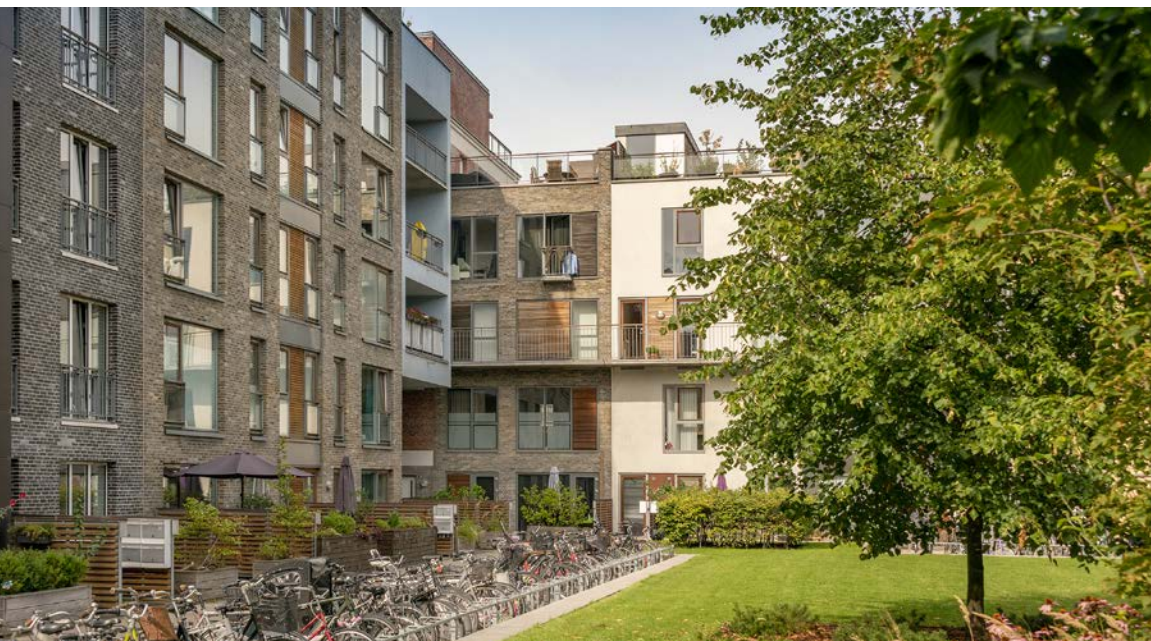


2019

Heimstaden Bostad AB
Year-end report
JANUARY – DECEMBER



Heimstaden

Key data

January – December 2019

OPERATIONAL

Rental income

SEK **4,321** million

2018, SEK 3, 231 million (up 34%)

Value change
in propertiesSEK **4,834** million

up 4.4% in 2019

Net operating income

SEK **2,403** million

2018, SEK 1, 751 million (up 37%)

Real letting ratio
for housing**99.1**%

2018, 98.4%

Surplus ratio

55.6%

2018, 54.2%

Cash flow from opera-
ting activitiesSEK **1,017** million

2018, SEK 396 million

FINANCIAL

S&P rating

BBB-
Positive outlook

Equity

SEK **57.5** billion

2018, SEK 31.9 billion (up 80%)

Loan-to-value ratio

45%

2018, 51%

Loan-to-value ratio,
secured loans**33**%

2018, 35%

Interest coverage ratio

2.5_x

2018, 2.7x

Cash and
cash equivalentsSEK **4,345** million

2018, SEK 2, 313 million

PROPERTIES

Investment properties

SEK **113** billion

2018, SEK 72 billion (up 57%)

Market value of Heimstaden Bostad's
property portfolio.

Proportion living area

91%

2018, 89%

Heimstaden Bostad's property portfolio
consists mainly of housing.

Area

4,013 thousand m²2018, 2, 628 thousand m² (up 53%)

Living area

3,661 thousand m²

2018, 2, 329 (up 57%)

Number of apartments

54,863

2018, 37, 337 (up 47%)

Number of premises

2,748

2018, 1, 995 (up 38%)

Property pictured on front cover: Lindholm, Copenhagen

The period in brief

January – December 2019

- Rental income for the period increased to SEK 4,321 million (3,231)
- The real letting ratio for housing was 99.1 percent (98,4)
- Net operating income for the period increased to SEK 2,403 million (1,751)
- Cleared of unrealised currency effects in the Parent Company, profit from property management amounted to SEK 1,221 million (940)
- Changes in values of properties amounted to SEK 4,834 million (2,562)
- Profit for the period amounted to SEK 4,460 million (3,023)
- Property acquisitions during the period amounted to SEK 33,261 million (24,737)
- Profit per ordinary share amounted to SEK 1,176 (795)

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

Equipped for the next step

In a few years time, as we look back at 2019, I think we will remember it as a very important year for Heimstaden Bostad. We made several decisions that will have a great impact on how the Company develops as we move ahead. This applies, not least, to our decision to view most of Europe as our home market. In recent years, we have built up a strong Scandinavian player, which also has an extensive presence in the Netherlands and a bridgehead in Germany. We are now turning our attention to additional markets and opportunities.

In October, a revised shareholder agreement was signed, opening the way for the Company to bring in more long-term institutional shareholders. Accordingly, we were able to announce in December that the Folksam Group will become the second-largest institutional shareholder in Heimstaden Bostad through its companies Folksam Sak, Folksam Liv and KPA Pension. This strengthens our capital base but also serves as a stamp of quality for our operations. The fact that several valuation-driven and long-term players have chosen to become shareholders

reflects the level of quality and stability that we have built up together in Heimstaden Bostad.

The revised shareholder agreement also entailed Heimstaden Bostad acquiring the last of the properties directly owned by Alecta, as well as most of Heimstaden's remaining property portfolio. The agreement also included a new share issue of SEK 9.5 billion directed at Heimstaden AB and Alecta. Subsequently, in November, Heimstaden Bostad issued EUR 800 million in hybrid bonds in the European capital market. Combined, the addition of our new shareholders, the increased undertakings of the existing ones, and the issuing of bonds mean that Heimstaden Bostad now enjoys even greater opportunities, both to make strategic acquisitions and to develop the existing portfolio by means of renovations or supplementary new production.

In the second half of the year, we invested considerable effort into the acquisition, that we presented in early 2020, of slightly fewer than 43,000 apartments in the Czech Republic. Although I have received a number of questions regarding the choice of market, in my view the Czech Republic has favourable infrastructure, a very good labour market and other important drivers of development of a standard comparable to Sweden. We saw the opportunity to acquire a well-managed company with a favourably composed and attractive portfolio, as well as advanced systems for property management and customer service. It also applies a customer philosophy that is, in many ways, similar to our own. The acquisition is the largest in Heimstaden Bostad's history in terms of the number of units and has provided us with valuable knowledge prior to entering our next new market. I see a strength in our now having the capacity to make really large acquisitions, while our entrepreneurial culture means that we also do not miss opportunities to acquire individual properties complementing our existing portfolio. It is important to be able to balance large-scale matters against smaller-scale ones to be able to achieve a favourable risk diversification and long-term profitability.

We are expanding rapidly, but with reflection. As we have chosen to manage our properties with in-house personnel, our values and culture are two of the pillars on which our entire operations rest. With in-house personnel, we own our processes and gain deeper and better insights regarding our buildings and our customers, than we would bringing in external assistance. Our employees' commitment is the most important driving force on Heimstaden Bostad's journey to be as successful as its shareholders and management want it to be.

The final quarter of 2019 turned out to be quite intense and I foresee the positive trend continuing. During the year, Heimstaden Bostad has taken great strides to be able to progress from a market-leading position in a small number of countries to becoming a well-known European player.

Patrik Hall
CEO Heimstaden Bostad





Current earning capacity

In the adjacent table, Heimstaden Bostad presents its earning capacity on a twelve-month basis as per 31 December 2019. Earning capacity is not a forecast for the current year or for the next 12-month period and should only be regarded as a theoretical snapshot and is presented for illustrative purposes only. Current earning capacity does not include an assessment of future trends in rent levels, vacancy rates, property costs, interest rates, changes in value, acquisitions or sales of properties or other factors.

Current earning capacity is based on the properties held as per 31 December 2019 and their financing. Accordingly, the current earning capacity illustrates Heimstaden Bostad's annual earnings on that basis. Consequently, transactions where Heimstaden gains access after 31 December are not included in the calculation.

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

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

Current earning capacity as per 31 December 2019

Amounts in SEK million	
Rental income	5,596
Property costs	-2,329
Net operating income	3,267
Central administration costs	-227
Other operating income	11
Other operating costs	–
Profit from participations in associated companies	–
Profit before financial items	3,052
Financial income	–
Financial costs – interest-bearing liabilities	-1,116
Profit from property management	1,936
Key data	
Surplus ratio, %	58.4
Interest coverage ratio (ICR), multiple	2.7



Significant transactions and events

Heimstaden Bostad's property stocks are managed in five geographical segments – Sweden, Denmark, Norway, Germany and the Netherlands. The total value of Heimstaden Bostad's property portfolio amounted to SEK 113,331 million, excluding agreed acquisitions. Listed below are the significant transactions and events agreed by the Group in the fourth quarter, as well as the significant transactions agreed in earlier periods but where the Group has gained control of the assets in the quarter at hand.

25 October

Heimstaden Bostad AB strengthens its capital base by a total SEK 9.5 billion by means of a new share issue directed at the principal owners, Heimstaden AB and Alecta.

At a property value of SEK 18 billion, Heimstaden Bostad acquires from Heimstaden AB 10,447 residential units and 83 commercial units in the Netherlands, corresponding to 866,171 square metres. The acquisition is financed by means of bank loans and a new share issue.

Heimstaden Bostad signs a letter of intent to acquire the remaining property portfolio of Heimstaden AB, as well as Alecta's residential portfolio in Helsingborg. The agreed property value amounts to a total SEK 2.6 billion. Following satisfactory due diligence, these acquisitions are completed in December.

The shareholders in Heimstaden Bostad have decided to expand the Group's main market from the Nordic countries to encompass most of Europe. To clarify Heimstaden AB's and Heimstaden Bostad's strategies, the intention is for future property investments in the principal market to be made by Heimstaden Bostad.

In addition to previous capital contributions and the equity issued through the aforementioned transactions, Alecta has undertaken to contribute a further SEK 7.5 billion in capital contributions to Heimstaden Bostad in the future, supporting the Company's development.

12 November

Heimstaden Bostad AB issues EUR 800 million in hybrid bonds in the European capital market. The hybrid bond carries an annual fixed interest rate of 3.25 percent, with redemption possible first after 5.25 years.

In accordance with IFRS, the injection of funds is recognised 100 percent as equity and will be used for general corporate purposes. S&P has classified the hybrid as 50 percent equity.

18 December

Folksam-gruppen, Folksam Liv, Folksam Sak and KPA Pension (the "Folksam Group") subscribe for shares Heimstaden Bostad for about SEK 4 billion in a share issue dated 7 January 2020. The remainder of the preferential rights issue totalling SEK 7.2 billion is subscribed by Heimstaden Investment AB.

Following the new share issue, the Folksam Group will become the second-largest institutional investor in Heimstaden Bostad, holding 7 percent of the capital.

23 December

Heimstaden Bostad AB acquires a residential portfolio in Germany comprising 25 properties with 599 apartments, 48 commercial units and 36 parking spaces. The properties are located in Berlin and Bielefeld and comprise a total lettable area of 44,650 square metres.

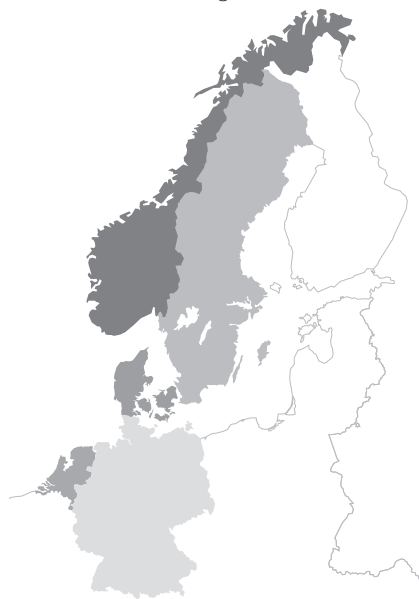
The agreed purchase consideration of SEK 1.32 billion will initially be financed using existing cash balances and thereafter partly using bank financing.





Our segments*

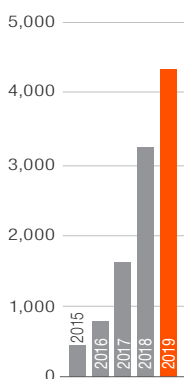
The Group's property portfolio is divided into different geographic administrative segments.



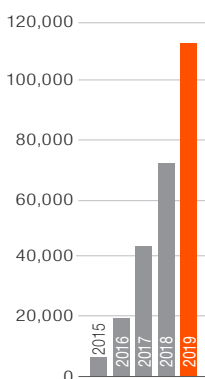
TOTAL HEIMSTADEN BOSTAD (JANUARY – DECEMBER)

	Q4 2019	Q4 2018
Market value, SEK m	113,331	72,329
Rental income, SEK m	4,321	3,231
Net operating income, SEK m	2,403	1,751
Surplus ratio, %	55.6	54.2
Letting ratio, housing (number), %	97.6	97.4
Real letting ratio, %	99.1	98.4
Area, m ²	4,013,270	2,627,931

DEVELOPMENT OF TOTAL RENTAL INCOME, Q4 (SEK M)



DEVELOPMENT OF TOTAL MARKET VALUE, Q4 (SEK M)



Sweden

The Swedish economy continues to develop positively with modest GDP growth, rising disposable income and household consumption. Although unemployment has been declining steadily in recent years, it rose during 2019 to 6.8 percent. Despite relatively high unemployment compared with the OECD average, the employment rate is among the highest in the EU.

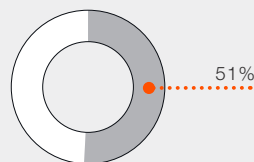
In Sweden, population growth is driving demand for housing, primarily in the metropolitan areas, which are experiencing strong growth due to the global urbanisation trend. Sweden's population has grown by about 1.1 percent annually over the past seven years and the population is now 10.3 million. According to the Swedish National Board of Housing, Building and Planning, 67,000 homes need to be built per year until 2025. The current estimate is that only 52,000 homes were completed in 2019, which represents a significant shortfall.

With residential construction unable to meet demand, the housing shortage is exacerbated. Forecasts shows declining construction of tenant-owned apartments, while rental apartments continue to show favourable pace and demand. In Stockholm, Malmö and Gothenburg, the pace of construction has increased in recent years. By the end of 2019, however, the pace is expected to have fallen in Stockholm and Malmö, while it is expected to have increased in Gothenburg.

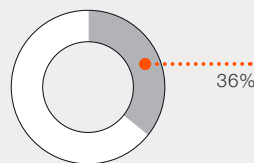
SWEDEN (JANUARY – DECEMBER)

	Q4 2019	Q4 2018
Market value, SEK m	41,241	35,881
Rental income, SEK m	2,222	2,008
Net operating income, SEK m	1,065	979
Surplus ratio, %	47.9	48.8
Letting ratio, housing (number), %	98.4	98.1
Real letting ratio, %	99.6	99.2
Area, m ²	2,011,664	1,917,541

RENTAL INCOME, SHARE OF HEIMSTADEN BOSTAD TOTAL



MARKET VALUE, SHARE OF HEIMSTADEN BOSTAD TOTAL



Denmark

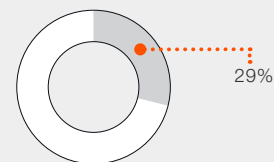
The Danish economy continues to develop well compared with neighbouring countries and GDP growth was solid in 2019. Current forecasts by Danske Bank indicate about 1.3 percent for 2020. In recent years, the labour market has developed positively with decreasing unemployment rates due to the economic upswing. With retirement age rising and strong growth in high-productivity sectors with considerable production abroad, the decline in unemployment has, however, stagnated in recent quarters. The unemployment rate was 3.1 percent in August and this level is expected to remain stable or even rise. The latest estimates for 2019 indicate about 3.7 percent.

Denmark's population is expected to grow from 5.8 million in 2019 to 6.0 million in 2030, an increase of 3 percent. Copenhagen, the main contributor, is expected to grow by about 9 percent. Solid population growth has exacerbated the imbalance in supply and demand, with housing shortages accumulating over time into a significant supply deficiency in the capital region.

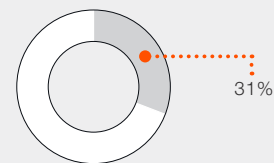
DENMARK (JANUARY – DECEMBER)

	Q4 2019	Q4 2018
Market value, SEK m	34,645	20,927
Rental income, SEK m	1,236	619
Net operating income, SEK m	810	403
Surplus ratio, %	65.5	65.1
Letting ratio, housing (number), %	95.7	94.1
Real letting ratio, %	98.1	96.1
Area, m ²	842,750	494,043

RENTAL INCOME, SHARE OF HEIMSTADEN BOSTAD TOTAL



MARKET VALUE, SHARE OF HEIMSTADEN BOSTAD TOTAL





Nedre gate 8, Norway

Norway

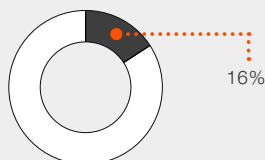
Growth in the Norwegian economy has been strong over the past three years. With expected GDP growth of 1 percent for 2019, capacity utilisation has increased. The highly active oil industry has driven growth and the growing economy creates jobs. Unemployment was at 3.6 percent in 2019, down from 3.8 percent in 2018. Consumer prices developed well in 2019, driven by a weaker NOK and a strong labour market. Inflation for the past 12 months is close to the targeted 2 percent. Household debt ratios and house prices are at high levels, although, over the past two years, growth in debt has fallen to sustainable levels.

Home ownership in Norway is among the highest in Europe, with about 80 percent of inhabitants owning their own homes. Following strong price increases in the residential market in 2016 – 2017, the market has been more subdued and is now growing at a moderate pace with smaller price fluctuations than before. Strong economic growth and numerous property transactions give a healthy market with good levels of activity. The limited supply of rental properties and a few private players with extensive holdings has brought a stable trend in rent levels in recent years.

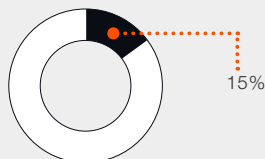
NORWAY (JANUARY – DECEMBER)

	Q4 2019	Q4 2018
Market value, SEK m	17,372	15,521
Rental income, SEK m	689	604
Net operating income, SEK m	433	369
Surplus ratio, %	62.8	61.1
Letting ratio, housing (number), %	97.1	96.6
Real letting ratio, %	98.0	96.7
Area, m ²	222,165	216,347

RENTAL INCOME, SHARE OF HEIMSTADEN BOSTAD TOTAL



MARKET VALUE, SHARE OF HEIMSTADEN BOSTAD TOTAL



Spandau, Germany

Germany

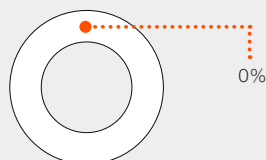
Germany is Europe's largest economy and is noted for its large, export-oriented industrial sector that maintains leading global positions in segments including automotive, machinery and the chemicals industry. German GDP is expected to grow by 0.6 percent for 2019 and the EU commission estimates GDP growth of 1.4 percent in 2020, which would mark the tenth consecutive year of expansion since the financial crisis of 2008–2009. The economic upswing has led to unemployment falling each year, reaching 5 percent in 2019.

Rising purchasing power, combined with a strong urbanisation trend and an influx of more than 1.7 million refugees since 2015 have resulted in considerable pressure on the housing market. Despite recent years' favourable economic performance, rent increases (about 5 percent annually in 2017 and 2018) have exceeded nominal wage increases. With capital values falling short of rapidly rising compensation levels, new construction has not increased at the same rate as the rising demand for housing. Political discussions are being held regarding a potential tightening of existing rent regulations or the introduction of new ones to restrain rent rises on existing housing stocks until the supply of new homes is sufficient.

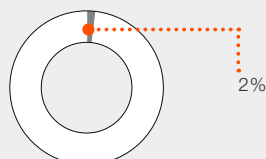
GERMANY (JANUARY – DECEMBER)

	Q4 2019	Q4 2018
Market value, SEK m	2,292	–
Rental income, SEK m	1	–
Net operating income, SEK m	1	–
Surplus ratio, %	58.8	–
Letting ratio, housing (number), %	99.2	–
Real letting ratio, %	100.0	–
Area, m ²	72,479	–

RENTAL INCOME, SHARE OF HEIMSTADEN BOSTAD TOTAL



MARKET VALUE, SHARE OF HEIMSTADEN BOSTAD TOTAL



Utrecht, Netherlands

Netherlands

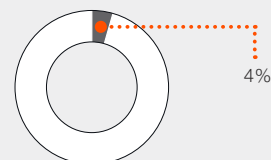
The Netherlands is ranked as one of the most stable and competitive economies. According to the Global Competitiveness Report 2019, issued by World Economic Forum, it is Europe's most competitive economy. The country is characterised by high disposable income and a highly educated workforce. Unemployment is significantly lower than the EU average and was 4.3 percent for 2019, compared with the EU average of 6.3 percent.

Demand for residential properties in the Netherlands is driven by a growing number of households while supply is constrained by limited construction, exacerbating the housing shortage. The attractive fundamentals, in both a macro perspective and with regard to the housing market, have boosted interest in housing investment in the country. This is reflected in investment volumes. In 2018, EUR 8.5 billion was invested in the housing sector – a considerable increase from EUR 5.2 billion in 2017. There is no sign of a slowdown in 2019 and most forecasts indicate a record year.

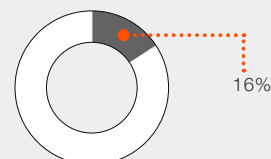
NETHERLANDS (JANUARY – DECEMBER)

	Q4 2019	Q4 2018
Market value, SEK m	17,781	–
Rental income, SEK m	173	–
Net operating income, SEK m	93	–
Surplus ratio, %	54.0	–
Letting ratio, housing (number), %	96.9	–
Real letting ratio, %	99.1	–
Area, m ²	864,212	–

RENTAL INCOME, SHARE OF HEIMSTADEN BOSTAD TOTAL



MARKET VALUE, SHARE OF HEIMSTADEN BOSTAD TOTAL



Consolidated Statement of Comprehensive Income

Amounts in SEK million	Note	2019 12 months Jan–Dec	2018 12 months Jan–Dec	2019 3 months Oct–Dec	2018 3 months Oct–Dec
Rental income	4	4,321	3,231	1,291	928
Property costs	5	-1,919	-1,480	-627	-478
Net operating income		2,403	1,751	664	450
Central administration costs		-193	-140	-66	-35
Other operating income		11	14	1	6
Other operating costs		-46	-13	-35	-11
Profit from participations in associated companies		88	–	88	–
Profit before financial items		2,263	1,611	652	411
Financial income	6	35	26	25	12
Financial costs – interest-bearing liabilities	6	-923	-597	-196	-129
Other financial income		6	–	6	–
Other financial costs		-158	-101	-105	-101
Financial costs, right-of-use assets		-1	–	-1	–
Currency gains and losses		-241	203	-139	297
Profit from property management		980	1,142	242	490
Change in value of investment properties	7	4,834	2,562	1,509	585
Changes in the value of financial instruments	8	39	11	324	-19
Profit before tax		5,853	3,715	2,075	1,057
Current tax		-200	-135	-63	-52
Deferred tax		-1,193	-557	-456	-304
Profit for the period		4,460	3,023	1,556	700
Other comprehensive income		279	-442	-795	-872
Comprehensive income		4,740	2,581	761	-172

Rental income

Rental income for the period amounted to SEK 4,321 million (3,231). This corresponds to a 34 percent increase. The increase in income is primarily attributable to property acquisitions in Denmark and the Netherlands. For the housing stocks, the average rental income was SEK 1,418 per square metre of time-weighted area (1,377). The increase was driven primarily by rent increases and the rent level per square metre being higher for acquisitions in Denmark compared with the average for the portfolio.

The letting ratio for housing was 97.6 percent (97.4) for the period. Adjusted for the intentionally vacated apartments, the real letting ratio was 99.1 percent (98.4).

Property costs

Total property costs amounted to SEK 1,919 million (1,480). The change is mainly attributable to an increased volume of properties. For the housing stocks, property costs averaged SEK 631 per square metre of time-weighted area (631).

Net operating income

Net operating income amounted to SEK 2,403 million (1,751) for the period, corresponding to an increase of 37 percent and surplus ratio of 55.6 percent (54.2). The higher surplus ratio is primarily attributable to acquisitions in Denmark and measures to optimise operations.

Central administration costs

Central administration costs amounted to SEK 193 million (140). The increase was mainly attributable to the growth of the organisation as a consequence of a larger property portfolio.

Financial costs – interest-bearing liabilities

Financial costs for the period amounted to SEK 923 million (597). The increase is mainly attributable to a larger loan portfolio as a consequence of a larger property portfolio. On the balance sheet date, the average interest rate on total borrowing, derivatives and charges for unutilised credits amounted to 1.9 percent (1.8). The increase is mainly explained by differences in the spread between bonds and bank loans, changes in underlying base interest rates and increased interest rate hedging. At the end of the period, Heimstaden Bostad's interest rate hedging ratio was 70 percent (55).

The rolling 12-month interest coverage ratio was 2.5 (2.7). The change is mainly attributable to a higher average interest rate and a higher loan-to-value ratio over the year. On 30 August, a new share issue for SEK 3,000 million was implemented, with the proceeds partly being used to redeem loans with relatively high interest rates. This has yet to achieve full effect on the rolling 12-month interest coverage ratio.

The interest rates on approximately 30 percent (40) of the loan portfolio will change within a year. All other things being equal, a change in the base rate (Stibor, Cibor, Nibor, Euribor) by 1 percent, at any given time, would, adjusted for the interest rate hedges secured, increase Heimstaden Bostad's interest cost, by approximately SEK 147 million (152) annually in the event of an increase, and decrease it by approximately SEK 27 million (24) in the event of a decline.

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

Other financial costs

Other financial costs pertain primarily to costs of a non-recurring nature related to new borrowings and redemption of loans.

Currency gains and losses

Currency gains and losses amounted to a net loss of SEK 241 million (gain 203) and relate primarily to unrealised exchange rate differences on cash and cash equivalents, and to receivables and liabilities in the Parent Company.

Profit from property management

Profit from property management was SEK 980 million (1,142). The lower profit is mainly attributable to unrealised exchange rate effects. Cleared of currency effects, profit from property management increases by approximately 30 percent.

Changes in the value of financial instruments

In accordance with the established financial policy and interest rate hedging strategy, Heimstaden Bostad uses interest rate derivatives and basis swaps to manage the Group's interest rate and currency risks. The change in value related to changes in market interest rates during the period amounted to SEK 39 million (11). Currency effects related to currency hedging of the Parent Company's bonds are reported on the line Currency gains and losses.

Change in value of investment properties

After currency adjustment, the total change in value of properties amounted to SEK 4,834 million (2,562) in the Income Statement. Combined, the unrealised change in value amounted to SEK 4,780 million (2,711) in the balance sheet. This corresponds to a 4.4 percent increase in value over the year. All of Heimstaden Bostad's geographical segments developed positively over the year. The changes in value are primarily explained by a lower yield requirement in the existing stocks, as well as measures to optimise operations. The yield requirement in the valuation averaged 3.63 percent, which compares with 3.75 percent at the end of 2018. Cleared of the mix effect associated with the acquisition of the Dutch portfolio, the direct yield requirement was in line with the third quarter.

Tax

The positive development in the value of Heimstaden Bostad's property stocks over the year has resulted in an increased deferred tax liability, impacting earnings negatively by SEK 1,193 million (557). Current tax amounted to SEK 200 million (135).

Other comprehensive income

Other comprehensive income consists of currency translation differences arising from the consolidation of the Group's foreign subsidiaries and amounted to SEK 279 million (loss 442).

Consolidated Statement of Financial Position

Amounts in SEK million	Note	31 Dec 2019	31 Dec 2018
Assets			
Non-current assets			
Investment properties	9	113,331	72,329
Leases, right-of-use		817	–
Financial derivative instruments	10	–	18
Other financial non-current assets		843	150
Total non-current assets		114,991	72,497
Current assets			
Development properties and tenant-owned apartments in progress		865	680
Accounts receivable		12	17
Other current receivables		1,058	575
Prepaid costs and accrued income		294	201
Cash and cash equivalents		4,345	2,313
Total current assets		6,573	3,786
TOTAL ASSETS		121,564	76,283



Investment properties

On the balance sheet date, Heimstaden Bostad's property portfolio had a market value of SEK 113,331 million, compared with SEK 72,329 million at the end of 2018. During the period, properties were acquired for a value of SEK 33,261 million. Of these investments, 60 percent were made in the new markets of the Netherlands and Germany. Another 40 percent was invested in existing markets, primarily Denmark. Total unrealised changes in value for the period amounted to SEK 4,780 million (2,711). The remaining change in the carrying amount of the property portfolio comprised property sales, investments in existing stocks and exchange rate effects.

For a more detailed description of Heimstaden Bostad's methodology for valuing properties, see pages 100-102 of the Heimstaden Bostad 2018 Annual Report.

Other financial non-current assets

Other financial non-current assets consist primarily of participations in associated companies and receivables from them.

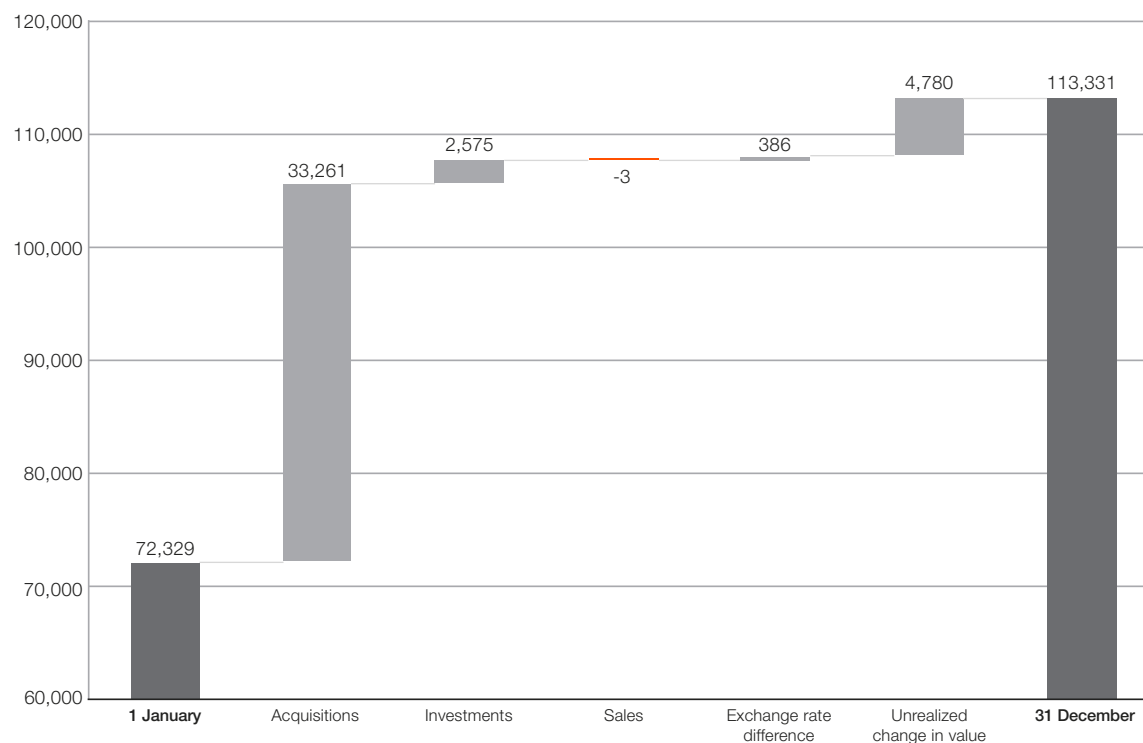
Development properties and tenant-owned apartments in progress

In connection with the acquisition of Norwegian investment properties, building rights and ongoing construction projects were also acquired. The item, amounting to SEK 865 million (680), concerns the development of condominium apartments in Oslo that are to be divested upon completion.

Other current receivables

Other current receivables pertain primarily to a deposit for the acquisition of the Czech property portfolio "Residomo" and financing of new construction projects.

DEVELOPMENT OF INVESTMENT PROPERTIES FOR THE YEAR, SEK MILLION



Consolidated Statement of Financial Position

Amounts in SEK million	Note	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES			
Equity		57,548	31,925
LIABILITIES			
Non-current liabilities			
Interest-bearing secured liabilities		39,543	26,079
Interest-bearing unsecured liabilities		14,066	14,558
Financial leasing		818	–
Financial derivative instruments	10	65	–
Deferred tax liabilities		2,526	1,356
Total non-current liabilities		57,018	41,993
Current liabilities			
Interest-bearing secured liabilities		1,137	957
Interest-bearing unsecured liabilities		4,000	–
Accounts payable		293	295
Current liabilities		228	119
Other current liabilities		819	620
Accrued costs and prepaid income		521	375
Total current liabilities		6,998	2,365
TOTAL EQUITY AND LIABILITIES		121,564	76,283

Consolidated Statement of Changes in Equity

Amounts in SEK million	Share capital	Other capital contributions	Hybrid bond	Retained profit	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity, 31 Dec 2017	19	15,245	–	2,801	18,066	–	18,066
Dividend				-138	-138		-138
New share issue	6	2,848			2,854		2,854
New share issue Pref B	1	8,559			8,560		8,560
Change in taxation				2	2		2
Other comprehensive income				-442	-442		-442
Profit for the period				3,023	3,023		3,023
Equity, 31 Dec 2018	26	26,653	–	5,245	31,925	–	31,925
New share issue	7	13,194			13,202		13,202
Dividend			-55	-829	-884		-884
Issue of hybrid bond			8,523		8,523		8,523
Issue costs			-9		-9		-9
Non-controlling interests						52	52
Other comprehensive income				279	279		279
Profit for the period			55	4,398	4,453	7	4,460
Equity, 31 Dec 2019	34	39,847	8,514	9,094	57,489	59	57,548

Interest-bearing liabilities

At the end of the period, Heimstaden Bostad's loan-to-value ratio was 45 percent (51). Of the total interest-bearing liabilities, 69 percent were loans secured by property mortgages, giving a loan-to-value ratio for secured loans of 33 percent (35).

The total loan portfolio amounted to SEK 58,746 million (41,593) on the balance sheet date. Of this amount, 31 percent (26) pertains to debenture loans, 34 percent (36) to mortgages and 35 percent (39) to traditional bank loans. There are also unutilised lines of credit of SEK 10,269 million (7,043).

The average period for which capital is tied up regarding Heimstaden Bostad's interest-bearing liabilities amounted to 10.5 years (8.1). The largest proportion of loan maturities within an individual year will occur in 2021 (2020) and accounts for 16 percent (28) of the total portfolio. The average period of fixed interest, including the effect of derivatives, amounts to 2.7 years (2.6).

Deferred tax

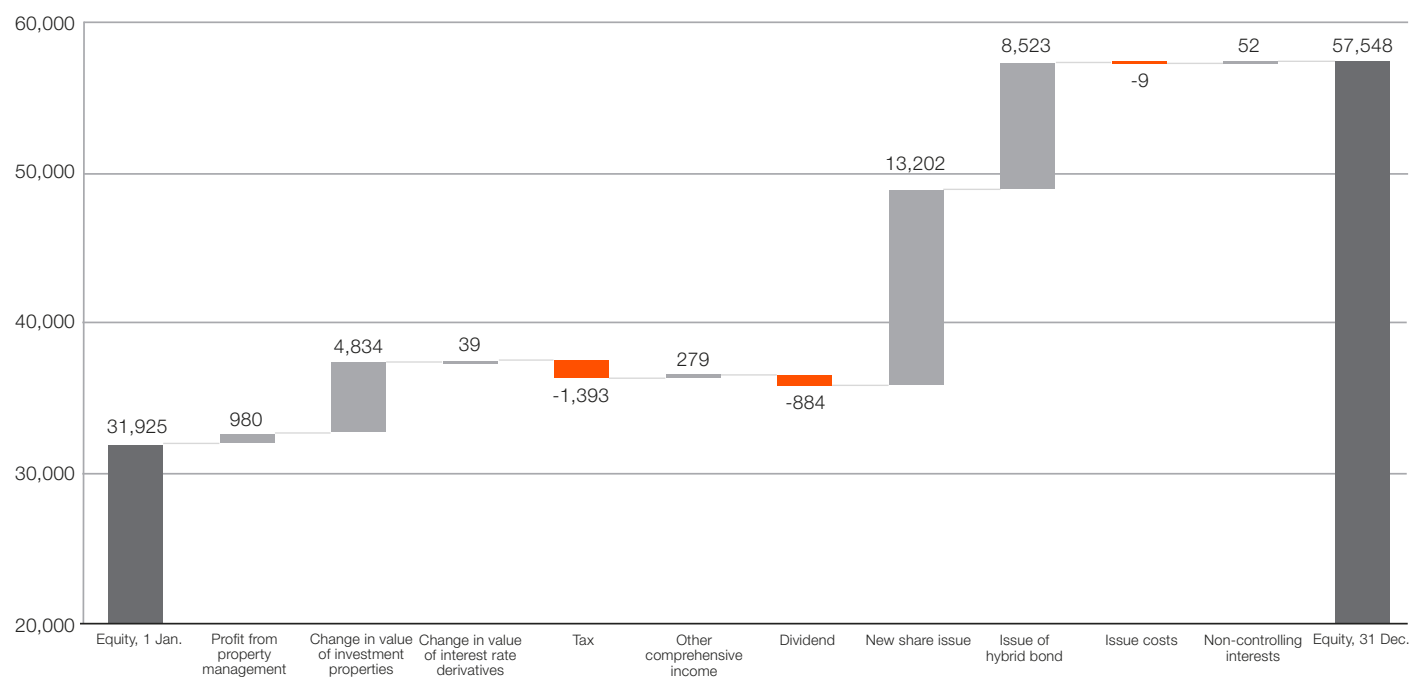
The positive value trend in Heimstaden Bostad's property portfolio brought an increased deferred tax liability, amounting on the balance sheet date to SEK 2,526 million (1,356).

Equity

Equity amounted to SEK 57,548 million (31,925), giving an equity /assets ratio of 47 percent (42). The change in equity over the period is attributable to changes in value in the property portfolio, a new share issue and an issue of hybrid bonds.

Heimstaden Bostad is exposed to currency risk in EUR, DKK and NOK. This risk is associated with the foreign operations and to cash and cash equivalents and financing in the Parent Company. The Parent Company's debenture loans in EUR have been hedged through swaps to the same currency as the assets that the loans are intended to finance. The currency risk associated with the foreign operations is limited to net capital in each currency.

EQUITY DEVELOPMENT OVER THE YEAR, SEK MILLION



Consolidated Cash Flow Statement

Amounts in SEK million	2019 12 months Jan–Dec	2018 12 months Jan–Dec	2019 3 months Oct–Dec	2018 3 months Oct–Dec
Operating activities				
Profit before tax	5,853	3,715	2,075	1,057
Adjustments for non-cash items:				
– Change in value of investment properties	-4,834	-2,562	-1,509	-585
– Change in value of derivative instruments	-39	-11	-324	19
– Other non-cash items	157	-126	57	-220
Tax paid	-105	-149	20	-77
Cash flow from operating activities before changes in working capital	1,032	867	318	193
Change in working capital				
Change in current receivables	-56	299	20	465
Change in development properties and tenant-owned apartments in progress	–	-883	–	–
Change in current liabilities	41	112	-14	-64
Cash flow from operating activities	1,017	396	324	595
Investing activities				
Property acquisitions	-13,909	-13,994	-8,317	7,778
Investment, properties	-2,549	-1,265	-704	-1,100
Acquisitions of other non-current assets	–	-158	–	301
Deposits paid for acquisitions	-535	-547	-391	-547
Other receivables, future acquisitions	-375	–	-375	–
Property sales	3	13	–	–
Acquisitions of participations in associated companies	-213	–	-213	–
Change in loans to associated companies	-468	–	-340	–
Change in financial assets	-48	210	-48	–
Cash flow from investing activities	-18,094	-15,741	-10,388	6,431
Financing activities				
New share issue	13,202	11,414	9,500	–
Dividend, preference shares	-829	-138	–	–
Issue of hybrid bond	8,523	–	8,523	–
Interest rate on hybrid bond and issue costs	-65	–	-65	–
Change in interest-bearing liabilities	-1,736	5,738	-5,912	-6,546
Redemption of interest rate derivatives	–	-135	–	-37
Cash flow from financing activities	19,096	16,879	12,047	-6,583
Cash flow for the period	2,018	1,535	1,983	443
Opening cash and cash equivalents	2,313	763	2,381	2,189
Currency effect in cash and cash equivalents	13	15	-20	-24
Closing cash and cash equivalents	4,345	2,313	4,345	2,609

Operating activities

Cash flow from operating activities, before changes in working capital, amounted to SEK 1,032 million (867). The change compared with the corresponding period in the preceding year is mainly explained by a larger property portfolio. After a reduction in working capital of SEK 15 million (471), cash flow from operating activities was SEK 1,017 million (396).

Investing activities

Cash flow from investing activities was negative in the amount of SEK 18,094 million (15,741). The investment activities consist of corporate transactions, property transactions and property investments, of which most are attributable to acquisitions in Denmark and the Netherlands.

Financing activities

Cash flow from financing activities amounted to SEK 19,096 million (16,879). The amount is primarily attributable to the new issue of a hybrid bond and a new share issue.

Cash flow

Cash flow for the period amounted to SEK 2,018 million (1,535) and cash and cash equivalents amounted to SEK 4,345 million (2,313) at the end of the period.



PARENT COMPANY INCOME STATEMENT

Amounts in SEK million	2019 12 months Jan–Dec	2018 12 months Jan–Dec
Central administration costs	-241	-153
Operating profit/loss	-241	-153
Profit before financial items	-241	-153
Dividend	7,405	7,473
Impairment	-4,333	-7,473
Interest income	576	20
Interest costs	-540	-197
Other financial income	–	203
Other financial costs	-304	–
Change in value of interest rate derivatives	-70	-21
Profit from property management	2,493	-148
Group contributions	–	173
Profit before tax	2,493	25
Current tax	-8	-2
Deferred tax	14	-4
Profit after financial items	2,500	19

PARENT COMPANY BALANCE SHEET

Amounts in SEK million	31 Dec 2019	31 Dec 2018
Assets		
Non-current assets		
Shares in subsidiaries	32,758	16,458
Deferred tax receivables	16	2
Receivables from subsidiaries	20,308	14,602
Total non-current assets	53,082	31,062
Current assets		
Receivables from subsidiaries	12,849	12,214
Other current receivables	778	67
Cash and cash equivalents	2,811	1,810
Total current assets	16,439	14,090
TOTAL ASSETS	69,521	45,152
EQUITY AND LIABILITIES		
Equity	48,610	25,279
Non-current liabilities		
Interest-bearing liabilities	–	6,437
Debenture loans	18,066	10,643
Financial derivative instruments	80	10
Non-current liabilities, subsidiaries	2,358	662
Deferred tax	–	–
Total non-current liabilities	20,504	17,751
Current liabilities		
Current liabilities, subsidiaries	288	2,054
Other current liabilities	120	69
Total current liabilities	407	2,122
TOTAL EQUITY AND LIABILITIES	69,521	45,152

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million	Share capital	Other capital contributions	Hybrid bond	Retained profit	Total equity
Equity, 31 Dec 2017	19	12,796	–	1,168	13,983
New share issue	7	11,407			11,414
Dividend, ordinary shares				-138	-138
Comprehensive income for the period				19	19
Equity, 31 Dec. 2018	26	24,203	–	1,049	25,279
New share issue	8	13,194			13,202
Dividend			-55	-829	-884
Issue of hybrid bond			8,523		8,523
Issue costs			-9		-9
Comprehensive income for the period			55	2,444	2,500
Equity, 31 Dec 2019	34	37,397	8,514	2,665	48,610



Note 1 Accounting principles

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

The same accounting and valuation principles and calculation methods have been applied as in the most recent annual report (see pages 92 and 114 of the 2018 Annual Report for Heimstaden Bostad) with the exception of the introduction of IFRS 16 Leasing as of 1 January 2019 and currency effects associated with basis swaps, which, in the interim report have been separated and moved from Changes in the value of financial instruments to Currency gains and losses. Currency effects regarding Group internal loans have also been moved from Other financial costs to Other comprehensive income. Other new and amended standards are not currently expected to affect Heimstaden Bostad's accounts to any significant extent.

New accounting principles

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

According to the new standard, lessees must report the commitment as a lease liability in the balance sheet. The right to use the underlying asset during the leasing period is reported as an asset. Depreciation of

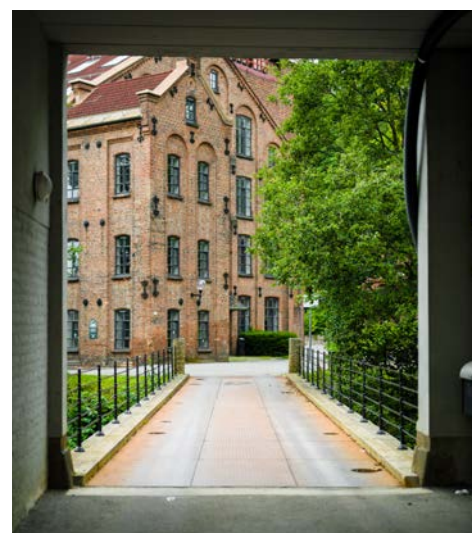
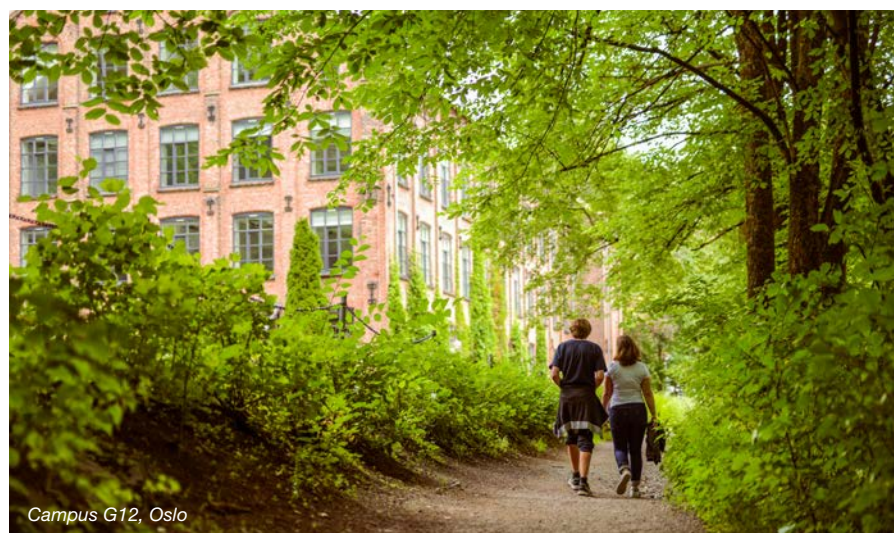
the asset is recognised in the Income Statement, as is interest on the lease liability. Leasing fees paid are reported partly as interest payments and partly as amortisation of the lease liability.

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

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

The cash flow statements are not affected by the introduction of IFRS 16.

Heimstaden Bostad applies the simplified transition method and does not apply the standard retroactively. Accordingly, in accordance with the simplified method, comparison figures for 2018 have not been recalculated.



Note 2 Information about related parties

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

Note 3 Events after the balance sheet date

9 January

Heimstaden Bostad AB announces its acquisition of a Czech housing portfolio through the acquisition of the RESIDOMO Group, comprising 4,515 properties with 42,584 apartments and 1,675 commercial premises. The portfolio properties are located mainly in the Moravia-Silesia region, which is the most densely populated region in the Czech Republic after Prague, the capital city, and encompass a total 2.6 million square metres of lettable space.

At the property level, the purchase consideration agreed amounts to approximately EUR 1.3 billion. The loan-to-value ratio will be maintained at a level supporting the current credit rating as well as efforts to achieve a higher rating. Preliminarily, Heimstaden will gain access to the portfolio on 20 February.

The acquisition includes an operating platform with nearly 500 employees in total. Major renovation and upgrade programmes have been carried out over the past ten years and Heimstaden Bostad will continue to develop and upgrade the portfolio and the management of its properties in accordance with its Friendly Homes concept.

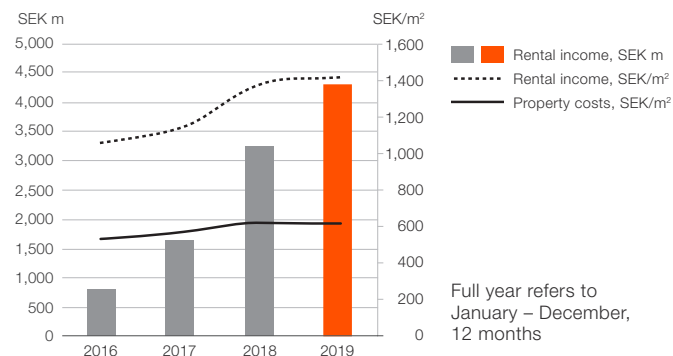
15 January

Heimstaden Bostad issues euro bonds within the framework of existing EMTN programs. The amount issued amounts to EUR 500 million with a maturity of six years and an interest rate of 1.125 percent.

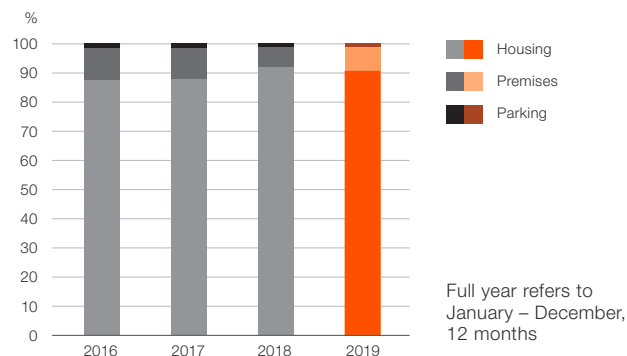


Note 4 Rental income

RENTAL INCOME AND PROPERTY COSTS



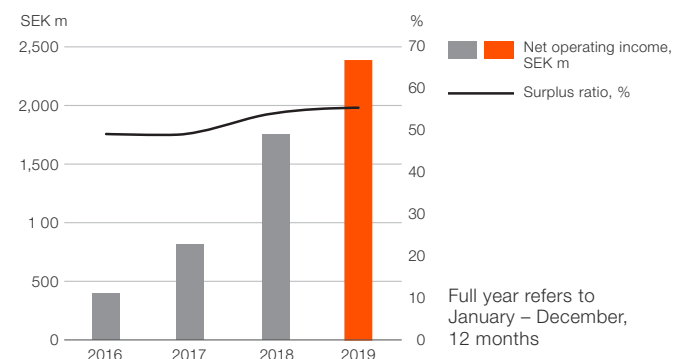
DISTRIBUTION OF RENTAL INCOME



Note 5 Property costs

Amounts in SEK million	2019 12 months Jan–Dec	2018 12 months Jan–Dec	2019 3 months Oct–Dec	2018 3 months Oct–Dec
Operating costs	-1,072	-893	-353	-271
Maintenance and repairs	-409	-270	-106	-96
Property administration	-292	-230	-117	-84
Property tax	-145	-85	-52	-26
Ground rent	–	-2	–	–
Total property costs	-1,919	-1,480	-627	-478

NET OPERATING INCOME AND SURPLUS RATIO



Note 6 Financial income and costs

Risk management, estimation and assessments

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

Heimstaden Bostad's operations, financial position and profit can be affected by a number of risks and uncertainties. These are described on pages 70–73 in the 2018 Annual Report. No significant changes

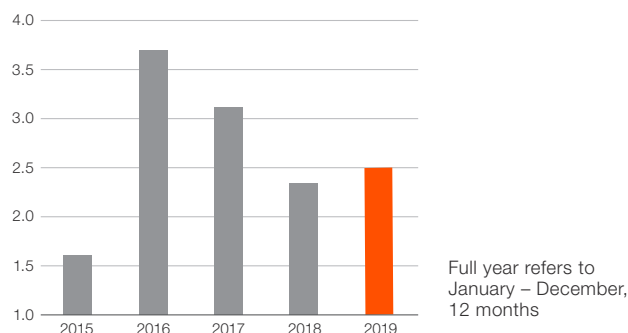
have subsequently occurred affecting the assessment by the Board of Directors and company management.

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

Financial policy	Policy	31 Dec 2019
Interest coverage ratio (rolling 12 months, multiple)	≥ 1.5	2.5
Equity/assets ratio (percent)	≥ 30	47
Capital tied up (months)	≥ 15	125
Loan maturity (percentage in individual year)	≤ 40	16 (2021)
Limitation, individual lenders (percent)	≤ 40	14 (ABN Amro)
Fixed interest (years)	N/A	2.68
Interest rate hedge (percent)	≥ 50	69
Loan-to-value ratio (percent)	45 – 55	45
Quick ratio (percent)*	* ≥ 125	197

* Definition according to S&P guidelines

INTEREST COVERAGE RATIO Q4 (ICR)



31 Dec 2019

Years	Fixed interest, loans			Fixed interest incl. interest rate derivatives ¹⁾		
	SEK m	Share, %	Interest, incl. margin, %	SEK m	Share, %	Interest, incl. margin, %
Within 1 year of the balance sheet date	48,452	82	1.5	17,901	30	2.2
Between 1–5 years of the balance sheet date	9,800	17	3.1	34,039	58	1.9
Later than 5 years from the balance sheet date	494	1	3.2	6,806	12	1.6
Total	58,746	100	1.8	58,746	100	1.9

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

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

0.74 years

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

2.68 years

Note 7 Valuation of investment properties**Yield requirement**

Years	Average	Interval
2018	3.75%	1.04% – 8.50%
Q4 2019	3.63%	0.38% – 10%

Note 8 Change in value of derivatives**Change in market value of derivatives**

Market value of derivatives, 31 Dec 2018	18
Acquired derivatives	-146
Redeemed derivatives	88
Currency effect on derivatives	65
Realised changes in value	58
Unrealised changes in value	-148
Market value of derivatives, 31 Dec 2019	-65

Note 9 Investment properties**Change in market value of investment properties**

	Total	Sweden	Denmark	Norway	Germany	Netherlands
Market value of investment properties, 31 Dec 2018	72,329	35,881	20,927	15,521	–	–
Sales during the period	-3	-3	–	–	–	–
Acquisitions during the period	33,261	1,783	11,023	757	2,059	17,639
Investments during the period	2,575	1,443	893	239	–	–
Currency change	388	–	359	421	-10	-382
Market value after transactions	108,551	39,104	33,202	16,938	2,049	17,257
Unrealised value change	4,780	2,137	1,443	434	243	523
Market value of investment properties, 31 Dec 2019	113,331	41,241	34,645	17,372	2,292	17,781

Note 10 Financial instruments**Change in loan volume**

Interest-bearing loans, 31 Dec 2018	41,593
Repayments on loans	-11,090
Currency exchange effect on loans	325
New borrowing/loans taken over	27,918
Interest-bearing loans, 31 Dec 2019	58,746

Years	Capital tied up, loans		Lines of credit	
	SEK million	Share, %	million	Share, %
Within 1 year of the balance sheet date	5,137	9	0	0
Between 1–5 years of the balance sheet date	31,407	53	10,269	100
Later than 5 years from the balance sheet date	22,201	38	0	0
Total	58,746	100	10,269	100

The average remaining period for which capital is tied up amounts to: 10.5 years

Financing source

	Credit	Secured credits, %	Share, %	Unutilised credit commitment
Bonds	18,066	0	31	–
Mortgages	19,935	100	34	–
Bank loans	20,745	100	35	10,269
Total	58,746	69	100	10,269

Financial instruments**Maturity, interest rate derivatives**

Years	Type	SEK million	Share, %	Interest, % ¹⁾
Within 1 year of the balance sheet date	Paying fixed	4,592	12	0.1
Between 1–5 years of the balance sheet date	Paying fixed	26,882	71	0.2
Later than 5 years from the balance sheet date	Paying fixed	6,231	17	0.5
Total		37,704	100	0.2

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

Financial instruments**Maturity, basis swaps**

Years	Type	SEK million	Share, %	Interest, % ¹⁾
Within 1 year of the balance sheet date	Paying variable	5,223	42	3.2
Between 1–5 years of the balance sheet date	Paying variable	7,313	58	2.8
Later than 5 years from the balance sheet date	Paying variable	–	–	–
Total		12,536	100	3.0

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



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

Malmö, 14 February 2020

Patrik Hall
CEO

Frans Heijbel
Chairman of the Board

Stefan Attefall
Board Member

Magnus Nordholm
Board Member

Ramsay Brufer
Board Member

Christer Franzén
Board Member

John Giverholt
Board Member

Erik Gullestad Glæsel
Board Member

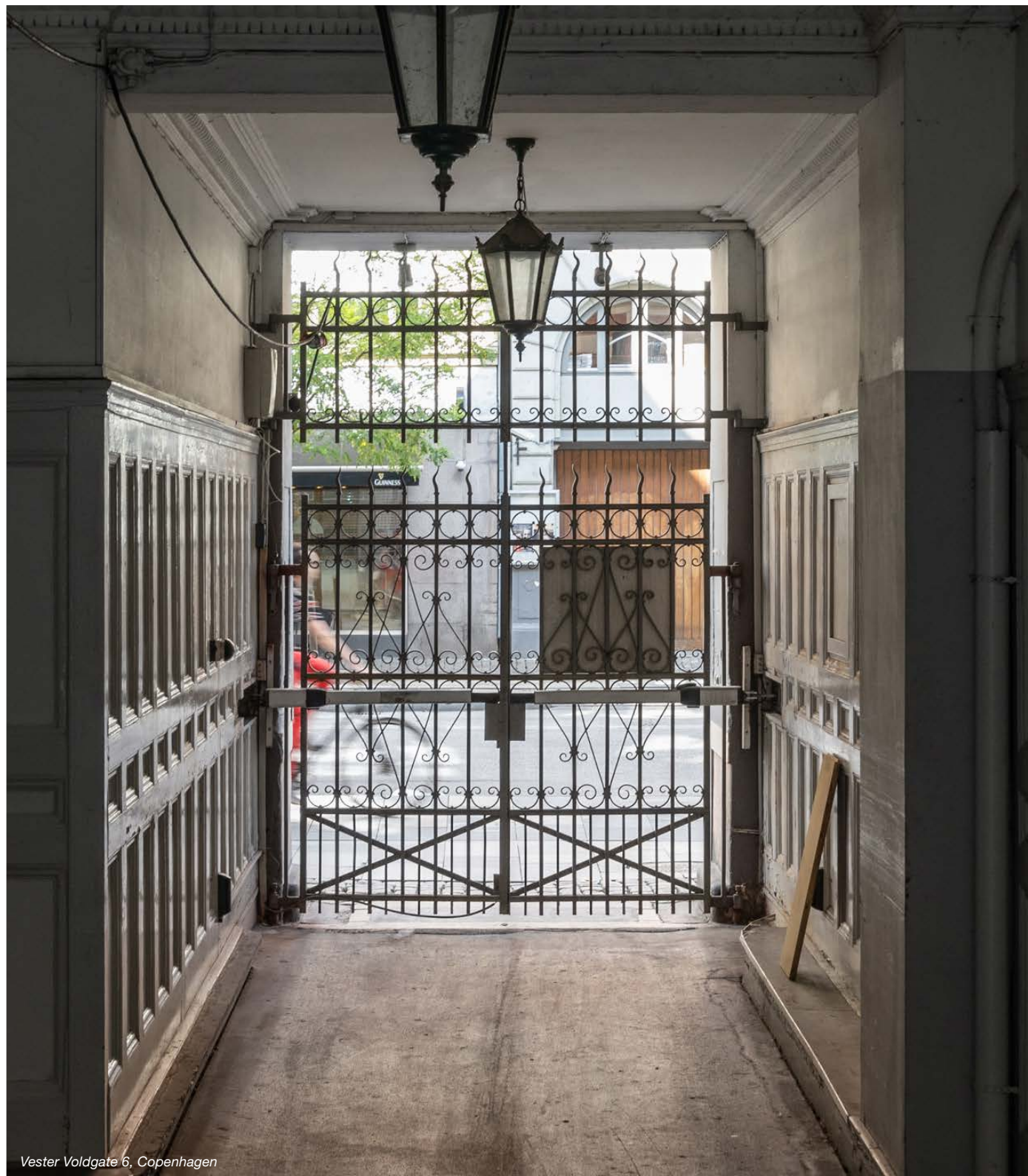
Karmen Mandic
Board Member

Birgitta Stenmark
Board Member

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

Key data

	2019 12 months Jan–Dec	2018 12 months Jan–Dec	2019 3 months Oct–Dec	2018 3 months Oct–Dec
Property-related data				
Rental income, SEK m	4,321	3,231	1,291	928
Letting ratio, housing (number), %	97.6	97.4	97.6	97.4
Real letting ratio, housing (number), %	99.1	98.4	99.1	98.4
Surplus ratio, %	55.6	54.2	51.4	48.5
Acquisitions and property investments, SEK m	33,261	24,737	23,098	3,688
Property sales, SEK m	3	13	–	–
Market value of properties on balance sheet date, SEK m	113,331	72,329	113,331	72,329
Lettable area on balance sheet date, m ²	4,013,270	2,627,931	4,013,270	2,627,931
Number of apartments on balance sheet date	54,863	37,337	54,863	37,337
Proportion living area on balance sheet date, %	91	89	91	89
Financial data				
Cash flow from operating activities, SEK m	1,017	396	324	595
Profit from property management, SEK m	980	1,142	242	490
Interest coverage ratio (ICR), multiple	2.5	2.7	2.5	2.7
Equity/assets ratio, %	47.3	41.9	47.3	41.9
Loan-to-value ratio (LTV), %	44.8	51.5	44.8	51.5
Loan-to-value ratio, secured loans, %	33.5	35.4	33.5	35.4
Quick ratio, %	197	125	197	125
Average interest rate on balance sheet date, %	1.9	1.8	1.9	1.8
Average period of fixed-interest on loans, incl. derivatives, years	2.7	2.6	2.7	2.6
Average period for which capital is tied up, year	10.5	8.1	10.5	8.1
Return on equity, %	11.3	11.4	11.3	11.4
Equity on the balance sheet date, SEK m	57,548	31,925	57,548	31,925
Net asset value on the balance sheet date, SEK m	60,074	33,281	60,074	33,281
Long-term net asset value on the balance sheet date, SEK m	60,139	33,281	60,139	33,281
DEBT/EBITDA, multiple (rolling 12m)	22	21	22	21
Data per share				
Profit per ordinary share, SEK	1,176	795	101	-167
Equity per ordinary share, SEK	2,954	4,425	2,954	4,425
Equity per preference share A, SEK	972,342	1,368,663	972,342	1,368,663
Equity per preference share B, SEK	2,064	103,452	2,064	103,452
Number of ordinary shares outstanding at the end of the period	5,315,502	2,429,449	5,315,502	2,429,449
Number of preference shares A outstanding at the end of the period	200	100	200	100
Number of preference shares B outstanding at the end of the period	16,027,565	203,360	16,027,565	203,360
Average number of ordinary shares outstanding	2,967,125	2,204,519	2,967,125	2,204,519
Average number of preference shares A outstanding	119	100	119	100
Average number of preference shares B outstanding	3,158,201	175,177	3,158,201	175,177



Vester Voldgate 6, Copenhagen

Definitions and glossary

Letting ratio, housing (number), %

Leased housing divided by total number of homes.

Real letting ratio, housing (number), %

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

Surplus ratio, %

Net operating surplus as a percentage of rental income

Proportion living area on balance sheet date, %

Living area divided by total property area.

Interest coverage ratio (ICR), multiple

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

Equity/assets ratio, %

Equity as a percentage of total assets.

Loan-to-value ratio (LTV), %

Net liabilities as a percentage of total assets.

Loan-to-value ratio, secured loans, %

Secured loans as a percentage of total assets.

Quick ratio, %

Cash and bank balances, including available credit facilities divided by forecast net liquidity needs over the ensuing 12 months, in accordance with Standard & Poor's guidelines.



Net liabilities

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

Average interest, %

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

Return on equity after tax, %

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

Net asset value on the balance sheet date, SEK m

Equity plus deferred tax liability.

Long-term net asset value on the balance sheet date, SEK m

Equity with deferred tax liability and interest rate derivatives reversed.

DEBT/EBITDA, multiple

12-month average interest-bearing liabilities divided by profit before financial items with reversal of depreciation.

Equity per ordinary share, SEK

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

Equity per preference share, SEK

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

Profit per ordinary share

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

Definitions and derivation of key ratios can be found at www.heimstadenbostad.com

Financial information

Annual Report 2019, will be published in April 2020

The interim report for January–March 2020 will be published on 30 April 2020

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

The information was submitted for publication under the auspices of the contact persons below at 9:00 a.m. CET on 14 February 2020.

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