

2019
Interim report
JANUARY – JUNE



Heimstaden

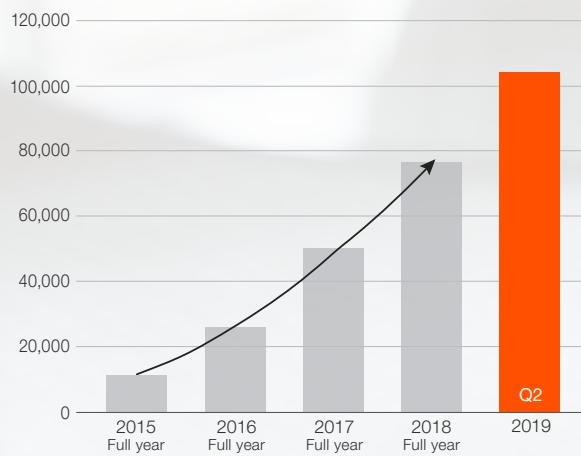
The period in brief

January – June 2019

- Rental income for the period increased to SEK 2,181 million (1 542)
- Real letting ratio for housing was 98.4 percent
- Net operating income for the period increased to SEK 1,194 million (802)
- Net financial items amounted to a negative SEK 549 million (334)
- Profit from property management, excluding exchange rate differences, was SEK 608 million (463)
- Changes in values of properties amounted to SEK 3,216 million (1,605)
- Changes in values of derivatives were negative in the amount of SEK 356 million (12)
- Profit for the period increased to SEK 2,434 million (1,725)
- Property acquisitions during the period amounted to SEK 20,802 million (13,651)
- Cash and cash equivalents amounted to SEK 3,295 million (6,801)
- Unutilised credits amounted to SEK 6,836 million (1,102)
- Profit after tax per ordinary share amounted to SEK 202 (122)

Comparison amounts in parentheses refer to the corresponding period in the preceding year unless otherwise stated.

MARKET VALUE OF INVESTMENT PROPERTIES, Q2 (SEK M)



Key data

January – June 2019

OPERATIONAL

FINANCIAL

Rental income SEK 2,181 million SEK 2018, 1,542 million (up 41%)	Cash flow from operating activities SEK 417 million 2018, SEK 389 million (up 7%)	S&P rating BBB- Credit rating according to Standard & Poor's (Heimstaden Bostad)	Equity SEK 39.7 billion 2018, SEK 33.9 million (up 17%)
Net operating income SEK 1,194 million SEK 2018, 802 million (up 49%)	Value change in properties SEK 3,218 million Up 3.2% in 2018	Loan-to-value ratio 59 % 2018, 54%	Cash and cash equivalents SEK 3,295 million 2018, SEK 4,775 million
Surplus ratio 55 % 2018, 52%	Real letting ratio for housing 98.4 % market-related vacancies	Interest coverage ratio 2.1 x 2018, 2.2x	Secured Loan-to-value ratio 39 % 2018, 35%

PROPERTY

Investment properties SEK 103.5 billion 2018, SEK 76.2 billion (up 36%)	Market value of Heimstaden's investment properties.	Proportion living area 91 % 2018, 89% The vast majority of Heimstaden's property portfolio consists of housing.
Area 3,755 thousand m ² 2018, 2,732 thousand m ² (up 11%)	Number of properties 1,537 units 2018, 951 items (+62%)	Number of apartments 50,890 units 2018, 39,006 items (+30%)

“We have a dream – a sustainable dream”

“Love, compassion and tolerance are necessities, not luxuries”. These are words spoken by the Dalai Lama, one of the people portrayed and interviewed in the photographic exhibition “We have a dream”, in which we become familiar with different people, both famous and unknown, who advocate courage, humanity and human rights.

It was an obvious choice for us to support this exhibition and its message when it opens to the public free of charge this autumn starting in Malmö and, in connection with this, to engage our tenants in these important messages. I derive a little additional pleasure from the fact that Albert Wiklund, the photographer behind the exhibition, turns out to be a tenant of ours.

Today, 100,000 residents and fellow humans live in Heimstaden properties. This means that we strive to actively contribute to the development of a sustainable society. We must work to build sustainable and vibrant neighbourhoods and communities. We must defend human rights and the right for all individuals to be who they are. Accordingly, we must offer both a friendly and welcoming residential



environment and friendly community. For us, anything else would be inconceivable!

During the quarter, we signed the UN Global Compact. As registered adherents to the Compact, we have become a member of the sustainability family considers changing our planet for the better to be our collective duty. This fills me with both pride and joy.

Heimstaden's sustainability efforts affect many areas, among which we are currently contributing to the following:

- During 2019, we have constructed and completed 765 apartments in regions with housing shortages.
- We currently have 1,340 apartments in production and, in Sweden, we have chosen to apply for investment grants for our construction projects to be able to offer a standard of new production at rent levels that are reasonable for most potential tenants and that their household economies can manage.

- Our newly produced homes are environmentally classified and equipped with renewable electricity generation by means of photovoltaic cells.
- We purchase renewable electricity and optimise our properties to achieve lower energy consumption, thereby decreasing our carbon footprint.
- We offer municipalities “social contracts” in our property portfolio, helping vulnerable people in our communities to enter the housing market and achieve a stable life.
- We support and sponsor homework help, youth activities, women’s shelters and organisations that combat bullying and online hatred to create a more equitable, considerate and friendly society.
- This summer, we conducted the project “Heimodlat” (Home Grown), in which we offered our tenants planting boxes, soil and seeds to produce their own locally grown vegetables, etc. The results can be monitored on our website our social media sites, where we and our “Heimodlare” (Home Growers) leave comments and share their cultivation projects.
- To aid and support our students in what is an increasingly stressed and pressured life for students, we are currently recruiting sustainability hosts for two of our student housing locations.
- Codes of conduct, including requirements to confirm compliance, are included in all new supplier contracts.
- In conclusion, we have, this week, inaugurated one of the largest solar cell facilities for a rental property at our student accommodation in Flogsta, Uppsala.

In other regards, the first half of 2019 was characterised by:

- An ambitious investment programme in existing property holdings where, for example, the façades, courtyards, windows, doors, staircases, water and sewerage mains, as well as the apartments are maintained using sustainable and environmentally friendly materials.
- Programmes of action and implementation of actions desired by tenants, as well as changes emerging in connection with this year’s Customer Satisfaction Index survey, with the purpose of delivering an even better customer experience.
- Acquisitions of properties in the Netherlands, Sweden, Denmark and Norway.

To all employees and dedicated tenants, THANK YOU for all of the creative, friendly and thoughtful suggestions you have shared and implemented and from which we have all benefited.

As a reader of the interim report for January – June 2019, you now have the opportunity to learn about Heimstaden AB’s profit, position and key data on the following pages. Welcome home to the Heimstaden world!

Patrik Hall
CEO Heimstaden AB



Current earning capacity

In the adjacent table, Heimstaden presents its earning capacity on a 12-month basis as per 30 June 2019. Earning capacity is not a forecast for the current year or for the next 12-month period and should only be regarded as a theoretical snapshot and is presented for illustrative purposes only. Current earning capacity does not include an assessment of future trends in rent levels, vacancy rates, property costs, interest rates, changes in value, acquisitions or sales of properties or other factors.

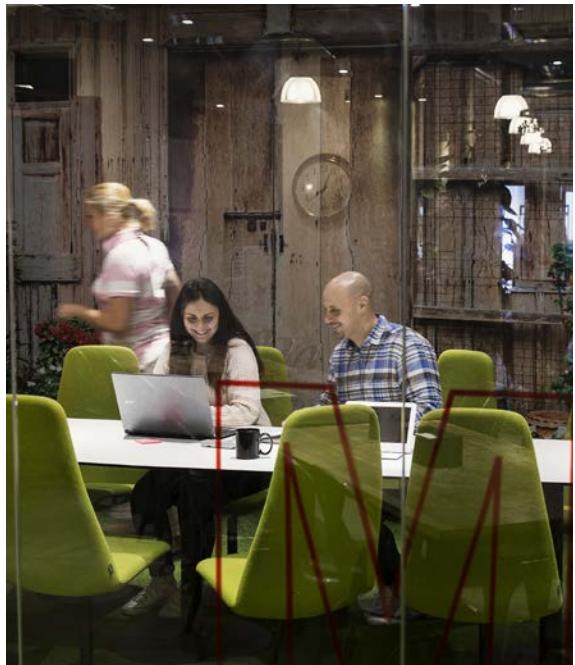
Current earning capacity is based on the properties held as per 30 June 2019 and their financing. Accordingly, the current earning capacity illustrates Heimstaden's annual earnings on that basis. Consequently, transactions where Heimstaden gains access after 30 June are not included in the calculation.

Heimstaden's Income Statement is also affected by the development in the value of the property portfolio and future property acquisitions and/or property sales. Changes in values of derivatives is another item affecting profit. None of the above has been taken into account in the current earning capacity, nor in the item Profit from participations in associated companies.

Earning capacity is based on the contracted rental income, current property costs and administrative costs of the property portfolio. Costs for interest-bearing liabilities have been based on the Group's average interest rate on the balance sheet date, including the effects of derivative instruments.

Current earning capacity as per 30 June 2019

Amounts in SEK million	
Rental income	4,973
Property costs	-2,018
Net operating income	2,955
Central administration costs	-175
Other operating income	-
Other operating costs	-
Profit from participations in associated companies	-
Profit before financial items	2,780
Financial income	-
Financial costs	-1,321
Profit from property management	1,459
Profit from property management attributable to:	
The Parent Company's shareholders	752
Non-controlling interests	707
Key data	
Surplus ratio, %	59.4
Interest coverage ratio (ICR), multiple	2.1





Significant transactions and events

Heimstaden's property stocks are managed in five geographical segments – Sweden, Denmark, Norway, Germany and the Netherlands. The total value of Heimstaden's property portfolio amounted to SEK 103,447 million, excluding agreed acquisitions. Listed below are the significant transactions agreed by the Group in the first quarter, as well as the transactions agreed in earlier periods but where the Group has gained control of the assets in the quarter at hand.



27 March

Heimstaden agreed to acquired 536 residential properties in the Netherlands for EUR 1.4 billion. The lettable area amounts to approx 805,900 square metres, of which approximately 793,800 square metres is housing, with 9,544 apartments, and approximately 12,100 square metres is commercial space. As a result, Heimstaden became the third-largest private residential property owner in Netherlands. The acquired properties are geographically spread across the Netherlands with a certain concentration in the Randstad region. Rental income amounts to approximately EUR 76 million annually and net operating income to about EUR 51 million.

12 June

Heimstaden joined the UN Global Compact initiative for responsible enterprise, thereby undertaking to following its ten principles in the areas of human rights, working conditions, the environment and anti-corruption. The Company also undertakes to report annually on how its efforts are progressing.

WE SUPPORT





Our segments

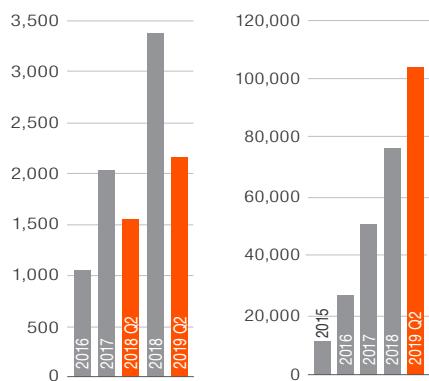
The Group's property portfolio is divided into different geographic administrative segments.



TOTAL HEIMSTADEN (JANUARY – JUNE)

	Q2 2019	Q2 2018
Market value, SEK m	103,447	66,574
Rental income, SEK m	2,181	1,542
Net operating income, SEK m	1,194	802
Surplus ratio, %	54.8	52.0
Letting ratio, housing (number), %	96.6	98.2
Real letting ratio, %	98.4	–
Number of properties	1,537	892
Area, m ²	3,754,735	2,473,801

DEVELOPMENT IN TOTAL RENTAL INCOME, TOTAL MARKET VALUE, Q2 (SEK M)



Folke 3, Malmö

Sweden

The Swedish economy continues to develop positively, with growing GDP and increased disposable income. Employment has increased in recent years and, during the first quarter of 2019, unemployment was 6.7 percent. A large influx of people born abroad has offset rising employment. Population growth is driving demand for housing, primarily in the metropolitan areas, which are experiencing strong growth as a result of the global urbanisation trend. Sweden has grown by about 270,000 inhabitants over the past two years and the population is now at 10.2 million. According to the Swedish National Board of Housing, Building and Planning, 67,000 homes need to be built per year until 2025, while the current forecast is for only 51,000 homes to be added during 2019. With housing construction not meeting demand, a continued housing shortage is created. The forecast by the Swedish National Board of Housing, Building and Planning shows declining construction of tenant-owned apartments, while rental apartments continue to show good building pace and demand. In Malmö, the pace of construction has remained unchanged over the past two years, Gothenburg showed a strong growth during 2018, while the pace of construction in Stockholm decreased by 35 percent, according to the Swedish National Board of Housing, Building and Planning.



Øresundsterasse, Copenhagen

Denmark

The Danish economy has developed strongly for several years. Employment has increased by an average of about 1.5 percent annually. In March 2019, unemployment amounted to 5.3 percent, which is lower than the EU average. In parts of Copenhagen housing prices have risen by as much as 70 percent since 2012. The main reason for this sharp increase in prices is urbanisation. As in large parts of the western world, Denmark is experiencing a strong trend of urbanisation, with smaller communities being depopulated. The population of Copenhagen is forecast to increase by 100,000 inhabitants over the next ten years. Aarhus is Denmark's second-largest city and has a well-developed transport network. Besides being known as a very popular student city (with 50,000 students in 2019), it is also the home of one of Northern Europe's largest industrial ports. Odense is Denmark's third-largest city and, like Aarhus, is a popular student city (with 30,000 students in 2019). The municipality prides itself on offering more than 100,000 jobs, and a particularly distinctive area of growth here is robotics and automation.

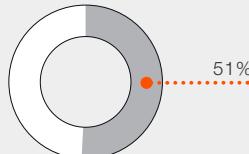
SWEDEN (JANUARY – JUNE)

	Q2 2019	Q2 2018
Market value, SEK m	38,190	32,964
Rental income, SEK m	1,107	971
Net operating income, SEK m	503	462
Surplus ratio, %	45.4	47.6
Letting ratio, housing (number), %	97.3	98.4
Real letting ratio, %	98.6	–
Number of properties	772	744
Area, m ²	1,937,913	1,856,141

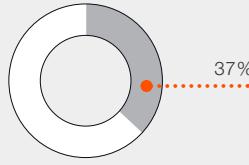
DENMARK (JANUARY – JUNE)

	Q2 2019	Q2 2018
Market value, SEK m	30,977	16,831
Rental income, SEK m	589	327
Net operating income, SEK m	399	186
Surplus ratio, %	67.7	56.9
Letting ratio, housing (number), %	95.6	97.5
Real letting ratio, %	97.8	–
Number of properties	134	66
Area, m ²	760,338	401,862

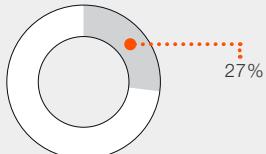
RENTAL INCOME, SHARE OF HEIMSTADEN TOTAL



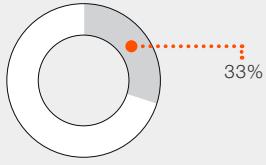
Market value, share of Heimstaden total



RENTAL INCOME, SHARE OF HEIMSTADEN TOTAL



Market value, share of Heimstaden total





Nedre gate 8, Norway

Norway

The Norwegian economy continues to develop well and has shown recovery following several years with lower oil prices, resulting in lower activity in the oil and gas sector. Over the past year, growth has mainly been driven by rising oil prices, strong private consumption and higher exports as a result of the recovery in the world economy. Per capita GDP is among the highest in Europe. Employment is favourable and unemployment was a low 3.9 percent in March 2019. The urbanisation trend is evident also in Norway and, in the capital, Oslo, the population is increasing significantly faster than in the country as a whole. The City of Oslo is the hub in a densely-populated and fast-growing region, consisting of 46 municipalities with a total of 1.6 million inhabitants and a comprehensive and varied offering in terms of education, jobs, culture and transport. About 80 percent of Norwegians live in homes they own themselves, and the housing market is relatively unregulated.

The limited supply of residential rental properties means that there are only a few private players who own large stocks of rental properties.



Spandau, Germany

Germany

At the end of 2017, the German economy was the world's fourth largest and Europe's largest according to the IMF. The capital Berlin is Germany's largest city with 3.7 million inhabitants (2018). The city is a political, economic and cultural centre and has the highest concentration of academics and researchers per capita in Germany. In 2017 to 2018, nearly 200,000 students were enrolled at the city's approximately 40 universities and colleges. Unemployment in Berlin has declined steadily between 2009 and 2017 and the city experienced the country's fastest growth in employment during 2018. Increased employment was driven mainly by the professional services sector, including industries such as finance, insurance, property and consultancy. Employment in the construction industry in the city also showed an above-average increase. Berlin has been ranked as a region with considerable growth potential and as a leading cluster for start-ups globally. A superior quality of life and relatively low cost of living, combined with relatively low costs for premises, compared with many other major cities, are given as explanations for the favourable business climate.



Utrecht, Netherlands

Netherlands

The Dutch economy is one of the world's 20 largest and GDP per capita is slightly higher than in Germany and Sweden, for example, according to the IMF (2017). Unemployment was at 3.3 percent in March 2019 according to the OECD and the IMD ranked the Dutch economy as the fourth most competitive in the world in 2018. The country has a strategic geographic location and a well-developed infrastructure with high-speed trains to other major European cities and a large international airport at Amsterdam Schiphol. The country is a hub for international transport and distribution with Europe's largest port in Rotterdam. The Netherlands has a well-trained workforce with approximately 90 percent of the population speaking English and the country ranked second in the world in EF's language test (2018), which measures average English skills in different countries around the world.

Details are emerging that many companies are considering strategic moves from London to Amsterdam to safeguard their access to the EU's internal market, as a direct consequence of Brexit. For example, in December 2018, Bloomberg communicated that the Dutch central bank had stated that it had been in contact with about 50 financial institutions with operations in London regarding licensing to operate in the Netherlands.

NORWAY (JANUARY – JUNE)

	Q2 2019	Q2 2018
Market value, SEK m	17,386	16,779
Rental income, SEK m	337	245
Net operating income, SEK m	205	154
Surplus ratio, %	60.9	62.9
Letting ratio, housing (number), %	96.1	97.5
Real letting ratio, %	97.5	–
Number of properties	84	82
Area, m ²	217,672	215,798

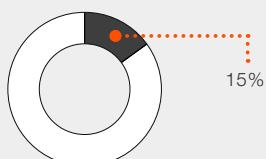
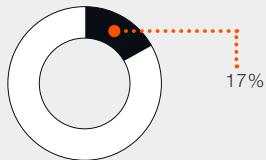
GERMANY (JANUARY – JUNE)

	Q2 2019	Q2 2018
Market value, SEK m	755	–
Rental income, SEK m	6	–
Net operating income, SEK m	5	–
Surplus ratio, %	76.0	–
Letting ratio, housing (number), %	97.9	–
Real letting ratio, %	99.4	–
Number of properties	10.0	–
Area, m ²	27,831	–

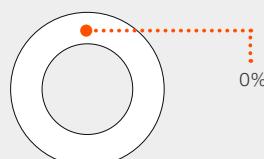
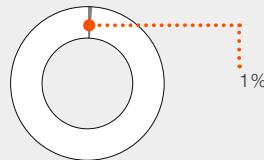
NETHERLANDS (JANUARY – JUNE)

	Q2 2019	Q2 2018
Market value, SEK m	16,140	–
Rental income, SEK m	141	–
Net operating income, SEK m	82	–
Surplus ratio, %	58.1	–
Letting ratio, housing (number), %	95.8	–
Real letting ratio, %	98.4	–
Number of properties	537	–
Area, m ²	810,981	–

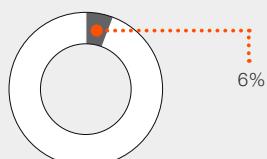
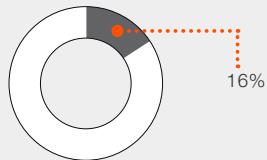
RENTAL INCOME, SHARE OF HEIMSTADEN TOTAL

Market value,
share of Heimstaden total

RENTAL INCOME, SHARE OF HEIMSTADEN TOTAL

Market value,
share of Heimstaden total

RENTAL INCOME, SHARE OF HEIMSTADEN TOTAL

Market value,
share of Heimstaden total

Consolidated Statement of Comprehensive Income

Amounts in SEK million	Note	2019 6 months Jan–Jun	2018 6 months Jan–Jun	2019 3 months Apr–Jun	2018 3 months Apr–Jun	2018 12 months Jan–Dec	Rolling 12 months Jul–Jun
Rental income	4	2,181	1,542	1,158	836	3,393	4,032
Property costs	5	-987	-740	-485	-351	-1,582	-1,829
Net operating income		1,194	802	673	485	1,810	2,203
Central administration costs		-62	-44	-33	-24	-107	-125
Other operating income		21	36	21	8	10	-6
Other operating costs		-	-	-	-	-42	-42
Profit from participations in associated companies		18	3	17	2	20	35
Profit before financial items		1,171	797	678	471	1,692	2,065
Financial income	6	12	11	7	7	53	55
Financial costs – interest-bearing liabilities	6	-562	-345	-320	-200	-806	-1,023
Other financial income	6	-	-	-	-	50	50
Other financial costs	6	-314	-	-230	-	-	-314
Financial costs, right-of-use assets		-13	-	-13	-	-	-13
Profit from property management		294	463	122	278	989	820
<i>Profit from property management attributable to:</i>							
The Parent Company's shareholders		128	220	54	119	423	331
Non-controlling interests		166	243	68	159	566	489
Change in value of investment properties	7	3,216	1,605	1,455	788	2,744	4,355
Changes in the value of financial derivative instruments	8	-356	-12	-44	-32	11	-334
Profit before tax		3,154	2,056	1,533	1,034	3,745	4,842
Current tax		-91	-78	3	-28	-145	-157
Deferred tax		-629	-253	-304	-165	-396	-772
Profit for the period		2,434	1,725	1,231	841	3,204	3,912
<i>Profit for the period attributable to:</i>							
The Parent Company's shareholders		1,752	850	1,013	366	1,979	2,882
Non-controlling interests		682	875	219	475	1,224	1,031
Other comprehensive income		1,336	772	433	306	-255	310
Comprehensive income		3,770	2,497	1,664	1,147	2,949	4,222

Rental income

Rental income for the period amounted to SEK 2,181 million (1,542), with growth resulting primarily from completed property transactions. Rental income averaged SEK 1,361 per square metre of time-weighted area (1,436). The lower average rent is primarily explained by the acquisition in the Netherlands.

The letting ratio for housing was 96.6 percent (98.2), the somewhat lower level is attributable to vacated apartments that are to be renovated. Over the period, the voluntarily vacated apartments accounted for 1.8 percent of the total, corresponding to a real letting ratio of 98.4 percent (real vacancy rate of 1.6 percent).

Property costs

Total property costs amounted to SEK 987 million (740). The change is mainly due to increased property volumes. Property costs averaged SEK 616 per square metre of time-weighted area (689).

Net operating income

Net operating income amounted to SEK 1,194 million (802) for the period, corresponding to a surplus ratio of 55 percent (52). The higher surplus ratio is primarily due to acquisitions in Denmark and the Netherlands, but also to operational improvements.

Central administration costs

Costs for central administration amounted to SEK 52 million (44), with the increase mainly being attributable to the growth of the organisation as a consequence of a larger property portfolio.

Net financial items

Financial costs were SEK 562 million (345) during the period, the change being attributable to an increase in interest-bearing liabilities driven by the larger property portfolio. The average interest rate on the Balance Sheet date for total borrowing, including derivatives and fees for unutilised credits increased to 2.1 percent (1.9), driven by a differences in spread between bonds and bank loans, changes in underlying base rates and increased interest-rate hedging.

About 59 percent (79) 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 (adjusted for the recognised interest rate cut) on an annual basis by approximately SEK 308 million (223) were rates to rise, and decrease them by approximately SEK 123 million (94) in the event that interest rates were to fall.

The difference in sensitivity is explained by several credit agreements containing interest rate floor clauses restricting interest rate changes on the downside, such that the base rate cannot, for example, be negative while the cost of outstanding and purchased interest rate derivatives can increase with negative market interest rates.

Other financial costs

Other financial costs amount to SEK 314 million (0) and relate to exchange rate differences for loans raised in the Parent Company and to currency

effects associated with derivative instruments. The loans are denominated in the same currency as the foreign assets they finance, or are hedged via cross currency swaps to the same currencies as the assets they finance. Exchange rate differences associated with the net assets of foreign subsidiaries are reported in Other comprehensive income. The Group's currency risk is limited to the net capital in each currency.

Financial costs, right-of-use assets

In connection with the transition to IFRS 16, the ground rent has been reclassified from Property costs to Financial income and costs, ground rent paid is reported in its entirety as an interest expense since these agreements are regarded as perpetual.

Profit from property management

Profit from property management was SEK 294 million (443). The profit from property management is primarily explained by unrealised currency effects relating to loans raised in the Parent Company.

Changes in the value of financial derivative instruments

In accordance with the established financial policy and interest rate hedging strategy, Heimstaden uses interest rate derivatives and cross currency swaps to manage the Group's interest rate and currency risks. The change in value of derivatives during the period was negative in the amount of SEK 356 million (12). The nominal volume of interest rate swaps amounted to SEK 26,933 million (9,617) and the volume of cross currency swaps amounted to SEK 12,509 million (0). During the period, the currency effect associated with cross currency swaps has been moved from the item Changes in the value of financial instruments to Other financial costs, amounting to SEK 22 million. Currency effects regarding loans and corresponding hedging are thereby shown on the same row in the income statement.

Change in value of investment properties

As of 30 June 2019, the unrealised change in the value of investment properties amounted to SEK 3,218 million (1,711). All segments show positive changes this year. Sweden showed a positive change in value of 3.2 percent, Denmark 2.0 percent and Norway 3.6 percent. Germany showed a positive change in value of 2.5 percent and the Netherlands 5.3 percent. The changes are primarily explained by lowered yield requirements in existing holdings. The yield requirement in the valuation averaged 3.69 percent, which compares with 3.65 percent at the end of 2018. The change in the average is partly attributable to the acquisition in the Netherlands. After currency adjustment, the total change in value of properties amounted to SEK 3,216 million (1,605) in the Income Statement.

Tax

In addition to the current tax of SEK 91 million (78), the Group also reports deferred tax of SEK 629 million (213). The deferred tax is calculated on the differences between the carrying amount and the consolidated cost of investment properties and financial instruments.

Other comprehensive income

Other comprehensive income consists of currency translation differences arising from the consolidation of the Group's foreign subsidiaries.

Consolidated Statement of Financial Position

Amounts in SEK million	Note	30 Jun 2019	30 Jun 2018	31 Dec 2018
Assets				
Non-current assets				
Goodwill		72	–	–
Investment properties	9	103,447	66,574	76,249
Leases, right-of-use		568	–	–
Tangible fixed assets		28	13	22
Interest-rate derivatives		–	–	18
Participations in associated companies	10	145	112	123
Other financial non-current assets		219	541	286
Total non-current assets		104,479	67,241	76,699
Current assets				
Development properties and tenant-owned apartments in progress		716	830	680
Accounts receivable		20	24	16
Other current receivables		842	950	863
Prepaid costs and accrued income		328	108	253
Cash and cash equivalents		3,295	6,801	4,775
Total current assets		5,202	8,713	6,588
TOTAL ASSETS		109,680	75,954	83,286

Investment properties

As per 30 June, Heimstaden's property portfolio had a market value of SEK 103,447 million (76,249). The total unrealised change in value during the period amounted to SEK 3,218 million (823). The remaining change in the carrying amount of the property portfolio consists of net corporate and property transactions, investments in existing stocks, as well as exchange rate effects.

For a more detailed description of Heimstaden's methodology for valuing properties, see page 116 of Heimstaden's 2018 Annual Report.

Participations in associated companies

Heimstaden holds shares in Rosengård Fastigheter and a number of minor development projects.

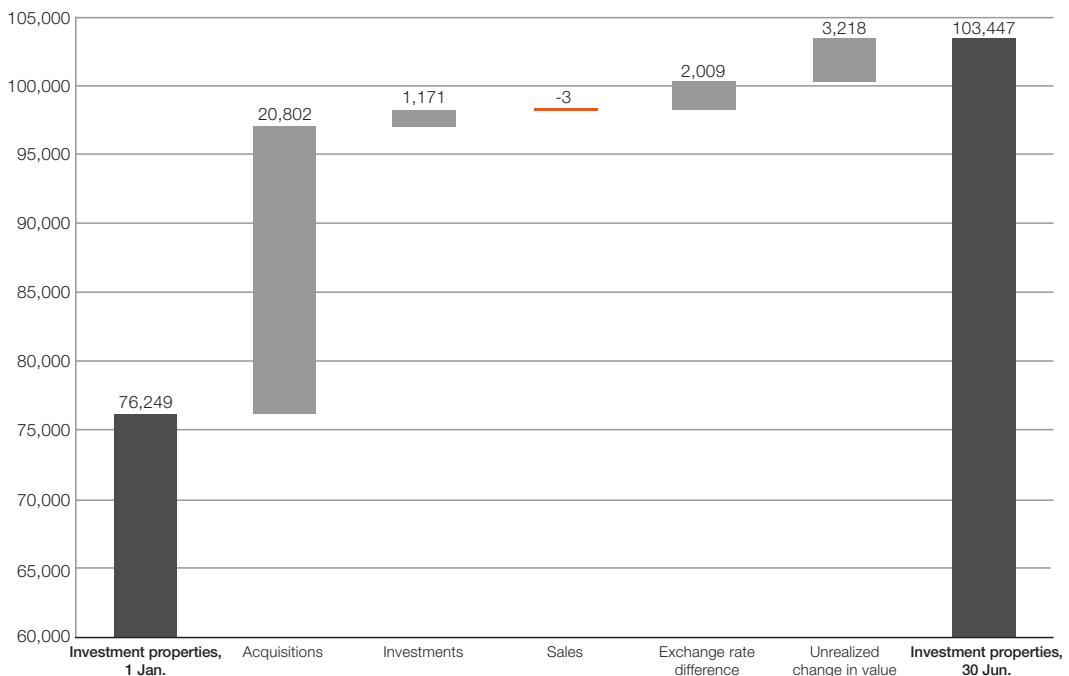
Other financial non-current assets

Other financial assets refer to loans provided to associated companies, as well as acquired, construction projects in progress to which Heimstaden has not yet gained access. These amounted to SEK 219 million (286) at the end of the period.

Development properties and tenant-owned apartments in progress

In connection with the acquisition of Norwegian investment properties, building rights and ongoing construction projects were also acquired. The item concerns the development and construction of condominium apartments in Oslo that are to be divested upon completion.

DEVELOPMENT OF INVESTMENT PROPERTIES FOR THE PERIOD, SEK MILLION



Consolidated Statement of Financial Position

Amounts in SEK million	Note	30 Jun 2019	30 Jun 2018	31 Dec 2018
EQUITY AND LIABILITIES				
Equity ¹⁾		39,665	33,547	33,936
Long-term interest-bearing liabilities		63,494	37,142	38,195
Non-current liability, financial leasing		568		
Interest-rate derivatives	10	319	42	–
Deferred tax liability		3,347	1,922	2,218
Total non-current liabilities		67,729	39,106	40,413
Current liabilities				
Current interest-bearing liabilities		630	2,082	7,492
Accounts payable		359	173	351
Current tax liabilities		70	93	99
Other current liabilities		778	406	521
Accrued costs and prepaid income		449	548	475
Total current liabilities		2,287	3,302	8,938
TOTAL EQUITY AND LIABILITIES		109,680	75,954	83,286
¹⁾ Of which non-controlling interests		18,553	17,242	17,436

Consolidated Statement of Changes in Equity

Amounts in SEK million	Share capital	Share premium reserve	Hybrid bond	Profit brought forward	Total equity
Equity, 31 Dec 2017	78	729		18,001	18,807
Dividend, preference shares				-23	-23
Shareholder contribution, Fredensborg AS				1,737	1,737
Contributions from non-controlling interests				4,000	4,000
Dividend to non-controlling interest				6,487	6,487
Change in taxation				41	41
Other comprehensive income				772	772
Profit for the period				1,725	1,725
Equity, 30 Jun 2018	78	729		32,740	33,546
Dividend, preference shares				-23	-23
Change in taxation				-39	-39
Other comprehensive income				-1,027	-1,027
Profit for the period				1,479	1,479
Equity, 31 Dec 2018	78	729		33,129	33,936
Dividend, preference shares				-23	-23
Hybrid bond			1,982		1,982
Other comprehensive income				1,336	1,336
Profit for the period				2,434	2,434
Equity, 30 June 2019	78	729	1,982	36,876	39,664

Interest-bearing liabilities

At the end of the period, Heimstaden had interest-bearing liabilities amounting to SEK 64,124 million (45,687), 67 percent of which are covered by property mortgages. With deductions for cash and cash equivalents, net liabilities increased by SEK 19,918 million, to SEK 60,829 million (40,911). In the period at hand, the Group's borrowing, including currency effects, had increased by SEK 18,436 million, relating primarily to acquisitions of properties in Denmark and the Netherlands.

Of the interest-bearing liabilities, SEK 21,221 million (13,143) refers to bonds, SEK 18,372 million (15,080) is attributable to financing based on mortgage bonds, and SEK 24,532 million (17,464) refers to traditional bank loans. On the balance sheet date, unutilised credit facilities amounted to SEK 6,836 million (7,043).

The average period for which capital is tied up in Heimstaden's interest-bearing liabilities amounted to 9.6 years (8.0). The largest proportion of loan maturities in an individual year amounts to 27 percent (26), maturing in 2024 (2020). At the same time, the average interest period of fixed interest, including the effect of derivatives, amounted to 2.0 years (2.1).

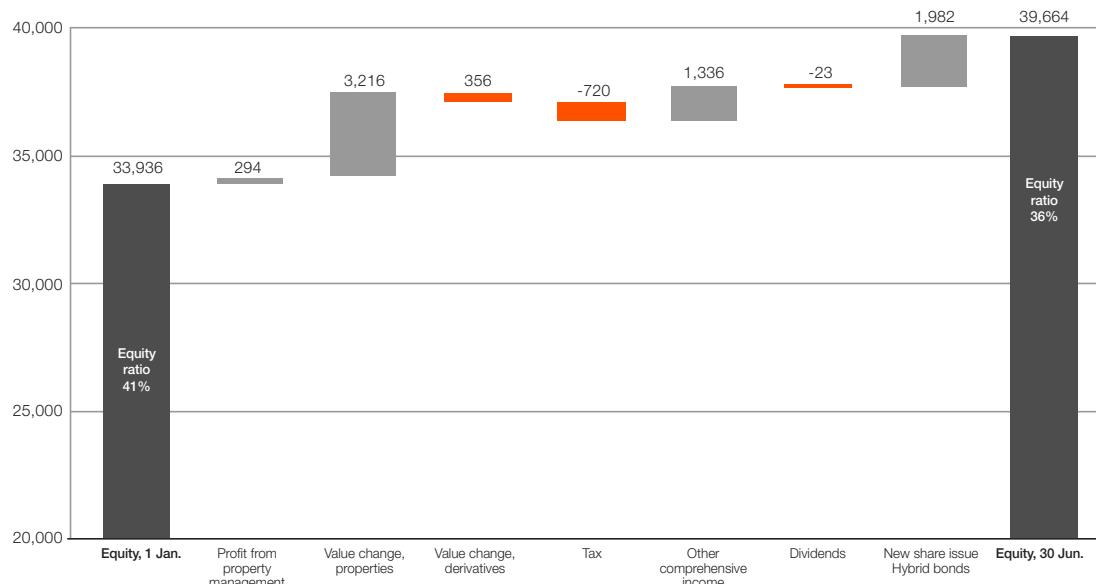
Deferred tax

Deferred tax is calculated on differences between carrying amounts and the consolidated cost of the assets and liabilities. The nominal tax rates used for the calculations are 20.6 percent for Sweden, 22 percent for Denmark, 23 percent for Norway, 30.2 percent for Germany and 19 percent for the Netherlands. At 30 June 2019, deferred tax, which is the net of deferred tax assets and deferred tax liabilities, amounted to SEK 3,347 million (2,218) and was, for the most part, attributable to investment properties. The remaining tax deficit in the Group amounts to SEK 1,669 million (1,669).

Equity

Equity amounted to SEK 39,665 million (33,936) and the equity/assets ratio was 36 percent (41), the change for the period consisting of dividends, profit and a new issue of hybrid bonds amounting to SEK 1,982 million. During the period SEK 23 million (23) has been paid in dividends to holders of preference shares. The minority interest amounts to SEK 18,194 million (17,436). Through its operations abroad, Heimstaden is exposed to currency risk in EUR, DKK and NOK, as well as to risk associated with EUR regarding financing. The risk related to debenture loans in EUR has been hedged against SEK and NOK using swaps, the currency risk associated with the foreign operations is limited to net capital in each currency. The risk can also have a direct effect on profit thereby affecting equity.

EQUITY DEVELOPMENT OVER THE PERIOD¹⁾, SEK MILLION



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

Consolidated Statement of Comprehensive Income

Amounts in SEK million	2019 6 months Jan–Jun	2018 6 months Jan–Jun	2019 3 months Apr–Jun	2018 3 months Apr–Jun	2018 12 months Jan–Dec
Operating activities					
Profit before tax	3,154	2,056	1,533	1,034	3,745
Adjustments for non-cash items:					
– Change in value of investment properties	-3,216	-1,605	-1,455	-788	-2,744
– Change in value of derivative instruments	356	12	44	32	-11
– Other non-cash items	245	-1	180	-1	-100
Tax paid	-122	-74	-10	-25	-131
Cash flow from operating activities before changes in working capital	417	389	293	252	758
Change in working capital					
Change in current receivables	30	72	134	201	348
Change in tenant-owner participations	–	–	–	–	-883
Change in current liabilities	-148	-39	112	-144	-489
Cash flow from operating activities	300	422	538	310	-266
Investing activities					
Property acquisitions	-6,702	-14,102	-5,190	-11,327	-9,018
Investment, properties	-1,062	0	-538	–	-4,039
Acquisitions of subsidiaries	-72	-2	-72	–	-2
Acquisitions of other non-current assets	–	0	–	–	-158
Deposits paid for acquisitions	–	-565	–	-565	-547
Other investments	-3	-10	1	-5	-22
Property sales	3	156	3	7	155
Acquisitions of participations in associated companies	–	-2	–	-2	-6
Change in loans to associated companies	-16	-4	13	–	-47
Change in financial assets	14	-1	–	1	198
Cash flow from investing activities	-7,837	-14,530	-5,782	-11,892	-13,486
Financing activities					
Contributions from non-controlling interests	465	6,563	465	6,563	6,563
Dividend to non-controlling interest	-465	-76	-465	-76	-76
Dividend to/contribution from Parent Company	–	5,737	–	4,000	5,737
Dividend, preference shares	-23	-23	-12	-12	-47
New issue of hybrid bond	1,982	–	1,982	–	–
Change in interest-bearing liabilities	4,029	7,349	272	5,444	5,198
Redemption of interest rate derivatives	–	-91	–	-91	-135
Cash flow from financing activities	5,988	19,460	2,242	15,829	17,242
Cash flow for the period	-1,550	5,352	-3,001	4,247	3,489
Opening cash and cash equivalents	4,775	1,393	6,265	2,538	1,393
Currency effect in cash and cash equivalents	69	56	32	17	-107
Closing cash and cash equivalents	3,295	6,801	3,295	6,801	4,775

Operating activities

Cash flow from operating activities, before changes in working capital, amounted to SEK 417 million (389). The increase is primarily attributable to a larger property portfolio, but is affected negatively by higher tax paid. After a reduction in working capital, cash flow from operating activities amounted to SEK 300 million (422).

Investing activities

Cash flow from investing activities was negative in the amount of SEK 7,837 million (14,530). Most of the flow consists of corporate and property transactions, of which most are attributable to acquisitions in Denmark and the Netherlands, as well as investments in improvements in existing properties.

Financing activities

Cash flow from financing activities amounted to SEK 5,988 million (19,460), with the amount being primarily attributable to a new issue of hybrid bonds and a change in interest-bearing liabilities.

Cash flow

Cash flow for the period was negative in the amount of SEK 1,550 million (5,352) and cash and cash equivalents amounted to SEK 3,295 million (6,801) at the end of the period.



PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	2019 6 months Jan – Jun	2018 6 months Jan – Jun
Other operating income	57	49
Central administration costs	-49	-31
Operating profit/loss	8	18
Amortisation and depreciation	–	–
Dividends from associated companies	–	–
Dividends from subsidiaries	3,173	–
Impairment	-2 958	–
Profit from participations in Group companies	–	3,537
Profit before financial items	223	3,554
Interest income	45	–
Interest costs	-84	-42
Profit from property management	185	3,512
Group contributions	–	–
Profit before tax	185	3,512
Current tax	–	–
Deferred tax	–	–
Profit for the period	185	3,512

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

Amounts in SEK million	30 Jun 2019	30 Jun 2018
Assets		
Non-current assets		
Tangible fixed assets	3	4
Shares in subsidiaries	569	4,511
Other financial non-current assets	1	1
Total non-current assets	572	4,515
Current assets		
Receivables from subsidiaries	20,324	14,172
Other current receivables	55	187
Cash and cash equivalents	977	4,157
Total current assets	21,357	18,516
TOTAL ASSETS	21,929	23,032
EQUITY AND LIABILITIES		
Equity	15,530	17,253
Non-current liabilities		
Bond	3,000	2,500
Non-current liabilities, subsidiaries	134	140
Total non-current liabilities	3,134	2,640
Current liabilities		
Current liabilities, subsidiaries	3,239	3,126
Other current liabilities	26	13
Total current liabilities	3,266	3,139
TOTAL EQUITY AND LIABILITIES	21,929	23,032

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million	Share capital	Share premium reserve	Hybrid bond	Profit brought forward	Total equity
Equity, 31 Dec 2017	78	729	–	7,220	8,027
Dividend, preference shares				-23	-23
Shareholder contributions				5,737	5,737
Comprehensive income for the period				3,512	3,512
Equity, 30 Jun 2018	78	729	–	16,446	17,253
Dividend, preference shares				-23	-23
Comprehensive income for the period				-3,843	-3,843
Equity, 31 Dec 2018	78	729	–	12,579	13,386
Dividend, preference shares				-23	-23
Shareholder contributions				1,982	1,982
Comprehensive income for the period				185	185
Equity, 30 Jun 2019	78	729	1,982	12,741	15,530



Note 1 Accounting principles

Accounting principles

Heimstaden's consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and its interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 the Annual Accounts Act. The Parent Company applies RFR2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The same accounting and valuation principles and calculation methods have been applied as in the most recent annual report (see pages 106 and 132 of the 2018 Annual Report for Heimstaden) with the exception of the introduction of IFRS 16 Leasing as of 1 January 2019 and currency effects associated with cross currency swaps, which, in the interim report have been separated and moved from Changes in the value of financial instruments to Other financial costs. Currency effects related to intragroup loans have been moved from Other financial cost to Other comprehensive income. Other new and amended standards are not currently expected to affect Heimstaden's accounts to any significant extent.

New accounting principles

In the autumn of 2017, IFRS 16 Leases was adopted by the EU. The standard came into effect on 1 January 2019 and includes both the lessor and the lessee. Heimstaden's income consists mainly of rental income and is therefore subject to the regulations for lessors. For lessors, the regulations are predominantly unchanged, while, on the other hand, significant changes have been made to the regulations for lessees. Heimstaden has lease commitments for leaseholds, premises and vehicles.

According to the new standard, lessees must report the commitment as a lease liability in the Balance Sheet. The right to use the underlying asset during the leasing period is reported as an asset. Depreciation of the asset is recognised in the Income Statement, as is interest on the lease liability. Leasing fees paid are reported partly as interest payments and partly as amortisation of the lease liability.

Following the introduction of IFRS 16 as of 1 January 2019, Heimstaden has reported a right-of-use asset and a lease liability corresponding to the value of the right-of-use asset. From the perspective of IFRS 16, leaseholds are viewed as perpetual lease agreements, which are reported at fair value and not written off, instead the value of the right-of-use asset remains until the next occasion on which the leasehold is renegotiated. The Income Statement has been affected in that the ground rent has been reclassified from Property costs to Financial income and costs, ground rent paid is reported in its entirety as an interest expense since these agreements are regarded as perpetual. Heimstaden has leasehold or other lease agreements for land in countries other than Sweden. Heimstaden experience is that these agreements are normally extended and thus handled in the same way as Swedish leaseholds.

Premises and vehicles are reported at discounted values in the balance sheet as a right-of-use asset and a lease liability. In the Income Statement, the right-of-use asset is written off over lease term and payments made to landlord/the lessor are reported partly as

amortisations on the lease liability and partly as an interest expense in the Income Statement.

The cash flow statements will not be affected by the introduction of IFRS 16 as these are based on Profit from property management.

Heimstaden has chosen to apply the simplified transition method and will not apply the standard retroactively. Accordingly, in accordance with the simplified method, comparison figures for 2018 have not been recalculated.

Note 2 Information about related parties

Heimstaden's transactions with related parties are detailed in Notes G 8 and PC-G 6 in Heimstaden's 2018 Annual Report.

Note 3 Events after the Balance Sheet date

3 July

Heimstaden publishes prospectus and applies for admission to trading of its bonds

3 July

Heimstaden AB has acquired a Dutch residential portfolio consisting of 18 assets comprising of 772 residential units, 6 smaller commercial units and 25 parking units. The portfolio consists of 53,900 sqm lettable area in total.

10 July

Heimstaden announced that the company's CFO Ingvar Sundbom will leave the company on 7 August 2019. Ingvar Sundbom, who was appointed CFO in November 2018, is resigning for family reasons. Magnus Nordholm, CEO Fredensborg AS and former CFO Heimstaden, will be the Acting CFO until a permanent solution is in place.

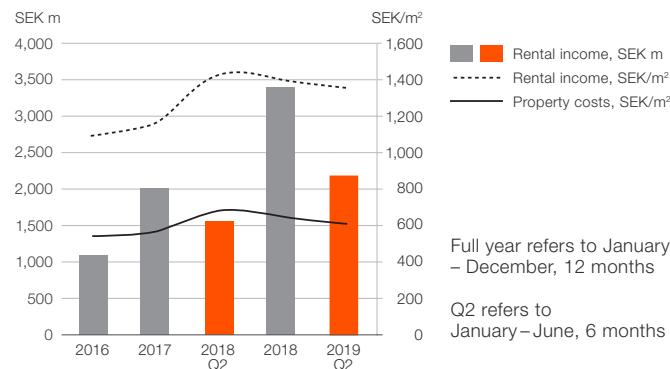
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Heimstaden AB considers issuance of hybrid bonds

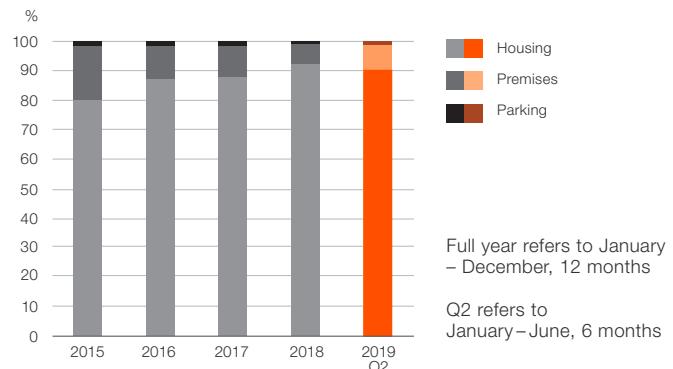
Heimstaden AB (publ) (the "Company" or "Heimstaden") has mandated Nordea and Swedbank as joint bookrunners to arrange investor meetings to investigate the possibility to issue hybrid bonds under the Company's existing hybrid bond loan (ISIN SE0012455111). The hybrid bond loan has an outstanding amount of SEK 2,000,000,000, a framework amount of SEK 5,000,000,000 and a perpetual maturity with a Company's first call date in approximately 5 years.

Note 4 Rental income

RENTAL INCOME



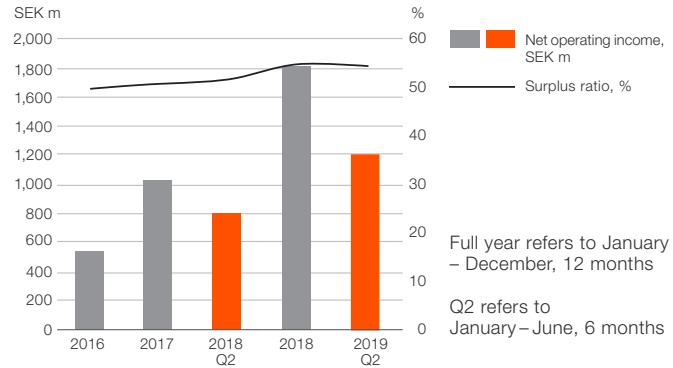
DISTRIBUTION OF RENTAL INCOME



Note 5 Property costs

Amounts in SEK million	2019 6 months Jan – Jun	2018 6 months Jan – Jun	2018 12 months Jan – Dec
Operating costs	-508	-491	-989
Maintenance and repairs	-250	-151	-344
Property administration	-160	-75	-155
Property tax	-68	-18	-86
Ground rent	-	-2	-2
Amortisation and depreciation	-2	-2	-6
Total property costs	5	-740	-1,582

NET OPERATING INCOME AND SURPLUS RATIO



Note 6 Financial income and costs

Risk management, estimation and assessments

The Board of Directors and company management work continuously to achieve the desired risk profile, which is governed by the adopted Financial Policy and established operational targets.

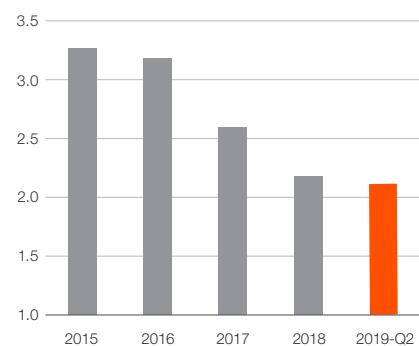
Heimstaden's operations, financial position and profit can be affected by a number of risks and uncertainties. These are described on pages 84–87 of the 2018 Annual Report. No significant changes

have subsequently occurred affecting the assessment by the Board of Directors and company management.

To prepare the accounts in accordance with generally accepted accounting principles, management must make assessments and assumptions affecting the assets and liabilities reported in the financial statements, as well as income and expense items and other disclosures. Actual outcomes may differ from these assessments.

Financial risks	Financial policy in summary	Outcome 30 Jun 2019	Listing
Refinancing risk			
Capital tied up (months)	at least 15	116	
Loan maturity (percentage in individual year)	maximum 40	21 (2021)	
Limitation, individual lenders (percent)	maximum 50	SEK 14.4 (ABN Amro, Agent)	
Interest-rate risk			
	In accordance with respective covenants		
Fixed interest (years)	In accordance with separate interest rate hedging strategy	2.1	
Interest rate hedge (percent)	at least 25	56	
Credit risk			
Equity/assets ratio (percent)	at least 25	36	
Interest coverage ratio (multiple, rolling 12 months)	maximum 50%	2.1	

INTEREST COVERAGE RATIO Q2 (ICR)



Years	30 Jun 2019			Fixed interest, loans incl. cross currency swaps			Fixed interest incl. derivatives ¹⁾		
	SEK m	Share, %	Interest, incl. margin, %	SEK m	Share, %	Interest, incl. margin, %			
0–1	61,686	96.2	1.9	31,037	48.4	2.2			
1–2	381	0.6	1.5	2,719	4.2	2.0			
2–3	371	0.6	1.5	4,549	7.1	1.9			
3–4	1,427	2.2	2.1	6,035	9.4	2.3			
4–5	–	–	–	10,457	16.3	1.7			
>5 years after balance sheet date	258	0.4	2.5	9,328	14.6	2.0			
Total	64,124	100.0	1.9	64,124	100.0	2.1			

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

The average remaining term of fixed interest in the loan portfolio amounts to: 0.47 years

The average remaining term of fixed interest in the loan portfolio, including derivatives, amounts to: 2.42 years

Note 7 Change in value of investment properties

Yield requirements

Years	Average	Interval
2018	3.65%	0.95% – 8.50%
2019	3.69%	0.85% – 8.16%



Venus 9, Landskrona

Note 8 Change in value of derivatives

Change in market value of derivatives

Market value of derivatives, 31 Dec 2018	18
Acquired derivatives	–
Redeemed derivatives	–
Currency effect on derivatives	19
Unrealised changes in value	-356
Market value of derivatives, 30 June 2019	-319

Note 9 Investment properties

Change in market value of investment properties

Amounts in SEK million	Total	Sweden	Denmark	Norway	Germany	Netherlands
Market value of investment properties, 31 Dec 2018	76,249	36,005	23,782	15,521	703	236
Sales during the period	-3	-3	–	–	–	–
Acquisitions during the period	20,802	314	5,480	157	–	14,851
Acquisitions from associated companies	–	–	–	–	–	–
Investments during the period	1,171	703	234	220	12	3
Currency change	2,009	–	861	892	21	235
Market value after transactions	100,228	37,019	30,357	16,789	737	15,326
Unrealised value change	3,218	1,171	619	596	18	814
Market value of investment properties, 31 Dec 2019	103,447	38,190	30,976	17,386	755	16,140

Note 10 Financial instruments

Change in loan volume

Interest-bearing loans, 31 Dec 2018	45,687
Repayments on loans	-5,243
Currency exchange effect on loans	-589
New borrowing/loans taken over	24,268
Interest-bearing loans, 30 June 2019	64,123

Years	Capital tied up, loans		Lines of credit		
	SEK million	Share, %	Interest, incl. margin, %	SEK million	Share, %
0-1 years	630	1	3.8	1,734	25
1-2 years	11,135	17	2.1	302	4
2-3 years	8,175	13	1.9	4,800	70
3-4 years	5,922	9	2.5	–	–
4-5 years	17,320	27	2.1	–	–
>5 years after balance sheet date	20,943	33	0.9	–	–
Total	64,124	100.0	1.7	6,836	100

The average remaining period for which capital is tied up amounts to: 9.6 years

Funding source, SEK m

	Credit	Secured, %	Share, %	Unutilised credit commitment
Bonds	21,221	–	33	–
Mortgages	18,372	100	29	–
Bank loans	24,532	100	38	6,836
Total	64,124	67	100.0	6,836

Financial instruments

Maturity, interest rate derivatives				
Years	Type	SEK million	Share, %	Interest, % ¹⁾
0-1 years	Paying fixed	2,753	8	-0.07
1-2 years	Paying fixed	2,337	7	0.21
2-3 years	Paying fixed	4,177	13	0.25
3-4 years	Paying fixed	4,607	14	0.35
4-5 years	Paying fixed	11,408	34	0.19
>5 years after balance sheet date	Paying fixed	8,119	24	0.46
Total purchased swaps		33,403	100	0.26

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

Financial instruments

Maturity, cross-currency swaps				
Years	Type	SEK million	Share, %	Interest, % ¹⁾
0-1 years	Paying variable	–	–	–
1-2 years	Paying variable	–	–	–
2-3 years	Paying variable	5,282	42	3.01
3-4 years	Paying variable	–	–	–
4-5 years	Paying variable	7,227	58	–
>5 years after balance sheet date	Paying variable	–	–	–
Total purchased swaps		12,509	100	2.81

¹⁾ The interest rate indicates the variable agreed interest rate on the balance sheet date.



The Board of Directors and the President provide their assurance that this interim report provides a true and fair view of the operations, position and results of the Parent Company and the Group and describes the significant risks and uncertainties that occur in the operations of the Parent Company and the Group.

Malmö, 30 August 2019

Patrik Hall
CEO

Ivar Tollefsen
Chairman of the Board

Magnus Nordholm
Board Member

John Giverholt
Board Member

This interim report has not been subject to review by the company's auditors.

KEY DATA

	2019 6 months Jan – Jun	2018 6 months Jan – Jun	2019 3 months Apr – Jun	2018 3 months Apr – Jun	2018 12 months Jan – Dec
Property-related data					
Rental income, SEK m	2,181	1,542	1,158	836	3,393
Letting ratio, housing (number), %	96.6	98.2	96.6	98.2	97.3
Real letting ratio, housing (number), %	98.4	–	98.4	–	98.6
Surplus ratio, %	54.8	52.0	58.1	58.0	53.4
Acquisitions and property investments, SEK m	20,802	14,102	17,091	11,327	21,696
Property sales, SEK m	3	156	3	7	155
Market value of properties on balance sheet date, SEK m	103,447	66,574	103,447	66,574	76,249
Number of properties on balance sheet date	1,537	892	1,537	892	951
Lettatable area on balance sheet date, m ²	3,754,735	2,473,801	3,754,735	2,473,801	2,732,359
Number of apartments on balance sheet date	50,890	35,526	50,890	35,526	39,006
Proportion living area on Balance Sheet date, %	91	88	91	88	89
Financial data					
Cash flow from operating activities, SEK m	300	422	538	310	-266
Profit from property management, SEK m	294	463	122	278	989
Interest coverage ratio (ICR), multiple	2.1	2.3	2.1	2.3	2.2
Equity/assets ratio, %	36.2	44.2	36.2	44.2	40.7
Loan-to-value ratio (LTV), %	58.8	48.7	58.8	48.7	53.7
Loan-to-value ratio, secured loans, %	39.1	–	39.1	–	34.6
Average interest rate on balance sheet date, %	2.1	1.9	2.1	1.9	1.8
Average period of fixed-interest on loans, incl. derivatives, years	2.0	1.0	2.0	1.0	2.1
Average period for which capital is tied up, year	9.6	7.5	9.6	7.5	8.0
Return on equity, %	13.7	18.2	13.7	18.2	13.2
Equity on the balance sheet date, SEK m	39,665	33,547	39,665	33,547	33,936
Net asset value on the balance sheet date, SEK m	43,012	35,468	43,012	35,468	36,154
Long-term asset value (EPRA NAV) on the balance sheet date, SEK m	43,331	35,510	43,331	35,510	36,136
DEBT/EBITDA, multiple	21	19	21	19	20
Data per share					
Profit per ordinary share, SEK	202	122	109	50	139
Equity per ordinary share, SEK	1,379	1,167	1,531	1,167	1,182
Equity per preference share, SEK	380	380	380	380	380
Number of ordinary shares outstanding at the end of the period	13,204,000	13,204,000	13,204,000	13,204,000	13,204,000
Number of preference shares outstanding at the end of the period	2,343,750	2,343,750	2,343,750	2,343,750	2,343,750
Average number of ordinary shares outstanding	13,204,000	13,204,000	13,204,000	13,204,000	13,204,000
Average number of preference shares outstanding	2,343,750	2,343,750	2,343,750	2,343,750	2,343,750

Definitions and glossary

Letting ratio, housing (number), %

Leased housing divided by total number of homes.

Real letting ratio, housing (number), %

Leased housing adjusted for voluntary vacancies due to standard improvements divided by the total number of homes.

Surplus ratio, %

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 before net financial items plus financial income divided by financial costs attributable to interest-bearing liabilities. Calculated based on the rolling 12-month outcome.

Equity/assets ratio, %

Equity as a percentage of total assets.

Loan-to-value ratio (LTV), %

Net liabilities in relation to the property portfolio's estimated market value.

Loan-to-value ratio, secured loans, %

Secured loans as a share of total assets, in accordance with Standard & Poor's definition.



Net liabilities

Interest-bearing liabilities less financial assets and cash and cash equivalents.

Average interest, %

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

Return on equity after tax, %

Profit after tax (rolling 12-month outcome) as a percentage of average equity.

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

12-month average interest-bearing liabilities 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

The preferential rights of holders of preference share on liquidation of the company and the remaining entitlement to dividends of those shares.

Profit after tax per ordinary share, SEK

Profit after tax 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

Financial information

The interim report for July-September 2019 will be published on 25 October 2019.

This information is such that Heimstaden AB (publ) is obliged to disclose under the EU Market Abuse Regulation and the Securities Market Act.

The information was submitted for publication under the auspices of the contact persons below at 9:00 a.m. CET on 30 August 2019.

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