

Q1 2021

Heimstaden



# First Quarter Highlights

Figures in SEK

180 billion

Investment Properties

114,041

Homes

3.7 billion

Profit

26.1 billion

Acquisitions

43.3%

LTV

3.0x

ICR

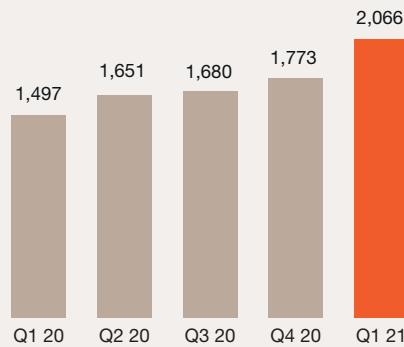
- Strong operational and financial performance, with continued high occupancy and strong credit metrics.
- Heimstaden Bostad closed acquisitions for 26.1 billion, of which 15.7 billion in Denmark, making it Heimstaden's largest market in terms of value.

- Heimstaden Bostad raised 12.5 billion in new equity, of which 5.4 billion from Heimstaden, and 13.1 billion in senior unsecured- and hybrid bonds.
- Heimstaden raised 3.5 billion from its first euro-denominated bond (EUR 350 million).

See page 42 for definitions of alternative performance measures.

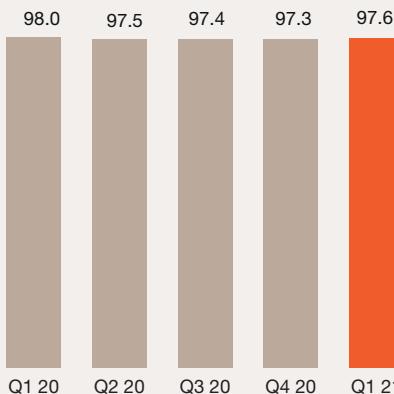
## Rental Income

SEK million



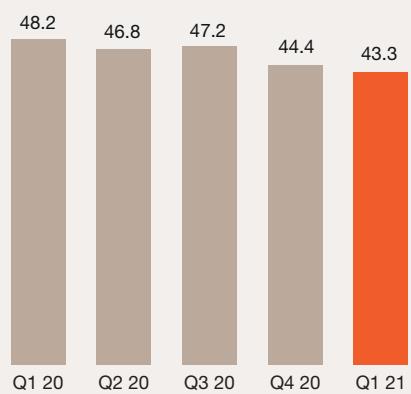
## Real Economic Occupancy

%



## LTV

%



## Financials

|  |          | Q1 2021 | Q4 2020 | Q1 2020 | 2020    |
|--|----------|---------|---------|---------|---------|
| <b>Rental income</b>                             | SEK m    | 2,066   | 1,773   | 1,497   | 6,601   |
| <i>Growth y-o-y</i>                              | %        | 38.0    | 28.5    | 46.3    | 37.6    |
| <b>Net operating income</b>                      | SEK m    | 1,246   | 881     | 857     | 3,867   |
| <b>Net operating income margin</b>               | %        | 60.3    | 49.7    | 57.2    | 58.6    |
| <b>Profit for the period</b>                     | SEK m    | 3,723   | 2,578   | 2,370   | 10,640  |
| <b>Capital expenditures</b>                      | SEK m    | 1,318   | 1,062   | 613     | 2,746   |
| <b>Investment properties</b>                     |          |         |         |         |         |
| <b>Fair value of investment properties</b>       | SEK m    | 179,519 | 144,428 | 131,745 | 144,428 |
| <b>Homes</b>                                     | Units    | 114,041 | 103,345 | 97,792  | 103,345 |
| <b>Real economic occupancy, residential</b>      | %        | 97.6    | 97.3    | 98.0    | 97.3    |
| <b>Like-for-like rental income growth, y-o-y</b> | %        | 1.6     | 2.1     | 5.9     | 3.6     |
| <b>Credit metrics</b>                            |          |         |         |         |         |
| <b>Interest Coverage Ratio (ICR)</b>             | Multiple | 3.0     | 2.8     | 2.5     | 2.8     |
| <b>Net Loan-to-Value (LTV)</b>                   | %        | 43.3    | 44.4    | 48.2    | 44.4    |
| <b>Net debt / Total assets</b>                   | %        | 38.6    | 39.8    | 43.9    | 39.8    |

# Staying True To Our Core Values

For several months, I have been struggling with a malfunctioning broadband connection at home. After spending hours trying to attract the interest of my supplier, I terminated the contract and found a new and better solution. A small, but telling, example of how poor service leads to the loss of a customer. I am proud that excellent customer service is at the very heart of our culture, as evidenced by strong financial results and positive customer feedback.

In Germany many of our customers recently experienced our customer focus first-hand. Only days ago, the German Federal Constitutional Court ruled the Berlin Rent Freeze Legislation unconstitutional and many tenants in Berlin risk claims from landlords for past rent. We quickly waived our rights to all such claims – a natural decision for us as a customer-centred and long-term provider of Friendly Homes.

Heimstaden Bostad closed two major acquisitions early this year, with 3,900 residential units in Berlin and more than 6,200 in Denmark, which is now our largest market. We also signed several attractive newbuild projects in Warsaw in Poland, our most recent market,

During the first quarter, Heimstaden Bostad raised 12.5 billion in new equity, of which Heimstaden contributed 5.35 billion. This ensures Heimstaden Bostad's continued financial strength and flexibility in exploring investment opportunities in both new- and existing European markets. We are also pleased to welcome the Swedish Pensions Agency as a new shareholder in Heimstaden Bostad – a strong institutional investor that shares our long-term perspective and dedication to societal and environmental efforts.

At the annual general meeting, Fredrik Reinfeldt and Vibeke Krag were elected as new board members at Heimstaden. Vibeke brings extensive CEO and board experience from prominent Danish corporations, while Fredrik served eight years as the Prime Minister of Sweden, is an advisor for major financial institutions and holds several board positions. Both are experienced professionals and valuable additions to the Board and to Heimstaden.

The Covid-19 pandemic still has a firm grip on society. I am therefore proud that Heimstaden continues to maintain high operational efficiency, which is made possible by competent and flexible colleagues who go the extra mile every day, and who take pride in solving our customers' needs beyond expectations. By staying true to our core values and working with partners who share our views, we continue to pursue our ambitious goals and explore new opportunities throughout 2021 and beyond.



We are pleased to welcome  
the Swedish Pensions Agency  
as the newest shareholder in  
Heimstaden Bostad.

Patrik Hall, CEO Heimstaden AB



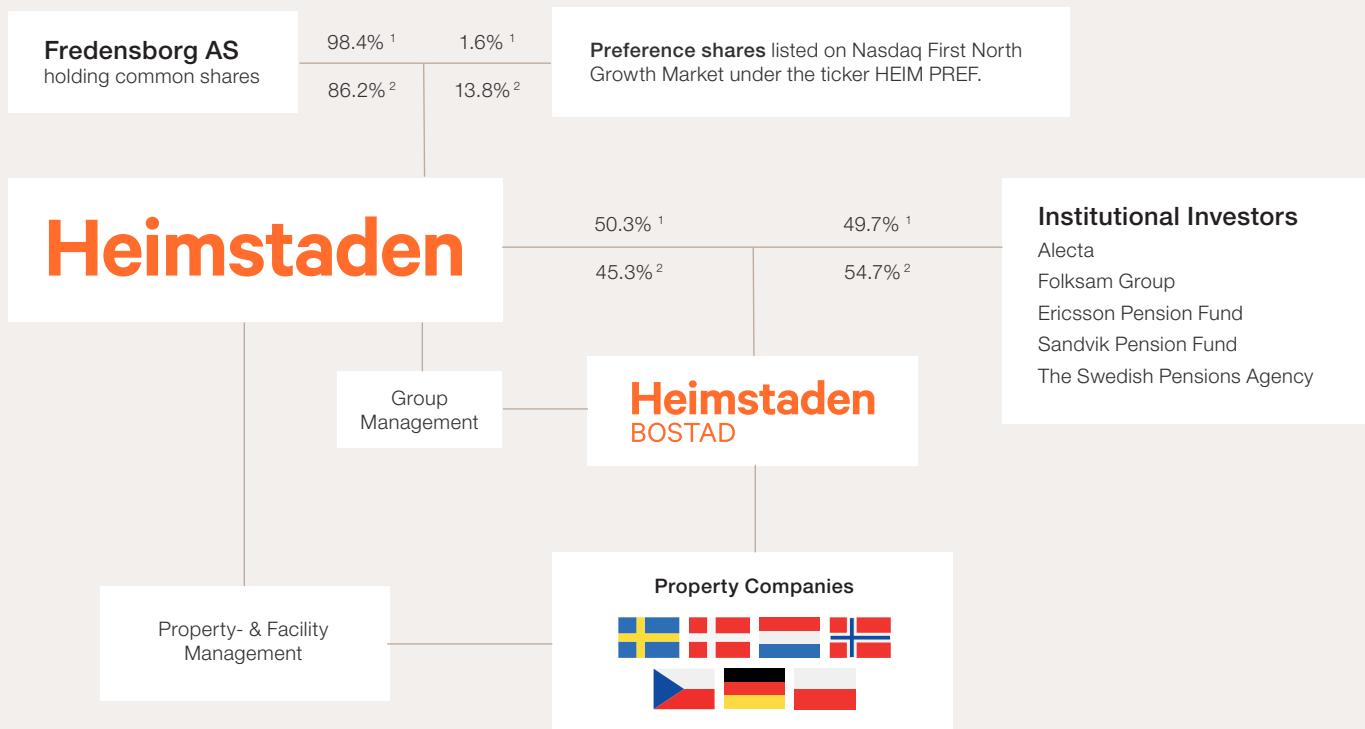
## *A Home for a Home*

Early in 2021, Heimstaden Bostad entered into a partnership with SOS Children's Villages to extend its vision of Friendly Homes to children who need it most. Our ambition is to create safe and secure homes for children globally and in the countries where we operate.

Heimstaden Bostad will donate EUR 100 per home. Thus, as the property portfolio grows, so will our contribution. Based on the current portfolio, the annual donation is more than SEK 110 million.



# Company Structure



Heimstaden is a residential real estate investor and the majority owner<sup>1</sup> of Heimstaden Bostad, which it owns together with long-term institutional partners who share a philosophy for evergreen and sustainable investments. Heimstaden is the investment-, asset-, and property manager of Heimstaden Bostad.

<sup>1</sup> Share of voting rights.  
<sup>2</sup> Share of capital.

Ejler Billes Allé  
Copenhagen, Denmark



# Operational and Financial Review

This report is presented on a consolidated basis. For information on Heimstaden's standalone financials, see pages 44-47. Figures in brackets refer to the same period last year.

## Income

Rental income increased 38% to 2,066 million (1,497), driven primarily by the full-quarter effect of the acquisition in the Czech Republic in February 2020 and the acquisitions in Denmark and Berlin in January 2021. Service income was 190 million (69), mainly related to heating costs charged back to tenants.

Like-for-like rental income growth was 1.6% (5.9) compared to the same period last year and the comparable portfolio made up 61% (64) of rental income.

Residential real economic occupancy was stable at 97.6% (98.0), excluding 1.9% (1.7) in vacancy due to refurbishments and other non-market related vacancy.

## Operating costs

Utility expenses increased due to seasonal effects, mainly related to heating in Sweden, the Czech Republic and Germany. Due to different rental regimes, these costs impact the margin differently between markets. See Note 3 to the financial statements for more details.

Cost for property- and facility management increased to 307 million (212) driven by acquisitions and the establishment of property management operations in new markets.

## Capital expenditures and Repair & Maintenance

We continued to invest in refurbishments and the construction of new investment properties. Investments in standing assets increased to 807 million (543), corresponding to 0.45% of fair value (0.41), while investments in properties under construction increased to 0.38% of fair value (0.17), due to a larger amount of forward funding acquisitions. More details on page 11.

| SEK million                                    | Q1 2021      | Q1 2020    | 2020         |
|--|--------------|------------|--------------|
| <b>Income statement items</b>                  |              |            |              |
| Expenses for repair & maintenance <sup>1</sup> | 180          | 150        | 671          |
| <b>Balance sheet items</b>                     |              |            |              |
| Capitalised repair & maintenance               | 427          | 236        | 1,005        |
| Tenant improvement                             | 201          | 157        | 652          |
| Investment properties under construction       | 690          | 220        | 1,088        |
| <b>Capital expenditures</b>                    | <b>1,318</b> | <b>613</b> | <b>2,745</b> |

<sup>1</sup> Excluding group eliminations

## Net operating income

The net operating income increased by 45% to 1,246 million (857), resulting in a net operating income margin of 60.3% (57.2). The margin was positively impacted by acquisitions.

## Rental Income Development



## Property Cost Development



### Unrealised change in fair value

|                      | %          | SEK million  |
|----------------------|------------|--------------|
| Sweden               | 2.0        | 1,010        |
| Denmark              | 3.4        | 1,790        |
| Norway               | 4.1        | 744          |
| Germany              | 4.5        | 624          |
| Netherlands          | -1.0       | -243         |
| Czech Republic       | 3.2        | 456          |
| <b>Total/average</b> | <b>2.5</b> | <b>4,380</b> |

Net gain from fair value adjustments on investment properties was 4,380 million (1,914), corresponding to 2.5%. The yield requirement in the valuation averaged 3.47%, down from 3.62% at the end of 2020. As of 1 January, real estate transfer tax in the Netherlands was increased from 2% to 8%, which negatively impacted value development.

### Interest expenses

Interest expenses increased to 362 million (325), driven by a larger debt portfolio. At the balance sheet date the interest hedging ratio was 76% (75) and the average interest rate was 1.7% (1.8). The decrease is mainly the result of lower credit margins on bank loans and unsecured bonds.

The Interest Coverage Ratio for the last 12 months was 3.0x (2.5x), while Net Loan-to-Value was 43.3% (48.2).

### Foreign currency

Heimstaden is exposed to currency fluctuations in EUR, DKK, NOK, CZK and PLN. Currency translation differences from the consolidation of Heimstaden's subsidiaries resulted in other comprehensive income of 2,518 million (negative 768), which was partially offset by 511 million in foreign exchange losses (positive 118), mainly related to the foreign currency loan portfolio.

### Cash Flow

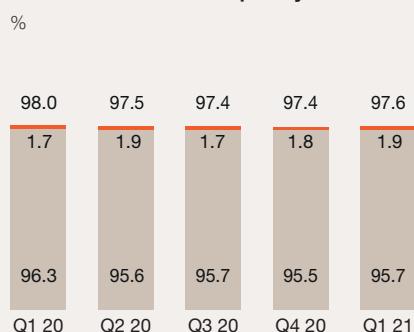
| SEK million                                       | Q1 2021       | Q1 2020       |
|---|---------------|---------------|
| Cash flow from operating activities               | 731           | 313           |
| Cash flow from investing activities               | -13,605       | -7,245        |
| Cash flow from financing activities               | 19,244        | 4,044         |
| Currency effects on cash and cash equivalents     | 65            | -272          |
| <b>Net changes in cash and cash equivalents</b>   | <b>6,435</b>  | <b>-3,160</b> |
| Cash and cash equivalents at beginning of period  | 6,370         | 10,687        |
| <b>Cash and cash equivalents at end of period</b> | <b>17,342</b> | <b>7,527</b>  |

Cash flow from operating activities before changes in working capital was 649 million (390). Working capital increased by 82 million (negative 77), resulting in net cash flows from operating activities of 731 million (313).

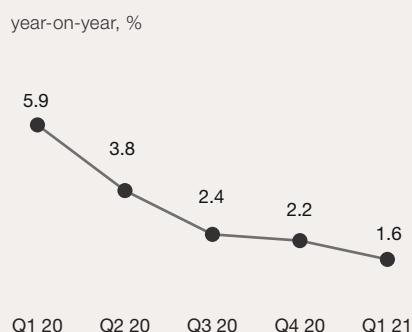
Cash flow from investing activities was negative 13,605 million (negative 7,245) and included acquisitions of 13,653 million (7,023) and capex on investment properties of 1,364 million (587). Investments in the first quarter of 2020 mainly comprised an acquisition in the Czech Republic while investments in the first quarter of 2021 consisted mainly of acquisitions in Denmark and Germany.

Cash flow from financing activities was 19,244 million (4,044), which included hybrid bond issues of 8,073 million (950), senior unsecured bond issues of 8,591 (0) million and proceeds from non-controlling interest of 7,144 million (4,000).

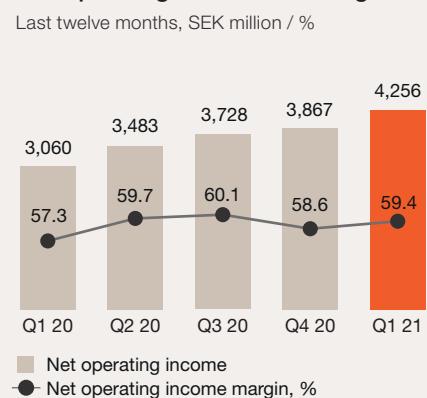
### Real Economic Occupancy



### Like-for-Like Rental Income Growth



### Net Operating Income and Margin



■ Economic occupancy  
■ Non-market vacancy adjustments

■ Net operating income  
● Net operating income margin, %

# Investment Properties

Fair value of investment properties increased from 144 billion to 180 billion, mainly through acquisitions in Denmark and Berlin, capital expenditures of 1,318 million and fair value gain of 4,379 million. Residential units makes up 91% of the lettable area and 51% of residential income is from regulated units.

## Significant acquisitions

- 6,028 residential and 232 commercial units in Denmark for 15.6 billion (DKK 11.5 billion), announced in December 2020.
- 3,900 residential and 431 commercial units in Berlin for 8.4 billion (EUR 831 million), announced in the third quarter of 2020.

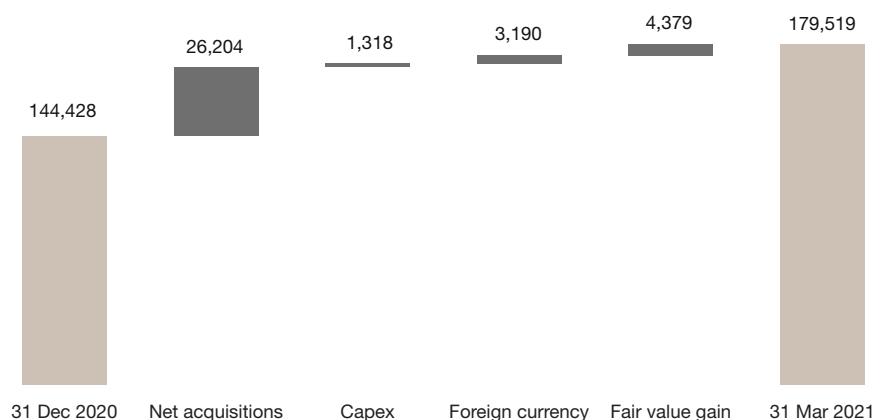
Acquisitions Closed in Q1 2021

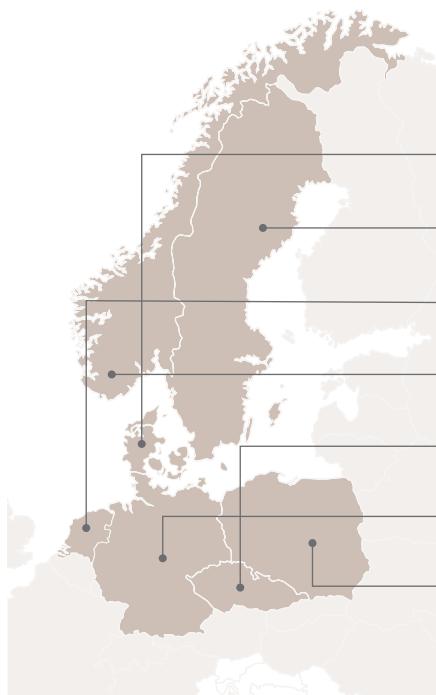
SEK million



Fair Value Development

SEK million





### Investment Property Portfolio

| Country        | Fair Value, SEK m | Fair Value /sqm, SEK | Homes, units   | Regulated Income, % | Economic Occupancy |
|----------------|-------------------|----------------------|----------------|---------------------|--------------------|
| Denmark        | 55,032            | 33,571               | 16,048         | 11.0                | 95.5               |
| Sweden         | 52,092            | 23,872               | 31,559         | 100.0               | 97.9               |
| Netherlands    | 23,686            | 22,456               | 13,338         | 61.6                | 96.6               |
| Norway         | 18,999            | 85,514               | 4,590          | 0.0                 | 92.1               |
| Czech Republic | 14,913            | 5,682                | 42,800         | 34.9                | 92.3               |
| Germany        | 14,347            | 34,233               | 5,706          | 100.0               | 96.8               |
| Poland         | 450               | -                    | -              | -                   | -                  |
| <b>Total</b>   | <b>179,519</b>    | <b>22,048</b>        | <b>114,041</b> | <b>51.2</b>         | <b>95.7</b>        |

## Signed Acquisitions

Heimstaden expands and improves its portfolio through acquisitions of standing assets and newbuilds. The current pipeline of signed acquisitions amounts to 16.6 billion and comprises 8,750 residential units.

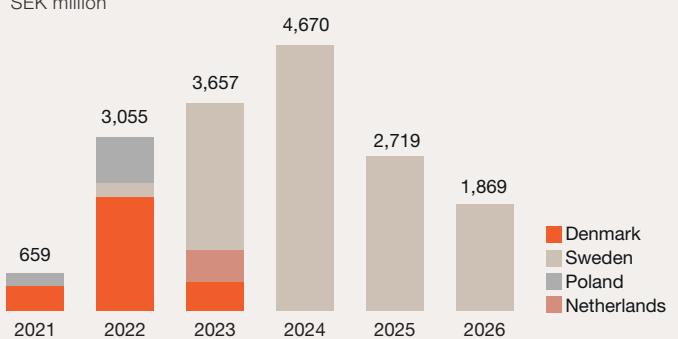
Newbuild investments are structured either as forward purchase or forward funding. In a forward purchase transaction, Heimstaden Bostad commits to buying new turnkey investment properties, which are not recognised on the balance sheet until delivery.

In a forward funding transaction, we incur capex throughout the development phase based on construction milestones, but do not take on direct development risk. To mitigate counterparty risk, we perform thorough due diligence and only partner with robust and experienced counterparties.

Heimstaden Bostad has forward funding contracts with a total capital expenditure commitment of 6.0 billion. The total pipeline of signed acquisitions, including standing assets and newbuilds, amounts to 16.6 billion.

### Signed Acquisitions

SEK million



# Denmark

**55.0 billion**

Investment Properties

**15.7 billion**

Acquisitions

**595 million**

Rental income

Rental income was 595 million (371), a 60% increase year-on-year. Like-for-like rental income growth was 1.0% (7.7) and the comparable portfolio comprised 59% (48) of rental income.

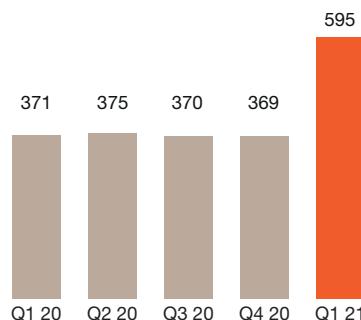
Net operating income increased by 81% to 409 million (226), resulting in a net operating income margin of 68.7% (60.9).

The improved margin is driven by lower repair and maintenance costs and the changed portfolio composition following recent acquisitions.

|                                     |       | Q1 2021 | Q4 2020 | Q1 2020 | 2020   |
|-------------------------------------|-------|---------|---------|---------|--------|
| Rental income                       | SEK m | 595     | 369     | 371     | 1,485  |
| Net operating income                | SEK m | 409     | 250     | 226     | 956    |
| Net operating income margin         | %     | 68.7    | 67.9    | 60.9    | 64.3   |
| Like-for-like rental income growth  | %     | 1.0     | -1.7    | 7.7     | 1.5    |
| Economic occupancy                  | %     | 95.5    | 94.4    | 95.0    | 94.5   |
| Fair value of investment properties | SEK m | 55,032  | 36,199  | 35,785  | 36,199 |
| Capital expenditures                | SEK m | 358     | 221     | 178     | 538    |
| Average valuation yield requirement | %     | 3.9     | 3.6     | 3.6     | 3.6    |

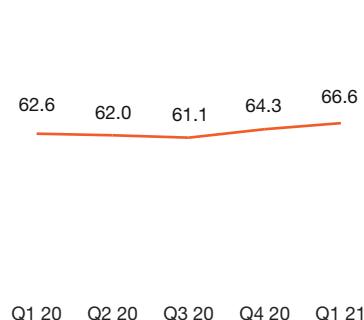
## Rental income

SEK million



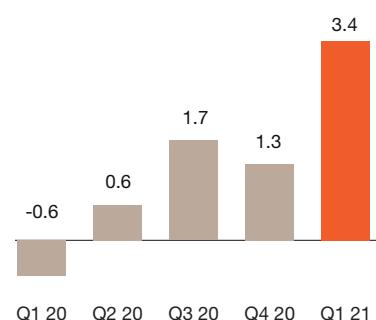
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Sweden

**52.1 billion**

Investment Properties

**0.4 billion**

Acquisitions

**670 million**

Rental income

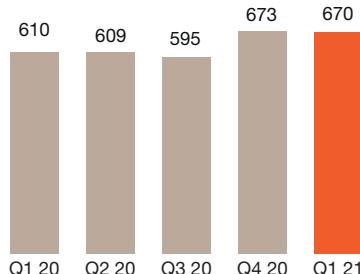
Rental income was 670 million (610), a 10% increase year-on-year. Like-for-like rental income growth was 2.5% (5.0) and the comparable portfolio comprised 93% (94) of rental income.

Net operating income increased by 4% to 293 million (283), resulting in a net operating income margin of 43.7% (46.4). The lower margin is driven by higher utility- and property management costs.

|                                     |       | Q1 2021 | Q4 2020 | Q1 2020 | 2020   |
|-------------------------------------|-------|---------|---------|---------|--------|
| Rental income                       | SEK m | 670     | 673     | 610     | 2,486  |
| Net operating income                | SEK m | 293     | 216     | 283     | 1,222  |
| Net operating income margin         | %     | 43.7    | 32.1    | 46.4    | 49.2   |
| Like-for-like rental income growth  | %     | 2.5     | 4.6     | 5.0     | 4.3    |
| Economic occupancy                  | %     | 97.9    | 98.2    | 98.5    | 98.3   |
| Fair value of investment properties | SEK m | 52,092  | 49,690  | 42,269  | 49,690 |
| Capital expenditures                | SEK m | 412     | 524     | 405     | 1,654  |
| Average valuation yield requirement | %     | 3.3     | 3.6     | 3.8     | 3.6    |

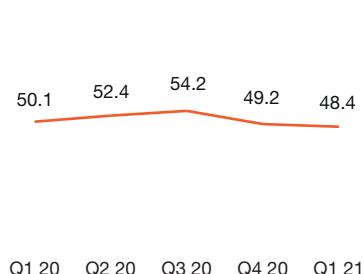
## Rental income

SEK million



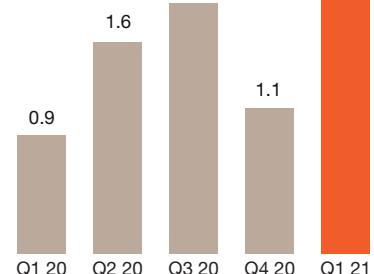
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Netherlands

**23.7 billion**

Investment Properties

**0.0 billion**

Acquisitions

**279 million**

Rental income

Rental income was 279 million (224), a 25% increase year-on-year. Like-for-like rental income growth was 2.7% (0.6) and the comparable portfolio comprised 78% (1.4) of rental income.

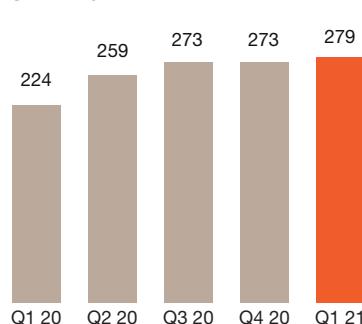
Net operating income increased by 28% to 170 million (133), resulting in a net operating income margin of 61.0% (59.3). The improved margin is driven by lower repair and maintenance costs.

As of 1 January, real estate transfer tax was increased from 2% to 8%, which negatively impacted value development.

|                                     |       | Q1 2021 | Q4 2020 | Q1 2020 | 2020   |
|-------------------------------------|-------|---------|---------|---------|--------|
| Rental income                       | SEK m | 279     | 273     | 224     | 1,029  |
| Net operating income                | SEK m | 170     | 138     | 133     | 557    |
| Net operating income margin         | %     | 61.0    | 50.3    | 59.3    | 54.1   |
| Like-for-like rental income growth  | %     | 2.7     | -1.6    | 0.6     | -0.7   |
| Economic occupancy                  | %     | 96.6    | 96.2    | 96.7    | 96.6   |
| Fair value of investment properties | SEK m | 23,686  | 23,365  | 19,582  | 23,365 |
| Capital expenditures                | SEK m | 115     | 183     | 23      | 199    |
| Average valuation yield requirement | %     | 3.5     | 3.6     | 3.8     | 3.6    |

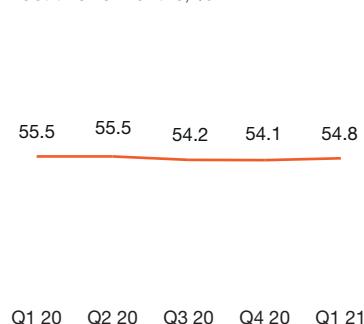
## Rental income

SEK million



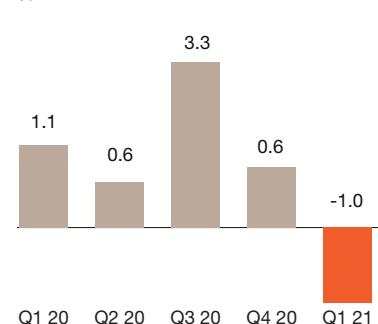
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Norway

19.0 billion

Investment Properties

0.0 billion

Acquisitions

165 million

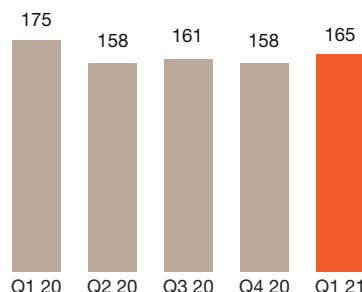
Rental income

Rental income was 165 million (175), a 6% decrease year-on-year, driven by weaker currency and somewhat lower occupancy. Like-for-like rental income growth was negative 1.3% (6.3.) and the comparable portfolio comprised 100% (98.) of rental income.

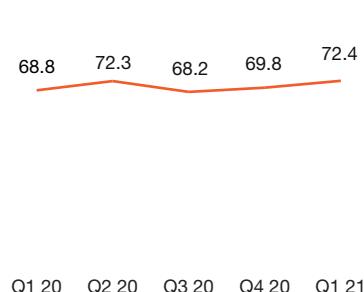
Net operating income increased by 8% to 130 million (120), resulting in a net operating income margin of 78.7% (68.8). The improved margin is driven by lower property management costs.

|                                     |       | Q1 2021 | Q4 2020 | Q1 2020 | 2020   |
|-------------------------------------|-------|---------|---------|---------|--------|
| Rental income                       | SEK m | 165     | 158     | 175     | 652    |
| Net operating income                | SEK m | 130     | 116     | 120     | 455    |
| Net operating income margin         | %     | 78.7    | 73.4    | 68.8    | 69.8   |
| Like-for-like rental income growth  | %     | -1.3    | -0.5    | 6.3     | 4.3    |
| Economic occupancy                  | %     | 92.1    | 92.0    | 93.4    | 93.3   |
| Fair value of investment properties | SEK m | 18,999  | 17,009  | 15,924  | 17,009 |
| Capital expenditures                | SEK m | 45      | -3      | 13      | 20     |
| Average valuation yield requirement | %     | 2.7     | 2.8     | 2.9     | 2.8    |

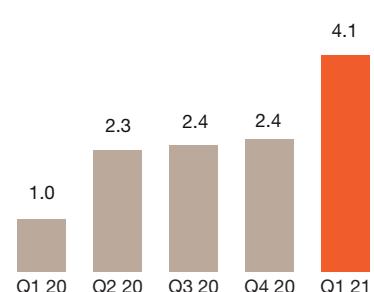
**Rental income**  
SEK million



**Net Operating Income Margin**  
Last twelve months, %



**Fair Value Change**  
%



# Czech Republic

14.9 billion

Investment Properties

0.2 billion

Acquisitions

270 million

Rental income

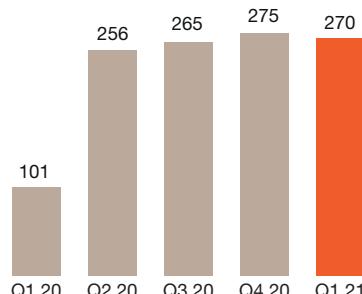
Rental income was 270 million (101), which corresponds to a 167% increase, driven by the full-quarter effect of the acquisition in Q1 2020.

Net operating income increased by 139% to 197 million (82), resulting in a net operating income margin of 72.9% (81.7). The lower margin is driven by higher repair and maintenance- and property management costs as well as accounting effects related to the acquisition in the first quarter of 2020.

|                                     |       | Q1 2021 | Q4 2020 | Q1 2020 | 2020   |
|-------------------------------------|-------|---------|---------|---------|--------|
| Rental income                       | SEK m | 270     | 275     | 101     | 896    |
| Net operating income                | SEK m | 197     | 168     | 82      | 647    |
| Net operating income margin         | %     | 72.9    | 61.3    | 81.7    | 72.2   |
| Like-for-like rental income growth  | %     | n/a     | n/a     | n/a     | n/a    |
| Economic occupancy                  | %     | 92.3    | 92.4    | 92.7    | 92.5   |
| Fair value of investment properties | SEK m | 14,913  | 13,826  | 13,794  | 13,829 |
| Capital expenditures                | SEK m | 61      | 170     | 0       | 309    |
| Average valuation yield requirement | %     | 5.2     | 5.3     | 5.3     | 5.3    |

## Rental income

SEK million



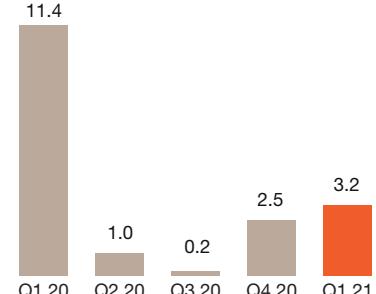
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Germany

14.3 billion

Investment Properties

9.8 billion

Acquisitions

87 million

Rental income

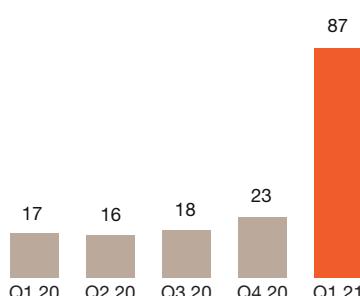
Rental income increased to 87 million (17) due to acquisitions. Like-for-like rental income growth was negative 13.0% (9.5), impacted by a temporary rent freeze in Berlin, which was declared unconstitutional in April, 2021. The comparable portfolio comprised only 4% (95) of rental income.

Net operating income increased by 271% to 47 million (13), resulting in a net operating income margin of 53.7% (76.0). The lower margin is driven primarily by accounting effects related to the recent acquisition and higher costs from the establishment of an in-house property management organisation.

|                                     |       | Q1 2021 | Q4 2020 | Q1 2020 | 2020  |
|-------------------------------------|-------|---------|---------|---------|-------|
| Rental income                       | SEK m | 87      | 23      | 17      | 74    |
| Net operating income                | SEK m | 47      | -9      | 13      | 32    |
| Net operating income margin         | %     | 53.7    | -38.8   | 76.0    | 42.9  |
| Like-for-like rental income growth  | %     | -13.0   | -0.3    | 9.5     | 3.6   |
| Economic occupancy                  | %     | 96.8    | 96.7    | 98.8    | 96.5  |
| Fair value of investment properties | SEK m | 14,347  | 3,716   | 2,412   | 3,716 |
| Capital expenditures                | SEK m | 0       | -33     | -7      | 27    |
| Average valuation yield requirement | %     | 2.0     | 1.9     | 2.2     | 1.9   |

## Rental income

SEK million



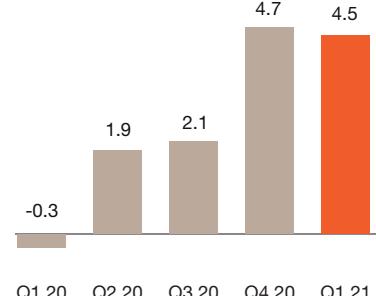
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Poland

In December 2020, Heimstaden Bostad made its first investment in Poland, with two turnkey newbuild projects for 640 residential units in Warsaw.

The Polish economy has developed positively over the last decade. Warsaw is expected to be among the fastest growing European cities over the coming years, with a rising population and increasing household income.

As of 31 March 2021, Heimstaden Bostad had a pipeline of 707 residential units with incurred capex of 450 million. The first 136 units will be completed in the second half of 2021.

Selected projects:



## Unique - Moko

Completion: Q4 2022  
Residential Units: 477  
Area: 23,722 sqm  
Parking Spaces: 504



## Velizy - Postepu

Completion: Q4 2023  
Residential Units: 451  
Area: 14,985 sqm  
Parking Spaces: 270



# Funding Overview

Owning and operating residential real estate requires stable and favourable access to capital. Heimstaden maintains a conservative financial structure that supports our long-term strategy with a well-diversified funding portfolio, a robust balance sheet and strong credit metrics.

## Capital market activity - Heimstaden

In January 2021, Heimstaden completed two bond taps, each for SEK 700 million. In relation to this, the SEK 1,250 million bond maturing in May 2021 was repaid. In March 2021, Heimstaden issued its inaugural euro-denominated bond for EUR 350 million.

Heimstaden also established a domestic Medium Term Note Programme, which allows for the issuance of notes in an aggregate amount up to SEK 10 billion in SEK, EUR or NOK. At the end of the period, Heimstaden had SEK 7,733 million in senior unsecured bonds and a SEK 4,000 million hybrid bond outstanding and listed on Nasdaq Stockholm. See pages 44-47 for more information on Heimstaden's standalone financials.

## Capital market activity – Heimstaden Bostad

In January 2021, Heimstaden Bostad issued a EUR 500 million senior unsecured bond under its EMTN programme with a maturity of two years and floating rate of 3 months EURIBOR plus 55 bps. It also issued a EUR 800 million subordinated perpetual hybrid bond with an annual fixed rate coupon of 2.625% and a non-call period of 6.25 years.

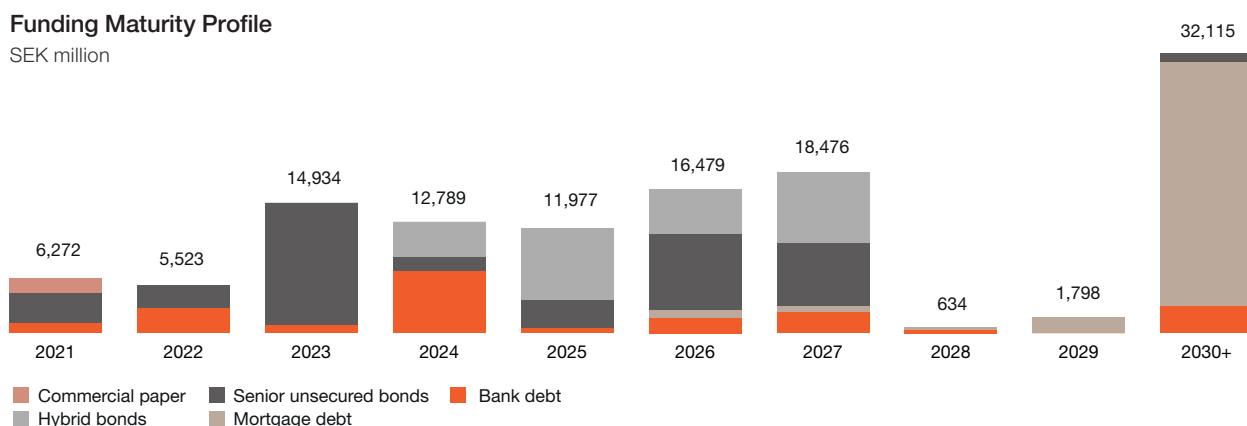
At the end of the period, Heimstaden Bostad had SEK 34,310 million in senior unsecured bonds and SEK 21,500 million in hybrid bonds outstanding and listed on Euronext Dublin and Oslo Børs. For more information on Heimstaden Bostad's debt instruments see [www.heimstadenbostad.com](http://www.heimstadenbostad.com).

# BBB

Heimstaden Bostad is Rated BBB  
(stable outlook) by S&P Global Ratings

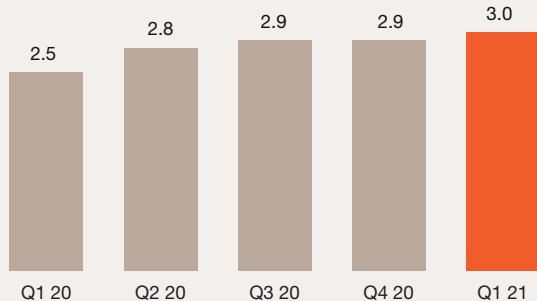
## Funding Maturity Profile

SEK million

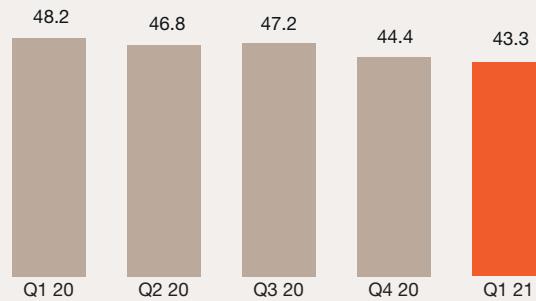


## Funding Metrics

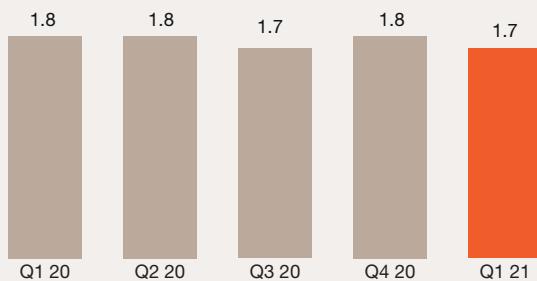
**ICR**  
multiple



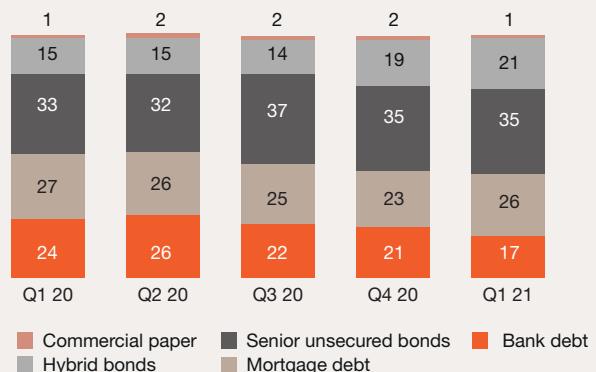
**LTV**  
%



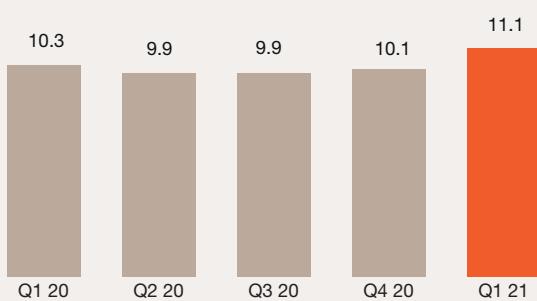
**Average Interest Rate**  
%



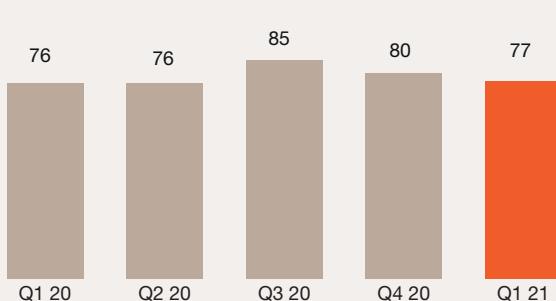
**Funding Distribution**  
%



**Average Loan Tenor**  
years



**Hedge Ratio**  
%



# Interim Financial Statements and Notes

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### **Condensed Parent Company Financial Statements**

Comprehensive Income Statement

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Statement of Changes in Equity

# Comprehensive Income Statement

| SEK million  | Note | Q1 2021      | Q1 2020      |
|--|------|--------------|--------------|
| Rental income  | 4    | 2,066        | 1,497        |
| Service income   | 4    | 190          | 69           |
| Property expenses  | 3    | -1,010       | -709         |
| <b>Net operating income<sup>1</sup></b>  |      | <b>1,246</b> | <b>857</b>   |
| Corporate administrative expenses  |      | -87          | -65          |
| Other operating income   |      | 0            | 26           |
| Other operating expenses   |      | -23          | 0            |
| Share of net profits of associates and joint ventures                          |      | -3           | -3           |
| <b>Operating profit before inventory properties and fair value adjustments</b> |      | <b>1,133</b> | <b>814</b>   |
| Fair value adjustment of investment properties                                 |      | 4,380        | 1,933        |
| Income from sale of inventory properties                                       |      | 48           | -19          |
| <b>Operating profit</b>  |      | <b>5,561</b> | <b>2,728</b> |
| Interest expenses on interest-bearing liabilities                              |      | -362         | -325         |
| Net foreign exchange gains/losses  |      | -511         | 118          |
| Fair value adjustment of derivative financial instruments                      |      | 123          | -129         |
| Other financial items  |      | -62          | -22          |
| <b>Profit before tax</b>   |      | <b>4,749</b> | <b>2,370</b> |
| Current tax expense  |      | -151         | -146         |
| Deferred tax expense   |      | -875         | -559         |
| <b>Profit for the period</b>   |      | <b>3,723</b> | <b>1,665</b> |
| Other comprehensive income   | 5    | 2,518        | -768         |
| <b>Comprehensive income</b>  |      | <b>6,241</b> | <b>897</b>   |
| <i>Profit for the period attributable to:</i>                                  |      |              |              |
| The Parent Company's shareholders  |      | 2,177        | 857          |
| Non-controlling interests  |      | 1,546        | 808          |
| <i>Comprehensive income for the period attributable to:</i>                    |      |              |              |
| Parent Company's ordinary shareholders   |      | 3,682        | 367          |
| Parent Company's preference shareholders                                       |      | 12           | 12           |
| Non-controlling interests  |      | 2,548        | 518          |
| Average number of ordinary shares outstanding                                  |      | 13,204,000   | 13,204,000   |
| Average number of preference shares outstanding                                |      | 2,343,750    | 2,343,750    |
| Earnings per ordinary share (basic and diluted)                                |      | 274          | 23           |

<sup>1</sup> Excludes income from inventory properties.

# Balance Sheet

| SEK million                             | Note | 31 Mar 2021    | 31 Dec 2020    |
|---|------|----------------|----------------|
| <b>ASSETS</b>                           |      |                |                |
| Investment properties                   | 6    | 179,519        | 144,428        |
| Intangible assets                       |      | 80             | 74             |
| Property, plant and equipment           |      | 850            | 809            |
| Other non-current financial assets      | 7    | 1,299          | 1,302          |
| <b>Total non-current assets</b>         |      | <b>181,748</b> | <b>146,613</b> |
| Inventory properties                    | 8    | 1,344          | 1,292          |
| Rent and trade receivables              |      | 138            | 86             |
| Other current financial assets          |      | 727            | 2,106          |
| Prepayments                             |      | 397            | 308            |
| Cash and cash equivalents               |      | 17,342         | 10,906         |
| <b>Total current assets</b>             |      | <b>19,949</b>  | <b>14,698</b>  |
| <b>Total assets</b>                     |      | <b>201,697</b> | <b>161,310</b> |
| <b>EQUITY AND LIABILITIES</b>           |      |                |                |
| <b>Equity</b>                           |      | <b>95,137</b>  | <b>76,166</b>  |
| Interest-bearing liabilities            | 9    | 88,312         | 67,116         |
| Lease liabilities                       |      | 777            | 748            |
| Derivative financial instruments        | 10   | 343            | 433            |
| Deferred tax liabilities                |      | 6,395          | 5,446          |
| Other non-current financial liabilities |      | 834            | 903            |
| <b>Total non-current liabilities</b>    |      | <b>96,660</b>  | <b>74,646</b>  |
| Interest-bearing liabilities            | 9    | 6,822          | 7,965          |
| Trade payables                          |      | 484            | 477            |
| Other current payables                  |      | 1,432          | 917            |
| Derivative financial instruments        | 10   | 10             | 14             |
| Prepayments                             |      | 1,152          | 1,126          |
| <b>Total current liabilities</b>        |      | <b>9,900</b>   | <b>10,499</b>  |
| <b>Total equity and liabilities</b>     |      | <b>201,697</b> | <b>161,310</b> |

# Statement of Changes in Equity

| SEK million   | Share capital | Other paid in capital | Hybrid bonds | Currency translation reserve | Retained earnings | Attributable to Parent Company shareholders | Non-controlling interests | Total equity |
|---|---------------|-----------------------|--------------|------------------------------|-------------------|---|---------------------------|--------------|
| <b>Opening balance, 1 Jan 2020</b>                  | 78            | 6,466                 | 2,975        | 326                          | 13,963            | 23,808                                      | 36,133                    | 59,942       |
| Profit for the period                               | -             | -                     | 222          | -                            | 4,200             | 4,422                                       | 3,931                     | 8,353        |
| Other comprehensive income                          | -             | -                     | -            | -2,706                       | 0                 | -2,706                                      | -1,787                    | -4,493       |
| <b>Total comprehensive income</b>                   | -             | -                     | 222          | -2,706                       | 4,200             | 1,716                                       | 2,144                     | 3,860        |
| Contributions from non-controlling interests        | -             | -                     | -            | -                            | -                 | -   | 7,610                     | 7,610        |
| Dividend to non-controlling interest                | -             | -                     | -            | -                            | -                 | -   | -963                      | -963         |
| Issue of hybrid bonds                               | -             | -                     | 1,030        | -                            | -                 | 1,030                                       | 5,189                     | 6,219        |
| Premium, hybrid bonds                               | -             | -                     | -30          | -                            | 30                | 0   | 0                         | 0            |
| Repurchase, hybrid bonds                            | -             | -                     | -100         | -                            | 20                | -80   | 0                         | -80          |
| Costs of issuance                                   | -             | -                     | -8           | -                            | -                 | -8  | -146                      | -154         |
| Dividend  | -             | -                     | -222         | -                            | -47               | -269  | -                         | -269         |
| <b>Total transactions with the company's owners</b> | 0             | 0                     | 670          | 0                            | 3                 | 673   | 11,690                    | 12,363       |
| <b>Equity, 31 Dec 2020</b>                          | 78            | 6,466                 | 3,867        | -2,380                       | 18,166            | 26,197                                      | 49,967                    | 76,165       |
| <b>Opening balance, 1 Jan 2021</b>                  | 78            | 6,466                 | 3,867        | -2,380                       | 18,166            | 26,197                                      | 49,967                    | 76,165       |
| Profit for the period                               | -             | -                     | 58           | -                            | 2,119             | 2,177                                       | 1,546                     | 3,723        |
| Other comprehensive income                          | -             | -                     | -            | 1,517                        | -                 | 1,517                                       | 1,002                     | 2,518        |
| <b>Total comprehensive income</b>                   | 0             | 0                     | 58           | 1,517                        | 2,119             | 3,693                                       | 2,548                     | 6,241        |
| New share issue                                     | -             | -                     | -            | -                            | -                 | -   | 7,132                     | 7,132        |
| Issue of hybrid bonds                               | -             | -                     | -            | -                            | -                 | -   | 8,073                     | 8,073        |
| Costs of issuance                                   | -             | -                     | -            | -                            | -                 | -   | -50                       | -50          |
| Dividend  | -             | -                     | -58          | -                            | -12               | -69   | -2,368                    | -2,437       |
| Non-controlling interests                           | -             | -                     | -            | -                            | -                 | -   | 12                        | 12           |
| <b>Total transactions with the company's owners</b> | 0             | 0                     | -58          | 0                            | -12               | -69   | 12,799                    | 12,730       |
| <b>Equity, 31 Mar 2021</b>                          | 78            | 6,466                 | 3,867        | -863                         | 20,274            | 29,821                                      | 65,314                    | 95,137       |

# Cash Flow Statement

| SEK million   | Q1 2021        | Q1 2020       |
|---|----------------|---------------|
| <b>Operating activities</b>   |                |               |
| Profit before tax   | 4,749          | 2,370         |
| <i>Adjustments to reconcile profit before tax to net cash flows</i> |                |               |
| Net gain from fair value adjustment on investment property          | -4,425         | -1,914        |
| Net change in fair value of derivative financial instruments        | -123           | 129           |
| Finance expenses – net  | 415            | 348           |
| Other adjustments   | 660            | -79           |
| <i>Working capital changes</i>                                      |                |               |
| Increase/decrease(+) in trade receivables                           | -225           | -195          |
| Increase/decrease(–) in trade and other payables                    | 307            | 118           |
| Cash generated from operations                                      | 1,358          | 777           |
| Interest paid   | -474           | -299          |
| Interest received   | 0              | 23            |
| Paid tax  | -153           | -188          |
| <b>Net cash flows from operating activities</b>                     | <b>731</b>     | <b>313</b>    |
| <b>Investing activities</b>   |                |               |
| Acquisitions of investment properties                               | -13,653        | -7,023        |
| Capital expenditure on investment properties                        | -1,364         | -587          |
| Deposits paid for signed acquisitions                               | 1,495          | 514           |
| Other cash flows from investing activities                          | -83            | -149          |
| <b>Net cash flows from investing activities</b>                     | <b>-13,605</b> | <b>-7,245</b> |
| <b>Financing activities</b>   |                |               |
| Proceeds from interest-bearing liabilities                          | 8,349          | -             |
| Repayment of interest-bearing liabilities                           | -1,834         | -712          |
| Dividends paid to non-controlling interest                          | -2,107         | -             |
| Dividends paid to preference shares                                 | -12            | -12           |
| Proceeds from non-controlling interests                             | 7,144          | 4,000         |
| Proceeds from issuance of hybrid capital                            | 8,073          | 950           |
| Repayments on hybrid capital  | -318           | -111          |
| Other cash flows from financing activities                          | -50            | -71           |
| <b>Net cash flows from financing activities</b>                     | <b>19,244</b>  | <b>4,044</b>  |
| Net change in cash and cash equivalents                             | 6,370          | -2,888        |
| Cash and cash equivalents at the beginning of the period            | 10,906         | 10,687        |
| Net currency exchange effect in cash and cash equivalents           | 65             | -272          |
| <b>Cash and cash equivalents at the end of the period</b>           | <b>17,342</b>  | <b>7,527</b>  |

# Notes to the Interim Financial Statements

## 1. Accounting Principles

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### Corporate information

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Heimstaden AB (publ), Corp. ID No. 556670-0455, is a limited liability company registered in Sweden with its registered office at Östra promenaden

7A, SE-211 28, Malmö, Sweden. Heimstaden's operations consist of owning, developing and managing residential properties.

### Basis for preparation

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Heimstaden's interim condensed consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and its interpretations of these (IFRIC). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company applies RFR2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. The accounting policies and methods of computation followed are consistent with those of the previous financial year, except for the item disclosed below.

#### Service income

Previously, no split was made between rental income and income from service charges to tenants, as the income from service charges to tenants was deemed not to be significant.

As the group continues to enter new markets and grow in existing markets where service charges constitute a larger part of the total invoicing to tenants, senior management has decided to separate the service income

element from the rental income and to present it on a separate line item in the comprehensive income statement in accordance with IFRS 15. The main purpose is to increase comparability and provide improved presentation disclosures of revenues earned. Service income mainly comprises the invoicing of certain operating expenses, mainly utilities, without a margin. Service income is recognised in the period the performance obligation under the contract with the tenant is satisfied. The performance obligations is generally satisfied over time when the service is performed by the company.

Rental income in the period has decreased by SEK 190 million and service income correspondingly increased by SEK 190 million. Comparative numbers have been revised to conform to the Group's current presentation. As a result, in Q1 2020, SEK 69 million was reclassified from rental income to service income. The revised presentation did not have any impact on the Group's profit for the year, the financial position or equity.

Due to rounding, numbers presented throughout these financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the exact figures.

### Recently issued accounting standards, interpretations and amendments

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New and amended IFRS accounting principles yet to come into effect have not been early adopted in the preparation of the consolidated and Parent Company financial statements. At the balance sheet date, there were no

new or amended standards or interpretations published by IASB that are expected to have a material impact on the financial statements of the Group or the Parent Company.

## 2. Related Parties

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No related party transactions other than salaries and board fees have been paid to management and the board as of Q1 2021.

### 3. Segment Information

Heimstaden organises and governs its activities based on geographical areas. These geographical areas form the basis of the reportable segments. Senior management at Heimstaden monitors net operating income and changes in the value of managed properties in the identified segments; other statement of profit and loss items are not distributed per segment. Heimstaden has identified seven segments consisting of the geographical areas of Sweden, Denmark, Norway, Netherlands, Germany, Czech Republic and Poland.

Included in the segments' income statement is only directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. See also note 6 for fair value of investment properties per segment.

#### Q1 2021

| SEK million                           | Sweden      | Denmark     | Norway     | Netherlands | Germany    | Czech Republic | Poland   | Adjustment | Group in total |
|---------------------------------------|-------------|-------------|------------|-------------|------------|----------------|----------|------------|----------------|
| <b>INCOME STATEMENT</b>               |             |             |            |             |            |                |          |            |                |
| Rental income*                        | 670         | 595         | 165        | 279         | 87         | 270            | –        | –          | 2,066          |
| Service income                        | 11          | 0           | 4          | 0           | 30         | 144            | –        | –          | 190            |
| <b>Total Income</b>                   | <b>681</b>  | <b>595</b>  | <b>170</b> | <b>279</b>  | <b>117</b> | <b>414</b>     | <b>–</b> | <b>–</b>   | <b>2,256</b>   |
| Utility                               | -159        | -19         | -11        | –           | -24        | -143           | –        | 1          | -355           |
| Repair and maintenance                | -68         | -24         | -17        | -33         | -14        | -25            | –        | 19         | -161           |
| Property tax                          | -15         | -33         | -3         | -32         | -3         | -2             | –        | –          | -87            |
| Other                                 | -41         | -27         | -12        | -13         | -17        | -16            | –        | 2          | -125           |
| Property management                   | -106        | -84         | 4          | -31         | -13        | -31            | –        | -21        | -282           |
| <b>Total property expenses</b>        | <b>-388</b> | <b>-187</b> | <b>-40</b> | <b>-109</b> | <b>-71</b> | <b>-217</b>    | <b>–</b> | <b>1</b>   | <b>-1,010</b>  |
| <b>Net operating income</b>           | <b>293</b>  | <b>409</b>  | <b>130</b> | <b>170</b>  | <b>47</b>  | <b>197</b>     | <b>–</b> | <b>1</b>   | <b>1,246</b>   |
| <b>Net operating income margin, %</b> | <b>44</b>   | <b>69</b>   | <b>79</b>  | <b>61</b>   | <b>54</b>  | <b>73</b>      | <b>–</b> | <b>–</b>   | <b>60</b>      |

#### Q1 2020

| SEK million                           | Sweden      | Denmark     | Norway     | Netherlands | Germany   | Czech Republic | Poland   | Adjustment | Group in total |
|---------------------------------------|-------------|-------------|------------|-------------|-----------|----------------|----------|------------|----------------|
| <b>INCOME STATEMENT</b>               |             |             |            |             |           |                |          |            |                |
| Rental income*                        | 610         | 371         | 175        | 224         | 17        | 101            | –        | –          | 1,497          |
| Service income                        | 7           | 0           | 4          | –           | 0         | 58             | –        | –          | 69             |
| <b>Total Income</b>                   | <b>616</b>  | <b>371</b>  | <b>179</b> | <b>224</b>  | <b>17</b> | <b>159</b>     | <b>–</b> | <b>–</b>   | <b>1,566</b>   |
| Utility                               | -134        | -7          | -11        | 0           | -4        | -60            | –        | -1         | -218           |
| Repair and maintenance                | -54         | -30         | -17        | -42         | -1        | -5             | –        | 5          | -144           |
| Property tax                          | -14         | -21         | -3         | -25         | 0         | -1             | –        | -1         | -64            |
| Other                                 | -55         | -28         | 4          | 18          | 3         | -2             | –        | -11        | -70            |
| Property management                   | -77         | -59         | -32        | -42         | -1        | -9             | –        | 7          | -212           |
| <b>Total property expenses</b>        | <b>-334</b> | <b>-145</b> | <b>-59</b> | <b>-91</b>  | <b>-4</b> | <b>-76</b>     | <b>–</b> | <b>–</b>   | <b>-709</b>    |
| <b>Net operating income</b>           | <b>283</b>  | <b>226</b>  | <b>120</b> | <b>133</b>  | <b>13</b> | <b>82</b>      | <b>–</b> | <b>–</b>   | <b>857</b>     |
| <b>Net operating income margin, %</b> | <b>46</b>   | <b>61</b>   | <b>69</b>  | <b>59</b>   | <b>76</b> | <b>82</b>      | <b>–</b> | <b>–</b>   | <b>57</b>      |

\* The rental income from the portfolio in Sweden reflects inclusive rents, meaning that the amounts contain operating and heating expenses.

## 4. Rental Income

### Rental income distributed by property category

| SEK million  | Q1 2021      | Q1 2020      |
|--------------|--------------|--------------|
| Residential  | 1,885        | 1,376        |
| Commercial   | 157          | 103          |
| Parking      | 24           | 18           |
| <b>Total</b> | <b>2,066</b> | <b>1,497</b> |

### Service income distributed by property category

| SEK million  | Q1 2021    | Q1 2020   |
|--------------|------------|-----------|
| Residential  | 179        | 63        |
| Commercial   | 11         | 6         |
| <b>Total</b> | <b>190</b> | <b>69</b> |

## 5. Foreign Currency

The exchange rates of the currencies relevant to Heimstaden have developed as follows:

| Country                   | Code | Closing rate |             | Average rate |         |
|---------------------------|------|--------------|-------------|--------------|---------|
|                           |      | 31 Mar 2021  | 31 Dec 2020 | Q1 2021      | Q1 2020 |
| Czech republic            | CZK  | 0.3916       | 0.3824      | 0.3882       | 0.4164  |
| Denmark                   | DKK  | 1.3766       | 1.3484      | 1.3603       | 1.4287  |
| Germany & The Netherlands | EUR  | 10.2381      | 10.0338     | 10.1173      | 10.6747 |
| Norway                    | NOK  | 1.0243       | 0.9583      | 0.9857       | 1.0210  |
| Poland                    | PLN  | 2.2014       | 2.2006      | 2.2274       | 2.4669  |

### Specification of Other Comprehensive Income

The Company's items under other comprehensive income is related to foreign currency translation differences that may be reclassified to profit or loss in subsequent periods.

| Country                   | Code | SEK million  |
|---------------------------|------|--------------|
| Czech republic            | CZK  | 336          |
| Denmark                   | DKK  | 427          |
| Germany & The Netherlands | EUR  | 500          |
| Norway                    | NOK  | 1,255        |
| Poland                    | PLN  | 0            |
| <b>Total</b>              |      | <b>2,518</b> |

## 6. Investment Properties

### Total property value per segment

Fair value of the property portfolio was SEK 179,519 million (144,428) at quarter end. This value includes unrealised value increase for 2021 of

SEK 4,379 million (1,933). Expressed as a percentage, the unrealised increase in value is 2.5 percent (5.5) of the total property value before changes in value. The total property value per segment is shown below.

### Change in fair value of investment properties

| SEK million   | Total          | Sweden        | Denmark       | Norway        | Germany       | Netherlands   | Czech Republic | Poland     |
|---|----------------|---------------|---------------|---------------|---------------|---------------|----------------|------------|
| <b>Fair value of investment properties, 31 Dec 2020</b>         | <b>144,428</b> | <b>50,312</b> | <b>36,200</b> | <b>17,008</b> | <b>3,715</b>  | <b>23,366</b> | <b>13,827</b>  | <b>-</b>   |
| Sales during the period   | -25            | -             | -             | -             | -             | -25           | -              | -          |
| Acquisitions during the period                                  | 26,102         | 359           | 15,726        | -             | 9,787         | -             | 230            | -          |
| Reclassification from inventory properties                      | 127            | -             | -             | -             | -             | -             | -              | 127        |
| Capital expenditure on completed standing assets                | 627            | 167           | 273           | 19            | 0             | 115           | 53             | 0          |
| Capital expenditure on investment properties under construction | 691            | 245           | 85            | 26            | 0             | 0             | 8              | 327        |
| Foreign currency translation                                    | 3,190          | -             | 958           | 1,202         | 221           | 473           | 340            | -4         |
| <b>Fair value after transactions</b>                            | <b>175,140</b> | <b>51,083</b> | <b>53,242</b> | <b>18,255</b> | <b>13,723</b> | <b>23,929</b> | <b>14,458</b>  | <b>450</b> |
| Unrealised change in fair value                                 | 4,379          | 1,009         | 1,790         | 744           | 624           | -243          | 455            | 0          |
| <b>Fair value of investment properties, 31 Mar 2021</b>         | <b>179,519</b> | <b>52,092</b> | <b>55,032</b> | <b>18,999</b> | <b>14,347</b> | <b>23,686</b> | <b>14,913</b>  | <b>450</b> |

### Breakdown by category

| SEK million                              | Total          | Sweden        | Denmark       | Norway        | Germany       | Netherlands   | Czech Republic | Poland     |
|--|----------------|---------------|---------------|---------------|---------------|---------------|----------------|------------|
| Standing assets                          | 175,617        | 49,250        | 54,595        | 18,999        | 14,347        | 23,686        | 14,740         | -          |
| Investment properties under construction | 3,580          | 2,820         | 310           | -             | -             | -             | -              | 450        |
| Land and building rights                 | 322            | 22            | 127           | -             | -             | -             | 173            | -          |
| <b>Total</b>                             | <b>179,519</b> | <b>52,092</b> | <b>55,032</b> | <b>18,999</b> | <b>14,347</b> | <b>23,686</b> | <b>14,913</b>  | <b>450</b> |

## 7. Investments in Associates and Joint Ventures

| SEK million                    | Share, %  | Rental income | Property expenses | Financial items, net | Change in value | Profit for the period | Heimstaden's holding of profit for the period |
|--------------------------------|-----------|---------------|-------------------|----------------------|-----------------|-----------------------|---|
| Fastighets AB Rosengård        | 25        | 37            | -29               | -2                   | -               | 4                     | 1   |
| Gamlebro AB                    | 50        | 4             | -4                | 0                    | -               | -1                    | -1  |
| Upplands Bro Brogård's etapp 2 | 50        | -             | -                 | -5                   | -               | -5                    | -3  |
| A Place To A/S                 | 50        | -             | -                 | -1                   | -               | -1                    | -1  |
| Magnolia Projekt 5222 AB       | 50        | -             | -                 | -                    | -               | -                     | -   |
| Byggrätt Norr AB               | 19        | -             | -                 | -                    | -               | -                     | -   |
| Atriet AS                      | 50        | -             | -                 | -                    | -               | -                     | -   |
| KCP Utvikling                  | 50        | -             | -                 | -                    | -               | -                     | -   |
| <b>Total</b>                   | <b>41</b> | <b>-33</b>    | <b>-8</b>         | <b>0</b>             | <b>-3</b>       | <b>-3</b>             | <b>-3</b>                                     |

### Balance sheet

| SEK million | Total (100%) |             | Heimstaden's holding |             |
|-------------|--------------|-------------|----------------------|-------------|
|             | 31 Mar 2021  | 31 Dec 2020 | 31 Mar 2021          | 31 Dec 2020 |
| Assets      | 3,241        | 2,861       | 1,197                | 1,062       |
| Equity      | 1,106        | 899         | 358                  | 291         |
| Liabilities | 2,135        | 1,962       | 840                  | 771         |

## 8. Inventory Properties

| SEK million                               | 31 Mar 2021  | 31 Dec 2020  |
|---|--------------|--------------|
| Opening balance                           | 1,292        | 865          |
| Capital expenditures                      | 47           | 325          |
| Foreign currency translation              | 84           | -86          |
| Reclassification to investment properties | -127         | -            |
| Reversed impairment/impairment            | 48           | 188          |
| <b>Closing balance</b>                    | <b>1,344</b> | <b>1,292</b> |

Property acquired or being constructed or redeveloped for sale rather than to be held for rental or capital appreciation, is held as inventory property. Principally, this is residential property that Heimstaden develops and in-

tends to sell before, or on completion of, development. Inventory properties are primarily related to certain projects in Oslo, Norway.

## 9. Financial Assets and Liabilities

### Financial risk factors and capital management

Heimstaden is exposed to a number of risk factors. Management and employees work actively to quantify and control these risks. Changes in the capital structure affect the operations' financial risk and earnings capacity, meaning we are continuously working to ensure an adequate structure. Further description is included on pages 68-73 in the 2020 Annual Report.

No significant changes have subsequently occurred affecting the assessment by the Board of Directors and company management.

At the balance sheet date, Heimstaden was in compliance with its financial covenants.

### Interest bearing liabilities

| SEK million      | Interest-bearing liabilities | Secured loans, % | Share, %   | Unutilised credit commitment |
|------------------|------------------------------|------------------|------------|------------------------------|
| Corporate bonds  | 43,733                       | 0                | 46         |                              |
| Mortgages        | 31,526                       | 100              | 33         |                              |
| Bank loans       | 20,237                       | 100              | 21         | 16,728                       |
| <b>Total</b>     | <b>95,496</b>                | <b>54</b>        | <b>100</b> | <b>16,728</b>                |
| Deferred charges | -362                         |                  |            |                              |
| <b>Total</b>     | <b>95,134</b>                |                  |            |                              |

Movements in 2021 are summarized as follows:

| SEK million   | Corporate bonds | Mortages/bank loans | Deferred charges | Total         |
|---|-----------------|---------------------|------------------|---------------|
| Opening balance 1 Jan 2021                                  | 34,318          | 41,051              | -288             | 75,081        |
| Loan repayments   | -1              | -1,834              | -                | -1,834        |
| New borrowings/assumed debt in connection with acquisitions | 8,741           | 11,796              | -                | 20,538        |
| Currency exchange effect on loans                           | 675             | 749                 | -                | 1,423         |
| Capitalization of debt issuance cost, net of amortization   | -               | -                   | -74              | -74           |
| <b>Closing balance 31 Mar 2021</b>                          | <b>43,733</b>   | <b>51,672</b>       | <b>-362</b>      | <b>95,134</b> |

31 Mar 2021

| Years                             | Interest maturity, loans |            |                           | Interest maturity, incl. financial instruments |            |                           |
|-----------------------------------|--------------------------|------------|---------------------------|--|------------|---------------------------|
|                                   | SEK million              | Share %    | Interest, incl. margin, % | SEK million                                    | Share %    | Interest, incl. margin, % |
| 0-1                               | 65,959                   | 69         | 1,4                       | 42,670   | 45         | 2,7                       |
| 1-2                               | 3,786                    | 4          | 2,3                       | 8,603  | 9          | 1,1                       |
| 2-3                               | 9,568                    | 10         | 2,0                       | 11,059   | 12         | 1,0                       |
| 3-4                               | 1,246                    | 1          | 1,5                       | 10,091   | 11         | 0,1                       |
| 4-5                               | 2,291                    | 2          | 0,9                       | 6,351  | 7          | 0,6                       |
| >5 years after balance sheet date | 12,645                   | 13         | 1,4                       | 16,843   | 18         | 1,1                       |
| <b>Total</b>                      | <b>95,496</b>            | <b>100</b> | <b>1,5</b>                | <b>95,616</b>                                  | <b>100</b> | <b>1,7</b>                |

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

1.84 years

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

2.73 years

| Years                             | Interest maturity, loans |            | Lines of credit |            |
|-----------------------------------|--------------------------|------------|-----------------|------------|
|                                   | SEK million              | Share %    | SEK million     | Share %    |
| 0-1                               | 6,272                    | 7          | 0               | 0          |
| 1-2                               | 11,124                   | 12         | 8,790           | 53         |
| 2-3                               | 10,533                   | 11         | 7,032           | 42         |
| 3-4                               | 9,608                    | 10         | 0               | 0          |
| 4-5                               | 11,644                   | 12         | 915             | 5          |
| >5 years after balance sheet date | 46,314                   | 49         | 0               | 0          |
| <b>Total</b>                      | <b>95,496</b>            | <b>100</b> | <b>16,728</b>   | <b>100</b> |

The average loan tenor is:

11.07 years

## Financial instruments

| Years                             | Maturity, interest rate derivatives |               |              |                          |
|-----------------------------------|-------------------------------------|---------------|--------------|--------------------------|
|                                   | Type                                | SEK million   | Share, %     | Interest, % <sup>1</sup> |
| 0-1                               | Paying fixed                        | 5,961         | 15.9         | 0.2                      |
| 1-2                               | Paying fixed                        | 4,817         | 12.8         | 0.3                      |
| 2-3                               | Paying fixed                        | 6,460         | 17.2         | 0.4                      |
| 3-4                               | Paying fixed                        | 11,302        | 30.2         | 0.2                      |
| 4-5                               | Paying fixed                        | 5,248         | 14.0         | 0.4                      |
| >5 years after balance sheet date | Paying fixed                        | 3,698         | 9.9          | 0.1                      |
| <b>Total</b>                      |                                     | <b>37,486</b> | <b>100.0</b> | <b>0.2</b>               |

<sup>1</sup> The interest rate indicates the agreed average fixed interest in the contracts. A negative interest rate indicates that we receive fixed interest.

| Years                             | Type         | Maturity, interest rate derivatives |              |                          |
|-----------------------------------|--------------|-------------------------------------|--------------|--------------------------|
|                                   |              | SEK million                         | Share, %     | Interest, % <sup>1</sup> |
| 0-1                               | Paying fixed | 2,382                               | 24.9         | 1.75                     |
| 1-2                               | Paying fixed | -                                   | -            | -                        |
| >2 years after balance sheet date | Paying fixed | 7,167                               | 75.1         | 2.13                     |
| <b>Total</b>                      |              | <b>9,549</b>                        | <b>100.0</b> | <b>2.0</b>               |

<sup>1</sup> The interest rate indicates the variable agreed interest rate on the balance sheet date.

## 10. Fair Value Measurements of Financial Instruments

### Fair values

Set out below, is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2021 and 31 December 2020:

| SEK million                            | 31 Mar 2021     |               | 31 Dec 2020     |               |
|--|-----------------|---------------|-----------------|---------------|
|  | Carrying amount | Fair value    | Carrying amount | Fair value    |
| <b>Financial assets:</b>               |                 |               |                 |               |
| Other financial non-current assets     | 1,299           | 1,299         | 1,302           | 1,302         |
| Trade receivables                      | 138             | 138           | 86              | 86            |
| Other financial receivables            | 727             | 727           | 2,106           | 2,106         |
| Cash and cash equivalents              | 17,342          | 17,342        | 10,906          | 10,906        |
| <b>Total</b>                           | <b>19,507</b>   | <b>19,507</b> | <b>14,401</b>   | <b>14,401</b> |
| <b>Financial liabilities:</b>          |                 |               |                 |               |
| Derivative financial instruments       | 353             | 353           | 447             | 447           |
| Long-term interest-bearing liabilities | 88,312          | 89,509        | 67,116          | 68,956        |
| Current interest-bearing liabilities   | 6,822           | 6,822         | 7,965           | 7,965         |
| Trade payables                         | 484             | 484           | 477             | 477           |
| Other liabilities                      | 1,432           | 1,432         | 917             | 917           |
| <b>Total</b>                           | <b>97,403</b>   | <b>98,600</b> | <b>76,922</b>   | <b>78,762</b> |

#### Financial assets and financial liabilities continued

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 March 2021:

| SEK million  | Fair value measurement using |   |   |   |
|--|------------------------------|---|---|---|
|  | Total                        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Financial assets measured at fair value:</b>      | <b>235</b>                   | <b>129</b>                                | <b>106</b>                              | <b>0</b>                                  |
| Derivative financial assets                          |                              |   |   |   |
| Cross currency swaps – NOK                           | 106                          | -   | 106                                     | -   |
| Equity investments                                   | 129                          | 129                                       | -                                       | -   |
| <b>Financial liabilities measured at fair value:</b> | <b>-459</b>                  | <b>0</b>                                  | <b>-459</b>                             | <b>0</b>                                  |
| Derivative financial liabilities                     |                              |   |   |   |
| Cross currency swaps – SEK                           | -199                         | -   | -199                                    | -   |
| Interest rate swaps                                  | -260                         | -   | -260                                    | -   |

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period. Derivative financial instruments are classified net in the balance sheet and under current liabilities if they are due to be settled within twelve months after the reporting period. All other liabilities are classified as non-current. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2021.

## 11. Commitments and Contingencies

In 2018, Heimstaden received a guarantee from its Parent Company, Fredensborg AS, for any losses related to the municipality's potential use of pre-emptive right to acquire nine properties from Heimstaden Bostad Invest 10 AS. Fredensborg AS disputed the fact that the municipality was entitled to use the pre-emptive rights in a lawsuit brought before the court regarding five of the properties, but in 2020 the district court in Oslo ruled in favor of the municipality. However, no final ruling on the valuation of the five properties is available at date. As of March 31 2021, Heimstaden has not made any provisions related to this matter, based on the stated guarantee from Fredensborg AS.

#### Investment obligations

Heimstaden has signed agreements to both acquire and construct investment properties where handover will take place after the balance sheet date. At March 31, 2021 there are investment commitments related to these agreements, as stipulated in the table below.

| SEK million  | Price in stated SEK (million) | Expected completion | Residential units |
|--------------|-------------------------------|---------------------|-------------------|
| Segments     |                               |                     |                   |
| Sweden       | 12,098                        | 2022-2026           | 6,914             |
| Denmark      | 2,928                         | 2021-2026           | 960               |
| Netherlands  | 563                           | 2023                | 168               |
| Poland       | 1,039                         | 2021-2022           | 707               |
| <b>Total</b> | <b>16,628</b>                 |                     | <b>8,750</b>      |

As at 31 March 2021, Heimstaden had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of build-to-rent investment property under construction of SEK 6,008 million. In respect of inventory properties, committed future capital expenditure amounts SEK 80 million.

#### Disputes

As of the balance sheet date and to the best of our knowledge, Heimstaden is not a part in any ongoing legal processes or administrative proceedings which have had or may have a material impact to its financial statements.

## 12. Subsequent Events

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At the annual general meeting of Heimstaden 8 April 2021 it was resolved to authorise the Board of Directors to decide on issues of up to 40,000,000 new preference shares (post the preference share split) with or without deviation from the existing shareholders' preferential rights. The purpose of the authorisation is to be able to offer existing and new shareholders in Heimstaden an opportunity to subscribe for preference shares when an interest to subscribe for preference shares exists as well as when investment opportunities arise for Heimstaden. Heimstaden has on the basis of the authorisation granted by the annual general meeting retained Carnegie, Nordea and Swedbank to advise the Board of Directors to gauge the interest to subscribe for newly issued preference shares among both current preference shareholders as well as new preference share investors.

In April 2021, Heimstaden's subsidiary Heimstaden Bostad issued three NOK-denominated senior unsecured bonds for NOK 1,800 million. Settlement was occurred on April 22 and all three bonds are listed on Oslo Børs. The listing particulars are made available on Oslo Børs.

In April 2021, Heimstaden's subsidiary Heimstaden Bostad issued two SEK-denominated senior unsecured bonds for SEK 750 million and SEK 500 million, respectively. The SEK 750 million bond has a maturity of four years and a floating rate of STIBOR three months plus 80 bps. The proceeds will be used to refinance SEK 500 million of a SEK 1,200 million senior unsecured bond maturing in May 2022 and for general corporate purposes. The second bond with a notional value of SEK 500 million has a maturity of three years and a floating rate of STIBOR three months plus 67 bps. The proceeds will be used for general corporate purposes. Settlement occurred on April 7 and April 8, respectively and both bonds are listed on Euronext Dublin. The listing particulars are available on Euronext Dublin.

In April 2021, Heimstaden's subsidiary Heimstaden Bostad gave notice of redemption to the holders of the EUR500,000,000 1.750% Notes due 2021 of which EUR 340,216,000 is outstanding. It is exercising its option to redeem in full all of the outstanding Notes on 30 April 2021. The Optional Redemption Amount was based on the Reference Bond Price as fixed on 27 April 2021. All Notes redeemed will be cancelled.

# Parent Company Comprehensive Income Statement

| SEK million   | Q1 2021   | Q1 2020     | Rolling 12 months<br>Q1 2021 |
|---|-----------|-------------|------------------------------|
| Management services revenues  | 85        | 61          | 287                          |
| Administrative expenses   | -65       | -43         | -241                         |
| <b>Operating profit</b>   | <b>20</b> | <b>18</b>   | <b>46</b>                    |
| Dividends from shares in subsidiaries                                     | 0         | -2          | 36                           |
| Interest income   | 1         | 12          | 11                           |
| Interest expenses   | -59       | -26         | -411                         |
| Other financial items, net  | 78        | -242        | 320                          |
| Net income from fair value adjustment of derivative financial instruments | 0         | -           | 0                            |
| <b>Profit/loss after financial items</b>                                  | <b>40</b> | <b>-241</b> | <b>1</b>                     |
| Income tax expense  | 0         | 0           | 0                            |
| <b>Profit/loss for the period</b>   | <b>40</b> | <b>-241</b> | <b>1</b>                     |
| Other comprehensive income  | 0         | 0           | 0                            |
| <b>Comprehensive income</b>   | <b>40</b> | <b>-241</b> | <b>1</b>                     |

# Parent Company Balance Sheet

| SEK million                           | 31 Mar 2021   | 31 Dec 2020   |
|---------------------------------------|---------------|---------------|
| <b>ASSETS</b>                         |               |               |
| Shares and participations             | 18,610        | 18,565        |
| Non-current receivables, subsidiaries | 202           | 323           |
| <b>Total non-current assets</b>       | <b>18,812</b> | <b>18,888</b> |
| Current receivables, subsidiaries     | 4,658         | 1,456         |
| Other financial assets                | 144           | 103           |
| Cash and cash equivalents             | 3,392         | 3,002         |
| <b>Total current assets</b>           | <b>8,194</b>  | <b>4,561</b>  |
| <b>Total assets</b>                   | <b>27,006</b> | <b>23,449</b> |
| <b>EQUITY AND LIABILITIES</b>         |               |               |
| Equity                                | 18,350        | 18,380        |
| Interest-bearing liabilities          | 7,835         | 4,304         |
| Non-current liabilities, subsidiaries | 714           | 714           |
| <b>Total non-current liabilities</b>  | <b>8,549</b>  | <b>5,018</b>  |
| Trade and other payables              | 108           | 51            |
| <b>Total current liabilities</b>      | <b>108</b>    | <b>51</b>     |
| <b>Total equity and liabilities</b>   | <b>27,006</b> | <b>23,449</b> |

# Parent Company Statement of Changes in Equity

| SEK million   | Share capital | Share premium reserve | Hybrid bonds | Retained earnings | Total equity  |
|---|---------------|-----------------------|--------------|-------------------|---------------|
| <b>Opening balance, 1 Jan 2020</b>                  | <b>78</b>     | <b>729</b>            | <b>2,975</b> | <b>14,202</b>     | <b>17,984</b> |
| Profit for the period                               | 0             | 0                     | 222          | -499              | -278          |
| <b>Total profit</b>                                 | <b>0</b>      | <b>0</b>              | <b>222</b>   | <b>-499</b>       | <b>-278</b>   |
| Dividend  | -             | -                     | -222         | -47               | -268          |
| Issue of hybrid bonds                               | -             | -                     | 1,030        | -                 | 1,030         |
| Premium, hybrid bonds                               | -             | -                     | -30          | 30                | 0             |
| Repurchase, hybrid bonds                            | -             | -                     | -100         | 20                | -80           |
| Costs of issuance                                   | -             | -                     | -8           | -                 | -8            |
| <b>Total transactions with the company's owners</b> | <b>-</b>      | <b>-</b>              | <b>670</b>   | <b>4</b>          | <b>674</b>    |
| <b>Equity, 31 Dec 2020</b>                          | <b>78</b>     | <b>729</b>            | <b>3,867</b> | <b>13,706</b>     | <b>18,380</b> |
| <b>Opening balance, 1 Jan 2021</b>                  | <b>78</b>     | <b>729</b>            | <b>3,867</b> | <b>13,706</b>     | <b>18,380</b> |
| Profit for the period                               | 0             | 0                     | 58           | -18               | 40            |
| <b>Total profit</b>                                 | <b>0</b>      | <b>0</b>              | <b>58</b>    | <b>-18</b>        | <b>40</b>     |
| Dividend  | -             | -                     | -58          | -12               | -70           |
| <b>Total transactions with the company's owners</b> | <b>-</b>      | <b>-</b>              | <b>-58</b>   | <b>-12</b>        | <b>-70</b>    |
| <b>Equity, 31 Mar 2021</b>                          | <b>78</b>     | <b>729</b>            | <b>3,867</b> | <b>13,676</b>     | <b>18,350</b> |

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

Malmö, 29 April 2021

Patrik Hall  
CEO

Ivar Tollefsen  
Chairman

John Giverholt  
Board Member

Fredrik Reinfeldt  
Board Member

Vibeke Krag  
Board Member

This interim report has been subject to review by the Company's auditors.

# Auditor's review report

Heimstaden AB, corporate identity number 556670-0455

To the Board of Directors for Heimstaden AB

## **Introduction**

We have reviewed the condensed interim report for Heimstaden AB as at March 31, 2021. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö, 29 April 2021

Ernst & Young AB

Peter von Knorring  
Authorized Public Accountant

Jonas Svensson  
Authorized Public Accountant

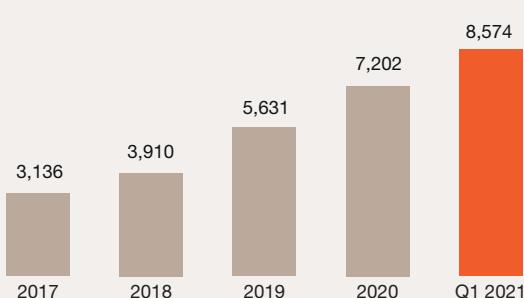
# Earnings capacity

The earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 31 March 2020. Announced property acquisitions that closed after the balance sheet date are not included in the calculation. The earnings capacity does not include any adjustment for development trends in rent levels, vacancy rates, property expenses or interest rates, nor does the earnings capacity provide any adjustment for expected changes in the fair value of properties, foreign exchange rates, acquisitions or disposals. The earnings capacity should not be considered a forecast for the current year or for the next 12-month period.

|  | SEK million  |
|--|--------------|
| Rental income                                  | 8,574        |
| Service income                                 | 575          |
| Property expenses                              | -3,857       |
| <b>Net operating income</b>                    | <b>5,292</b> |
| Corporate administrative expenses              | -318         |
| <b>Profit before financial items</b>           | <b>4,974</b> |
| Financial income                               | -            |
| Financial costs - interest-bearing liabilities | -1,592       |
| <b>Profit</b>                                  | <b>3,282</b> |
| Net operating income margin, %                 | 61.7         |
| Interest coverage ratio                        | 3.1          |

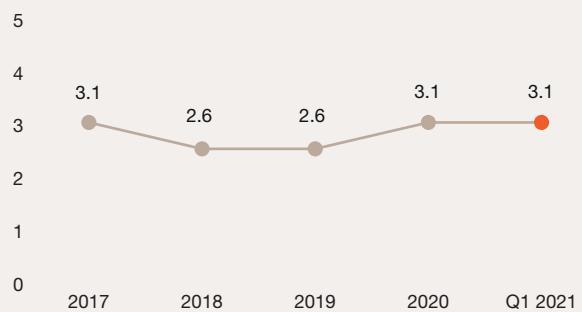
## Earnings Capacity Rental Income

SEK million



## Earnings Capacity ICR

multiple



Kløverbladsgade,  
Copenhagen, Denmark



# Alternative performance measures

For more information, definitions, and methodology please refer to [www.heimstaden.com](http://www.heimstaden.com)

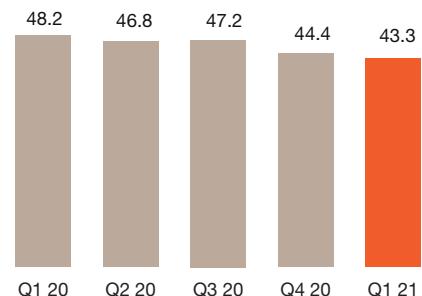
## Net Loan-to-Value (LTV)

Net loan-to-value is an acknowledged measure of leverage and risk in the real estate industry. This ratio highlights Heimstaden's ability to manage financial liabilities given the fair value of its investment properties.

| SEK million                                | Q1 2021        | Q4 2020        | Q1 2020        |
|--|----------------|----------------|----------------|
| Interest-bearing secured liabilities       | 51,401         | 40,764         | 41,320         |
| Interest-bearing unsecured liabilities     | 43,733         | 34,317         | 29,684         |
| Cash and cash equivalents                  | 17,342         | 10,906         | 7,527          |
| <b>Net interest-bearing liabilities</b>    | <b>77,792</b>  | <b>64,175</b>  | <b>63,478</b>  |
| <b>Fair value of investment properties</b> | <b>179,519</b> | <b>144,428</b> | <b>131,745</b> |
| <b>Net loan-to-value, %</b>                | <b>43.3</b>    | <b>44.4</b>    | <b>48.2</b>    |

## Net Loan-to-Value

%



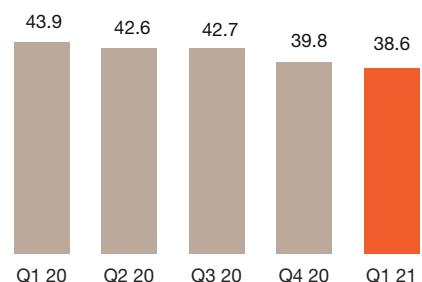
## Net Debt / Total Assets

This metric is a covenant under Heimstaden Bostad's European Medium Term Note Programme.

| SEK million                      | Q1 2021     | Q4 2020     | Q1 2020     |
|----------------------------------|-------------|-------------|-------------|
| Net interest-bearing liabilities | 77,792      | 64,175      | 63,478      |
| Total assets                     | 201,697     | 161,310     | 144,456     |
| <b>Net debt / Total assets</b>   | <b>38.6</b> | <b>39.8</b> | <b>43.9</b> |

## Net Debt / Total Assets

%



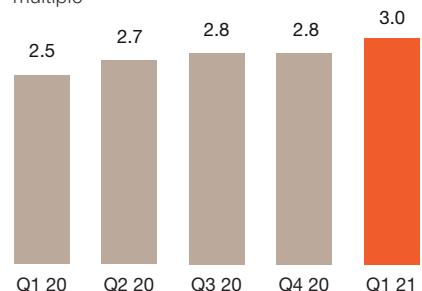
## Interest Coverage Ratio (ICR)

The interest coverage ratio is an industry standard ratio used to determine the extent to which Heimstaden's interest and debt servicing expenses are covered by operating profits. In addition, this ratio provides additional transparency on cash flow that is available after servicing debt obligations.

| SEK million Rolling 12 months                     | Q1 2021     | Q4 2020     | Q1 2020     |
|---|-------------|-------------|-------------|
| Profit before financial items                     | 4,068       | 3,749       | 3,050       |
| Financial income                                  | 95          | 99          | 75          |
| Financial expenses - interest-bearing liabilities | 1,408       | 1,371       | 1,235       |
| <b>Interest Coverage Ratio</b>                    | <b>3.0x</b> | <b>2.8x</b> | <b>2.5x</b> |

## Interest Coverage Ratio

multiple



All figures in SEK million unless otherwise specified.

#### Residential area

|  | Q1 2021     | Q4 2020     |
|--|-------------|-------------|
| Residential sqm at the end of the period, sqm                | 7,420,968   | 6,546,148   |
| Commercial sqm at the end of the period, sqm                 | 692,869     | 483,821     |
| Total area as at the end of the period, sqm                  | 8,113,837   | 7,029,969   |
| <b>Share of residential area at the end of the period, %</b> | <b>91.5</b> | <b>93.1</b> |

#### Like-for-like rental income growth

|   | Q1 2021 <sup>1</sup> | Q1 2020 <sup>2</sup> |
|---|----------------------|----------------------|
| Rental income on comparable portfolio current year  | 1,363                | 1,003                |
| Rental income on comparable portfolio previous year | 1,341                | 948                  |
| <b>Like-for-like rental income growth, %</b>        | <b>1.6</b>           | <b>5.9</b>           |

<sup>1</sup> Only properties owned as of 31 December 2019 included.

<sup>2</sup> Only properties owned as of 31 December 2018 included.

#### Net operating income margin

|                                       | Q1 2021     | Q1 2020     |
|---------------------------------------|-------------|-------------|
| Rental income                         | 2,066       | 1,497       |
| Net operating income                  | 1,246       | 857         |
| <b>Net operating income margin, %</b> | <b>60.3</b> | <b>57.2</b> |

#### Economic occupancy, residential

|   | Q1 2021      | Q4 2020      |
|---|--------------|--------------|
| Rental income from residential units      | 1,977        | 1,698        |
| Theoretical rental income on vacant units | 84           | 77           |
| <b>Theoretical rental income</b>          | <b>2,061</b> | <b>1,775</b> |
| <b>Economic occupancy rate, %</b>         | <b>95.7</b>  | <b>95.5</b>  |

#### Real economic occupancy, residential

|  | Q1 2021      | Q4 2020      |
|--|--------------|--------------|
| Theoretical rental income on residential units | 2,061        | 1,775        |
| Adj. for non-market vacancy                    | -37          | -31          |
| <b>Adj. Theoretical rental income</b>          | <b>2,024</b> | <b>1,744</b> |
| <b>Real economic occupancy, %</b>              | <b>97.6</b>  | <b>97.3</b>  |

#### Equity ratio

|                        | Q1 2021     | Q4 2020     |
|------------------------|-------------|-------------|
| Equity                 | 95,137      | 76,166      |
| Total assets           | 201,697     | 161,310     |
| <b>Equity ratio, %</b> | <b>47.2</b> | <b>47.2</b> |

#### Solvency ratio

|                          | Q1 2021     | Q4 2020     |
|--------------------------|-------------|-------------|
| Equity                   | 95,137      | 76,166      |
| Total liabilities        | 106,560     | 85,145      |
| <b>Solvency ratio, %</b> | <b>47.2</b> | <b>47.2</b> |

#### Net asset value (NAV)

|                        | Q1 2021        | Q4 2020       |
|------------------------|----------------|---------------|
| Equity                 | 95,137         | 76,166        |
| Deferred tax liability | 6,395          | 5,446         |
| <b>NAV</b>             | <b>101,532</b> | <b>81,611</b> |

#### EBITDA

|   | Q1 2021      | Q4 2020      |
|---|--------------|--------------|
| Operating profit before inventory properties and fair value adjustments | 4,068        | 3,749        |
| Amortisation and depreciation   | 9            | 12           |
| <b>EBITDA</b>   | <b>4,076</b> | <b>3,760</b> |

#### Debt/EBITDA

|                              | Q1 2021     | Q4 2020     |
|------------------------------|-------------|-------------|
| rolling 12 months            | 79,458      | 73,426      |
| Interest-bearing liabilities | 4,076       | 3,760       |
| <b>Debt/EBITDA</b>           | <b>19.5</b> | <b>19.5</b> |

#### NAV per ordinary share

|  | Q1 2021      | Q4 2020      |
|--|--------------|--------------|
| Equity attributable to Parent Company shareholders | 29,823       | 26,197       |
| Preference capital                                 | 891          | 891          |
| Hybrid capital & non-controlling interests         | 4,000        | 4,000        |
| Deferred tax                                       | 6,395        | 5,446        |
| Equity excluding preference capital                | 31,327       | 26,752       |
| Average number of ordinary shares                  | 13,204,000   | 13,204,000   |
| <b>NAV per ordinary share, SEK</b>                 | <b>2,373</b> | <b>2,026</b> |

#### Secured loan-to-value

|                                      | Q1 2021        | Q4 2020        |
|--------------------------------------|----------------|----------------|
| Interest-bearing secured liabilities | 51,401         | 40,764         |
| <b>Total assets</b>                  | <b>201,697</b> | <b>161,310</b> |
| <b>Secured loan-to-value, %</b>      | <b>25.5</b>    | <b>25.3</b>    |

# Heimstaden AB Standalone

In this section we present Heimstaden AB financials on a standalone basis, defined as Heimstaden AB consolidated excluding Heimstaden Bostad AB consolidated.

The presentation of this information is intended as a supplement and information should not be considered a substitute or in accordance with IFRS.

## Standalone Earnings, Rolling 12 Months

| SEK million  | 2021-03-31   | 2020-03-31 | 2020-12-31 |
|--|--------------|------------|------------|
| Operating income <sup>1</sup>                              | 287          | 181        | 262        |
| Operating cost <sup>1</sup>                                | -240         | -158       | -218       |
| <b>Operating profit/loss<sup>1</sup></b>                   | <b>47</b>    | <b>24</b>  | <b>44</b>  |
| Pref A dividends   | 277          | 184        | 184        |
| Common dividends   | 1,636        | 400        | 400        |
| Pref B dividends   | 553          | 349        | 349        |
| <b>Dividends from Heimstaden Bostad</b>                    | <b>2,465</b> | <b>933</b> | <b>933</b> |
| <b>Adjusted earnings</b>                                   | <b>2,512</b> | <b>957</b> | <b>977</b> |
| Interest expenses <sup>1</sup>                             | -141         | -102       | -113       |
| <b>Adjusted earnings after interest expenses</b>           | <b>2,371</b> | <b>855</b> | <b>865</b> |
| Payments on hybrid securities                              | -244         | -120       | -230       |
| <b>Adjusted earnings after debt and hybrid instruments</b> | <b>2,127</b> | <b>735</b> | <b>635</b> |

## Interest Coverage Ratio (ICR)

| SEK million  | 2021-03-31  | 2020-03-31 | 2020-12-31 |
|--|-------------|------------|------------|
| Adjusted earnings  | 2,512       | 957        | 977        |
| Interest expenses <sup>1</sup>                           | -141        | -102       | -113       |
| <b>Interest Coverage Ratio</b>                           | <b>17.9</b> | <b>9.4</b> | <b>8.7</b> |
| Payments on hybrid securities                            | -244        | -120       | -230       |
| <b>Interest Coverage Ratio including hybrid payments</b> | <b>6.5</b>  | <b>4.3</b> | <b>2.9</b> |

<sup>1</sup>Figures from Heimstaden AB parent company financial statements (unconsolidated).

## Heimstaden Bostad AB Dividend Policy

Heimstaden Bostad has three share classes, Preference Share Class A ('Pref A'), Preference Share Class B ('Pref B') and Common shares. Pref A shares are entitled to quarterly dividends of 0.05% of the market value of Heimstaden Bostad's investment properties. Dividends on the Pref B shares are dependent on the Loan-to-Value and Return on Equity of Heimstaden Bostad. Owners of Common Shares are entitled to all additional possible dividend payments, to be decided by the general assembly, subject to that Heimstaden Bostad maintains its financial policies, after owners of Pref A Shares and Pref B Shares have received their parts in full. More information on the dividend policy can be found in Heimstaden Bostad's Articles of Association at: <https://www.heimstadenbostad.com/articles-of-association>.

## Debt and relevant assets

| SEK million  | Q1 2021       | Q1 2020       | Q4 2020       |
|--|---------------|---------------|---------------|
| Interest-bearing secured liabilities <sup>1</sup>  | 198           | 200           | 301           |
| Interest-bearing unsecured liabilities <sup>1</sup>  | 7,733         | 3,000         | 4,000         |
| <b>Interest-bearing liabilities</b>  | <b>7,931</b>  | <b>3,200</b>  | <b>4,301</b>  |
| <b>Cash and cash equivalents <sup>1</sup></b>  | <b>-3,640</b> | <b>-3,684</b> | <b>-3,270</b> |
| <b>Net interest-bearing debt</b>   | <b>4,292</b>  | <b>-484</b>   | <b>1,031</b>  |
| Heimstaden Bostad net asset value  | 104,761       | 68,844        | 81,953        |
| Equity attributable to Heimstaden Bostad's hybrid securities and non-controlling interests | 21,863        | 8,573         | 14,009        |
| <b>Heimstaden Bostad adjusted net asset value</b>  | <b>82,898</b> | <b>60,271</b> | <b>67,944</b> |
| Heimstaden share of capital, %   | 45.3          | 45.1          | 44.7          |
| <b>Heimstaden share of capital</b>   | <b>37,525</b> | <b>27,201</b> | <b>30,402</b> |
| Investment properties <sup>1</sup>   | 622           | 388           | 622           |
| <b>Relevant assets</b>   | <b>38,147</b> | <b>27,589</b> | <b>31,024</b> |

<sup>1</sup>Difference between Heimstaden AB and Heimstaden Bostad consolidated figures.

## Net Loan-to-Value

| SEK million                 | Q1 2021     | Q1 2020     | Q4 2020    |
|-----------------------------|-------------|-------------|------------|
| Net interest-bearing debt   | 4,292       | -484        | 1,031      |
| Relevant assets             | 38,147      | 27,589      | 31,024     |
| <b>Net loan-to-value, %</b> | <b>11.3</b> | <b>-1.8</b> | <b>3.3</b> |

## Liquidity Reserves

| SEK million                                     | Q1 2021      |
|---|--------------|
| Cash and cash equivalents <sup>1</sup>          | 3,640        |
| Unutilised credit commitment                    | 1,000        |
| <b>Total</b>                                    | <b>4,640</b> |
| Estimated interest expenses (12-months forward) | 178          |

<sup>1</sup>Figures from Heimstaden AB parent company financial statements (unconsolidated).

# Standalone Funding Overview

## Standalone Financial Policy

|   | Policy     | Q1 2020 |
|---|------------|---------|
| Net Loan-to-Value   | $\leq 30$  | 11.3    |
| Interest Coverage Ratio, rolling 12 months, multiple                        | $\geq 2.0$ | 17.9    |
| Interest Coverage Ratio including hybrid bonds, rolling 12 months, multiple | $\geq 1.4$ | 6.5     |

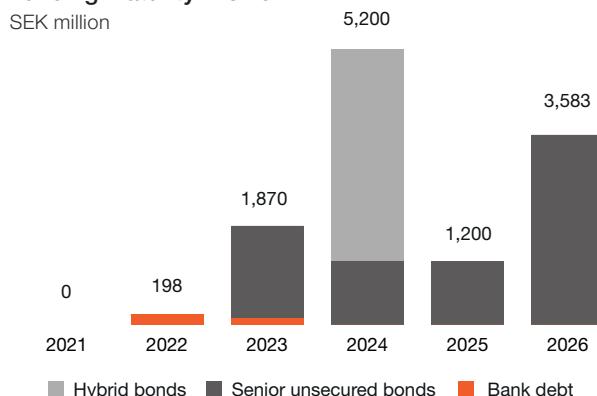
As at 31 March 2021, Heimstaden had outstanding senior unsecured bonds amounting to SEK 7,733 million, listed on Nasdaq Stockholm

| Currency | Amount (million) | Fixed/floating | Coupon/spread       | Start date | Maturity   |
|----------|------------------|----------------|---------------------|------------|------------|
| SEK      | 1,750            | Floating       | Stibor 3m + 325 bps | 2019-05-31 | 2023-05-31 |
| SEK      | 1,200            | Floating       | Stibor 3m + 330 bps | 2020-10-15 | 2024-01-15 |
| SEK      | 1,200            | Floating       | Stibor 3m + 400 bps | 2020-10-15 | 2025-10-15 |
| EUR      | 350              | Fixed          | 4.25%               | 2021-03-09 | 2026-03-09 |

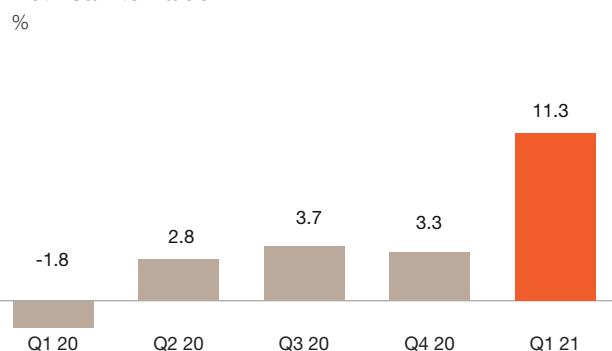
As at 31 March 2021, Heimstaden had a SEK 4,000 million perpetual hybrid bond outstanding, listed on Nasdaq Stockholm

| Currency | Amount (million) | Fixed/floating | Coupon/spread       | Start date | Non-call period |
|----------|------------------|----------------|---------------------|------------|-----------------|
| SEK      | 4,000            | Floating       | Stibor 3m + 590 bps | 2019-04-11 | 5.25 years      |

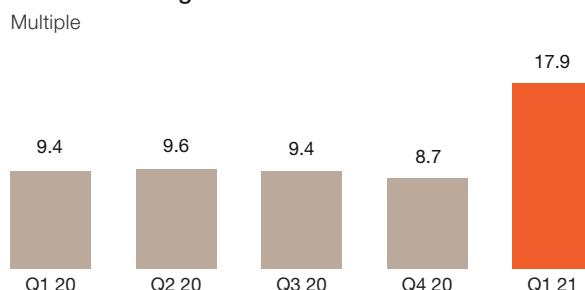
## Funding Maturity Profile



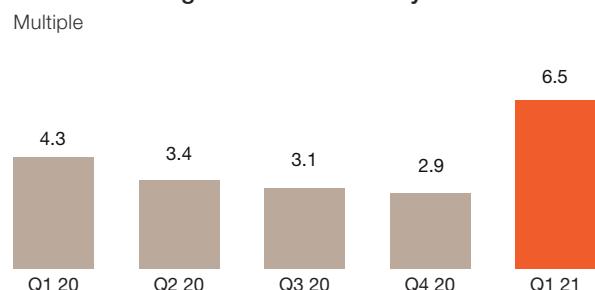
## Net Loan-to-Value



## Interest Coverage Ratio



## Interest Coverage Ratio incl. 100% hybrid



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This information is such that Heimstaden AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the above contact persons at 07:00 CEST on 30 April 2021.

The second quarter report will be published on 13 August 2021.

## **Heimstaden**

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