Q1 2021

Heimstaden
BOSTAD

First Quarter Highlights

Figures in SEK

179 billion
Investment Properties

26.1 billion
Acquisitions

3.7 billion
Profit

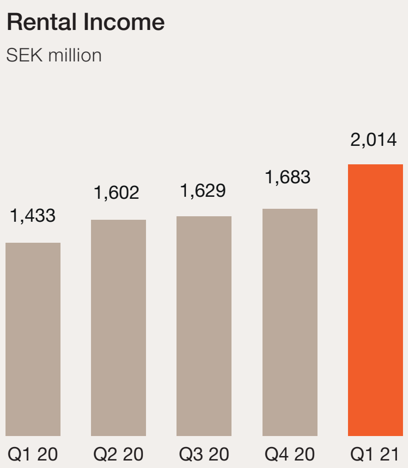
BBB
S&P rating

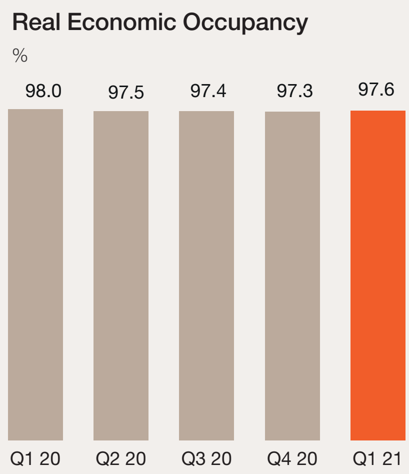
41.1%
LTV

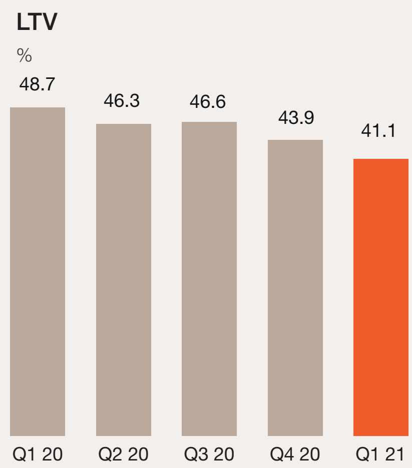
3.2x
ICR

- Strong operational and financial performance, with continued high occupancy and strong credit metrics.
- Closed acquisitions for 26.1 billion, of which 15.7 billion in Denmark, making it Heimstaden Bostad's largest market in terms of value
- Raised 12.5 billion in new equity from existing owners and new shareholder, the Swedish Pensions Agency.
- Raised 13.1 billion in new senior unsecured- and hybrid bonds.

See page 42 for definitions of alternative performance measures.







		Q1 2021	Q4 2020	Q1 2020	2020
Financials					
Rental income	SEK m	2,014	1,683	1,433	6,347
Growth y-o-y	*%*	*40.5*	*30.4*	*50.4*	*32.3*
Net operating income	SEK m	1,232	958	855	3,893
Net operating income margin	%	61.2	56.9	59.7	61.3
Profit for the period	SEK m	3,691	2,578	1,889	8,673
Capital expenditures	SEK m	1,308	1,062	613	2,743
Investment properties					
Fair value of investment properties	SEK m	178,897	143,806	131,358	143,806
Homes	Units	114,041	103,345	97,792	103,345
Real economic occupancy, residential	%	97.6	97.3	98.0	97.5
Like-for-like rental income growth, y-o-y	%	1.6	2.2	5.9	3.6
Credit metrics					
Net Loan-to-Value (LTV)	%	41.1	43.9	48.7	43.9
Net debt / Net debt + Equity, S&P method	%	49.3	50.1	52.9	50.1
Net debt / Total assets	%	37.3	40.2	45.8	40.2
Interest Coverage Ratio (ICR)	Multiple	3.2	2.9	2.6	2.9
Interest Coverage Ratio, S&P method	Multiple	2.7	2.5	2.4	2.5

Staying True To Our Core Values

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

In Germany, many of our customers recently experienced our customer focus first-hand, after the German Federal Constitutional Court ruled Berlin's Rent Freeze legislation unconstitutional. Many tenants in Berlin now risk claims from landlords for past rent, but Heimstaden quickly waived its rights to all such claims – a natural decision for us as a customer-centred and long-term provider of Friendly Homes.

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

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

At the annual general meeting, Vibeke Krag, Bente A. Landsnes, Eldbjørg Sture and Ivar Tollefsen were elected as new board members. The Board's first decisions were to establish an Audit and Risk Committee and to apply the Swedish Corporate Governance Code. Both are welcome resolutions that will contribute to further strengthen our governance processes going forward.

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

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

Patrik Hall, CEO Heimstaden Bostad AB

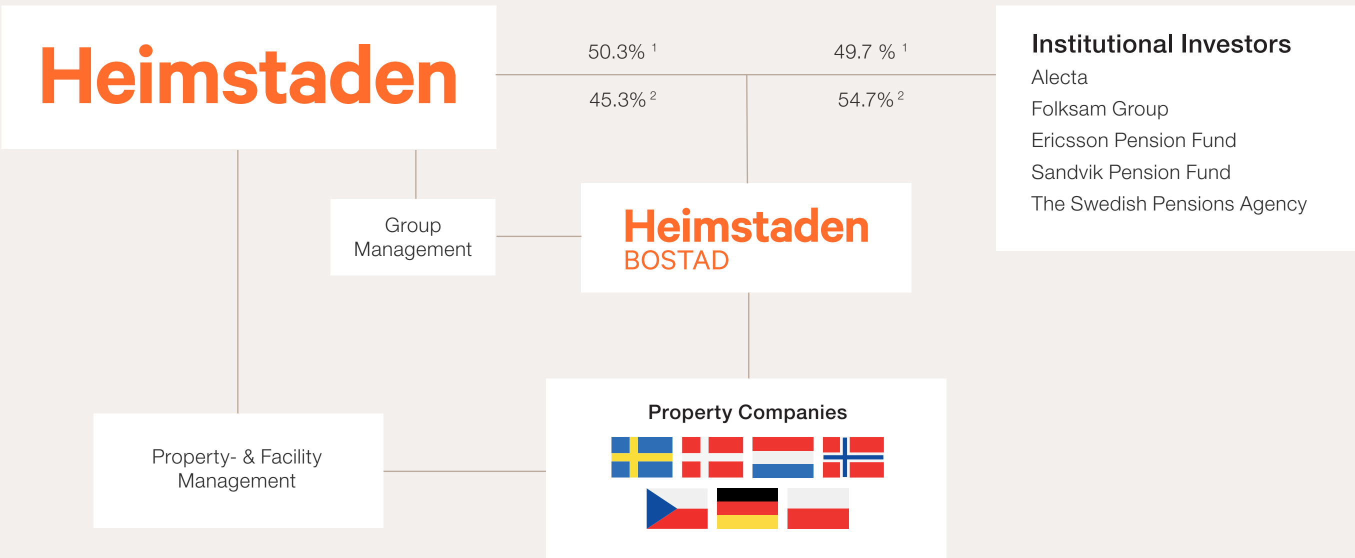
A Home for a Home

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

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

SOS CHILDREN'S VILLAGES

Company Structure



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

[1] *Share of voting rights.*
[2] *Share of capital.*

Ejler Billes Allé
Copenhagen, Denmark

Operational and Financial Review

This report is presented on a consolidated basis. Figures in brackets refer to the same period last year.

Income
Rental income increased 41% to 2,014 million (1,430), driven primarily by the full-quarter effect of the acquisition in the Czech Republic in February 2020 and the acquisitions in Denmark and Berlin in January 2021. Service income was 185 million (68), mainly related to heating costs charged back to tenants.

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

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

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

Cost for property- and facility management increased to 339 million (194) driven by acquisitions and establishment of property management operations in new markets.

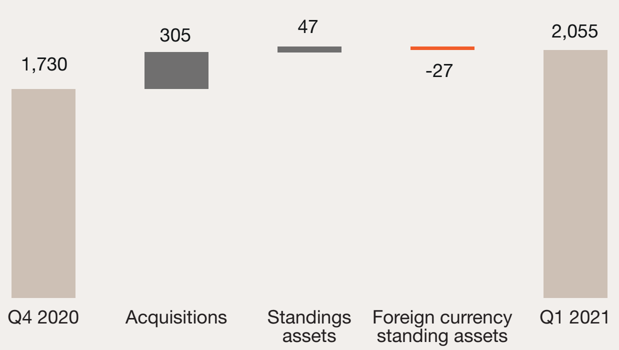
Capital expenditures and Repair & Maintenance
We continued to invest in refurbishments and the construction of new investment properties. Investments in standing assets increased to 801 million (543), corresponding to 0.45% of fair value (0.41), while investments in properties under construction increased to 0.39% of fair value (0.17), due to a larger amount of forward funding acquisitions. More details on page 11.

SEK million	Q1 2021	Q1 2020	2020
Income statement items			
Expenses for repair & maintenance [1]	183	150	671
Balance sheet items			
Capitalised repair & maintenance	417	236	1,005
Tenant improvements	201	157	652
Investment properties under construction	691	220	1,088
Capital expenditures	**1,308**	**613**	**2,745**

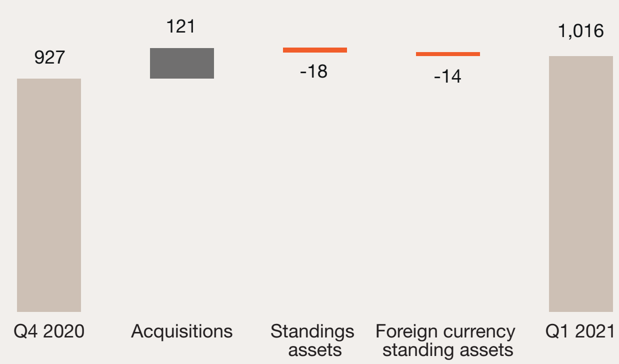
[1] *Excluding group eliminations*

Net operating income
The net operating income increased by 44% to 1,232 million (855), resulting in a net operating income margin of 61.2% (59.8). The margin was positively impacted by acquisitions.

Rental Income Development
SEK million



Property Cost Development
SEK million



Unrealised change in fair value

	%	SEK million
Sweden	2.0	1,019
Denmark	3.4	1,790
Norway	4.1	744
Germany	4.5	624
Netherlands	-1.0	-243
Czech Republic	3.2	455
Total/average	**2.5**	**4,389**

Net gain from fair value adjustments on investment properties was 4,389 million (1,934), corresponding to 2.5%. The yield requirement in the valuation averaged 3.48%, down from 3.62% at the end of 2020. As of 1 January, real estate transfer tax in the Netherlands was increased from 2% to 8%, which negatively impacted value development.

Interest expenses

Interest expenses decreased to 306 million (309) due to lower interest rates. At the balance sheet date the interest hedging ratio was 77% (76) and the average interest rate was 1.5% (1.7). The decrease is mainly the result of lower credit margins on bank loans and unsecured bonds.

The Interest Coverage Ratio for the last 12 months was 3.2x (2.6x), while Net Loan-to-Value was 41.1% (48.7).

Foreign currency

Heimstaden Bostad is exposed to currency fluctuations in EUR, DKK, NOK, CZK and PLN. Currency translation differences from the consolidation of Heimstaden Bostad's subsidiaries resulted in other comprehensive income of 2,511 million (negative 761), which was partially offset by 590 million in foreign exchange losses (positive 358), mainly related to foreign currency bonds in the parent company.

Cash Flow

SEK million	Q1 2021	Q1 2020
Cash flow from operating activities	796	403
Cash flow from investing activities	-13,612	-7,241
Cash flow from financing activities	18,831	6,363
Currency effects on cash and cash equivalents	51	-14
Net changes in cash and cash equivalents	**6,066**	**-488**
Cash and cash equivalents at beginning of period	7,636	4,345
Cash and cash equivalents at end of period	**13,702**	**3,843**

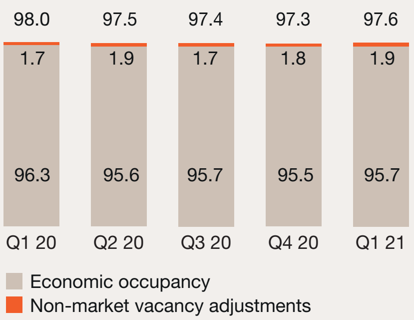
Cash flow from operating activities before changes in working capital was 669 million (449). Working capital increased by 127 million (negative 46), resulting in net cash flows from operating activities of 796 million (403).

Cash flow from investing activities was negative 13,612 million (negative 7,241) and included acquisitions of 13,653 million (7,023) and capex on investment properties of 1,355 million (587). Investments in the first quarter of 2020 mainly comprised an acquisition in the Czech Republic while investments in the first quarter of 2021 consisted mainly of acquisitions in Denmark and Germany.

Cash flow from financing activities was 18,831 million (6,363), which included new share issues of 12,465 million (7,206), senior unsecured bond issues of 5,044 million (0) and a hybrid bond issue of 8,073 million (0).

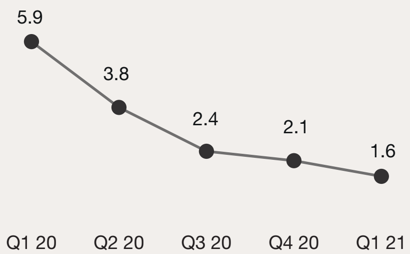
Real Economic Occupancy

%



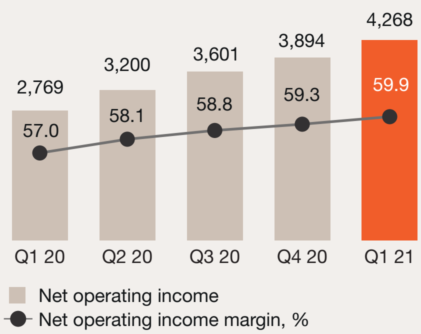
Like-for-Like Rental Income Growth

%



Net Operating Income and Margin

Last twelve months, SEK million / %



Investment Properties

Fair value of investment properties increased from 144 billion to 179 billion, mainly through acquisitions in Denmark and Berlin, capital expenditures of 1,308 million and fair value gain of 4,389 million. Residential units makes up 92% of the lettable area and 51% of residential income is from regulated units.

Significant acquisitions

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

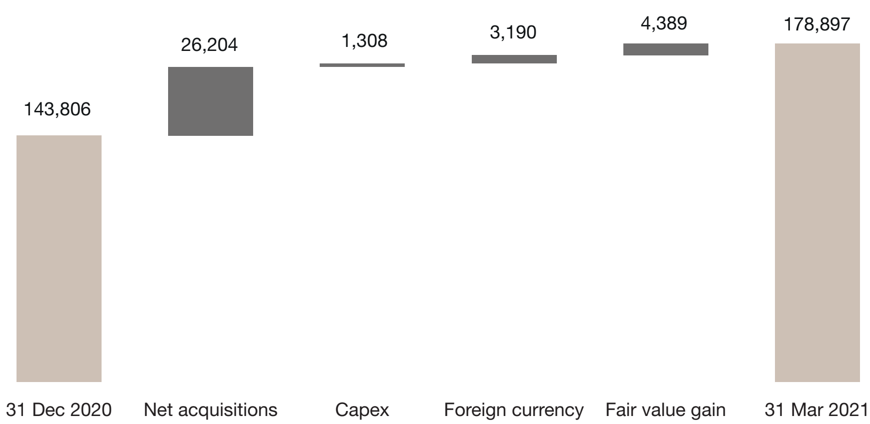
Acquisitions Closed in Q1 2021

SEK million

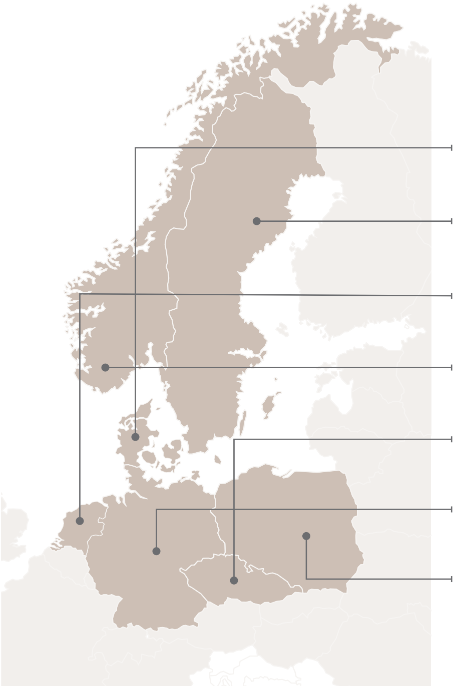
Sweden	359
Denmark	15,726
Germany	9,787
Czech Republic	230

Fair Value Development in Q1 2021

SEK million



Investment Property Portfolio



Country	Fair Value, SEK m	Fair Value /sqm, SEK	Homes, units	Regulated Income, %	Economic Occupancy
Denmark	55,032	33,571	16,048	11.0	95.5
Sweden	51,470	23,896	31,559	100.0	97.9
Netherlands	23,686	22,456	13,338	61.6	96.6
Norway	18,998	85,514	4,590	0.0	92.1
Czech Republic	14,913	5,682	42,800	34.9	92.3
Germany	14,348	34,233	5,706	100.0	96.8
Poland	450	-	-	-	-
Total	**178,897**	**22,048**	**114,041**	**51.2**	**95.7**

Signed Acquisitions

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

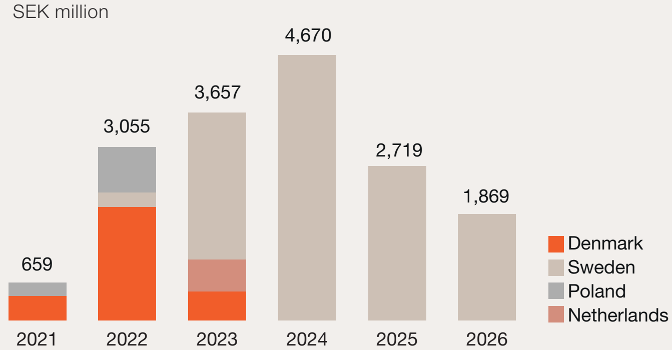
Newbuild investments are structured either as forward purchase or forward funding. In a forward purchase transaction, Heimstaden Bostad commits to buying new turnkey investment properties, which are not recognised on the balance sheet until delivery.

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

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

Signed Acquisitions

SEK million



Denmark

55.0 billion
Investment Properties

15.7 billion
Acquisitions

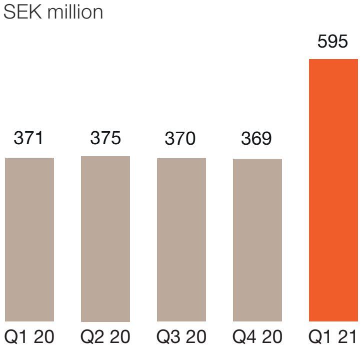
595 million
Rental Income

Rental income was 595 million (371), a 60% increase year-on-year, driven by 15.7 billion in acquisitions. Like-for-like rental income growth was 1.0% (7.7) and the comparable portfolio comprised 59% (48) of rental income.

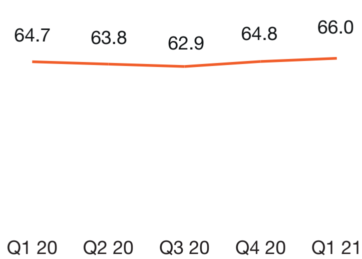
Net operating income increased by 70% to 403 million (237), resulting in a net operating income margin of 67.7% (63.9). The improved margin is driven by lower repair and maintenance costs and the changed portfolio composition following recent acquisitions.

		Q1 2021	**Q4 2020**	**Q1 2020**	**2020**
Rental income	SEK m	595	369	371	1,485
Net operating income	SEK m	403	250	237	962
Net operating income margin	%	67.7	67.8	63.9	64.8
Like-for-like rental income growth	%	1.0	-1.7	7.7	1.5
Economic occupancy	%	95.5	94.4	95.0	94.5
Fair value of investment properties	SEK m	55,032	36,199	35,785	36,199
Capital expenditures	SEK m	358	221	178	538
Average valuation yield requirement	%	3.9	3.6	3.6	3.6

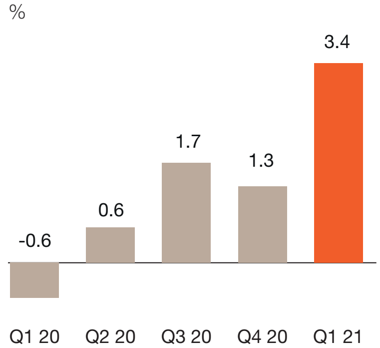
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Sweden

51.5 billion
Investment Properties

0.4 billion
Acquisitions

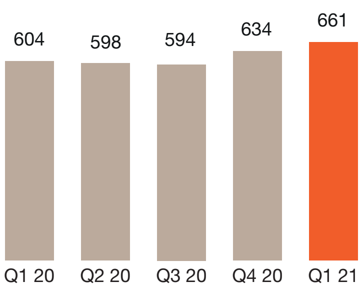
661 million
Rental Income

Rental income was 661 million (604), a 10% increase year-on-year. Like-for-like rental income growth was 2.4% (5.0) and the comparable portfolio comprised 93% (96) of rental income.

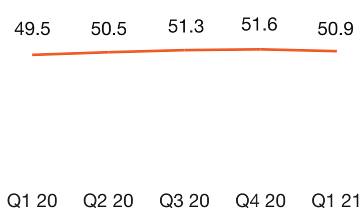
Net operating income increased by 4% to 301 million (289), resulting in a net operating income margin of 45.5% (47.9). The lower margin is driven by higher utility- and repair and maintenance costs.

		Q1 2021	Q4 2020	Q1 2020	2020
Rental income	SEK m	661	634	604	2,429
Net operating income	SEK m	301	291	289	1,254
Net operating income margin	%	45.5	46.0	47.9	51.6
Like-for-like rental income growth	%	2.4	4.6	5.0	4.3
Economic occupancy	%	97.9	98.2	98.5	98.3
Fair value of investment properties	SEK m	51,470	49,690	42,269	49,690
Capital expenditures	SEK m	402	523	405	1,651
Average valuation yield requirement	%	3.3	3.6	3.8	3.6

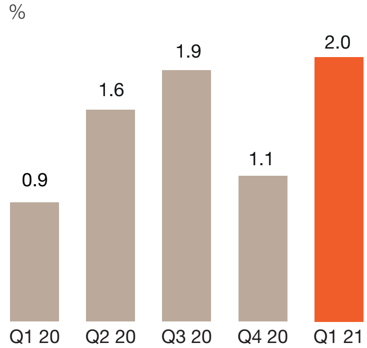
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Netherlands

23.7 billion
Investment Properties

0.0 billion
Acquisitions

279 million
Rental Income

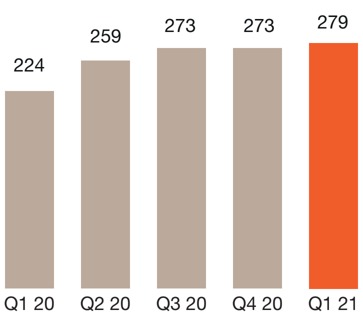
Rental income was 279 million (224), a 25% increase year-on-year. Like-for-like rental income growth was 2.7% (n.a.) and the comparable portfolio comprised 78% (n.a.) of rental income.

Net operating income increased by 35% to 165 million (123), resulting in a net operating income margin of 59.3% (54.7). The improved margin is driven by lower repair and maintenance costs.

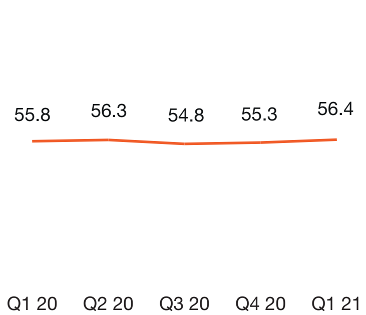
As of 1 January, real estate transfer tax was increased from 2% to 8%, which negatively impacted value development.

		Q1 2021	Q4 2020	Q1 2020	2020
Rental income	SEK m	279	273	224	1,029
Net operating income	SEK m	165	159	123	569
Net operating income margin	%	59.3	58.0	54.7	55.3
Like-for-like rental income growth	%	2.7	n/a	n/a	n/a
Economic occupancy	%	96.6	96.2	96.7	96.6
Fair value of investment properties	SEK m	23,686	23,365	19,582	23,365
Capital expenditures	SEK m	115	183	23	199
Average valuation yield requirement	%	3.5	3.6	3.8	3.6

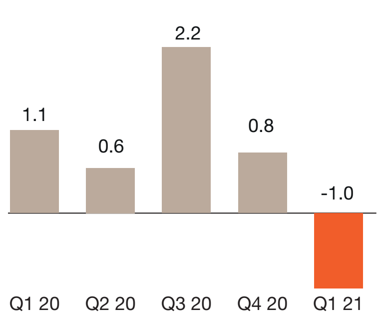
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Norway

19.0 billion
Investment Properties

0.0 billion
Acquisitions

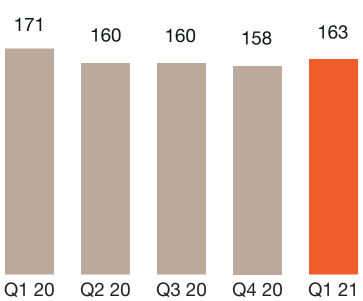
163 million
Rental Income

Rental income was 163 million (171), a 5% decrease year-on-year, driven by weaker currency and somewhat lower occupancy. Like-for-like rental income growth was negative 1.3% (6.3.) and the comparable portfolio comprised 100% (98) of rental income.

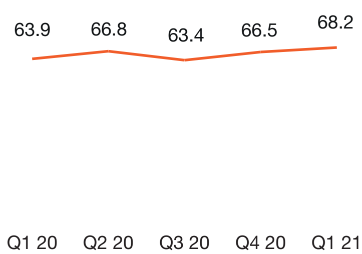
Net operating income increased by 4% to 116 million (111), resulting in a net operating income margin of 71.2% (65.0). The improved margin is driven by lower repair and maintenance- and property mangement costs.

		Q1 2021	Q4 2020	Q1 2020	2020
Rental income	SEK m	163	158	171	649
Net operating income	SEK m	116	99	111	432
Net operating income margin	%	71.2	63.1	65.0	66.5
Like-for-like rental income growth	%	-1.3	-0.5	6.3	4.3
Economic occupancy	%	92.1	92.0	93.4	93.3
Fair value of investment properties	SEK m	18,998	17,009	15,924	17,009
Capital expenditures	SEK m	45	-3	13	20
Average valuation yield requirement	%	2.7	2.8	2.9	2.8

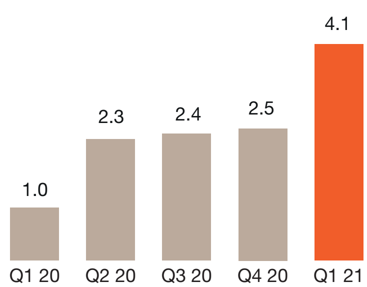
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Czech Republic

14.9 billion
Investment Properties

0.2 billion
Acquisitions

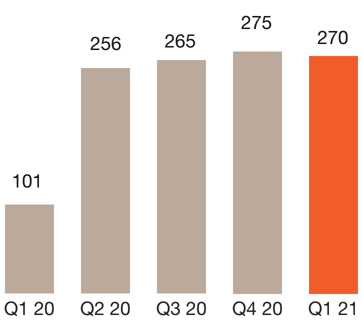
270 million
Rental Income

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

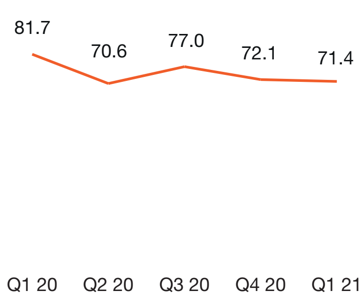
Net operating income increased by 139% to 197 million (82), resulting in a net operating income margin of 72.8% (81.7). The lower margin is driven by higher repair and maintenance- and property management costs as well as accounting effects related to the acquisition in the first quarter of 2020.

		Q1 2021	Q4 2020	Q1 2020	2020
Rental income	SEK m	270	275	101	896
Net operating income	SEK m	197	168	82	646
Net operating income margin	%	72.8	61.0	81.7	72.1
Like-for-like rental income growth	%	n/a	n/a	n/a	n/a
Economic occupancy	%	92.3	92.4	92.7	92.5
Fair value of investment properties	SEK m	14,913	13,826	13,794	13,829
Capital expenditures	SEK m	61	170	0	309
Average valuation yield requirement	%	5.2	5.3	5.3	5.3

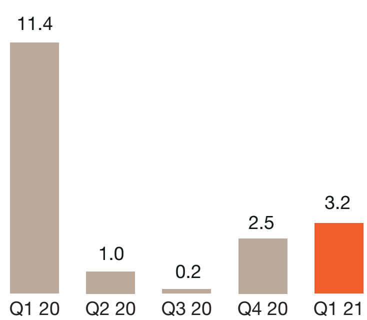
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Germany

14.3 billion
Investment Properties

9.8 billion
Acquisitions

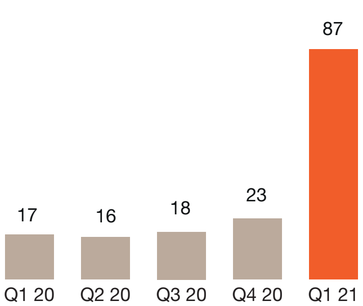
87 million
Rental Income

Rental income increased to SEK 87 million (17) due to acquisitions. Like-for-like rental income growth was negative 13.0% (n/a), impacted by a temporary rent freeze in Berlin, which was declared unconstitutional in April, 2021. The comparable portfolio comprised only 5% (30) of rental income.

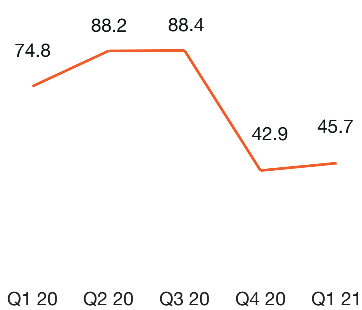
Net operating income increased by 277% to 47 million (12), resulting in a net operating income margin of 53.7% (74.8). The lower margin is driven primarily by accounting effects related to the recent acquisition and higher costs from the establishment of an in-house property management organisation.

		Q1 2021	Q4 2020	Q1 2020	2020
Rental income	SEK m	87	23	17	74
Net operating income	SEK m	47	-8	12	32
Net operating income margin	%	53.7	-34.8	74.8	42.9
Like-for-like rental income growth	%	-13.0	n/a	n/a	n/a
Economic occupancy	%	96.8	96.7	98.8	96.5
Fair value of investment properties	SEK m	14,348	3,716	2,412	3,716
Capital expenditures	SEK m	0	-33	-7	27
Average valuation yield requirement	%	2.0	1.9	2.2	1.9

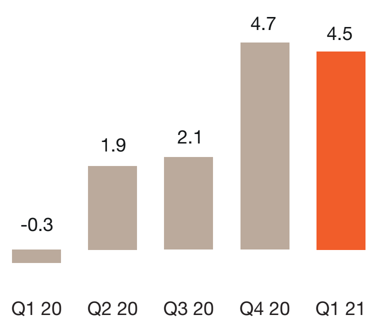
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Poland

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

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

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

Selected projects:

Unique - Moko

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

Velizy - Postepu

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

Funding Overview

Owning and operating residential real estate requires stable and favourable access to capital. Heimstaden Bostad adheres to conservative financial policies that support our long-term strategy and maintains a well-diversified financing structure with a robust balance sheet and strong credit metrics.

Capital market activity

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

At the end of the period, Heimstaden Bostad had SEK 34,310 million in senior unsecured bonds and SEK 21,500 million in hybrid bonds outstanding.

BBB

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

Outstanding senior unsecured bonds as at 31 March 2021

Currency	Amount (million)	Fixed/floating	Coupon/spread	Start date	Maturity	Listing
EUR	340	Fixed	1.75%	07/12/2018	07/12/2021	Euronext Dublin
NOK	500	Floating	Nibor 3m + 240	07/12/2018	07/06/2024	Oslo Børs
SEK	1,000	Floating	Stibor 3m + 200	07/12/2018	07/09/2022	Euronext Dublin
EUR	700	Fixed	2.13%	05/03/2019	05/09/2023	Euronext Dublin
EUR	500	Fixed	1.13%	21/01/2020	21/01/2026	Euronext Dublin
EUR	50	Fixed	2.80%	04/05/2020	04/05/2035	Euronext Dublin
EUR	50	Fixed	2.80%	04/05/2020	04/05/2035	Euronext Dublin
SEK	1,200	Floating	Stibor 3m + 175	26/05/2020	26/05/2022	Euronext Dublin
SEK	500	Floating	Stibor 3m + 130	29/06/2020	29/12/2022	Euronext Dublin
EUR	700	Fixed	1.38%	03/09/2020	03/03/2027	Euronext Dublin
SEK	800	Floating	Stibor 3m + 130	25/11/2020	25/02/2025	Euronext Dublin
SEK	400	Fixed	1.37%	25/11/2020	25/02/2025	Euronext Dublin
NOK	400	Floating	Nibor 3m + 135	25/11/2020	25/02/2025	Oslo Børs
NOK	400	Fixed	2.02%	25/11/2020	25/02/2025	Oslo Børs
EUR	500	Floating	Euribor 3m + 60	12/01/2021	12/01/2023	Euronext Dublin

Outstanding subordinated perpetual hybrid bonds as at 31 March 2021

Currency	Amount (million)	Fixed/floating	Coupon/spread	Start date	Non-call period	Listing
EUR	800	Fixed	3.25%	19/11/2019	5.25 years	Euronext Dublin
EUR	500	Fixed	3.38%	15/10/2020	5.5 years	Euronext Dublin
EUR	800	Fixed	2.63%	01/02/2021	6.25 years	Euronext Dublin

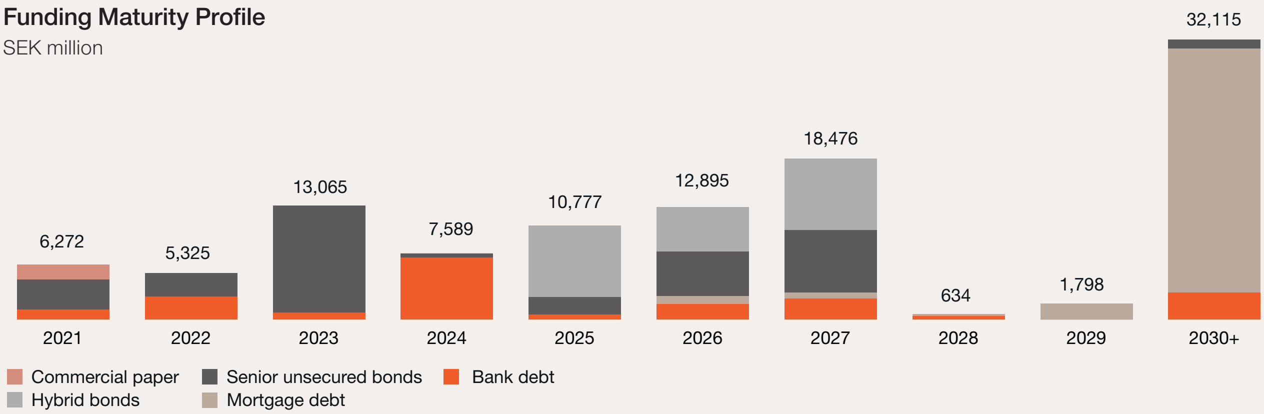
Financial Policy

		Policy	Q1 2021
Interest coverage ratio, rolling 12 months	Multiple	≥ 1.5	3.2
Equity ratio	%	≥ 30	50.6
Average loan tenor	Months	≥ 15	140
Loan maturity in individual year	%	≤ 40	17 (2027)
Share of loans from individual lender	%	≤ 40	13
Interest rate hedge	%	≥ 75	77
Net Debt / Net Debt + Equity, S&P method	%	45-55	49.3
Quick ratio	%	≥ 125	761

Funding Metrics

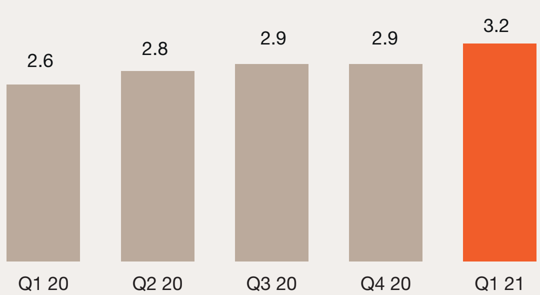
Funding Maturity Profile

SEK million



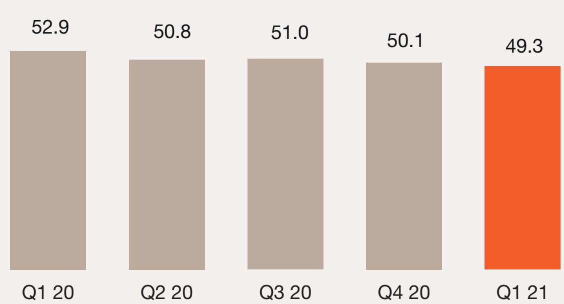
ICR

multiple



Net debt / Net debt + Equity, S&P method

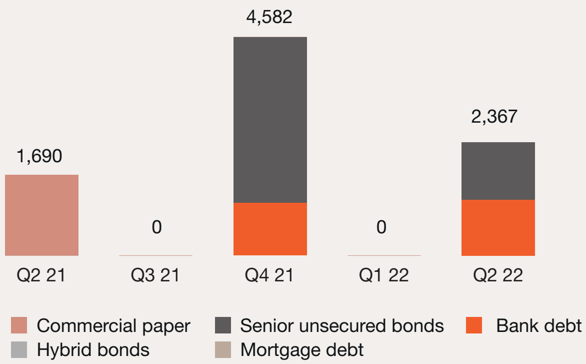
%



Funding Metrics

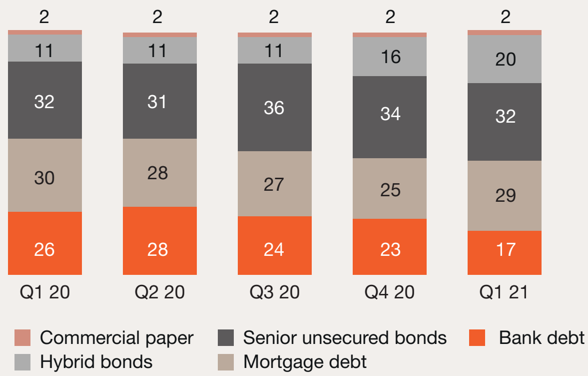
Funding Maturity Profile Next Five Quarters

%



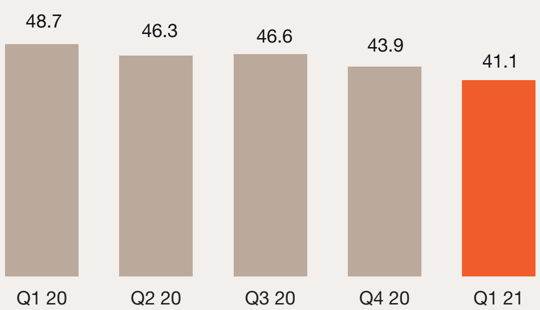
Funding Distribution

%



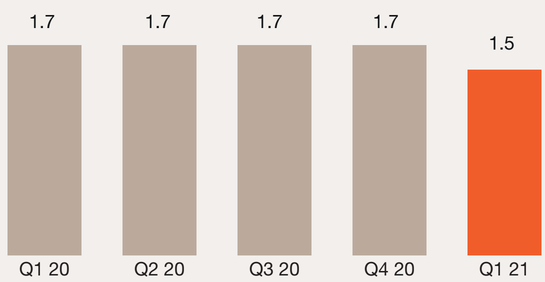
LTV

%



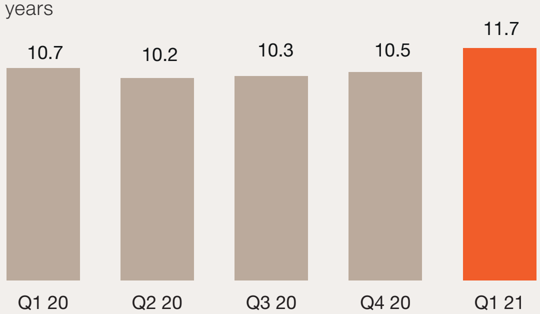
Average Interest Rate

%



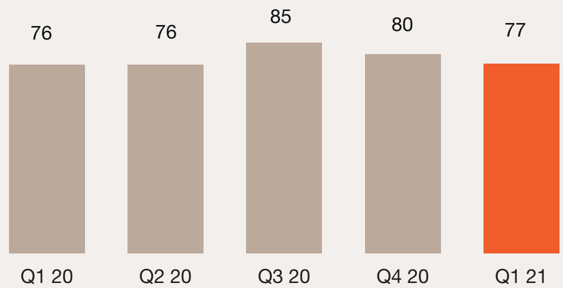
Average Loan Tenor

years



Hedge Ratio

%




ACNE PAPER

Interim Financial Statements and Notes

Contents

Comprehensive Income Statement

SEK million	Note	Q1 2021	Q1 2020
Rental income	4	2,014	1,430
Service income	4	185	68
Property expenses	3	-967	-642
Net operating income [1]		**1,232**	**855**
Corporate administrative expenses		-113	-83
Other operating income		1	14
Other operating expenses		-21	-10
Share of net profits of associates and joint ventures		-3	-2
Operating profit before inventory properties and fair value adjustments		**1,096**	**776**
Fair value adjustment of investment properties		4,389	1,933
Income from sale of inventory properties		48	-19
Operating profit		**5,534**	**2,690**
Interest expenses on interest-bearing liabilities		-306	-309
Net foreign exchange gains/losses		-590	358
Fair value adjustment of derivative financial instruments		123	-129
Other financial items		-45	-21
Profit before tax		**4,716**	**2,589**
Current tax expense		-148	-141
Deferred tax expense		-877	-559
Profit for the period		**3,691**	**1,889**
Other comprehensive income	5	2,511	-761
Comprehensive income		**6,202**	**1,128**
Comprehensive income for the period attributable to:			
The Parent Company's shareholders		6,200	1,128
Non-controlling interests		2	0
Average number of shares outstanding		7,012,663	6,026,377
Earnings per ordinary share (basic and diluted)		735	94

[1] Excludes income from inventory properties.

Balance Sheet

SEK million	Note	31 Mar 2021	31 Dec 2020
ASSETS			
Investment properties	6	178,897	143,806
Intangible assets		6	7
Property, plant and equipment		727	648
Other non-current financial assets	7	1,238	1,243
Total non-current assets		**180,868**	**145,703**
Inventory properties	8	1,344	1,292
Rent and trade receivables		98	61
Other current financial assets		586	2,045
Prepayments		258	188
Cash and cash equivalents		13,702	7,636
Total current assets		**15,989**	**11,223**
Total assets		**196,857**	**156,926**
EQUITY AND LIABILITIES			
Equity		**99,597**	**77,741**
Interest-bearing liabilities	9	80,364	64,066
Lease liabilities		603	531
Derivative financial instruments	10	343	433
Deferred tax liabilities		5,163	4 212
Other non-current financial liabilities		834	903
Total non-current liabilities		**87,306**	**70,145**
Interest-bearing liabilities	9	6,819	6,713
Trade payables		499	414
Other current payables		1,813	1,046
Derivative financial instruments	10	10	14
Prepayments		812	853
Total current liabilities		**9,954**	**9,040**
Total equity and liabilities		**196,857**	**156,926**

Statement of Changes in Equity

SEK million	Share capital	Other paid in capital	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 Jan 2020	**33**	**39,847**	**8,514**	**-1,208**	**10,302**	**57,488**	**59**	**57,547**
Profit for the period	-	-	69	-	8,604	8,673	1	8,674
Other comprehensive income	-	-	-	-4,479	-	-4,479	-	-4,479
Total comprehensive income	**-**	**-**	**69**	**-4,479**	**8,604**	**4,194**	**1**	**4,195**
New share issue	9	12,843	-	-	-	12,852	-	12,852
Dividend	-	-	-69	-	-1,828	-1,897	-	-1,897
Issue of hybrid bonds	-	-	5,189	-	-	5,189	-	5,189
Costs of issuance	-	-	-68	-	-77	-145	-	-145
Total transactions with the company's owners	**9**	**12,843**	**5,052**	-	**-1,905**	**15,999**	-	**15,999**
Equity, 31 Dec 2020	**42**	**52,690**	**13,635**	**-5,687**	**17,001**	**77,681**	**60**	**77,741**
Opening balance, 1 Jan 2021	**42**	**52,690**	**13,635**	**-5,687**	**17,001**	**77,681**	**60**	**77,741**
Profit for the period	-	-	261	-	3,428	3,689	2	3,691
Other comprehensive income	-	-	-	2,511	-	2,511	-	2,511
Total comprehensive income	**-**	**-**	**261**	**2,511**	**3,430**	**6,200**	**2**	**6,202**
New share issue	1	3,999	-	-	-	4,000	-	4,000
Unregistered new share issue [1]	8	8,457	-	-	-	8,465	-	8,465
Dividend	-	-	-261	-	-4,572	-4,833	-	-4,833
Issue of hybrid bonds	-	-	8,073	-	-	8,073	-	8,073
Costs of issuance	-	-	-50	-	-	-50	-	-50
Total transactions with the company's owners	**9**	**12,456**	**7,762**	-	**-4,572**	**15,654**	-	**15,654**
Equity, 31 Mar 2021	**51**	**64,146**	**21,658**	**-3,176**	**15,859**	**99,536**	**62**	**99,597**

[1] New share issue decision taken on 2021-03-25.

Cash Flow Statement

SEK million	Q1 2021	Q1 2020
Operating activities		
Profit before tax	4,716	2,589
Adjustments to reconcile profit before tax to net cash flows		
Net gain from fair value adjustment on investment property	-4,434	-1,914
Net change in fair value of derivative financial instruments	-123	129
Finance expenses – net	352	329
Other adjustments	730	-321
Working capital changes		
Increase/decrease(+) in trade receivables	-218	-161
Increase/decrease(-) in trade and other payables	345	115
Cash generated from operations	1,368	766
Interest paid	-442	-272
Interest received	0	13
Paid tax	-130	-104
Net cash flows from operating activities	**796**	**403**
Investing activities		
Acquisitions of investment properties	-13,653	-7,023
Capital expenditure on investment properties	-1,355	-587
Deposits paid for signed acquisitions	1,495	514
Other cash flows from investing activities	-99	-158
Net cash flows from investing activities	**-13,612**	**-7,241**
Financing activities		
Proceeds from interest-bearing liabilities	4,734	-
Repayment of interest-bearing liabilities	-1,834	-711
Dividends paid to the parent company's shareholders	-4,296	-
Proceeds from shareholders contributions	12,465	7,206
Proceeds from issuance of hybrid capital	8,073	-
Repayments on hybrid capital	-261	-69
Other cash flows from financing activities	-50	-63
Net cash flows from financing activities	**18,831**	**6,363**
Net change in cash and cash equivalents	6,015	-488
Cash and cash equivalents at the beginning of the period	7,636	4,345
Net currency exchange effect in cash and cash equivalents	51	-14
Cash and cash equivalents at the end of the period	**13,702**	**3,843**

Notes to the Interim Financial Statements

1. Accounting Principles

Corporate information

Heimstaden Bostad AB (publ), 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 Group's annual consolidated financial statements as at 31 December 2020. The accounting policies and methods of computation followed are consistent with those of the previous financial year, except for the item disclosed below.

Service income

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

As the group continues to enter new markets and grow in existing markets where service charges constitute a larger part of the total invoicing to tenants, senior management has decided to separate the service income element from the rental income and to present in on a separate line item in the comprehensive income statement in accordance with IFRS 15. The main purpose is to increase comparability and provide improved presentation disclosures of revenues earned. Service income mainly comprises the invoicing of certain operating expenses, mainly utilities, without a margin. Service income is recognised in the period the performance obligation in the contract with the tenant is satisfied. The performance obligations is generally satisfied over time when the service is performed by the company.

Rental income in the period has decreased by SEK 185 million and service income correspondingly increased by SEK 185 million. Comparative numbers have been revised to conform to the Group's current presentation. As a result, in Q1 2020, SEK 68 million was reclassified from rental income to service income. The revised presentation did not have any impact on the Group's profit for the year, the financial position or equity.

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

Recently issued accounting standards, interpretations and amendments

New and amended IFRS accounting principles yet to come into effect have not been early adopted in the preparation of the consolidated and Parent Company financial statements. At the balance sheet date, there were no new or amended standards or interpretations published by IASB that are expected to have a material impact on the financial statements of the Group or the Parent Company.

2. Related Parties

In addition to board fees, transactions with Heimstaden AB and its subsidiaries amounted to SEK 214 million (178) for management services provided during Q1.

3. Segment Information

Heimstaden Bostad organises and governs its activities based on geographical areas. These geographical areas form the basis of the reportable segments. Senior management at Heimstaden Bostad 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 segments consisting of the geographical areas of Sweden, Denmark, Norway, Netherlands, Germany, Czech Republic and Poland.

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

Q1 2021

SEK million	Sweden	Denmark	Norway	Netherlands	Germany	Czech Republic	Poland	Adjustment	Group in total
INCOME STATEMENT									
Rental income*	661	595	163	279	87	270	–	-41	2,014
Service income	10	0	5	–	30	144	–	-5	185
Total Income	**672**	**595**	**168**	**279**	**117**	**414**	**–**	**-46**	**2,199**
Utility	-159	-19	-13	–	-24	-143	–	14	-343
Repair and maintenance	-68	-24	-20	-33	-14	-25	–	39	-144
Property tax	-15	-33	-3	-32	-3	-2	–	3	-85
Other	-5	-25	1	-13	-3	-14	–	2	-56
Property management	-125	-91	-16	-35	-28	-34	–	-10	-339
Total property expenses	**-371**	**-192**	**-52**	**-113**	**-71**	**-218**	**–**	**48**	**-967**
Net operating income	**301**	**403**	**116**	**165**	**47**	**197**	**–**	**2**	**1,232**
Net operating income margin, %	**46**	**68**	**71**	**59**	**54**	**73**	–	–	**61**

Q1 2020

SEK million	Sweden	Denmark	Norway	Netherlands	Germany	Czech Republic	Poland	Adjustment	Group in total
INCOME STATEMENT									
Rental income*	604	371	171	224	17	101	–	-58	1 430
Service income	6	0	4	–	0	58	–	–	68
Total Income	**610**	**371**	**175**	**224**	**17**	**159**	**–**	**-58**	**1 498**
Utility	-134	-7	-12	0	-4	-60	–	11	-207
Repair and maintenance	-54	-30	-17	-42	-1	-5	–	21	-129
Property tax	-13	-21	-3	-25	0	-1	–	2	-61
Other	-10	-26	1	-9	5	-2	–	-12	-52
Property management	-110	-49	-33	-25	-4	-9	–	36	-194
Total property expenses	**-321**	**-134**	**-64**	**-101**	**-4**	**-76**	**–**	**58**	**-642**
Net operating income	**289**	**237**	**111**	**123**	**12**	**82**	**–**	**–**	**855**
Net operating income margin, %	**48**	**64**	**65**	**55**	**75**	**82**	–	–	**57**

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

4. Rental Income

Rental income distributed by property category

SEK million	Q1 2021	Q1 2020
Residential	1,868	1,343
Commercial	124	69
Parking	22	18
Total	**2,014**	**1,430**

Service income distributed by property category

SEK million	Q1 2021	Q1 2020
Residential	176	62
Commercial	9	6
Total	**185**	**68**

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

Specification of Other Comprehensive Income

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

Country	Code	SEK million
Czech republic	CZK	335
Denmark	DKK	426
Germany & The Netherlands	EUR	498
Norway	NOK	1,252
Poland	PLN	0
Total		**2,511**

6. Investment Properties

Total property value per segment

Fair value of the property portfolio was SEK 178,897 million (143,806) at quarter end. This value includes unrealised value increase for 2021 of SEK 4,389 million (1,933). Expressed as a percentage, the unrealised increase in value is 2.5 percent (5.8) of the total property value before changes in value. The total property value per segment is shown below.

Change in fair value of investment properties

SEK million	Total	Sweden	Denmark	Norway	Germany	Netherlands	Czech Republic	Poland
Fair value of investment properties, 31 Dec 2020	**143,806**	**49,690**	**36,200**	**17,007**	**3,715**	**23,366**	**13,827**	**-**
Sales during the period	-25	-	-	-	-	-25	-	-
Acquisitions during the period	26,102	359	15,726	0	9,787	0	230	-
Reclassification from inventory properties	127	-	-	-	-	-	-	127
Capital expenditure on completed standing assets	617	157	273	19	0	115	53	-
Capital expenditure on investment properties under construction	691	245	85	26	0	0	8	327
Foreign currency translation	3,190	-	958	1,202	221	473	340	-4
Fair value after transactions	**174,508**	**50,451**	**53,242**	**18,254**	**13,724**	**23,929**	**14,458**	**450**
Unrealised change in fair value	4,389	1,019	1,790	744	624	-243	455	0
Fair value of investment properties, 31 Mar 2021	**178,897**	**51,470**	**55,032**	**18,998**	**14,348**	**23,686**	**14,913**	**450**

Breakdown by category

SEK million	Total	Sweden	Denmark	Norway	Germany	Netherlands	Czech Republic	Poland
Standing assets	174,995	48,628	54,595	18,998	14,348	23,686	14,740	-
Investment properties under construction	3,580	2,820	310	-	-	-	-	450
Land and building rights	322	22	127	-	-	-	173	-
Total	**178,897**	**51,470**	**55,032**	**18,998**	**14,348**	**23,686**	**14,913**	**450**

7. Investments in Associates and Joint Ventures

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

Balance sheet

	Total (100%)		Heimstaden Bostad's holding	
SEK million	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
Assets	3,185	2,861	1,169	1,062
Equity	1,101	899	355	291
Liabilities	2,084	1,962	814	771

8. Inventory Properties

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

Property acquired or being constructed or redeveloped for sale rather than to be held for rental or capital appreciation, is held as inventory property. Principally, this is residential property that Heimstaden Bostad develops and intends to sell before, or on completion of, development. Inventory properties are primarily related to certain projects in Oslo, Norway.

9. Financial Assets and Liabilities

Financial risk factors and capital management

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

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

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

Interest bearing liabilties

SEK million	Interest-bearing liabilties	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	36,000	0	41	-
Mortgages	31,526	100	36	-
Bank loans	19,919	100	23	15,728
Total	**87,445**	**59**	**100**	**15,728**
Deferred charges	-262			
Total	**87,183**			

Movements in 2021 are summarized as follows:

SEK million	Corporate bonds	Mortages/ bank loans	Deferred charges	Total
Opening balance 1 Jan 2021	30,317	40,733	-271	70,779
Loan repayments	0	-1,834	0	-1,834
New borrowings/assumed debt in connection with acquisitions	5,044	11,796	0	16,840
Currency exchange effect on loans	639	749	0	1,388
Capitalisation of debt issuance cost, net of amortisation	-	-	9	9
Closing balance 31 Mar 2021	**36,000**	**51,444**	**-262**	**87,183**

31 Mar 2021

	Interest maturity, loans			Interest maturity, incl. financial instruments		
Years	SEK million	Share %	Interest, incl. margin, %	SEK million	Share %	Interest, incl. margin, %
0-1	57,908	66	1.1	34,618	40	2.5
1-2	3,786	4	2.0	8,603	10	1.0
2-3	9,568	11	2.0	11,059	13	1.0
3-4	1,246	1	1.4	10,091	12	0.1
4-5	2,291	3	0.9	6,351	7	0.6
>5 years after balance sheet date	12,645	14	1.4	16,843	19	1.1
Total	**87,445**	**100**	**1.3**	**87,565**	**100**	**1.5**

The average remaining term of fixed interest in the loan portfolio amounts to:	2.00 years
The average remaining term of fixed interest in the loan portfolio, including derivatives, amounts to:	2.97 years

	Interest maturity, loans		Lines of credit	
Years	SEK million	Share %	SEK million	Share %
0-1	6,272	7	0	0
1-2	10,926	12	7,790	50
2-3	7,463	9	7,023	45
3-4	9,608	11	0	0
4-5	6,861	8	915	6
>5 years after balance sheet date	46,314	53	0	0
Total	**87,445**	**100**	**15,728**	**100**

The average loan tenor is:	11.74 years

Financial instruments

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

Years	Type	SEK million	Share, %	Interest, %[1]
		Maturity, interest rate derivatives		
0-1	Paying fixed	2,382	24.9	1.75
1-2	Paying fixed	-	-	-
>2 years after balance sheet date	Paying fixed	7,167	75.1	2.13
Total		**9,549**	**100**	**2.0**

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

10. Fair Value Measurements of Financial Instruments

Fair values

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

SEK million	31 Mar 2021 Carrying amount	31 Mar 2021 Fair value	31 Dec 2020 Carrying amount	31 Dec 2020 Fair value
Financial assets:				
Other financial non-current assets	1,367	1,367	1,243	1,243
Trade receivables	98	98	61	61
Other financial receivables	457	457	2,045	2,045
Cash and cash equivalents	13,702	13,702	7,636	7,636
Total	15,625	15,625	10,985	10,985
Financial liabilities:				
Derivate financial instruments	353	353	447	447
Long-term interest-bearing liabilities	80,364	81,472	64,066	65,890
Current interest-bearing liabilities	6,819	6,819	6,713	6,713
Trade payables	499	499	414	414
Other liabilities	1,537	1,537	1,559	1,559
Total	89,571	90,956	73,200	75,023

Financial assets and financial liabilities continued

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

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

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

11. Commitments and Contingencies

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

Investment obligations

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

SEK million

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

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

Disputes

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

12. Subsequent Events

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

In April 2021, Heimstaden Bostad issued three NOK-denominated senior unsecured bonds for a total NOK 1,800 million. Settlement occured on April 22 and all three bonds are listed on Oslo Børs. The listing particulars were made available on Oslo Børs and www.heimstadenbostad.com.

In April 2021, Heimstaden Bostad gave notice of redemption to the holders of the EUR 500,000,000 1.750% Notes due 2021 of which EUR 340,216,000 is outstanding. It is exercising its option to redeem in full all of the outstanding Notes on 30 April 2021. The Optional Redemption Amount was based on the Reference Bond Price as fixed on 27 April 2021. All Notes redeemed will be cancelled.

Parent Company Comprehensive Income Statement

SEK million	Q1 2021	Q1 2020
Management services revenues	0	0
Administrative expenses	-132	-95
Operating profit	**-132**	**-95**
Interest income	101	114
Interest expenses	-164	-150
Other financial items, net	46	-1,132
Net income from fair value adjustment of derivative financial instruments	167	-9
Profit/loss after financial items	**19**	**-1,271**
Income tax expense	-34	2
Profit/loss for the period	**-16**	**-1,269**
Other comprehensive income	0	0
Comprehensive income	**-16**	**-1,269**

Parent Company Balance Sheet

SEK million	Note	31 Mar 2021	31 Dec 2020
ASSETS			
Shares and participations		38,888	38,867
Deferred tax assets		59	93
Non-current receivables, subsidiaries		26,688	19,343
Total non-current assets		**65,634**	**58,304**
Current receivables, subsidiaries		41,772	33,721
Other financial assets		224	100
Cash and cash equivalents		11,801	5,916
Total current assets		**53,797**	**39,737**
Total assets		**119,432**	**98,041**
EQUITY AND LIABILITIES			
Equity		**79,992**	**64,353**
Interest-bearing liabilities		23,640	23,210
Derivative financial instruments		286	453
Non-current liabilities, subsidiaries		14,980	9,729
Total non-current liabilities		**38,906**	**33,392**
Trade and other payables		534	295
Total current liabilities		**534**	**295**
Total equity and liabilities		**119,432**	**98,041**

Parent Company Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 Jan 2020	**34**	**37,397**	**8,514**	**2,665**	**48,610**
Profit for the period	-	-	69	-325	-256
Total profit			**69**	**-325**	**-256**
New share issue	9	12,843	-	-	12,851
Dividend	-	-	-69	-1,828	-1,897
Issue of hybrid bonds	-	-	5,189	-	5,189
Costs of issuance	-	-	-82	-63	-145
Total transactions with the company's owners	**9**	**12,843**	**5,038**	**-1,891**	**15,998**
Equity, 31 Dec 2020	**43**	**50,240**	**13,621**	**705**	**64,353**
Opening balance, 1 Jan 2021	**43**	**50,240**	**13,261**	**705**	**64,353**
Profit for the period	-	-	261	-277	-16
Total profit	**-**	**-**	**261**	**-277**	**-16**
New share issue	1	3,999	-	-	4,000
Unregistered new share issue [1]	8	8,457	-	-	8,465
Dividend	-	-	-261	-4,572	-4,833
Issue of hybrid bonds	-	-	8,073	-	8,073
Costs of issuance	-	-	-50	-	-50
Total transactions with the company's owners	**9**	**12,456**	**7,762**	**-4,572**	**15,654**
Equity, 31 Mar 2021	**51**	**62,696**	**21,644**	**-4,144**	**79,992**

New share issue decision taken on 2021-03-25.

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

Malmö, 29 April 2021

Patrik Hall CEO	Casper von Koskull Chairman of the Board	Ivar Tollefsen Board Member	Stefan Attefall Board Member
Axel Brändström Board Member	Christer Franzén Board Member	John Giverholt Board Member	Frans Heijbel Board Member
Birgitta Stenmark Board Member	Vibeke Krag Board Member	Eldbjørg Sture Board Member	Bente A. Landsnes 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 March 31, 2021. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

Malmö, 29 April 2021
Ernst & Young AB

Peter von Knorring
Authorized Public Accountant

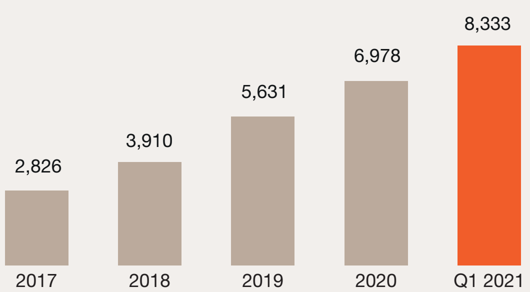
Earnings capacity

The earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 31 March 2021. Announced property acquisitions that closed after the balance sheet date are not included in the calculation. The earnings capacity does not include any adjustment for development trends in rent levels, vacancy rates, property expenses or interest rates, nor does the earnings capacity provide any adjustment for expected changes in the fair value of properties, foreign exchange rates, acquisitions or disposals. The earnings capacity should not be considered a forecast for the current year or for the next 12-month period.

SEK million	
Rental income	8,333
Service income	575
Property expenses	-3,616
Net operating income	**5,292**
Corporate administrative expenses	-447
Profit before financial items	**4,854**
Financial income	-
Financial costs - interest-bearing liabilities	-1,291
Profit	**3,554**
Net operating income margin, %	63.5
Interest coverage ratio	3.8

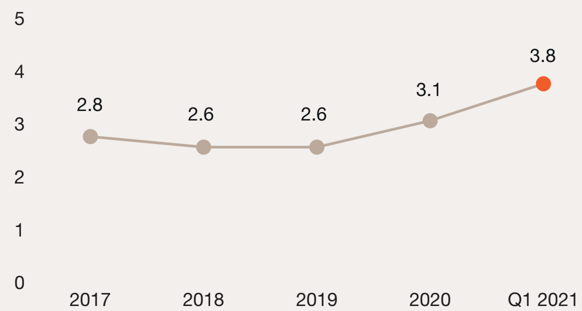
Earnings Capacity Rental Income

SEK million



Earnings Capacity ICR

multiple




Kløverbladsgade,
Copenhagen, Denmark

Alternative performance measures

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

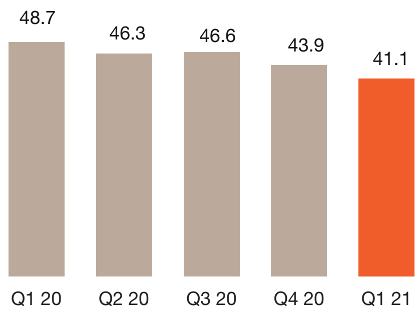
Net Loan-to-Value (LTV)

LTV is an acknowledged measure of leverage and risk in the real estate industry. This ratio highlights Heimstaden Bostad's ability to manage financial liabilities given its fair value real estate portfolio.

SEK million	Q1 2021	Q4 2020	Q1 2020
Interest-bearing secured liabilities	51,183	40,463	42,321
Interest-bearing unsecured liabilities	36,000	30,317	25,484
Cash and cash equivalents	13,702	7,636	3,843
Net interest-bearing liabilities	**73,480**	**63,143**	**63,962**
Fair value of investment properties	**178,897**	**143,806**	**131,358**
LTV, %	**41.1**	**43.9**	**48.7**

LTV

%



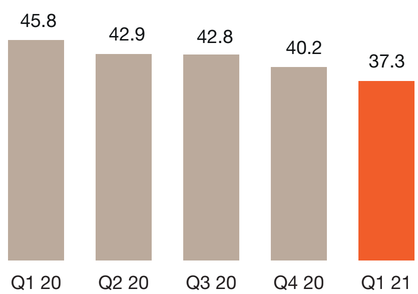
Net Debt / Total Assets

Net debt to total assets is a covenant under Heimstaden Bostad's European Medium Term Note programme

SEK million	Q1 2021	Q4 2020	Q1 2020
Net interest-bearing liabilities	**73,480**	**63,143**	**63,962**
Total assets	196,857	156,926	139,530
Net debt / Total assets, %	**37.3**	**40.2**	**45.8**

Net Debt / Total Assets

%



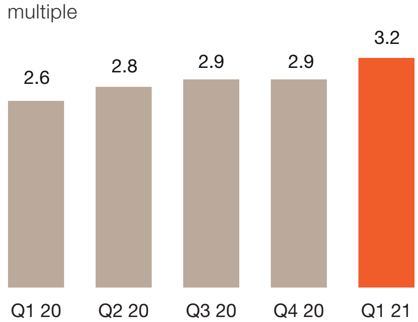
Interest Coverage Ratio (ICR)

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

SEK million	Q1 2021	Q4 2020	Q1 2020
Profit before financial items	3,910	3,589	2,589
Financial income	87	81	48
Profit before financial items plus financial income	**3,996**	**3,670**	**2,637**
Financial costs - interest-bearing liabilities	1,266	1,269	1,023
ICR	**3.2**	**2.9**	**2.6**

ICR

multiple



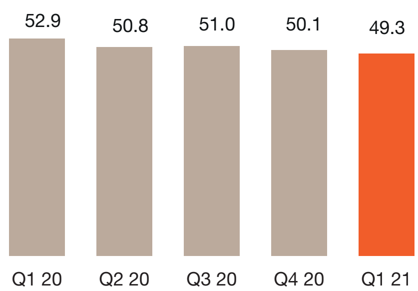
Net debt / Net debt + Equity (S&P method)

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

SEK million Rolling 12 months	Q1 2021	Q4 2020	Q1 2020
Equity	99,597	77,741	65,750
50% of hybrid equity as debt (S&P adj.)	10,829	6,818	4,257
Equity adj.	**88,768**	**70,923**	**61,493**
Total interest-bearing liabilities	87,183	70,780	67,805
Right-of-use-liabilities	603	531	571
Cash and cash equivalents	-13,702	-7,636	-3,843
10% decrease for cash and cash equivalents (S&P adj.)	1,370	764	384
50% of hybrid equity as debt (S&P adj.)	10,829	6,818	4,257
Net interest-bearing liabilities, Adj. (Net debt)	**86,282**	**71,256**	**69,175**
Net debt + Equity	**175,051**	**142,179**	**130,668**
Net debt / (Net debt + Equity), %	**49.3**	**50.1**	**52.9**

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

multiple



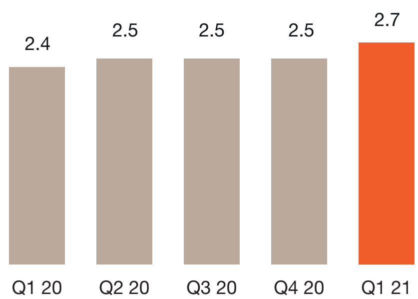
ICR (S&P method)

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

SEK million Rolling 12 months	Q1 2021	Q4 2020	Q1 2020
Operating profit before inventory properties and fair value adjustments	**3,910**	**3,589**	**2,589**
Depreciation and amortisation	12	11	1
Share of net profits of associates and joint ventures (S&P adj.)	-31	-32	-87
EBITDA, adj.	**3,890**	**3,567**	**2,503**
Interest expenses on interest-bearing liabilities	1,266	1,269	1,023
50% interim-equity hybrid dividend annual (S&P)	194	157	35
Interest expense, adj.	**1,459**	**1,425**	**1,058**
ICR incl. hybrid bonds as 50% debt	**2.7**	**2.5**	**2.4**

ICR (S&P method)

multiple



All figures in SEK million unless otherwise specified.

Residential area

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

Like-for-like rental income growth

	Q1 2021 [1]	Q1 2020 [2]
Rental income on comparable portfolio current year	1,363	1,003
Rental income on comparable portfolio previous year	1,341	948
Like-for-like rental income growth, %	**1.6**	**5.9**

[1] Only properties owned as of 31 December 2019 included.

[2] Only properties owned as of 31 December 2018 included.

Net operating income margin

	Q1 2021	Q1 2020
Rental income	2,014	1,433
Net operating income	1,232	855
Net operating income margin, %	**61.2**	**59.7**

Economic occupancy, residential

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

Real economic occupancy, residential

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

Equity ratio

	Q1 2021	Q4 2020
Equity	99,597	77,741
Total assets	196,857	156,926
Equity ratio, %	**50.6**	**49.5**

Solvency ratio

	Q1 2021	Q4 2020
Equity	99,597	77,741
Total liabilities	97,259	79,185
Solvency ratio, %	**50.6**	**49.5**

Net asset value (NAV)

	Q1 2021	Q4 2020
Equity	99,597	77,741
Deferred tax liability	5,163	4,212
NAV	**104,761**	**81,953**

EBITDA

	Q1 2021	Q4 2020
Operating profit before inventory properties and fair value adjustments	3,910	3,589
Amortisation and depreciation	12	11
EBITDA	**3,921**	**3,599**

Debt/EBITDA

rolling 12 months	Q1 2021	Q4 2020
Interest-bearing liabilities	74,799	69,954
EBITDA	3,921	3,599
Debt/EBITDA	**19.1**	**19.4**

NAV per ordinary share

	Q1 2021	Q4 2020
Equity	99,597	77,741
Preference capital A	377	287
Preference capital B	49,826	42,208
Hybrid capital & non-controlling interests	21,863	14,008
Deferred tax	5,163	4,212
Equity excluding preference capital	32,695	25,450
Number of ordinary shares	7,644,815	6,578,058
NAV per ordinary share, SEK	**4,277**	**3,869**

Secured loan-to-value

	Q1 2021	Q4 2020
Interest-bearing secured liabilities	51,183	40,463
Total assets	**196,857**	**156,926**
Secured loan-to-value, %	**26.0**	**25.8**

Design and layout Artbox AS. Photos: Heimstaden.

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

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

Heimstaden
BOSTAD

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