

Q1 2022

Heimstaden



Highlights

321 billion

Investment Properties, SEK

48.5%

Net loan-to-value (LTV)

7.9 billion

Profit, SEK

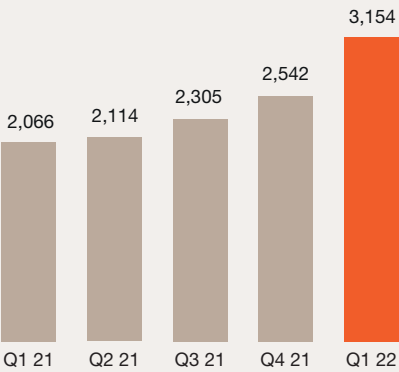
3.0x

Interest coverage ratio (ICR)

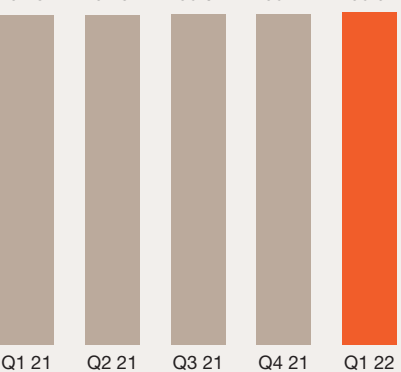
- Allianz Real Estate invested SEK 7.9 billion in Heimstaden Bostad’s Swedish portfolio bought from Akelius, forming a joint venture.
- Heimstaden Bostad repaid the Akelius acquisition bridge facility.
- Sharpened climate targets and committed to invest almost SEK 7 billion to reduce greenhouse gas emissions with 42% by 2030.
- Heimstaden Bostad strengthened its presence in UK and Sweden by buying a project with 464 homes in Edinburgh and 806 homes in Jönköping.

See page 44 for definitions of alternative performance measures.

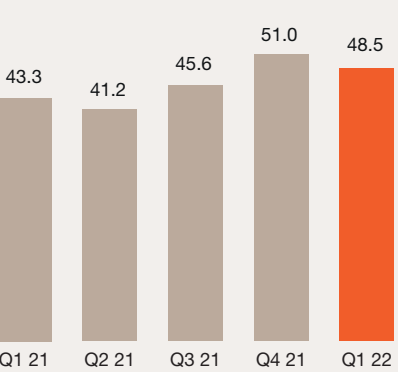
Rental Income
SEK million



Real Economic Occupancy
%



Net LTV
%



		Q1 2022	Q4 2021	Q1 2021	2021
Financials					
Rental income	SEK m	3,154	2,542	2,066	9,027
Growth y-o-y	%	52.7	43.4	38.0	36.8
Net operating income	SEK m	1,973	1,433	1,246	5,575
Net operating income margin	%	62.6	56.4	60.3	61.8
Profit for the period	SEK m	7,929	5,686	3,723	19,003
Capital expenditures	SEK m	2,260	1,654	1,318	5,439
Portfolio Metrics					
Fair value of investment properties	SEK m	321,223	305,668	179,519	305,668
Homes	Units	150,442	149,948	114,041	149,948
Real economic occupancy, residential	%	98.5	98.1	97.6	97.8
Like-for-like rental income growth y-o-y	%	5.6	3.3	1.6	2.5
Credit Metrics					
Interest Coverage Ratio (ICR)	Multiple	3.0x	3.2x	3.0x	3.2x
Net Loan-to-Value (LTV)	%	48.5	51.0	43.3	51.0
Net debt / Total assets	%	41.6	43.9	38.6	43.9

Strong Operational Performance Despite Turbulent Times

Russia's attack on the Ukrainian people affects us all. Although the war casts a big shadow, it is heart-warming to see how people at Heimstaden support the Ukrainians. Through A Home for a Home, we acted swiftly and donated EUR 1.5 million to SOS Children's Villages' crisis fund. Our fantastic colleagues in the Czech Republic worked around the clock to provide hundreds of equipped homes to the refugees. This was followed by similar initiatives from colleagues around Europe. This is what Friendly Homes is all about, and it makes me proud to be a part of a company that does what it can to help in a crisis situation.

After last year's continued growth, we are well positioned as the second largest European residential real estate company, in line with our long-term strategy to expand our portfolio and operational footprint in markets with strong fundamentals. We have a scalable platform across ten countries, providing 150,000 Friendly Homes to more than 300,000 customers.

The macro- and geopolitical situation has also caused increased energy cost and inflation, with operational and financial effects across sectors. Nevertheless, we experience the lowest vacancy in the portfolio for years, and a continued strong demand for rental housing in all the countries we operate.

We have further sharpened our ambitious climate goals, after including scope 3 emissions involving energy reduction from tenants. The target is in line with the Paris Agreement, and after finalising the joint venture with Allianz in January, we have committed almost SEK 7 billion to reduce emissions with 42% by 2030.

Despite turbulent times, we still see promising conditions for growing our business and are closely monitoring and analysing the situation, while focusing on our core business which is to provide excellent service to our customers along with strong financial and operational results.

Patrik Hall, CEO Heimstaden



A Home for a Home

As we enter the second year of our partnership with SOS Children's Villages, we have launched the 2022 program portfolio with strengthened focus on strategic support for systemic change and results-based management.

The portfolio is focused on programs for family strengthening and social integration, to prevent children being separated from their families, or when they are, to minimize the stigma of growing up without parental care. We also support SOS Children's Villages' operational abilities by investing in digitalization to increase data quality and speed of analysis, enabling better planning and faster response.

In our local programs, our aim is to maximize impact by utilizing our unique assets and expertise. For example, together with authorities and SOS, we look at new models to support youth leaving alternative care and vulnerable mothers, by combining the safety of a home with the support of trained professionals.



Portfolio highlights

55,000	25	15	27	130
Children reached	Countries	co-created local programmes	Global SOS programmes	2022 donation: SEK 130 million

Heimstaden Bostad's Climate Goals: Raising the Bar

In 2021 we launched ambitious climate goals. In the first quarter, we further sharpened the climate targets and have committed a total investment of almost SEK 7 billion to reduce our greenhouse gas emissions with 42% by 2030.

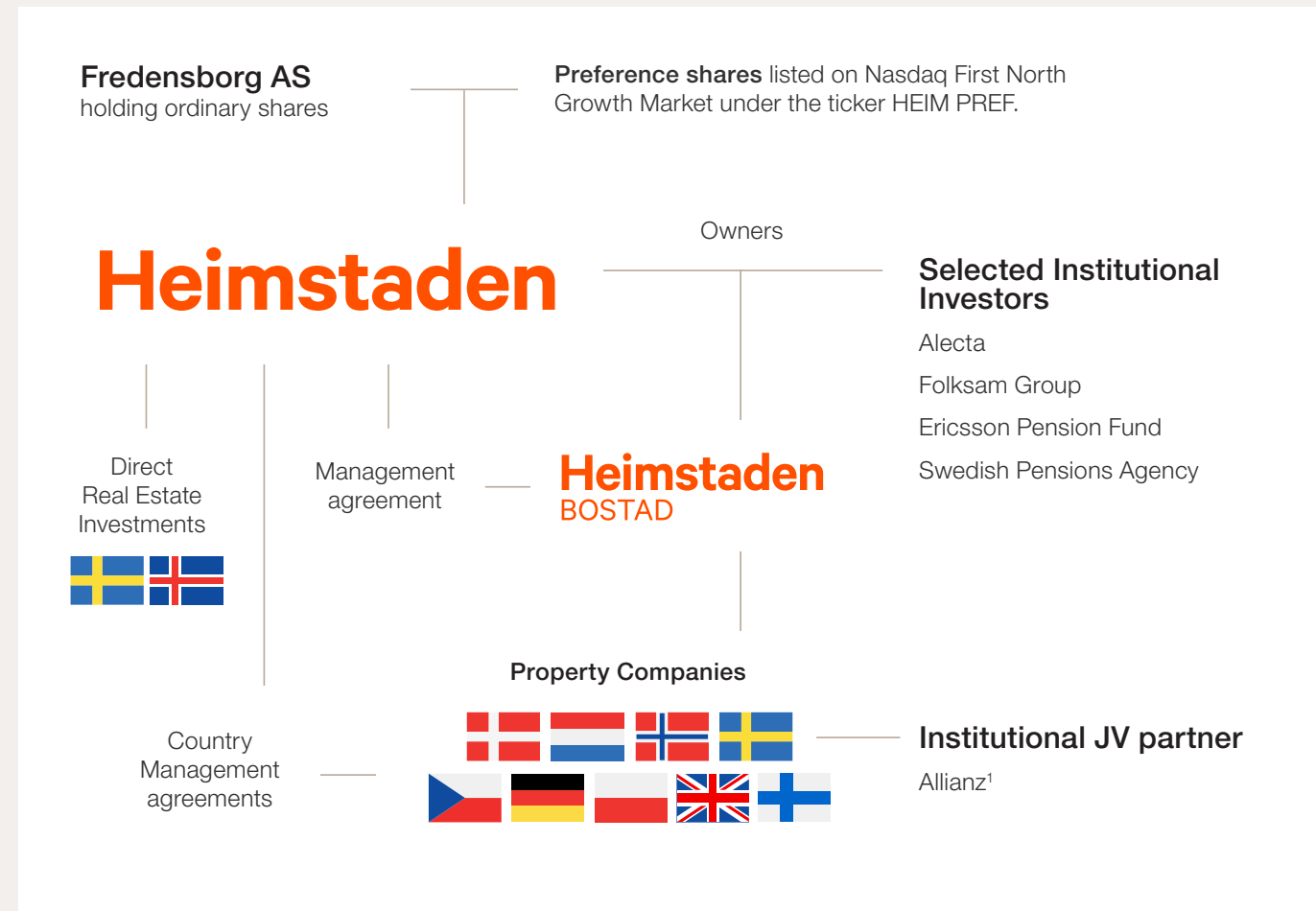
Selected highlights from our climate roadmap:

- Intensity energy figures per sqm improved in all countries except Germany, where we recently built an energy organization that will focus on energy improvements.
- Exchanged old gas boilers in Germany, leading to an energy reduction up to 30% per property.
- Replaced all oil tanks with efficient natural gas boilers in the Netherlands.
- Completed insulation projects impacting 1,400 flats in the Czech Republic, resulting in an energy reduction of around 9,500 GJ/year.

"In addition to the two scopes of direct and indirect emissions we covered in our previous targets, we now include a third scope with energy reduction from tenants, and by 2025 +70% of goods we purchase will come from suppliers that set science based targets. After changing the base year from 2019 to 2020, we have set a reduction target of 42% as required by Science Based Targets Initiative to be in line with the Paris Agreement."

Katarina Skalare
Chief Sustainability Officer

Simplified Company Structure



Heimstaden is an industrial investor and owns Heimstaden Bostad together with longterm institutional investors who share Heimstaden's philosophy for evergreen and sustainable investments. Heimstaden is also the Manager of Heimstaden Bostad, except for the Czech Republic and for former Akelius portfolios which management companies are owned by Heimstaden Bostad. The property companies are fully owned by Heimstaden Bostad, except for Iceland, who is owned by Heimstaden.

¹ Heimstaden Bostad/Allianz joint venture owning part of the Swedish portfolio.



Quarterly Review

This report is presented on a consolidated basis. For information on Heimstaden’s standalone financials, see pages 46-49. Figures in brackets refer to the previous quarter.

Income

Rental income increased by 24.1% to SEK 3,154 million (2,542), driven primarily by the acquisition of the Akelius’ portfolios, which closed 1 December 2021. Service income increased to SEK 331 million (234), mainly due to higher heating consumption.

Like-for-like rental income growth was 5.6% (3.3%). The comparable portfolio made up 63% (56%) of rental income.

Residential real economic occupancy improved to 98.5% (98.1%), excluding 1.7% (1.4%) in vacancy due to refurbishments and other non-market related vacancy.

Operating expenses

Utility expenses increased by SEK 58 million due to seasonality, mainly related to higher heating consumption in Sweden and the Czech Republic. Due to different rental regimes between markets, these costs impact net operating income margins differently. See Note 3 for more details.

Repair and maintenance expenses including group eliminations decreased by SEK 25 million. Costs for facility and property management increased by SEK 45 million.

Capital expenditures and Repair & Maintenance

Total expenditure in standing assets increased to SEK 1,279 million (1,210), corresponding to 0.40% of fair value (0.40%), while investments in properties under construction, excluding forward purchase contracts, increased to 0.39% of fair value (0.24%), due to a larger amount of forward funding acquisitions. More details on page 11.

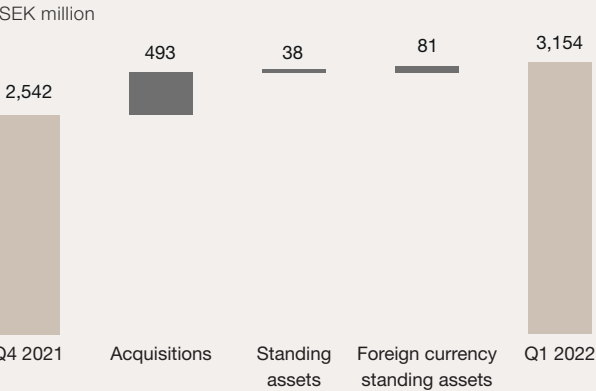
SEK million	Q1 2022	Q4 2021	2021
Income statement items			
Expenses for repair & maintenance ¹	262	297	823
Balance sheet items			
Capitalised repair & maintenance	698	552	1,878
Tenant improvement	319	361	1,041
Investment properties under construction	1,243	741	2,520
Capital expenditures	2,260	1,654	5,439

¹ Excluding group eliminations, see Note 3.

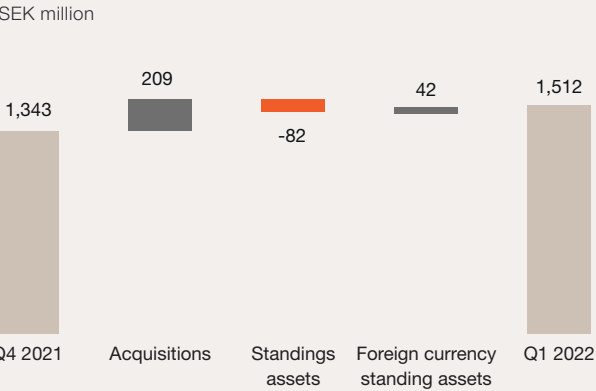
Net operating income

Net operating income grew by 37.7% to SEK 1,973 million (1,433), resulting in a net operating income margin of 62.6% (56.4%), mainly driven by acquisitions and positively impacted by the seasonality in utility costs.

Rental Income Development



Property Cost Development



Change in Fair Value of Investment Properties¹

	Q1 2022		Q4 2021	
	%	SEK million	%	SEK million
Sweden	1.0	1,008	4.3	3,847
Germany	4.9	3,513	0.2	144
Denmark	2.0	1,350	1.8	1,063
Netherlands	3.6	987	5.3	1,303
Norway	5.4	1,091	-0.4	-82
Czech Republic	5.4	994	4.0	637
Iceland	2.4	114	6.9	270
United Kingdom	9.5	144	1.7	60
Finland	8.8	90	1.7	16
Total	3.0	9,292	2.5	7,259

¹ For more information regarding Fair Value assessments, see Note 7.

Net gain from fair value adjustments on investment properties was SEK 9,292 million (7,259), corresponding to 3.0%. The yield requirement in the valuation averaged 2.95%, down from 3.09% at the end of previous quarter.

Interest expenses

Interest expenses increased to SEK 692 million (586) and the average interest rate to 1.4% (1.3%), mainly due to replacing the bridge facility with long term financing. At the balance sheet date the interest rate hedge ratio was 76% (77%). The interest coverage ratio for the last 12 months decreased to 3.0x (3.2x).

Foreign currency

Heimstaden is exposed to currency fluctuations in EUR, DKK, NOK, CZK, PLN, GBP, ISK. Currency translation differences from the consolidation of subsidiaries resulted in other comprehensive income of SEK 2,022 million (1,707), which was partially offset by SEK 718 million in foreign exchange loss (gain 300), mainly related to the foreign currency loan portfolio. See Note 6 for more details.

Cash Flow

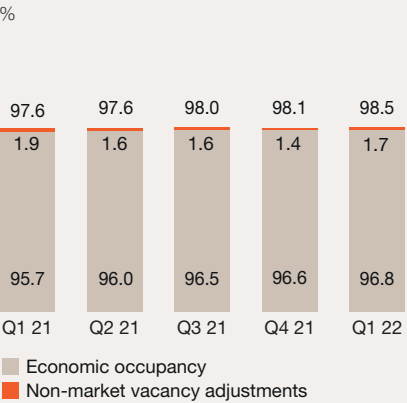
SEK million	Q1 2022	Q4 2021
Operating activities	80	2,147
Investing activities	-4,924	-81,065
Financing activities	3,165	77,627
Currency effects	300	1,148
Change	-1,379	-142
Period opening balance	20,488	20,629
Closing balance	19,109	20,488

Cash flow from operating activities before changes in working capital was SEK 1,167 million (negative 1,648). Working capital decreased by SEK 1,087 million (increase 3,795), resulting in net cash flows from operating activities of SEK 80 million (2,147).

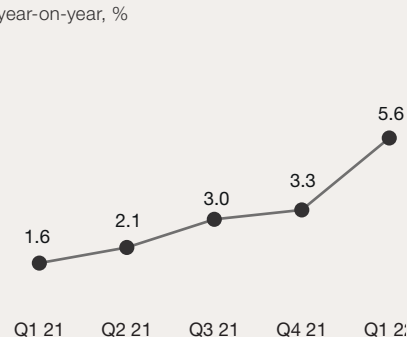
Cash flow from investing activities was negative SEK 4,924 million (81,065) and included acquisitions of SEK 161 million (81,659) and capex on investment properties of SEK 2,260 million (1,670).

Cash flow from financing activities was SEK 3,165 million (77,627), which included paid dividends to non-controlling interest of SEK 11,504 million (0), no hybrid bond issues (9,081), and proceeds from non-controlling interest of SEK 18,444 million (20,347).

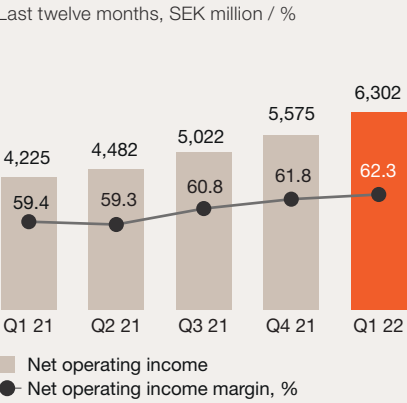
Real Economic Occupancy



Like-for-Like Rental Income Growth



Net Operating Income and Margin



Investment Properties

Fair value of investment properties increased to SEK 321 billion, up from SEK 306 billion at 31 December 2021, mainly through fair value gain of SEK 9.3 billion. The portfolio includes 150,442 homes across nine markets. Residential units made up 93% of fair value and 61% of residential income came from regulated units.

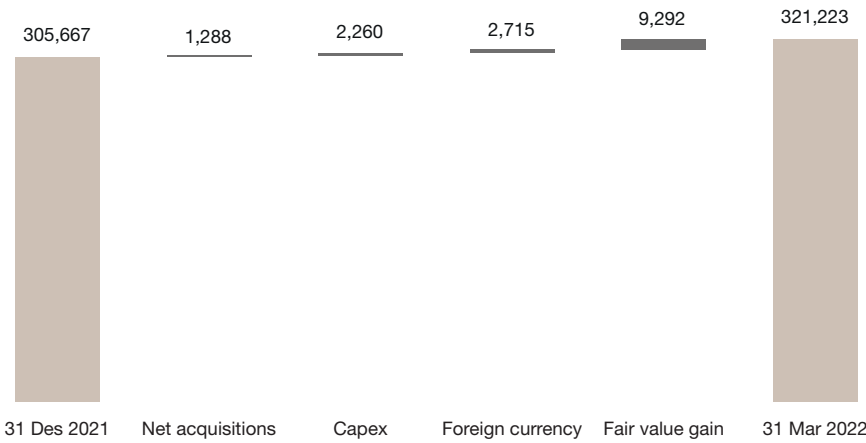
Valuation of the portfolio is performed by independent external valuers for each quarter. For more details, see Note 3.1 in the 2021 Annual Report.

Significant Transactions

- Joint Venture with Allianz closed on 19 January.
- Share purchase agreement signed for 38 properties including 806 residential units and 21 new attic apartments under construction at a value of SEK 1.7 billion in Jönköping, Sweden. The transaction was closed on 1 April.
- Acquisition of a turnkey forward funded 464-home residential project in Edinburgh. The transaction was valued at SEK 1.5 billion and completion is scheduled for mid-2024.

Fair Value Development

SEK million



Investment Property Portfolio

Country	Fair Value, SEK m	Fair Value /sqm, SEK	Homes, units	Residential, %	Regulated Income, %	Real Economic Occupancy, %
Sweden	99,996	32,123	43,419	91.0	100.0	99.2
Germany	74,844	44,164	25,387	92.1	100.0	98.2
Denmark	69,243	38,036	18,437	95.1	18.1	99.0
Netherlands	28,668	27,267	13,314	98.3	66.0	99.7
Norway	21,341	97,583	4,411	85.1	0.0	95.7
Czech Republic	19,529	7,513	42,695	95.8	32.0	96.4
Iceland ¹	4,830	32,022	1,678	100.0	0.0	98.8
United Kingdom	1,659	72,011	60	88.4	0.0	98.9
Finland	1,111	20,438	1,041	95.4	0.0	95.2
Poland ²	-	-	-	-	-	-
Total	321,223	30,007	150,442	92.9	61.0	98.5

¹ Properties in Iceland are owned 100% by Heimstaden AB.
² Investments in Poland are made through forward purchase contracts and are not recognised as investment properties until turnkey delivery. See Note 7 for more details.

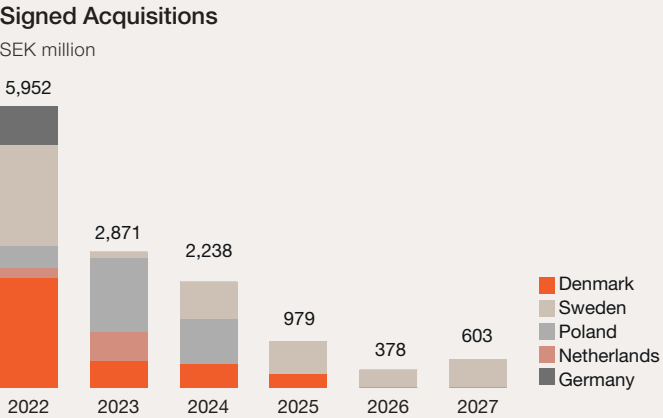
Signed Acquisitions

Heimstaden expands and improves its portfolio through acquisitions of standing assets and newbuilds. The current pipeline of signed acquisitions amounts to SEK 13.0 billion and 8,457 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 SEK 5.6 billion. The total pipeline of signed acquisitions, including standing assets and newbuilds, amounts to SEK 13.0 billion. For more details, see Note 13.



Sweden

100 billion

Investment Properties, SEK

0.1 billion

Acquisitions, SEK

1,031 million

Rental Income, SEK

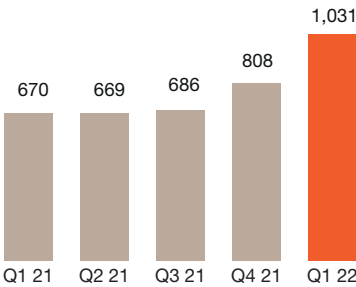
Rental income was SEK 1,031 million (808), a 27.6% increase. Net operating income increased by 72.8% from the previous quarter to SEK 541 million (313), driven by the full effect from acquisition of Akelius as well as seasonally lower utility cost, which resulted in an improved net operating income margin of 52.5% (38.7%).

Like-for-like rental income growth compared to the same period last year was 3.0% (2.5%) and the comparable portfolio comprised 65% (93%) of rental income.

		Q1 2022	Q4 2021	Q1 2021	2021
Rental income	SEK m	1,031	808	670	2,834
Net operating income	SEK m	541	313	293	1,376
Net operating income margin	%	52.5	38.7	43.7	48.6
Like-for-like rental income growth	%	3.0	2.2	2.5	2.5
Real economic occupancy	%	99.2	99.4	99.1	99.2
Fair value of investment properties	SEK m	99,996	97,646	52,092	97,646
Fair value change	SEK m	1,008	3,847	1,010	7,994
Capital expenditures	SEK m	1,109	841	412	2,539
Average valuation yield requirement	%	2.7	2.9	3.3	2.9

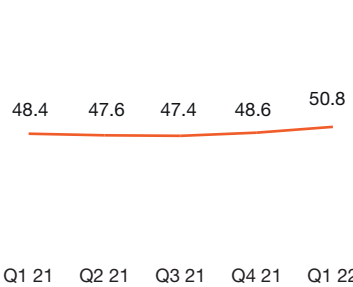
Rental income

SEK million



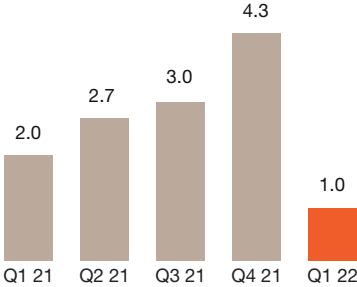
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



Germany

74.8 billion

Investment Properties, SEK

0.0 billion

Acquisitions, SEK

493 million

Rental Income, SEK

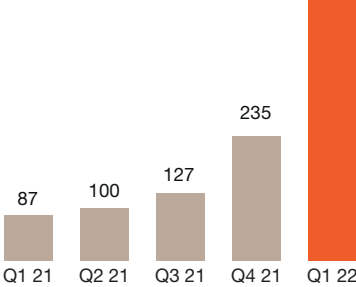
Rental income increased to SEK 493 million (235), driven by the full effect of acquisitions made in the previous quarter. Net operating income increased by 110.2% to SEK 367 million (174), resulting in a net operating income margin of 74.4% (74.2%). Real economic occupancy increased 0.1% in the quarter driven by recent acquisitions.

Like-for-like rental income growth compared to the same period last year was 24.9% (negative 13.0%), positively impacted by the removal of temporary rent freeze in Berlin in April, 2021. The comparable portfolio comprised only 23% (4%) of rental income.

		Q1 2022	Q4 2021	Q1 2021	2021
Rental income	SEK m	493	235	87	550
Net operating income	SEK m	367	174	47	379
Net operating income margin	%	74.4	74.2	53.7	69.0
Like-for-like rental income growth	%	24.9	18.8	-13.0	3.2
Real economic occupancy	%	98.2	98.1	98.8	98.2
Fair value of investment properties	SEK m	74,844	70,650	14,347	70,650
Fair value change	SEK m	3,513	144	624	1,754
Capital expenditures	SEK m	133	154	0	188
Average valuation yield requirement	%	2.3	2.6	2.0	2.6

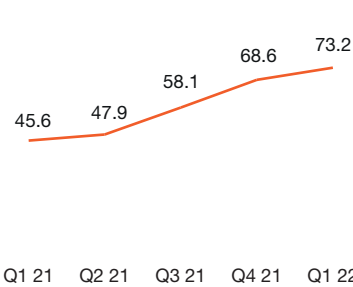
Rental income

SEK million



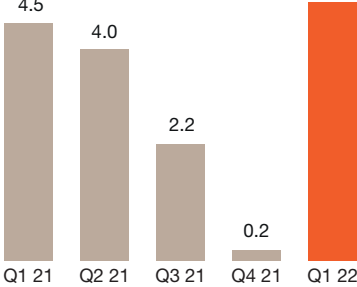
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



Denmark

69.2 billion

Investment Properties, SEK

0.3 billion

Acquisitions, SEK

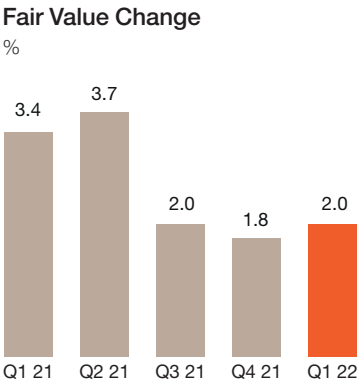
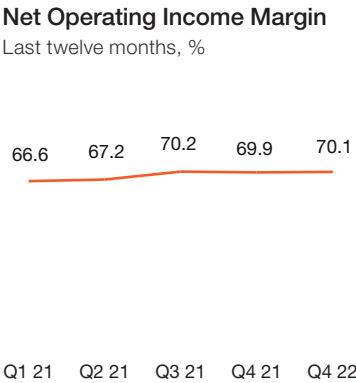
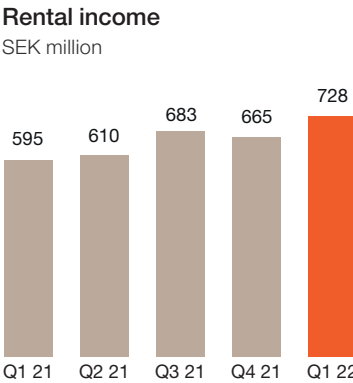
728 million

Rental Income, SEK

Rental income was SEK 728 million (665), a 9.5% increase, driven by the full effect of acquisitions made in the previous quarter. Net operating income increased by 12.7% to SEK 507 million (450), resulting in a net operating income margin of 69.6% (67.6%). The improved margin is driven by lower repair and maintenance costs and positive cost effects from recent acquisitions.

Like-for-like rental income growth compared to the same period last year was 6.9% (1.0%) and the comparable portfolio comprised 56% (59%) of rental income.

		Q1 2022	Q4 2021	Q1 2021	2021
Rental income	SEK m	728	665	595	2,553
Net operating income	SEK m	507	450	409	1,784
Net operating income margin	%	69.6	67.6	68.7	69.9
Like-for-like rental income growth	%	6.9	4.9	1.0	2.6
Real economic occupancy	%	99.0	99.2	97.2	98.2
Fair value of investment properties	SEK m	69,243	66,636	55,032	66,636
Fair value change	SEK m	1,350	1,063	1,790	6,033
Capital expenditures	SEK m	452	-183	358	917
Average valuation yield requirement	%	3.5	3.5	3.9	3.5



Netherlands

28.7 billion

Investment Properties, SEK

0.0 billion

Acquisitions, SEK

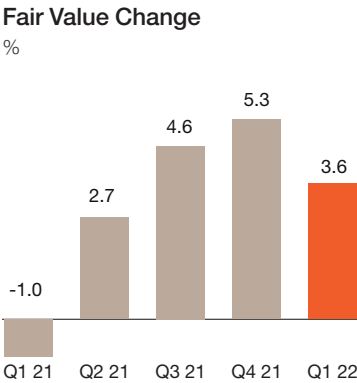
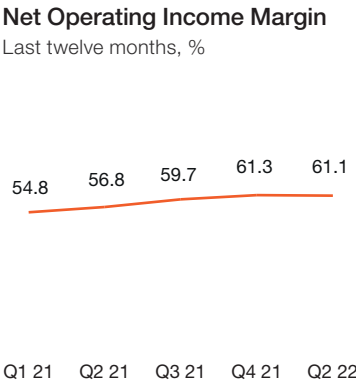
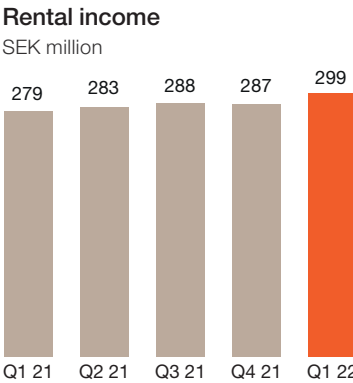
299 million

Rental Income, SEK

Rental income grew 4.3% to SEK 299 million (287). Net operating income increased by 10.8% to SEK 181 million (163), with stable costs but increased revenue, which resulted in a net operating income margin of 60.5% (56.9%).

Like-for-like rental income growth compared to the same period last year was 3.7% (2.7%) and the comparable portfolio comprised 100% (78%) of rental income.

		Q1 2022	Q4 2021	Q1 2021	2021
Rental income	SEK m	299	287	279	1,137
Net operating income	SEK m	181	163	170	696
Net operating income margin	%	60.5	56.9	61.0	61.3
Like-for-like rental income growth	%	3.7	3.0	2.7	3.2
Real economic occupancy	%	99.7	99.6	99.3	99.6
Fair value of investment properties	SEK m	28,668	27,324	23,686	27,324
Fair value change	SEK m	987	1,303	-243	2,831
Capital expenditures	SEK m	141	230	115	644
Average valuation yield requirement	%	3.0	2.9	3.5	2.9



Norway

21.3 billion

Investment Properties, SEK

0.0 billion

Acquisitions, SEK

179 million

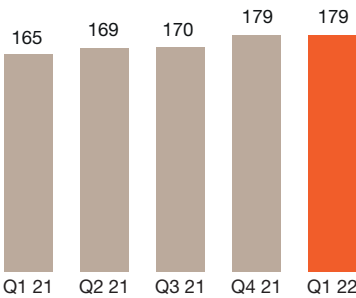
Rental Income, SEK

Rental income was stable at SEK 179 million (179). Net operating income increased by 6.1% to SEK 105 million (99), due to lower repair and maintenance expenses, which resulted in a net operating income margin of 58.8% (55.6%).

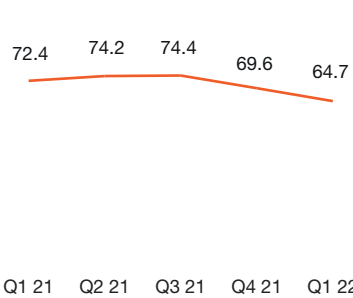
Like-for-like rental income growth compared to the same period last year was 4.1% (negative 1.3%) and the comparable portfolio comprised 100% (100%) of rental income.

		Q1 2022	Q4 2021	Q1 2021	2021
Rental income	SEK m	179	179	165	682
Net operating income	SEK m	105	99	130	475
Net operating income margin	%	58.8	55.6	78.7	69.6
Like-for-like rental income growth	%	4.1	3.7	-1.3	1.3
Real economic occupancy	%	95.7	96.6	92.5	94.5
Fair value of investment properties	SEK m	21,341	18,952	18,999	18,952
Fair value change	SEK m	1,091	-225	744	294
Capital expenditures	SEK m	83	178	45	315
Average valuation yield requirement	%	2.6	2.8	2.7	2.8

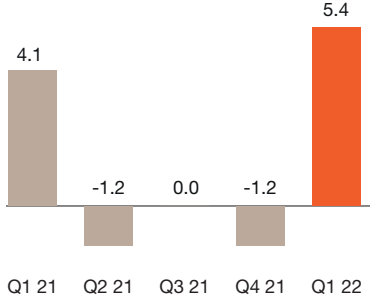
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Czech Republic

19.5 billion

Investment Properties, SEK

0.0 billion

Acquisitions, SEK

320 million

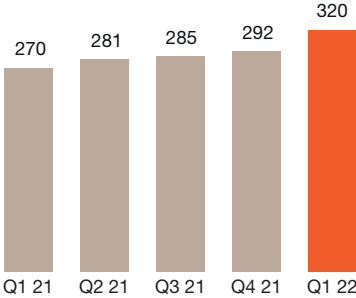
Rental Income, SEK

Rental income was SEK 320 million (292), which corresponds to a 9.7% increase, driven by higher market rent.

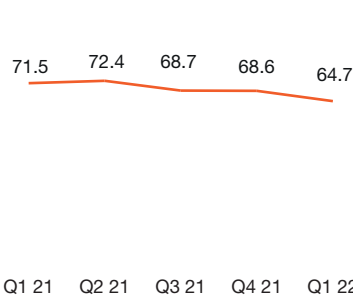
Net operating income increased to SEK 224 million (179), resulting in a net operating income margin of 70.1% (61.5%). The higher margin is driven by stable property management costs but increased rental income.

		Q1 2022	Q4 2021	Q1 2021	2021
Rental income	SEK m	320	292	270	1,127
Net operating income	SEK m	224	179	197	773
Net operating income margin	%	70.1	61.5	72.9	68.6
Like-for-like rental income growth	%	6.5	n/a	n/a	n/a
Real economic occupancy	%	96.4	95.5	95.6	95.3
Fair value of investment properties	SEK m	19,529	17,932	14,913	17,932
Fair value change	SEK m	994	637	456	2,182
Capital expenditures	SEK m	93	196	61	502
Average valuation yield requirement	%	4.6	4.9	5.2	4.9

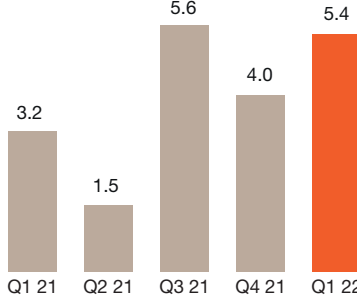
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Iceland

4.8 billion

Investment Properties, SEK

0.0 billion

Acquisitions, SEK

68 million

Rental Income, SEK

Heimstaden made its first acquisitions in Iceland in 2021 of 1,654 homes from Parent Company, Fredensborg AS. The property portfolio is owned directly by Heimstaden and is mainly located in and around Reykjavik.

Rental income amounted to SEK 68 million (60). Net operating income was SEK 42 million (36) resulting in a net operating income margin of 61.9% (59.5%).

		Q1 2022	Q4 2021
Rental income	SEK m	68	60
Net operating income	SEK m	42	36
Net operating income margin	%	61.9	59.5
Like-for-like rental income growth	%	n/a	n/a
Real economic occupancy	%	98.8	97.6
Fair value of investment properties	SEK m	4,830	4,494
Fair value change	SEK m	114	270
Capital expenditures	SEK m	9	60
Average valuation yield requirement	%	4.3	4.3



Reykjavik, Iceland

Finland

1.1 billion

Investment Properties, SEK

0.0 billion

Acquisitions, SEK

35 million

Rental Income, SEK

Heimstaden Bostad made its first investments in Finland in 2021, with two acquisitions consisting of 351 homes and 705 sqm commercial space. The properties are located in Helsinki Metropolitan Area and in Lahti.

Rental income amounted to SEK 35 million (11). Net operating income was SEK 8 million (7), resulting in a net operating income margin of 24.4% (58.7%), impacted by start-up costs. The portfolio had a SEK 90 million (16) fair value gain in the period.

		Q1 2022	Q4 2021
Rental income	SEK m	35	11
Net operating income	SEK m	8	7
Net operating income margin	%	24.4	58.7
Like-for-like rental income growth	%	n/a	n/a
Real economic occupancy	%	95.2	98.2
Fair value of investment properties	SEK m	1,111	1,014
Fair value change	SEK m	90	16
Capital expenditures	SEK m	0	10
Average valuation yield requirement	%	5.4	5.8



Helsinki, Finland

Poland

Heimstaden Bostad made its first investment in Poland in December 2020, followed by additional acquisitions in 2021. In May 2021, Heimstaden Bostad expanded its portfolio with the SEK 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 turn-key delivery. As of 31 March 2022, Heimstaden Bostad had a pipeline of 3,839 homes with a value of SEK 5.7 billion in Poland.

Newbuild Portfolio:

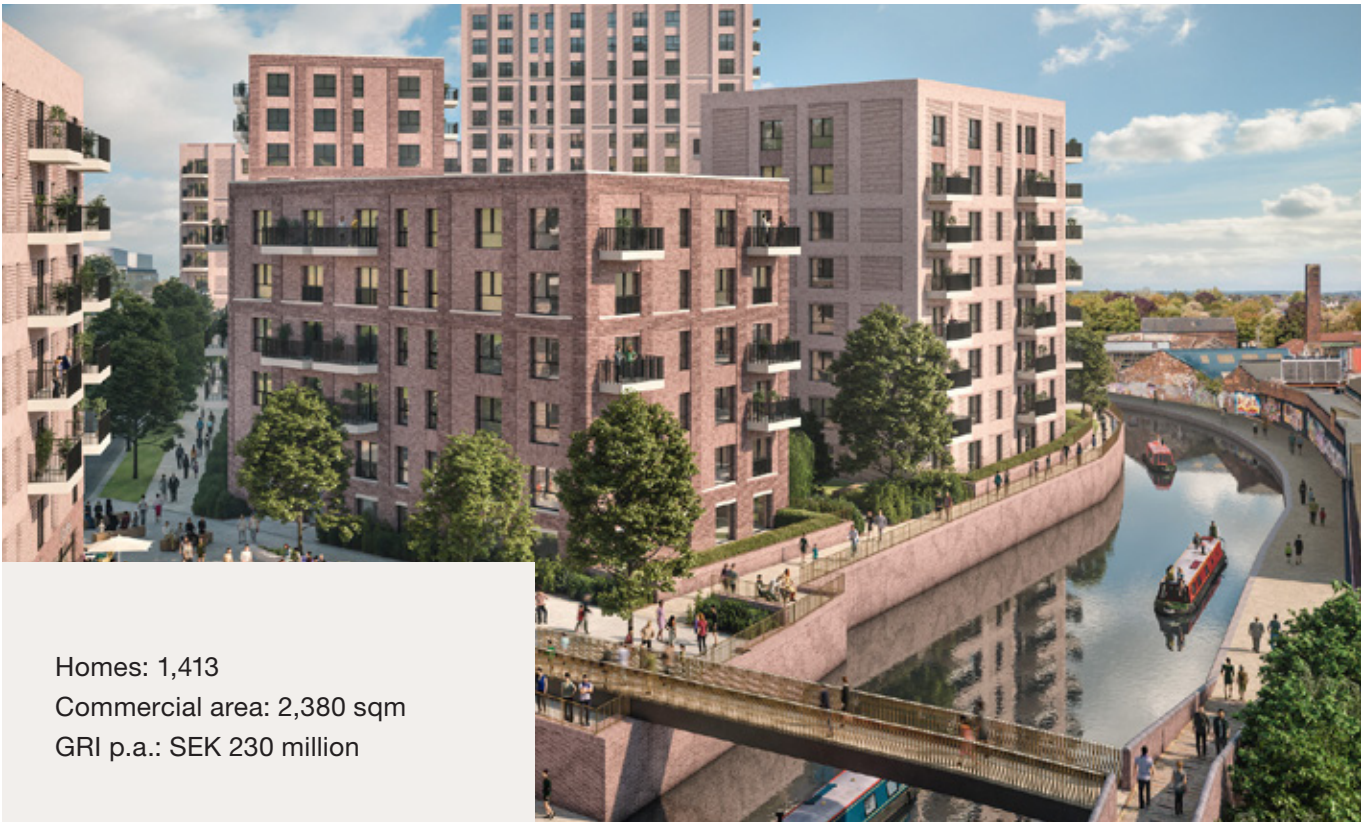


United Kingdom

Heimstaden Bostad made its UK entry in 2021 with the acquisition of newbuild project Soho Wharf, in Birmingham for SEK 1.9 billion. In the first quarter of 2022 Heimstaden Bostad acquired a 464-home residential project in Edinburgh for SEK 1.5 billion. Completion is scheduled for mid-2024. The development is in the Bonnington regeneration area, 2 km north of Edinburgh’s city centre, to which it will be connected by tram from 2023.

Per 31 March 2022, SEK 1,659 million was recognised on the balance sheet as fair value of investment properties.

Newbuild Portfolio:



Funding Overview

Owning, managing, and developing residential real estate require stable and favourable access to capital. We safeguard the availability of borrowed capital at attractive terms through a well-diversified financing structure and by owning high-quality properties that generate solid cash flows.

Capital market activity - Heimstaden

At the end of the period, Heimstaden had SEK 11,903 million in senior unsecured bonds and a SEK 7,374 million hybrid bond outstanding, all listed on Nasdaq Stockholm.

See pages 46-49 for more information on Heimstaden's debt instruments and standalone financials.

Capital market activity – Heimstaden Bostad

Heimstaden Bostad issued EUR 20,757 million in senior unsecured bonds with a maturity of two to seven years of which the majority was used to repay the remaining amount under the bridge financing provided for the acquisition of Akelius.

At the end of the period, Heimstaden Bostad had SEK 86,480 million in senior unsecured bonds and SEK 33,666 million in hybrid bonds outstanding and listed on Euronext Dublin and Oslo Børs.

For more information on Heimstaden Bostad's debt portfolio, visit www.heimstadenbostad.com.

BB+

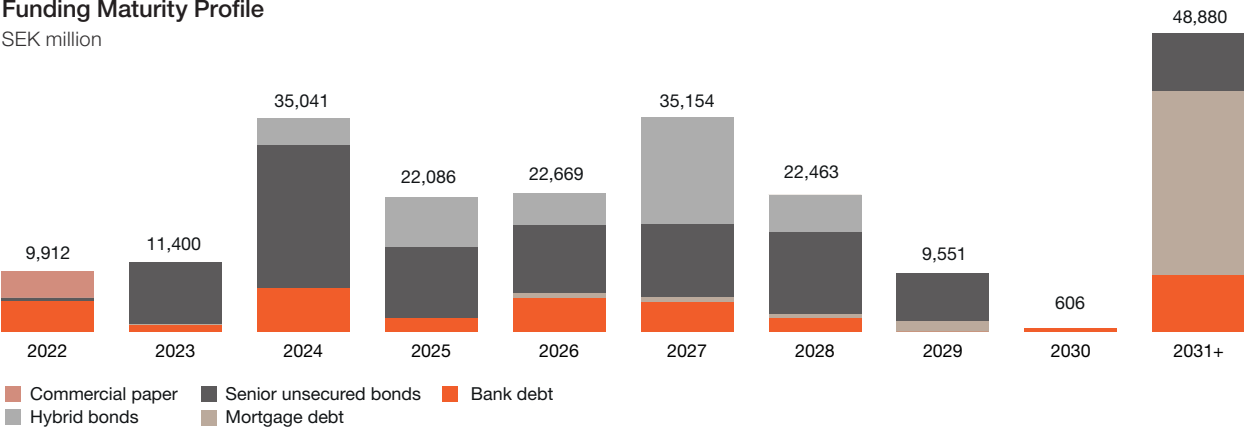
Fitch credit rating of Heimstaden

BBB

S&P and Fitch credit ratings of Heimstaden Bostad

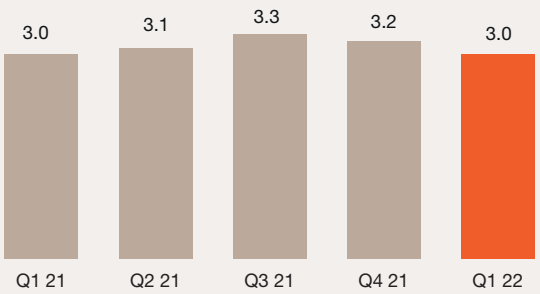
Funding Maturity Profile

SEK million



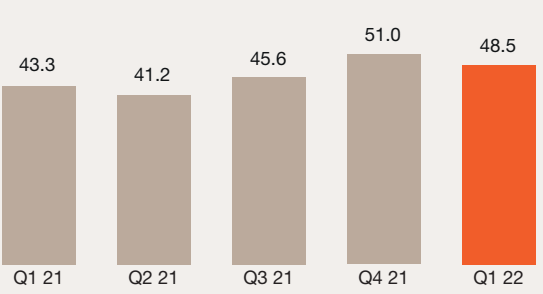
ICR

multiple



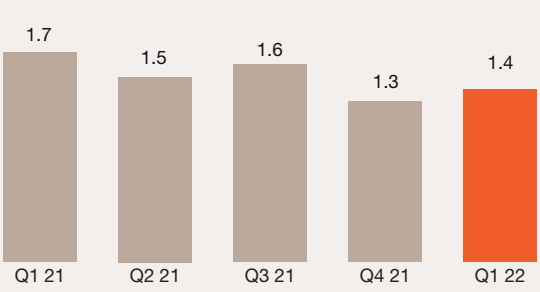
Net LTV

%



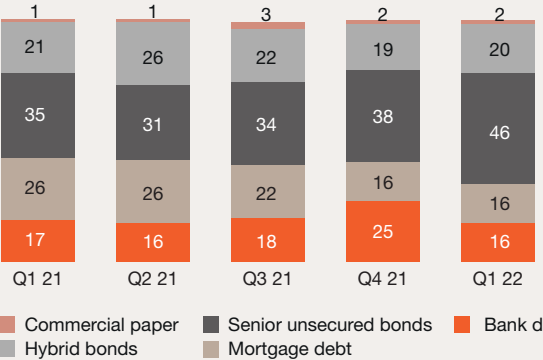
Average Interest Rate

%



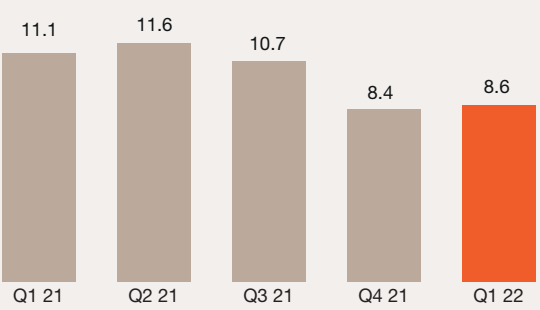
Funding Distribution

%



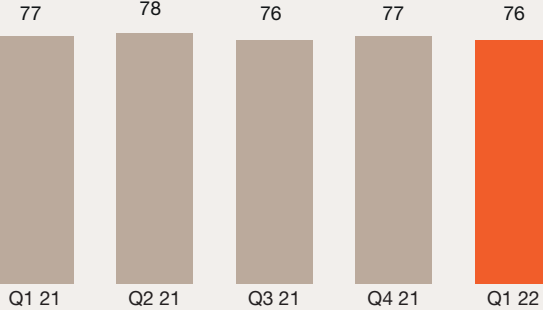
Average Loan Tenor

years



Interest Rate Hedge Ratio

%



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Condensed Parent Company Financial Statements

Income Statement
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Consolidated Comprehensive Income Statement

SEK million	Note	Q1 2022	Q1 2021
Rental income	3, 4	3,154	2,066
Service income	3, 4	331	190
Property expenses	3	-1,512	-1,010
Net operating income¹		1,973	1,246
Corporate administrative expenses		-160	-87
Other operating income	5	205	0
Other operating expenses	5	-91	-23
Share of net profits of associates and joint ventures	9	27	-3
Profit before investment properties and fair value adjustments		1,953	1,133
Fair value adjustment of investment properties		9,305	4,380
Gains/losses from sale of inventory properties		-13	48
Operating profit		11,245	5,561
Interest income		69	19
Interest expenses on interest-bearing liabilities		-692	-362
Net currency translation gains/losses		-718	-511
Fair value adjustment of derivative financial instruments		421	123
Other financial items		220	-81
Profit before tax		10,544	4,749
Income tax expense		-346	-151
Deferred tax expense		-2,270	-875
Profit for the period		7,929	3,723
Other comprehensive income/loss	6	2,022	2,518
Total comprehensive income		9,951	6,241
<i>Profit for the period attributable to:</i>			
The Parent Company's shareholders		4,307	2,177
Non-controlling interests		3,622	1,546
<i>Total comprehensive income for the period attributable to:</i>			
Parent Company's ordinary shareholders		5,540	3,682
Parent Company's preference shareholders		29	12
Non-controlling interests		4,381	2,548
Average number of ordinary shares outstanding		132,040,000	13,204,000
Average number of preference shares outstanding		58,593,750	2,343,750
Earnings per ordinary share (basic and diluted)		41	274

¹ Excludes income from inventory properties.

Consolidated Balance Sheet

SEK million	Note	31 Mar 2022	31 Dec 2021
ASSETS			
Investment properties	7	321,223	305,668
Intangible assets	8	16,723	16,604
Machinery and equipment		307	228
Quoted equity investments	12	8,482	5,765
Derivative financial instruments	11, 12	546	190
Other non-current financial assets	9	3,935	3,073
Total non-current assets		351,217	331,528
Inventory properties	10	864	846
Rent and trade receivables		233	207
Other current financial assets		1,633	1,681
Derivative financial instruments	11, 12	335	250
Prepayments		1,073	724
Cash and cash equivalents		19,109	20,488
Total current assets		23,246	24,195
Total assets		374,463	355,724
EQUITY AND LIABILITIES			
Equity		163,358	147,093
Interest-bearing liabilities	11	167,842	148,193
Lease liabilities	11	1,560	853
Derivative financial instruments	11, 12	255	0
Deferred tax liabilities		25,667	23,252
Other non-current financial liabilities		887	878
Total non-current liabilities		196,211	173,176
Interest-bearing liabilities	11	7,211	28,313
Lease liabilities	11	73	38
Trade payables		676	691
Other current liabilities		4,636	4,078
Derivative financial instruments	11, 12	1	6
Accrued expenses and prepaid income		2,297	2,329
Total current liabilities		14,894	35,455
Total equity and liabilities		374,463	355,724

Consolidated Statement of Changes in Equity

SEK million	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 Jan 2021	78	6,466	3,867	-2,380	18,166	26,197	49,969	76,166
Profit for the period	-	-	241	-	9,929	10,170	8,833	19,003
Other comprehensive income	-	-	-	2,159	-	2,159	1,482	3,640
Total comprehensive income	-	-	241	2,159	9,929	12,329	10,315	22,643
New share issue	18	1,107	-	-	-	1,125	27,479	28,604
Dividends	-	-	-241	-	-1,082	-1,323	-2,513	-3,836
Issue of hybrid bonds	-	-	3,579	-	-	3,579	20,235	23,814
Costs of issuance	-	-34	-72	-	-	-105	-203	-309
Non-controlling interests	-	-	-	-	-	-	12	12
Total transactions with the Company's shareholders	18	1,074	3,266	-	-1,082	3,276	45,010	48,285
Equity, 31 Dec 2021	95	7,540	7,374	-221	27,013	41,801	105,294	147,093
Opening balance, 1 Jan 2022	95	7,540	7,374	-221	27,013	41,801	105,294	147,093
Profit for the period	-	-	119	-	4,189	4,307	3,622	7,929
Other comprehensive income	-	-	-	1,262	-	1,262	760	2,022
Total comprehensive income	-	-	119	1,262	4,189	5,570	4,381	9,951
Contributions from non-controlling interests	-	-	-	-	-	-	131	131
New share issue	-	-	-	-	-	-	10,387	10,387
Dividends ²	-	-	-119	-	-29	-148	-11,946	-12,094
Costs of issuance	-	-36	-	-	-	-36	-	-36
Non-controlling interests ¹	-	-	-	-	-209	-209	8,134	7,926
Total transactions with the Company's shareholders	-	-36	-119	-	-238	-393	6,576	6,183
Equity, 31 Mar 2022	95	7,504	7,374	1,041	30,963	46,978	116,381	163,358

¹ Non-controlling interests refers primarily to Allianz Real Estate's investment in Heimstaden Bostad's portfolio in Sweden, with properties recently purchased from Akelius.

² SEK 10,387 million of dividends were set-off against the subscription price in new share issue.

Consolidated Cash Flow Statement

SEK million	Q1 2022	Q1 2021
Operating activities		
Profit before income tax	10,544	4,749
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Fair value adjustment on investment properties	-9,292	-4,425
Fair value adjustment of derivative financial instruments	-421	-123
Finance expenses – net	720	415
Other adjustments	367	660
<i>Working capital changes</i>		
Increase/decrease(+) in rent receivables	-550	-225
Increase/decrease(-) in trade and other payables	-537	307
Cash generated from operations	832	1,358
Interest paid	-375	-474
Interest received	12	–
Income tax paid	-389	-153
Net cash flows from operating activities	80	731
Investing activities		
Purchase of investment properties	-161	-13,653
Capital expenditure on investment properties	-2,260	-1,364
Disposals of investment properties	10	–
Deposits paid for signed acquisitions	-87	1,495
Purchase of machinery and equipment	-17	–
Transactions with associates and joint ventures	-50	–
Purchase of quoted equity investments	-2,360	-131
Other cash flows from investing activities	–	48
Net cash flows from investing activities	-4,924	-13,605
Financing activities		
Proceeds from interest-bearing liabilities	21,336	8,349
Repayment of interest-bearing liabilities	-24,672	-1,834
Dividends paid to non-controlling interest	-986	-43
Dividends paid to preference shares	-29	-12
Proceeds from non-controlling interests	7,926	5,080
Proceeds from issuance of hybrid bonds	–	8,073
Repayments on hybrid capital	-561	-318
Settlement of derivative financial instruments	230	–
Other cash flows from financing activities	-78	-50
Net cash flows from financing activities	3,165	19,244
Net change in cash and cash equivalents	-1,679	6,370
Cash and cash equivalents at the beginning of the period	20,488	10,906
Net currency exchange effect in cash and cash equivalents	300	65
Cash and cash equivalents at the end of the period	19,109	17,342

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 RFR 2 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 2021 annual financial statements. The accounting policies and methods of computation followed are consistent with those of the previous financial year.

Due to rounding, numbers presented in these financial statements may not add up precisely to the totals provided.

Recently issued accounting standards, interpretations and amendments

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

In Q1 2022, Heimstaden Bostad AB received a prearranged settlement from Fredensborg AS in relation to the sale of five properties to Oslo Municipality in 2021. For more information, see Note 8.4 in the 2021 Annual Report. No other related party transactions other than salaries and board fees have been paid to management and the board as of Q1 2022.

3. Segment Reporting

The Group organises and governs its activities based on geographical areas where the investment properties are located, and these geographical areas form the basis of the definition of segments. Senior management is the chief operating decision maker and 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 identified eight reportable segments: Sweden, Germany, Denmark, Netherlands, Norway, Czech Republic and Iceland. Finland, Poland, and the United Kingdom are included under Other. Finland, Poland and United Kingdom are included under segment Other, which individually do not correspond to 10 percent or more of the total revenues, for all operating segments. See Note 7 for fair value of investment properties per segment.

Q1 2022

SEK million	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Iceland	Other	Adjustments	Group in total
INCOME STATEMENT										
Rental income ¹	1,031	493	728	299	179	320	68	37	0	3,154
Service income	11	143	0	0	5	172	0	1	0	331
Total income	1,042	635	729	299	184	491	68	38	0	3,485
Utilities	-235	-81	-23	0	-16	-169	-3	-5	2	-530
Repair and maintenance	-103	-35	-30	-32	-19	-34	-5	-2	27	-234
Property tax	-24	-15	-36	-33	-3	-2	-5	0	0	-117
Other	-42	-48	-28	-19	3	-16	-3	-15	2	-166
Property management	-97	-90	-106	-34	-43	-46	-10	-8	-31	-465
Total property expenses	-501	-268	-222	-118	-78	-267	-26	-31	0	-1,512
Net operating income	541	367	507	181	105	224	42	6	0	1,973
Net operating margin, %	52.5	74.4	69.6	60.5	58.8	70.1	61.9	17.6	0	62.6

Q1 2021

SEK million	Sweden	Germany	Denmark	Netherlands	Norway	Czech Republic	Iceland	Other	Adjustments	Group in total
INCOME STATEMENT										
Rental income ¹	670	87	595	279	165	270	–	–	0	2,066
Service income	11	30	0	0	4	144	–	–	0	190
Total income	681	117	595	279	170	414	–	–	0	2,256
Utilities	-159	-24	-19	0	-11	-143	–	–	1	-355
Repair and maintenance	-68	-14	-24	-33	-17	-25	–	–	19	-161
Property tax	-15	-3	-33	-32	-3	-2	–	–	0	-87
Other	-41	-17	-27	-13	-12	-16	–	–	2	-125
Property management	-106	-13	-84	-31	4	-31	–	–	-21	-282
Total property expenses	-388	-71	-187	-109	-40	-217	–	–	1	-1,010
Net operating income	293	47	409	170	130	197	–	–	1	1,246
Net operating margin, %	43.7	53.7	68.7	61.0	78.7	72.9	–	–	0	60.3

¹ 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 2022	Q1 2021
Residential	2,886	1,885
Commercial premises	227	157
Garages and parking spaces	42	24
Total rental income	3,154	2,066

Service income distributed by property category

SEK million	Q1 2022	Q1 2021
Residential	318	179
Commercial premises	13	11
Total service income	331	190

5. Other Operating Items

Other operating income include SEK 178.3 million in reversal of Real Estate Transfer Tax (RETT) in Germany from the acquisition of the Akelius' property portfolio in 2021.

During Q1 2022, SEK 34 million was expensed in donations to SOS Children's Villages. See page 5 for more information regarding the partnership A Home for a Home.

6. Foreign Currency

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

Basis 1 local currency to 1 SEK

Country	Currency code	Closing rate		Average rate	
		31 Mar 2022	31 Dec 2021	Q1 2022	Q1 2021
Czech Republic	CZK	0.4241	0.4123	0.4254	0.3882
Denmark	DKK	1.3898	1.3783	1.4081	1.3603
Netherlands, Germany & Finland	EUR	10.3374	10.2502	10.4772	10.1173
Norway	NOK	1.0645	1.0262	1.0548	0.9857
Poland	PLN	2.2216	2.2298	2.2707	2.2274
United Kingdom	GBP	12.2199	12.1986	12.5264	-
Iceland	ISK	0.0728	0.0695	0.0729	-

Specification of Other Comprehensive Income

Other comprehensive income are related to foreign currency translation differences that may be reclassified to profit or loss in subsequent periods.

SEK million Country	Currency code	Q1 2022	Q1 2021
Czech Republic	CZK	404	336
Denmark	DKK	241	427
Netherlands, Germany & Finland	EUR	544	500
Norway	NOK	735	1,255
Poland	PLN	-6	-
United Kingdom	GBP	-2	-
Iceland	ISK	105	-
Total		2,022	2,518

7. Investment Properties

Total property value per segment

Fair value of the property portfolio was SEK 321,222 million (305,668) at quarter end. This value included unrealised value increase in Q1 2022 of SEK 9,292 million (4,380). In percentage, the unrealised increase in value was 3.0% (2.5) of the total property value before changes in value. The total property value is shown as follows.

Change in fair value of investment properties

SEK million	Total	Sweden	Germany	Denmark	Nether-lands	Norway	Czech Republic	Iceland	United Kingdom	Finland
Fair value of investment properties, 31 Dec 2021	305,668	97,645	70,651	66,636	27,324	18,951	17,932	4,494	1,019	1,014
Acquisitions during the period	620	79	-	272	-	-	-	-	268	-
Disposals	-10	-3	-4	-	-2	-	-	-	-	-
Land leases	678	159	-2	-	-	519	-	2	-	-
Capital expenditure on investment properties	1,017	447	87	193	141	25	68	9	47	-
Capital expenditure on investment properties under construction	1,243	662	46	259	-	58	25	-	193	-
Currency translation	2,715	-	553	533	217	697	510	211	-13	7
Fair value after transactions	311,930	98,989	71,331	67,893	27,681	20,250	18,534	4,716	1,515	1,021
Value change	9,292	1,008	3,513	1,350	987	1,091	994	114	144	90
Fair value of investment properties, 31 Mar 2022	321,223	99,996	74,844	69,243	28,668	21,341	19,529	4,830	1,659	1,111

Breakdown by category

SEK million	Total	Sweden	Germany	Denmark	Nether-lands	Norway	Czech Republic	Iceland	United Kingdom	Finland
investment properties	310,800	93,670	74,841	67,966	28,668	20,248	19,340	4,782	173	1,111
Investment properties under construction	8,512	5,877	0	1,148	0	0	0		1,486	0
Land and building rights	470	152	0	129	0	0	188		0	0
Land leases	1,440	297	2	0	0	1,093	0	48	0	0
Total	321,223	99,996	74,844	69,243	28,668	21,341	19,529	4,830	1,659	1,111

The Company's contracts in Poland are structured as forward purchases (contracts under the condition precedent of the completion of the works) and the transfer of ownership occurs only after provisional acceptance. A parallel financing agreement has been entered with the developers. The outstanding balances, SEK 1,240 million and SEK 607 million, are recognised as other non-current financial assets and other current financial assets, respectively.

8. Intangible Assets

Goodwill amounts to SEK 16,642 million and is mainly derived from the acquisition of the Akelius property portfolios in Sweden, Germany and Denmark, completed in December 2021. For more details, see Note 3.2 in the 2021 Annual Report.

9. Investments in Associates and Joint Ventures

SEK million	Share in %	Rental income	Property expenses	Finacial items, net	Change in value	Profit YTD 2022	Heimstaden's holding of profit YTD 2022
Rosengård Fastighets AB	25	39	-25	-3	0	8	2
Magnolia Projekt 5222 AB	50	0	0	0	32	32	16
Upplands Bro Brogårds Etapp 2 AB	50	0	-1	-9	-4	-13	-6
Kiinteistö Oy Hiihtomäentie 14	53	2	-2	0	6	5	3
A Place To A/S	50	10	-6	-1	31	26	13
Gamlebro AB	50	4	-4	-1	0	-1	0
Byggrätt Norr AB	19	0	0	0	0	0	0
A21 Taastrup ApS	50	0	0	0	0	0	0
Atriet A/S	50	0	0	0	0	0	0
Høje Tåstrup A21 ApS	50	0	0	0	0	0	0
Udviklingsselskabet af 31. oktober 2017 A/S	50	0	0	0	0	0	0
Total		54	-39	-14	65	57	27

Balance sheet of associates and joint ventures

SEK million	Total (100%)		Heimstaden's holding	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
Assets	5,339	5,210	2,127	2,073
Equity	1,969	2,759	697	1,103
Liabilities	3,369	2,450	1,430	972

10. Inventory Properties

SEK million	31 Mar 2022	31 Dec 2021
Opening balance	846	1,292
Capital expenditures	-	62
Foreign currency translation	31	85
Reclassification to other non-current financial assets	-	-127
Disposals of inventory properties	-	-464
Reversed impairment/impairment	-13	-2
Closing balance	864	846

11. Financial Assets and Liabilities

Heimstaden is exposed to a number of risk factors. Further description is included on pages 38-39 in the 2021 Annual Report.

Russia's invasion of Ukraine on 24 February 2022 may affect the Group and the war also leads to increased uncertainty in the international economy. The war has led to higher commodity prices, electricity, gas and fuel throughout Europe and the Group is currently assessing how the invasion will impact the Group's operational performance.

At the balance sheet date, Heimstaden was in compliance with its financial covenants. The Company's hybrid bonds are classified as equity, amounting to SEK 41,040 million, and therefore not included in the specifications of interest bearing liabilities in the tables below.

Specification of interest bearing liabilities

SEK million	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	103,624	0	59	-
Mortgages	34,787	100	20	-
Bank loans	37,635	86	21	25,488
Total	176,047	38	100	25,488
Deferred charges	-994			
Total incl. deferred charges	175,052			

Movements of interest bearing liabilities

SEK million	Corporate bonds	Mortgages/ bank loans	Deferred charges	Lease liabilities	Total
Opening balance, 1 Jan 2022	87,991	89,273	-758	891	177,397
Loan repayments	-6,089	-17,952	-	-17	-24,058
New borrowings/assumed debt in connection with acquisitions	21,207	130	-	733	22,069
Currency exchange effect on loans	516	971	-	26	1,513
Other changes	-	-	-236	-	-236
Closing balance, 31 Mar 2022	103,624	72,422	-994	1,633	176,685

31 Mar 2022

Years	Interest maturity, loans			Interest maturity, incl. financial instruments		
	SEK million	Share %	Interest, incl. margin, %	SEK million	Share %	Interest, incl. margin, %
0-1	72,544	41	1.29	56,124	32	2.00
1-2	11,793	7	1.81	18,721	11	0.48
2-3	14,670	8	0.68	23,592	13	0.33
3-4	18,982	11	1.61	19,473	11	1.58
4-5	14,139	8	2.38	14,245	8	2.37
>5 years after balance sheet date	43,918	25	1.24	44,025	25	1.24
Total	176,047	100	1.38	176,180	100	1.41

Average remaining term of fixed interest in the loan portfolio: 1.94 years

Average remaining term of fixed interest in the loan portfolio, including derivatives: 2.09 years

Years	Loan tenor		Lines of credit	
	SEK million	Share %	SEK million	Share %
0-1	6,448	4	0	0
1-2	24,165	14	8,842	35
2-3	23,344	13	13,944	55
3-4	21,673	12	0	0
4-5	20,353	12	2,703	11
>5 years after balance sheet date	80,064	45	0	0
Total	176,047	100	25,488	100

Average loan tenor: 8.63 years

Financial instruments

Years	Maturity, interest rate derivatives			
	Type	SEK million	Share, %	Interest, % ¹
0-1	Paying fixed	5,460	15	0.12
1-2	Paying fixed	17,868	50	0.19
2-3	Paying fixed	11,419	32	0.05
3-4	Paying fixed	491	1	0.50
4-5	Paying fixed	106	0	1.53
>5 years after balance sheet date	Paying fixed	106	0	1.53
Total		35,451	100	0.14

¹ 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, % ¹
0-1	Paying variable	0	0	0
1-2	Paying variable	5,624	100	2.41
>2 years after balance sheet date	Paying variable	0	0	0
Total		5,624	100	2.41

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

12. Fair Value Measurements of Financial Instruments

SEK million	31 Mar 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Quoted equity investments	8,482	8,482	5,765	5,765
Derivate financial instruments	881	881	440	440
Other non-current financial assets	3,935	3,935	2,313	2,313
Rent and trade receivables	233	233	207	207
Other financial receivables	1,633	1,633	1,681	1,681
Cash and cash equivalents	19,109	19,109	20,488	20,488
Total	34,273	34,273	30,893	30,893
Financial liabilities:				
Long-term interest-bearing liabilities	167,842	163,067	148,193	148,611
Lease liabilities	1,633	1,633	891	891
Other non-current financial liabilities	887	887	878	878
Current interest-bearing liabilities	7,211	7,211	28,313	28,313
Trade payables	676	676	691	691
Other current liabilities	4,636	4,636	4,078	4,078
Derivative financial instruments	256	256	6	6
Total	183,140	178,365	183,050	183,468

Fair value hierarchy of the Group's financial assets and financial liabilities as of 31 March 2022:

SEK million	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:	9,363	8,482	371	510
Derivative financial assets				
Interest rate swaps	371	-	371	-
Forward purchase contracts	510	-	-	510
Quoted equity investments	8,482	8,482		
Financial liabilities measured at fair value:	-256	-	-256	-
Derivative financial liabilities				
Cross currency swaps	-154	-	-154	-
Interest rate swaps	-102	-	-102	-

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. Unrealised value change of quoted equity investments was SEK 358 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 three months ended 31 March 2022.

13. Commitments and Contingencies

Investment obligations

Heimstaden subsidiary, Heimstaden Bostad, has signed agreements to buy turnkey investment properties under construction after the balance sheet date. As at 31 March 2022, Heimstaden Bostad had total investment obligations of SEK 13.0 billion between 2022 and 2028, see table below.

Capital expenditures

As at 31 March 2022, 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 5,596 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.

SEK million	2022	2023	2024	2025	2026	2027	2028	Total
Investment obligations	5,952	2,871	2,238	979	378	603	-	13,020

14. Subsequent Events

On the 7th of April Heimstaden held its Annual General Meeting where the board of directors were given authorisation to with or without deviation from the shareholders' preferential rights, resolve to issue shares for the period up until the annual general meeting 2023, through issue of ordinary shares, preference shares or preference shares of series B, or a combination thereof, against cash payment, with a provision for non-cash consideration or set-off or otherwise with conditions. In addition to an amendment of the articles of association, for the purpose of introducing a new class of preference shares, preference shares of series B.

On the 8th of April Heimstaden issued SEK 500 million Senior Unsecured Bonds with a 3-year maturity under its recently established EMTN programme. The bonds will carry an annual floating interest rate of three-month STIBOR plus 4.75%. The net proceeds will be used to repay parts of the loan outstanding under Heimstaden AB's bridge financing facility related to the acquisition of Akelius' portfolios in Sweden, Denmark, and Germany.

Heimstaden Bostad strengthened its presence in Poland through the acquisition of a 400 apartment project in Warsaw. The transaction is structured as a turn-key forward funded acquisition, where Heimstaden Bostad does not carry any direct development risk. Completion is scheduled for mid-2024.

Heimstaden Bostad strengthened its presence in Finland with the acquisition of 2,009 residential units in Oulu, Jyväskylä and Lahti. The transaction was valued at EUR 223 million and was closed on 25 April.

Parent Company Income Statement

SEK million	Q1 2022	Q1 2021	R12
Management service revenues	237	85	581
Administrative expenses	-129	-65	-376
Operating profit	108	20	205
Interest income	1	1	5
Interest expenses	-204	-59	-474
Other financial items	-61	78	-383
Profit/loss after financial items	-157	40	-646
Income tax expense	0	0	0
Profit for the period	-157	40	-646

Parent Company Comprehensive Income Statement

Amounts in SEK million	Q1 2022	Q1 2021	R12
Profit for the period according to the Income Statement	-157	40	-646
Other comprehensive income	0	0	0
Comprehensive income	-157	40	-646

Parent Company Balance Sheet

SEK million	31 Mar 2022	31 Dec 2021
ASSETS		
Shares in subsidiaries	20,360	20,352
Non-current receivables, subsidiaries	198	199
Total non-current assets	20,559	20,551
Current receivables, subsidiaries	13,995	16,267
Other financial assets	181	206
Cash and cash equivalents	2,453	483
Total current assets	16,629	16,956
Total assets	37,188	37,507
EQUITY AND LIABILITIES		
Equity	20,902	21,206
Interest-bearing liabilities	15,927	15,830
Non-current liabilities, subsidiaries	175	175
Total non-current liabilities	16,101	16,005
Current liabilities, subsidiaries	0	80
Trade and other payables	109	16
Accrued expenses and prepaid income	76	200
Total current liabilities	185	296
Total equity and liabilities	37,188	37,507

Parent Company Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 Jan 2021	78	729	3,867	13,706	18,380
Profit for the period	-	-	241	-690	-449
Total profit	-	-	241	-690	-449
Share issue	18	1,107	-	-	1,125
Dividends	-	-	-241	-1,082	-1,323
Hybrid bonds issue	-	-	3,579	-	3,579
Costs of issuance	-	-34	-72	-	-105
Total transactions with the Company's shareholders	18	1,074	3,266	-1,082	3,276
Equity, 31 Dec 2021	95	1,802	7,374	11,934	21,206
Opening balance, 1 Jan 2022	95	1,802	7,374	11,934	21,206
Profit for the period			119	-275	-157
Total profit	-	-	119	-275	-157
Dividends	-	-	-119	-29	-148
Total transactions with the Company's shareholders	-	-	-119	-29	-148
Equity, 31 Mar 2022	95	1,802	7,374	11,630	20,902

Parent Company Statement of Cash Flows

SEK million	Q1 2022	Q1 2021
Operating activities		
Profit before income tax	-157	40
Adjustments to reconcile profit before tax to net cash flows:		
Finance expenses – net	203	58
Other adjustments	61	-78
Working capital changes		
Increase/decrease(+) in short-term receivables	24	-42
Increase/decrease(-) in trade and other payables	-13	47
Cash generated from operations	-118	25
Interest paid	-220	-59
Net cash flows from operating activities	-102	-34
Financing activities		
Proceeds from loan and borrowings	0	3,650
Repayment of loan and borrowings	0	-120
Dividends paid to preference shares	-29	-12
Loans paid to subsidiaries	0	-3,151
Repayment of loans from subsidiaries	2,216	0
Proceeds from issuance of hybrid capital	0	-58
Coupon payments on hybrid capital	-119	0
Net cash flows from financing activities	2,068	309
Net change in cash and cash equivalents	1,966	275
Cash and cash equivalents at the beginning of the period	483	3,002
Net currency exchange effect in cash and cash equivalents	2	114
Cash and cash equivalents at the end of the period	2,453	3,391

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, 27 April 2022

Patrik Hall CEO	Ivar Tollefsen Chairman	John Giverholt Board Member	Fredrik Reinfeldt Board Member	Vibeke Krag Board Member
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This interim report has been subject to review by the Company's auditors.

Auditor’s review report

Heimstaden AB (publ), corporate identity number 556670-0455
To the Board of Directors for Heimstaden AB (publ)

Introduction

We have reviewed the condensed interim report for Heimstaden AB (publ) as at 31 March 2022. 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, 27 April 2022
Ernst & Young AB

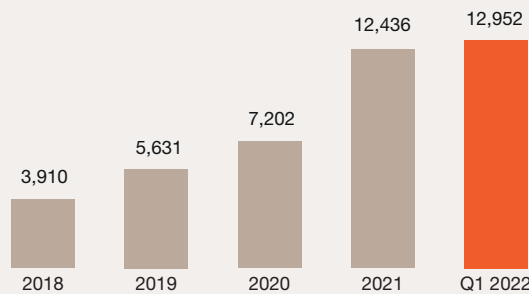
Jonas Svensson
Authorised Public Accountant

Earnings capacity

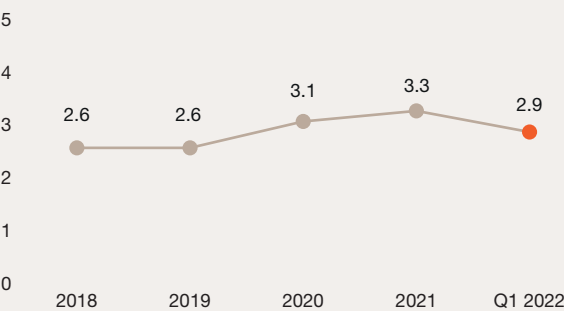
Earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 31 March 2022. Announced property acquisitions that closed after the balance sheet date are not included in the calculation. 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. Earnings capacity should not be considered a forecast for the current year or for the next 12-month period.

SEK million	
Rental income	12,952
Service income	1,134
Property expenses	-5,705
Net operating income	8,381
Corporate administrative expenses	-640
Profit before financial items	7,742
Financial costs - interest-bearing liabilities	-2,642
Profit	5,100
Net operating income margin, %	64.7
Interest coverage ratio	2.9

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

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 2022	Q4 2021	Q1 2021
Interest-bearing secured liabilities	67,122	66,695	51,401
Interest-bearing unsecured liabilities	107,930	109,811	43,733
Cash and cash equivalents	19,109	20,488	17,342
Net interest-bearing liabilities	155,943	156,018	77,792
Fair value of investment properties	321,223	305,668	179,519
Net LTV, %	48.5	51.0	43.3

Net Debt / Total Assets

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

SEK million	Q1 2022	Q4 2021	Q1 2021
Net interest-bearing liabilities	155,943	156,018	77,792
Total assets	374,463	355,724	201,697
Net Debt / Total Assets	41.6	43.9	38.6

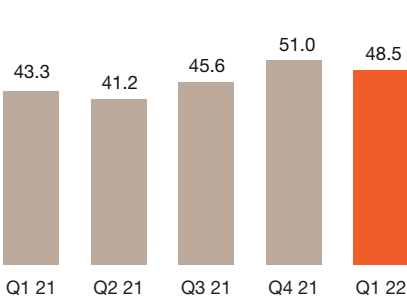
Interest Coverage Ratio (ICR)

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 2022	Q4 2021	Q1 2021
Profit before financial items	3,972	3,152	4,068
Transaction costs from business combination	2,054	2,232	-
Financial income	212	162	95
Profit before financial items plus financial income	6,238	5,546	4,163
Financial costs	2,055	1,725	1,408
ICR	3.0	3.2	3.0

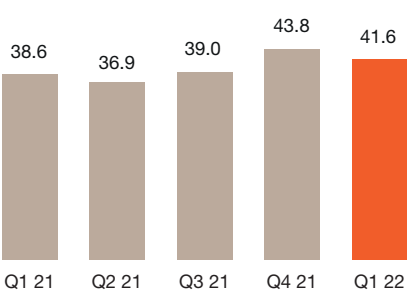
Net LTV

%



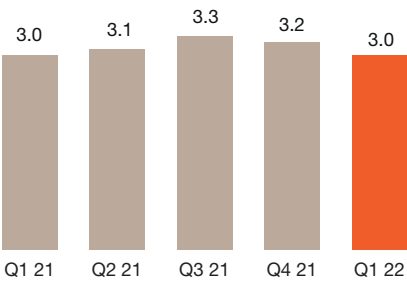
Net Debt / Total Assets

%



Interest Coverage Ratio

multiple



All figures in SEK million unless otherwise specified.

Residential

	Q1 2022	Q4 2021
Fair value residential properties	298,414	282,437
Fair value investment properties	321,223	305,667
Residential, %	92.9	92.4

Like-for-like rental income growth

	Q1 2022 ¹	Q1 2021 ²
Rental income current year	1,989	1,363
Rental income last year	1,883	1,341
Like-for-like rental income growth, %	5.6	1.6

¹ Only properties owned as of 31 December 2020 included.

² Only properties owned as of 31 December 2019 included.

Net operating income margin

	Q1 2022	Q1 2021
Rental income	3,154	2,066
Net operating income	1,973	1,246
Net operating income, %	62.6	60.3

Economic occupancy, residential

	Q1 2022	Q4 2021
Theoretical rental income on residential units	2,933	2,402
Economic vacancy	-95	-73
Rental income on residential units	2,838	2,329
Economic occupancy rate, %	96.8	97.0

Real economic occupancy, residential

	Q1 2022	Q4 2021
Theoretical rental income on residential units	2,933	2,402
Adj. for non-market vacancy	-45	-47
Adj. Theoretical rental income	2,888	2,355
Real economic occupancy, %	98.5	98.1

Equity ratio

	Q1 2022	Q4 2021
Equity	163,358	147,094
Total assets	374,463	355,724
Equity ratio, %	43.6	41.4

Solvency ratio

	Q1 2022	Q4 2021
Equity	163,358	147,094
Total liabilities	211,105	208,630
Solvency ratio, %	43.6	41.4

Net asset value (NAV)

	Q1 2022	Q4 2021
Total equity	163,358	147,094
Deferred tax liability	25,667	23,252
NAV	189,026	170,345

EBITDA

Rolling 12 months	Q1 2022	Q4 2021
Operating profit before investment properties and fair value adjustments	3,972	3,152
Transaction costs from business combination	2,054	2,232
Amortisation and depreciation	6	5
EBITDA adj	6,032	5,389

Debt/EBITDA

Rolling 12 months	Q1 2022	Q4 2021
Interest-bearing loans and borrowings	138,926	118,947
EBITDA adj	6,032	5,389
Debt/EBITDA adj	23.0	22.1

NAV per ordinary share

	Q1 2022	Q4 2021
Equity attributable to Parent Company shareholders	46,964	41,840
Preference capital	2,227	2,227
Hybrid capital & non-controlling interests	7,374	7,341
Deferred tax	12,673	10,281
Equity excluding preference capital	50,036	42,554
Average number of ordinary shares	132,040,000	132,040,000
NAV per ordinary share	379	322

Secured loan-to-value

	Q1 2022	Q4 2021
Interest-bearing secured liabilities	67,122	66,695
Total assets	374,463	355,724
Net loan-to-value, %	17.9	18.7

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	31 Mar 2022	31 Dec 2021	31 Mar 2021
Operating income ¹	581	430	287
Operating cost ¹	-376	-312	-240
Operating profit/loss ¹	205	117	47
Pref A dividend	434	277	277
Common dividend ²	1,809	1,636	1,636
Pref B dividend	1,007	553	553
Dividends from Heimstaden Bostad	3,250	2,465	2,465
Adjusted earnings	3,455	2,582	2,512
Interest expense ¹	-474	-361	-141
Adjusted earnings after interest expense	2,982	2,221	2,371
Payments on hybrid securities	-301	-241	-244
Adjusted earnings after debt and hybrid instruments	2,681	1,980	2,127

Interest Coverage Ratio (ICR)

SEK million	31 Mar 2022	31 Dec 2021	31 Mar 2021
Adjusted earnings	3,455	2,582	2,512
Interest expense ¹	-474	-361	-141
Interest Coverage Ratio	7.3	7.1	17.9
Payments on hybrid securities	-301	-241	-244
Interest Coverage Ratio including hybrid payments	4.5	4.3	6.5

¹ Figures from Heimstaden AB Parent Company financial statements (unconsolidated).
² Only includes part that has been distribution in cash and not dividend sett-off against the subscription price in new share issue.

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 2022	Q4 2021	Q1 2021
Interest-bearing secured liabilities ¹	1,666	1,622	218
Interest-bearing unsecured liabilities ¹	16,830	16,709	7,833
Interest-bearing liabilities	18,496	18,331	8,051
Cash and cash equivalents ¹	-2,788	-980	-3,640
Net interest-bearing debt	15,708	17,351	4,411
Heimstaden Bostads net asset value	185,738	182,241	104,761
Equity attributed to Heimstaden Bostad's hybrid securities and non-controlling interests	42,202	34,510	21,863
Heimstaden Bostads adjusted net asset value	143,536	147,732	82,898
Heimstaden share of capital, %	45.6	41.0	45.3
Heimstaden share of capital	65,383	60,624	37,525
Investment properties ¹	5,380	5,083	622
Relevant assets	70,763	65,707	38,147

¹ Difference between Heimstaden AB and Heimstaden Bostad consolidated figures excluding deferred charges.

Net Loan-to-Value

SEK million	Q1 2022	Q4 2021	Q1 2021
Net interest-bearing debt	15,708	17,351	4,411
Relevant assets	70,763	65,707	38,147
Net loan-to-value, %	22.2	26.4	11.6

Liquidity Reserves

SEK million	Q1 2022
Cash and cash equivalents ¹	2,788
Unutilised credit commitment	1,000
Total	3,788
Estimated interest expense (12-months forward)	-557

¹ Figures from Heimstaden AB Parent Company financial statements (unconsolidated).

Standalone Funding Overview

Standalone Financial Policy

	Policy	Q1 2022
Net Loan-to-Value	≤30	22.2
Interest Coverage Ratio, rolling 12 months, multiple	≥2.0	7.3
Interest Coverage Ratio including hybrid bonds, rolling 12 months, multiple	≥1.5	4.5

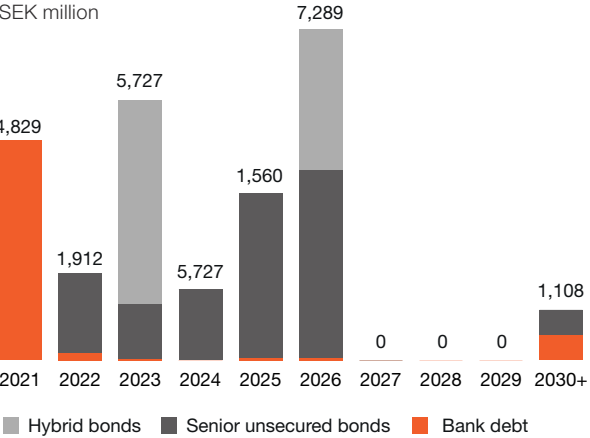
As at 31 March 2022, Heimstaden had outstanding senior unsecured bonds amounting to SEK 11,903 million, listed on Nasdaq Stockholm

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 bps	2021-02-26	2026-03-09
EUR	400	Fixed	437 bps	2021-09-02	2027-03-06

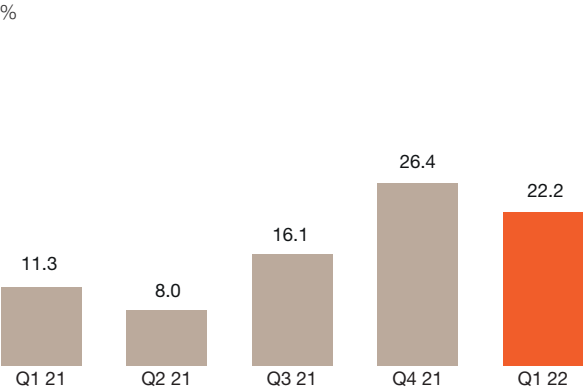
As at 31 March 2022, Heimstaden had outstanding perpetual hybrid bonds amounting to SEK 7,374 million, listed on Nasdaq Stockholm

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
EUR	300	Fixed	675 bps	2021-10-15	2027-01-15

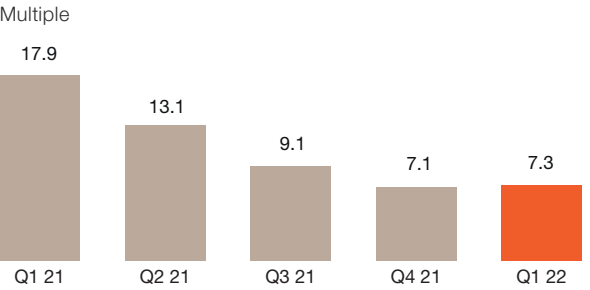
Funding Maturity Profile



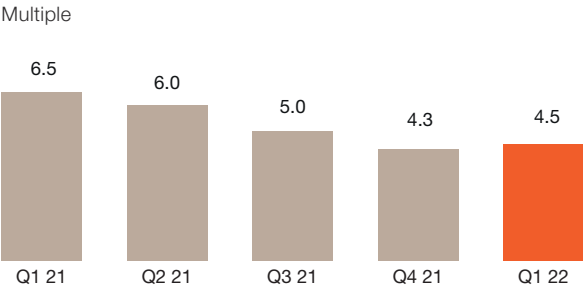
Net Loan-to-Value



Interest Coverage Ratio



Interest Coverage Ratio incl. 100% hybrid



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The second quarter report will be published on 19 August 2022.

Heimstaden

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