

Heimstaden

Annual Report 31 December 2023

Heimstaden Bostad Treasury B.V.

Amsterdam, the Netherlands

Heimstaden Bostad Treasury B.V.

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Board of Managing Directors Report

The Board of Managing Directors of Heimstaden Bostad Treasury B.V. (the “Company”) hereby submits its financial statements for the year ended on 31 December 2023. The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and with accounting principles generally accepted in the Netherlands (Dutch GAAP).

Overview of activities

The Company, having its corporate seat in Amsterdam, was established on 17 July 2020 and is a wholly-owned subsidiary of Heimstaden Bostad AB (the “Parent Company”), which has its seat in Malmö, Sweden.

The Company’s principal purpose is to facilitate the issuance of debt capital market securities, in the principal form of senior unsecured bonds denominated in EUR, and to subsequently transfer proceeds from such issuances to the Parent Company or other group companies. The Company may issue debt capital market securities only towards professional investors and not towards the retail investor market.

On 7 March 2024, the Company and the Parent Company launched an updated Euro Medium-Term Note Program (the “EMTN Program”), which replaced the EMTN program launched on 8 March 2023, under which the Company may act as issuer of debt capital market securities with the Parent Company as guarantor. The EMTN Program allows for the issuance of debt capital market securities listed on Euronext Stock Exchange (being a regulated market located in Dublin) for a maximum of EUR 12 billion.

As of 31 December 2023, the total amount of debt capital market securities, in the sole form of senior unsecured bonds denominated in EUR, issued by the Company under previous EMTN programs was EUR 6.1 billion. All proceeds from said issued bonds have been upstreamed, by way of intercompany lending, to the Parent Company.

The key features and break down of the nominal balance issued by the Company as of 31 December 2023 and the market where the bonds are listed, are as follows:

EMTN Program

Currency	Interest Rate %	Principal amount	Issued	Maturity	Listed
EUR	1.375%	650.000.000	2020	2027	Euronext, Dublin
EUR	1.375%	50.000.000	2020	2027	Euronext, Dublin
EUR	0.75%	750.000.000	2021	2029	Euronext, Dublin
EUR	0.25%	1.250.000.000	2021	2024	Euronext, Dublin
EUR	1.00%	750.000.000	2021	2028	Euronext, Dublin
EUR	1.625%	750.000.000	2021	2031	Euronext, Dublin
EUR	3 mth Euribor +0.55%	500.000.000	2022	2024	Euronext, Dublin
EUR	1,375%	500.000.000	2022	2028	Euronext, Dublin
EUR	0,625%	700.000.000	2022	2025	Euronext, Dublin
EUR	3 mth Euribor +0.55%	200.000.000	2022	2024	Euronext, Dublin

Total: 6.100.000.000

Principal activities and business review

The principal activity of the Company consists of providing financing, on attractive terms and denominated in EUR, to the Parent Company, who will, in turn, lend it to other group companies within the Heimstaden group, for general corporate purposes.

The Parent Company has shown significant growth in the past years and intends to grow further going forward. As a result, the Company is prepared to continue its activities under the updated EMTN Program. In 2023, no new bonds were issued.

Results for the period

For the financial year 2023, the Company realised a net profit of EUR 4.4 million (2022: EUR 4.6 million).

Financial and other Risk

The Company has a limited risk profile and risk appetite. The financial risks of the Company are managed by matching interest expenses from its issued bonds with interest income from intercompany loans to the Parent Company. All the Company's liabilities arisen from issuances of bonds are guaranteed by the Parent Company. Therefore, the Company's financial risk is in practise limited to the share capital, its cash reserves receivables from the Parent Company.

Interest risk is to a large extent offset as incoming proceeds and outgoing intercompany loans have similar conditions except for a small spread. Foreign exchange risk is not applicable as all issued bonds under the EMTN Program and loans to the Parent Company are denominated in EUR.

There is a concentration of credit risk as all issued bonds are lent on to the Parent Company.

The Parent Company is a leading pan-European residential real estate company and holds a BBB- rating (negative outlook) from S&P. The latest review was in December 2023.

Loans to the Parent Company amounted to EUR 6.1 billion as of 31 December 2023. The level of remuneration reflects the functions performed and risks assumed by the Company in relation to the intercompany cash flows. It has been agreed to set the remuneration for the financing activities over the funds borrowed and lend on, as an gross spread. This spread is based on an analysis on transfer pricing. In 2023 no new bonds were issued. Therefore no new analysis on transfer pricing has been performed.

The Parent Company is committed to high standards of corporate governance, risk management and compliance. It further developed its risk function and risk management framework in 2022 and its risk management is treated as a continuous process integrated into all daily operations. Also the Company should explore their activities meeting these standards. To manage operational risks, besides the financial risks stated above, the Company has implemented several levels of risk management procedures such as back-up systems, identification, and authorisation procedures to bank systems, dual sign-off for payments and segregation of duties and internal controls in the finance department.

Future outlook

In 2022 and 2023, there was an abrupt change in market conditions with an unprecedented sharp increase in inflation causing tightened financial market conditions, coinciding with Russia's invasion of Ukraine and a European energy crisis. The combination with sharp rising interest rates and

turbulent market conditions lead to increased caution and caused a pausing of the portfolio expansion of the Parent Company.

The increased interest rates impact the funding expenses of the Parent Company. The volatile environment has also impacted the liquidity and availability of public debt capital market funding. Consequently, as pricing is marginally lower, the Parent Company has increased its focus on asset-backed financing and have not issued any new debt capital market securities (including any senior unsecured bonds) under the EMTN Program in 2023.

The Company is prepared for new bond issuances with a recently updated EMTN Program (updated 7 March 2024) with a EUR 12 billion framework with the intention to continuously on-lend future proceeds to the Parent Company. Further, the Parent Company has considerable financial flexibility with a robust balance sheet, solid figures and remains well positioned to deal with any adverse effects that may arise. For further details, we refer to the Parent Company's annual report for 2023 published on 27 February 2024.

On January 19, 2024 two bonds amounted to EUR 700 million matured. An amount of EUR 193 million of these bonds were held by the Parent Company. Therefore, the Parent Company and the Company agreed to net this amount by settling the intercompany loan for EUR 193 million. The remaining amount of the matured bond was settled/paid in cash.

On October 13, 2024 a bond amounting to EUR 1,25 billion will mature. An amount of EUR 96 million of this bond is held by the Parent Company and will therefore also be treated/settled the same way as explained above for the bond matured on January 19, 2024.

During the year ended 31 December 2023 the Company distributed a dividend of EUR 8.5 million to the Parent Company.

Board change

As per 18 January 2024 the board composition of the Company changed. Board Member Mr T.A. Hansen resigned per this date and Mr R. Kaeding took over this Board Member position. We thank Mr Hansen for his contribution in the past year.

The Board of Managing Directors,

Amsterdam, the Netherlands, 21 March 2024

Mr. E.G.A. Rats, Board Member

Mrs. S.P.M. Bliemer, Board Member

Mr. R. Kaeding, Board Member

Balance Sheet as at 31 December 2023

(before appropriation of result)

<i>Balance sheet</i>			
<i>Thousands of Euro</i>			
Assets		31 December 2023	31 December 2022
Non-current assets	Note		
Loans to group companies	4	4.125.279	6.065.798
Total Non-current assets		4.125.279	6.065.798
Current assets			
Current loans to group companies	4	1.948.452	-
Financial receivables	4	33.840	32.834
Cash	5	2.462	4.183
Total Current assets		1.984.754	37.017
Total Assets		6.110.033	6.102.815

<i>Thousands of Euro</i>			
Liabilities and shareholder's equity		31 December 2023	31 December 2022
Shareholder's equity	Note		
Share capital	6	-	-
Share premium	6	4.000	4.000
Other reserves	6	-2.393	1.516
Net income for the period	6	4.393	4.611
Total Shareholder's equity		6.000	10.127
Non-current liabilities			
Long term loans and bonds	7	4.125.279	6.065.798
Total Non-current liabilities		4.125.279	6.065.798
Current liabilities			
Short term loans and bonds	8	1.948.452	-
Other current liabilities	8	30.302	26.890
Total Current liabilities		1.978.754	26.890
Total Liabilities and shareholder's equity		6.110.033	6.102.815

Income Statement

Income statement

Thousands of Euro

		Year ended 31 December 2023	Year ended 31 December 2022
	Note		
Interest income and other related income	9	92.437	70.597
Interest expense and other related cost	10	-86.154	-63.928
Interest margin		6.283	6.669
Other operating expenses	11	-122	-204
Service fees	11	-259	-251
Total expenses		-381	-455
Result before income taxes		5.902	6.214
Income tax expense	12	-1.509	-1.603
Net income for the year		4.393	4.611

Notes to the financial statements for the year ended 31 December 2023

1. General

Company structure

Heimstaden Bostad Treasury B.V. ("the Company") is a private limited liability company established in Amsterdam (Commercial Register Number 78619610). The Company acts as an intermediate finance company. The Company is a wholly-owned subsidiary of its ultimate parent company Heimstaden Bostad AB ("the parent company"), which has its legal seat in Malmö, Sweden, and is the controlling party of the Company. The Company is included in the consolidated financial statements of the parent company.

Activities

The Company was incorporated to facilitate the funding of its parent company. In order to achieve its objectives, the Company may issue senior secured bonds denominated in EUR. The Company may also issue other capital markets instruments such as capital securities or commercial paper denominated in EUR. In relation to these issuances the Company signed a Guarantee Agreement with its parent company which establishes Heimstaden Bostad AB as unconditional and irrevocable guarantor of any amount payable that remains unpaid, by the date and on the time specified for such payment, by the Company (as issuer) to any holder of the bonds issued.

Transfer pricing

The Company appointed a fiscal advisor to perform a benchmark study for transfer pricing purposes on a frequent basis. The benchmark study set the arm's length criteria to apply the basis points margin on the interest expenses. In 2023 no new bonds and loans were issued. Therefore no benchmark study has been performed in 2023.

Financial position

The Company has entered into the Euro Medium-Term Notes (EMTN) Program up to a maximum aggregate amount of EUR 12 billion. The issuers of the program are both the Company and the parent company. The program allows the issuance, offering and selling of bonds, listing on the Official List of the Dublin Stock Exchange and trading on the Dublin's Euronext Stock Exchange's regulated market, although the bonds may be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed with the Issuer and the Guarantor. The parent company, acting as the Guarantor, has a BBB- rating with negative outlook for its long term credit rating from S&P.

In 2022 and 2023, there was an abrupt change in market conditions with an unprecedented sharp increase in inflation causing tightened financial market conditions, coinciding with Russia's invasion of Ukraine and a European energy crisis. The combination of sharp rising interest rates and turbulent market conditions lead to increased caution and caused a pausing of the portfolio expansion of the Parent Company and with that the Company's financing activities.

The increased market interest rates impact the funding expenses of the Parent Company. The volatile capital market has also impacted the liquidity and availability of public debt market funding and the Parent Company is increasing its focus on secured lending in a response. Consequently, no new bonds were issued in 2023. The Company is prepared for new bond issues with a total EMTN program of total EUR 12 billion and on lending these funds to its Parent Company.

2. Summary of principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The present accounting policies of valuation and determination of result used are based on the assumption of going concern of the Company. These accounts have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code.

These financial statements fairly present the equity and financial situation of the Company at 31 December 2023 and the results of its operations and the changes in shareholder's equity of the Company for the year ended 31 December 2023.

2.2 Use of estimates and assumptions

Preparing the financial statements requires that management forms opinions and makes estimates and assumptions that affect the application of accounting policies and the reported values of assets and liabilities, and of income and expenses. Primarily, this concerns the determination of the fair value of assets and liabilities which are included as disclosure to the carrying value. The estimates and underlying assumptions are assessed and evaluated periodically. The actual results may differ from the estimates and assumptions made. Revisions of estimates are presented in the period in which the estimates were revised and in future periods for which the revision has implications.

2.3 Cash flow statement

The Company does not prepare the cash flow statement for the Dutch GAAP financial statements. As permitted under RJ 360.104, the cash flows of the Company are included in the consolidated cash flows statement of the ultimate holding company. The ultimate holding company's financial statements are available on the parent company's corporate website: www.heimstadenbostad.com

2.4 Foreign currency translation

Functional and presentation currency Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euros, which is the Company's functional and presentation currency.

2.5 Financial instruments

Financial instruments include bonds, loans granted and other receivables, cash items, loans and other financing commitments and other payables.

a) *Bonds and borrowings*

Bonds are initially recognised at their fair value, net of any transaction costs incurred. Subsequently, bonds are carried at amortised cost using the effective interest rate method. Bonds are classified as non-current financial liabilities unless they mature in less than twelve months as from the balance sheet.

In case a short term (with maturity within 12 months after balance sheet date) bond is refinanced before the signing date of the accounts, and the maturity of such bond is extended to a date over 12 months after balance sheet date, this bond is reflected as long term and therefore classified as non-current.

b) *Loans to group companies and other receivables*

Loans to group companies and other receivables are carried at amortised cost after initial recognition at fair value, using the effective interest rate method, less impairment losses. They are included in non-current assets, except if they mature within 12 months after the end of the reporting period. These are classified as current assets.

c) *Impairment of financial assets*

The entity assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognized in the income statement for all categories of financial assets carried at amortized cost.

The amount of impairment losses on financial assets carried at (amortized) cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognized, a previously recognized impairment loss is reversed to a maximum of the amount required to carry the asset at (amortized cost) at the time of the reversal if no impairment had taken place. The impairment loss reversal should be recognized in the income statement. The carrying amount of the receivables is reduced through the use of an allowance account.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

- It becomes probable that the borrower will enter bankruptcy or other financial reorganization; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) Adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) National or local economic conditions that correlate with defaults on the assets in the portfolio. The Company first assesses whether objective evidence of impairment exists. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognized in the statement of income.

2.6 Cash

Cash includes cash in hand and deposits held at demand with banks.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Income tax

The tax expense for the year comprises current tax and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognized in equity. The current tax charge is calculated at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled. Deferred tax is recorded at nominal value. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9 Interest income and expense recognition

Interest income and expense are recognized using the effective interest method. When a loan and receivable are impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognized using the original effective interest rate.

Any difference between the proceeds net of transaction cost and redemption value is recognised in the statement of income over the period of the bond using the effective interest method. Amortization of discount and fees will be recognised as interest expense and amortization of premium will be recognised as interest income.

2.10 Dividend distribution

Dividend distribution to the Company's shareholder's is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder's.

2.11 Events after the reporting year

Post-year-end events that provide additional evidence of conditions that existed at the end of the reporting year (adjusting events), if any, are reflected in the financial statements.

3. Financial risk management

Financial risk factors

The Company's activities are exposed to a variety of financial risks: market risk (including cash flow risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The risk management policy is based on the consideration that the Company acts as a vehicle to raise funds for Heimstaden Bostad AB and to on-lend these funds to the parent company. The set-out policy allows the Company to raise funds on euro currencies according to the EMTN Program.

Market risk

The Company's interest rate risk arises from the issued bonds. Issuances at floating rates expose the Company to interest rate risk. Interest rate risk is offset by lending on the proceeds of issuances on similar interest conditions in the positions with the parent company, except for a small spread.

The Company's income and operating cash flows are dependent on changes in market interest rates for Euribor from 2024 onwards for the floating rate risk. Floating rate risk is offset by lending on the proceeds of issuances on similar interest conditions in the positions with the parent company, except for a small spread.

Credit risk

There is a concentration of credit risk as all issued bonds are lent on to the parent company. Loans to the parent company (refer to note 4) amount to EUR 6.1 billion (current and non-current combined). The parent company is an international leading residential property company, listed on the Swedish stock exchange. The parent company has a BBB- rating with negative outlook for its long term credit rating from S&P.

Liquidity risk

Cash flow forecasting is performed by the Company. Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans and external legal requirements. In connection with the issued bonds, the Company pays interests on an annual basis in the case of the bonds issued under the EMTN (refer to note 7). The redemption date for the bonds to their maturity ranges to eight (8) years (refer to note 7).

Outgoing cashflows of coupon interest payable and repayments to bond holders are offset by mirroring incoming cashflows of intercompany loans and repayments from the parent company.

Contractual maturities of the Company's financial instruments are:

Assets

in thousands of Euro

At 31 December 2023	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 12 months and 5 years	More than 5 years	Total
Long term loans to group companies	0	0	0	2.637.090	1.488.189	4.125.279
Current loans to group companies	700.000	0	1.248.452	0	0	1.948.452
Financial receivables	6.846	9.096	17.898	0	0	33.840
	706.846	9.096	1.266.350	2.637.090	1.488.189	6.107.571

Liabilities

in thousands of Euro

At 31 December 2023	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 12 months and 5 years	More than 5 years	Total
Long term loans and bonds	0	0	0	2.637.090	1.488.189	4.125.279
Short-term loans and bonds	700.000	0	1.248.452	0	0	1.948.452
Other current liabilities	6.437	8.013	15.852	0	0	30.302
	706.437	8.013	1.264.304	2.637.090	1.488.189	6.104.033

Assets

in thousands of Euro

At 31 December 2022	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 12 months and 5 years	More than 5 years	Total
Long term loans to group companies	-	-	-	1.396.366	4.669.432	6.065.798
Current loans to group companies	-	-	-	-	-	-
Financial receivables	-	15.694	17.140	-	-	32.834
	-	15.694	17.140	1.396.366	4.669.432	6.098.632

Liabilities

in thousands of Euro

At 31 December 2022	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 12 months and 5 years	More than 5 years	Total
Long term loans and bonds	-	-	-	1.396.366	4.669.432	6.065.798
Short-term loans and bonds	-	-	-	-	-	-
Other current liabilities	-	26.890	-	-	-	26.890
	-	26.890	-	1.396.366	4.669.432	6.092.688

4. Financial Assets

Financial assets are loans to group companies that consist mainly of loans granted to the parent company mirroring proceeds from the issued bonds received by the Company from third parties. The terms of annual interest payment, except for a small spread and repayment of the loans are based on the conditions of the underlying bonds.

The breakdown of loans and receivables to group companies is as follows:

Note 4 Financial Assets

<i>in thousands of Euro</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Long term		
Loans to group companies	4.125.279	6.065.798
	<u>4.125.279</u>	<u>6.065.798</u>
Short term		
Current loans to group companies	1.948.452	-
Interest receivables	33.840	30.313
Other receivables	-	2.521
	<u>1.982.293</u>	<u>32.834</u>

The movement of loans to group companies is as follows:

<i>in thousands of Euro</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Non-current		
Loans to group companies		
Opening balance	6.065.798	4.889.333
Issuance new loans nominal amount	-	1.400.000
Refinanced loans	-	500.000
Redemption loans	-	-500.000
Fees and premium/discount new loans	-	-11.558
Amortization of fees during the year	5.855	6.414
Amortization of discount during the year	3.324	3.205
Amortization of premium during the year	-1.247	-1.552
Other movements	-	-48
Reclassification to current loans	-1.948.452	-
Closing balance	<u>4.125.279</u>	<u>6.065.798</u>

We set out below a description of the loans to the parent company:

Loans to group companies

In order to on-lend the proceeds raised under the EMTN program, the Company signed a Loan agreement with the parent company, dated 4 August 2021, that stipulates the general terms and conditions of the individual loan agreements that will be made between the parties each time the Company issues a bond. Each loan agreement will mirror the related issuance of bonds and the terms and conditions of the Loan Agreement will be identical to the Final Terms of the Issuance of bonds,

except for a spread to cover for handling and credit risk. Thus, the loans have the same maturity date as the EMTN issuances to which they are related to, and bear the same nominal interest rate plus a margin.

The average effective interest rate for the loans during the year 2023 has been 1.70% (2022: 1.08%).

The Company did not identify an impairment of the loans to the parent company as of 31 December 2023.

The estimated fair value of the loans represents the discounted amount of calculated future contractual cash flows of the underlying loan portfolio, expected to be received. Expected cash flows are discounted at current yield using the appropriate market rates, adjusted for the credit risk of the Company as per balance sheet dates to determine the fair value. Basis for the fair value calculation are the gross loans. The difference between fair value and book value is the result of movements in portfolio yield. Given that each loan granted to the parent company is mirrored with the bonds issued by the Company on a regulated public market and the interest paid on the bonds reflect the deemed credit risk on the outstanding loan to the group company, we consider the fair value of the loan close to the fair value of the bonds, which is disclosed in note 7.

5. Cash

Cash consists of current account balances which are available on demand. As at 31 December 2023 cash amounts to EUR 2.5 million (2022: EUR 4.2 million). The cash at banks is freely disposable for the Company.

6. Equity

The movements in capital and reserves are as follows:

<i>in thousands of Euro</i>	Share capital and share premium	Other reserves	Result for the year	Net Equity
Balance at 1 January 2022	4.000	88	1.428	5.516
Addition Share premium	-	-	-	-
Result prior year	-	1.428	-1.428	-
Result for the year	-	-	4.611	4.611
Balance at 31 December 2022	4.000	1.516	4.611	10.127
Balance at 1 January 2023	4.000	1.516	4.611	10.127
Share premium	-	-	-	-
Dividend	-	-8.521	-	-8.521
Result prior year	-	4.611	-4.611	-
Result for the year	-	-	4.393	4.393
Balance at 31 December 2023	4.000	-2.394	4.393	6.000

Share capital

The authorized share capital of the Company consists of 100 common shares of EUR 0.01 each, amounting to EUR 1. As at balance sheet date all 100 shares were issued, fully paid-up in cash and have equal voting and interest rights. All shares are held by Heimstaden Bostad AB, Sweden.

Other reserves

During the year ended 31 December 2023 the Company distributed a dividend of EUR 8.5 million to Heimstaden Bostad AB, Sweden.

Proposed appropriation of the results

During the year ended 31 December 2023 the Company realized a net profit of EUR 4.4 million. The Board's proposal is to add the total amount to the Other reserves of the Company.

7. Non-current liabilities

The breakdown of the non-current liabilities as at 31 December 2023 and 31 December 2022 is as follows:

<i>in thousands of Euro</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Non-current liabilities		
Bonds (EMTN program)	4.125.279	6.065.798
Total non-current liabilities	<u>4.125.279</u>	<u>6.065.798</u>

The carrying value and fair value of the borrowings from bonds are as follows:

<i>in thousands of Euro</i>	Carrying value		Fair value	
	<u>31 December 2022</u>	<u>31 December 2022</u>	<u>31 December 2022</u>	<u>31 December 2022</u>
Bonds (EMTN Program) - non current		6.065.798		4.850.874
Total		<u>6.065.798</u>		<u>4.850.874</u>

<i>in thousands of Euro</i>	Carrying value		Fair value	
	<u>31 December 2023</u>	<u>31 December 2023</u>	<u>31 December 2023</u>	<u>31 December 2023</u>
Bonds (EMTN Program) - non current		4.125.279		3.050.884
Bonds (EMTN Program) - current		1.948.452		1.878.824
Total		<u>6.073.731</u>		<u>4.929.507</u>

The fair value of bonds is based on the quoted bid market price available, at 31 December 2023 and 31 December 2022 respectively, from the Dublin's Euronext Stock Exchange in Ireland.

The average effective interest rate for the bonds during the year 2023 has been 1.59% (2022: 0.98%).

The movement in non-current liabilities is as follows:

<i>in thousands of Euro</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Opening balance	6.065.798	4.669.333
Issuance of bonds (EMTN Program)	-	1.400.000
Refinanced loans	-	500.000
Redemption loans	-	-500.000
Fees and premium/discount bonds (EMTN Program)	-	-11.556
Amortization of discount during the year	3.324	3.205
Amortization of premium during the year	-1.247	-1.552
Amortization of fees	5.855	6.414
Other movements	-	-46
Reclassification to short term bonds	-1.948.452	
Closing balance	<u>4.125.279</u>	<u>6.065.798</u>

EMTN Program

In August 2021 the Company entered into the Euro Medium-Term Notes (EMTN) Program up to a maximum aggregate amount of EUR 8 billion. The issuers of the program are both the Company and the parent company. The program allows the issuance, offering and selling of bonds, listing on the Official List of the Dublin Stock Exchange and trading on the Dublin's Euronext Stock Exchange's regulated market. In August 2022 the Company has expanded the EMTN Program up to a maximum aggregate amount of EUR 12 billion. As at 31 December 2023, the bonds issued by the Company amounted to EUR 6.1 billion (non-current and current combined). The funds from all the bonds have been on lent by the Company to its parent company.

The outstanding balance for the bonds as per 31 December 2023 split to the nominal value and the amortized cost valuation is:

Principal	Currency	Interest Rate %	Amortized cost / carrying value	Issued	Maturity	Listed
650.000.000	EUR	1.375%	646.399.527	2020	2027	Euronext, Dublin
50.000.000	EUR	1.375%	51.305.438	2020	2027	Euronext, Dublin
750.000.000	EUR	0.75%	742.055.810	2021	2029	Euronext, Dublin
1.250.000.000	EUR	0.25%	1.248.452.776	2021	2024	Euronext, Dublin
750.000.000	EUR	1.00%	746.245.755	2021	2028	Euronext, Dublin
750.000.000	EUR	1.625%	746.132.961	2021	2031	Euronext, Dublin
500.000.000	EUR	3 mth Euribor +0.55%	500.000.758	2022	2024	Euronext, Dublin
500.000.000	EUR	1,375%	495.327.847	2022	2028	Euronext, Dublin
700.000.000	EUR	0,625%	697.811.584	2022	2025	Euronext, Dublin
200.000.000	EUR	3 mth Euribor +0.55%	199.998.950	2022	2024	Euronext, Dublin
6.100.000.000	Total:		6.073.731.405			

8. Current liabilities

<i>in thousands of Euro</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Current liabilities		
Interest payable (EMTN program)	29.910	26.381
	<u>29.910</u>	<u>26.381</u>
Other current liabilities		
Fee charge	-	60
Services	101	88
Personnel	57	95
Suppliers	-	198
Value added tax	191	-
Corporate income tax	43	68
Total other current financial liabilities	<u>392</u>	<u>509</u>
Total Current liabilities	<u>30.302</u>	<u>26.890</u>

9. Interest income and other related income

<i>in thousands of Euro</i>	<u>Year ended 31 December 2023</u>	<u>Year ended 31 December 2022</u>
Interest income and other related income		
Interest income from intercompany loans	82.011	59.425
Amortization of fees IC Loans	5.855	6.414
Amortization of discount IC Loans	3.325	3.206
Amortization of premium bonds	1.247	1.552
	<u>92.437</u>	<u>70.597</u>

10. Interest expense and other related cost

<i>in thousands of Euro</i>	<u>Year ended 31 December 2023</u>	<u>Year ended 31 December 2022</u>
Interest expense and other related cost		
Bonds (EMTN Program)	75.728	52.756
Amortization of fees bonds	5.855	6.414
Amortization of discount bonds	3.325	3.206
Amortization of premium IC Loans	1.247	1.552
	<u>86.154</u>	<u>63.928</u>

11. Other operating expenses and service fees

<i>in thousands of Euro</i>	<u>Year ended 31 December 2023</u>	<u>Year ended 31 December 2022</u>
Other operating expenses and service fees		
Service fee for administrative expenses	259	251
Legal expenses	5	31
Audit fee	69	71
Other operating expenses	9	47
Tax advice	40	55
	<u>381</u>	<u>455</u>

During the financial period an amount of EUR 259 thousand (2022: EUR 251 thousand) was charged from Heimstaden Netherlands BV to the Company for management services provided.

Specification of auditor's costs

<i>in thousands of Euro</i>	<u>Year ended 31 December 2023</u>	<u>Year ended 31 December 2022</u>
Audit annual report	64	65
Other audit engagements	5	6
Total audit and other accounting services	<u>69</u>	<u>71</u>

The audit fees to Ernst & Young Accountants LLP relate to the financial year to which the financial statements pertain, regardless of whether the external auditor and the audit firm performed the work during the financial year. In addition to the statutory audit the external auditor has also performed audit procedures at request of the group auditors of the parent company.

Other audit engagements comprise of the consent letters provided by Ernst & Young Accountants LLP in relation to the EMTN Program prospectus.

12. Taxation

<i>in thousands of Euro</i>	Year ended 31 December 2023	Year ended 31 December 2022
Result before tax	5.902	6.214
Nominal taxes for the period	-1.509	-1.603
Effective tax for the period	25,6%	25,8%

The nominal income tax rate is 19% for the first EUR 200,000 and 25.8% for income exceeding the amount of EUR 200,000. The effective tax rate is 25.6% (2022: 25.8%).

13. Related-party transactions

Heimstaden Bostad AB is the parent company of Heimstaden Bostad Treasury B.V. The parent company owns and controls 100% of the Company's shares.

<i>in thousands of Euro</i>	Year ended 31 December 2023	Year ended 31 December 2022
Due from group companies (long term)	4.125.279	6.065.798
Due from group companies (short term)	1.982.293	32.834
Payable to group companies	-57	-95
	6.107.514	6.098.537
<i>in thousands of Euro</i>		
Financial income from group companies	92.437	70.597
Other expenses from group companies	-259	-251
	92.178	70.346

All related-party transactions were at arm's length.

14. Average number of employees

The Company does not have any employees.

15. Remuneration of directors

The directors do not receive any remuneration from the Company.

The Board of Managing Directors have declared that to the best of their knowledge, the financial statements give a true and fair view of the assets, the liabilities, the financial position and the results of the Company.

Amsterdam, the Netherlands, 21 March 2024

Mr. E.G.A. Rats, Board Member

Mrs. S.P.M. Bliemer, Board Member

Mr. R. Kaeding, Board Member

Other information to the financial statements for the year ended 31 December 2023

For the year ended 31 December 2023 there is no other relevant information or subsequent event applicable to the financial statements.

Independent auditor's report

To: the shareholder and the board of managing directors of Heimstaden Bostad Treasury B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Heimstaden Bostad Treasury B.V., based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Heimstaden Bostad Treasury B.V. as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ▶ The balance sheet as at 31 December 2023
- ▶ The income statement for 2023
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Heimstaden Bostad Treasury B.V. (the company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Heimstaden Bostad Treasury B.V. (the company) is incorporated as a wholly-owned subsidiary of Heimstaden Bostad AB, Malmö, Sweden (the parent) to assist the parent in raising funds and on-lending money to companies within the group. The parent is a property company whose principal business is to invest in residential properties in growth areas in the European Union, Norway, the United Kingdom and Switzerland. The main income of the company is the interest income on the loans to the group. We paid specific attention in our audit to a number of areas driven by the operations of the company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€30 million (2022: €30 million)
Benchmark applied	0.5% of total assets as at 31 December 2023
Explanation	We determined materiality based on our understanding of the company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the loans and bonds issued by the company. We determined materiality consistent with prior financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of managing directors that misstatements in excess of €1.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed finance company. We have made use of specialists in the area of income taxes including transfer pricing.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of managing directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.

We refer to Section Financial and other Risk of the board of managing directors report for the board of managing directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment as well as the Heimstaden Bostad Code of Conduct and the Heimstaden Group Policy Whistleblowing. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud and misappropriation of assets. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 2 to the financial statements, Section 2.2 Use of estimates and assumptions and Section 2.5 (c) Impairment of financial assets. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions and transactions with related parties. We evaluated whether transactions with related parties were accounted for at-arm's length and in accordance with transfer pricing documentation.

We did not identify a risk of fraud in revenue recognition, other than the aforementioned risks related to management override of controls.

We considered available information and made enquiries of the board of managing directors and the group auditor of the parent.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of managing directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We have been informed by the board of managing directors that there was no correspondence with regulatory authorities, enquired with the group auditor of the parent and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in Note 2.1 Basis of preparation to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of managing directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of managing directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of managing directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, including considerations relating to the financial position of the parent in cooperation with the group auditor. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the board of managing directors. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matter did not change.

Valuation of loans to group companies

Risk

The company is exposed to the risk that the parent defaults on meeting its obligations under the loans to group companies. As loans to group companies represent the most significant portion of the company's current and non-current assets, any impairment may have a material impact on the company's financial position and results.

We consider the valuation of the loans issued to group companies and assessing whether there is any objective evidence that a financial asset is impaired, and, if any such evidence exists, determining the size of the impairment loss, a key audit matter. The valuation of the loans to group companies is an area that requires significant judgment and determines the ability of the company to fulfil its obligations and to continue as a going concern.

We refer to Note 2.5 Financial instruments of the financial statements, where the board of managing directors has disclosed the policies and procedures in respect of the identification of any impairment on loans issued to the parent company and Note 4 Financial Assets where it is stated that the board of managing directors did not identify any impairment triggers and therefore no impairment loss is recognized as at 31 December 2023.

Our audit approach

Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policies and the reasonableness of accounting estimate and related disclosures made by the board of managing directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and Dutch Accounting Standard 290 Financial instruments, and the criteria set to determine that there is objective evidence of an impairment loss and whether these have been applied consistently.

We also evaluated the design of internal controls of the process underlying the identification and assessment of objective evidence for impairment as part of the financial statement closing process.

Furthermore, we challenged the board of director's assessment based on, amongst others, our analysis of the financial position of Heimstaden Bostad AB and by identification of indicators of non-recoverability of loan issued to Heimstaden Bostad AB. This includes an assessment on the fair value developments of the bond issued and whether Heimstaden Bostad AB met its financial obligations towards the company throughout the year and up to the date of our report, as well as by reviewing publicly observable data and by inquiring the group auditor of Heimstaden Bostad AB. Also, we took the impact of events subsequent to 31 December 2023 into account.

Finally, we evaluated the related disclosures in the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Valuation of loans to group companies

Key observations

Based on procedures performed, we concur with the board of managing directors' assessment that there is no objective evidence as at 31 December 2023 that loans to group companies are impaired.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of managing directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the general meeting as auditor of Heimstaden Bostad Treasury B.V. on 14 January 2021, as of the audit for the period ended 31 December 2020 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the board of managing directors for the financial statements

The board of managing directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Furthermore, the board of managing directors is responsible for such internal control as the board of managing directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of managing directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of managing directors should prepare the financial statements using the going concern basis of accounting unless the board of managing directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of managing directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- ▶ Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of managing directors
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the board of managing directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the parent in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of managing directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of managing directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 21 March 2024

Ernst & Young Accountants LLP

signed by P. Sira