April 2019.

In the event that a record date, as stated above, is not a banking day, the record date shall be the immediately preceding banking day. Dividends are to be paid out on the third banking day following the record date.

Statement by the Board of Directors regarding the proposed dividend

The Board of Directors is of the opinion that the proposed distribution of profit is justified in view of the requirements that the nature, scope and risks that the operations of the company and the

Group operations impose on the scale of the equity of the company and the Group, as well as the consolidation needs, liquidity and position of the company and the Group in other regards. In this regard, the Board has taken into account the financial situation of the company and the Group, as shown in the most recent Annual Report, and other relevant conditions known to the Board.

In assessing the defensibility of the proposed profit distribution, the Board has also taken into account the following. The proposed distribution of profit corresponds to approximately 1 percent of the company's equity after adjustment for changes in equity since 31 December 2017. Prior to the distribution of profits, the company's equity/assets ratio amounts to approximately 58.1 percent. After the distribution of profits, the company's equity/assets ratio will amount to approximately 57.9 percent, calculated on the basis of the latest approved Balance Sheet, after adjustment for changes in equity since 31 December 2017. For the Group, the proposed distribution of profit corresponds to approximately 0.2 percent of the Group's equity according to the most recent Balance Sheet per 31 December 2017, after adjustment for changes in equity since 31 December 2017. Prior to the distribution of profits, the Group's equity/assets ratio amounts to approximately 35.7 percent. After the distribution of profits, the Group's equity/assets ratio will amount to approximately 35.7 percent, calculated on the basis of the latest approved Balance Sheet, after adjustment for changes in equity since 31 December 2017. The proposed distribution of profit does not jeopardize the completion of the investments deemed necessary and does not affect the company's ability meet its obligations in the short and long term. The company's liquidity forecast includes preparedness to cope with variations in ongoing payment obligations. The Board also estimates that the equity/assets ratio of the company and the Group is favourable in relation to the circumstances in the industry in which the company and the Group operate.

In the most recently adopted Balance Sheet, no assets and/or liabilities were valued at fair value in accordance with Chapter 4, Section 14a of the Annual Accounts Act.

The Board of Directors' assessment is that the scope of equity is in proportion to the scope of the operations of the company and its Group and the risks associated with the performance of the operations, also taking into account the proposed distribution of profit.

Signatures

The undersigned provide their assurance that the consolidated accounts have been prepared in accordance with the International Accounting Standards (IFRS), as adopted by the EU, as well as the Swedish Financial Reporting Board's recommendation RFR 1 and that the Annual Report has been prepared in accordance with the Annual Accounts Act and the recommendation RFR2 of the Swedish Financial Reporting Board. The consolidated and annual accounts have been prepared in accordance with good accounting practices, and provide a fair view of the Group's and the Parent Company's financial position and profit, and that the Administration Report provides a fair overview of the development of the operations, position and results of the Group and the company, as well as describing significant risks and uncertainty factors facing the companies within the Group.

Malmö, 23 March 2018

Patrik Hall
CEO

Ivar Tollefsen
Chairman of the Board

Magnus Nordholm
Board Member

Ossie Everum
Board Member

Our auditors' report was submitted on 23 March 2018
Ernst & Young AB

Peter von Knorring
Authorized Public Accountant

Ingemar Rindstig
Authorized Public Accountant

Audit Report

To the Annual General Meeting of Heimstaden AB (publ). Corporate identification number. 556670-0455

Report on the Annual Report and consolidated financial statements

Statements

We have audited the Annual Report and consolidated accounts for Heimstaden AB (publ) for the year 2017 with the exception of the Corporate Governance Report and the Sustainability Report on pages 58–59 and 52–57 respectively. The company's Annual Report and consolidated accounts are presented on pages 45–95 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present, in all material respects, a fair portrayal of the financial position of the Parent Company as per 31 December 2017 and its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and provide, in all significant respects, a fair representation of the Group's financial position as per 31 December 2017 and of its profit and cash flow for the year in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our statements do not include the Corporate Governance Report and Sustainability Report on pages 58–59 and 52–57 respectively. The Administration Report is consistent with the other parts of the Annual Report and the consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the Income Statement and Balance Sheet of the Parent Company and the

Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position.

Our statements in this report on the Annual Report and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the Parent Company's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for the statements

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section *Auditors' responsibility*. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements. This entails that, based on our best knowledge and conviction, no prohibited services referred to in Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where applicable, its Parent Company or its controlled companies in the EU.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These areas are addressed within the scope of the audit of, and our opinion on, the annual accounts and consolidated financial statements as a whole, although we make no separate statements regarding these areas. The description below of how the audit was implemented in these areas should be read in this context.

We have also fulfilled the obligations in these areas described in the section *Auditor's Responsibility* in our report on the Annual Report. Accordingly, audit measures were performed that were designed to take into account our assessment of the risk of material errors in the Annual Report and consolidated accounts. The outcome of our review and the review measures implemented to address the areas presented below, forms the basis for our Audit Report.

Valuation of investment properties

Description of the area

The fair value of investment properties is reported at SEK 50.285 million as per 31 December 2017. Investment properties are initially recognized at cost and subsequently at fair value in the Balance Sheet with changes in value being recognized in the Income Statement. Each quarter, Heimstaden performs an internal valuation of the entire real estate portfolio, and at the end of each year, an external valuation is performed. A description of the Group's valuation of investment properties can be found in Note 16, as well as in the section "Investment properties" in Note 1.

How this area was addressed in the audit

In our audit, we have assessed and reviewed Management's processes for valuing properties. Supported by our valuation specialists we have reviewed the company's valuation model, which provides the basis for the company's carrying amounts for investment properties. We have also made comparisons with known sector data to evaluate the reasonableness of the assumptions underlying the valuation. We have reviewed disclosures made in the Annual Report.

Information other than the Annual Report and consolidated financial statements

This document also contains information other than the Annual Report and consolidated accounts, which is to be found on pages 1–44. It is the Board and the CEO who have the responsibility for this other information.

Our statement regarding the Annual Report and consolidated accounts does not cover this information and we make no statement confirming this other information. In connection with our audit of the Annual Report and the consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is to a significant extent incompatible with the Annual Report and the consolidated accounts. In this review, we also take into account the information we otherwise collected during the audit and assess if the information otherwise appears to contain material misstatements.

If we draw the conclusion based on the work done regarding this information that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Responsibility of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for the preparation of the Annual Report and consolidated accounts and that they provide a fair view according to the Annual Accounts Act and, with regard to the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary in preparing an Annual Report and consolidated accounts that do not contain any material misstatement, whether due to error or impropriety.

In preparing the Annual Report and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue operating. They provide information, when appropriate, concerning conditions that may affect the ability to continue operations and to apply the going concern assumption. The going concern assumption is not, however, applied if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to do otherwise.

The Board of Directors' Audit Committee shall, without it affecting the responsibility and duties of the Board of Directors in other regards, monitor, among other things, the company's financial reporting.

Auditors' responsibility

Our objective is to achieve a reasonable degree of certainty whether or not the Annual Report and consolidated accounts, as a whole, contain any material misstatements, whether due to error or impropriety, and to provide an Audit Report containing our statements. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit performed according to ISA and generally accepted auditing standards in Sweden will always discover a material misstatement if such exists. Misstatements can arise due to impropriety or error and are considered to be material if they individually or together can reasonably be expected to affect financial decisions that users make based on the annual accounts and consolidated accounts.

As part of an audit in accordance with ISA, we apply professional judgement and maintain a professional scepticism throughout the audit. In addition:

- we identify and assess the risks of material misstatements in the Annual Report and consolidated accounts, whether due to error or impropriety, design and perform audit measures based, among other things, on these risks, and obtain audit evidence sufficient and appropriate to constitute a basis for our statements. The risk of not detecting a material inaccuracy due to impropriety is higher than a material inaccuracy due to errors, as improprieties may include acts such as collusion, forgery, deliberate omissions, erroneous information or breach of internal control.
- we obtain an understanding of the part of the company's internal control that is relevant to our audit to design audit measures appropriate to the circumstances, but not to comment on the effectiveness of internal control.
- we evaluate the appropriateness of the accounting principles applied and the reasonableness of the estimates made by the Board of Directors and the CEO in the accounts and associated disclosures.
- we draw a conclusion regarding the suitability of the Board of Directors and CEO applying the going concern assumption when preparing the Annual Report and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, regarding whether there are any significant factors of uncertainty pertaining to such events or circumstances that could lead to significant doubts about the company's ability to continue operating. If we conclude that there is a significant factor of uncertainty, we must draw attention in the Audit Report to the disclosures in the Annual Report regarding that significant factor of uncertainty or, if such information is inadequate, to modify the statement on the Annual Report and consolidated accounts. Our conclusions are based on the audit evidence obtained up until the date of the Audit Report. However, future events or circumstances may entail a company no longer being able to continue operating.
- we evaluate the overall presentation, structure and content of the Annual Report and consolidated accounts, including the disclosures, and whether the Annual Report and consolidated accounts reflect the underlying transactions and events in a manner that provides a fair view.
- we obtain sufficient and appropriate audit evidence regarding the financial information for the units or business activities within the Group to issue a statement regarding the consolidated accounts. We are responsible for the supervision, monitoring and execution of the Group Audit. We are solely responsible for our statements.

We must inform the Board of Directors of the planned scope and orientation of the audit and of its timing. We must also provide information regarding significant observations made during the audit, including any significant deficiencies we have identified in the internal control.

We must also provide the Board of Directors with a statement that we have adhered to relevant professional ethical requirements regarding independence, and address all relationships and other conditions that could reasonably affect our independence and, where applicable, associated countermeasures.

Of the areas communicated with the Board, we determine which are most significant to the audit of the Annual Report and consolidated accounts, including the most significant risks for material misstatement that have been identified, and that therefore constitute the areas of particular significance for the audit. We describe these areas in the Audit Report unless legislation or other regulations prevent disclosure.

Report on other legal and regulatory requirements

Statements

In addition to our audit of the Annual Report and consolidated accounts, we have also examined the administration of the Board and CEO of Heimstaden AB (publ) for 2017 and the proposed appropriations of the company's profit.

We recommend that the General Meeting appropriate the company's profit in accordance with the proposal presented in the Administration Report and that the Members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for the statements

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in accordance with this is described in more detail in the section *Auditors' responsibility*. We are independent in relation to the Parent Company and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

Responsibility of the Board of Directors and the CEO

The Board of Directors has the responsibility for the proposal on the appropriation of the company's profit or loss. Where a dividend is proposed, this includes an assessment of whether that dividend is justified, taking into account the requirements imposed by the scope and risks of the operations of the company and the Group on the equity, consolidation needs, liquidity and position in general of the Parent Company and the Group.

The Board of Directors is responsible for the company's organization and the management of its affairs. This includes continuously assessing the company's and Group's financial situation, and ensuring that the company's organization is structured so that accounting, asset management and the company's other financial affairs are satisfactorily controlled. The CEO shall direct of the management of operations in accordance with the Board's guidelines and instructions and take the actions necessary for the company's bookkeeping to be performed in accordance with the law and for assets to be managed satisfactorily.

Auditors' responsibility

Our objective regarding the audit of the management, and thereby our statement regarding discharge from liability, is to collect audit evidence to be able to assess, with a reasonable degree of certainty, whether any Board Member or the CEO has in any material regard:

- taken any action or been negligent in a manner that may lead to a liability to pay damages to the company, or
- in any way acted counter to the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposed appropriation of the company's profit, and thereby our statement in this regard, is to assess, with a reasonable degree of certainty, whether the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but is no guarantee that an audit performed in accordance with generally accepted auditing practices in Sweden will always discover actions or negligence that could lead to liability to pay damages to the company, or that a proposed appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.

As part of an audit in accordance with good auditing practice in Sweden, we apply professional judgement and maintain a professional scepticism throughout the audit. The review of management and the proposed appropriation of the company's profit is based primarily on the audit of the accounts. The additional review measures performed build on our professional assessment based on risk and materiality. This means that we focus on the review of such measures, areas and conditions that are essential to the operations and where departures and violations would have particular significance for the company's situation. We examine and test decisions made, measures undertaken and other issues of relevance to our statement on discharge from liability. As a basis for our statement regarding the Board of Directors' proposed appropriation of the company's profit or loss, we have reviewed the Board of Directors' statement motivating its proposal and a selection of the data on which this is based to ascertain whether the proposal complies with the Companies Act.

Auditor's review of the Corporate Governance Report

The Board of Directors is responsible for the Corporate Governance Report on pages 58-59 and for it being prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our review of the Corporate Governance Report has another focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6, Section 6, second paragraph, items 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the other parts of the Annual Report and consolidated accounts and are in accordance with the Annual Accounts Act

Auditor's opinion regarding the statutory Sustainability Report

The Board of Directors is responsible for the statutory Sustainability Report on pages 52-57, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's recommendation RevR 12 *Auditor's opinion regarding the statutory Sustainability Report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory Sustainability Report has been prepared.

Ernst & Young AB, Box 7850, SE-103 99 Stockholm, was appointed Heimstaden AB's auditor by the Annual General Meeting of 28 April 2017 and has been the company's auditor effective from 15 April 2015.

Malmö, 23 March 2018
Ernst & Young AB

Peter von Knorring
Authorized Public Accountant

Ingemar Rindstig
Authorized Public Accountant



Peter Holms vej, Copenhagen

List of properties

List of properties, 31 Dec. 2017

Property	Address	Constr.yr./renov.yr.	No. apart-ments	No. of premises	No. parking spaces/garage	Apt. m ²	Premises m ²	Total m ²
SWEDEN								
Central								
Falköping								
Hammarén 7	Eriksgatan 33	1963	8	0	4	376	0	376
Sankt Jakob 14	Sankt Sigfridsgatan 27	1992	6	0	2	316	0	316
Sankt Jakob 18	Eriksgatan 29	1970	5	0	2	293	0	293
Sankt Johannes 18	Sankt Sigfridsgatan 5	1960	6	0	2	400	0	400
Sankt Staffan 13	Bryngelsgatan 6	1929	0	8	0	0	2,415	2,415
Sankt Tomas 13	Warenbergsgatan 11	1973	6	0	3	393	0	393
Skogslinden 3	Idrottsgatan 39, Margaretagatan 34	1978	12	2	14	716	24	740
Skogslinden 4	Idrottsgatan 37, Margaretagatan 32	1976	8	1	14	712	18	730
Ansgar 1	Sankt Sigfridsgatan 45, 47, 49	1965	24	5	30	2,022	24	2,046
Draken 8	Odengatan 31	1974	4	0	0	660	4	664
Flugsnapparen 1	Kapellsgatan 1	1959	10	1	2	570	10	580
Flugsnapparen 2	Allégatan 3	1959	10	0	9	570	10	580
Flugsnapparen 6	Kapellsgatan 3	1959	10	0	4	570	10	580
Göken 12	Allégatan 9 & 11	1990	5	0	3	423	5	428
Mejseln 4	Sankt Sigfridsgatan 20	1942	5	1	3	312	5	317
Sankt Lars 1	Per Larsgatan 4	1961	12	1	2	810	12	822
Skalbaggen 11	Kapellsgatan 19	1959	6	7		434	6	440
Skalbaggen 12	Kapellsgatan 27	1954	10	0	7	540	10	550
Skalbaggen 5	Danska Vägen 148	1954	10	1	10	540	10	550
Agaten 11	Petter Ryttnings Väg 20, Sigurd Kochs Gata 2	1962	15	1	13	880	51	931
Agaten 6	Sigurd Kochs Gata 4	1964	8	0	8	466	0	466
Apotekaren 2	Sankt Olofsgatan 9	1992	6	4	2	710	515	1,225
Avenboken 1	Idrottsgatan 49; Margaretagatan 44	1961	20	4	8	1,234	7	1,241
Avenboken 2	Idrottsgatan 47, Margaretagatan 42	1961	20	0	24	1,234	0	1,234
Bagaren 7	Nygatan 2, Trätorget 1 & 3, Östertullsgatan 3	1995	44	5	0	2,409	994	3,403
Byggmästaren 9	Odengatan 16	1959	29	1	22	2,240	100	2,340
Ejdern 14	Banérsgatan 1, Nils Ericsonsgatan 10	1962	41	1	18	2,236	69	2,305
Guldsmeden 21	Trädgårdsgatan 22	1939	2	6	12	220	403	623
Guldsmeden 7	Ekmans Gränd 2 & 4, Storgatan 20	1987	6	7	37	468	1,067	1,535
Hovslagaren 16	Högarengsgatan 9, Jakobsbgatan 18	1960	36	3	15	2,082	87	2,169
Hytten 1	-	Land plot						
Muraren 15	Sigurd Kochs Gata 16, 18 & 20	1964	26	1	23	1,536	15	1,551
Muraren 3	Hwassgatan 7	1960	16	0	8	690	0	690
Muraren 4	Hwassgatan 5	1979	12		19	745	0	745
Muraren 5	Hwassgatan 3 A-B	1959	14	0	11	787	0	787
Oxeln 1	Wetterlingsgatan 24	1972	21	1	31	1,357	25	1,382
Sankt Olof 17	-	Land plot						
Sankt Olof 18	Sankts Olofsgatan 14, Sleipnergatan 5	1991	19	2	14	1,599	432	2,031
Spettet 1	Wetterlingsgatan 18	1952	24	2	22	1,308	54	1,362
Svanen 24	Danska Vägen 129 & 131	1970	15	0	17	1,099	0	1,099
Trädgårdsmästaren 18	Marknadsgatan 7	1971	22	5	0	1,272	94	1,366
Trädgårdsmästaren 19	Högarengsgatan 8	1989	14	0	0	1,018	0	1,018
Trädgårdsmästaren 22	Marknadsgatan 9 & 11	1969	32	0	67	2,020	0	2,020
Urd 3	Odengatan 19, Sankt Olofsgatan 19 & 21	1965	29	5	23	1,844	1,931	3,775
Vargen 1	Wetterlingsgatan 13	1975	22	1	33	1,441	10	1,451
Vargen 2	Dotorpsgatan 67	1975	17	2	4	1,163	43	1,206
Vargen 3	Wetterlingsgatan 13 F, G, H	1975	16	2	6	832	242	1,074
Vargen 4	Wetterlingsgatan 11 G, H	1977	18	2	6	1,130	521	1,651
Vargen 5	Wetterlingsgatan 11 A, B, I	1975	20	2	4	1,086	376	1,462
Vargen 6 & 8	Wetterlingsgatan 11 C, D, E	1976	21	4	33	1,503	43	1,546
Vargen 7	Wetterlingsgatan 11 F	1977	14	1	4	981	51	1,032
Vitsippan 2	Hagbergsgatan 4	1956	8	4		532	0	532
Muraren 6	Gärdesgatan 18 A-B	1959	14	0	11	787	0	787
Anden 16	Banérsgatan 16	1949	5	1	0	568	135	703
Kemisten 1	Stora Torget 7, Trätorget 4, 6 & 8	1959	4	4	0	215	316	531
Skalbaggen 1	Scheelegatan 21	1957	10	3	6	748	108	856
Lejonet 2	Hjelmarsrörsgatan 24-46	1971	80	7	0	6,640	118	6,758

List of properties, 31 Dec. 2017

Property	Address	Constr.yr. /renov.yr.	No. apart- ments	No. of premises	No. parking spaces/ garage	Apt. m ²	Premises m ²	Total m ²
Haninge								
Söderbymalm 3:515	Arkens väg 13-15	2015	89	0	55	5375	0	5,375
Söderbymalm 3:516	Arkens väg 26-28	2015	133	0	90	8277	0	8,277
Huddinge								
Mangelboden 1	Småbrukets Backe 26, 30-74	2016	125	0	80	7516	0	7,516
Älgen 8	Prinsgatan 13	1957-1987	18	2	12	1,185	160	1,345
Katrineholm								
Asken 4	Bondegatan 12, Gersnäsgratan 7	1989	26	3	6	1,815	95	1,910
Aspen 12	Kyrkogatan 6, 8, 10	1968	21	2	6	1,702	119	1,821
Blåsippan 4	Fredsgatan 43	1912-1985	19	7	14	1,118	261	1,379
Blåsippan 8	Fredsgatan 41, Jungfrugatan 1-3	1948, 1965	84	2	46	5,778	414	6,192
Dahlia 10	Jägaregatan 13	1938-1979	12	3	10	912	82	994
Dahlia 9	Djulögatan 67	1950	9	3	9	595	620	1,215
Flundran 10	Tegnervägen 37	1946-1982	12	1	11	720	70	790
Flundran 15	Djulögatan 58	1966	12	1	12	886	199	1,085
Flundran 9	Tegnervägen 39	1970	12			924	0	924
Glasblåsaren 11	Vasavägen 36	1943-1984	8	2	5	304	12	316
Hajen 18	Jungfrugatan 21	1970	50	4	37	3,254	143	3,397
Hästhoven 13	Trädgårdsgatan 12-20, Jägaregatan 1-9, Fredsg 39, Jungfrug 8	1970	108	9	125	7,135	770	7,905
Ingenjören 21	Ölandsgatan 10	1944-1982	14	1	17	581	14	595
Ingenjören 22	Vasavägen 58	1945-1982	8	1	9	444	13	457
Kamelen 8	Hantverkarg 17-27, Tegnerv 20-24, Vasav 18-26, Linnév 25	1983-1986	148	4	46	9,824	79	9,903
Karpen 4	Linnévägen 32	1962	20	1	14	1,093	55	1,148
Kontoristen 10	Västgöttagatan 27	1957	21	1	22	1,129	38	1,167
Laxen 3	Malmgatan 26	1948	12	1	2	939	120	1,059
Läraren 16	Västgöttagatan 25	1952-1982	14	1	14	1,024	132	1,156
Läraren 17	Västgöttagatan 23	1951-1986	22	3	19	1,030	88	1,118
Mörten 10	Tegnervägen 44, Linnévägen 45, Jägaregatan 21	1949	35	6	30	2,230	336	2,566
Näckrosen 17	Fredsgatan 13, 15, 17, Hantverkaregatan 4	1992	83	16	30	5,935	2,675	8,610
Oxen 9	Vingåkersvägen 6	1950-1986	18	4	9	1,228	248	1,476
Pilen 10	Lasstorpsgratan 4, Kapellgatan 15	1947-1983	20	3	10	1,216	170	1,386
Pilen 9	Nyängsgatan 8, Lasstorpsgratan 2	1947-1983	22	2	15	1,249	134	1,383
Rönnen 14	Bondegatan 25	1972	18	1		1,292	92	1,384
Siken 5	Tegnervägen 38, Jägaregatan 24, Linnévägen 43	1960, 1964	44	1	38	2,967	29	2,996
Sillen 4	Jungfrugatan 28	1939-1983	6	1	14	526	20	546
Skogsduvan 11	Ramsjögratan 4	1988	12	1	12	670	12	682
Skogsduvan 14	Forssjögatan 5	1985	10	1	3	535	30	565
Sädesårlan 1	Bergsgatan 11	1980	14	1	9	776	77	853
Sädesårlan 14	Floragatan 4	1990	16	2	15	789	100	889
Sädesårlan 2	Fixgatan 4	1947-1986	8	3	7	560	106	666
Vallmon 16	Djulögatan 59	1963	26		22	1,714	0	1,714
Vinrankan 2	Nyängsgatan 5	1949-1950	26	1	8	1,652	75	1,727
Vinrankan 3	Stensättersgatan 41	1950-1986	31	2	26	1,997	338	2,335
Vitsippa 11	Jägareg 2-6, Trädgårdsg 6-10, Sibeliussg 1-9, Malmg 3-7, Fredsg 33-35	1930-1970	362	23	199	23,237	1,763	25,000
Älgen 5	Linnévägen 7	1963	15		9	1,082	0	1,082
Älgen 6	Prinsgatan 15	1952-1980	18	2	7	1,168	103	1,271
Älgen 8	Prinsgatan 13	1957-1987	18	2	12	1,185	160	1,345

List of properties, 31 Dec. 2017

Property	Address	Constr.yr./renov.yr.	No. apartments	No. of premises	No. parking spaces/garage	Apt. m ²	Premises m ²	Total m ²
Linköping								
Isrevyn 43, Isrännen 45		Land plot						
Isrevyn 44	Lantmannagatan 101A, C, 89, 93, 103, 97 A-B	1982-1983	26		0	2,015	216	2,231
Isrännen 1-44, Isrevyn 1-42	Lantmannagatan 3-90	1982-1983	158	5	201	9,896	0	9,896
Isrännen 46	Lantmannagatan 100 A-D, 102 A-D, 104, 106, 108, 110 A-B, 114 A-D, 116, 118 A-D, 120, 94 A-D, 96 A-D, 98 A-D	1983	46		0	3,490	231	3,721
Laken 4, Lagunen 1	Hovetorpsgatan 2-50, Hovetorpsgatan1, 3	1964	189	42	109	13,603	580	14,183
Ostfatet 1	Ryds Alle 1 A-N, 11, 13, 3, 5, 7, 9 A, 21	1967	467		139	10,082	216	10,298
Ostformen 10	Rydsvägen 166 A-B, 168 A-B, 170, 172 A-B, 174 A-B, 176 A-B, 178 A-B, 180 A-B, 182 A-B, 184, 186 A-B, 188 A-B, 190 A-B, 192 A-B	1969	96		68	8,189	161	8,350
Ostformen 11	Rydsvägen 152, 154 A-B, 156 A-B, 158 A-B, 160 A-B, 162 A-B, 164 A-B,	1969	48		38	4,175	76	4,251
Ostformen 6	Mårdtorpsgatan 17-23	1969	45		32	2,311	81	2,392
Ostformen 7	Mårdtorpsgatan 9-15	1969	45		32	2,311	103	2,414
Ostformen 8	Mårdtorpsgatan 1-7	1969	40		51	2,054	396	2,450
Norrköping								
Bokhällaren 2	Erikslundspan 9, Bredgatan 18-24, Sandgatan 19-21	1959	39	2	8	2,610	7	2,617
Järnstången 10		Land plot			92			
Kapellhorvan 10	Kungsgatan 37-43, Tunnbindaregatan 9-11	1909	106	17	46	9,362	3,081	12,443
Liljan 16 and 17	Nygatan 105, Drottninggatan 65	1929	18	10	21	1,909	657	2,566
Linjen 3	Idrottsgatan 31-61	1968	220	13	199	16,562	701	17,263
Markattan 5, 10, 12	Drottninggatan 36, 38	1934, 1968	38	16	25	1,250	2,931	4,181
Safiren 1	Vilbergsgatan 34-44, 48-50	1973	258	7	310	22,207	441	22,648
Safiren 2	Vilbergsgatan 55-125	1968	325	13	305	25,858	602	26,460
Smaragden 1	Vilbergsgatan 55-125	1971	174	11	191	15,485	140	15,625
Sparven 9	S:t Persgatan 139 A-M	1981	101	30	193	11,829	4,293	16,122
Stallet 5	Slottsgatan 130-136	1973	187	10	162	9,404	2,056	11,460
Torvan 1, Tuvan 5	Skogvaktaregatan 4, 7-15, De Geersgatan 67-73	1966	69	3	73	4,735	184	4,919
Tulpanen 16	Drottninggatan 49-51, Hantverkaregatan 20	1959	22	8	21	1,134	2,149	3,283
Godvän 17	Nygatan 35	1960	29	0	15	1,913	0	1,913
Lybeck 24	Styrmansgatan 10, Trädgårdsgatan 49	1974	49	3	33	2,651	417	3,068
Nyckeln 3	Skolgatan 39, Ö Promenaden 24 A-B	1897/1974	23	0	0	1,485	0	1,485
Enen 1, 2, 3	Kristinagatan 57, Nygatan 128, Generalsgatan 72	1973	99	6	?	4,368	697	5,065
Enen 4	Generalsgatan 74, Södra Promenaden 127	1896/1984	24	2	0	1,621	174	1,795
Enen 8	Kristinagatan 59, Södra Promenaden 123, 125	1896/1984	26	1	0	2,022	35	2,057
Röken 24	Källvindsgatan 29, Nygatan 39, 41 A-B	1947	35	4	0	2,312	215	2,527
Duvan 8	G:a Rådstugugatan 22 A-B,	1929/1991	16	2	25	1,564	88	1,652
Syrenbusken 9	Breda vägen 17 A-B, 19 A-B, Norralundsgatan 39-43, Blommelundsgatan 18 A-B	1952/1979	125	29	88	7,997	2,402	10,399
Åkerkroken 6	Lagergrensgatan 28-30	1943/1980	12	1	0	933	30	963
Vargen 5	Värmlandsgatan 3 A-B	1910/1982	20	0	0	1,040	0	1,040
Hallonbusken 5	Norralundsgatan 51-57	1948/1985	30	4	3	1,920	150	2,070
Skolan 9	Slättergatan 52-68	1961/2014	70	5	70	4,598	197	4,795
Duvan 7	G:a Rådstugugatan 18-20, Trädgårdsgatan 2,	1933	45	13	22	2,412	3,712	6,124
Pelikanen 11, 16	Knäppingsborgsgatan 7, 7 A, 7 B, Drottninggatan 23-25	1920	43	15	0	3,458	1,714	5,172
Vattenkonsten 5	Fleminggatan 30, Nya Rådstugan 21, Skepparegatan 2, 4	1910/1987	38	3	0	3,776	1,320	5,096
Steglitsan 6	Nelinsgatan 14	1969	14	2	0	1,641	256	1,897
Ruddammen 7	Nya Rådstugugatan 40	Land plot						
Svärdet 2	Trädgårdsgatan 20, Krstinagatan 10	1920/1980	15	8	0	1,647	1,930	3,577
Paraden 14	Prästgatan 5 B	1920	8	3	0	734	391	1,125
Stockholm								
Häftklammern 1	Vemdalsgatan 51-55	2015	227	2		13,509	292	13,801
Vattenfallet 10	Funäsgatan 34, 36, 38	2014	230	1		13,735	52	13,787

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Property	Address	Constr.yr./renov.yr.	No. apartments	No. of premises	No. parking spaces/garage	Apt. m ²	Premises m ²	Total m ²
Strängnäs								
Bresshammar 1:72	Stenbyvägen 15–29, Flodins väg 52–62, Stenbyvägen 2–12	1988	118	1	163	9,419	62	9,481
Lergropen 10	Lagmansgatan 4	1934	14	1	0	728	160	888
Blå Bandet 10	Källgatan 4–6, Trädgårdsgatan 5, 7 & 13	1900, 1969/1980	26	13	22	2,124	1,607	3,731
Erikslund 3	Eskilstunavägen 24	1929/1969	4	0	3	235	0	235
Erikslund 9	Erikslundsvägen 3	1992	12	0	12	874	0	874
Erikslund 10	Erikslundsvägen 1	1991	12	1	11	874	132	1,006
Geväret 14	Erikslundsvägen 4	1929/1989	6	0	6	334	0	334
Helsingen 9	Kvarngatan 10, Norra Strandvägen 31	1991	17	0	14	1,355	0	1,355
Helsingen 10	Kvarngatan 8, Norra Strandvägen 29	1929/1992	5	0	0	585	0	585
Kopparslagaren 1	Hospitalgatan 2, Koppargränd 4	1986	12	0	6	781	0	781
Kungsberget 3	Klostergatan 4	1929/1940	6	0	4	639	0	639
Ladan 4	Nygatan 19	1929/1988	11	0	0	863	0	863
Ladan 7	Järnvägsgatan 15	1895/1950	10	3	9	852	363	1,215
Ladan 9	Nygatan 21	1929/1969	6	1	0	658	40	698
Ladan 11	Nygatan 19	2000	5	0	17	315	0	315
Linden 6	Dalsångsgatan 15	1946/1978	16	6	10	870	264	1,134
Munkbacken 1	Eskilsgatan 2 A	1941/1981	18	4	0	1,112	294	1,406
Smeden 1	Bondegatan 44, Larslundsvägen 44	1946/1970	41	10	13	2,299	536	2,835
Smeden 2	Larslundsvägen 6	1947/1967	27	7	20	1,194	136	1,330
Översten 1	Bisp Thomas väg 4, Kung Magnus väg 3	1945/1975	8	1	2	670	0	670
Rådmannen 3	Munkhagsgatan 5, Storgatan 10–12	1929	6	6	15	706	599	1,305
Gillesgården 1:46	Kantorstigen 10–30	1991	30	0	0	2,274	0	2,274
Gillesgården 1:59	Ringarstigen 17–25	1993	10	0	0	810	0	810
Gillesgården 1:60	Ringarstigen 14–22	1992	10	0	0	826	0	826
Gillesgården 1:61	Ringarstigen 10–12	1993	4	0	0	392	0	392
Merlänna 4:29	Rosenbergsvägen 3	1961	8	0	0	320	0	320
Merlänna 4:48		Land plot						
Åkers Styckebruk 1:467	Köpingevägen 8, Sågartorp svägen 4–12	1992	12	0	0	920	0	920
Uppsala								
Flogsta 13:1, 14:1, 15:1	Sernadersväg 1, 2, 3 A, 3 B, 4, 5, 6, 7, 8, 9, 10, 11, 12	1969-1972	2,014	27	358	50,583	3,092	53,675
Flogsta 13:2-3, 15:2-5		Land plot		2				
Gamla Uppsala 108:1, 109:1, 110:2, 111–112:1, 113–114:1, 115–116:1	Fänrik Ståhlsg. 1–81, 2–62, Sandels g. 1–31, Sandels g. 4–6, Fänrik Ståhls g. 64–72, Lotta Svärds g. 1–25, Fänrik Ståhls gata 83–111, Fänrik Ståhls g. 74–90, Lotta Svärds g. 2–20, Sven Dufvasg. 1–31, Fänrik Ståhls g. 113–135, Fänrik Ståhls g. 92–96, Orvarsv.1–23, Sven Dufvas gata 2–24, Fänrik Ståhls g. 137–157	1988	282	9	255	22,706	1,164	23,870
Fjärdingen 28:6, Fjärdingen 28:7	Drottninggatan 8, Trädgårdsgatan 6, Drottninggatan 6	1929	2	14	7	226	1,487	1,713
Dragarbrunn 20:1	Kungsgatan 45–47, Vaksalagatan 14	1933/1980	18	7	0	969	821	1,790
Fålhagen 11:3	Salagatan 29 A–B	1910/1994	27	0	0	2,452	0	2,452
Fålhagen 11:5	Storgatan 28 A–B	1966	12	10	26	1,641	1,921	3,562
Dragarbrunn 20:6	Kungsgatan 47 A–D, Vaksalagatan 14	1933/1988	3	24	17	372	2,414	2,786
CENTRAL total			9,724	757	5,358	549,085	68,628	617,713
Northern								
Gävle								
Brynäs 65:14	Gullregngsgatan 2, 4 & 10, Staffangsgatan 3, 5, 9, 11 & 13	1982	173	0	17	11,307	0	11,307
Brynäs 79:4	Hillmangsgatan 22, 24 & 28, Hagtornsgatan 1–9, 8–12	1947/1985	126	2	49	7,389	85	7,474
Brynäs 80:3	Fjärde Tvärgatan 55, Hagtornsgatan 2, 4, & 6	1956/1988	72	10	41	3,833	362	4,195
Brynäs 90:8	Staffangsgatan	Land plot			85			
Norr 35:3	Kyrkogatan 31, Hattmakregatan 3	1959/1975	37	7	0	2,038	159	2,197
Norrtull 32:1	Valbogatan 46	1951	19	0	4	1,223	0	1,223
Norrtull 32:4	Norra Köpmangsgatan 27	1954/1959	25	2	10	1,280	50	1,330
Norrtull 32:8	Norra Rådmangsgatan 26	1959/1968	28	1	0	2,424	49	2,473
Väster 16:9	Valbogatan 2 A–B	1947/1959	15	0	0	1,038	0	1,038

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Property	Address	Constr.yr./renov.yr.	No. apart-ments	No. of premises	No. parking spaces/garage	Apt. m ²	Premises m ²	Total m ²
Luleå								
Hertsön 11:598, 11:599, 11:631, 11:632, 11:644, 11:645, 11:665, 11:666	Fluggsnappargränd 16–26, Rödhaakegränd 1–11, Blåmesgränd 15–25, Rådhaakegränd 15–25, Blåmesgränd 1–11, Domherregränd 2–12, Flugsnappegränd 2–12, Domherregränd 16–26	1975	217	3	147	15,998	348	16,346
Hertsön 11:704	Tjädergränd 1–11, Morkullegränd 16–26, Morkullegränd 2–12, Orrgränd 16–26, Orrgränd 2–12, Järpgränd 1–11, Järpgränd 15–25,	1975	217	2	157	16,153	1,580	17,733
Pennan 2	Röd kallens Väg 11–15	1958	77	3	35	6,261	636	6,897
Porsön 1:407	Porsögården 2–42	1900/1988	310	3	40	7,025	227	7,252
Tängen 2	Edeforsgatan 2A–B, 4A–C, 6A–C, 8A–C, 10A–C, 12A–C, 14A–C, 16A–B, Norra Vretvägen 1A–B, 3A–C, 5A–B, 7A–C, Södra Vretvägen 9A–B, 11A–C, 13A–B, 15A–C	1951	282	13	191	17,016	590	17,606
Xyan 2 & 4	Vinkelgränd 1–7	1961	175	4	112	10,518	142	10,660
Skellefteå								
Anderstorpssgården 3	Anderstorpstleden 1–5	1978/2009	46	6	62	1,371	6,484	7,855
Sörböle 16:49	Lövgränd 2, Trädgränd 2–10, Frögatan 2–10	1960–1970	772	10	62	45,157	2,342	47,499
Myran 1	Bogårdsvägen 2:32	1972	177		167	11,396	0	11,396
Nattkvarteret 2	Anderstorpssgatan 8–16	1978/2000	154	11	602	8,145	4,865	13,010
Vårsådden 5	Skiftesgatan 2–96	1974/2014	188	0	190	11,969	0	11,969
Anderstorpssgården 4	Elevhemsgatan 3, 9, 11, 13	1970–1996	16	5	16	674	764	1,438
Umeå								
Flintan 4	Flintvägen 3 A–C, 5 A–C, 7 A–C, 11 A–C, 13 A–C, 15 A–C	1972	138	1	214	9,285	113	9,398
Flintan 5	Flintvägen 2A–D, 4 A–D, 6 A–D, 8–72	1972/1996	239	1	123	13,704	37	13,741
Gnejsen 95, 96, 97	Gnejsväge 1–47, Gnejsvägen 2–14, Kvartsvägen 5–13	1971	463	3	368	27,741	262	28,003
Gnejsen 98	Land plot							
Flyttfågeln 6	Morkullevägen 16, Mariehemsvägen 21 A–E, 21 G–H, 21 J, 23 A–D, 25 A–H, 25 J–L	1968/1988/2003	241	1	225	16,277	608	16,885
Hönsfjädern 1	Mariehemsvägen 21–25, Morkullevägen 11	1990	19	0	21	1,477	0	1,477
Trandansen 1	Mariehemsvägen 15–19	1974	490	4	161	12,554	298	12,852
Northern total			4,716	92	3,099	263,253	20,001	283,254
Skåne								
Klippan								
Drabanten 7	Torget 10	1946/1985	27	5		2,126	1,061	3,187
Drabanten 8	Storgatan 46, Åbyplan	1950/1990	28	14		1,882	1,656	3,538
Drabanten 9	Storgatan 42,44, Troggränd	1950/1990	8	13	18	704	1,001	1,705
Hemmet 3	Storgatan 84	1950/1995	10	4		512	30	542
Lyrän 16	Bruksgränd 11	1950/1995	31	3		1,766	0	1,766
Oden 17	Odengatan 5	1924/1974	0	3		0	646	646
Oden 3	Odengatan 3	1924/1995	3	1		325	70	395
Polstjärnan 2	Järnvägsgatan 6, Kapellgatan 1 A–B	1992	18		10	1,251	0	1,251
Fridhem 3	Generalsgatan 6–10	1991	17			1,207	0	1,207
Landskrona								
Banér 5	Skolallén 8	1980	8	2	0	718	86	804
Filaren 23	Vengatan 20	1959	9	0	2	565	0	565
Fingal 7	Vasagatan 49	1946	12	0	1	584	0	584
Gjörloff 4	Ödmanssonsgatan 37	1939/1983	8	1	2	679	20	699
Gröna Lund 1	Stora Norregatan 26	1959/1998	11	4	0	808	987	1,795
Gröna Lund 17	Stora Norregatan 10	1960–1965/1993	8	2	0	675	180	855
Gröna Lund 36	Järnvägsgatan 13–15, Östergatan 17	1972	14	8	0	1,178	1,015	2,193
Grönalund 21–24	St Norreg. 2, Östergatan 1–3	1929/1990	16	5	0	1,365	857	2,222
Hammaren 13	Tränggatan 20	1970	8	0	7	615	0	615
Hammaren 30	Öresundsgatan 50	1989	20	1	8	1,432	40	1,472
Herkules 1	Ödmanssonsgatan 36 A–B	1944/1987	21	2	0	1,283	33	1,316
Herkules 20	Viktoriagatan 4, Viktoriagatan 6	1945	18	7	0	1,486	225	1,711
Herkules 22	Ödmanssonsgatan 38 A–B	1946/1985	17	3	0	1,106	106	1,212
Herkules 4	Viktoriagatan 2	1940/1990	12	2	2	956	30	986

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Property	Address	Constr.yr. /renov.yr.	No. apart- ments	No. of premises	No. parking spaces/ garage	Apt. m ²	Premises m ²	Total m ²
Landskrona continued								
Kung Karls Varv 25	Storg. 17, 19, 21, 23, N Långgatan 12, Drottningg. 17	1929/1982	19	2	0	1,986	335	2,321
Kung Karls Varv 26	N Kyrkogränd 4–14, N Långgatan 10, Drottningg. 15	1990	31	4	42	2,577	296	2,873
Landora 8	Gröna Gång 5	1940/1975	4	3	0	348	214	562
Linné 7	Järnvägsgatan 33	1929	5	0	0	577		577
Madrid 19	Norra Infartsgatan 47–49	1992	22	0	14	1,624		1,624
Milano 12	Norra Infartsgatan 52	1953/1986	10	1	0	517	57	574
Minerva 15	Hantverkaregatan 34, Bryggaregatan 34	1955	15	0	0	879		879
Minerva 17	Hantverkaregatan 30 A–B	1956	18	3	25	895	36	931
Norra Roten 10	Borgmästaregatan 4	1929/1950	11	2	7	701	125	826
Norra Roten 18	Rådhusstorget 5, St Norreg. 3	1929/1975	7	5	0	800	400	1,200
Norra Roten 3	Gamla Kyrkogatan 6	1929/1985	4	0	0	264	0	264
Norra Roten 9	Gamla Kyrkogatan 16	1929/1950	0	0	7	0		
Palander 4	Gröna Gång 16	1939/1984	14	0	19	765		765
Palander 6	Gröna Gång 20	1950/1988	18	1	1	1,182	20	1,202
Pallas 32	Ödmanssonsgatan 44	1975	6	0	0	450	0	450
Pallas 34	Viktoriagatan 3	1988	8	1	0	544	20	564
Pallas 48	Viktoriagatan 5	1945	8	0	2	585	0	585
Pallas 74	Östergatan 189	1956	9	1	0	568	20	588
St. Olof 19	Vasagatan 15 A–B	1954	26	1	0	1,570	90	1,660
St. Olof 6	Järnvägsgatan 75	1951	7	1	0	524	10	534
Storcken 1	Viktoriagatan 9	1978	8	1	0	470	20	490
Storcken 26	Pilgatan 12–22, Tranchellsg. 97–105, Viktoriag. 21–27	1929/1977	81	2	0	5,869	100	5,969
Torstensson 1	Föreningsgatan 30	1924/1976	10	2	0	712	234	946
Torstensson 17	Stora Norregatan 123	1948	11	4	0	862	118	980
Torstensson 18	Karmellitergatan 11	1949	9	2	0	617	58	675
Torstensson 7	Karmellitergatan 3	1929/1986	8	0	0	405		405
Tärnan 19	S. Långgatan 24, Fiskaregränd 10 A–B	1962	15	1	17	998	64	1,062
Venus 8	Gjörloffsgatan 87	1929/1987	5	1	0	321	19	340
Venus 9	Gjörloffsgatan 85	1929/1987	5	1	0	488	45	533

Lund

Ridfogden 1	Stiftsvägen 2–12	2003, 2006	157		158	11,163	0	11,163
Vildanden 13	Vildandsvägen 2–32	1964/1995	313	0	56	17,979	0	17,979

Malmö

Aktern 1	Västra Varvsgatan 24	2002	62	0	0	1,775	0	1,775
Balder 13	Värnhemsgatan 8	1929/1981	8	1	0	697	65	762
Balder 8	Nobelvägen 86	1934/1987	11	0	0	776		776
Balder 9	Nobelvägen 84, Värnhemsgatan 16	1934/1986	31	6	0	1,843	117	1,960
Bardisanen 5	Allhemsgången 3, Rantzowgatan 14 A–B	1949/1992	12	0	0	889	0	889
Beckasinen 10	Bergsgat. 27, Friisgat. 22–24	1982	49	8	26	3,990	1,278	5,268
Brage 4	Värnhemsgatan 11	1937/1984	13	0	0	966		966
Brasan 1	Hässleholmmsg. 1, Nobelvägen 81	1936/1975	26		0	1,262	0	1,262
Bredablick 3	Nydalav 1 A–C, V Hindbyv 5 A–E	2005	84	0	44	3,516	0	3,516
Brynjan 1	Solgatan 2	1910/1982	14	0	0	1,065	0	1,065
Brynjan 2	N. Bulltoftav. 39	1985	20	1	0	1,674	8	1,682
Brynjan 3	Floragången 3 A–B	1945/1986	15	0	0	1,154	0	1,154
Brynjan 4	Rantzowgatan 2	1950	18	2	0	1,173	158	1,331
Böljan 1, 2 and 6	Falkenbergsg. 6–8, Simrishamnsg. 19–21, Ystadsg. 20	1934/1980	61	2	0	5,140	82	5,222
Böljan 3	Simrishamnsg 23, Falsterbogatan 27	1934/1985	23	2	0	1,592	272	1,864
Böljan 4	Ystadsgatan 24, Falsterbogatan 29	1931/1983	24		0	2,041	0	2,041
David 38	Korsg. 4	1938/1978	10	2	0	510	382	892
Dolken 12	Floragången 6 A–B, 8 A–B	1941/1987	18	10	0	1,334	207	1,541
Drivan 10	Kristianstadsgatan 32 A–B	1930	18	2	0	832	32	864
Drivan 17	Kristianstadsgatan 28 A–B, 30	1934/1985	26	0	0	1,804	0	1,804
Drivan 18	Trelleborgsgatan 5–7	1937/1986	27	0	0	2,038		2,038
Drömmen 10	Trelleborgsg. 25, Lantmannag. 5	1937/1982	22	2	0	1,864	62	1,926
Ekot 10	Trelleborgsg. 2	1938/1984	28	1	0	2,318	51	2,369
Ekot 8	Trelleborgsgatan 6 A–B	1938/1987	13	0	0	928	0	928
Fanan 4	Kristianstadsgatan 10 A–B, Ängelholmmsgatan 7A	1930/1980	22	1	0	1,367	132	1,499

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Property	Address	Constr.yr. /renov.yr.	No. apart- ments	No. of premises	No. parking spaces/ garage	Apt. m ²	Premises m ²	Total m ²
Malmö continued								
Folke 1	Ö Förstadsgatan 27, Drottninggatan 1	1904	18	8	0	1,961	761	2,722
Frey 1	Vårg 8, Östervärmsg. 9	1937	33	4	0	2,169	243	2,412
Frey 6 and 7	Nobelvägen 90-92, Vårgatan 14 A-C	1936	44	2	8	2,838	110	2,948
Gillet 2	Kristianstadsgatan 5	1910/1979	8	1	0	609	0	609
Havsuttern 7	Kapellgatan 10	1948	11	8	0	760	238	998
Hillebarden 3	Allhemsgatan 7 A-C	1953	31	4	4	1481	215	1,696
Hjälmare 12	Dalslandsg 2, Nobelv. 1	1982	43	5	22	3,273	620	3,893
Hjälmen 10	Floragången 2 A-D, N Bulltoftav. 41	1988	46	0	19	3,622	0	3,622
Hjälmen 4	Rantzowgatan 6, Floragången 4 A-B	1935/1980	13	1	0	1,007	50	1,057
Intagan 32	Lantmannag 47, Idungsg. 75	1967/2014	38	7	47	2,778	757	3,535
Jagten 5	Simrishamnsgatan 9, Södra Parkgatan 33	1959	34	0	11	2,040	0	2,040
Jagten 8	Ystadsgatan 6	1930/1980	7	2	0	780	120	900
Kasper 10	Byggmästaregatan 2, Ö. Förstadsg 18	1909/1988	8	1	0	638	230	868
Kasper 28	Ö. Förstadsg 16, Slussg. 17	1929/1983	82	3	0	3,796	333	4,129
Kirsebergstornet 13	Vattenverksvägen 5	1917/1982	20	1	10	1,350	132	1,482
Kogret 2	Floragatan 15 A-B	1944	18	0	0	822	0	822
Kogret 8	Solgatan 18 A-B	1926/1990	19	0	0	1,031	0	1,031
Kråkan 30, 31 & 41	S Förstadsg. 88 A-B, S. Skolg. 43 A-B, 45, Smedjeg. 1-3	1929/1980	58	16	0	5,806	1,591	7,397
Kråkan 32	Möllevångsg 29-31, S. Skolg. 35-39	1980	85	9	61	7,608	2,430	10,038
Källan 12	Simrishamnsgatan 10, Ängelholmshgatan 14	1910/1982	14	10	0	1,043	773	1,816
Källan 2	Kristianstadsgatan 11, U1-U3	1929/1970	20	0	0	1,044	0	1,044
Källan 3	Kristianstadsgatan 13 A-D	1906/1970	24	1	0	1,092	118	1,210
Källan 9	Simrishamnsgat. 16	1935/1975	22	5	0	979	204	1,183
Lennstrand 17	Ö Ansgarig. 71, Högerudsgatan 73	1954	31	2	4	1,711	185	1,896
Ludvigsgro 1	Flensburgsg 4, S. Förstadsg 126	1960	34	2	28	2,043	382	2,425
Ludvigsgro 10	S Förstadsgatan 128	1929/1983	18	0	0	1,174	0	1,174
Ludvigsgro 2	Flensburgsgatan 2	1930/1985	20	0	0	1,430	0	1,430
Länken 6	Kristianstadsgatan 18, Ivög. 8	1929/1980	16	1	0	1,332	30	1,362
Malmen 13	Möllevångsgatan 44-46	1970	38	5	63	3,312	1,487	4,799
Nestor 10	Sofielundsv 39, Plantg. 4, Södervärmsg. 2-4	1940/1988	104	6	0	8,216	488	8,704
Nils 15	Fredriksbergsgatan 11	1920/1988	23	0	0	1,664	0	1,664
Notarien 2	S. Förstadsgatan 113, Upplandsgatan 14 A-C	1910/1977	29	6	0	1,628	232	1,860
Remmen 2	Ryttaregatan 4 A-D	1947	24	1	2	1326	20	1,346
Remmen 3	Ryttaregatan 6 A-C	1947	18	1	0	909	20	929
Ritaren 5	Ingenjörsgatan 1, 3, 5	1968	74	3	84	6,191	257	6,448
Ritaren 8	Per Albin Hanssons väg 61 D, 61 E	1973	44	1	77	3,123	214	3,337
Rostorp 1	N Rostorps 1, Lundavägen 63	1936	15	1	0	768	265	1,033
Rostorp 12	Lundavägen 61 A-C	1945	22	0	0	991	0	991
Rostorp 2	Smedjekullsg 12, N. Rostorpsg 3	1939	12	0	0	639	0	639
Rostorp 3	Smedjekullsgatan 10	1940	13	1	0	572	30	602
Ryggan 5	Musketörgatan 7 A-B	1947	17	2	0	1,085	58	1,143
Skrivarelyckan 8	Upplandsplan 6	1935/1989	34	0	0	1,987	40	2,027
Skrået 4	Sofielundsvägen 32, Falsterboplan 33	1931/1975	28	4	0	1,513	134	1,647
Skrået 5	Sofielundsvägen 30 A-B	1934/1978	16	0	0	1,077	0	1,077
Smedjekullen 18	Lundavägen 75, Smedjekullsg. 24	1946	32	2	17	1,969	100	2,069
Smedjekullen 5	Smedjekullsgatan 22 4-B	1945/1996	15	0	0	702	0	702
Smedjekullen 8	Lundav 65, N. Rostorpsg 2 A-C	1943/1996	46	2	0	2,561	225	2,786
Smedjekullen 8	Smedjekullsgatan 16 A-C	1943/1996		0			0	0
Smedjekullen 8	Lundavägen 67 A-C	1934/1996		0			0	0
Smedjekullen 9	Smedjekullsg 14, N. Rostorptg. 4	1938	9	0	0	588	0	588
Spännnet 1	Vattenverksvägen 37 A-C	1947	18	0	0	1010	0	1,010
Stacken 3	Nydalav 1 A-C, V. Hindbyv. 5 A-E	1959	96	6	54	5,729	172	5,901
Stacken 4	Nydalav 3 A-H, V. Hindbyv. 3 A	1959	95	5	44	5,735	261	5,996
Styrkan 15	Torekovsgatan 6 A-B	1944	12	0	0	696	0	696
Timglasen 5	Simrishamnsgatan 32 A-B	1935/1981	12	0	0	924	0	924
Uppland 2	Sigtunagatan 14	1935/1988	15	0	0	1,078	0	1,078
Uppland 6	Upplandsgatan 7, 13	1930/1990	33	2	0	2,100	73	2,173
Uret 4	Kristianstadsgatan 27 A-C, Falkenbergsgatan 1	1929/2002	36	0	0	1,769	0	1,769
Uret 5	Simrishamnsgatan 28, Falkenbergsgatan 3 A-B	1933/1979-1980	20	0	0	1,564	0	1,564
Vägen 5	Falkenbergsgatan 7 A-C	1931/1987	27	1	0	2,219	70	2,289
Värjan 34	N. Bulltoftav. 35, Solg 1-3	1930, 1940/1989	26	0	0	1,938	0	1,938
Värnhem 15	Lundavägen 5	1910/1978	18	2	0	1,457	131	1,588

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Property	Address	Constr.yr./renov.yr.	No. apart-ments	No. of premises	No. parking spaces/garage	Apt. m ²	Premises m ²	Total m ²
Malmö continued								
Yrket 1	Ystadsgatan 23 A-C, Varbergsgatan 2	1933/1980	17	4	0	1,632	307	1,939
Yrket 4	Sofielundsgatan 22 A-C, Varbergsgatan 4	1936/1980	20	2	0	1,756	382	2,138
Åkern 4	Sofielundsvägen 38	1920/1985	24	0	0	1,701	0	1,701
Ången 5	Ystadsgatan 36	1936/1981	13	0	0	1,012	0	1,012
Ången 7	Hörbyg 4, Hässlehg 7-9	1937/1984	40	0	0	3,373	0	3,373
Österhus 1	Hagstorpsg 1-21, Östergårdsg 2, S Bulltoftav 27	1929/1988	70	9	0	3,304	1,311	4,615
Hyllie 161:21		Land plot						
Hyllie 165:60		Land plot						
Gillet 1	Bergsgatan 28 A-C, Kristianstadsgatan 3 A-B	1929/1986	16	2	0	1,203	230	1,433
Idet 2	Ystadsgatan 11	1929/1981	10	2	0	820	156	976
Jagten 1	Möllevångstorget 12 A-B, Simrishamnsgatan 1 A-E	1929/1978	17	5	0	1,446	460	1,906
Jagten 6	Södra Parkgatan 35 A-B, Ystadsgatan 10 A-D	1929/1966	25	3	0	1,420	263	1,683
Källan 1	Kristianstadsgatan 9 A-C, Ängelholmshgatan 12 A-B	1929/1973	21	2	0	1,502	234	1,736
Källan 10	Simrishamnsgatan 14	1936/1987	17	1	0	1,198	65	1,263
Skrået 2	Ystadsgatan 29	1932	22	0	0	1,052	0	1,052
Skrået 6	Falkenbergsgatan 12, Sofielundsvägen 28 A-B	1934	39	0	0	1,762	0	1,762
Timglasat 1	Falkenbergsgatan 2 A-B, Kristianstadsgatan 29	1935/1979	27	0	0	1,916	0	1,916
Timglasat 6	Falkenbergsgatan 4 A-B, Simrishamnsgatan 30	1931	28	2	0	1,634	67	1,701
Vågen 7	Ystadsgatan 14 A-B	1931/1979	16	0	0	1,000	0	1,000
Sälgen 3	Bokhållaregatan 36, Mäster Henriksgatan 12	1934/1965	20	2	0	1,250	92	1,342
Sälgen 4	Bokhållaregatan 34, St Knuts väg 13	1934	23	1	0	1,176	90	1,266
Vågen 4	Falkenbergsgatan 5, Simrishamnsgatan 17 A-B	1934/1979	32	2	0	2,119	20	2,139
Yrket 3	Falkenbergsgatan 11 A-B, Sofielundsvägen 26	1930/1990	26	0	0	2,220	0	2,220
Vidar 1	Hornsgatan 12, Lundavägen 17 A-D	2015	57	2	0	3,791	167	3,958
Folke 3	Drottninggatan 3, Fredriksbergsgatan 1	1988	23	0	0	2,125	2,015	4,140
Judith 1	Kornettsgatan 3 A-C, Kungsgatan 18 A-C	1898/70-tal	27	0	0	1,937	150	2,087
Von Conow 46	Djåknegatan 1A, Själbodgatan 2 A-C	1933	39	0	0	1,924	851	2,775
Gotthard 3	Östra Förstadsgatan 33	1931/1985	22	0	0	1,462	186	1,648
Svedala								
Värby 57:1		Land plot						
Trelleborg								
Kloster 25	Klostergränden 10, Algatabn 71, 73, 75, 77	1986	5	1	3	359	426	785
Svanen 11	Järnvägsgatan 23-25	1989	24	0	24	1,981	0	1,981
Svanen 34	Östergatan 20-24, 20 B, 26, Järnvägsgatan 19, 21 Hantverkaregatan 2, 4, 6	1935-1988	67	10	0	5,382	420	5,802
Valfiskens mindre 17	Nygatan 24, 26 Flockergatan 6	1992	27	2	22	2,078	658	2,736
Merkurius 7	Klostergränden 3, 5, 7 A, 7 B, 9 A, 9 B, 9 C, 9 D, Gamla Torget 1 & 1A	1991	36	1	23	2,826	156	2,982
Vestrebro 3	Västerg. 39, 41, 43, 45, 47, Östersjö. 2 & 4, Strandgatan 60, 62, 64, 66, Västrebrogård 1, 3, 5	1992	93	3	72	6,941	851	7,792
Katten 29, 33, 48, 50	Västergatan 14 A-C, Västergatan 18, 20, 24, 26	1990	109	1	44	8,399	789	9,188
Vipan 13	Wemmenhögsgatan 19, Söderslätsgatan 14	1986	9	0	2	613	0	613
Östrebro 25	Järnvägsg.13 B, 15 A, 15 B, 17 A, 17 B Österg.16 A, 16 B, 16 C, 16 D & 18 Hantverkareg. 1 A, B, C	1993	129	2	106	9,608	34	9,642
Myran 28	Nygatan 56, 58 & 60, Östrebrogatan 4	1899, 1990	30	4	0	2,426	813	3,239
Kvadraten 71	Flockerg. 3-13, Evas gränd 1-3, Nygatan 18-22	1929, 1989	45	8	37	3,381	1,257	4,638
Triangeln 48	Ehrenbuschgatan 7 A & B, Peter Lundbergsgata 4	1990	20	0	12	1,520	0	1,520
Silverskatten 18	Västergatan 50-60	1990	20	1	25	1,534	6	1,540
Valfiskens Större 46	Nygatan 32-34	1992	29	2	20	2,174	260	2,434
Spoven 26	St:ta Gertrudsv 10 A & B, 12 A & B, Wemmenhögsg. 27, 29, 31, 33	1990	33	2	26	2,454	137	2,591
Ystad								
Carl 2	Stallgatan 1, St Östergatan 34	1929/1983	22	5	0	2,131	807	2,938
Göken 7	Petrig 14-16, Regementsväg 19-23, Mariag 11-15	1920/1982	59	0	0	3,737	0	3,737
Cedern 8	Regementsgatan 7	1930/1980	12	2	0	1,265	294	1,559
Håkan Mellersta 10	Blekegatan 25, Vintergatan 8	1944/1987	15	1	0	1,150	32	1,182
Magnus 33	Stora Östergatan 23	1909/1995	8	4	8	582	299	881
Moberg 24	Döbelnsgatan 24	1947	12	1	6	717	77	794
Tankbåten 1	Pantzargatan 13-23	1969	80	2	0	5,662	190	5,852
Wilhelmina 1	Västra Vallgatan 20 A	1900/1995	6	0	0	545	0	545
Östman 5	Blekegatan 14	1945/1986	14	1	7	1,323	43	1,366

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Ystad continued								
Boken 1	Oskarsgatan 3A-C	1945	18	2	10	1,397	179	1,576
Cronholm Norra 8	Föreningsg. 19, 21, 29, Regementsg. 24, 26, 28, 30	1988	26	2	8	1,702	82	1,784
Degeln 1	Götagången 116 A-C	1991	27	1	26	2,250	14	2,264
Haak Södra 10	Lilla Engelbrektsgatan 22	1958	13	1	26	802	0	802
Hedvig 16	Lilla Strandgatan 10 A-I	1990	12	0	13	784	0	784
Hildetorp 19	Sturegatan 1 & 3	1967	12	0	10	923	93	1,016
Hildetorp 21	Kapellgatan 12, 15, Tegnérsgatan 11	1960	16	3	12	836	0	836
Håkan Mellersta 22	Sommargatan 5 A-B, Sommargatan 7, 9	1929	21	0	2	1,156	0	1,156
Lembke 22	Sturegatan 14 A-B, Tegnérsgatan 9 B	1960	16	0	12	892	0	892
Maria 5	Lilla Norregatan 26, 27	1958	19	2	14	1,077	98	1,175
Maria 6	Ingår i Maria 5	1958	21	1	17	1,605	21	1,626
Maria 7	Sladdergergatan 6 A, St. Norregatan 21 A-G, St. Norregatan 23	1991	9	1	0	893	7	900
Moberg 12	Kofodssgatan 24 A-B	1950	11	0	12	781	10	791
Psilander 2	Tegnérsgatan 5 A-C	1950	13	2	6	790	46	836
Psilander 5	Lembkegatan 4 A-C	1500	12	1	8	699	28	727
Rosenhill 18	Malmövägen 5 A-D, Stenbocksgatan 1 A-F	1955	27	7	15	1,891	417	2,308
Sadeln 1	Adennergatan 10 A-H, 12 A-G, 14 A-E	1982	69	6	73	5,970	4	5,974
Waldermar 5	Stortorget 6, Teppgränd 3 A-D	1965	5	6	6	584	1,030	1,614
Xestre 3	Skepparegatan 10 A-H, Stora Västergatan 31-33	1975	19	1	20	1,551	181	1,732
Xestre 4	Kiraregränd 2 C, Skepparegatan 8, Stora Västergatan 29	1967	15	1	17	1,046	92	1,138
Ystads-Björnen 2	Munkgatan 3 A-C	1943	18	1	0	1,044	10	1,054
Ägir 6	Bollhusgatan 7, Maria Munthes gata 4 A-C	1942	21	2	10	1,285	80	1,365
Änkehuset 2	Vintergatan 7 A-F, 9 A-N, 90	1994	41	2	0	1,991	479	2,470
Östman 3	Dragaregatan 14 A-B	1999	24	2	0	1,200	36	1,236
Knut 15	Snedgränd 2, 4, Stora Östergatan 11	1981	0	1	0	0	425	425
Christina 11	Sladdergergatan 1 D, Stora Norregatan 12 D	1948	11	3	8	644	243	887
Karna 5	Lilla Strandgatan 2 A-C, Långgatan 2, 4, 4, Stortorget 12 C	1929	22	2	0	1,933	637	2,570
Falken 3	Mariagatan 10, Oskarsgatan 20	1920/1980	12	2	0	811	30	841
Gylfe 4	Blekegatan 9 A-B, Lilla Östergatan 49	1954/2008	20	3	7	971	73	1,044
Lundgren Södra 6	Jennygatan 9, Lilla Tobaksgatan 2 A-B	1905/1985	8	3	0	534	135	669
Östen 2	Bollhusgatan 10 A-B	1939	15	2	0	779	50	829
Östen 3	Bollhusgatan 12	1915/1980	7	0	0	550	0	550
Östen 4	Bollhusgatan 14, Tingsgatan 4	1907/1980	10	0	0	870	0	870
Boken 3	Oskarsgatan 7 A-C	1959/1980	27	4	15	1,667	93	1,760
Carl 1	Stora Östergatan 36, 38 A-C, Besökaregränd 2 A-F, 4	1900, 1920/1988	17	6	0	1,318	799	2,117
Carl 4	Besökaregränd 6 A-G, 8 A-G, 10 A-F, Nattmans torg 1-3, Stallgatan 3, 5 A-G, 7 A-C, 9 A-C, 11 A-B	1986	49	2	0	3,892	11	3,903
Cedern 9	Regementsgatan 9	1910/1970	15	0	0	1,398	0	1,398
Christina 10	Klostergatan 7 A-B	1929/1988	12	0	0	1,065	0	1,065
Christina 12	Klostergatan 9 A-B, Sladdergergatan 1 A	1948/1988	21	1	0	1,154	13	1,167
Christina 13	Klostergatan 5 A-B	1947/1992	22	1	25	1,142	67	1,209
Edvinshem 2:41	Klintehusgatan 3 A-C	1985/2001	39	1	35	3,322	91	3,413
Gamla Staden 2:25 (Ziska)	Tobaksgatan 10	Leasehold	0	0	52	0	0	0
Hvita Briggen 2	Västerleden 3-33, 45-75	1991	90	1	0	6,627	16	6,643
Karna 7	Långgatan 10-12, Stortorget 15, 14, Teatergränd 1	1907-1911/1986	62	11	0	5,384	1,244	6,628
Klintehus 1	Klintehusgatan 1, Västerportstorg 1 A-H	1849/1989	15	0	0	1,564	0	1,564
Magnus 46	Stora Östergatan 14, Apgränd 2 A-B, Trångsund 5	1913, 1930/1986	42	19	0	3,711	937	4,648
Änkehuset 1	Blekegatan 27 A-D, Vintergatan 11,	1940/1988	37	0	9	2,127	0	2,127
Örkelljunga								
Björnen 14	Ängelholmsgatan 11 A-B	1992	7	0		434	0	434
Eket 1:137	Vångavägen 2 A-C	1966	18	0		996	0	996
Fagerhult 1:380	Kungsvägen 41 A-F, 43 A-F	1990	12	0		864	0	864
Högvakten 1	Gästgäveregatan 4, 6, 8, 10	1992	15	0		1,227	0	1,227
Järnvägsstationen 1	Stockholmsvägen 2	1981			6		1178	1,178
Korgen 2	Sonnarpvägen 20 A-G	1968	57	0	23	3,723	0	3,723
Korgen 5	Sunnarbogatan 5 A-C	1968	24	0		1,716	0	1,716
Staren 17	Liewensgatan 23 A-C	1992	5	0		344	0	344
Sländan 28	Hallandsvägen 19	1980	8			428	0	428
Sländan 33	Hallandsvägen 13, Valhallavägen 7	1988	7	2		536	170	706
Västra Ringarp 8:86	Vedbyvägen 6	1970	13	1		876	169	1,045
Skåne total			6,478	528	1,951	446,547	50,852	497,399

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Southern								
Gothenburg								
Hovås 57:8, 57:7, 57:88, Askim 63:2		Land plot						
Karlskrona								
Dockan 26	Skomakaregatan 35, 37	1988	14		9	1,046	0	1,046
Hogland 22	Ronnebygatan 42	1929/1998	21	16		1,595	2,321	3,916
Hogland 9	Norra Kungsgatan 9	1985	10	1		630	110	740
Sheldon 33	Ronnebygatan 21 A-C	1929/1980	28	7		2,267	501	2,768
Sheldon 34	Ronnebygatan 19	1929/1988	13	4		971	1,188	2,159
Stigbygeln 1	Riksvägen 40 A-C, 42	1987	21	5	12	1,744	295	2,039
Svarta Örn 1	Pukesgatan 12 A-B	1929/1978	12	1		658	10	668
Västanfläkten 2	Domarevägen 6 A-B	1944/1979	12		2	840	0	840
Ehnamark 1	Ö Prinsgatan 22	1930	13	2		2,035	91	2,126
Posse 18	Polhemsgatan 15 A-D, 17 A-B, 19 A-C, 21 A-C, 23 A-E	1990-1992	141	4	94	11,675	949	12,624
Loke 25	Ronnebygatan 53, Borgmästargatan 53	1929/1989	7	6	0	683	489	1,172
Tersmeden 13	Bredgatan 3 A-C	1939/1990	17	0	0	1,493	0	1,493
Wachtmeister 57	Arklimästaregatan 38, 40, 42, 44, 46, 46 A, 46 B, 46 C, Borgmästaregatan 7, 9, 11, 13, 15, Hantverkaregatan 2, 4, 6, 6 B, 8, 10	1988	119	54	160	8,006	15,195	23,201
Magistraten 5	Norra Kungsgatan 3 & Ronnebygatan 43	1929/1999	9	4	0	478	843	1,321
Urmakaren 56	Norra Kungsgatan 10-12	1953/1994	14	5	0	1,193	1,567	2,760
Östen 1	Muraregatan 2	1943/1980	4	1	0	328	20	348
Nordstjärnan 32	Ronnebygatan 52 A-E, Stora Möllebäckstränd 1	1930/2013	9	3	2	526	451	977
Skydraget 1&2	Snapphanevägen 12 A, 12 B, Snapphanevägen 10 A, 10 B	1942/1980, 1983	30	1	0	1,566	15	1,581
Sunnvinden 2&3	Gyllenstjärnas väg 10A, 10B, 12A, 12B	1944/1986	24	2	7	1,597	40	1,637
Hantverkaren 22	Hantverkaregatan 47, Hantverkaregatan 47 A, Hantverkaregatan 47 B	1942/1980	17	2	0	917	95	1,012
Kastbyn 1	Valhallavägen 8 A, 8 B, 8 C	1942/1984	15	1	0	762	60	822
Loke 24	Borgmästargatan 16, 18, Ronnebygatan 49, Rådhusgatan 11, 11 A, 11 B, 9, 13	1920, 1985, 2015	24	30	3	1,946	5,391	7,337
Nyckeln 3	Skolgatan 39, Ö. Promenaden 24 A-B	1897/1974	23	0	0	1,485	0	1,485
Ljungby								
Apotekaren 11	Skomakargränd 1-2	1988	20	0		1,440	0	1,440
Björklunden 6	Drottninggatan 13	1929/1986	27	0		2,249	0	2,249
Björklunden 9	Olofsg. 15 A-B, Kungsg. 15	1965	20	4		1,430	495	1,925
Dacke 13	Bergagatan 21, 23, Drottninggatan 41-47	1990 and 1950	90	4		5,971	105	6,076
Drako 25	Norra Järnvägsgatan 12	1990	4	3		210	541	751
Gjutaren 12	Bolmstadsvägen 8 A-B, 10, 12-14	1957-1960-1967	38	2	9	2,427	79	2,506
Kvadraten 16	Strömgatan 9 A-B, 6 A-B	1953-1968	25	5	1	1,754	129	1,883
Mossen 2	Rönnäsvägen 18-72	1972	134	2	56	10,216	309	10,525
Månen 6	Eskilsgatan 1, N. Torggatan 8	1965			14		3,210	3,210
Näcken 1	Kungsgatan 17 A-B, 19	1970-1994	29	1	21	1,874	56	1,930
Odlaren 20	Gängesv 12, Gjuterig 7	1990		49	1		12,037	12,037
Sländan 1	Bergag 16, Hantverkareg 12	1957-1980	19	10	2	1,100	395	1,495
Solon 21	N. Järnvägsg 7 A-B, Ågårdsv. 14 A-C, Fogdeg. 20	1950-1967-1972	38	3	8	2,493	30	2,523
Södra Ljungkullen 4	Storgatan 1-3, S.Torggatan 2-4, M. Ljungbergsvägen 12	1947-1955-1986	43	14		3,219	1,510	4,729
Trekanten 6	Strömgatan 2 A-C	1961-1962	48	2	4	2,707	40	2,747
Vinkelhaken 2	Drottninggatan 10 A-B, 12 A-B	1966-1974	28	2	8	1,989	144	2,133
Vråken 2	Strömgatan 18, 20, 28	1971	98	0	41	7,652	0	7,652
Björklunden 4	Storgatan 24	1964	16	1	12	1,175	60	1,235
Vallmon 2	Drottninggatan 35	1942	12		4	775	0	775
Vallmon 8	Drottninggatan 33	1967	20			1,380	0	1,380
Iris 3	Olstorpsgatan 14-16 A-B	1954	16	3	7	1,248	46	1,294
Tråden 2	Högarörsgatan 10-12	2006	28	0	0	1,236	0	1,236
Stenbacken Övre 5	Olofsgatan 5, Olofsgatan 7, Tvärgatan 1, Tvärgatan 1A, Tvärgatan 1B	1962	30	2	0	1,512	309	1,821
Kometen 5	Föreningsgatan 4, Kungsgatan 6 A-B	1958/2002	21	4	5	1,309	1,023	2,332
Stenbacken Nedre 10	Storgatan 6 & 8	1850-1960-1980	0	2	20	0	1,948	1,948

List of properties, 31 Dec. 2017

Property	Address	Constr.yr. /renov.yr.	No. apart- ments	No. of premises	No. parking spaces/ garage	Apt. m ²	Premises m ²	Total m ²
Vetlanda								
Apollo 6 & 7	Ekstigen 12 & 14	1987	8	0		676	0	676
Björken 2	Långgatan 46	1986	8	0		580	0	580
Björnen 2	Älggatan 4	1986	7	3	1	367	80	447
Blixten 13	Stationsgatan 3–5	1955	23	3		1,308	842	2,150
Broby 4:144	Österdalsgränd 1–27	1990	14	0	1	1,068	0	1,068
Brogårdshemmet 7	Lasarettsgatan 44	1988	8	0		586	0	586
Bävren 4	Storgatan 39	1961	8	5	1	598	313	911
Falken 14	Nygatan 55	1990	0	1			365	365
Fasanen 7	Kyrkog. 2–6, Nygatan 13–15	1957	42	3	23	2,634	20	2,654
Felsteget 8	Floragatan 3, Nygatan 21	1987	16	0		1,010	0	1,010
Fenix 3	Vasagatan 62–64	1992	8	1		598	8	606
Gustav Adolf 7	Vasagatan 26	1989	4	0		312	0	312
Göken 12	Långgatan 18 A–C	1978	20	2	11	1,295	115	1,410
Kindbågen 1	Ringvägen 26–30	1953	33	0	13	1,860	0	1,860
Kitteln 1	W Petris väg 16, Upplandav.	1957	25	4	13	1,613	183	1,796
Korsberga-Lönneberga 1:16	Stationsg. 1 Korsberga	1987	8	0		553	0	553
Korsberga-Lönneberga 1:35	Tovaholmsv. 5 Korsberga	1987	6	0	1	418	0	418
Laxen 10	Kullgatan 2	1952	6	0	1	324	0	324
Linne 7	Vasagatan 25	1991	5	0		353	0	353
Lunden 11	Vitalag. 5, Spinnargr. 2	1957	22	8	13	1,278	925	2,203
Lunden 12	Kyrkogatan 7	1957	24	6		1,624	449	2,073
Lärkan 14	Smedjevägen 6	1989	4	2		273	60	333
Lärkan 7	Lärkgatan 5	1941/1985	8	0		447	0	447
Lättebo 1:2, 6:2–6:5, 6:7–6:8	Allegatan 16, 18, 20	1988	16	0		1,162	0	1,162
Lättebo 1:278-283	Hjortvägen, Fasanv.	1991	12	0		892	0	892
Myresjö 1:24	Södrallidsg 1, Bäckabyv. 6	1992	4	0		304	0	304
Myresjö 2:140	Nunnev. 2 A–B, 6 A–B, 27 A–B	1991	1	0		130	0	130
Norra Emigranten 13	Missionsg. 2	2001	32	0		2,256	0	2,256
Nydäld 15	Klostergatan 1–5	1986	22	0	20	1,712	0	1,712
Näktergalen 2	Missionsgatan, Odengatan	1967	0	0			0	0
Orion 1	Kettillsgatan 4	1992	6	0		394	0	394
Orion 21	Vasag. 53, Kettillsg. 2, Vinterg. 16	1989	16	0		1,203	0	1,203
Oxenstierna 7	Tomasgatan 33	1991	6	0		440	0	440
Renen 10	Vitalagatan 15	1966	48		48	3,581	139	3,720
Skede 5:19	Brännargårdsv. 2 Skede	1990	8	0		540	0	540
Stenkilen 3	Granvägen 5	1952	6	1	2	433	12	445
Stenkilen 4	Ringvägen 19	1986	10		0	609	20	629
Strutsen 4	Magasinsg.15, Järnvägsg.5	1929/1989	4	5		193	346	539
Stråket 1	Promenadstigen 1–7	1987	8	0		608	0	608
Svanen 16	Borgmästargatan 4 A-F	1986	6	0		391	0	391
Toppmurklan 1	Lasarettsgatan 27, 29, 31	1963	90	1	42	5,991	77	6,068
Toppmurklan 2	Lasarettsgatan 33, 35, 37	1965	72	0	26	4,719	0	4,719
Torvan 1	Nyhagsgatan 6 & 8	1991	15	2		934	735	1,669
Trekanten 1	Vitalag. 6	1932	4		0	260	265	525
Vaktein 2	Svärdsgatan 2	1988	9	0	6	730	0	730
Vasa 3	Kullgatan 36	1944/1986	6	0		515	0	515
Vasa 5	Vasagatan 40	1991	4	0		276	0	276
Vega 14	Tomasgatan 41 A–D	1985	4	0		248	0	248
Vega 15	Vasagatan 46	1993	0	1	1		500	500
Venus 17	Kyrkogatan 34–38	1966	36	2	28	2,836	170	3,006
Vildvinet 11	Kullgatan 38	1993	0	1			335	335
Vinkeln 5	Sköldgatan 2 A–F	1987	6	0		457	0	457
Älgen 14	Älggatan 1–5	1970, 2013, 2016	105	0		6,414	0	6,414
Älgen 16	Älggatan 11–13	1972	40	1	27	2,941	107	3,048
Ökna_Kvill 1:44	Södergatan 1 & 3	1988	8	0	1	600	0	600

List of properties, 31 Dec. 2017

Property	Address	Constr.yr./renov.yr.	No. apart-ments	No. of premises	No. parking spaces/garage	Apt. m ²	Premises m ²	Total m ²
Värnamo								
Forsheda 3:167	Storgatan 33–35	1994	22	1	0	1,600	10	1,610
Pelikanen 2, 6-8	Ouchterlonygatan 2–28, Storgatan 32–34	1992	75	16	46	5,543	2,813	8,356
Pelikanen 3	Storgatan 36 A–B	1991	12	4	25	987	740	1,727
Träsket 2	Parkgatan 7	1994	8	2	0	605	107	712
Lejonet 3	Storgatsbacken 19	1921, 1992	8	3	0	353	1,102	1,455
Vindruvan 21	Storgatsbacken 18 A–G, Myntgatan 11–15	1985	28	9	0	1,726	1,414	3,140
Värnet 10	Jönköpingsvägen 1, Pilgatan 1 A–F, Postgatan 2 A–C	1960	21	7	8	1,407	865	2,272
Växjö								
Mjölner 16	Trädgårdsgatan 28	1993	16		7	955	0	955
Mjölner 18	Bäckaslövsvägen 2–6, S. Järnvägsgatan 27–41, Trädgårdsgatan 30–32	1989/1990	129	2	79	10,157	585	10,742
Mjölner 7	S. Järnvägsgatan 25, Wennerbergsgatan 2	2002	16		8	959	0	959
Idet 1	Stallvägen 1–27, Tuvanäsvägen 1–3,	1982	569	15	0	20,504	365	20,869
Jungfrulyckan 1	Raskens väg 1	1980	23	1	30	1,784	27	1,811
Klangen 17	Klangens väg 16, 28	1988	22	0	21	1,704	0	1,704
Klangen 18	Klangens väg 29–45	1988	24	2	64	1,908	18	1,926
Nergårds Anna 1	Klangens väg 13–27, Kulas väg 4–20	1980	48	0	64	3,796	0	3,796
Rasken 17	Blidens väg 2 A–B, 4–18	1980	25	0	30	1,899	0	1,899
Rasken 41	Frejdens väg 1–17, Blidens väg 7–19, Klangens väg 4	1980	68	4	82	5,357	64	5,421
Växjö 12.19	Plogvägen 103, 105, 107	1980	259	7	270	20,378	276	20,654
South total			3,662	408	1,501	241,488	66,549	308,037
DENMARK								
Copenhagen								
Linde Alle	Linde Alle	2017	27	0	0	2,885	0	2,885
Frederikssundsvej 261–267	Frederikssundsvej 261–267	2007	22	0	0	2,043	0	2,043
PorcelænsHAVEN	PorcelænsHAVEN	2008	14	0	15	1,913	0	1,913
Nitvej	Nitvej	2005	40	0	0	3,296	0	3,296
Nimbusparken	Nimbusparken	1997	40	0	0	4,279	0	4,279
Mariendalsvej	Mariendalsvej	1995	25	0	0	2,019	0	2,019
Hostrups Have	Hostrups Have	1936	679	33	34	60,601	4,024.2	64,625
Bianco Lunos Allé	Bianco Lunos Allé 3 A–B & 5 A–B	1907	36	4	6	4,219	188	4,407
Flintholm I	Preben Kaas Vænge 1–3	2009	117	0	20	4,940	0	4,940
Havneholmen 48	Havneholmen 48–86	2009	127	0	120	11,975	0	11,975
Havneholmen 20–30	Havneholmen 20–30	2009	74	0	0	8,338	0	8,338
Zinkhuset	Amerika Plads 18–22	2007	23	0	0	2,285	0	2,285
Stævnen	Robert Jacobsen Vej 81–91	2009	36	0	0	3,635	0	3,635
Hjørtholmen	Kenny Drews vej 1–27, Sluseholmen 20–26	2008	107	0	156	10,953	0	10,953
Lindholm	Kenny Drews Vej 31–87	2008	19	0	0	1,920	0	1,920
Sømærk	Peter Holms væg 14–25	2007	43	0	61	4,590	0	4,590
Øresundsterrasserne	Amager Strandvej 156–158	2014	114	1	122	11,688	130	11,818
Øresundstårnet	Øresundsvej 148–150, Krimsvej 1 B	2013	97	2	21	9,611	1,081	10,692
Ørestad	C.F. Møllers Alle/Ørestad	2007	3	0	0	304	0	304
Vester Voldgade	Vester Voldgade	1895	9	13	0	1,728	1,419	3,147
Krogsgade	Krogsgade	1886	17	4	0	2,551	981	3,532
Upsalagade	Upsalagade	1894	12	2	0	1,806	51	1,857
Ryesgade	Ryesgade 50 & Lundingsgade 3–11	1940	54	3	0	3,745	216	3,961
Teglhølmens Alle	Teglhølmens Alle 9 A–H	2006	35	0	0	3,202	0	3,202
Dyreholm	Dyreholm 1–7 & 2–22	2012	15	0	0	1,607	0	1,607
Æblelunden	Gyngemose parkvej	2008	50	0	0	4,320	0	4,320
Åkandehusene	Gyngemose Parkvej 10–24	2008	68	0	0	6,330	0	6,330
Søborg Bakke	Mørkhøjvej 231 A et al.	2016	36	0	0	4,552	0	4,552
Søterrasserne, Gyngemose Parkvej	Gyngemose Parkvej 1, 3, 5	2008	17	0	0	1,631	0	1,631
Kirsebærparken	Lily Brobergs vej 1–23, Poul Reumerts Vej 1–49	2009	15	0	0	1,979	0	1,979
Pontoppidanparken	Clara Pontoppidans Vej 14–22, Karin Nellemoses Vej 1–5	2012	88	0	42	7,725	0	7,725
Brombærparken A	Ebbe Rodes Allé 1 et al.	2007	68	0	31	6,423	0	6,423
Brombærparken B	Ebbe Rodes Allé 2 et al.	2007	98	0	31	8,969	0	8,969
Bøgebakken	Bøgebakken	2006	23	0	0	3,068	0	3,068
Strandhaven	Strandhaven	2008	73	0	0	8,353	0	8,353
Copenhagen total			2,321	62	659	219,483	8,090.2	227,573

List of properties, 31 Dec. 2017

Property	Address	Constr.yr. /renov.yr.	No. apart- ments	No. of premises	No. parking spaces/ garage	Apt. Premises m ²	m ²	Total m ²
Odense								
Flintebakken	Flintebakken 1-15 & 2-24	2012	20	0	0	2,280	0	2,280
Mørkmoselundsvej	Mørkmoselundsvej 1 A-G	2008	7	0	0	810	0	810
Bjerggårdsløkken	Bjerggårdsløkken 130 (et al.)	2007	107	0	0	9,861	0	9,861
Nørrebjerg Runddel	Nørrebjerg Runddel 210-302	2003	47	0	0	3,760	0	3,760
Hvenekildeløkken	Hvenekildeløkken 138-202	2005	48	0	0	3,000	0	3,000
Birkelunddalen	Birkelunddalen 2 A-14 E	2001	31	0	0	3,356	0	3,356
Sandkæret	Sandkæret 100-136	2003	26	0	0	2,294	0	2,294
Odense total			286	0	0	25,361	0	25,361
Triangel								
Mandelhaven	Mandelhaven 2-124	2014	62	0	0	7,732	0	7,732
Holbergsparken	Holbergsvvej 8 ('Holbergsparken')	2017	66	0	0	7,732	0	7,732
Hørparken A	Mosevej 7 ('Hørparken')	2017	24	0	0	2,358	0	2,358
Hørparken B	Mosevej 7 ('Hørparken')	Land plot						
Hørparken C	Mosevej 7 ('Hørparken')	Land plot						
Triangle total			152	0	0	17,823	0	17,823
Zealand								
Højvangsparken	Højvangsparken 46-80	2008	28	0	0	3,248	0	3,248
Kongevejen	Kongevejen 304 A (et al.)	2013	13	0	0	1,464	0	1,464
Spurvevænget	Spurvevænget 2-44	2013	22	0	0	2,378	0	2,378
Østre Fælled	Østre Fælled 1-195	2009	98	0	0	8,665	0	8,665
Diget & Højen	Diget 1-23 & Højen 2-49	2015	36	0	0	3,979	0	3,979
Smedebakken (A)	Smedebakken 2-160	2008	80	0	0	9,754	0	9,754
Smedebakken (B)	Smedebakken 1 & 5-15	2009	7	0	0	1,120	0	1,120
Gammelsøparken	Gammelsøparken 1-83 & 2-56	2009	70	0	0	6,640	0	6,640
Zealand total			354	0	0	37,248	0	37,248
Århus								
Lystrup vej I - A	Lystrup vej I	2017	37	0	0	2,855	0	2,855
Vosnæsparken	Vosnæsparken 2-130	2008	65	0	0	7,114	0	7,114
Pilevængen	Pilevængen	2017	38	0	0	4,443	0	4,443
Mosegårdsparken	Mosegårdsparken 47-96	2007	39	0	0	4,614	0	4,614
Århus total			179	0	0	19,026	0	19,026
NORWAY								
Oslo								
Gnr 41 / Bnr 247	Arnstein Arnebergs vei 30	1961/2015	56	0	32	2,336	0	2,336
Gnr 14 / Bnr 412	Riiser-Larsens vei 7	1957/2010	60	0	21	1,245	0	1,245
Gnr 49 / Bnr 306	Sønsterudveien 32	1967	68	0	64	2,512	0	2,512
Gnr 1 / Bnr 412	Bjørnemyrveien 29	1961	27	0	0	854	0	854
Gnr 1 / Bnr 413	Steinveien 1	1961	39	0	0	790	0	790
Gnr 132 / Bnr 132	Teisenveien 5E	1998	89	0	50	2,485	0	2,485
Gnr 123 / Bnr 927	Økernveien 149	1975	82	0	17	5,377	0	5,377
Gnr 209 / Bnr 66	Hegdehaugsveien 2	1868/2012	9	0	0	383	0	383
Gnr 209 / Bnr 127	Huitfeldts gate 51	1889	21	0	0	708	0	708
Gnr 214 / Bnr 245	Parkveien 4	1893/2014	62	0	0	1,480	0	1,480
Gnr 214 / Bnr 275	Pilestredet 57	1890/2009	30	1	0	1,280	220	1,500
Gnr 209 / Bnr 362	Sven Bruns gate 1	1895	13	0	4	797	0	797
Gnr 209 / Bnr 485	Sven Bruns gate 3	1880	9	1	0	339	180	519
Gnr 209 / Bnr 365	Sven Bruns gate 7	1880	30	0	0	756	0	756
Gnr 214 / Bnr 412	Vibes gate 11 - Næring	1893/2007	1	2	0	52	304	356
Gnr 214 / Bnr 39	Dronning Astrids gate 2	1988	92	0	26	1,471	0	1,471
Gnr 209 / Bnr 277	Parkveien 78	1950/2010	0	1	0	0	1896	1,896
Gnr 209 / Bnr 251, 253	Observatoriegata 13-15	1890/2016	24	0	0	1,369	0	1,369
Gnr 230 / Bnr 10	Borggata 12	1988/2010	10	0	2	260	0	260
Gnr 231 / Bnr 141	Gruegata 18	1956	27	0	0	1,135	0	1,135
Gnr 230 / Bnr 367	Urtegata 20-22	1874	32	3	0	1,664	390	2,054
Gnr 225 / Bnr 45	Christies gate 19	1937/2015	50	2	9	2,308	100	2,408
Gnr 218 / Bnr 95	Darres gate 3	1896/2015	35	1	0	1,690	100	1,790
Gnr 225 / Bnr 73	Dælenenggata 40	1937	72	0	0	3,845	0	3,845
Gnr 208 / Bnr 318	Iduns gate 4	1894	46	0	0	1,308	0	1,308
Gnr 227 / Bnr 248	Københavnsgata 3	1897/2013	28	0	0	1,726	0	1,726

List of properties, 31 Dec. 2017

Property	Address	Constr.yr. /renov.yr.	No. apart- ments	No. of premises	No. parking spaces/ garage	Apt. m ²	Premises m ²	Total m ²
Oslo continued								
Gnr 228 / Bnr 222	Nissens gate 3	1896	8	0	0	434	0	434
Gnr 83 / Bnr 247	Rødstuveien 15–23	1937	90	0	34	3,720	0	3,720
Gnr 227 / Bnr 340	Sannergata 23	1896	9	0	0	606	0	606
Gnr 225 / Bnr 272	Sannergata 32	1937	34	4	0	1,913	266	2,179
Gnr 228 / Bnr 574	Trondheimsveien 10	1885/2007	22	0	0	771	0	771
Gnr 83 / Bnr 193	Trondheimsveien 187–193	1938	41	0	0	2,123	0	2,123
Gnr 228 / Bnr 220	Nedre gate 8	1898	57	0	0	3,821	0	3,821
Gnr 77 / Bnr 100	Gunnar Schjelderups vei 33	1963/2008	97	0	0	2,103	0	2,103
Gnr 74 / Bnr 1	Gjerdrums vei 12	1901/2018	266	2	35	6,558	294	6,852
Gnr 225 / Bnr 117	Holsts gate 4	1887/1972	11	1	0	660	158	818
Gnr 225 / Bnr 298	Torshovgata 12	1902/2008	27	0	8	934	0	934
Gnr 219 / Bnr 236	Vøyensvingen 2	1933	19	0	0	1,232	0	1,232
Gnr 221 / Bnr 138	Maridalsveien 128	1966	59	0	18	2,360	0	2,360
Gnr 216 / Bnr 259	Fagerborggata 16	1975/2015	36	0	17	1,409	0	1,409
Gnr 208 / Bnr 211	Fredensborgveien 13	1900/2013	32	1	0	1,673	1180	2,853
Gnr 208 / Bnr 217	Fredensborgveien 22	1930	38	5	0	1,207	207.5	1,415
Gnr 47 / Bnr 251	Kirkeveien 166 B	1964/2010	109	0	24	2,268	0	2,268
Gnr 47 / Bnr 251	Kirkeveien 166 C	1964/2010	111	0	0	2,267	0	2,267
Gnr 47 / Bnr 300	Kirkeveien 166 D	1964/2008	109	0	23	2,229	0	2,229
Gnr 47 / Bnr 300	Kirkeveien 166 E	1964/2008	106	0	0	2,254	0	2,254
Gnr 216 / Bnr 164	Pilestredet 103	1894/2005	20	0	2	608	0	608
Gnr 216 / Bnr 232	Thereses gate 33	1938	0	2	0	0	316	316
Gnr 100 / Bnr 63	Stovner Senter	1975	172	0	0	7,064	0	7,064
Gnr 190 / Bnr 24, 25	Tunvegen 1–16	1998/2016	192	0	130	3,186	0	3,186
Oslo total			2,677	26	516	89,570	5,611.5	95,181
GROUP IN TOTAL			30,549	1,873	13,084	1,908,883	219,732	2,128,615

Shareholder information

Communications with the market

Our communications with the financial market are characterized by open, relevant and accurate information to shareholders, investors and analysts, thereby increasing knowledge about Heimstaden's operations and shares. We share information in the form of interim reports, annual reports and press releases, and we present further information on the IR pages on our website. Shareholders and others who are interested may subscribe for press releases and financial reports via e-mail. General information on the IR pages of the website, such as shareholder listings, is updated in connection with the closing of the accounts for each quarter. In the event of any major changes, the website is updated immediately. For a period of 30 days prior to the publication of each financial report, there are no communications with the financial markets.

IR contact

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The Annual Report

For environmental reasons, Heimstaden distributes only a digital version, on its website, of the Annual Report. Shareholders attending the Annual General Meeting receive a printed version if they have specifically requested this.

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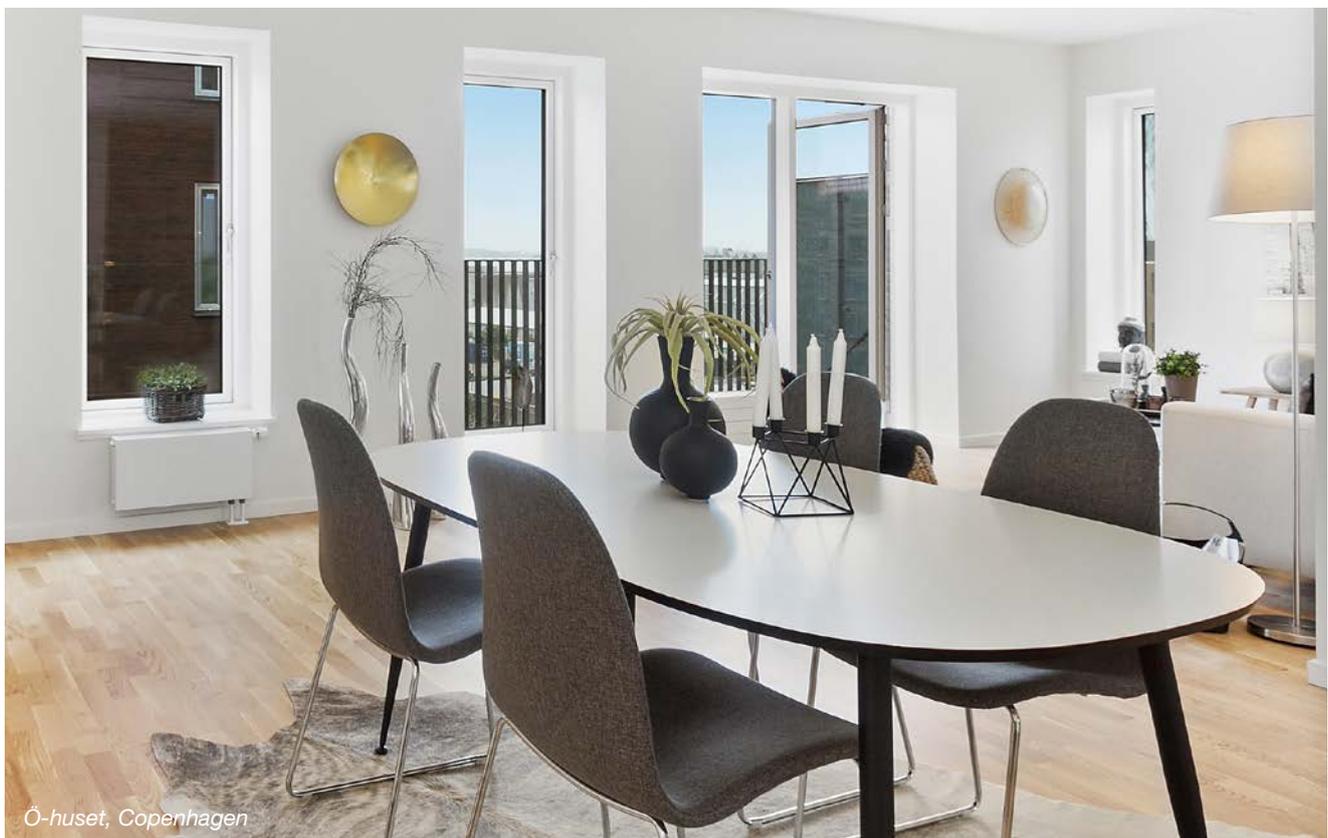
LinkedIn. Follow us on LinkedIn

We see LinkedIn as a complement to press releases and financial reports. In a less formal way, we can provide insight there into what is going on within the company, what services are available and what we can offer as a company, both regionally and locally.

Financial calendar

Interim Report January – March	27 April 2018
Annual General Meeting	27 April 2018
Interim Report January – June	22 August 2018
Interim report January – September	26 October 2018
Year-end Report	February 2019

see ir.heimstaden.com for information



Information about the 2018 Annual General Meeting

Heimstaden AB (publ), corporate identity number 5566700455, welcomes all shareholders to the Annual General Meeting on Friday, 27 April 2018, at 10.00 a.m. at the company's headquarters, Östra Promenaden 7 A in Malmö, Sweden. Registration will commence at 9:00 a.m.

An invitation to attend the Annual General Meeting will be issued no later than 27 March 2018 and will be available at ir.heimstaden.com/sv/arsstamma from 23 March 2018 at the latest.

Complete proposals for resolutions are to be submitted to the Meeting's website, ir.heimstaden.com/sv/arsstamma, by 6 April 2018 at the latest.

The matters addressed at the Annual General Meeting are those set out in the Articles of Association, as well as other matters stated in the invitation to attend the Annual General Meeting.

Registration of participation

Shareholders wishing to attend the Annual General Meeting shall:

- in part, by Saturday, 21 April 2018, be entered as shareholders in the share register maintained by Euroclear Sweden AB (since the record date is a Saturday, this means that the shareholder must therefore be entered in the share register maintained by Euroclear Sweden AB no later than Friday, 20 April 2018).
- in part, register with the company their intention to attend the Annual General Meeting by Monday, 23 April 2018 at 4:00 p.m.

Registration of participation can be made as follows:

- by email: arsstamma@heimstaden.com
- by mail: Heimstaden AB (publ)
Annual General Meeting 2018
Att: Carl-Fredrik Streiby
Östra Promenaden 7A
SE-211 28 Malmö, Sweden.
- via the website ir.heimstaden.com/sv/arsstamma

On registration, shareholders must state their name (company), social security number (organization number), address and telephone number, as well as the name and social security number of any representative and the number of possible assistants also attending (maximum two).

Shareholder registration

To participate in the Meeting, shareholders who have chosen to register their shares with a proxy must temporarily re-register the shares in their own name to be entitled to attend. Such re-registration must be completed with Euroclear Sweden AB by Saturday, 21 April 2018 at the latest. Shareholders should, in good time before this date, request that their trustees administrate re-registration (since the record date is a Saturday, this means that shareholders must attend to such registration by Friday, 20 April 2018 at the latest).

Participation through power-of-attorney

For anyone wishing to be represented by a proxy, the company provides power-of-attorney forms, which are available at ir.heimstaden.com/sv/arsstamma. If the proxy is a legal entity, a registration certificate or other documentation shall be presented demonstrating the competency of the signatory.

Proposed dividend

The Board of Directors proposes a dividend of SEK 20.00 per preference share and of SEK 0 per common share, totalling SEK 46,875,000. Dividends to preference shareholders are to be paid quarterly, in the amount of SEK 5.00 per payment date.

Record date

Since the proposed dividend to the ordinary shareholder is SEK 0, there is no record date for ordinary shares. Should the Annual General Meeting resolve to pay dividends, the Board of Directors proposes that the record date for dividends on ordinary shares be Wednesday, 2 May 2018 with an estimated payment date of Monday, 7 May 2018.

Proposed record dates for the preference share:

- 5 July 2018, with the estimated payment date of 10 July 2018, with the final trading day including entitlement to dividends on 3 July 2018.
- 5 October 2018, with the estimated payment date of 10 October 2018, with the final trading day including entitlement to dividends on 3 October 2018.
- 5 January 2019, with the estimated payment date of 9 January 2019, with the final trading day including entitlement to dividends on 2 January 2019.
- 5 April 2019, with the estimated payment date of 10 April 2019, with the final trading day including entitlement to dividends on 3 April 2019.

In the event that a record date, as stated above, is not a banking day, the record date shall be the immediately preceding banking day.

Heimstaden

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