

Q2 2021

Heimstaden



# Second Quarter Highlights

Figures in SEK

187 billion  
Investment Properties

4.6 billion  
Profit

41.2%  
LTV

3.1x  
ICR

- Strong operational performance with 98% real economic occupancy.
- Strong balance sheet and improved interest coverage ratio.
- Raised 1.13 billion in issuance of new preference shares on Nasdaq First North Growth.

- Heimstaden Bostad expanded in Germany with 1.9 billion acquisition in Berlin and six new cities.
- Heimstaden Bostad entered the United Kingdom with 1.9 billion newbuild project.

See page 42 for definitions of alternative performance measures.



	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
<b>Financials</b>					
Rental income	SEK m	2,114	2,066	1,651	4,180
Growth y-o-y	%	28.0	38.0	42.6	32.8
Net operating income	SEK m	1,353	1,246	1,096	2,599
Net operating income margin	%	64.0	60.3	66.4	62.0
Profit for the period	SEK m	4,574	3,723	1,747	8,297
Capital expenditures	SEK m	1,409	991	539	2,400
<b>Portfolio Metrics</b>					
Fair value of investment properties	SEK m	186,679	179,519	135,462	186,679
Homes	Units	116,083	114,041	100,123	116,083
Real economic occupancy, residential	%	97.6	97.6	97.5	97.6
Like-for-like rental income growth, y-o-y	%	2.1	1.6	3.8	1.9
<b>Credit Metrics</b>					
Interest Coverage Ratio (ICR)	Multiple	3.1	3.0	2.7	3.1
Net Loan-to-Value (LTV)	%	41.2	43.3	46.8	41.2
Net debt / Total assets	%	36.9	38.6	42.6	36.9

# CEO Letter

Although the pandemic continues to impact our private and professional lives, we finally see the light at the end of the tunnel. Universities are now opening back up and an encouraging development this quarter was the increased demand for student housing across our markets.

Thanks to our professional and ambitious people, Heimstaden has continued to perform well. A major milestone was Heimstaden Bostad's UK entry in May, with the acquisition of an attractive newbuild project located just outside the city centre of Birmingham. The project is part of a wider plan to expand in the UK and we look forward to providing high-quality yet affordable homes in the Birmingham area and the British market for years to come.

We also continued to invest in existing markets and Heimstaden Bostad expanded its portfolio in Berlin and as well as six new cities in Northern and Eastern Germany. Heimstaden Bostad also expanded its geographical presence in Poland with a newbuild portfolio spread across five of the largest cities in the country, and bought 1,118 attractive homes in Linköping, Sweden, significantly strengthening its presence in the region.

In June, we successfully issued 1.1 billion in new preference shares, strengthening our financial position and improving our capacity for continued growth investments.

After continued expansion in new and existing markets and with an improved financial position, we entered the summer with a solid platform for sustainable growth and look forward to bringing Friendly Homes to even more satisfied customers.

Towards the end of the quarter, Heimstaden Bostad officially launched A Home for a Home. I am tremendously proud of this project, which will create safe homes for children and their families all over the world. Our local organisations will cooperate closely with SOS Children's Villages to implement projects locally as well as globally and extend our vision to Enrich and Simplify Lives Through Friendly Homes to families and children who need it most.



Patrik Hall, CEO Heimstaden



*We entered the summer with a solid platform for sustainable growth and look forward to bringing Friendly Homes to even more satisfied customers going forward.*



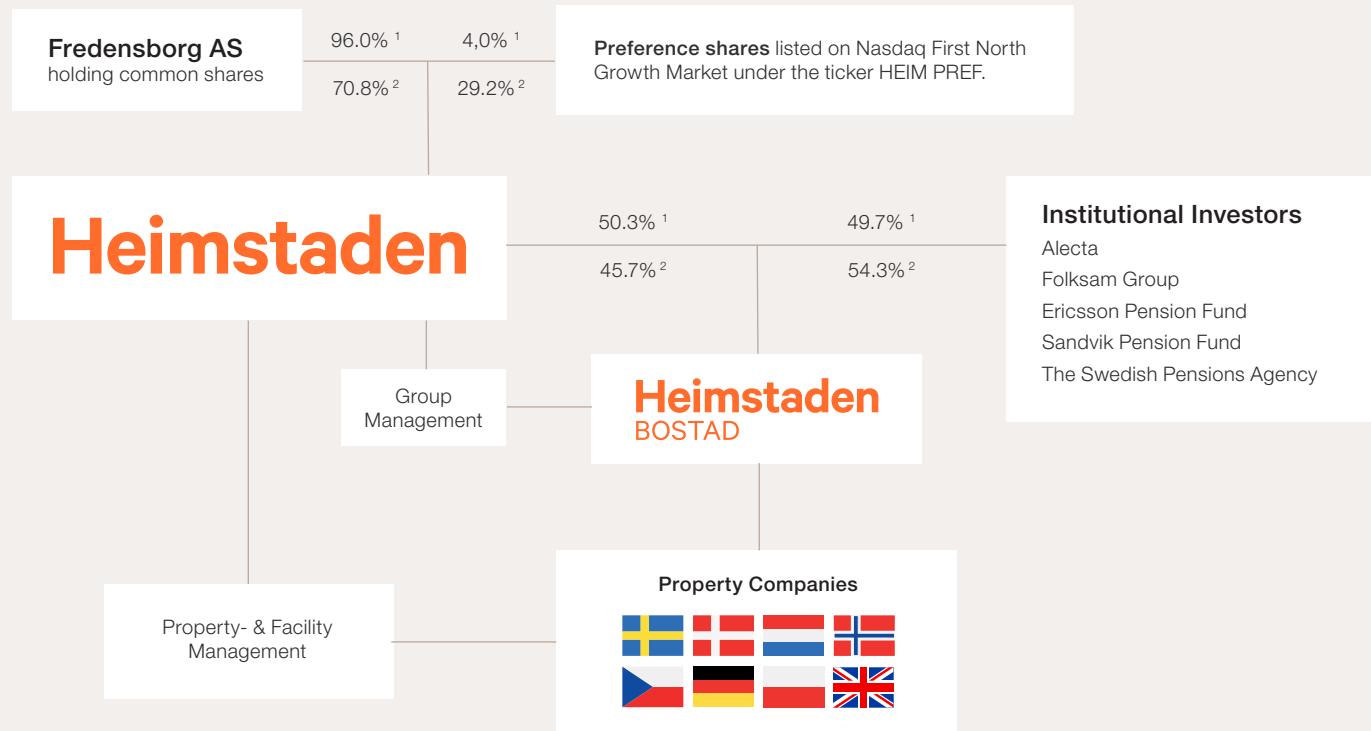
## A Home for a Home

In the second quarter, SOS Children's Villages and Heimstaden Bostad officially launched the partnership A Home for a Home, which will create safe homes and a solid platform for children and families all over the world.

For each home we own, we will donate EUR 100 annually to SOS Children's Villages and as the company grows, so will the size of the donation. In its first year, the partnership will support more than 30 different initiatives across 19 countries, including programmes for family strengthening, foster care, and youth employment.



# 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 group-, property-, and facility manager of Heimstaden Bostad.

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



# Quarterly 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 previous quarter.

## Income

Rental income increased by 2.3% to 2,114 million (2,066), driven primarily by the full-quarter effect of acquisitions in Denmark and Berlin in January 2021. Service income decreased to 125 million (190), mainly due to lower heating costs.

Like-for-like rental income growth was 2.1% (1.6) compared to the same period last year. The comparable portfolio made up 67% (68) of rental income.

Residential real economic occupancy was stable at 97.6% (97.6), excluding 1.6% (1.9) in vacancy due to refurbishments and other non-market related vacancy.

## Operating costs

Utility expenses decreased by 125 million due to seasonal effects, mainly related to lower heating consumption in Sweden and the Czech Republic. Due to different rental regimes, these costs impact the margin differently between markets. See Note 3 to the financial statements for more details.

Repair and maintenance costs decreased by 10 million. Cost for facility and property administration on standing assets increased by 7 million. Lower utility costs in newly acquired portfolios resulted in a 5 million cost reduction.

## Capital expenditures and Repair & Maintenance

We continued to invest in refurbishments and the construction of new investment properties. Total expenditure in standing assets increased to 1,060 million (807), corresponding to 0.57% of fair value (0.45), while investments in properties under construction, excluding forward purchase contracts, increased to 0.28% of fair value (0.20), due to a larger amount of forward funding acquisitions. More details on page 11.

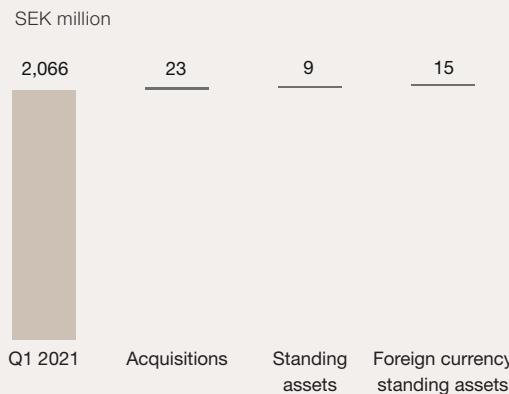
SEK million	Q2 2021	Q1 2021	YTD 2021	YTD 2020
<b>Income statement items</b>				
Expenses for repair & maintenance <sup>1</sup>	170	180	350	339
<b>Balance sheet items</b>				
Capitalised repair & maintenance	595	427	1,022	412
Tenant improvement	294	201	405	284
Investment properties under construction	520	234	883	454
<b>Capital expenditures</b>	<b>1,409</b>	<b>991</b>	<b>2,400</b>	<b>1,150</b>

<sup>1</sup> Excluding group eliminations, see Note 3.

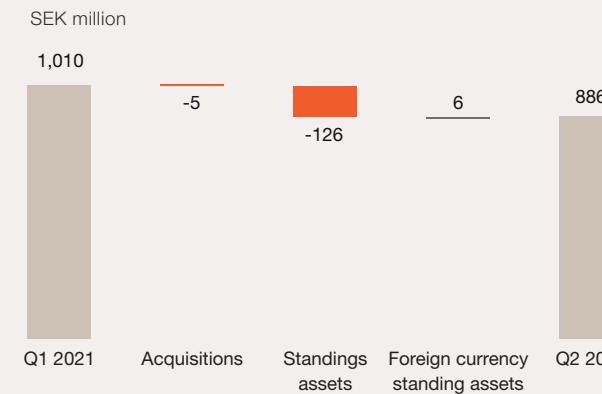
## Net operating income

The net operating income increased by 8.5% to 1,353 million (1,246), resulting in a net operating income margin of 64.0% (60.3), positively impacted by the seasonality in utility costs.

## Rental Income Development



## Property Cost Development



## Change in Fair Value of Investment Properties

	Q2 2021		YTD 2020	
	%	SEK million	%	SEK million
	Total/Average	2.6	4,612	5.1
Denmark	3.7	1,974	7.0	3,763
Sweden	2.7	1,378	4.6	2,388
Netherlands	2.7	641	1.7	398
Norway	-1.2	-217	2.9	527
Germany	4.0	619	8.1	1,243
Czech Republic	1.5	216	4.6	672

Net gain from fair value adjustments on investment properties was 4,612 million (4,380), corresponding to 2.6%. The yield requirement in the valuation averaged 3.47%, same as the end of previous quarter. The Norwegian market came under some pressure after long period of increase and is up 2.9% for the year.

## Interest expenses

Interest expenses increased to 370 million (362), driven by EUR 350 million bond issued in the previous quarter. At the balance sheet date the interest rate hedge ratio was 78% (76) and the average interest rate decreased to 1.5% (1.7), mainly due to lower credit margins on bank loans and unsecured bonds, lower interest rates, and closed interest rate swaps. Incurred net 150 million in other financial costs mainly related to the repayment of outstanding bonds. Interest Coverage Ratio for the last 12 months was 3.1x (3.0x), while Net Loan-to-Value was 41.2% (43.3).

## Foreign currency

Heimstaden is exposed to currency fluctuations in EUR, DKK, NOK, CZK, PLN and GBP. Currency translation differences from the consolidation of Heimstaden's subsidiaries resulted in other comprehensive income of negative 1,028 million (positive 2,518), which was partially offset by 230 million in foreign exchange gains (negative 511), mainly related to the foreign currency loan portfolio.

## Cash Flow

SEK million	Q2 2021	Q1 2021	YTD 2021	YTD 2020
Operating activities	527	731	1,258	370
Investing activities	-5,207	-13,605	-18,812	-9,520
Financing activities	1,322	19,244	20,566	7,401
Currency effects	29	65	94	-59
<b>Change</b>	<b>-3,329</b>	<b>6,435</b>	<b>3,106</b>	<b>-1,808</b>
Period opening balance	17,341	10,906	10,906	10,687
<b>Closing balance</b>	<b>14,012</b>	<b>17,341</b>	<b>14,012</b>	<b>8,879</b>

Cash flow from operating activities before changes in working capital was 491 million (528). Working capital increased by 36 million (203), resulting in net cash flows from operating activities of 527 million (731).

Cash flow from investing activities was negative 5,207 million (negative 13,605) and included acquisitions of 781 million (13,653) and capex on investment properties of 995 million (1,364). Investments in the first quarter was mainly acquisitions in Denmark and Berlin, while investments in the second quarter consisted primarily of acquisitions in Germany.

Cash flow from financing activities was 1,322 million (19,244), which included senior unsecured bond issues of 3,039 million, hybrid bond issues of 6,660 million (8,073), and repayment of 6,521 million in senior unsecured bonds. In addition, Heimstaden raised 1,125 million from the issuance of new preference shares on Nasdaq First North Growth Market under the ticker HEIM PREF.

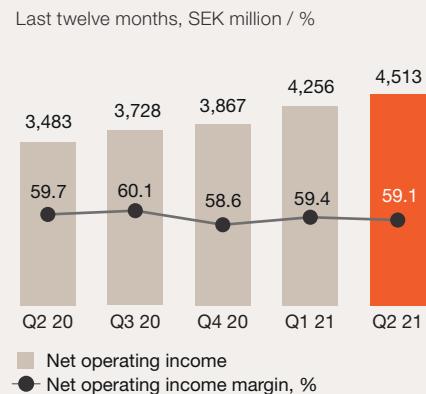
## Real Economic Occupancy



## Like-for-Like Rental Income Growth



## Net Operating Income and Margin



# Investment Properties

Fair value of investment properties increased from 180 billion to 187 billion, mainly through acquisitions of 2.6 billion and fair value gain of 4.6 billion. Residential units made up 93% of fair value and 52% of residential income came from regulated units.

Heimstaden obtains external valuations for its properties each quarter. See Note A1 in the 2020 Annual Report for more details.

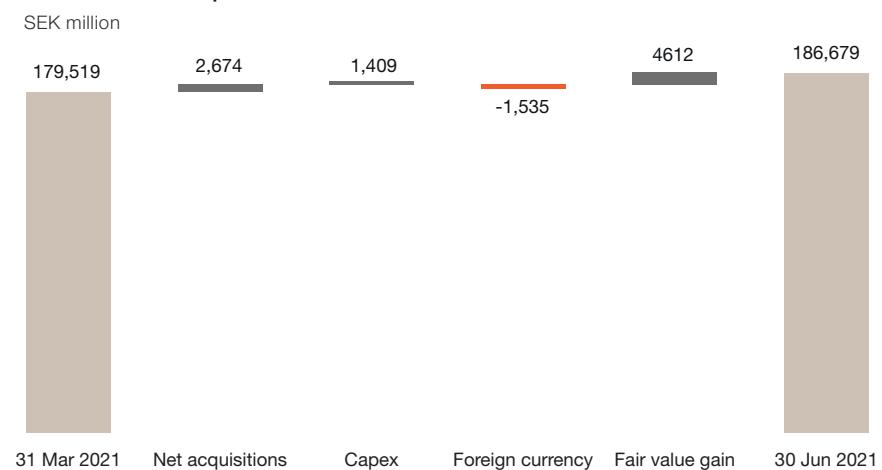
## Significant Acquisitions

- Entered the UK with a 1.9 billion acquisition of a newbuild project for 752 homes in Birmingham, which will be completed in stages from early 2023 to early 2024.
- Expanded in Germany with a 1.9 billion acquisition of 1,732 homes in Berlin and six new cities in Northern and Eastern Germany.
- Acquired 1,118 residential units for SEK 2.5 billion in Linköping. Transaction closed in July 2021.
- Acquired 3.1 billion newbuild project for 2,496 homes across five of the largest cities in Poland, which will be completed in stages from early 2023 to early 2025.

## Acquisitions Closed in Q2 2021



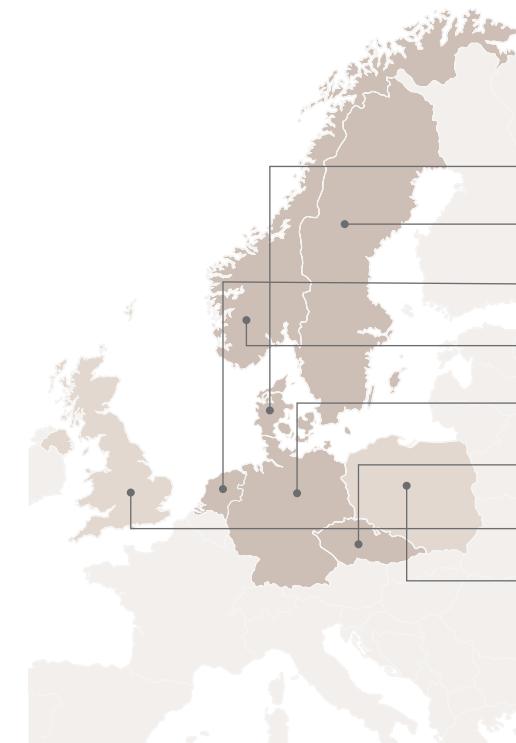
## Fair Value Development



## Investment Property Portfolio

Country	Fair Value, SEK m	Fair Value /sqm, SEK	Homes, units	Residential, %	Regulated Income, %	Real Economic Occupancy, %
Denmark	57,160	34,437	16,359	94.5	10.9	97.6
Sweden	54,109	24,747	31,639	90.6	100.0	99.2
Netherlands	24,185	22,945	13,330	97.9	68.0	99.6
Norway	18,843	84,350	4,593	86.4	0.0	92.9
Germany	16,594	31,699	7,258	89.4	100.0	99.2
Czech Republic	15,429	5,869	42,904	94.0	33.9	94.8
United Kingdom	360	-	-	-	-	-
Poland <sup>1</sup>	-	-	-	-	-	-
<b>Total</b>	<b>186,679</b>	<b>22,556</b>	<b>116,083</b>	<b>92.8</b>	<b>52.4</b>	<b>97.6</b>

<sup>1</sup> Investments in Poland are made through forward purchase contracts and are not recognised as investment properties until turnkey delivery. See Note 6 for more details.



## Signed Acquisitions

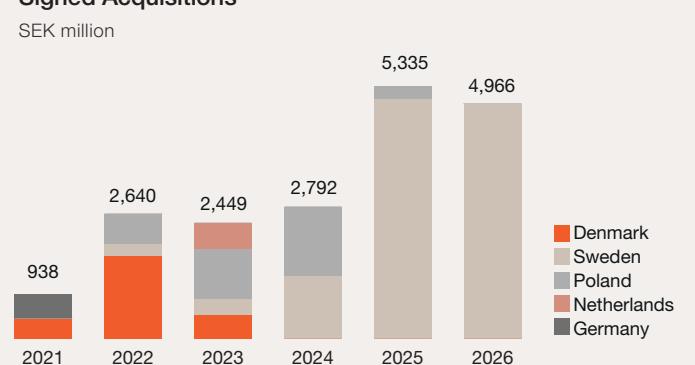
Heimstaden expands and improves its portfolio through acquisitions of standing assets and newbuilds. The current pipeline of signed acquisitions amounts to 19.1 billion and 11,212 homes.

Newbuild investments are structured either as forward purchase or forward funding. In a forward purchase transaction, Heimstaden 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 has forward funding contracts with a total capital expenditure commitment of 6.1 billion. The total pipeline of signed acquisitions, including standing assets and newbuilds, amounts to 19.1 billion.

## Signed Acquisitions



# Denmark

**57.2 billion**

Investment Properties

**0.4 billion**

Acquisitions

**610 million**

Rental income

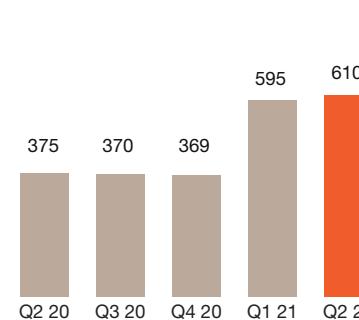
Rental income was 610 million (595), a 2.5% increase, driven by the full effect of acquisitions made in the previous quarter and improved occupancy. Net operating income increased by 1.5% to 415 million (409), resulting in a net operating income margin of 68.0% (68.7). The improved margin is driven by lower property management costs and positive cost effects from recent acquisitions.

Like-for-like rental income growth compared to the same period last year was 0.4% (1.0) and the comparable portfolio comprised 59% (59) of rental income.

		Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	SEK m	610	595	375	1,204	746
Net operating income	SEK m	415	409	247	823	473
Net operating income margin	%	68.0	68.7	65.8	68.3	63.4
Like-for-like rental income growth	%	0.4	1.0	-0.5	0.7	3.7
Real economic occupancy	%	97.6	97.2	96.8	97.4	97.1
Fair value of investment properties	SEK m	57,160	55,032	35,785	57,160	35,785
Fair value change	SEK m	1,973	1,790	225	3,763	8
Capital expenditures	SEK m	445	358	25	804	203
Average valuation yield requirement	%	3.8	3.9	3.5	3.8	3.5

## Rental income

SEK million



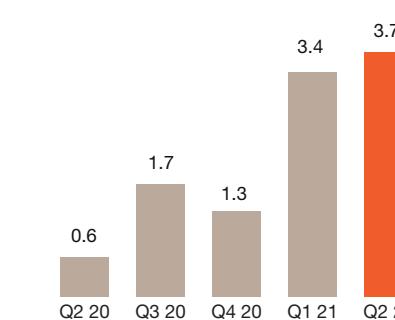
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Sweden

**54.1 billion**

Investment Properties

**0.0 billion**

Acquisitions

**669 million**

Rental income

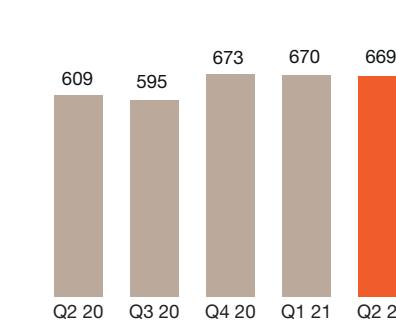
Rental income was 669 million (670), a 0.2% decrease. Net operating income increased by 26.3% from the first quarter to 370 million (293), driven by seasonally lower utility cost, which resulted in an improved net operating income margin of 55.3% (43.7).

Like-for-like rental income growth compared to the same period last year was 2.7% (2.4) and the comparable portfolio comprised 95% (93) of rental income.

		Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	SEK m	669	670	609	1,339	1,218
Net operating income	SEK m	370	293	363	663	645
Net operating income margin	%	55.3	43.7	59.6	49.5	53.0
Like-for-like rental income growth	%	2.7	2.5	3.8	2.6	4.4
Real economic occupancy	%	99.2	99.1	98.7	99.2	99.0
Fair value of investment properties	SEK m	54,109	52,092	43,447	54,109	43,447
Fair value change	SEK m	1,378	1,010	686	2,388	1,052
Capital expenditures	SEK m	584	412	356	995	761
Average valuation yield requirement	%	3.3	3.3	3.8	3.3	3.8

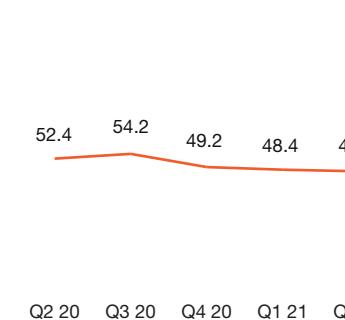
## Rental income

SEK million



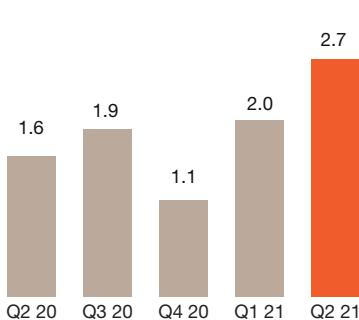
## Net Operating Income Margin

Last twelve months, %



## Fair Value Change

%



# Netherlands

**24.2 billion**

Investment Properties

**0.0 billion**

Acquisitions

**283 million**

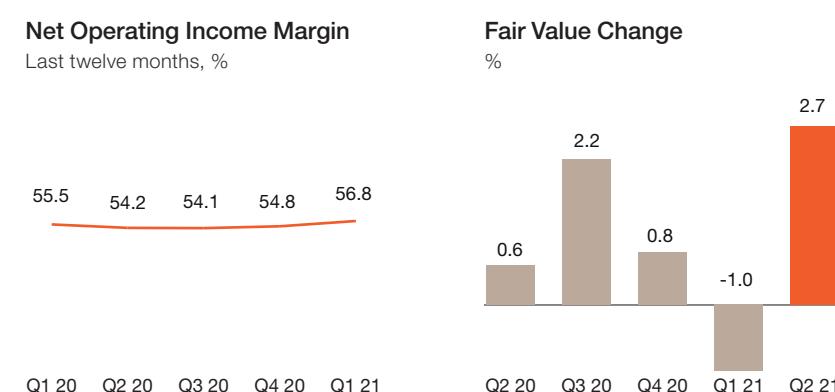
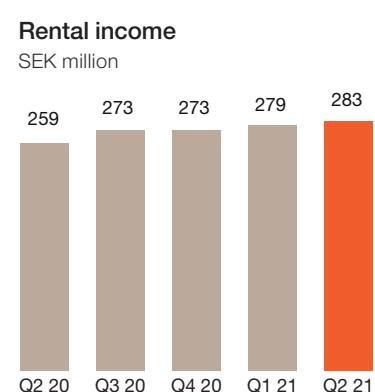
Rental income

Rental income was 283 million (279), a 1.7% increase. Net operating income increased by 7.4% to 183 million (170), driven by lower repair and maintenance activity going into the summer, which resulted in an improved net operating income margin of 64.4% (61.0).

Like-for-like rental income growth compared to the same period last year was 4.6% (2.7) and the comparable portfolio comprised 79% (78) of rental income.

As of 1 January, real estate transfer tax in the Netherlands increased from 2% to 8%, which negatively impacted value development in the first quarter.

		Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	SEK m	283	279	259	562	483
Net operating income	SEK m	183	170	147	353	280
Net operating income margin	%	64.4	61.0	57.0	62.7	58.1
Like-for-like rental income growth	%	4.6	2.7	8.1	3.7	6.8
Real economic occupancy	%	99.6	99.3	98.7	99.4	98.8
Fair value of investment properties	SEK m	24,185	23,686	22,758	24,185	22,758
Fair value change	SEK m	641	-243	144	398	367
Capital expenditures	SEK m	168	115	-2	283	21
Average valuation yield requirement	%	3.3	3.5	3.4	3.3	3.4



# Norway

**18.8 billion**

Investment Properties

**0.0 billion**

Acquisitions

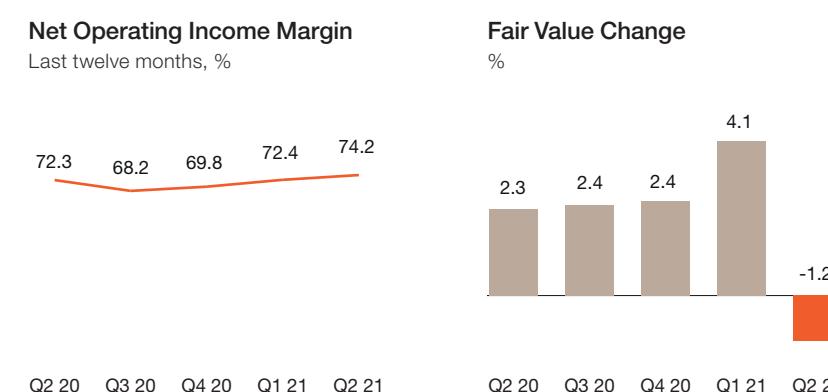
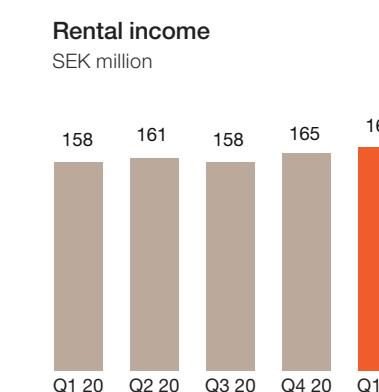
**169 million**

Rental income

Rental income was 169 million (165), a 2.0% increase, driven by stronger currency and offset by somewhat lower occupancy. Net operating income increased by 7.2% to 139 million (130), due to lower repair and maintenance- and property management costs, which resulted in a net operating income margin of 82.7% (78.7).

Like-for-like rental income growth compared to the same period last year was 0.9% (negative 1.3) and the comparable portfolio comprised 100% (100) of rental income.

		Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	SEK m	169	165	158	334	333
Net operating income	SEK m	139	130	120	270	240
Net operating income margin	%	82.7	78.7	76.1	80.8	72.2
Like-for-like rental income growth	%	0.9	-1.3	10.4	-0.2	8.3
Real economic occupancy	%	92.9	92.5	94.5	92.6	94.6
Fair value of investment properties	SEK m	18,843	18,998	16,353	18,843	16,353
Fair value change	SEK m	-217	744	365	527	523
Capital expenditures	SEK m	74	45	60	119	73
Average valuation yield requirement	%	2.8	2.7	2.9	2.8	2.9



# Germany

16.6 billion

Investment Properties

1.9 billion

Acquisitions

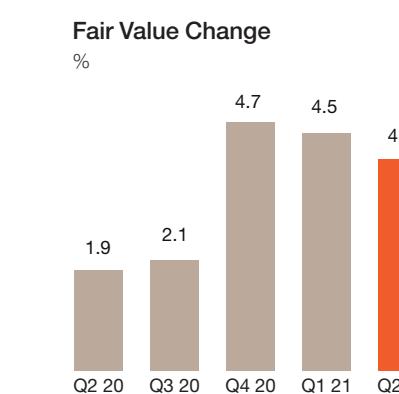
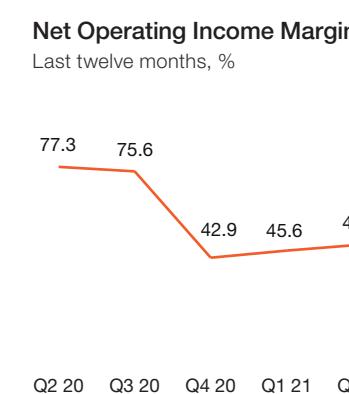
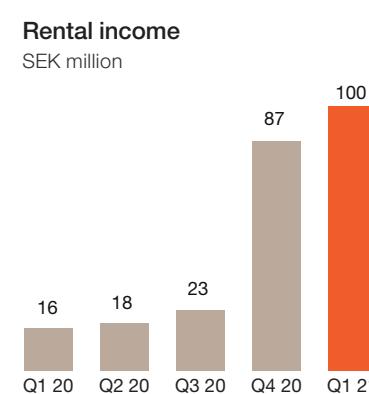
100 million

Rental income

Rental income increased to 100 million (87) due to acquisitions. Net operating income increased by 27.8% to 60 million (47), resulting in a net operating income margin of 59.8% (53.7). The higher margin is driven primarily by accounting effects related to the recent acquisition.

Like-for-like rental income growth compared to the same period last year was 5.4% (negative 13), positively impacted by the temporary rent freeze in Berlin, which was declared unconstitutional in April, 2021. The comparable portfolio comprised only 5% (5) of rental income.

		Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	SEK m	100	87	16	187	33
Net operating income	SEK m	60	47	17	107	29
Net operating income margin	%	59.8	53.7	100.6	57.0	88.2
Like-for-like rental income growth	%	5.4	-13.0	-1.7	-3.8	3.6
Real economic occupancy	%	99.2	98.8	99.6	99.0	99.5
Fair value of investment properties	SEK m	16,594	14,347	2,472	16,594	2,472
Fair value change	SEK m	619	624	47	1,243	40
Capital expenditures	SEK m	16	0	32	16	26
Average valuation yield requirement	%	2.4	2.0	2.1	2.4	2.1



# Czech Republic

15.4 billion

Investment Properties

0.0 billion

Acquisitions

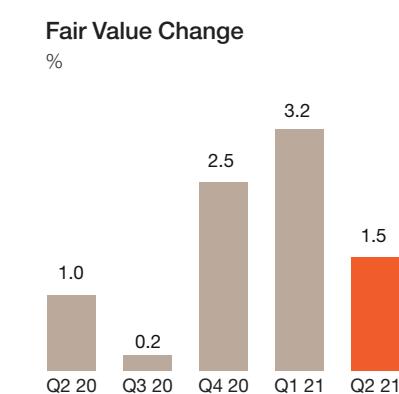
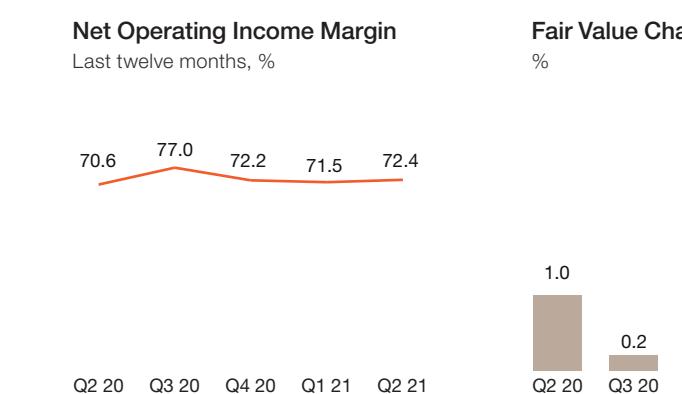
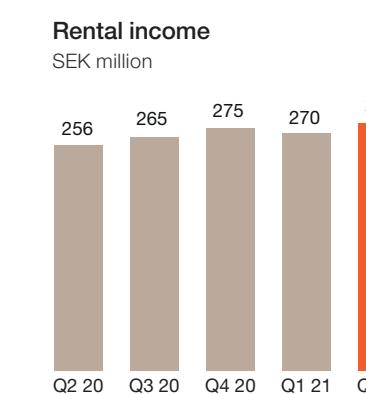
281 million

Rental income

Rental income was 281 million (270), which corresponds to a 4.0% increase, driven by the full-quarter effect of acquisitions made in the previous quarter and currency effects.

Net operating income was stable at 198 million (197), resulting in a net operating income margin of 70.4% (72.9). The lower margin is driven by higher repair and maintenance- and property management costs.

		Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	SEK m	281	270	256	551	357
Net operating income	SEK m	198	197	169	394	252
Net operating income margin	%	70.4	72.9	66.2	71.6	70.6
Like-for-like rental income growth	%	n/a	n/a	n/a	n/a	n/a
Real economic occupancy	%	94.8	95.6	95.9	95.2	95.8
Fair value of investment properties	SEK m	15,429	14,913	14,260	15,429	14,260
Fair value change	SEK m	216	456	128	672	1,538
Capital expenditures	SEK m	122	61	66	184	66
Average valuation yield requirement	%	5.1	5.2	5.3	5.1	5.3



# Poland

Heimstaden Bostad made its first investment in Poland in December, 2020, followed by additional acquisitions in 2021. In May, Heimstaden Bostad expanded its portfolio with the 3.1 billion acquisition of a newbuild project for 2,496 homes throughout five of the largest cities in Poland: Warsaw, Krakow, Wroclaw, Poznan and Gdansk - economic hubs in their regions and encompassing Poland's most populated and prosperous areas.

All acquisitions in Poland are structured as forward purchase contracts and not recognised as investment properties until turnkey delivery. As of 30 June 2021, Heimstaden Bostad had a pipeline of 3,839 homes with a value of 4.8 billion.

## Newbuild Portfolio:

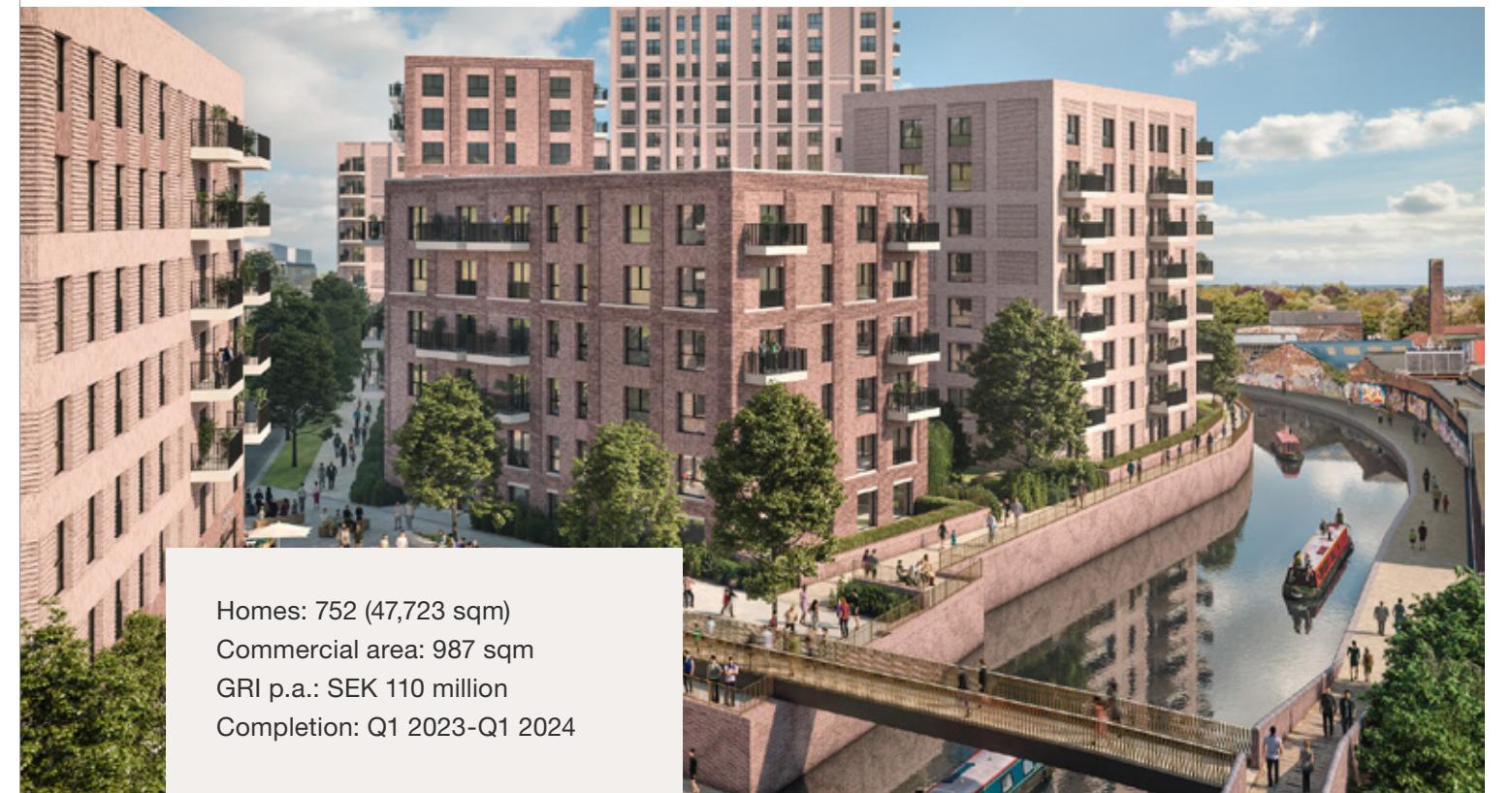


# United Kingdom

Heimstaden Bostad made its UK entry in the second quarter with the acquisition of newbuild project, Soho Wharf, in Birmingham for 1.9 billion. Soho Wharf is located just outside the city centre and is part of a wider plan to expand Birmingham to the west, converting former industrial areas into new neighbourhoods with generous public landscaping and high-quality architecture.

The project is structured as a forward funding contract with Galliard Homes, one of the largest housebuilders in the UK, as developer and contractor, and will be completed in stages from early 2023 to early 2024. As at 30 June 2021, 360 million in cost had been recognised on the balance sheet as fair value of investment properties.

## Soho Wharf Project:



# Funding Overview

Owning and operating residential real estate requires stable access to capital at favourable terms. 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. Credit metrics improved in the second quarter, including increased interest coverage ratio, reduced average interest, and higher average loan tenor.

## Capital market activity - Heimstaden

Heimstaden issued a 500 million subsequent subordinated perpetual hybrid bond under its outstanding 4,000 million hybrid bond, raising the total outstanding amount to SEK 4,500 million. At the end of the period, Heimstaden had 7,689 million in senior unsecured bonds and a SEK 4,500 million hybrid bond outstanding and listed on Nasdaq Stockholm.

Heimstaden also issued new preference shares for 1,125 million for a subscription price of 32 per share, which were listed on Nasdaq First North Growth Market under the ticker HEIM PREF.

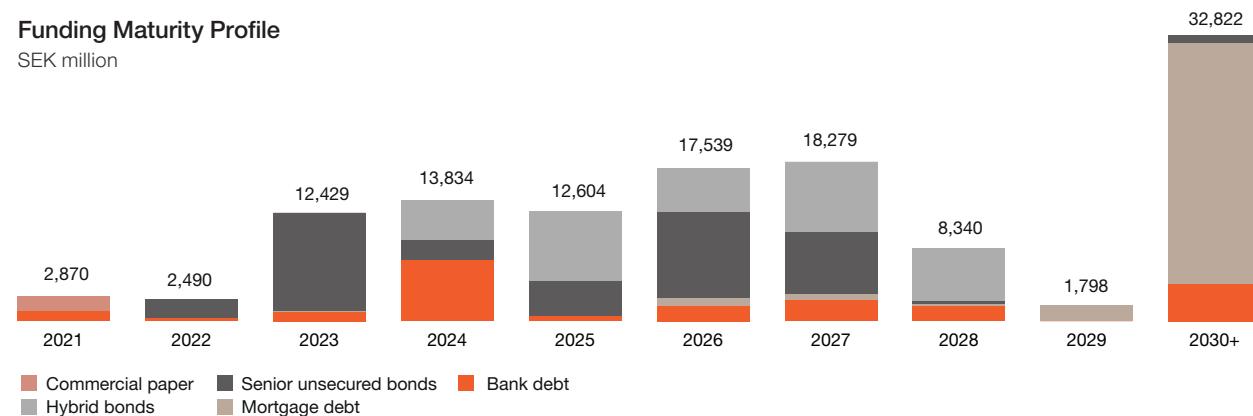
See pages 44-47 for more information on Heimstaden's standalone financials.

# BBB

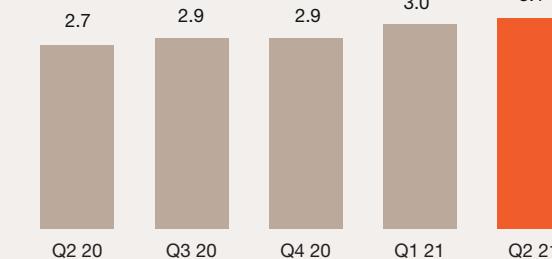
Heimstaden Bostad is Rated BBB (stable outlook) by S&P Global Ratings

## Funding Maturity Profile

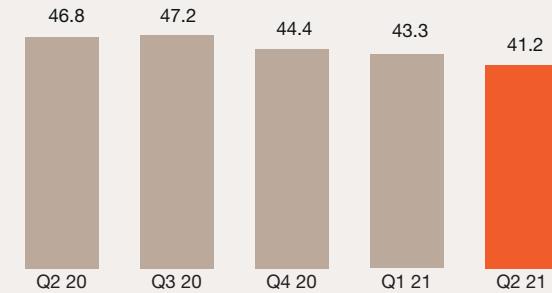
SEK million



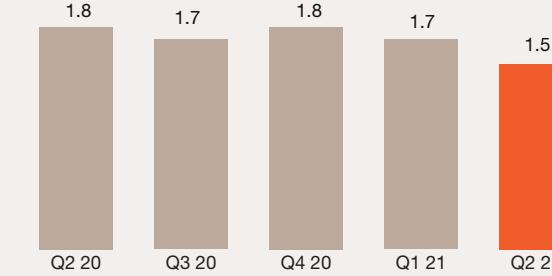
## ICR multiple



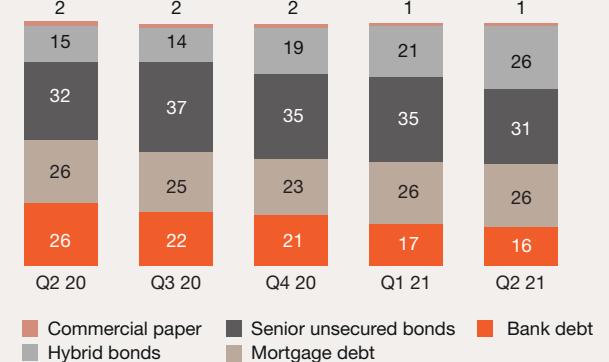
## LTV %



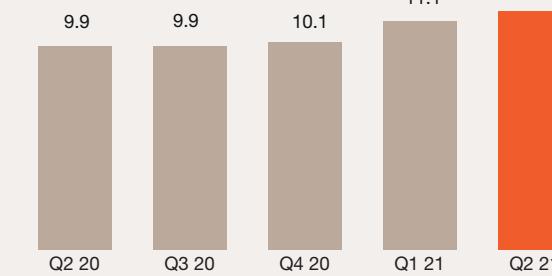
## Average Interest Rate %



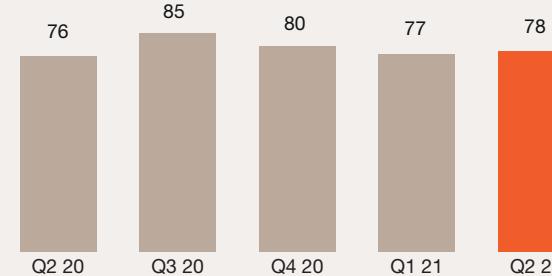
## Funding Distribution %



## Average Loan Tenor years



## Interest Rate Hedge Ratio %



# Interim Financial Statements and Notes

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## Comprehensive Income Statement

SEK million	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Rental income	4	2,114	1,651	4,180	3,148
Service charge income	4	125	110	315	179
Property expenses	3	-886	-666	-1,896	-1,375
<b>Net operating income<sup>1</sup></b>		<b>1,353</b>	<b>1,096</b>	<b>2,599</b>	<b>1,952</b>
Corporate administrative expenses		-93	-70	-180	-135
Other operating income		3	7	3	24
Other operating expenses		-28	-28	-51	-19
Share of net profits of associates and joint ventures		0	-1	-2	-5
<b>Operating profit before investment properties and fair value adjustments</b>		<b>1,235</b>	<b>1,003</b>	<b>2,368</b>	<b>1,818</b>
Fair value adjustment of investment properties		4,612	1,596	8,992	3,528
Gains/losses from sale of inventory properties		-8	0	40	-19
<b>Operating profit</b>		<b>5,839</b>	<b>2,599</b>	<b>11,401</b>	<b>5,327</b>
Interest expenses on interest-bearing liabilities		-370	-359	-732	-685
Net foreign exchange gains/losses		230	117	-280	235
Fair value adjustment of derivative financial instruments		142	-225	265	-354
Other financial items		-162	-37	-224	-59
<b>Profit before tax</b>		<b>5,681</b>	<b>2,095</b>	<b>10,430</b>	<b>4,464</b>
Current tax expense		-170	-174	-321	-320
Deferred tax expense		-936	-174	-1,811	-733
<b>Profit for the period</b>		<b>4,574</b>	<b>1,747</b>	<b>8,297</b>	<b>3,412</b>
Other comprehensive income/loss	5	-1,028	-1,050	1,490	-1,818
<b>Comprehensive income</b>		<b>3,546</b>	<b>697</b>	<b>9,788</b>	<b>1,594</b>
<i>Profit for the period attributable to:</i>					
The Parent Company's shareholders		2,425	946	4,602	1,803
Non-controlling interests		2,149	801	3,695	1,608
<i>Comprehensive income for the period attributable to:</i>					
Parent Company's ordinary shareholders		1,776	317	5,458	684
Parent Company's preference shareholders		29	12	41	23
Non-controlling interests		1,740	368	4,288	886
Average number of ordinary shares outstanding		103,310,418	13,204,000	58,506,122	13,204,000
Average number of preference shares outstanding		24,519,231	2,343,750	13,492,749	2,343,750
Earnings per ordinary share (basic and diluted)	17		24	91	50

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

## Balance Sheet

SEK million	Note	30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>ASSETS</b>				
Investment properties	6	186,679	144,428	135,462
Intangible assets		79	74	69
Property, plant and equipment	1	226	809	795
Other non-current financial assets	7	2,859	1,302	1,220
<b>Total non-current assets</b>		<b>189,843</b>	<b>146,613</b>	<b>137,546</b>
Inventory properties	8	1,054	1,292	767
Rent and trade receivables		167	86	53
Other current financial assets	10	2,963	2,106	1,006
Prepayments		337	308	548
Cash and cash equivalents		14,012	10,906	8,877
<b>Total current assets</b>		<b>18,533</b>	<b>14,698</b>	<b>11,251</b>
<b>Total assets</b>		<b>208,376</b>	<b>161,310</b>	<b>148,797</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>105,147</b>	<b>76,166</b>	<b>68,921</b>
Interest-bearing liabilities	9	86,662	67,116	64,775
Lease liabilities		740	748	732
Derivative financial instruments	10	268	433	0
Deferred tax liabilities		7,310	5,446	4,371
Other non-current financial liabilities		842	903	423
<b>Total non-current liabilities</b>		<b>95,822</b>	<b>74,646</b>	<b>70,301</b>
Interest-bearing liabilities	9	4,198	7,965	7,446
Trade payables		416	477	305
Other current payables		1,745	917	1,080
Derivative financial instruments	10	9	14	0
Prepayments		1,040	1,126	745
<b>Total current liabilities</b>		<b>7,408</b>	<b>10,499</b>	<b>9,575</b>
<b>Total equity and liabilities</b>		<b>208,376</b>	<b>161,310</b>	<b>148,797</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>	<b>78</b>	<b>6,466</b>	<b>2,975</b>	<b>326</b>	<b>13,963</b>	<b>23,808</b>	<b>36,133</b>	<b>59,942</b>
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>	<b>-</b>	<b>-</b>	<b>222</b>	<b>-2,706</b>	<b>4,200</b>	<b>1,716</b>	<b>2,144</b>	<b>3,860</b>
Contributions from non-controlling interests	-	-	-	-	-	-	7,610	7,610
Dividend to non-controlling interest	-	-	-	-	-	-	-963	-963
Hybrid bonds issue	-	-	1,030	-	-	1,030	5,189	6,219
Premium hybrid bonds	-	-	-30	-	30	0	0	0
Repurchase hybrid bonds	-	-	-100	-	20	-80	0	-80
Cost of issuance	-	-	-8	-	-	-8	-146	-154
Dividend	-	-	-222	-	-47	-269	-	-269
<b>Total transactions with the company's owners</b>	<b>-</b>	<b>-</b>	<b>670</b>	<b>-</b>	<b>3</b>	<b>673</b>	<b>11,690</b>	<b>12,363</b>
<b>Equity 31 Dec 2020</b>	<b>78</b>	<b>6,466</b>	<b>3,867</b>	<b>-2,380</b>	<b>18,166</b>	<b>26,197</b>	<b>49,967</b>	<b>76,165</b>
<b>Opening balance 1 Jan 2021</b>	<b>78</b>	<b>6,466</b>	<b>3,867</b>	<b>-2,380</b>	<b>18,166</b>	<b>26,197</b>	<b>49,967</b>	<b>76,165</b>
Profit for the period	-	-	108	-	4,494	4,602	3,695	8,297
Other comprehensive income	-	-	-	897	-	897	593	1,490
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>897</b>	<b>4,494</b>	<b>5,499</b>	<b>4,288</b>	<b>9,788</b>
Share issue	18	1,107	-	-	-	1,125	7,132	8,257
Hybrid bonds issue	-	-	570	-	-	570	14,163	14,733
Cost of issuance	-	-	-38	-	-	-38	-134	-172
Dividend	-	-	-108	-	-1,023	-1,132	-2,505	-3,637
Non-controlling interests	-	-	-	-	-	-	12	12
<b>Total transactions with the company's owners</b>	<b>18</b>	<b>1,107</b>	<b>424</b>	<b>-</b>	<b>-1,023</b>	<b>526</b>	<b>18,669</b>	<b>19,194</b>
<b>Equity 30 Jun 2021</b>	<b>96</b>	<b>7,573</b>	<b>4,399</b>	<b>-1,483</b>	<b>21,636</b>	<b>32,222</b>	<b>72,924</b>	<b>105,147</b>

# Cash Flow Statement

SEK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<b>Cash flows from operating activities</b>				
Profit before tax	5,681	2,094	10,430	4,464
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Net gain from fair value adjustment on investment property	-4,607	-1,595	-9,032	-3,509
Net change in fair value of derivative financial instruments	-142	225	-265	354
Finance expenses – net	635	377	1,050	725
Other adjustments	-288	-86	251	-204
<i>Working capital changes</i>				
Increase/decrease(+) in trade receivables	-216	-66	-441	-261
Increase/decrease(-) in trade and other payables	252	-466	680	-309
Cash generated from operations	1,315	483	2,673	1,260
Interest paid	-625	-338	-1,099	-637
Interest received	0	6	0	29
Paid tax	-163	-65	-316	-253
<b>Net cash flows from operating activities</b>	<b>527</b>	<b>86</b>	<b>1,258</b>	<b>399</b>
<b>Investing activities</b>				
Acquisitions of investment properties	-781	-1,308	-14,434	-8,331
Capital expenditure on investment properties	-995	-539	-2,359	-1,126
Proceeds from sale of investment property	308	-	308	-
Deposits for signed acquisitions	-1,804	-278	-309	236
Purchases of intangible assets	0	-37	0	-37
Other cash flows from investing activities	-1,935	-142	-2,018	-291
<b>Net cash flows from investing activities</b>	<b>-5,207</b>	<b>-2,304</b>	<b>-18,812</b>	<b>-9,549</b>
<b>Financing activities</b>				
Proceeds from interest-bearing liabilities	5,019	6,132	13,368	6,132
Repayment of interest-bearing liabilities	-10,162	-5,406	-11,996	-6,118
Dividends paid	-1,000	-	-1,000	-
Dividends paid to non-controlling interest	0	-894	-2,107	-894
Dividends paid to preference shares	-11	-11	-23	-23
Proceeds from issuance of new shares	1,125	-	1,125	-
Proceeds from non-controlling interests	0	3,610	7,144	7,610
Proceeds from issuance of hybrid bonds	6,660	0	14,733	950
Repayments on hybrid bonds	-188	-60	-506	-171
Other cash flows from financing activities	-122	-14	-172	-85
<b>Net cash flows from financing activities</b>	<b>1,322</b>	<b>3,357</b>	<b>20,566</b>	<b>7,401</b>
Net change in cash and cash equivalents	-3,358	1,139	3,012	-1,749
Cash and cash equivalents at the beginning of the period	17,341	7,527	10,906	10,687
Net currency exchange effect in cash and cash equivalents	29	211	94	-61
<b>Cash and cash equivalents at the end of the period</b>	<b>14,012</b>	<b>8,877</b>	<b>14,012</b>	<b>8,877</b>

# Notes to the Interim Financial Statements

## 1. Accounting Principles

### Corporate information

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

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 2020 annual financial statements. The accounting policies and methods of computation followed are consistent with those of the previous financial year, except for the item disclosed below.

income is mainly invoicing of utility costs 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 year to date decreased by SEK 315 million and service income correspondingly increased by SEK 315 million. Comparative numbers have been revised to conform to the Group's current presentation. As a result, as of Q2 2020, SEK 179 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.

### 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, service income is from 2021 presented on a separate line item in accordance with IFRS 15. The main purpose is to increase comparability and provide improved presentation disclosures of revenues earned. Service

### Right of use assets (RoU)

In Q2 2021 the Company revised its classification of right of use assets related to land leases. These assets are as from June 30 2021 classified as investment properties according to IAS 40. Prior periods have not been revised to conform with current classification.

Due to rounding, numbers presented in 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

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

No related party transactions other than salaries and board fees have been paid to management and the board as of Q2 2021. For the transaction related to purchase of properties in Iceland, see subsequent events.

## 3. Segment reporting

Heimstaden organises and governs its activities based on geographical areas. These geographical areas form the basis of the reportable segments. Senior management 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 iden-

tified six operating segments consisting of the geographical areas of Sweden, Denmark, Norway, Netherlands, Germany and Czech Republic. Poland and United Kingdom are included under other. See also note 6 for fair value of investment properties per segment.

### Q2 2021

SEK million	Sweden	Denmark	Norway	Germany	Netherlands	Czech Republic	Other	Adjustment	Group in total
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#### INCOME STATEMENT

Rental income <sup>1</sup>	669	610	169	100	283	281	-	2	2,114
Service charge income	11	0	4	26	0	83	-	0	125
<b>Total income</b>	<b>680</b>	<b>610</b>	<b>173</b>	<b>126</b>	<b>283</b>	<b>363</b>	<b>-</b>	<b>2</b>	<b>2,239</b>
Utility	-99	-15	-10	-13	-	-80	-	0	-219
Repair and maintenance	-62	-32	-16	-8	-21	-31	-	26	-145
Property tax	-14	-34	-3	-3	-32	-2	-	0	-87
Other	-49	-32	-11	-10	-19	-17	-2	-7	-148
Property management	-85	-83	7	-32	-29	-36	-1	-29	-288
<b>Total property expenses</b>	<b>-310</b>	<b>-196</b>	<b>-34</b>	<b>-67</b>	<b>-101</b>	<b>-166</b>	<b>-3</b>	<b>-11</b>	<b>-886</b>
<b>Net operating income</b>	<b>370</b>	<b>415</b>	<b>139</b>	<b>60</b>	<b>183</b>	<b>198</b>	<b>-3</b>	<b>-8</b>	<b>1,353</b>
<b>Net operating income margin, %</b>	<b>55.3</b>	<b>68.0</b>	<b>82.7</b>	<b>59.8</b>	<b>64.4</b>	<b>70.4</b>	<b>-</b>	<b>-</b>	<b>64.0</b>

### Q2 2020

SEK million	Sweden	Denmark	Norway	Germany	Netherlands	Czech Republic	Other	Adjustment	Group in total
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#### INCOME STATEMENT

Rental income <sup>1</sup>	609	375	158	16	259	256	-	-22	1,651
Service charge income	-1	0	4	0	0	107	-	0	110
<b>Total income</b>	<b>608</b>	<b>375</b>	<b>162</b>	<b>16</b>	<b>259</b>	<b>363</b>	<b>-</b>	<b>-22</b>	<b>1,761</b>
Utility	-87	-6	-9	-3	0	-64	-	2	-168
Repair and maintenance	-60	-26	-15	-3	-38	-47	-	35	-154
Property tax	-14	-26	-3	0	-26	-3	-	2	-70
Other	-46	-18	3	3	9	-39	-	21	-67
Property management	-38	-52	-19	3	-56	-41	-	-5	-207
<b>Total property expenses</b>	<b>-245</b>	<b>-128</b>	<b>-42</b>	<b>0</b>	<b>-111</b>	<b>-194</b>	<b>-</b>	<b>54</b>	<b>-666</b>
<b>Net operating income</b>	<b>363</b>	<b>247</b>	<b>120</b>	<b>17</b>	<b>147</b>	<b>169</b>	<b>-</b>	<b>33</b>	<b>1,096</b>
<b>Net operating income margin, %</b>	<b>59.6</b>	<b>65.8</b>	<b>76.1</b>	<b>100.6</b>	<b>57.0</b>	<b>66.2</b>	<b>-</b>	<b>-</b>	<b>66.4</b>

## YTD 2021

SEK million	Sweden	Denmark	Norway	Germany	Netherlands	Czech Republic	Other	Adjustment	Group in total
<b>INCOME STATEMENT</b>									
Rental income <sup>1</sup>									
	1,339	1,204	334	187	562	551	-	2	4,180
Service charge income	22	1	9	56	0	227	-	0	315
<b>Total income</b>	<b>1,361</b>	<b>1,205</b>	<b>343</b>	<b>244</b>	<b>562</b>	<b>778</b>	<b>-</b>	<b>2</b>	<b>4,495</b>
Utility	-259	-34	-21	-37	-	-224	-	1	-574
Repair and maintenance	-130	-56	-33	-22	-54	-55	-	45	-306
Property tax	-28	-67	-6	-5	-64	-4	-	0	-174
Other	-90	-60	-23	-27	-32	-34	-2	-6	-273
Property management	-191	-166	10	-45	-59	-67	-1	-49	-569
<b>Total property expenses</b>	<b>-698</b>	<b>-382</b>	<b>-73</b>	<b>-137</b>	<b>-210</b>	<b>-383</b>	<b>-3</b>	<b>-10</b>	<b>-1,896</b>
<b>Net operating income</b>	<b>663</b>	<b>823</b>	<b>270</b>	<b>107</b>	<b>353</b>	<b>394</b>	<b>-3</b>	<b>-8</b>	<b>2,599</b>
<b>Net operating income margin, %</b>	<b>49.5</b>	<b>68.3</b>	<b>80.8</b>	<b>57.0</b>	<b>62.7</b>	<b>71.6</b>	<b>-</b>	<b>-</b>	<b>62.2</b>

## YTD 2020

SEK million	Sweden	Denmark	Norway	Germany	Netherlands	Czech Republic	Other	Adjustment	Group in total
<b>INCOME STATEMENT</b>									
Rental income <sup>1</sup>									
	1,218	746	333	33	483	357	-	-22	3,148
Service charge income	6	0	8	0	0	165	-	0	179
<b>Total income</b>	<b>1,224</b>	<b>746</b>	<b>341</b>	<b>33</b>	<b>483</b>	<b>521</b>	<b>-</b>	<b>-22</b>	<b>3,327</b>
Utility	-221	-14	-20	-7	0	-125	-	1	-386
Repair and maintenance	-114	-57	-32	-4	-80	-52	-	41	-299
Property tax	-27	-47	-6	-1	-52	-4	-	1	-134
Other	-101	-46	7	6	27	-40	-	10	-137
Property management	-115	-110	-51	2	-98	-49	-	2	-419
<b>Total property expenses</b>	<b>-579</b>	<b>-273</b>	<b>-101</b>	<b>-4</b>	<b>-202</b>	<b>-270</b>	<b>-</b>	<b>54</b>	<b>-1,375</b>
<b>Net operating income</b>	<b>645</b>	<b>473</b>	<b>240</b>	<b>29</b>	<b>280</b>	<b>252</b>	<b>-</b>	<b>33</b>	<b>1,952</b>
<b>Net operating income margin, %</b>	<b>53.0</b>	<b>63.4</b>	<b>72.2</b>	<b>88.2</b>	<b>58.1</b>	<b>70.6</b>	<b>-</b>	<b>-</b>	<b>62.0</b>

<sup>1</sup> The rental income from the portfolio in Sweden reflects all-inclusive rents, meaning that the amounts include operating and heating expenses.

## 4. Rental Income

### Rental income distributed by property category

SEK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Residential			1,933	1,563
Commercial			156	68
Parking			25	19
<b>Total</b>	<b>2,114</b>	<b>1,651</b>	<b>4,180</b>	<b>3,148</b>

## Service income distributed by property category

SEK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Residential	116	107	294	169
Commercial	9	3	21	10
<b>Total</b>	<b>125</b>	<b>110</b>	<b>315</b>	<b>179</b>

## 5. Foreign currency translation and sensitivities

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

Basis 1 local currency to 1 SEK	Closing rate		Average rate		
	30 Jun 2021	31 Dec 2020	YTD 2021	YTD 2020	
Czech republic	CZK	0.3967	0.3824	0.3917	0.4047
Denmark	DKK	1.3597	1.3484	1.3619	1.4289
Germany & Netherlands	EUR	10.1110	10.0338	10.1281	10.6658
Norway	NOK	0.9940	0.9583	0.9952	0.9933
Poland	PLN	2.2369	2.2006	2.2330	2.4150
United Kingdom	GBP	11.7837	-	11.6433	-

## 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. Amounts below refer to YTD 2021.

Country	Code	SEK million
Czech republic	CZK	529
Denmark	DKK	128
Germany & Netherlands	EUR	155
Norway	NOK	666
Poland	PLN	10
United Kingdom	GBP	2
<b>Total</b>		<b>1,490</b>

## 6. Investment Properties

### Total property value

Fair value of the property portfolio was SEK 186,679 million (144,248) at quarter end. This value included unrealised value increase for 2021 of SEK

8,992 million (3,528). In percentage, the unrealised increase in value was 5.1 percent (2.6) of the total property value before changes in value. The total property value is shown below.

## Change in fair value of investment properties

SEK million	Total	Sweden	Denmark	Norway	Germany	Nether-lands	Czech Republic	United Kingdom
<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>
Acquisitions during the period	28,744	357	16,115	0	11,700	0	213	359
Sales during the period	-155	0	0	-	-114	-41	0	-
Land leases reclassified from RoU assets	615	55	3	556	-	-	-	-
Capital expenditure on completed standing assets	1,518	394	563	117	16	283	144	-
Capital expenditure on investment properties under construction	883	602	240	2	-	-	39	-
Foreign currency translation	1,655	-	275	633	34	179	534	1
<b>Fair value after transactions</b>	<b>177,687</b>	<b>51,721</b>	<b>53,397</b>	<b>18,316</b>	<b>15,351</b>	<b>23,787</b>	<b>14,757</b>	<b>360</b>
Unrealised value change	8,992	2,388	3,763	527	1,243	398	672	0
<b>Fair value of investment properties, 30 Jun 2021</b>	<b>186,679</b>	<b>54,108</b>	<b>57,160</b>	<b>18,843</b>	<b>16,594</b>	<b>24,185</b>	<b>15,429</b>	<b>360</b>

## Breakdown by category

SEK million	Total	Sweden	Denmark	Norway	Germany	Nether-lands	Czech Republic	United Kingdom
Standing assets	181,630	50,749	56,564	18,287	16,594	24,185	15,252	-
Investment properties under construction	4,154	3,304	490	-	-	-	-	360
Land and building rights	280	-	103	-	-	-	177	-
Land leases reclassified from RoU assets	615	55	3	556	-	-	-	-
<b>Total</b>	<b>186,679</b>	<b>54,108</b>	<b>57,160</b>	<b>18,843</b>	<b>16,594</b>	<b>24,185</b>	<b>15,429</b>	<b>360</b>

The Company's contracts in Poland are forward purchases and incurred cost related to these contracts of SEK 1,377 million is classified under other non-current financial assets.

## 7. Investments in Associates and Joint Ventures

SEK million	Share in %	Rental income	Property expenses	Financial items, net	Change in value	Profit YTD 2021	Heimstaden's holding of profit YTD 2021
Fastighets AB Rosengård	25	37	-29	-2	0	4	1
Gamlebro AB	50	8	-8	-2	0	-2	-1
Upplands Bro Brogårdets etapp 2	50	0	-1	-10	10	-3	-2
A Place To A/S	50	1	0	-3	0	-2	-1
Magnolia Projekt 5222 AB	50	0	0	0	0	0	0
Byggrätt Norr AB	19	0	0	0	0	0	0
Atriet AS	50	0	0	0	0	0	0
KCP Utvikling	50	0	0	0	0	0	0
Høje Tåstrup A21 ApS	50	0	0	0	0	0	0
<b>Total</b>	<b>46</b>	<b>-38</b>	<b>-17</b>	<b>10</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>

## Balance sheet of associates and joint ventures

SEK million	Total (100%)		Heimstaden's holding	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Assets	3,483	2,861	1,318	1,062
Equity	1,105	899	357	291
Liabilities	2,378	1,962	961	771

## 8. Inventory properties

SEK million	30 Jun 2021	31 Dec 2020
Opening balance	1,292	865
Capital expenditures	55	325
Foreign currency translation	73	-86
Reclassification to other non-current financial assets	-127	-
Disposals of inventory properties	-203	-
Reversed impairment/impairment	-36	188
<b>Closing balance</b>	<b>1,054</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. The company works actively to quantify and control these risks. Further description is included on pages 68-73 in the 2020 Annual Report.

No significant changes have subsequently occurred affecting the risk assessment by the Board of Directors and company management. At the balance sheet date, Heimstaden was in compliance with its financial covenants. The Company's hybrid bonds are classified as equity and therefore not included in the specifications of interest bearing liabilities in the tables below.

### Interest bearing liabilities

SEK million	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	39,906	0	44	
Mortgages	31,285	100	34	
Bank loans	20,014	95	22	18,653
<b>Total</b>	<b>91,205</b>	<b>55</b>	<b>100</b>	<b>18,653</b>
Deferred charges	-346			
<b>Total</b>	<b>90,859</b>			

Movements in 2021 are summarised as follows:

SEK million	Corporate bonds	Mortgages/bank loans	Deferred charges	Total
Opening balance 1 Jan 2021	34,318	41,051	-288	75,081
Loan repayments	-6,383	-4,636	-	-11,019
New borrowings/assumed debt in connection with acquisitions	11,458	14,978	-	26,436
Currency exchange effect on loans	196	224	-	419
Capitalisation of debt issuance cost, net of amortisation	-	0	-58	-58
<b>Closing balance 30 Jun 2021</b>	<b>39,906</b>	<b>51,299</b>	<b>-346</b>	<b>90,859</b>

30 Jun 2021

Years	Interest maturity, loans		Interest maturity, incl. financial instruments			
	SEK million	Share %	Interest, incl. margin, %	SEK million	Share %	Interest, incl. margin, %
0-1	65,088	71	1.4%	40,869	45	2.6%
1-2	1,390	2	2.1%	6,697	7	0.5%
2-3	6,661	7	2.0%	15,181	17	0.3%
3-4	1,668	2	1.7%	5,821	6	0.4%
4-5	2,993	3	0.9%	6,776	7	0.5%
>5 years after balance sheet date	13,405	15	1.4%	16,114	18	1.2%
<b>Total</b>	<b>91,205</b>	<b>100</b>	<b>1.4%</b>	<b>91,459</b>	<b>100</b>	<b>1.5%</b>

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

1.83 years

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

2.64 years

Years	Loan tenor		Lines of credit	
	SEK million	Share %	SEK million	Share %
0-1	3,571	4	1,400	8
1-2	9,351	10	5,289	28
2-3	13,396	15	6,202	33
3-4	3,551	4	3,200	17
4-5	13,331	15	904	5
>5 years after balance sheet date	48,005	53	1,658	9
<b>Total</b>	<b>91,205</b>	<b>100</b>	<b>18,653</b>	<b>100</b>

The average loan tenor was:

11.61 years

### Financial instruments

Years	Maturity, interest rate derivatives			
	Type	SEK million	Share, %	Interest, % <sup>1</sup>
0-1	Paying fixed	5,820	17	0.2
1-2	Paying fixed	5,307	15	0.1
2-3	Paying fixed	12,739	36	-0.1
3-4	Paying fixed	5,748	12	-0.1
4-5	Paying fixed	4,463	13	0.1
>5 years after balance sheet date	Paying fixed	2,709	8	0.1
<b>Total</b>		<b>36,786</b>	<b>100</b>	<b>0.0</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	Maturity, cross currency swaps			
	Type	SEK million	Share, %	Interest, % <sup>1</sup>
0-1	Paying fixed	0	0	0.0
1-2	Paying fixed	0	0	0.0
>2 years after balance sheet date	Paying fixed	5,370	100	2.13
<b>Total</b>		<b>5,370</b>	<b>100</b>	<b>2.13</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

Below is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 30 June 2021 and 31 December 2020:

SEK million	30 Jun 2021		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
Other financial non-current assets	2,859	2,859	1,302	1,302
Trade receivables	167	167	86	86
Other financial receivables	2,963	2,963	2,106	2,106
Cash and cash equivalents	14,012	14,012	10,906	10,906
<b>Total</b>	<b>20,001</b>	<b>20,001</b>	<b>14,401</b>	<b>14,401</b>
<b>Financial liabilities:</b>				
Derivative financial instruments	277	277	447	447
Long-term interest-bearing liabilities	86,662	87,661	67,116	68,453
Current interest-bearing liabilities	4,198	4,198	7,965	7,965
Trade payables	416	416	477	477
Other liabilities	1,745	1,745	917	917
<b>Total</b>	<b>93,298</b>	<b>94,297</b>	<b>76,922</b>	<b>78,259</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 30 June 2021:

SEK million	Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
<b>Financial assets measured at fair value:</b>			
1,996	1,996	-	-
Equity investments	1,996	1,996	-
<b>Financial liabilities measured at fair value:</b>	<b>-277</b>	<b>-</b>	<b>-277</b>
Derivative financial liabilities			
Cross currency swaps – SEK	-252	-	-252
Interest rate swaps	-25	-	-25

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. Unrealised value change of equity investments was SEK 95 million and presented under other financial items in the income statement. 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 six months ended 30 June 2021.

## 11. Commitments and Contingencies

### Pre-emptive rights

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 buy 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 June 30 2021, Heimstaden has not made any provisions related to this matter, based on the stated guarantee from Fredensborg AS.

### Capital expenditures

As at 30 June 2021, Heimstaden Bostad had agreed forward funding contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties under construction of SEK 6,103 million. In respect of inventory properties, committed future capital expenditure amounts SEK 70 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.

### Investment obligations

Heimstaden subsidiary, Heimstaden Bostad, has signed agreements to buy turnkey investment properties under construction after the balance sheet date. As at 30 June 2021, Heimstaden Bostad had total investment obligations of SEK 19.1 billion between 2021 and 2026, see table below. Several of these contracts contain exit clauses that limit the total exposure to 12 billion.

SEK million	2021	2022	2023	2024	2025	2026	Total
Investment obligations	938	2,640	2,449	2,792	5,335	4,966	<b>19,120</b>

## 12. Subsequent Events

Heimstaden AB acquired 100% of the shares in Icelandic residential company Heimstaden ehf. from Fredensborg ICE ehf. for SEK 1.7 billion. Heimstaden ehf. has been managed by Heimstaden since January 2021 and, with this transaction, Heimstaden will establish itself as a market leader, laying a strong foundation for future growth in Iceland with opportunities to extract operational synergies. Because Iceland falls outside Heimstaden Bostad's geographical mandate - the EU, Norway, Switzerland, and the UK - Heimstaden made the acquisition directly.

In July, Heimstaden Bostad entered Finland with the acquisition of 242 homes in Helsinki for SEK 215 million. Finland is the last of the Nordic markets to have a Heimstaden presence. Heimstaden will establish in-house operations in Helsinki once the portfolio reaches sufficient scale.

In August, Heimstaden Bostad bought 1,473 homes in several attractive locations in Denmark for SEK 3.5 billion.

## Parent Company Income Statement

SEK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020	R12
Management services revenues	98	68	183	129	317
Administrative expenses	-73	-58	-138	-101	-255
<b>Operating profit</b>	<b>25</b>	<b>10</b>	<b>45</b>	<b>28</b>	<b>61</b>
Dividends from shares in subsidiaries	0	0	0	0	34
Result from shares in subsidiaries	0	0	0	-2	2
Interest income	3	4	3	15	11
Interest expenses	-87	-38	-146	-307	-218
Other financial items, net	5	0	84	0	84
<b>Profit/loss after financial items</b>	<b>-54</b>	<b>-25</b>	<b>-14</b>	<b>-265</b>	<b>-27</b>
Income tax expense	0	0	0	0	0
<b>Profit for the period</b>	<b>-54</b>	<b>-25</b>	<b>-14</b>	<b>-265</b>	<b>-27</b>

## Parent Company Comprehensive Income Statement

Amounts in SEK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020	R12
Profit for the period according to the Income Statement	-54	-25	-14	-265	-27
Other comprehensive income	0	0	0	0	0
<b>Comprehensive income</b>	<b>-54</b>	<b>-25</b>	<b>-14</b>	<b>-265</b>	<b>-27</b>

## Parent Company Balance Sheet

SEK million	30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>ASSETS</b>			
Shares and participations	18,619	18,565	15 297
Non-current receivables, subsidiaries	201	322	206
<b>Total non-current assets</b>	<b>18,820</b>	<b>18,887</b>	<b>15 502</b>
Current receivables, subsidiaries	4,339	1,456	4 768
Other financial assets	155	102	177
Cash and cash equivalents	4,209	3,002	2 095
<b>Total current assets</b>	<b>8,703</b>	<b>4,561</b>	<b>7 040</b>
<b>Total assets</b>	<b>27,524</b>	<b>23,448</b>	<b>22 542</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	18,891	18,380	18 535
Interest-bearing liabilities	7,794	4,304	3 199
Non-current liabilities, subsidiaries	714	714	744
<b>Total non-current liabilities</b>	<b>8,508</b>	<b>5,018</b>	<b>3 944</b>
Trade and other payables	125	50	63
<b>Total current liabilities</b>	<b>125</b>	<b>50</b>	<b>63</b>
<b>Total equity and liabilities</b>	<b>27,524</b>	<b>23,448</b>	<b>22 542</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>	78	729	2,975	14,202	17,984
Profit for the period	-	-	222	-499	-278
<b>Total profit</b>	-	-	222	-499	<b>-278</b>
Dividend	-	-	-222	-47	-268
Hybrid bonds issue	-	-	1,030	-	1,030
Premium, hybrid bonds	-	-	-30	30	0
Repurchase, hybrid bond	-	-	-100	20	-80
Costs of issuance	-	-	-8	-	-8
<b>Total transactions with the company's owners</b>	-	-	670	3	<b>674</b>
<b>Equity, 31 Dec 2021</b>	78	729	3,867	13,706	<b>18,380</b>
<b>Opening balance, 1 Jan 2021</b>	78	729	3,867	13,706	<b>18,380</b>
Profit for the period	-	-	108	-123	-14
<b>Total profit</b>	-	-	108	-123	<b>-14</b>
Share issue	18	1,107	-	-	1,125
Dividend	-	-	-108	-1,023	-1,132
Hybrid bonds issue	-	-	570	-	570
Costs of issuance	-	-	-38	-	-38
<b>Total transactions with the company's owners</b>	18	1,107	424	-1,023	<b>526</b>
<b>Equity, 30 Jun 2021</b>	96	1,836	4,399	12,560	<b>18,891</b>

## Parent Company Statement of Cash Flows

SEK million	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<b>Cash flows from operating activities</b>				
Profit before tax	-54	-21	-14	-262
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Finance expenses – net	85	24	143	38
Other adjustments	-6	10	-84	250
<b>Working capital changes</b>				
Increase/decrease(+) in trade receivables	-11	-86	-53	-98
Increase/decrease(-) in trade and other payables	-40	-4	7	0
Cash generated from operations	-26	-77	-1	-72
Interest paid	-27	-27	-86	-53
<b>Net cash flows from operating activities</b>	<b>-53</b>	<b>-104</b>	<b>-87</b>	<b>-125</b>
<b>Financing activities</b>				
Proceeds from loan and borrowings	47	0	3,697	0
Repayment of loan and borrowings	-1	0	-121	0
Dividends paid to the parent company's	-1,000	0	-1,000	0
Dividends paid to preference shares	-12	-12	-24	-24
Proceeds from shareholders contributions	1,125	0	1,125	0
Loans paid to subsidiaries	269	-1,104	-2,882	-4,471
Proceeds from issuance of hybrid capital	570	0	570	1,000
Repayments on hybrid capital	-108	-89	-108	-108
Other cash flows from financing activities	20	-52	-38	-52
<b>Net cash flows from financing activities</b>	<b>910</b>	<b>-1,257</b>	<b>1,219</b>	<b>-3,655</b>
Net change in cash and cash equivalents	857	-1,361	1,132	-3,780
Cash and cash equivalents at the beginning of the period	3,391	3,464	3,002	6,124
Net currency exchange effect in cash and cash equivalents	-39	-9	75	-250
<b>Cash and cash equivalents at the end of the period</b>	<b>4,209</b>	<b>2,094</b>	<b>4,209</b>	<b>2,094</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, 12 August 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 June 30, 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, 12 August 2021

Ernst & Young AB

Peter von Knorring  
Authorised Public Accountant

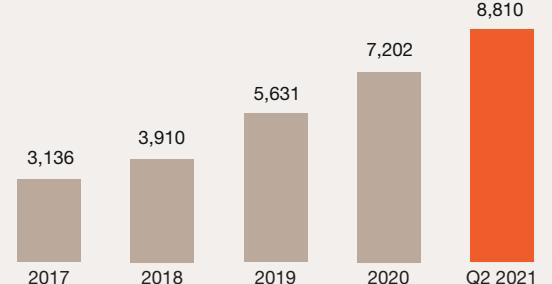
Jonas Svensson  
Authorised Public Accountant

# Earnings capacity

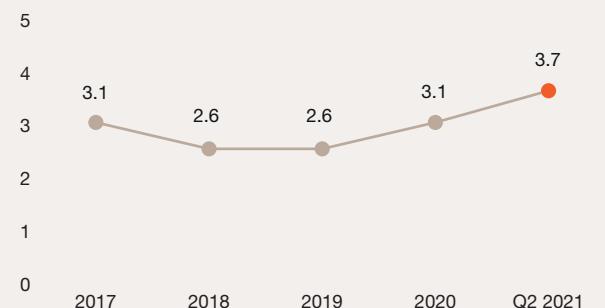
The earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 30 June 2021. Announced property acquisitions that closed after the balance sheet date are not included in 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	8,810
Service income	613
Property expenses	-3,809
<b>Net operating income</b>	<b>5,614</b>
Corporate administrative expenses	-371
<b>Profit before financial items</b>	<b>5,243</b>
Financial income	
Financial costs - interest-bearing liabilities	-1,399
<b>Profit</b>	<b>3,844</b>
Net operating income margin, %	63.7
Interest coverage ratio	3.7

**Earnings Capacity Rental Income**  
SEK million



**Earnings Capacity ICR**  
multiple



# 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	Q2 2021	Q1 2021	Q2 2020
Interest-bearing secured liabilities	51,302	51,401	43,465
Interest-bearing unsecured liabilities	39,557	43,733	28,756
Cash and cash equivalents	14,012	17,342	8,877
<b>Net interest-bearing liabilities</b>	<b>76,847</b>	<b>77,792</b>	<b>63,343</b>
Fair value of investment properties	186,679	179,519	135,462
<b>Net loan-to-value, %</b>	<b>41.2</b>	<b>43.3</b>	<b>46.8</b>

## Net Debt / Total Assets

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

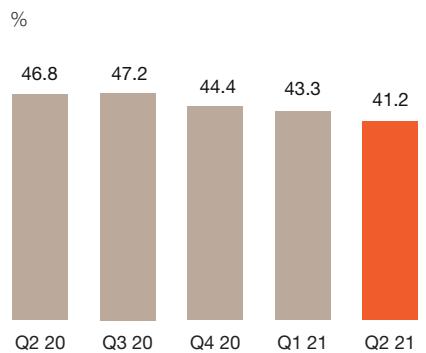
SEK million	Q2 2021	Q1 2021	Q2 2020
Net interest-bearing liabilities	76,847	77,792	63,343
Total assets	208,376	201,697	148,797
<b>Net loan-to-value</b>	<b>36.9</b>	<b>38.6</b>	<b>42.6</b>

## Interest Coverage Ratio (ICR)

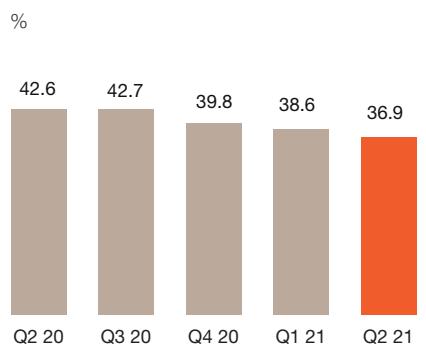
The interest coverage ratio is an industry standard ratio used to determine the extent to which Heimstaden's interest and debt servicing expenses are covered by operating profits. In addition, this ratio provides additional transparency on cash flow that is available after servicing debt obligations.

SEK million Rolling 12 months	Q2 2021	Q1 2021	Q2 2020
Profit before financial items	4,299	4,068	3,376
Financial income	81	95	96
Financial expenses - interest-bearing liabilities	1,418	1,408	1,274
<b>Interest Coverage Ratio</b>	<b>3.1x</b>	<b>3.0x</b>	<b>2.7x</b>

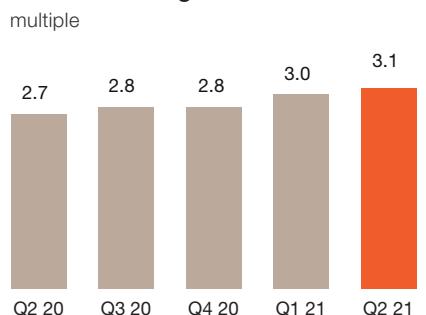
## Net Loan-to-Value



## Net Debt / Total Assets



## Interest Coverage Ratio



All figures in SEK million unless otherwise specified.

## Regulated income, %

	Q2 2021	Q4 2020
Regulated residential income	1,012	857
Residential income	1,930	1,621
<b>Regulated income, %</b>	<b>52.4</b>	<b>52.9</b>

## Residential, %

	Q2 2021	Q4 2020
Fair value residential properties	173,238	134,318
Fair value investment properties	186,679	144,428
<b>Residential, %</b>	<b>92.8</b>	<b>93.0</b>

## Like-for-like rental income growth

	Q2 2021 <sup>1</sup>	Q2 2020 <sup>2</sup>
Rental income current year	1,384	951
Rental income last year	1,355	916
<b>Like-for-like rental income growth, %</b>	<b>2.1</b>	<b>3.8</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

	Q2 2021	Q2 2020
Rental income	2,114	1,761
Net operating income	1,353	1,096
<b>Net operating income, %</b>	<b>64.0</b>	<b>62.2</b>

## Economic occupancy, residential

	Q2 2021	Q4 2020
Theoretical rental income from residential units	2,011	1,698
Economic vacancy	-81	-77
<b>Rental income on residential units</b>	<b>1,930</b>	<b>1,621</b>
<b>Economic occupancy rate, %</b>	<b>96.0</b>	<b>95.5</b>

## Real economic occupancy, residential

	Q2 2021	Q4 2020
Theoretical rental income	2,011	1,698
Adj. for non-market vacancy	-48	-46
<b>Adj. Theoretical rental income</b>	<b>1,963</b>	<b>1,652</b>
<b>Real economic occupancy, %</b>	<b>97.6</b>	<b>97.3</b>

## Equity ratio

	Q2 2021	Q4 2020
Equity	105,147	76,166
Total assets	208,376	161,310
<b>Equity ratio, %</b>	<b>50.5</b>	<b>47.2</b>

## Solvency ratio

	Q2 2021	Q4 2020
Equity	105,147	76,166
Total liabilities	103,230	85,145
<b>Solvency ratio, %</b>	<b>50.5</b>	<b>47.2</b>

## Net asset value (NAV)

	Q2 2021	Q4 2020
Total equity	105,147	76,166
Deferred tax liability	7,310	5,446
<b>NAV</b>	<b>112,457</b>	<b>81,611</b>

## EBITDA

	Q2 2021	Q4 2020
Rolling 12 months		
Operating profit before investment properties and fair value adjustments	4,299	3,749
Amortisation and depreciation	8	12
<b>EBITDA</b>	<b>4,307</b>	<b>3,760</b>

## Debt/EBITDA

	Q2 2021	Q4 2020
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# 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	2021-06-30	2020-06-30	2020-12-31
Operating income <sup>1</sup>	317	219	262
Operating cost <sup>1</sup>	-255	-187	-218
<b>Operating profit/loss<sup>1</sup></b>	<b>61</b>	<b>32</b>	<b>44</b>
Pref A dividend	277	184	184
Common dividend	1,636	400	400
Pref B dividend	553	349	349
<b>Dividends from Heimstaden Bostad</b>	<b>2,465</b>	<b>933</b>	<b>933</b>
<b>Adjusted earnings</b>	<b>2,526</b>	<b>965</b>	<b>977</b>
Interest expense <sup>1</sup>	-192	-101	-113
<b>Adjusted earnings after interest expense</b>	<b>2,334</b>	<b>864</b>	<b>865</b>
Payments on hybrid securities	-231	-153	-230
<b>Adjusted earnings after debt and hybrid instruments</b>	<b>2,103</b>	<b>712</b>	<b>635</b>

## Interest Coverage Ratio (ICR)

SEK million	2021-06-30	2020-06-30	2020-12-31
Adjusted earnings	2,526	965	977
Interest expense <sup>1</sup>	-192	-101	-113
<b>Interest Cover Ratio</b>	<b>13.1</b>	<b>9.6</b>	<b>8.7</b>
Payments on hybrid securities	-231	-153	-230
<b>Interest Cover Ratio including hybrid payments</b>	<b>6.0</b>	<b>3.8</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>.

## Standalone Funding Overview

### Debt and relevant assets

SEK million	Q2 2021	Q2 2020	Q4 2020
Interest-bearing secured liabilities <sup>1</sup>	317	199	301
Interest-bearing unsecured liabilities <sup>1</sup>	7,689	3,000	4,017
<b>Interest-bearing liabilities</b>	<b>8,006</b>	<b>3,199</b>	<b>4,318</b>
Cash and cash equivalents <sup>1</sup>	-4,768	-2,383	-3,270
<b>Net interest-bearing debt</b>	<b>3,238</b>	<b>816</b>	<b>1,049</b>
Heimstaden Bostads net asset value	115,162	73,513	81,953
Equity attributed to Heimstaden Bostad's hybrid securities and non-controlling interests	28,038	8,583	14,009
<b>Heimstaden Bostads adjusted net asset value</b>	<b>87,124</b>	<b>64,930</b>	<b>67,944</b>
Heimstaden share of capital, %	45,72	44.28	44.74
<b>Heimstaden share of capital</b>	<b>39,831</b>	<b>28,751</b>	<b>30,402</b>
Investment properties <sup>1</sup>	611	388	622
<b>Relevant assets</b>	<b>40,443</b>	<b>29,139</b>	<b>31,023</b>

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

### Net Loan-to-Value

SEK million	Q2 2021	Q2 2020	Q4 2020
Net interest-bearing debt	3,238	816	1,031
Relevant assets	40,443	29,139	31,023
<b>Net loan-to-value, %</b>	<b>8.0</b>	<b>2.8</b>	<b>3.3</b>

### Liquidity Reserves

SEK million	Q2 2021
Cash and cash equivalents <sup>1</sup>	4,768
Unutilised credit commitment	1,000
<b>Total</b>	<b>5,768</b>
Estimated interest expense (12-months forward)	308

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

### Standalone Financial Policy

	Policy	Q2 2021
Net Loan-to-Value	≤30	8.0
Interest Coverage Ratio, rolling 12 months, multiple	≥2.0	13.1
Interest Coverage Ratio including hybrid bonds, rolling 12 months, multiple	≥1.4	6.0

As at 30 June 2021, Heimstaden had outstanding senior unsecured bonds amounting to SEK 7,689 million, listed on Nasdaq Stockholm

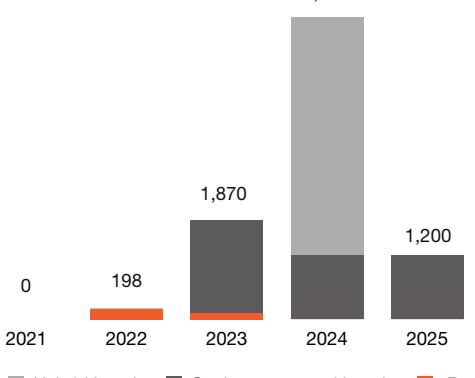
Currency	Amount (million)	Fixed/floating	Coupon/spread	Start date	Maturity
SEK	1,750	Floating	Stibor 3m + 325 bps	2019-05-23	2023-05-31
SEK	1,200	Floating	Stibor 3m + 330 bps	2020-10-15	2024-01-15
SEK	1,200	Floating	Stibor 3m + 400 bps	2020-10-15	2025-10-15
EUR	350	Fixed	425	2021-02-26	2026-03-09

As at 30 June 2021, Heimstaden had a SEK 4,500 million perpetual hybrid bond outstanding, listed on Nasdaq Stockholm

Currency	Amount (million)	Fixed/floating	Coupon/spread	Start date	First call date
SEK	4,500	Floating	Stibor 3m + 590 bps	2019-04-04	2024-11-10

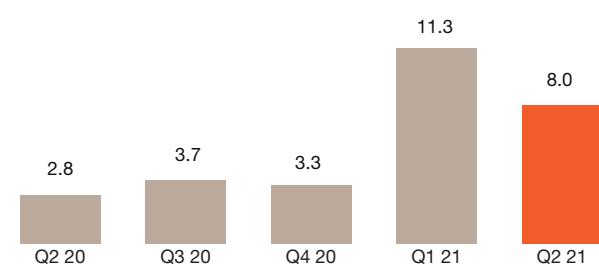
### Funding Maturity Profile

SEK million



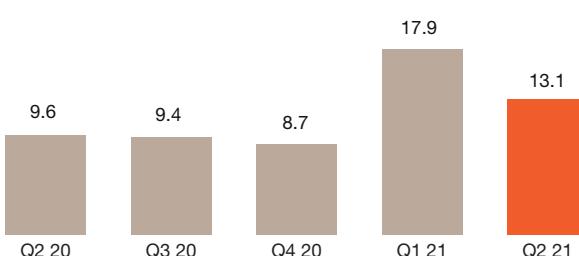
### Net Loan-to-Value

%



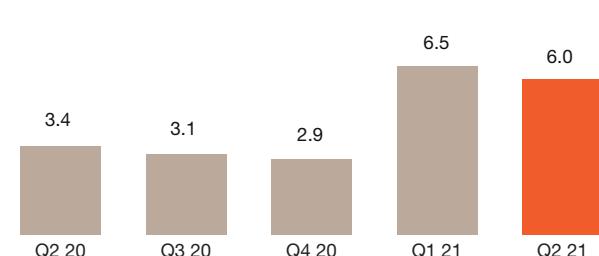
### Interest Coverage Ratio

Multiple



### Interest Coverage Ratio incl. 100% hybrid

Multiple



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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 13 August 2021.

The third quarter report will be published on 22 October 2021.

## Heimstaden

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