

Q2 2022

Heimstaden
BOSTAD



Highlights

- Bought 1,091 homes in Germany and 2,009 homes in Finland.
- Bought the Country Management organisation from Heimstaden AB in July.
- Successful hybrid buyback completed in July funded with equity from shareholders.

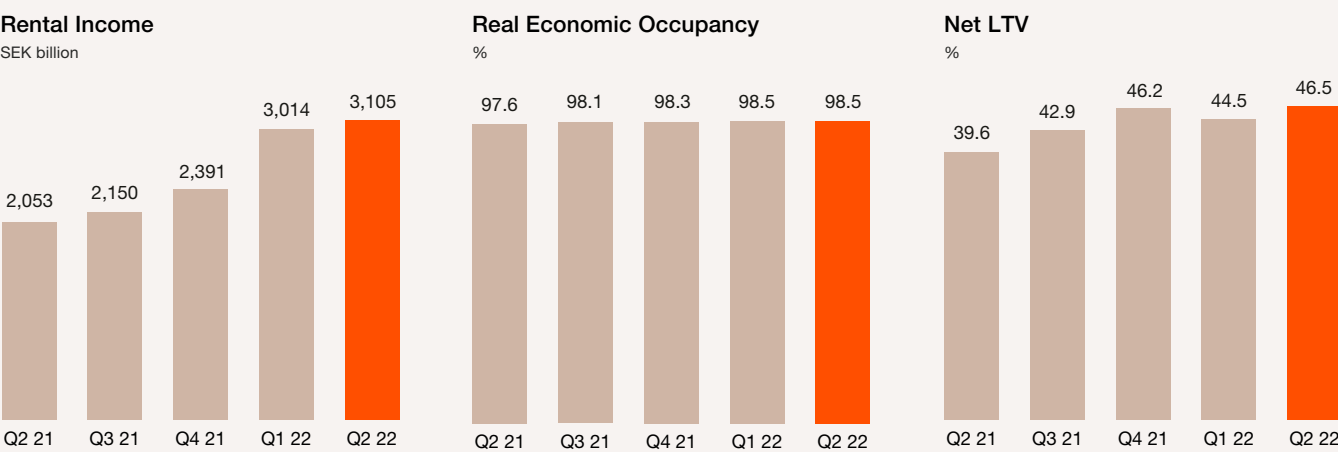
336 billion
Investment Properties, SEK

925 million
Profit, SEK

46.5%
Loan (net)-to-value

4.0x
Interest coverage ratio

Key Figures						
SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Financials						
Rental income	SEK m	3,105	3,014	2,053	6,118	4,066
Growth y-o-y	%	51.3	49.6	28.4	0.5	34.3
Net operating income	SEK m	2,035	1,829	1,328	3,864	2,560
Net operating income margin	%	65.5	60.7	64.7	63.2	63.0
Profit for the period	SEK m	925	8,010	4,642	8,935	8,333
Capital expenditures	SEK m	2,259	2,245	1,407	4,504	2,388
Portfolio Metrics						
Fair value of investment properties	SEK m	335,902	315,843	186,068	335,902	186,068
Homes	Units	153,205	148,764	116,083	153,205	116,083
Real economic occupancy, residential	%	98.5	98.5	97.6	98.5	97.6
Like-for-like rental income growth	%	5.2	5.6	2.1	5.4	1.9
Credit Metrics						
Loan (net)-to-Value (LTV)	%	46.5	44.5	39.6	46.5	39.6
Net debt / Net debt + Equity, S&P method	%	51.7	50.2	48.1	51.7	48.1
Net debt / Total assets	%	41.5	38.4	36.4	41.5	36.4
Interest Coverage Ratio (ICR)	Multiple	4.0	3.9	3.5	4.0	3.5
Interest Coverage Ratio, S&P method	Multiple	2.8	2.7	2.8	2.8	2.8



Continues to Deliver Strong Results

The financial consequences of the war have dominated the headlines the last months, difficulties that come on top of what countries already were experiencing from the pandemic. Central banks are increasing interest rates to fight inflation, and yet again, residential real estate proves to be a resilient asset class.

Our support to Ukrainian refugees continued throughout the quarter. We are housing around 400 Ukrainian families and our partnership with SOS Children Villages helps refugees in and outside Ukraine.

Ukraine is among the biggest suppliers of building materials to the housing sector, and together with the lockdown in China, this has led to challenges in the supply chain and an increase in costs.

The increased costs have also led to cancellation of new development projects around Europe. As we are acquiring turnkey projects, we do not take direct development risk and are well protected through performance guarantees of our counterparties, and thereby not directly affected by the increased costs. In the long term, these challenges can lead to a reduction of newbuilds in the market and exacerbate supply demand imbalances in the housing sector that may increase prices for residential real estate.

Higher interest rates and volatility in the capital markets affect the real estate industry. In addition to closely monitoring the current market development, we are preparing well in advance of any debt maturities with ample access to funding. Through a diversified maturity profile with limited maturities in any given year, and particularly the next 18 months, we are not dependent of refinancing in the capital markets. In July, Heimstaden Bostad successfully completed a buyback of EUR 868 million in hybrid bonds for a total consideration of EUR 649 million fully funded with equity from existing shareholders. The replacement of hybrids with new equity strengthens

our financial metrics and is a testament of the owners' commitment to Heimstaden Bostad.

The residential rental market has proven to be resilient through financial crises and the pandemic and is considered a safe harbour for investors. Our record high occupancy combined with inflation adjusted rental income are important reasons for the strong results in the second quarter.

We have an evergreen perspective and have an ambition to grow in our existing markets. In the current market situation, we continue to monitor the market closely, but are cautious with new investments.

With the acquisition of the operational organisation and a prolonged management agreement with Heimstaden, we have secured a future-proof operational platform for Heimstaden Bostad that strengthens our position as a leading European residential real estate investor.



Patrik Hall
CEO Heimstaden Bostad



Highlighted Sustainability Efforts

Housing of Ukrainian refugees

In Czech Republic, we are accommodating more than 400 Ukrainian families with apartments with basic amenities, and support them in finding jobs, schools, or medical care.

From foster care to an independent home

Through A Home for a Home, the first youths leaving foster care have moved into our apartments in Norway, giving them a safe place to live and a solid foundation to begin their adult lives.

Customers feedback

We have conducted customer surveys in all markets to get feedback on sustainability issues regarding their home and neighbourhood - important to further strengthen our sustainable efforts.

Fuel shifts

So far in 2022, we have done fuel shift on 600 apartments in Czech Republic with the expected reduction of 600 ton in CO₂ emissions in total.

Digitalisation reduces heat use

We have installed digital AI control systems that reduce heat use by more than 15% in additional six buildings in Norway. In total, we have installed the system in 50 properties across our markets.

Replacing heat systems

In Germany, we are replacing older heating systems in several buildings with the average expected reduction of 37% in CO₂ emissions per building.

Anette Konar Riple Appointed Head of Social Sustainability

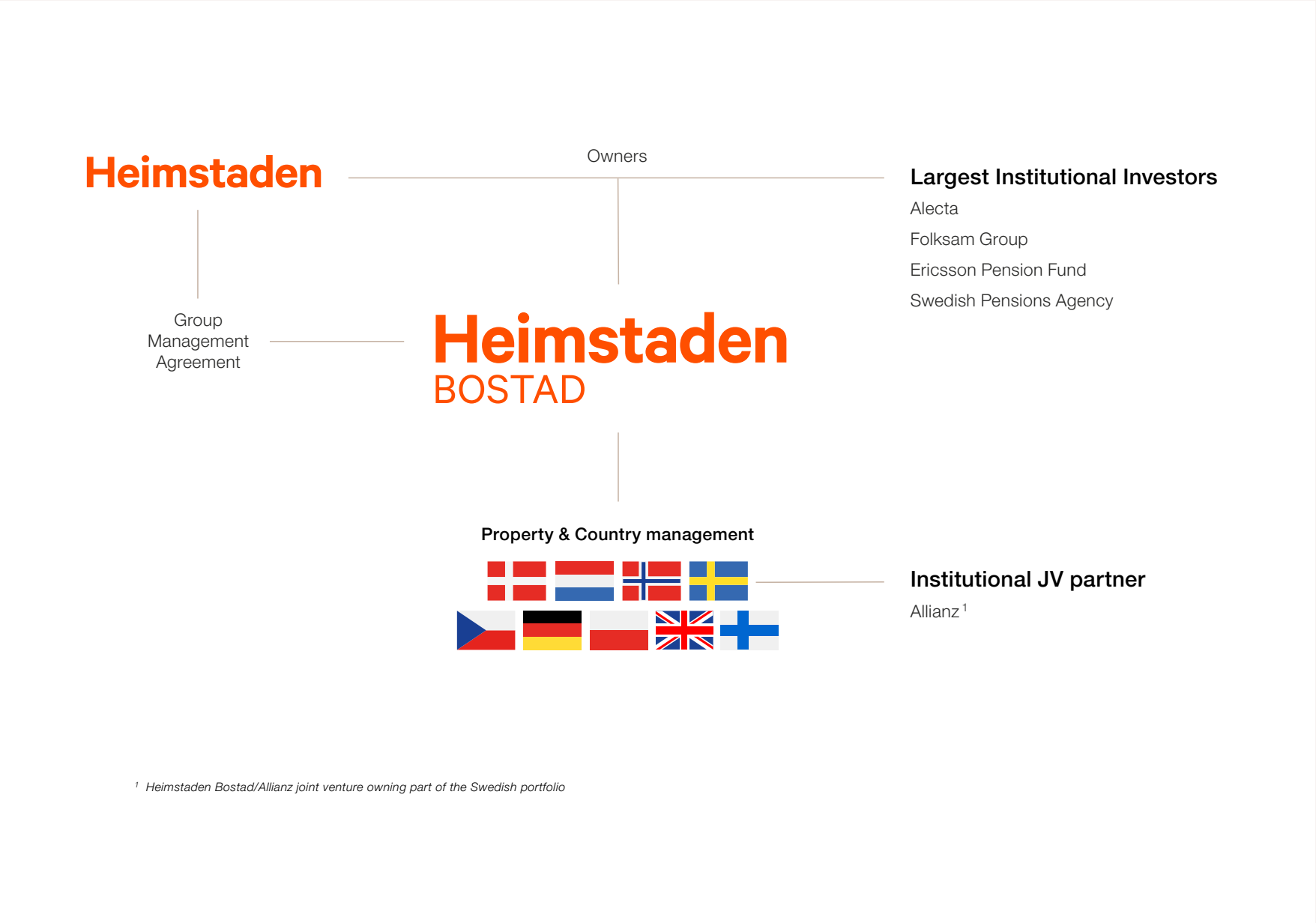
“I am excited to take on the new role as Head of Social Sustainability. Through A Home for a Home, we have proven that we can form strong partnerships and create positive impact well beyond our daily operations. I look forward to further strengthen all the good initiatives across Heimstaden Bostad’s countries”

Anette Konar Riple
Head of Social Sustainability



Simplified Company Structure

Heimstaden Bostad is a leading European residential real estate company, owned by industrial investor, Heimstaden, together with long-term institutional investors who share a philosophy for evergreen and sustainable investments.



Quarterly Review

Figures in brackets refer to the previous quarter.

Income

Rental income increased by 3% to SEK 3,105 million (3,014), driven primarily by acquisitions in Finland and Germany. Service charges paid by tenants decreased to SEK 234 million (326), mainly due to lower heating consumption.

Like-for-like rental income growth was 5.2% (5.6%). The comparable portfolio made up 63% (65%) of rental income.

Residential real economic occupancy was unchanged at 98.5% (98.5%), excluding 1.8% (1.7%) in vacancy due to refurbishments and other non-market related vacancy.

Operating expenses

Utility expenses decreased to SEK 332 million (511), mainly due to seasonal effects related to lower 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 to SEK 185 million (265). Costs for facility and property management increased to SEK 526 million (463).

Capital expenditures and Repair & Maintenance

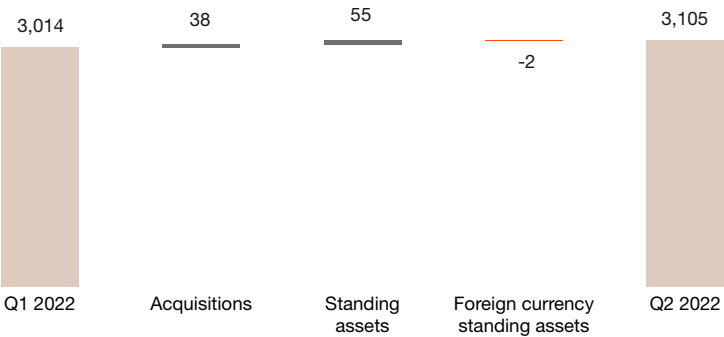
Total expenditure in standing assets increased to SEK 1,563 million (1,265), corresponding to 0.47% of fair value (0.40%), while investments in properties under construction, excluding forward purchase contracts, decreased to 0.28% of fair value (0.39%), due to a lower activity going into the summer regarding forward funding acquisitions. For more details, see page 8.

SEK million	Q2 2022	Q1 2022	YTD 2022	YTD 2021
Income statement items				
Expenses for repair & maintenance ¹	240	263	503	356
Balance sheet items				
Capitalised repair & maintenance	1,060	689	1,749	1,010
Tenant improvements	263	313	576	495
Expenditure on standing assets	1,563	1,265	2,828	1,861
Investment properties under construction	936	1,243	2,179	883
Capital expenditures	2,259	2,245	4,504	2,388

¹ Excluding group eliminations, see Note 3.

Real Economic Occupancy

%



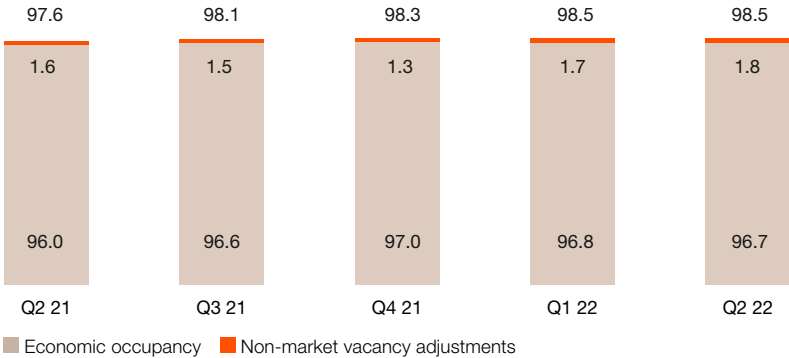
Property Cost Development

SEK billion



Real economic occupancy residential

%



Net operating income

Net operating income grew by 11.3% to SEK 2,035 million (1,829), resulting in a net operating income margin of 65.5% (60.7%), mainly driven by the seasonality in utility costs and positively impacted by acquisitions.

Change in fair value of investment properties¹

SEK million	Q2 2022		YTD 2022	
	%	SEK million	%	SEK million
Sweden	-0.2	-180	0.9	873
Germany	1.9	1,519	6.5	5,032
Denmark	0.6	455	2.5	1,805
Netherlands	2.1	631	5.5	1,619
Czech Republic	4.9	990	10.3	1,984
Norway	1.1	234	6.8	1,325
Finland	4.2	86	12.2	230
United Kingdom	3.6	119	6.5	209
Total	1.2	3,853	4.1	13,077

¹ For more information regarding fair value assessments, see Note 7.

Net gain from fair value adjustments on investment properties was SEK 3,853 million (9,224) corresponding to 1.2%. The yield requirement in the valuation averaged to 2.92%, down from 2.93% at the end of the previous quarter.

Interest expenses

Interest rate expenses decreased to SEK 415 million (468), and the average interest rate was steady at 1.1% (1.1%). At the balance sheet date the interest rate hedge ratio was 77% (76%). The interest coverage ratio for the last 12 months increased to 4.0x (3.9x).

Other financial items

Other financial items was negative SEK 1,828 million (161), driven by unrealised value change of quoted equity investments. See note 12 for more details.

Foreign currency

Heimstaden Bostad has holdings and operations in SEK, EUR, DKK, NOK, CZK, PLN and GBP and currency fluctuations gave other comprehensive income of SEK 4,435 million (1,917), which was partially offset by SEK 2,309 million in foreign exchange loss (loss 658), mainly related to bonds issued in foreign currency. For more details, see note 6.

Cash Flow

SEK million	Q2 2022	Q1 2022	YTD 2022	YTD 2021
Operating activities	1,122	440	1,562	1,096
Investing activities	-9,741	-4,931	-14,671	-18,803
Financing activities	-1,348	1,020	-327	19,279
Currency effects	371	283	654	36
Change	-9,597	-3,187	-12,784	1,608
Period opening balance	16,321	19,508	19,508	7,636
Closing balance	6,724	16,321	6,724	9,244

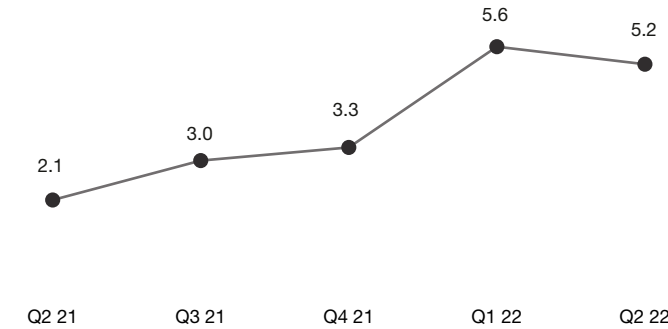
Cash flow from operating activities before changes in working capital was SEK 1,443 million (1,250). Working capital decreased by SEK 321 million (decrease 810), resulting in net cash flows from operating activities of SEK 1,112 million (440).

Cash flow from investing activities was negative SEK 9,741 million (4,931) and included acquisitions of SEK 6,153 million (161) and capex on investment properties of SEK 2,259 million (2,245).

Cash flow from financing activities was negative SEK 1,348 million (1,020), which included commercial papers repayment for SEK 1,980 million and loan repayment for SEK 1,693 million.

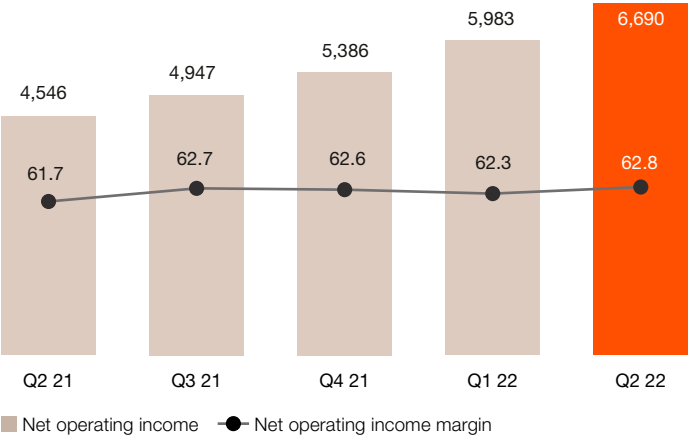
Like-for-Like Rental Income Growth

year-on-year, %



Net Operating Income and Margin

Last twelve months, SEK million / %



Investment Properties

Fair value of investment properties increased to SEK 336 billion, up from SEK 316 billion at 31 March, mainly through acquisitions of SEK 8 billion and a foreign currency gain of SEK 6.9 billion. The portfolio includes 153,205 homes across eight markets. Residential units made up 93% of fair value and 60% of residential income comes from regulated units.

Valuation of Heimstaden Bostad’s portfolio is performed by independent external valuers each quarter. For more details, see Note 3.1 on page 59 in the 2021 Annual Report.

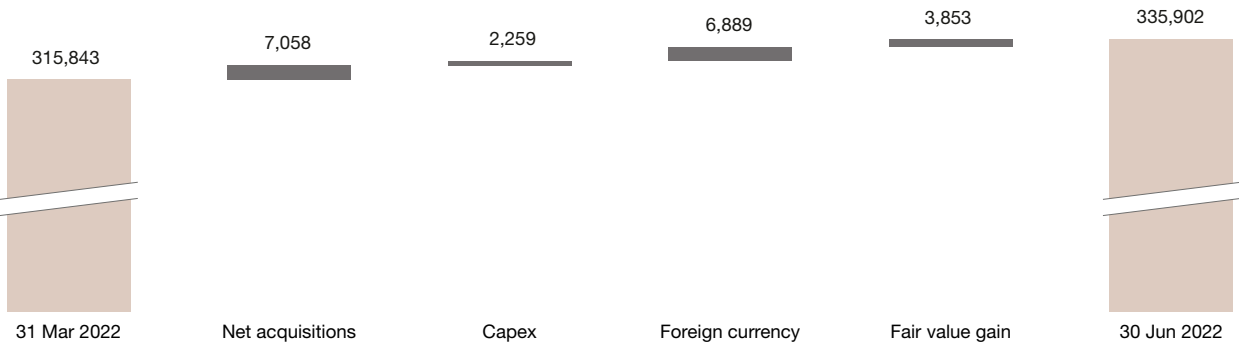
Significant Transactions

- Closing of 149 regulated residential units located in Emmeloord, Netherlands, signed in September 2021. Total-transaction size of EUR 18.7 million.

- Closed a purchase of 513 residential units in Hamburg at a total transaction value of EUR 136.7 million.
- Purchase of 126 residential units in Berlin and Potsdam.
- Closed a purchase of 452 residential units and 100 units of development potential in Hamburg for a total transaction value of EUR 80.3 million. The transaction was signed in December 2021.
- Acquisition of a 400 apartment project in Warsaw. The transaction is structured as a turnkey forward funded acquisition, where Heimstaden Bostad does not carry any direct development risk. Completion is scheduled for mid-2024.
- Acquisition of 2,009 residential units in Oulu, Jyväskylä, and Lahti in Finland. The transaction was valued at EUR 217 million and closed on 25 April.

Fair Value Development

SEK million



Signed Acquisitions

Heimstaden Bostad expands and improves its portfolio through acquisitions of standing assets and newbuilds.

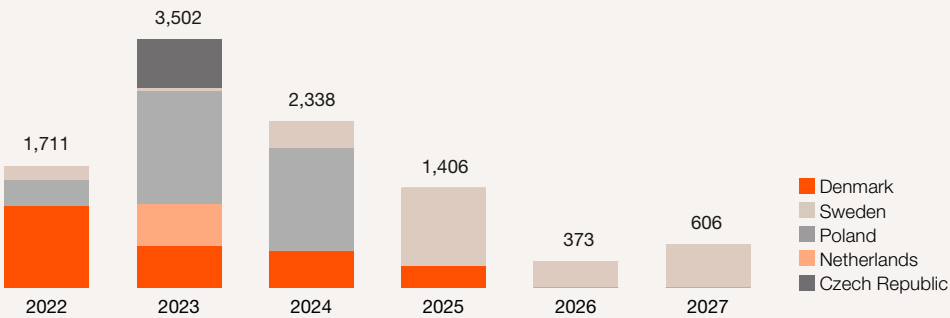
Newbuild investments are structured either as forward purchase or forward funding. In a forward purchase transaction, Heimstaden Bostad commits to buying new turnkey investment properties, which are not recognised on the balance sheet until delivery.

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

Heimstaden Bostad has forward funding contracts with a total capital expenditure commitment of SEK 5.6 billion. The total pipeline of signed acquisitions, including standing assets and newbuilds, amounts to SEK 9.9 billion. For more details, see Note 13.

Signed Acquisitions

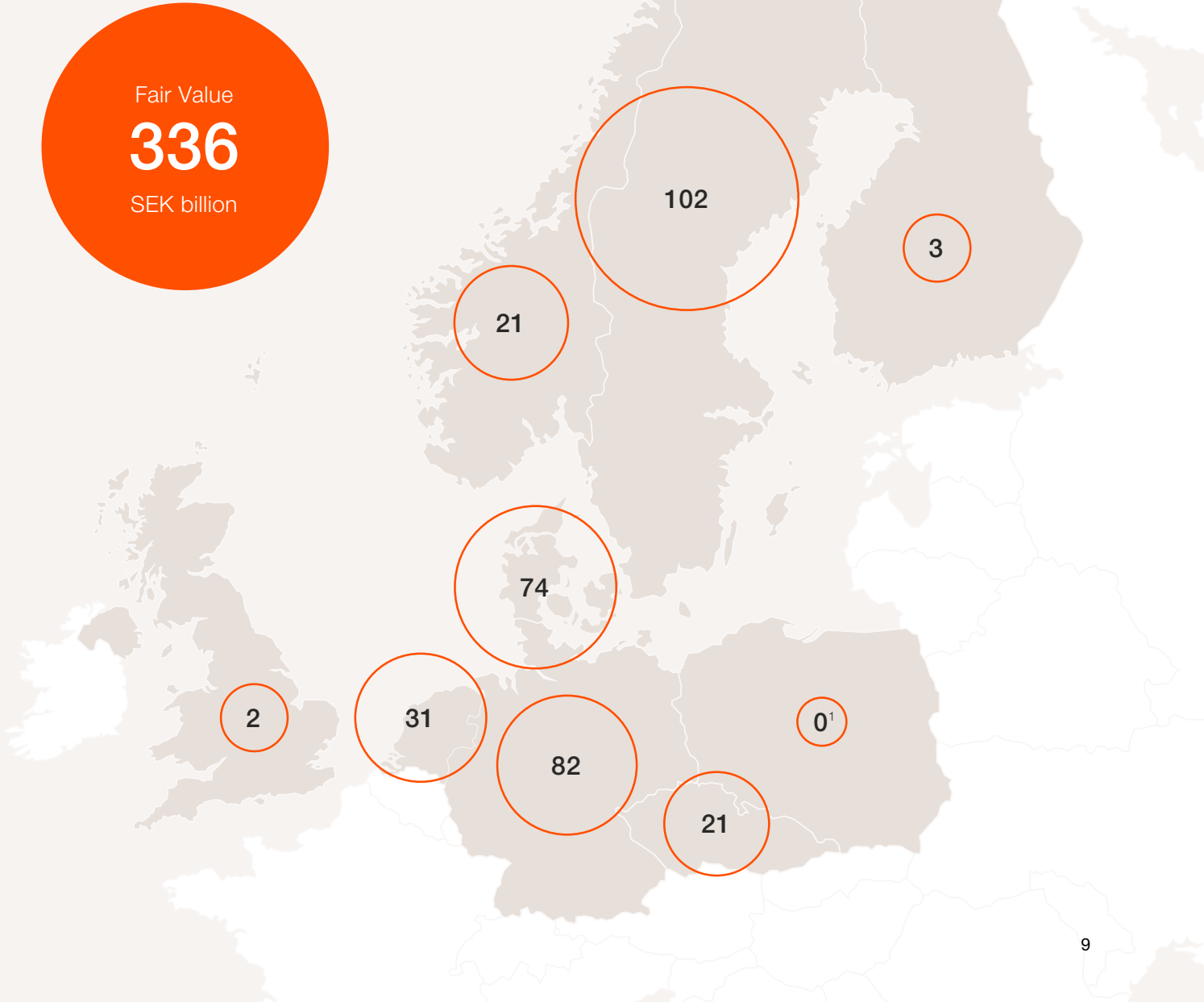
SEK million



Portfolio Overview

Country	Fair Value, SEK million	Fair Value /sqm, SEK	Homes, units	Residential, %	Regulated Income, %	Real Economic Occupancy, %
Sweden	101,574	32,475	44,087	91.3	100	98.9
Germany	82,115	46,317	26,514	92.0	100	98.5
Denmark	73,917	39,499	19,064	95.1	15	98.5
Netherlands	30,798	29,025	13,466	98.2	66	99.5
Czech Republic	21,165	8,148	42,683	96.0	30	97.0
Norway	20,809	93,861	4,439	84.6	0	98.0
Finland	3,408	22,015	2,892	97.6	0	95.9
United Kingdom	2,116	72,642	60	88.5	0	97.9
Poland ¹	-	-	-	-	-	-
Total	335,902	31,074	153,205	92.9	60	98.5

¹ 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.



Sweden

Rental income was SEK 1,062 million (1,021), a 4% increase compared to the previous quarter. Net operating income increased by 27% to SEK 578 million (457), driven by seasonally lower utility costs and from acquisitions made in the quarter, resulting in an improved net operating income margin of 54.4% (44.7%).

Like-for-like rental income growth compared to the same quarter last year was 2.9% (3.0%) and the comparable portfolio comprised 61% (65%) of rental income.

101.6 billion

Investment Properties, SEK

1.8 billion

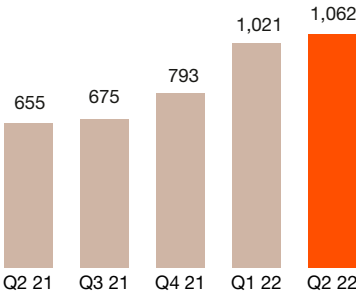
Acquisitions, SEK

1,062 million

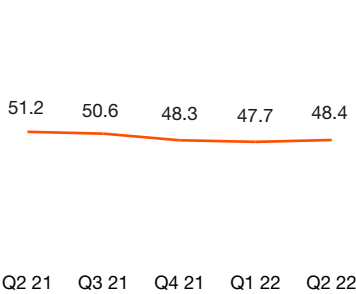
Rental Income, SEK

SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	SEK m	1,062	1,021	655	2,082	1,317
Net operating income	SEK m	578	457	361	1,035	662
Net operating income margin	%	54.4	44.7	55.0	49.7	50.3
Like-for-like rental income growth	%	2.9	3.0	2.7	3.0	2.6
Real economic occupancy	%	98.9	99.2	99.2	99.0	99.2
Fair value of investment properties	SEK m	101,574	99,447	53,503	101,574	53,503
Fair value change	SEK m	-180	1,053	1,377	873	2,396
Capital expenditures	SEK m	1,080	1,103	582	2,183	984
Average valuation yield requirement	%	2.7	2.7	3.3	2.7	3.3

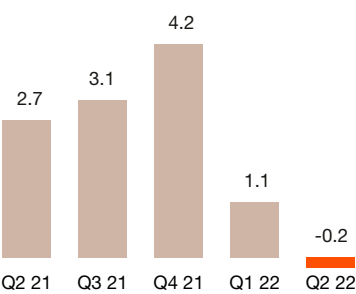
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Germany

Rental income increased to SEK 501 million (493), driven by acquisitions made in the quarter. Net operating income increased by 7% to SEK 383 million (357), resulting in a net operating income margin of 76.3% (72.4%). Real economic occupancy increased by 0.3% driven by recent acquisitions.

Like-for-like rental income growth compared to the same quarter last year was 8.0% (24.9%), previous quarter was positively impacted by removal of temporary rent freeze in Berlin. The comparable portfolio comprised only 23% (23%) of rental income.

82.1 billion

Investment Properties, SEK

2.6 billion

Acquisitions, SEK

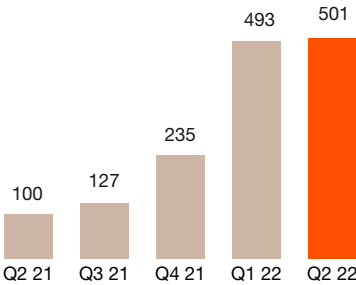
501 million

Rental Income, SEK

SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	SEK m	501	493	100	994	187
Net operating income	SEK m	383	357	67	740	114
Net operating income margin	%	76.3	72.4	66.8	74.4	60.7
Like-for-like rental income growth	%	8.0	24.9	5.4	15.7	-3.8
Real economic occupancy	%	98.5	98.2	99.2	98.4	99.0
Fair value of investment properties	SEK m	82,115	74,844	16,595	82,115	16,595
Fair value change	SEK m	1,519	3,513	619	5,032	1,243
Capital expenditures	SEK m	157	133	16	290	16
Average valuation yield requirement	%	2.3	2.3	2.4	2.3	2.4

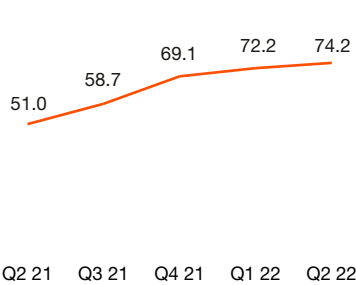
Rental income

SEK million



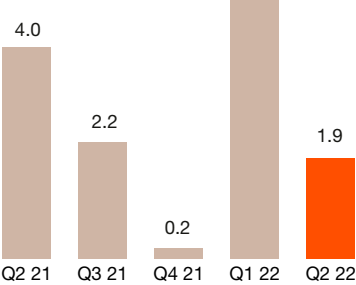
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



Denmark

Rental income increased to SEK 734 million (728). Net operating income remained stable at SEK 502 million (502), resulting in a net operating income margin of 68.3% (68.9%). The margin decreased slightly due to higher repair and maintenance costs.

Like-for-like rental income growth compared to the same quarter last year was 6.2% (6.9%) and the comparable portfolio comprised 56% (56%) of rental income.

SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	SEK m	734	728	610	1,462	1,204
Net operating income	SEK m	502	502	416	1,003	819
Net operating income margin	%	68.3	68.9	68.2	68.6	68.0
Like-for-like rental income growth	%	6.2	6.9	0.4	6.6	0.7
Real economic occupancy	%	98.5	99.0	97.6	98.8	97.4
Fair value of investment properties	SEK m	73,917	69,243	57,156	73,917	57,156
Fair value change	SEK m	455	1,350	1,973	1,805	3,763
Capital expenditures	SEK m	193	452	445	644	804
Average valuation yield requirement	%	3.5	3.5	3.8	3.5	3.8

73.9 billion

Investment Properties, SEK

1.4 billion

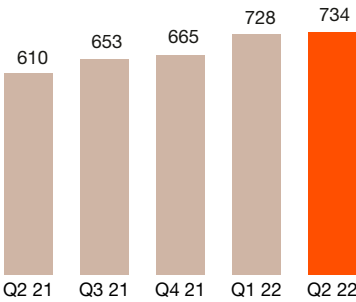
Acquisitions, SEK

734 million

Rental Income, SEK

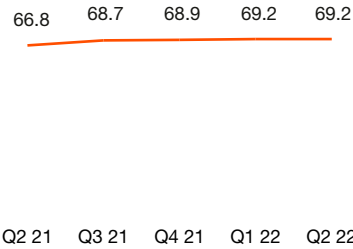
Rental income

SEK million



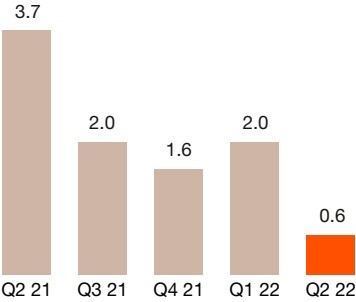
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



Netherlands

Rental income was stable at SEK 300 million (299). Net operating income increased to SEK 203 million (180), driven by a change in taxation in Netherlands, which resulted in a net operating income margin of 67.5% (60.1%).

Like-for-like rental income growth compared to the same quarter last year was 2.2% (3.7%) and the comparable portfolio comprised 100% (100%) of rental income.

SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	SEK m	300	299	283	599	562
Net operating income	SEK m	203	180	177	382	342
Net operating income margin	%	67.5	60.1	62.4	63.8	60.9
Like-for-like rental income growth	%	2.2	3.7	4.6	3.0	3.7
Real economic occupancy	%	99.5	99.7	99.6	99.6	99.4
Fair value of investment properties	SEK m	30,798	28,668	24,184	30,798	24,184
Fair value change	SEK m	631	987	641	1,619	398
Capital expenditures	SEK m	191	141	168	332	283
Average valuation yield requirement	%	2.8	3.0	3.3	2.8	3.3

30.8 billion

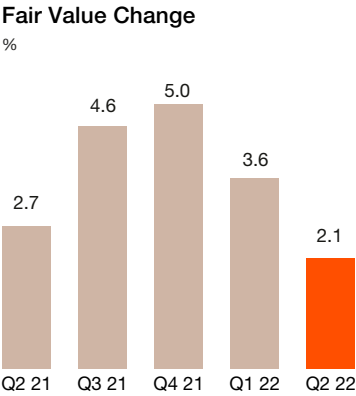
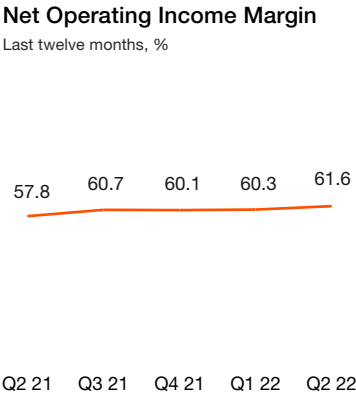
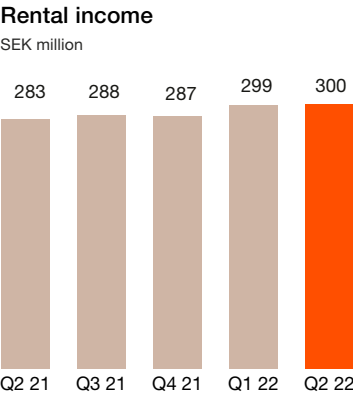
Investment Properties, SEK

0.2 billion

Acquisitions, SEK

300 million

Rental Income, SEK



Czech Republic

Rental income was SEK 330 million (320), a 3.2% increase, driven by higher market rent. Net operating income increased to SEK 230 million (224), resulting in a net operating income margin of 69.8% (70.1%).

Like-for-like rental income growth compared to the same quarter last year was 7.9% (6.5%) and the comparable portfolio comprised 100% (100%) of rental income.

SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	SEK m	330	320	281	650	551
Net operating income	SEK m	230	224	198	454	394
Net operating income margin	%	69.8	70.1	70.4	69.9	71.6
Like-for-like rental income growth	%	7.9	6.5	N/A	7.2	N/A
Real economic occupancy	%	97.0	96.4	94.8	96.7	95.2
Fair value of investment properties	SEK m	21,165	19,529	15,428	21,165	15,428
Fair value change	SEK m	990	994	216	1,984	672
Capital expenditures	SEK m	177	93	122	270	184
Average valuation yield requirement	%	4.5	4.6	5.1	4.5	5.1

21.2 billion

Investment Properties, SEK

0 billion

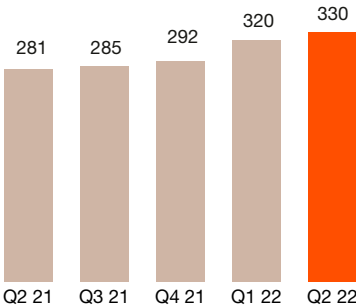
Acquisitions, SEK

330 million

Rental Income, SEK

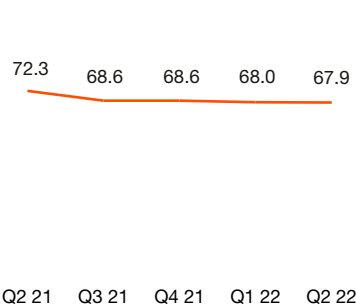
Rental income

SEK million



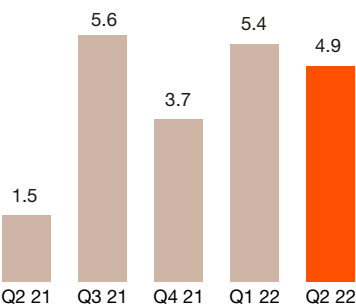
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



Norway

Rental income was SEK 185 million (182). Net operating income increased by 26.4% to SEK 131 million (104) due to lower utility cost, which resulted in a net operating income margin of 70.8% (57.1%).

Like-for-like rental income growth compared to the same quarter last year was 9.9% (4.1%) and the comparable portfolio comprised 100% (100%) of rental income.

20.8 billion

Investment Properties, SEK

0.1 billion

Acquisitions, SEK

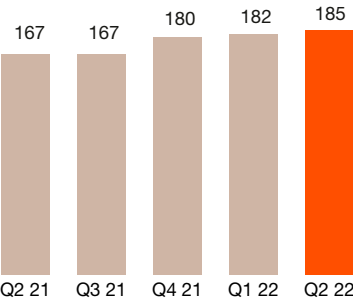
185 million

Rental Income, SEK

SEK million		Q2 2022	Q1 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	SEK m	185	182	167	367	330
Net operating income	SEK m	131	104	123	235	239
Net operating income margin	%	70.8	57.1	73.9	64.0	72.6
Like-for-like rental income growth	%	9.9	4.1	0.9	7.0	-0.2
Real economic occupancy	%	98.0	95.7	92.9	96.9	92.6
Fair value of investment properties	SEK m	20,809	21,341	18,842	20,809	18,842
Fair value change	SEK m	234	1,091	-218	1,325	526
Capital expenditures	SEK m	119	83	74	203	118
Average valuation yield requirement	%	2.7	2.6	2.8	2.7	2.8

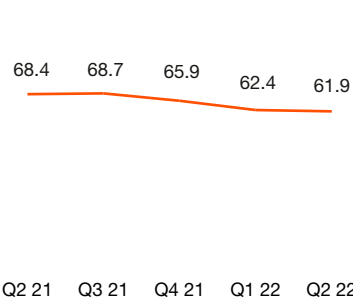
Rental income

SEK million



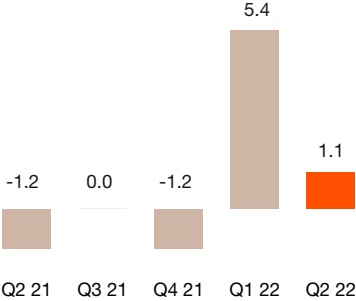
Net Operating Income Margin

Last twelve months, %



Fair Value Change

%



Finland

Heimstaden Bostad made its first investments in Finland in 2021. Heimstaden Bostad continued its expansion in Finland during the second quarter of 2022 with an acquisition of 2,009 homes in Oulu, Lahti and Jyväskylä.

Rental income was SEK 44 million (25). Net operating income was SEK 25 million (8) resulting in a net operating income margin of 56.6% (33.7%), where the previous quarter was impacted by start-up costs. The portfolio had a SEK 119 million fair value gain in the period (90).

SEK million		Q2 2022	Q1 2022	YTD 2022
Rental income	SEK m	44	25	69
Net operating income	SEK m	25	8	33
Net operating income margin	%	56.6	33.7	48.3
Like-for-like rental income growth	%	N/A	N/A	N/A
Real economic occupancy	%	95.9	95.2	95.7
Fair value of investment properties	SEK m	3,408	1,111	3,408
Fair value change	SEK m	119	90	209
Capital expenditures	SEK m	15	0	15
Average valuation yield requirement	%	4.8	5.4	4.8

3.4 billion

Investment Properties, SEK

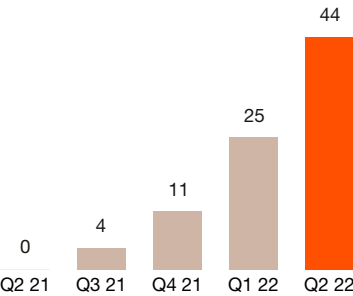
2.0 billion

Acquisitions, SEK

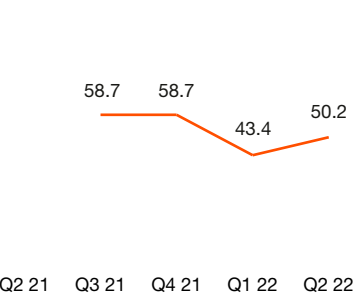
44 million

Rental Income, SEK

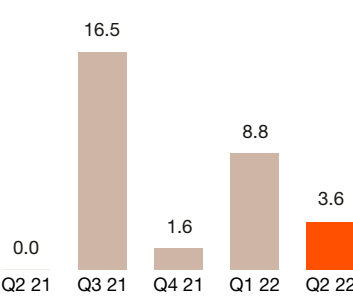
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



United Kingdom

Heimstaden Bostad made its UK entry in 2021 with the acquisition of the 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.

Per 30 June 2022, SEK 2,116 million had been recognised on the balance sheet as fair value of investment properties.

2.1 billion

Investment Properties, SEK

0 billion

Acquisitions, SEK

2 million

Rental Income, SEK

SEK million		Q2 2022	Q1 2022	YTD 2022
Rental income	SEK m	2	2	4
Net operating income	SEK m	0	0	1
Net operating income margin	%	21.5	21.9	21.7
Like-for-like rental income growth	%	N/A	N/A	N/A
Real economic occupancy	%	97.9	98.8	98.4
Fair value of investment properties	SEK m	2,116	1,659	2,116
Fair value change	SEK m	86	144	230
Capital expenditures	SEK m	327	240	568
Average valuation yield requirement	%	4.5	4.5	4.5

Poland

Heimstaden Bostad made its first investment in Poland in December 2020, followed by additional acquisitions in 2021. In the second quarter of 2022 a 400 apartment project was acquired in Warsaw. Completion is scheduled for mid-2024.

All acquisitions in Poland are structured as forward purchase contracts and not recognised as investment properties until turnkey delivery. As of 30 June 2022, Heimstaden Bostad had a pipeline of 4,250 homes with a value of SEK 6.6 billion in Poland.

Homes:

4,250

Estimated annual rental income:

SEK 441.5 million

Commercial Area:

8,410 sqm

Completion:

Q3 2022-Q1 2025



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. Heimstaden Bostad adheres to a conservative financial policy that supports our long-term strategy and maintains a well-diversified financing structure with a robust balance sheet and strong credit metrics.

Capital market activity

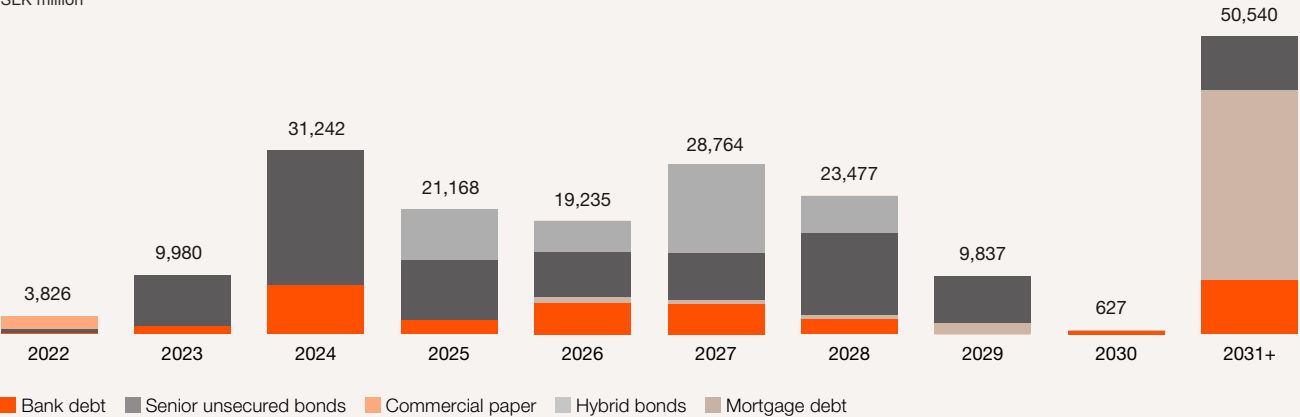
No issuance of senior unsecured bonds during the quarter.

At the end of the period, Heimstaden Bostad had SEK 89,206 million in senior unsecured bonds and SEK 33,666 million in hybrid bonds outstanding and listed on Euronext Dublin and Oslo Børs. Outstanding hybrid bonds was reduced to SEK 25,404 million following the buy-back in July.

See Note 14 for more information on debt issuances after the balance sheet date. For more detailed information on Heimstaden Bostad’s debt instruments, visit www.heimstadenbostad.com.

Funding Maturity Profile

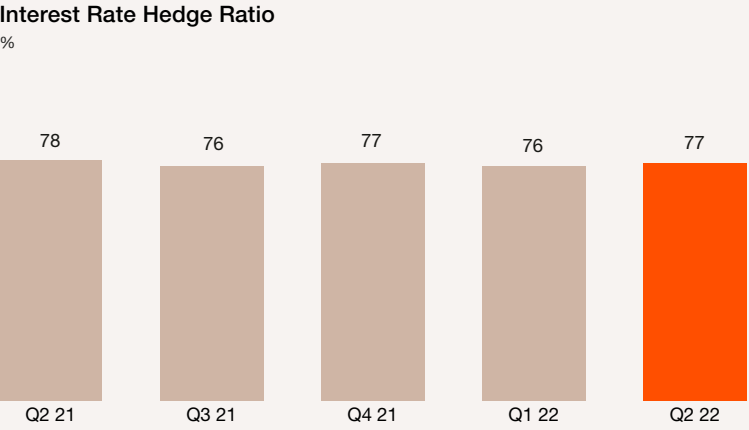
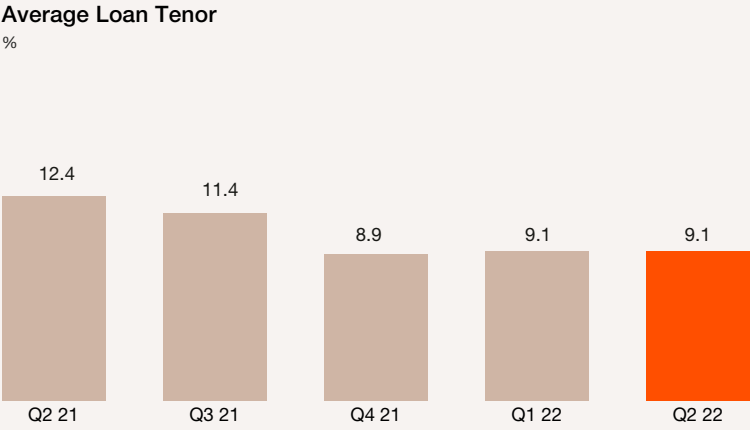
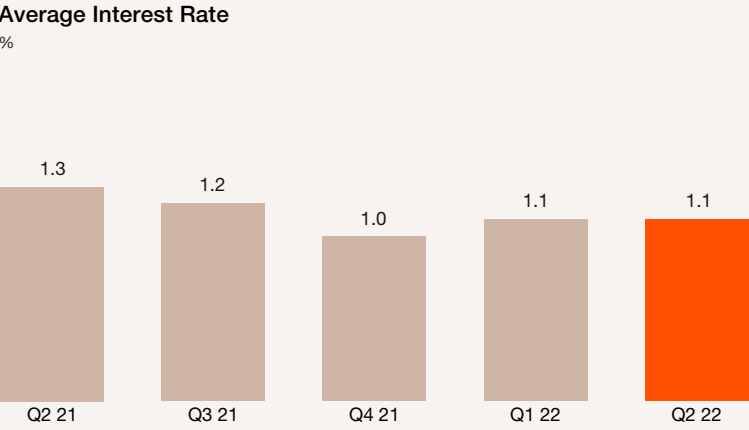
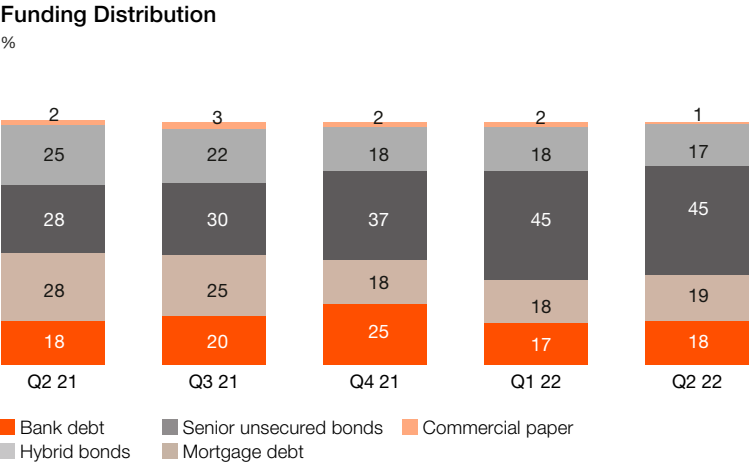
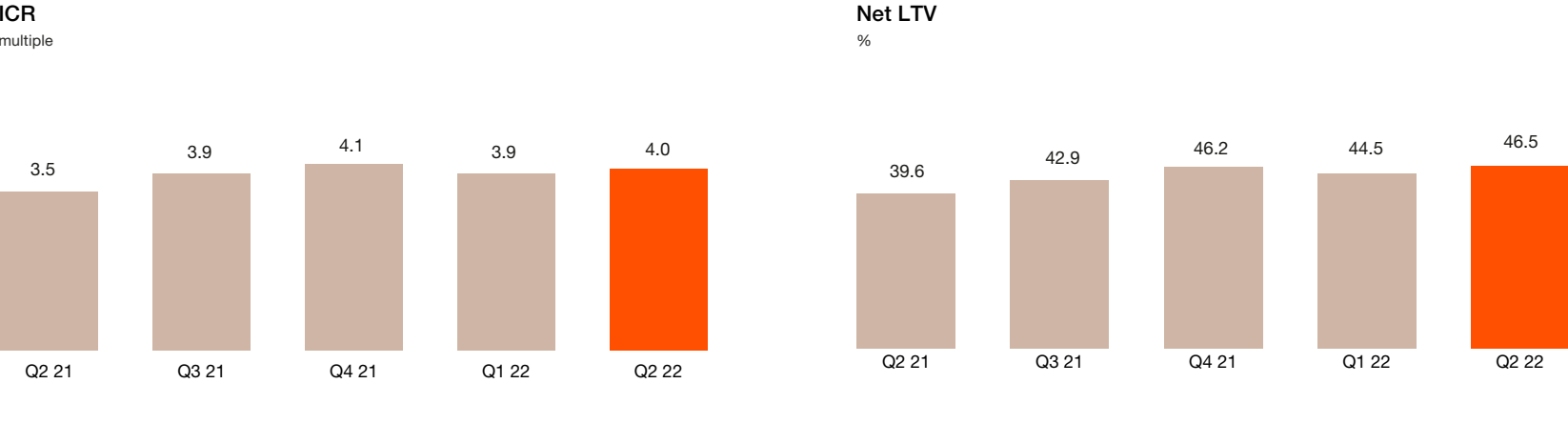
SEK million



Financial Policy

			Policy	Q2 2022
ICR, rolling 12 months, S&P method	Multiple	≥ 2.4		2.8
Average Loan Tenor	Years	≥ 4		9.1
Loan Maturity in Individual Year	%	≤ 25		19
Share of Loans From Individual Lender	%	≤ 20		8.9
Interest Rate Hedge Ratio	%	≥ 75		77
Net Debt / Net Debt + Equity, S&P method	%	≤ 55		51.7
Quick ratio	%	≥ 1.25		3.0

Credit Metrics



Interim Financial Statements and Notes

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Consolidated Comprehensive Income Statement

SEK million	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Rental income	3, 4	3,105	2,053	6,118	4,066
Service charges paid by tenants	3, 4	234	120	560	306
Property expenses	3	-1,304	-844	-2,814	-1,812
Net operating income¹		2,035	1,328	3,864	2,560
Corporate administrative expenses		-212	-118	-411	-231
Other operating income	5	213	2	396	3
Other operating expenses	5	-57	-11	-170	-32
Share of net profits of associates and joint ventures	9	-196	0	-170	-2
Profit before inventory properties and fair value adjustments		1,782	1,202	3,509	2,298
Fair value adjustment of investment properties	7	3,837	4,609	13,074	8,998
Gains/losses from sale of inventory properties	7	-6	-8	-19	40
Operating profit		5,613	5,803	16,564	11,337
Interest income		0	10	65	29
Interest expenses on interest-bearing liabilities		-419	-289	-887	-595
Net currency translation gains/losses		-2,309	225	-2,968	-364
Fair value adjustment of derivative financial instruments		462	142	883	265
Other financial items	12	-1,828	-161	-1,528	-224
Profit before tax		1,518	5,732	12,130	10,447
Income tax expense		-257	-154	-601	-301
Deferred tax expense		-335	-936	-2,594	-1,813
Profit for the period		925	4,642	8,935	8,333
Other comprehensive income/loss	6	4,435	-1,024	6,353	1,487
Total comprehensive income		5,360	3,618	15,287	9,820
Profit for the period attributable to:					
The Parent Company's shareholders		923	4,641	8,867	8,330
Non-controlling interests		2	1	67	3
Comprehensive income for the period attributable to:					
The Parent Company's shareholders		5,358	3,617	15,220	9,817
Non-controlling interests		2	1	67	3
Average number of shares outstanding		11,857,910	7,330,485	10,832,853	7,330,485
Earnings per ordinary share (basic and diluted)		290	370	1,090	1,110

¹ Excludes income from inventory properties.

Consolidated Balance Sheet

SEK million	Note	30 Jun 2022	31 Dec 2021	30 Jun 2021
ASSETS				
Investment properties	7	335,902	300,584	186,068
Intangible assets	8	16,960	16,497	6
Machinery and equipment		79	76	102
Quoted equity investments	12	8,014	5,765	1,996
Derivative financial instrument	11,12	889	190	–
Other non-current financial assets	9	3,935	3,170	2,798
Total non-current assets		365,778	326,282	190,969
Inventory properties	10	835	846	1,054
Rent and trade receivables		146	179	98
Other current financial assets	12	1,852	1,469	857
Derivative financial instrument	11,12	323	250	–
Prepayments		837	533	195
Cash and cash equivalents		6,724	19,508	9,244
Total current assets		10,717	22,784	11,448
Total assets		376,496	349,066	202,417

SEK million	Note	30 Jun 2022	31 Dec 2021	30 Jun 2021
EQUITY AND LIABILITIES				
Equity		179,219	160,338	109,084
Interest-bearing liabilities	11	157,067	134,895	78,754
Lease liabilities	11	914	729	637
Derivative financial instruments	12	114	0	268
Deferred tax liabilities		25,235	21,904	6,078
Other non-current financial liabilities		1,014	865	842
Total non-current liabilities		184,343	158,392	86,580
Interest-bearing liabilities	11	5,741	23,485	4,195
Lease liabilities	11	12	5	9
Trade payables		633	566	384
Other current liabilities		4,198	4,411	1,484
Derivative financial instruments	11,12	1	6	9
Accrued expenses		2,349	1,863	671
Total current liabilities		12,933	30,336	6,753
Total equity and liabilities		376,496	349,066	202,417

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	43	52,690	13,635	-5,687	17,001	77,682	60	77,742
Profit for the period	–	–	406	–	18,541	18,946	5	18,951
Other comprehensive income	–	–	–	3,627	–	3,627	–	3,627
Total comprehensive income	0	0	406	3,627	18,541	22,574	5	22,578
New share issue	29	44,936	–	–	–	44,965	–	44,965
Dividends	–	–	-406	–	-4,572	-4,978	–	-4,978
Hybrid bonds issue	–	–	20,235	–	–	20,235	–	20,235
Costs of issuance	–	–	-204	–	–	-204	–	-204
Total transactions with the Company's shareholders	29	44,936	19,625	0	-4,572	60,018	0	60,018
Equity, 31 Dec 2021	72	97,626	33,666	-2,060	30,969	160,274	65	160,338
Opening balance, 1 Jan 2022	72	97,626	33,666	-2,060	30,969	160,274	65	160,338
Profit for the period	–	–	836	–	8,032	8,867	67	8,935
Other comprehensive income	–	–	–	6,353	–	6,353	–	6,353
Total comprehensive income	0	0	836	6,353	8,032	15,220	67	15,287
New share issue	15	23,341	–	–	–	23,356	–	23,356
Cost of issuance	–	-36	–	–	–	-36	–	-36
Dividends ²	–	–	-836	–	-26,585	-27,420	–	-27,420
Non-controlling interests ¹	–	–	–	–	-440	-440	8,134	7,694
Total transactions with the Company's shareholders	15	23,305	-836	0	-27,025	-4,540	8,134	3,594
Equity, 30 Jun 2022	87	120,931	33,666	4,293	11,976	170,953	8,267	179,219

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 23,356 million of dividends were set-off against the subscription price in new share issue.

Consolidated Cash Flow Statement

SEK million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Operating activities				
Profit before income tax	1,518	5,731	12,130	10,447
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Fair value adjustment on investment properties	-3,837	-4,605	-13,060	-9,039
Fair value adjustment of derivative financial instruments	-462	-142	-883	-265
Finance expenses – net	467	533	912	885
Other adjustments	4,399	-293	4,686	437
<i>Working capital changes</i>				
Increase/decrease(+) in rent receivables	26	-182	-432	-400
Increase/decrease(-) in trade and other payables	-347	-26	-699	319
Cash generated from operations	1,764	1,016	2,654	2,384
Interest paid	-392	-546	-616	-988
Interest received	9	0	16	0
Paid income tax	-259	-170	-492	-300
Net cash flows from operating activities	1,122	300	1,562	1,096

SEK million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Investing activities				
Purchase of investment properties	-6,153	-781	-6,314	-14,434
Capital expenditure on completed investment properties	-2,259	-992	-4,504	-2,347
Disposals of investment properties	468	308	478	308
Deposits paid for signed acquisitions	-330	-1,804	-442	-309
Purchases of machinery and equipment	13	–	–	–
Investments in associates and joint ventures	-137	-69	-187	-45
Purchase of quoted equity investments	-1,339	-1,772	-3,699	-1,901
Other cash flows from investing activities	-3	-16	-3	-10
Net cash flows from investing activities	-9,741	-5,125	-14,671	-18,738
Financing activities				
Proceeds from interest-bearing liabilities	4,303	4,188	25,639	8,923
Repayment of interest-bearing liabilities	-5,033	-9,334	-29,766	-11,168
Dividends paid	–	-276	-3,229	-319
Proceeds from non-controlling interests	-231	–	7,694	–
Proceeds from share issuances	–	–	–	8,211
Proceeds from issuance of hybrid bonds	–	6,090	–	14,163
Repayments on hybrid bonds	-393	-137	-836	-398
Settlement of derivative financial instruments	–	-65	230	-65
Other cash flows from financing activities	7	-84	-60	-134
Net cash flows from financing activities	-1,348	382	-327	19,214
Net change in cash and cash equivalents	-9,968	-4,443	-13,437	1,572
Cash and cash equivalents at the beginning of the period	16,321	13,702	19,508	7,636
Net currency exchange effect in cash and cash equivalents	371	-15	654	36
Cash and cash equivalents at the end of the period	6,724	9,244	6,724	9,244

Notes to the Interim Financial Statements

1. Accounting Principles

Corporate information

Heimstaden Bostad AB, Corp. ID No. 556864-0873, is a limited liability company registered in Sweden with its registered office at Östra promenaden 7A, SE-211 28, Malmö, Sweden. Heimstaden Bostad's operations consist of owning, developing and managing residential properties.

Basis for preparation

Heimstaden Bostad's interim condensed consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and its interpretations of these (IFRIC). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company applies RFR2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 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 sale of five properties to Oslo Municipality in 2021. For more information, see [Note 8.4](#) in the 2021 Annual Report.

In Q2 2022, Heimstaden Bostad AB acquired properties for a total transaction value of SEK 157 million from companies controlled by Ivar Tollefsen.

During Q2 2022, the management companies employing former Akelius and Residomo employees in Sweden, Germany, Denmark, and Czech Republic was sold from Heimstaden Bostad AB to Heimstaden AB. The transaction was priced at SEK 303 million, which resulted in a gain of SEK 203 million, presented under other operating income.

In addition to board fees, transactions with Heimstaden AB and its subsidiaries amounted to SEK 405 million (319) for management services provided as of Q2 2022.

3. Segment Reporting

Heimstaden Bostad organises and governs its activities based on geographical areas. These geographical areas form the basis of the reportable segments. Senior management monitors net operating income and changes in the value of managed properties in the identified segments; other statement of profit and loss items are not distributed per segment. Heimstaden Bostad has identified seven reportable segments consisting of the geographical areas of Denmark, Sweden, Netherlands, Norway, Germany and Czech Republic. Finland, Poland and United Kingdom are included under segment Other, which individually do not correspond to 10% or more of the total revenues, for all operating segments. See [Note 7](#) for fair value of investment properties per segment.

Q2 2022

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Other	Eliminations	Group in total
INCOME STATEMENT									
Rental income ¹	1,062	501	734	300	330	185	36	-44	3,105
Service charges paid by tenants	19	138	0	–	75	5	1	-5	234
Total income	1,081	640	734	300	405	191	37	-49	3,339
Utilities	-153	-73	-23	–	-75	-5	-6	4	-332
Repair and maintenance	-69	-35	-40	-30	-35	-31	0	56	-185
Property tax	-24	-13	-39	-21	-2	-4	-2	4	-101
Other	-69	-40	-30	-11	-15	1	7	-3	-161
Property management	-188	-96	-101	-36	-47	-21	-14	-24	-526
Total property expenses	-503	-257	-233	-98	-175	-60	-15	36	-1,304
Net operating income	578	383	502	203	230	131	22	-13	2,035
Net operating margin, %	54.4	76.3	68.3	67.5	69.8	70.8	61.7		65.5

Q2 2021

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Other	Eliminations	Group in total
INCOME STATEMENT									
Rental income ¹	655	100	610	283	281	167	–	-43	2,053
Service charges paid by tenants	11	26	0	0	83	4	–	-4	120
Total income	666	126	610	283	363	171	–	-47	2,173
Utilities	-99	-13	-15	0	-80	-12	–	11	-208
Repair and maintenance	-62	-8	-32	-21	-31	-19	–	44	-128
Property tax	-14	-3	-34	-32	-2	-4	–	3	-84
Other	-22	-10	-32	-17	-17	0	-2	-2	-103
Property management	-108	-25	-82	-36	-36	-14	0	-20	-321
Total property expenses	-305	-60	-194	-107	-166	-48	-3	37	-844
Net operating income	361	67	416	177	198	123	-3	-10	1,328
Net operating margin, %	55.0	66.8	68.2	62.4	70.4	73.9	–	–	64.7

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

YTD 2022

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Other	Eliminations	Group in total
INCOME STATEMENT									
Rental income ¹	2,082	994	1,462	599	650	367	72	-109	6,118
Service charges paid by tenants	30	281	1	–	247	10	2	-10	560
Total income	2,112	1,275	1,463	599	897	377	75	-119	6,679
Utilities	-388	-154	-46	–	-244	-26	-12	26	-843
Repair and maintenance	-172	-70	-70	-62	-69	-57	-2	53	-449
Property tax	-47	-28	-74	-53	-4	-8	-3	8	-210
Other	-109	-88	-57	-30	-32	2	-8	-3	-324
Property management	-362	-196	-212	-72	-93	-53	-22	21	-989
Total property expenses	-1,078	-535	-459	-217	-442	-142	-46	106	-2,814
Net operating income	1,035	740	1,003	382	454	235	29	-13	3,864
Net operating margin, %	49.7	74.4	68.6	63.8	69.9	64.0	39.3		63.2

YTD 2021

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Other	Eliminations	Group in total
INCOME STATEMENT									
Rental income ¹	1,317	187	1,204	562	551	330	–	-85	4,067
Service charges paid by tenants	21	56	1	–	227	9	–	-9	305
Total income	1,338	244	1,205	562	778	339	–	-93	4,372
Utilities	-257	-37	-34	–	-224	-25	–	25	-552
Repair and maintenance	-130	-22	-56	-54	-55	-39	–	83	-272
Property tax	-28	-5	-67	-64	-4	-7	–	7	-169
Other	-49	-27	-59	-30	-34	1	-2	0	-200
Property management	-212	-38	-170	-71	-67	-29	0	-30	-619
Total property expenses	-676	-130	-386	-220	-383	-99	-3	86	-1,812
Net operating income	662	114	819	342	394	239	-3	-8	2,560
Net operating margin, %	50.3	60.7	68.0	60.9	71.6	72.6	–	–	63.0

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

4. Rental Income

Rental income distributed by property category

SEK million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Residential	2,869	1,907	5,653	3,775
Commercial premises	193	123	384	247
Garage and parking spaces	42	23	81	45
Total rental income	3,105	2,053	6,118	4,066

Service charges paid by tenants distributed by property category

SEK million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Residential	225	113	539	288
Commercial premises	10	8	21	17
Total service charges paid by tenants	234	120	560	306

5. Other Operating Items

In Q1, 2022, Other operating income included 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 Q2, 2022, Other operating income included SEK 203 million in gain from the transaction with Heimstaden AB, see [note 2](#).

During Q2, 2022, SEK 40.8 million were expensed as donations to SOS Children's Villages. See [page 4](#) for more information regarding the partnership A Home for a Home.

6. Foreign Currency

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

Basis 1 local currency to 1 SEK		Closing rate		Average rate	
Country	Currency code	30 Jun 2022	31 Dec 2021	Q2 2022	Q2 2021
Czech Republic	CZK	0.4338	0.4123	0.4253	0.3917
Denmark	DKK	1.4425	1.3783	1.4081	1.3619
Netherlands, Germany & Finland	EUR	10.7305	10.2502	10.4762	10.1281
Norway	NOK	1.0369	1.0262	1.0500	0.9952
Poland	PLN	2.2877	2.2298	2.2618	2.2330
United Kingdom	GBP	12.5035	12.1986	12.4365	11.6433

Specification of Other Comprehensive Income

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

SEK million		Q2 2022	Q2 2021	YTD 2022	YTD 2021
Country	Currency code				
Czech Republic	CZK	488	193	892.1	529
Denmark	DKK	1,358	-299	1598.8	127
Netherlands, Germany & Finland	EUR	3,055	-343	3598.7	155
Norway	NOK	-525	-588	212.5	664
Poland	PLN	44	10	38.7	10
United Kingdom	GBP	12	2	10.3	2
Total		4,434	-1,024	6,351	1,487

7. Investment Properties

Total properties value per segment

The total properties value, measured at fair value, was SEK 335,902 million (300,584). This value included value increase for 2022 of SEK 13,077 million (8,998). In percentage, the increase in value was 4.1% (5.1) of the total properties value before changes in value. The total properties value per operating segment is shown below.

Valuation gain or loss investment properties

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Total
Fair value of investment properties, 31 Dec 2021	97,057	70,651	66,635	27,324	17,932	18,951	1,014	1,019	300,584
Acquisitions during the period	1,833	2,620	1,627	196	0	124	1,962	268	8,631
Disposals	-456	-4	-6	-5	-1	-6	-	-	-478
Land leases	85	-2	-	-	-	41	67	-	191
Capital expenditure on investment properties	1,185	243	232	332	244	73	15	0	2,325
Capital expenditure on investment properties under construction	997	46	412	0	26	129	0	568	2,179
Currency translation	-	3,528	3,211	1,331	980	171	141	31	9,393
Fair value after transactions	100,701	77,083	72,112	29,179	19,181	19,484	3,198	1,886	322,825
Value change ¹	873	5,032	1,805	1,619	1,984	1,325	209	230	13,077
Fair value of investment properties, 30 Jun 2022	101,574	82,115	73,917	30,798	21,165	20,809	3,408	2,116	335,902

Breakdown by category

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Total
Investment properties	95,473	82,112	73,021	30,797	20,971	20,195	3,340	179	326,089
Investment properties under construction	5,639	0	763	0	0	0	0	1,937	8,339
Land and building rights	239	0	134	0	193	0	0	0	566
Land leases reclassified from RoU assets	223	2	-	-	-	615	67	-	907
Total	101,574	82,115	73,918	30,797	21,164	20,810	3,408	2,116	335,902

¹ Fair value adjustment of investment properties in the income statement also includes realised change and is not reflected in the tables above.

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 balance per 30 June 2022, SEK 1,606 million and SEK 730 million, are recognised as other non-current financial assets and other current financial assets, respectively.

8. Intangible Assets

Goodwill amounted to SEK 16,959 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 costs	Finacial items, net	Change in value	Profit YTD 2022	Heimstaden Bostad's holding of profit YTD 2022
Rosengård Fastighets AB	25	77	-50	-5	-	19	5
Upplands Bro Brogårds Etapp 2 AB	50	-	-1	-9	-23	-28	-14
Kiinteistö Oy Hiihtomäentie 14	53	7	-5	-	6	6	5
A Place To A/S	50	31	-23	-6	48	40	20
Other	20-50	11	-9	-2	-414	-391	-186
Total		126	-88	-22	-383	-354	-170

Balance sheet of associates and joint ventures

SEK million	Total (100%)		Heimstaden Bostad's holding	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Assets	5,245	4,905	2,039	1,924
Equity	1,905	2,753	625	1,100
Liabilities	3,340	2,153	1,414	824

10. Inventory Properties

SEK million	30 Jun 2022	31 Dec 2021
Opening balance	846	1,292
Capital expenditures	-	62
Foreign currency translation	9	84
Reclassification to other non-current financial assets	-	-127
Disposals of inventory properties	-	-465
Reversed impairment/impairment	-19	-2
Closing balance	835	846

11. Financial Assets and Liabilities

Heimstaden Bostad is exposed to a number of risk factors. Further description is included on [pages 39–40](#) 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. Subsequently, this has impacted areas of our business pertaining to operating costs.

At the balance sheet date, Heimstaden Bostad was in compliance with its financial covenants. The Company's hybrid bonds are classified as equity, amounting to SEK 33,666 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	91,567	–	56	–
Mortgages	36,494	100	22	–
Bank loans	35,224	96	22	24,710
Total	163,285	43	100	24,710
Deferred charges	-478			
Total	162,807			

Movements of interest bearing liabilities

SEK million	Corporate bonds	Mortgages/ bank loans	Deferred charges	Lease liabilities	Total
Opening balance, 1 Jan 2022	75,282	83,651	-553	733	159,114
Loan repayments	-6,144	-21,332	–	-6	-27,483
New borrowings/assumed debt from acquisitions	19,905	5,734	–	175	25,814
Currency exchange effect on loans	2,524	3,666	–	24	6,214
Capitalisation of debt issuance cost, net of amortisation	–	–	75	-	75
Closing balance, 30 Jun 2022	91,566	71,719	-478	926	163,733

30 Jun 2022

Years	Interest maturity, loans			Interest maturity, incl. financial instruments		
	SEK million	Share, %	Interest, incl. margin, %	SEK million	Share, %	Interest, incl. margin, %
0-1	65,220	40	1.03	53,789	33	1.51
1-2	12,364	8	1.70	20,493	13	0.28
2-3	17,994	11	0.62	20,724	13	0.50
3-4	15,373	9	1.04	15,765	10	1.02
4-5	9,836	6	1.53	9,940	6	1.53
>5 years after balance sheet date	42,498	26	1.24	42,498	26	1.24
Total	163,285	100	1.12	163,210	100	1.11

Average remaining term of fixed interest in the loan portfolio, including derivatives: 3.33 years

Years	Loan tenor		Lines of credit	
	SEK million	Share, %	SEK million	Share, %
0-1	4,903	3	–	–
1-2	24,727	15	9,181	37
2-3	18,317	11	8,443	34
3-4	18,741	11	4,292	17
4-5	14,849	9	2,794	11
>5 years after balance sheet date	81,749	50	–	–
Total	163,285	100	24,710	100

Average loan tenor: 9.08 years

Financial instruments

Years	Type	Maturity, interest rate derivatives		
		SEK million	Share, %	Interest, % ¹
0-1	Paying fixed	18,154	47	0.45
1-2	Paying fixed	16,628	43	-0.03
2-3	Paying fixed	3,545	9	0.21
3-4	Paying fixed	392	1	0.27
4-5	Paying fixed	104	–	1.53
>5 years after balance sheet date	Paying fixed	0	–	0.00
Total		38,823	100	0.22

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

Years	Type	Maturity, cross currency swaps		
		SEK million	Share, %	Interest, % ¹
0-1	Paying variable	5,624	100	2.96
1-2	Paying variable	–	–	–
>2 years after balance sheet date	Paying variable	–	–	–
Total		5,624	100	2.96

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

12. Fair Value Measurements of Financial Instruments

SEK million	30 Jun 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Derivative financial instruments	1,212	1,212	440	440
Quoted equity investments	8,014	8,014	5,765	5,765
Other non-current financial assets	3,935	3,935	3,170	3,170
Trade receivables	146	146	179	179
Other financial receivables	1,852	1,852	1,469	1,469
Cash and cash equivalents	6,724	6,724	19,508	19,508
Total	21,884	21,884	30,531	30,531
Financial liabilities:				
Derivate financial instruments	114	114	6	6
Long-term interest-bearing liabilities	157,067	144,048	134,895	135,229
Current interest-bearing liabilities	5,741	5,741	23,485	23,485
Lease liabilities	926	926	734	734
Trade payables	633	633	566	566
Other liabilities	4,198	4,198	4,411	4,411
Total	168,678	155,660	164,096	164,431

Fair value hierarchy of the Group's financial assets and financial liabilities as of 30 June 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:	9,226	8,014	680	532
Derivative financial assets				
Cross currency swaps	21	–	21	–
Interest rate swaps	659	–	659	–
Forward purchase contracts	532	–	–	532
Quoted equity investments	8,014	8,014	–	0
Financial liabilities measured at fair value:	-114	0	-114	0
Derivative financial liabilities				
Cross currency swaps	-9	–	-9	–
Interest rate swaps	-105	–	-105	–

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 -1,534 million for the six months period and SEK -1,892 million for the second quarter, presented under other financial items in the income statement. There were no transfers between Level 1 and Level 2 fair

value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months ended 30 June 2022.

13. Commitments and Contingencies

Investment obligations

Heimstaden Bostad has signed agreements to buy turnkey investment properties under construction after the balance sheet date. As at 30 June 2022, Heimstaden Bostad had total investment obligations of SEK 9.9 billion between 2022 and 2028, see table below.

Capital expenditures

As at 30 June 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 5,608 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	1,711	3,502	2,338	1,406	373	606	-	9,936

14. Subsequent Events

On 1 July Heimstaden Bostad finalised the purchase of the country management organisation from Heimstaden AB. The transaction value was SEK 2.6 billion and includes companies employing 2,000 people in nine countries, carrying out local management of Heimstaden Bostad's properties and central IT services. Simultaneously, the management agreement with Heimstaden AB was prolonged until 2047.

On 18 July Heimstaden Bostad successfully completed a tender offer to buy back EUR 868 million of outstanding hybrid bonds, with an average discount 25.2%, which was fully financed by SEK 6,885 million (EUR 649 million) equity raised from existing shareholders.

Parent Company Income Statement

SEK million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Management service revenues	28	–	28	1
Other operating expenses	-21	–	-32	–
Administrative expenses	-193	-129	-445	-261
Operating profit/loss	-186	-129	-449	-261
Interest income	429	110	875	212
Interest expenses	-279	-122	-561	-286
Net currency translation gains/losses	-2,009	4	-2,277	76
Other financial items, net	-2,882	-257	-2,906	-283
Net income from fair value adjustment of derivative financial instruments	141	44	187	212
Profit/loss after financial items	-4,785	-349	-5,131	-330
Income tax expense	-29	1	-29	-33
Profit for the period	-4,814	-347	-5,160	-363

Parent Company Comprehensive Income Statement

SEK million	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Profit for the period according to the Income Statement	-4,814	-347	-5,160	-363
Other comprehensive income	–	–	–	–
Comprehensive income	-4,814	-347	-5,160	-363

Parent Company Balance Sheet

SEK million	30 Jun 2022	31 Dec 2021	30 Jun 2021
ASSETS			
Shares in subsidiaries	52,281	62,021	40,060
Quoted equity investments	7,930	5,188	–
Deferred tax assets	23	41	60
Non-current receivables, subsidiaries	102,936	100,209	27,983
Total non-current assets	163,169	167,459	68,103
Current receivables, subsidiaries	48,642	40,369	44,187
Other financial assets	147	86	1,996
Cash and cash equivalents	2,743	16,555	6,678
Total current assets	51,531	57,011	52,861
Total assets	214,701	224,470	120,964

SEK million	30 Jun 2022	31 Dec 2021	30 Jun 2021
EQUITY AND LIABILITIES			
Equity	115,014	124,274	85,513
Interest-bearing liabilities	24,056	45,303	21,312
Derivative financial instruments	114	198	293
Non-current liabilities, subsidiaries	71,957	54,242	13,613
Total non-current liabilities	96,128	99,743	35,218
Interest-bearing liabilities	2,979	–	–
Trade and other payables	237	59	8
Accrued expenses and prepaid income	343	393	225
Total current liabilities	3,560	452	233
Total equity and liabilities	214,701	224,470	120,964

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	43	50,240	13,621	450	64,353
Profit for the period	–	–	406	-502	-97
Total profit	–	–	406	-502	-97
Share issue	29	44,936	–	–	44,965
Dividends	–	–	-406	-4,572	-4,978
Hybrid bonds issue	–	–	20,235	–	20,235
Costs of issuance	–	–	-204	–	-204
Total transactions with the Company's shareholders	29	44,936	19,625	-4,572	60,018
Equity, 31 Dec 2021	71	95,176	33,652	-4,625	124,274
Opening balance, 1 Jan 2022	71	95,176	33,652	-4,625	124,274
Profit for the period	–	–	836	-5,996	-5,160
Total profit	–	–	836	-5,996	-5,160
Share issue	15	23,341	–	–	23,356
Cost of issuance	–	-36	–	–	-36
Dividends	–	–	-836	-26,585	-27,420
Total transactions with the Company's shareholders	15	23,305	-836	-26,585	-4,100
Equity, 30 Jun 2022	87	118,481	33,652	-37,206	115,014

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, 18 August 2022

Patrik Hall CEO	Casper von Koskull Chairman of the Board	Ivar Tollefsen Board Member	Stefan Attefall Board Member	Vibeke Krag Board Member
John Giverholt Board Member	Frans Heijbel Board Member	Bente A. Landsnes Board Member	Birgitta Stenmark Board Member	Axel Brändström Board Member

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

Auditor's review report

Heimstaden Bostad AB (publ), corporate identity number 556864-0873
To the Board of Directors for Heimstaden Bostad AB (publ)

Introduction

We have reviewed the condensed interim report for Heimstaden Bostad AB (publ) as at 30 June 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, 18 August 2022
Ernst & Young AB

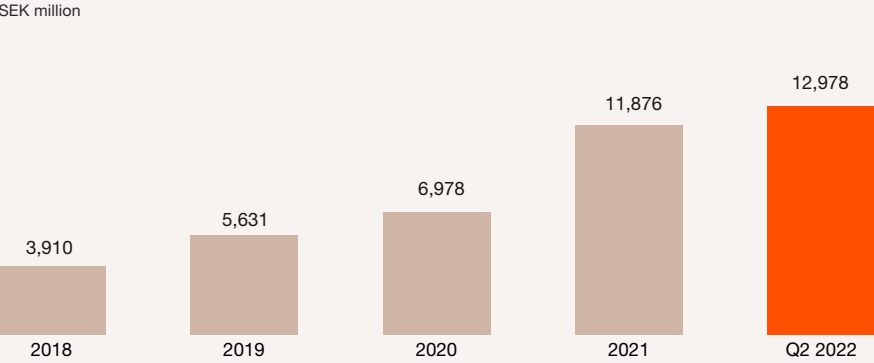
Jonas Svensson
Authorised Public Accountant

Earnings Capacity

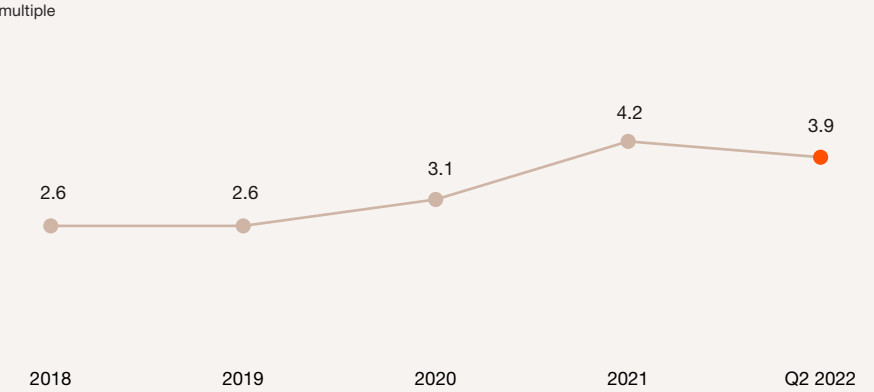
Earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 30 June 2022. Announced property acquisitions that closed after the balance sheet date are not included in the 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	12,978
Service charges paid by tenants	1,264
Property expenses	-5,781
Net operating income	8,460
Corporate administrative expenses	-840
Profit before financial items	7,621
Financial costs - interest-bearing liabilities	-1,948
Profit	5,672
Net operating income margin, %	65.2
Interest coverage ratio	3.9

Earnings Capacity Rental Income



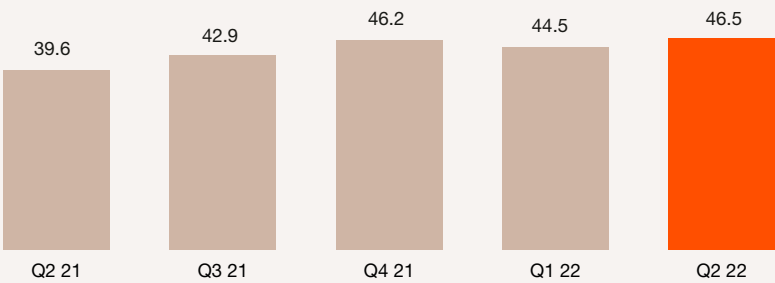
Earnings Capacity ICR



Alternative Performance Measures

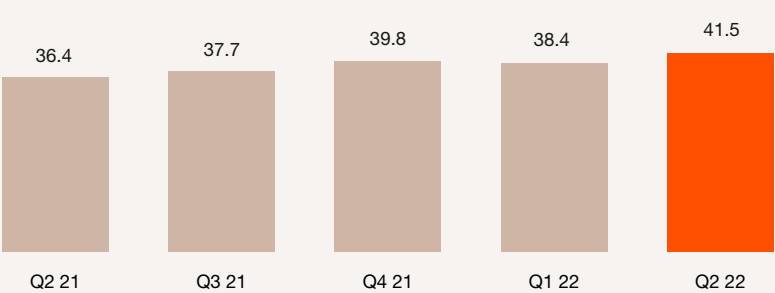
For more information, definitions, and methodology please refer to www.heimstadenbostad.com

Loan (net)-to-Value (LTV)
%



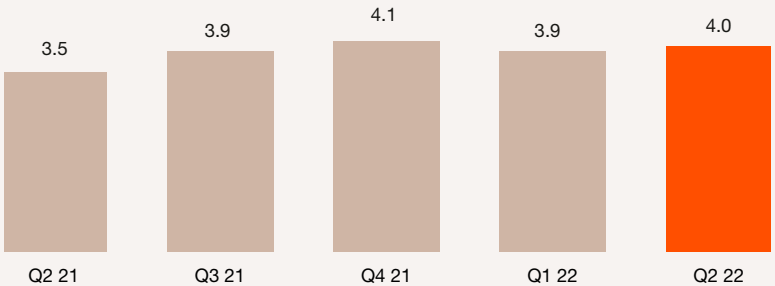
SEK million	Q2 2022	Q1 2022	Q2 2021
Interest-bearing secured liabilities	70,419	65,457	50,985
Interest-bearing unsecured liabilities	92,389	91,298	31,964
Cash and cash equivalents	6,724	16,321	9,244
Net interest-bearing liabilities	156,083	140,434	73,705
Fair value of investment properties	335,902	315,843	186,068
Net LTV, %	46.5	44.5	39.6

Net Debt / Total Assets
%



SEK million	Q2 2022	Q1 2022	Q2 2021
Net interest-bearing liabilities	156,083	140,434	73,705
Total assets	376,496	365,446	202,417
Net Debt / Total Assets, %	41.5	38.4	36.4

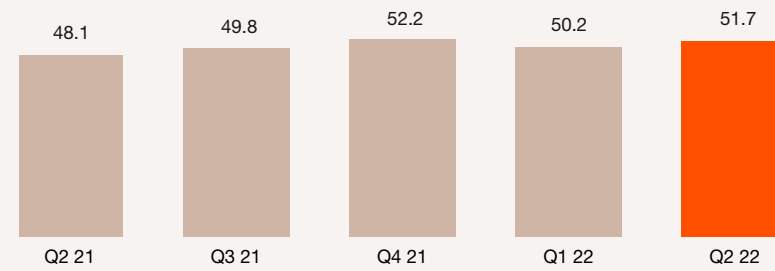
Interest Coverage Ratio (ICR)
multiple



SEK million Rolling 12 months	Q2 2022	Q1 2022	Q2 2021
Profit before financial items	4,045	3,466	4,153
Transaction costs from business combination	2,054	2,054	–
Financial income	185	200	72
Profit before financial items plus financial income	6,284	5,719	4,225
Financial costs - interest-bearing liabilities	1,575	1,449	1,222
ICR	4.0	3.9	3.5

Net debt / Net debt + Equity (S&P method)

multiple

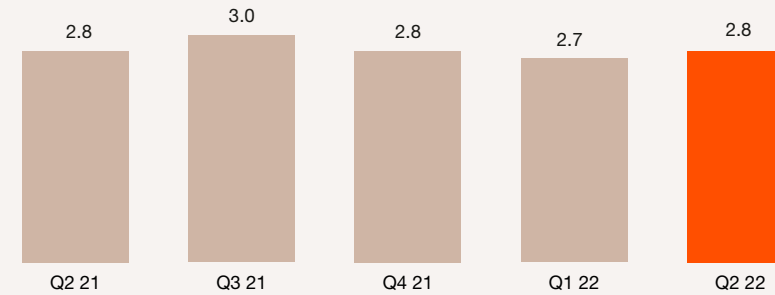


SEK million Rolling 12 months	Q2 2022	Q1 2022	Q2 2021
Equity	179,219	174,483	109,084
50% hybrid	16,833	16,833	13,832
Equity adj.	162,386	157,650	95,252
Total interest-bearing liabilities	162,807	156,755	82,949
Right-of-use-liabilities	926	1,410	646
Less: Cash and cash equivalents	-6,724	-16,321	-9,244
50% of hybrid equity as debt (S&P adj.)	16,833	16,833	13,832
Net interest-bearing liabilities, Adj. (Net debt)	173,842	158,677	88,184
Net debt + equity	336,228	316,327	183,436
Net debt / (net debt + equity)	51.7	50.2	48.1

This metric is calculated according to S&P's rating methodology, with 50% of hybrid bonds classified as debt.

ICR (S&P method)

multiple

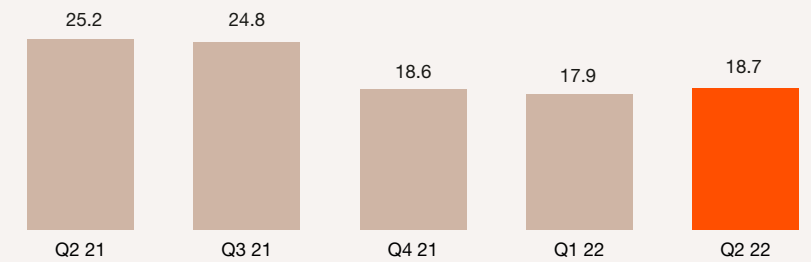


SEK million Rolling 12 months	Q2 2022	Q1 2022	Q2 2021
Operating profit before inventory properties and fair value adjustments	4,045	3,466	4,153
Depreciation and amortisation	5	1	16
SOS Partnership	122	81	–
Transaction costs from business combination	2,054	2,054	–
Share of net profits of associates and joint ventures	-161	-358	-33
EBITDA, adj.	6,065	5,244	4,136
Interest expenses on interest-bearing liabilities	1,575	1,449	1,222
Capitalised interest	63	55	–
50% interim-equity hybrid dividend annual (S&P)	503	451	243
Interest expense, adj.	2,141	1,955	1,465
ICR incl. Hybrid bonds as 50% debt	2.8	2.7	2.8

This metric is calculated according to S&P's rating methodology, with 50% of hybrid bonds classified as debt.

Secured loan-to-value

%



	Q2 2022	Q1 2022	Q2 2021
Interest-bearing secured liabilities	70,419	65,457	50,985
Total assets	376,496	365,446	202,417
Secured loan-to-value, %	18.7	17.9	25.2

All figures in SEK million unless otherwise specified.

Residential, %

	Q2 2022	Q4 2021
Fair value residential properties	303,017	270,589
Fair value investment properties	326,089	292,673
Residential, %	92.9	92.5

Like-for-like rental income growth

	Q2 2022 ¹	Q2 2021 ²
Rental income current year	1,997	1,384
Rental income previous year	1,898	1,355
Like-for-like rental income growth, %	5.2	2.1

¹ Only properties owned as of 31 December 2020 included.

² Only properties owned as of 31 December 2019 included.

Net operating income margin

	Q2 2022	Q2 2021
Rental income	6,118	2,053
Net operating income	3,864	1,328
Net operating income, %	63.2	64.7

Economic occupancy, residential

	Q2 2022	Q4 2021
Theoretical rental income on residential units	2,977	2,338
Economic vacancy	-97	-69
Rental income on residential units	2,880	2,269
Economic occupancy, %	96.7	97.1

Real economic occupancy, residential

	Q2 2022	Q4 2021
Theoretical rental income on residential units	2,977	2,338
Adj. for non-market vacancy	-45	-40
Adj. Theoretical rental income	2,932	2,298
Real economic occupancy, %	98.5	98.3

Equity ratio

	Q2 2022	Q4 2021
Equity	179,219	160,338
Assets	376,496	349,066
Equity ratio, %	47.6	45.9

Solvency ratio

	Q2 2022	Q4 2021
Equity	179,219	160,338
Liabilities	197,276	188,728
Solvency ratio, %	47.6	45.9

Net asset value (NAV)

	Q2 2022	Q4 2021
Equity	179,219	160,338
Deferred tax liability	25,235	21,904
NAV	204,455	182,241

EBITDA

Rolling 12 months	Q2 2022	Q4 2021
Operating profit before investment properties and fair value adjustments	4,045	2,834
Transaction cost from business combination	2,054	2,232
Amortisation and depreciation	-4	2
EBITDA	6,095	5,068

Debt/EBITDA

Rolling 12 months	Q2 2022	Q4 2021
Interest-bearing liabilities	125,882	106,976
EBITDA	6,095	5,068
Debt / EBITDA, multiple	20.7	21.1

NAV per ordinary share

	Q2 2022	Q4 2021
Equity	179,219	160,338
Less Preference capital A	337	444
Less Preference capital B	88,042	73,506
Less Preference capital C	1	–
Less Hybrid capital & minority	42,471	34,510
Deferred tax not attributable to goodwill	11,834	8,934
Equity excluding preference capital	60,203	60,811
Number of ordinary shares	11,857,910	9,725,321
NAV per ordinary share, SEK	5,077	6,253

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