



Third Quarter Highlights

Figures in SEK

203 billion

Investment Properties

5.0 billion

Profit

45.6%

Net LTV

3.3x

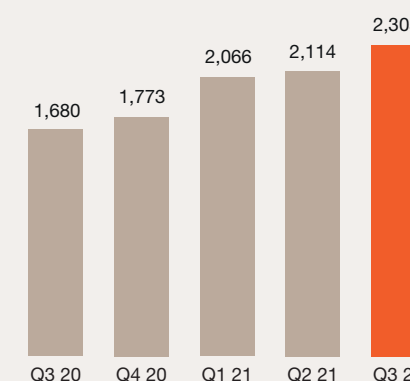
ICR

- Improved real economic occupancy.
- Increased interest coverage ratio.
- Bought 1,637 homes in Iceland valued at 3.8 billion.
- Fitch Ratings initiated coverage with 'BB+' credit rating of Heimstaden and 'BBB' credit rating of Heimstaden Bostad.
- Heimstaden Bostad set new climate targets and plans to invest minimum 5 billion to reduce greenhouse gas emissions by at least 46% by 2030.
- Heimstaden Bostad announced the acquisition of 599 properties in Germany, Sweden, and Denmark for 92.5 billion.
- Heimstaden Bostad entered Finland with two acquisitions of in total 351 homes for a combined 342 million.

See page 44 for definitions of alternative performance measures.

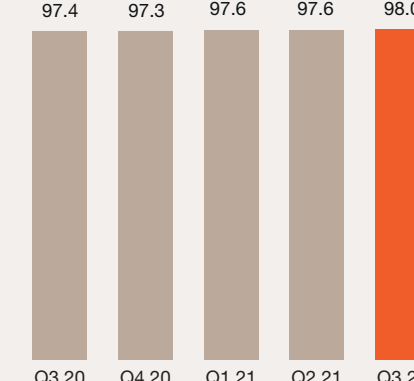
Rental Income

SEK million



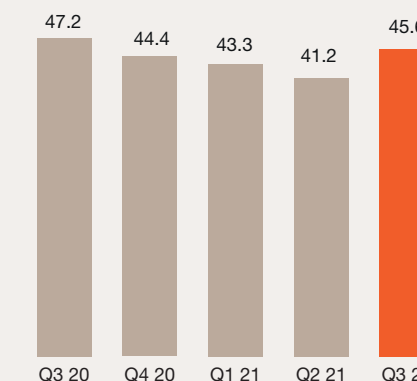
Real Economic Occupancy

%



Net LTV

%



		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Financials						
Rental income	SEK m	2,305	2,114	1,680	6,485	4,828
Growth y-o-y	%	37.2	28.0	29.0	34.3	38.6
Net operating income	SEK m	1,543	1,353	1,034	4,142	2,986
Net operating income margin	%	66.9	64.0	61.6	63.9	61.9
Profit for the period	SEK m	5,019	4,574	2,363	13,316	5,775
Capital expenditures	SEK m	1,385	1,409	532	3,785	1,684
Portfolio Metrics						
Fair value of investment properties	SEK m	203,211	186,679	139,329	203,211	139,329
Homes	Units	120,268	116,083	100,870	120,268	100,870
Real economic occupancy, residential	%	98.0	97.6	97.4	97.8	96.9
Like-for-like rental income growth, y-o-y	%	3.0	2.1	2.4	2.3	3.8
Credit Metrics						
Interest Coverage Ratio (ICR)	Multiple	3.3x	3.1x	2.8x	3.3x	2.8x
Net Loan-to-Value (LTV)	%	45.6	41.2	47.2	45.6	47.2
Net debt / Total assets	%	39.0	36.9	42.7	39.0	42.7

Continued Growth and Ambitious Sustainability Targets

Heimstaden is a leading European residential real estate owner and as we continue to grow, so does our responsibility to combat climate change. Therefore, in a quarter characterised by significant new acquisitions, I am very pleased that our Board and our partners in Heimstaden Bostad have shown a willingness to invest in new and ambitious climate targets.

The latest UN climate report calls for an urgency in efforts to limit global warming to 1.5°C. We have aligned our revised climate targets with this global ambition and will invest SEK 5 billion in efforts to reduce our greenhouse gas emissions by at least 46% by 2030. Our climate targets will be validated by the Science Based Targets initiative and hopefully, Heimstaden's dedication and commitment to mitigating climate change will inspire others to follow.

At the end of the quarter, Fitch Ratings assigned Heimstaden an inaugural credit rating of 'BB+' with stable outlook. This serves validation of our long-term strategy and financial stability and which reflects Heimstaden's strong position as majority owner and manager of Heimstaden Bostad, the most diversified residential real estate company in Europe.

While we continued to develop our sustainability framework and deliver positive operational and financial results, the most significant news this quarter came in late September when we announced Heimstaden Bostad's acquisition of 599 properties in Germany, Sweden, and Denmark. The portfolio has appr. 29,000 high-quality homes throughout central, attractive locations in cities with favourable demographics and economic outlook. Our largest transaction to date, the acquisition enables more efficient operations, improved customer experience, and greater impact from our sustainable investments, not least through almost EUR 3 million in increased annual contributions to A Home for a Home. The transaction will close in the fourth quarter, subject to merger clearance.

In the fourth quarter, Heimstaden and Alecta, KPA Pension (Folksam Group), and the Swedish Pension Agency, will invest more than 24.8 billion equity in Heimstaden Bostad in support of its continued growth and financial strength.

I am grateful for the strong engagement and commitment from our long-term partners in Heimstaden Bostad. Together with our passionate and competent people, we are well-positioned to continue delivering on our long-term strategy and vision to enrich and simplify lives through Friendly Homes.



Patrik Hall, CEO Heimstaden



In a quarter characterised by significant new acquisitions, our long-term partners in Heimstaden Bostad continue to demonstrate their strong commitment and we are well-positioned to deliver on our long-term strategy.

Revised Climate Targets

In January 2021, Heimstaden Bostad became one of the first pan-European residential real estate companies to commit to the Science Based Targets initiative (SBTi) and, in the third quarter, Heimstaden Bostad announced new climate targets in line with the Paris Agreement ambition to limit global warming to 1.5°C. The new targets will be validated by SBTi.



Reduce greenhouse gas emissions by at least 46% by 2030 (scope 1 and 2).



Reduce the amount of purchased energy annually by 2% on average until 2025.



Require suppliers covering 70% scope 3 emissions to set science-based targets by 2025.

The total investment to reach the new 2030 GHG reduction target is estimated to SEK 5 billion, based on the current property portfolio, and will increase as the company grows. Investments encompass focused efforts throughout the value-chain, such as fuel shifts, energy efficiency improvements, installation of solar PVs, and procurement of origin-certified renewable electricity.

[Visit our website](#) for more details on Heimstaden's sustainability strategy and targets.

A Home for a Home

Setting a New Standard in Corporate Responsibility

In the third quarter, Heimstaden Bostad and SOS Children's Villages launched joint programmes across Europe, Africa, and Latin America to create safe homes for children.

A key aspect of A Home for a Home is to leverage our expertise and assets to contribute beyond the donation and maximise our positive impact.

Our goal is to set a new standard for how private and non-profit sectors collaborate globally to create a better society. Read more on [our website](#).



Programme Highlights

20,000

Children reached

22

Countries

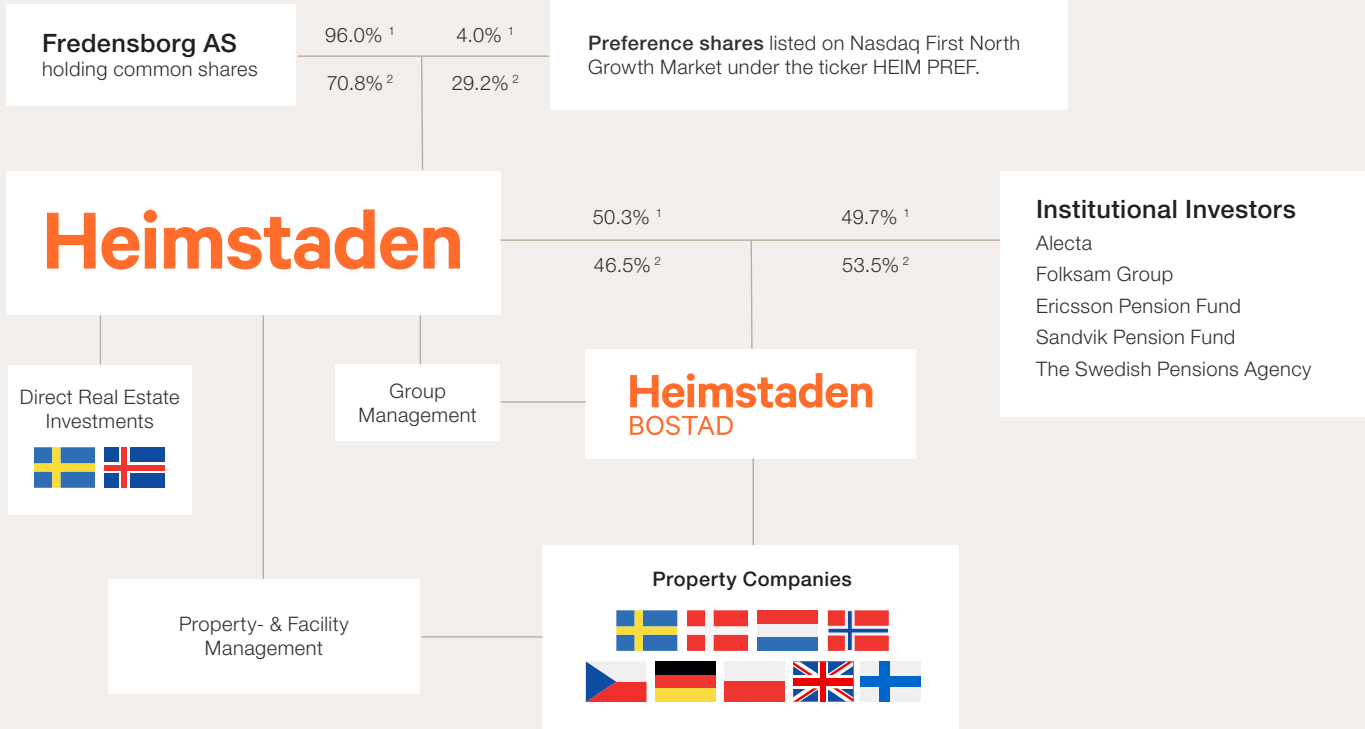
12

Joint local programmes

18

Global SOS programmes

Company Structure



Heimstaden is a residential real estate investor and the majority owner¹ of Heimstaden Bostad, which it owns together with long-term institutional partners who share a philosophy for evergreen and sustainable investments. Heimstaden is the group-, property-, and facility manager of Heimstaden Bostad.

¹ Share of voting rights.
² Share of capital.



Kirkevein 166, Oslo, Norway

Quarterly Review

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

Income

Rental income increased by 9.1% to 2,305 million (2,114), driven primarily by acquisitions in Denmark and Germany in the second and third quarters as well as in Sweden and Iceland in the third quarter. Service income decreased to 109 million (125), mainly due to lower heating consumption.

Like-for-like rental income growth was 3.0% (2.1%). The comparable portfolio made up 60% (67%) of rental income.

Residential real economic occupancy improved to 98.0% (97.6%), excluding 1.6% (1.6%) in vacancy due to refurbishments and other non-market related vacancy.

Operating expenses

Utility expenses decreased by 23 million due to seasonality, mainly related to lower heating consumption in Sweden and the Czech Republic. Due to different rental regimes between markets, these costs impact net operating income margins differently. See Note 3 for more details.

Repair and maintenance expenses including group eliminations increased by 28 million. Costs for facility and property management on standing assets increased by 8 million.

Capital expenditures and Repair & Maintenance

Total expenditure in standing assets decreased to 593 million (1,060), corresponding to 0.29% of fair value (0.57%), while investments in properties under construction, excluding forward purchase contracts, increased to 0.48% of fair value (0.28%), due to a larger amount of forward funding acquisitions. More details on page 11.

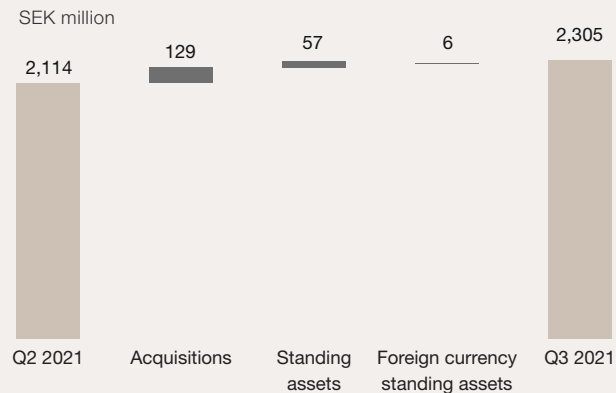
SEK million	Q3 2021	Q2 2021	YTD 2021	YTD 2020
Income statement items				
Expenses for repair & maintenance ¹	176	170	526	503
Balance sheet items				
Capitalised repair & maintenance	270	595	1,292	555
Tenant improvement	148	294	643	519
Investment properties under construction	967	520	1,850	610
Capital expenditures	1,385	1,409	3,785	1,684

¹ Excluding group eliminations, see Note 3.

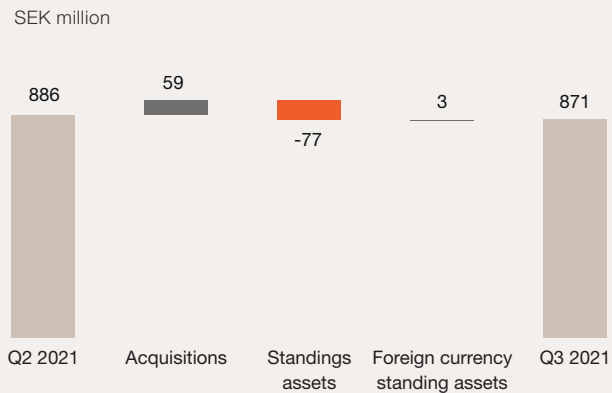
Net operating income

Net operating income grew by 14.1% to 1,543 million (1,353), resulting in a net operating income margin of 66.9% (64.0%), positively impacted by the seasonality in utility costs as well as acquisitions.

Rental Income Development



Property Cost Development



Change in Fair Value of Investment Properties

	Q3 2021		YTD 2021	
	%	SEK million	%	SEK million
Denmark	2.0	1,207	9.0	4,970
Sweden	3.0	1,759	7.5	4,147
Netherlands	4.6	1,130	6.4	1,528
Norway	-0.0	-8	2.8	519
Germany	2.2	367	10.2	1,610
Czech Republic	5.6	873	10.3	1,545
Finland	16.5	56	16.5	56
Iceland	8.5	315	8.5	315
United Kingdom	-12.0	-45	-12.0	-45
Total	2.9	5,652	7.8	14,644

Net gain from fair value adjustments on investment properties was 5,562 million (4,612), corresponding to 2.9%. The properties in the United Kingdom is currently under construction and the negative development in the United Kingdom came from a change to fair value accounting in the period. The yield requirement in the valuation averaged 3.50% (3.47%), up from the end of previous quarter due to the acquisition in Iceland.

Interest expenses

Interest expenses increased to 408 million (370), driven by the issuance of an EUR 400 million senior unsecured bond and the average interest rate increased to 1.6% (1.5%). At the balance sheet date the interest rate hedge ratio was 76% (78%). The Interest Coverage Ratio for the last 12 months improved to 3.3x (3.1x).

Foreign currency

Heimstaden is exposed to currency fluctuations in EUR, DKK, NOK, CZK, PLN, GBP, ISK. Currency translation differences from the consolidation of subsidiaries resulted in other comprehensive income of 443 million (loss 1,028), which was partially offset by 83 million in foreign exchange loss (gain 230), mainly related to the foreign currency loan portfolio.

Cash Flow

SEK million	Q3 2021	Q2 2021	YTD 2021	YTD 2020
Operating activities	70	527	1,328	569
Investing activities	-11,491	-5,207	-30,303	-11,404
Financing activities	17,957	1,322	38,523	9,822
Currency effects	82	29	176	-73
Change	6,617	-3,329	9,723	-1,085
Period opening balance	14,013	17,341	10,906	10,687
Closing balance	20,630	14,012	20,630	9,602

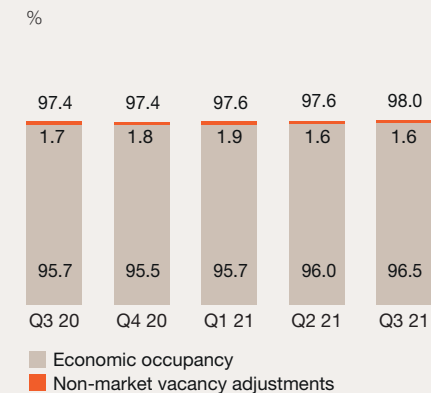
Cash flow from operating activities before changes in working capital was 725 million (491). Working capital decreased by 656 million (increase 36), resulting in net cash flows from operating activities of 70 million (527).

Cash flow from investing activities was negative 11,491 million (5,207) and included acquisitions of 4,587 million (781) and capex on investment properties of 1,482 million (995). Investments consisted primarily of acquisitions in Iceland, Sweden and Denmark.

Cash flow from financing activities was 17,957 million (1,322), which included senior unsecured bond issues of 4,060 million (3,039), no hybrid bond issues (6,660), and no bond repayments (6,521).

Heimstaden Bostad issued a new senior unsecured bond for 7,613 million (3,039), secured loans of 3,998 million in Germany and 2,389 million commercial paper.

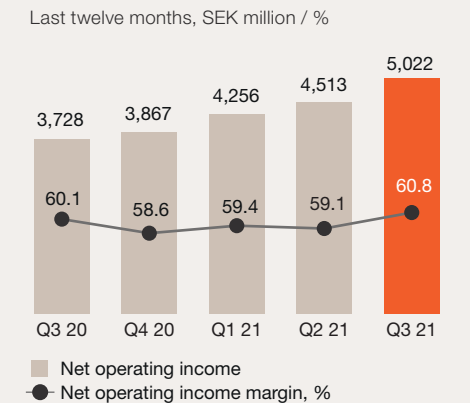
Real Economic Occupancy



Like-for-Like Rental Income Growth



Net Operating Income and Margin



Investment Properties

Fair value of investment properties increased from 187 billion to 203 billion, mainly through acquisitions of 8.9 billion and fair value gain of 5.6 billion. Residential units made up 93% of fair value and 52% of residential income came from regulated units.

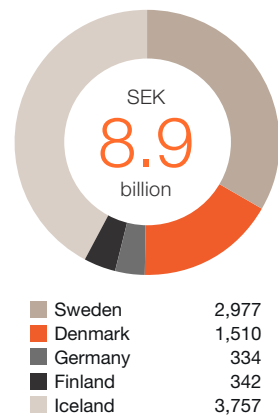
Heimstaden obtains external valuations for its properties each quarter. See Note A1 in the 2020 Annual Report for more details.

Significant Acquisitions

- Heimstaden bought 1,637 homes in Iceland. As Iceland falls outside Heimstaden Bostad's geographical mandate, the acquisition was made directly by Heimstaden.
- Heimstaden Bostad entered Finland with two acquisitions of in total 351 homes in Helsinki and Lahti with a combined cost of 342 million.
- Heimstaden Bostad bought 1,473 homes in Denmark for 3.5 billion, of which 1.5 billion closed in the third quarter. 793 homes are under construction with turnkey delivery within 24 months.
- Heimstaden Bostad announced the acquisition of 599 properties with 28,776 homes for 92.5 billion in Germany, Sweden and Denmark. The transaction closes in December 2021, subject to merger clearance.

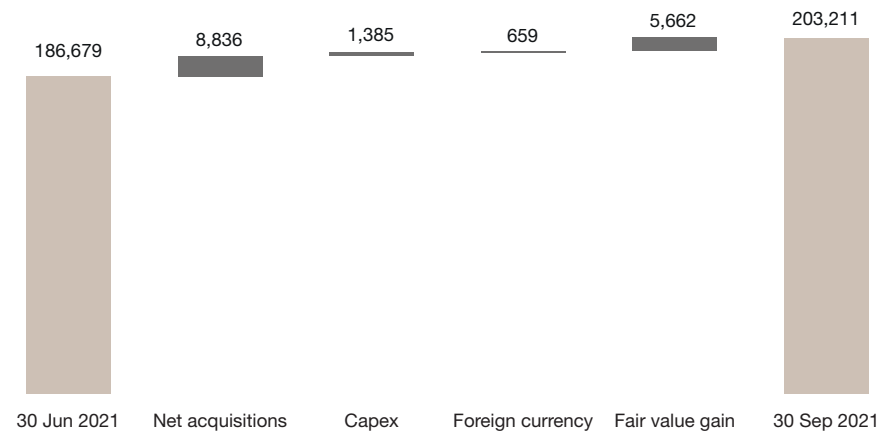
Acquisitions Closed in Q3 2021

SEK million



Fair Value Development

SEK million



Investment Property Portfolio



Country	Fair Value, SEK m	Fair Value /sqm, SEK	Homes, units	Residential, %	Regulated Income, %	Real Economic Occupancy, %
Denmark	60,492	35,509	17,012	95.1	10.9	98.7
Sweden	59,568	26,121	33,061	91.4	100.0	99.2
Netherlands	25,566	24,271	13,321	98.1	68.0	99.7
Norway	18,910	85,696	4,493	85.3	0.0	96.1
Germany	17,405	32,206	7,557	89.7	100.0	97.4
Czech Republic	16,511	6,290	42,819	95.4	34.2	95.5
Iceland ¹	4,031	26,677	1,654	100.0	0.0	97.1
Finland	397	32,115	351	98.2	0.0	96.1
United Kingdom	332	-	-	-	-	-
Poland ²	-	-	-	-	-	-
Total	203,211	23,627	120,268	93.2	52.2	98.0

¹ Properties in Iceland are owned 100% by Heimstaden AB.

² Investments in Poland are made through forward purchase contracts and are not recognised as investment properties until turnkey delivery. See Note 7 for more details.

Signed Acquisitions

Heimstaden expands and improves its portfolio through acquisitions of standing assets and newbuilds. The current pipeline of signed acquisitions amounts to 20.0 billion and 12,711 homes, excluding the 92.5 billion acquisition announced in the third quarter, which will close in December 2021.

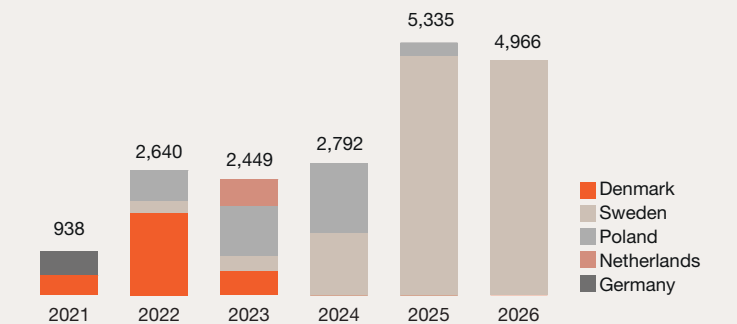
Newbuild investments are structured either as forward purchase or forward funding. In a forward purchase transaction, Heimstaden commits to buying new turnkey investment properties, which are not recognised on the balance sheet until delivery.

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

Heimstaden has forward funding contracts with a total capital expenditure commitment of 5.9 billion. The total pipeline of signed acquisitions, including standing assets and newbuilds, amounts to 20.0 billion. Several contracts contain exit clauses that limit the total exposure to 12.7 billion. For more details, see Note 12 on page 37 of this report.

Signed Acquisitions

SEK million



Denmark

60.5 billion
Investment Properties

1.5 billion
Acquisitions

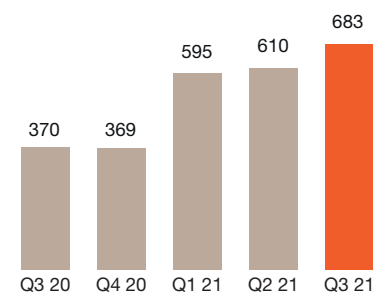
683 million
Rental income

Rental income was 683 million (610), a 12.1% increase, driven by the full effect of acquisitions made in the previous quarter and improved occupancy. Net operating income increased by 23.2% to 511 million (415), resulting in a net operating income margin of 74.8% (68.0%). The improved margin is driven by lower property management costs and positive cost effects from recent acquisitions. Real economic occupancy improved, driven by increased student demand and market recovery post-covid.

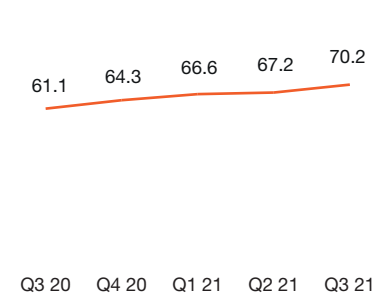
Like-for-like rental income growth compared to the same period last year was 4.2% (0.4%) and the comparable portfolio comprised 54% (59%) of rental income.

		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	SEK m	683	610	370	1,888	1,117
Net operating income	SEK m	511	415	232	1,334	705
Net operating income margin	%	74.8	68.0	62.7	70.7	63.2
Like-for-like rental income growth	%	4.9	0.4	0.4	2.1	2.6
Real economic occupancy	%	98.7	97.6	96.2	97.9	96.8
Fair value of investment properties	SEK m	60,492	57,160	37,068	60,492	37,068
Fair value change	SEK m	1,207	1,973	615	3,763	624
Capital expenditures	SEK m	296	445	113	1,100	317
Average valuation yield requirement	%	3.6	3.8	3.8	3.6	3.8

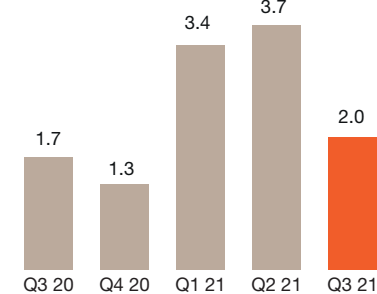
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Sweden

59.6 billion
Investment Properties

3.0 billion
Acquisitions

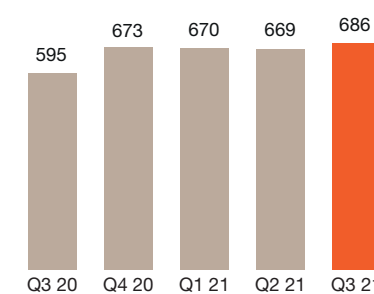
686 million
Rental income

Rental income was 686 million (669), a 2.5% increase. Net operating income increased by 8.0% from the second quarter to 400 million (370), driven by seasonally lower utility cost, which resulted in an improved net operating income margin of 58.3% (55.3%).

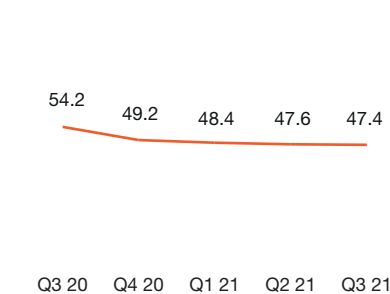
Like-for-like rental income growth compared to the same period last year was 2.8% (2.7%) and the comparable portfolio comprised 89% (95%) of rental income.

		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	SEK m	686	669	595	2,026	1,813
Net operating income	SEK m	400	370	361	1,063	1,006
Net operating income margin	%	58.3	55.3	60.7	52.5	55.5
Like-for-like rental income growth	%	2.8	2.7	3.6	2.7	4.1
Real economic occupancy	%	99.2	99.2	99.4	99.2	99.1
Fair value of investment properties	SEK m	59,568	54,109	45,466	59,568	45,466
Fair value change	SEK m	1,759	1,378	817	4,147	1,869
Capital expenditures	SEK m	703	584	369	1,698	1,130
Average valuation yield requirement	%	3.3	3.3	3.7	3.3	3.7

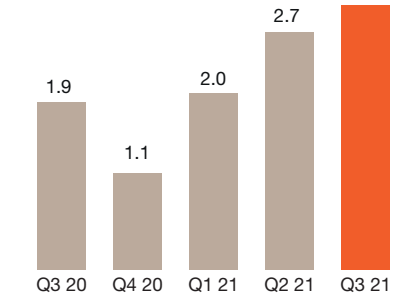
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Netherlands

25.6 billion
Investment Properties

0.0 billion
Acquisitions

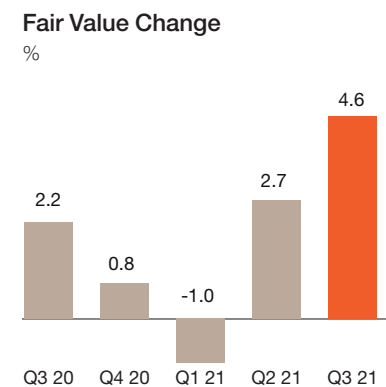
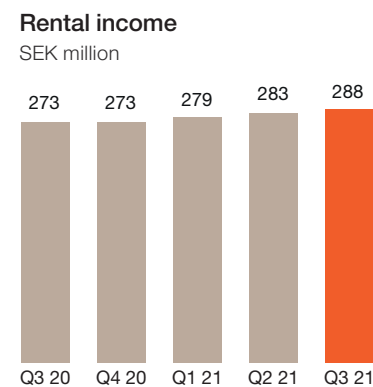
288 million
Rental income

Rental income grew 1.6% to 288 million (283). Net operating income decreased by 1.0% to 181 million (183), driven by higher repair and maintenance activity somewhat offset by lower technical costs, which resulted in a lower net operating income margin of 62.7% (64.4%).

Like-for-like rental income growth compared to the same period last year was 2.7% (4.6%) and the comparable portfolio comprised 78% (79%) of rental income.

As of 1 January 2021, real estate transfer tax in the Netherlands increased from 2% to 8%, which negatively impacted value development in the first quarter but the market showed resistance in second and third quarter.

		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	SEK m	288	283	273	850	755
Net operating income	SEK m	181	183	139	533	419
Net operating income margin	%	62.7	64.4	51.0	62.7	55.5
Like-for-like rental income growth	%	2.7	4.6	-8.7	3.3	1.3
Real economic occupancy	%	99.7	99.6	98.9	99.5	98.9
Fair value of investment properties	SEK m	25,566	24,185	23,303	25,566	23,303
Fair value change	SEK m	1,130	641	497	1,528	863
Capital expenditures	SEK m	131	168	-5	414	16
Average valuation yield requirement	%	3.1	3.3	3.6	3.1	3.6



Norway

18.9 billion
Investment Properties

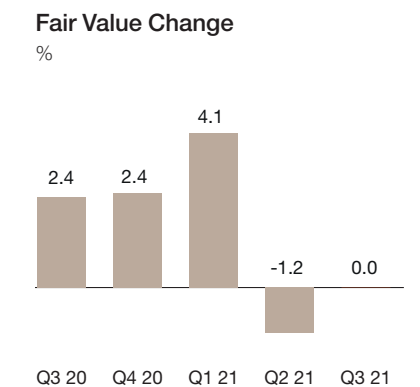
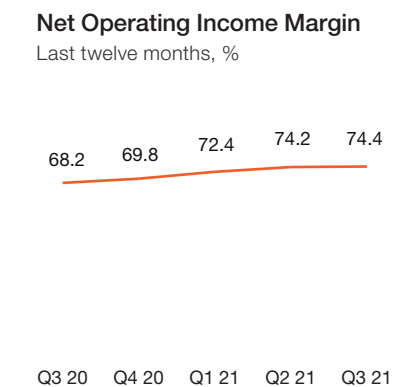
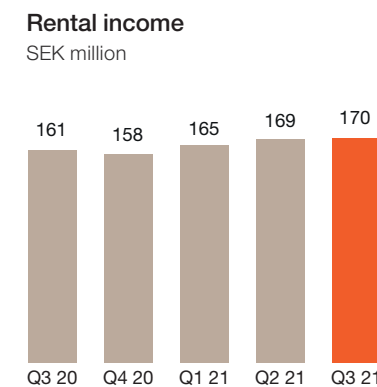
0.0 billion
Acquisitions

170 million
Rental income

Rental income was stable at 170 million (169). Net operating income decreased by 23.8% to 106 million (139), due to higher repair and maintenance expenses, which resulted in a net operating income margin of 62.7% (82.7%). Real economic occupancy improved, driven by seasonally strong student demand and market recovery post-covid.

Like-for-like rental income growth compared to the same period last year was 2.0% (0.9%) and the comparable portfolio comprised 100% (100%) of rental income.

		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	SEK m	170	169	161	503	493
Net operating income	SEK m	106	139	98	376	339
Net operating income margin	%	62.7	82.7	61.2	74.7	68.6
Like-for-like rental income growth	%	2.0	0.9	1.5	0.5	5.9
Real economic occupancy	%	96.1	92.9	95.0	93.8	94.7
Fair value of investment properties	SEK m	18,910	18,843	16,510	18,910	16,510
Fair value change	SEK m	-8	-217	378	519	901
Capital expenditures	SEK m	19	74	-50	138	23
Average valuation yield requirement	%	2.9	2.8	2.9	2.9	2.9



Germany

17.4 billion
Investment Properties

0.3 billion
Acquisitions

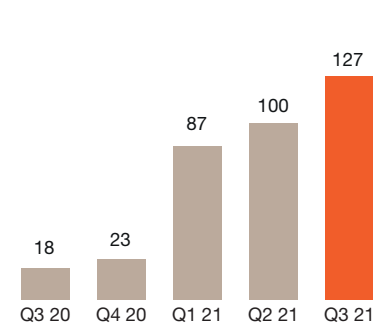
127 million
Rental income

Rental income increased to 127 million (100) due to acquisitions. Net operating income increased by 63.6% to 98 million (60), resulting in a net operating income margin of 77.0% (59.8%). The higher margin is driven primarily by accounting effects related to the recent acquisition. Real economic occupancy decreased somewhat in the quarter driven by recent acquisitions. The net operating income margin in Q3 2020 was inflated due to accounting effects on a relatively small portfolio.

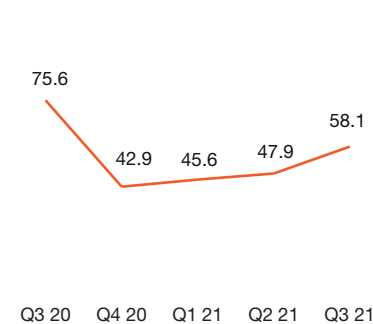
Like-for-like rental income growth compared to the same period last year was 3.7% (5.4%), positively impacted by the removal of the temporary rent freeze in Berlin in April, 2021. The comparable portfolio comprised only 4% (5%) of rental income.

		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	SEK m	127	100	18	315	51
Net operating income	SEK m	98	60	11	205	40
Net operating income margin	%	77.0	59.8	62.2	65.1	79.1
Like-for-like rental income growth	%	3.7	5.4	7.8	-1.3	5.0
Real economic occupancy	%	97.4	99.2	93.7	98.3	97.9
Fair value of investment properties	SEK m	17,405	16,594	3,034	17,405	3,034
Fair value change	SEK m	367	619	62	1,610	102
Capital expenditures	SEK m	19	16	34	35	60
Average valuation yield requirement	%	2.6	2.4	2.1	2.6	2.1

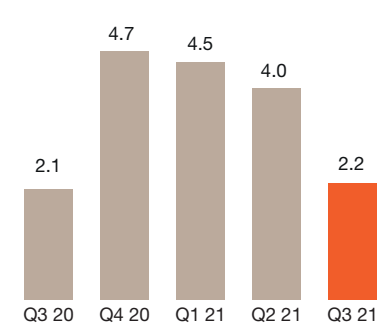
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Czech Republic

16.5 billion
Investment Properties

0.0 billion
Acquisitions

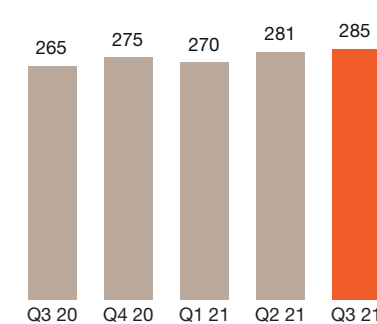
285 million
Rental income

Rental income was 285 million (281), which corresponds to a 1.5% increase, driven by the higher market rents.

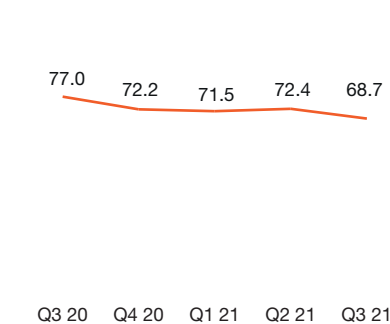
Net operating income was stable at 200 million (198), resulting in a net operating income margin of 70.1% (70.4%). The lower margin is driven by higher property management costs.

		Q3 2021	Q2 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	SEK m	285	281	265	836	622
Net operating income	SEK m	200	198	227	594	479
Net operating income margin	%	70.1	70.4	85.5	71.1	77.0
Like-for-like rental income growth	%	n/a	n/a	n/a	n/a	n/a
Real economic occupancy	%	95.5	94.8	95.3	95.3	95.6
Fair value of investment properties	SEK m	16,511	15,429	13,555	16,511	13,555
Fair value change	SEK m	873	216	25	1,545	1,563
Capital expenditures	SEK m	122	122	73	306	139
Average valuation yield requirement	%	5.2	5.1	5.4	5.2	5.4

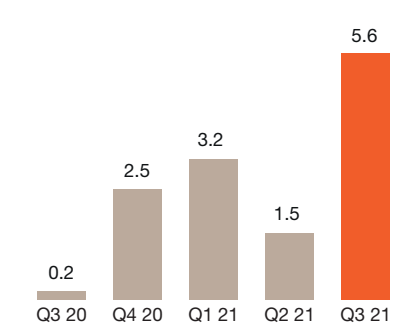
Rental income
SEK million



Net Operating Income Margin
Last twelve months, %



Fair Value Change
%



Iceland

4.0 billion
Investment Properties

3.8 billion
Acquisitions

59 million
Rental income

Heimstaden made its first acquisition in Iceland in the third quarter of 1,628 homes from Parent Company, Fredensborg AS, followed and an additional acquisition of 26 homes. The property portfolio is owned directly by Heimstaden and is mainly located in and around Reykjavik.

Rental income amounted to 59 million. Net operating income was 35 million resulting in a net operating income margin of 60.3%.



Reykjavik, Iceland

		Q3 2021
Rental income	SEK m	59
Net operating income	SEK m	35
Net operating income margin	%	60.3
Like-for-like rental income growth	%	n/a
Real economic occupancy	%	97.1
Fair value of investment properties	SEK m	4,031
Fair value change	SEK m	315
Capital expenditures	SEK m	12
Average valuation yield requirement	%	6.5

Finland

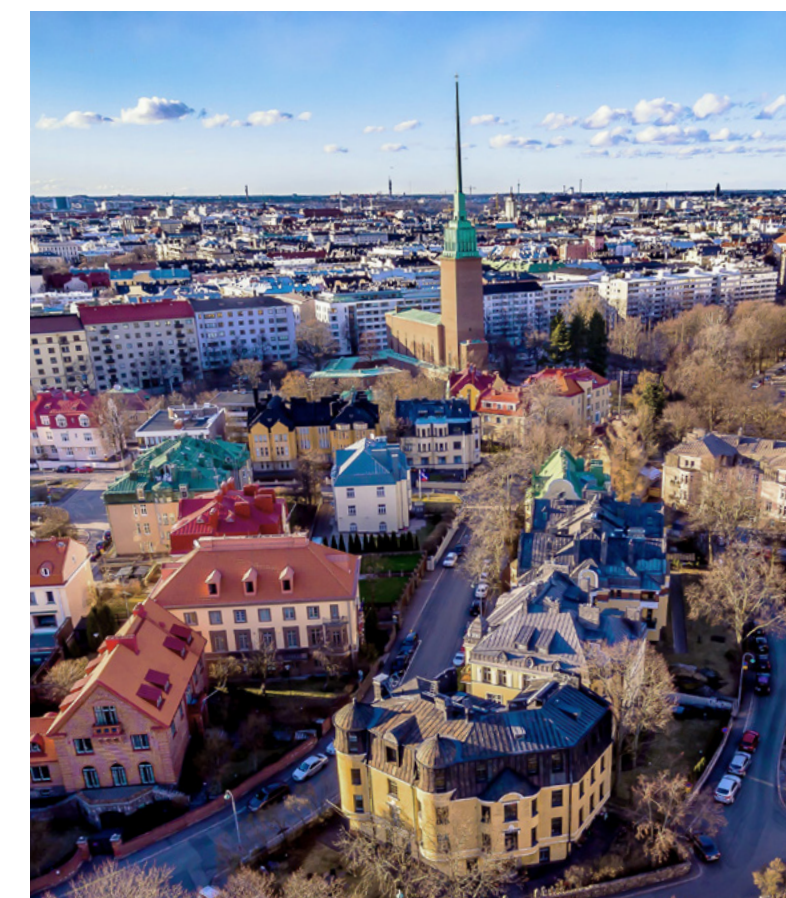
0.4 billion
Investment Properties

0.3 billion
Acquisitions

4 million
Rental income

Heimstaden Bostad made its first investment in Finland during the third quarter, with two acquisitions consisting of 351 homes and 705 sqm commercial space. The acquisitions is located in Helsinki Metropolitan Area and in Lahti.

Rental income amounted to SEK 4 million. Net operating income was 3 million resulting in a net operating income margin of 58.7%. The portfolio had a 56 million fair value gain in the period.



Helsinki, Finland

		Q3 2021
Rental income	SEK m	4
Net operating income	SEK m	3
Net operating income margin	%	58.7
Like-for-like rental income growth	%	n/a
Real economic occupancy	%	96.1
Fair value of investment properties	SEK m	397
Fair value change	SEK m	56
Capital expenditures	SEK m	-
Average valuation yield requirement	%	5.1

Poland

Heimstaden Bostad made its first investment in Poland in December, 2020, followed by additional acquisitions in 2021. In May, Heimstaden Bostad expanded its portfolio with the 3.1 billion acquisition of a newbuild project for 2,496 homes throughout five of the largest cities in Poland: Warsaw, Krakow, Wroclaw, Poznan and Gdansk - economic hubs in their regions and encompassing Poland's most populated and prosperous areas.

All acquisitions in Poland are structured as forward purchase contracts and not recognised as investment properties until turnkey delivery. As of 30 September 2021, Heimstaden Bostad had a pipeline of 3,839 homes with a value of 4.8 billion.

Newbuild Portfolio:



Homes: 3,839
 Commercial Area: 8,193 sqm
 Est. GRI p.a.: SEK 363.7 million
 Completion: Q3 2022-Q1 2025

United Kingdom

Heimstaden Bostad made its UK entry in the second quarter with the acquisition of newbuild project, Soho Wharf, in Birmingham for 1.9 billion. Soho Wharf is located just outside the city centre and is part of a wider plan to expand Birmingham to the west, converting former industrial areas into new neighbourhoods with generous public landscaping and high-quality architecture.

The project is structured as a forward funding contract with Galliard Homes, one of the largest housebuilders in the UK, as developer and contractor, and will be completed in stages from early 2023 to early 2024. As at 30 September 2021, 332 million had been recognised on the balance sheet as fair value of investment properties.

Soho Wharf Project:



Homes: 752 (47,723 sqm)
 Commercial area: 987 sqm
 GRI p.a.: SEK 110 million
 Completion: Q1 2023-Q1 2024

Funding Overview

Owning and operating residential real estate requires stable access to capital at favourable terms. Heimstaden maintains a conservative financial structure that supports our long-term strategy with a well-diversified funding portfolio, a robust balance sheet and strong credit metrics. Credit metrics improved in the third quarter and Heimstaden received its inaugural credit rating of 'BB+' (stable outlook) from Fitch Ratings.

Capital market activity - Heimstaden

Heimstaden issued a EUR 400 million senior unsecured bond under its MTN programme with a maturity of 5.5 years.

At the end of the period, Heimstaden had 11,776 million in senior unsecured bonds and a 4,500 million hybrid bond outstanding, all listed on Nasdaq Stockholm.

See Note 13 on page 37 for more information on debt issuances after the balance sheet date. See pages 46-49 for more information on Heimstaden's debt instruments and standalone financials.

Capital market activity – Heimstaden Bostad

Heimstaden Bostad issued a EUR 750 million senior unsecured bond with a maturity of 8 years.

At the end of the period, Heimstaden Bostad had 38,201 million in senior unsecured bonds and 27,454 million in hybrid bonds outstanding and listed on Euronext Dublin and Oslo Børs.

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

BB+

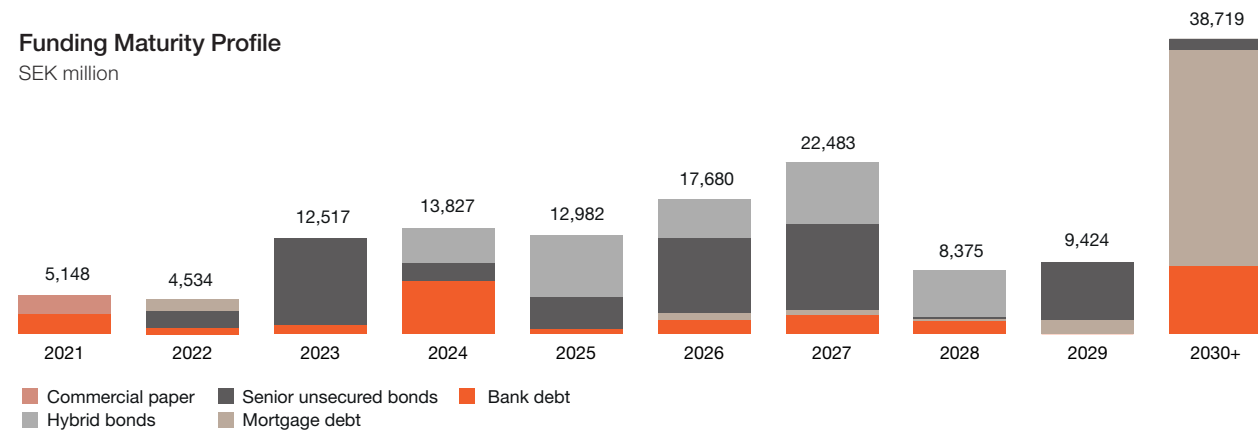
Fitch credit rating of Heimstaden

BBB

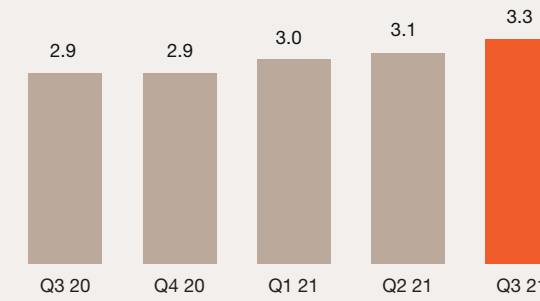
S&P and Fitch credit ratings of Heimstaden Bostad

Funding Maturity Profile

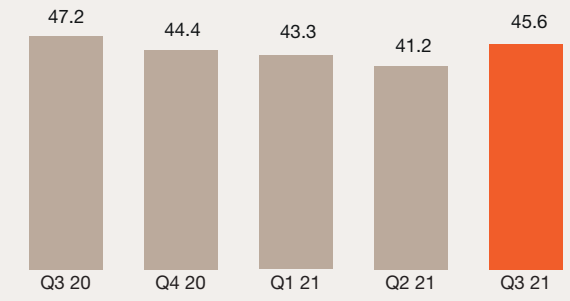
SEK million



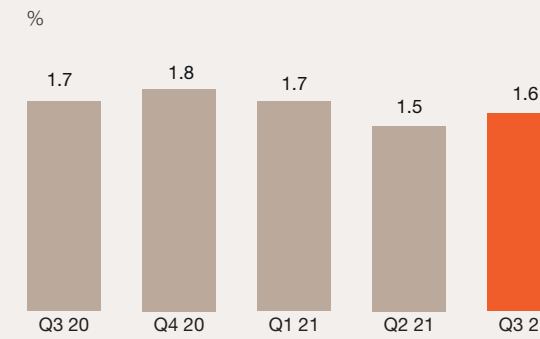
ICR multiple



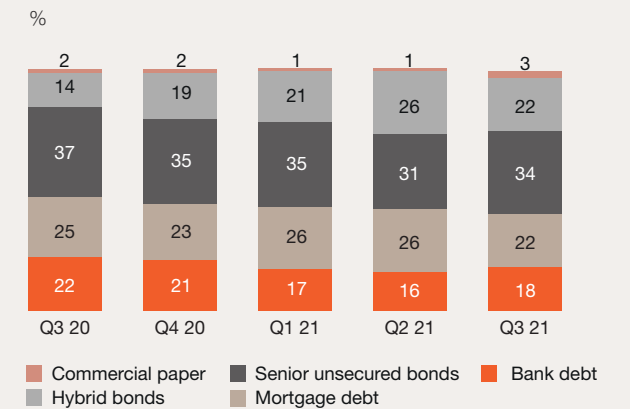
Net LTV %



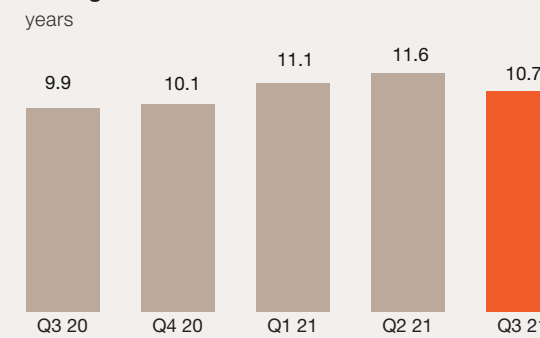
Average Interest Rate %



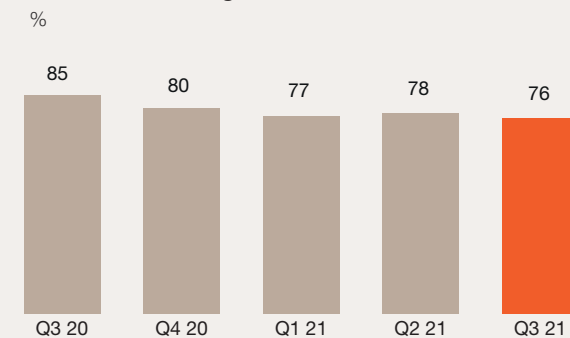
Funding Distribution %



Average Loan Tenor years



Interest Rate Hedge Ratio %



Interim Financial Statements and Notes

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Condensed Parent Company Financial Statements

Income Statement
Comprehensive Income Statement
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Comprehensive Income Statement

SEK million	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Rental income	4	2,305	1,680	6,485	4,828
Service charge income	4	108	57	423	236
Property expenses	3	-871	-703	-2,767	-2,078
Net operating income¹		1,543	1,034	4,142	2,986
Corporate administrative expenses		-105	-59	-285	-194
Other operating income		0	11	3	35
Other operating expenses	5	-21	-11	-73	-30
Share of net profits of associates and joint ventures		1	-18	-1	-23
Operating profit before investment properties and fair value adjustments		1,417	957	3,786	2,775
Fair value adjustment of investment properties		5,652	2,393	14,644	5,921
Gains/losses from sale of inventory properties		-19	143	21	124
Operating profit		7,050	3,493	18,451	8,820
Interest expenses on interest-bearing liabilities		-408	-379	-1,140	-1,063
Interest income		16	22	49	73
Net foreign exchange gains/losses		-83	-32	-363	203
Fair value adjustment of derivative financial instruments		37	18	302	-335
Other financial items		-245	-56	-502	-167
Profit before tax		6,367	3,067	16,797	7,531
Current tax expense		-130	-108	-451	-428
Deferred tax expense		-1,218	-595	-3,030	-1,327
Profit for the period		5,019	2,363	13,316	5,775
Other comprehensive income/loss	6	443	-854	1,933	-2,672
Comprehensive income		5,462	1,509	15,250	3,103
<i>Profit for the period attributable to:</i>					
The Parent Company's shareholders		2,808	1,208	7,411	3,011
Non-controlling interests		2,210	1,155	5,906	2,764
<i>Comprehensive income for the period attributable to:</i>					
Parent Company's ordinary shareholders		3,028	683	8,486	1,367
Parent Company's preference shareholders		29	12	70	35
Non-controlling interests		2,405	815	6,693	1,700
Average number of ordinary shares outstanding		132,040,000	13,204,000	83,286,769	13,204,000
Average number of preference shares outstanding		58,593,750	2,343,750	28,691,621	2,343,750
Earnings per ordinary share (basic and diluted)		22	48	142	90

¹ Excludes income from inventory properties.

Balance Sheet

SEK million	Note	30 Sep 2021	31 Dec 2020	30 Sep 2020
ASSETS				
Investment properties	7	203,211	144,428	139,329
Intangible assets		80	74	70
Property, plant and equipment	1	218	809	761
Other non-current financial assets	8	3,229	1,302	1,318
Total non-current assets		206,738	146,613	141,478
Inventory properties	9	786	1,292	1,022
Rent and trade receivables		216	86	69
Other current financial assets	11	8,569	2,106	1,407
Prepayments		469	308	330
Cash and cash equivalents		20,630	10,906	9,602
Total current assets		30,669	14,698	12,430
Total assets		237,407	161,310	153,908
EQUITY AND LIABILITIES				
Equity		110,511	76,166	70,359
Interest-bearing liabilities	10	104,258	67,116	70,110
Lease liabilities		775	717	662
Derivative financial instruments	11	204	433	0
Deferred tax liabilities		8,536	5,446	4,969
Other non-current financial liabilities		883	903	527
Total non-current liabilities		114,656	74,615	76,269
Interest-bearing liabilities	10	9,030	7,965	5,286
Lease liabilities		40	31	40
Trade payables		484	477	314
Other current payables		1,366	917	1,345
Derivative financial instruments	11	6	14	0
Prepayments		1,314	1,126	294
Total current liabilities		12,240	10,530	7,280
Total equity and liabilities		237,407	161,310	153,908

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	78	6,466	2,975	326	13,963	23,808	36,133	59,942
Profit for the period	-	-	222	-	4,200	4,422	3,931	8,353
Other comprehensive income	-	-	-	-2,706	0	-2,706	-1,787	-4,493
Total comprehensive income	-	-	222	-2,706	4,200	1,716	2,144	3,860
Contributions from non-controlling interests	-	-	-	-	-	-	7,610	7,610
Dividend to non-controlling interest	-	-	-	-	-	-	-963	-963
Hybrid bonds issue	-	-	1,030	-	-	1,030	5,189	6,219
Premium hybrid bonds	-	-	-30	-	30	-	-	-
Repurchase hybrid bonds	-	-	-100	-	20	-80	-	-80
Cost of issuance	-	-	-8	-	-	-8	-146	-154
Dividend	-	-	-222	-	-47	-269	-	-269
Total transactions with the company's owners	-	-	670	-	3	673	11,690	12,363
Equity, 31 Dec 2020	78	6,466	3,867	-2,380	18,166	26,197	49,967	76,165
Opening balance, 1 Jan 2021	78	6,466	3,867	-2,380	18,166	26,197	49,967	76,165
Profit for the period	-	-	175	-	7,236	7,411	5,906	13,316
Other comprehensive income	-	-	-	1,146	-	1,146	788	1,933
Total comprehensive income	-	-	175	1,146	7,236	8,556	6,693	15,250
Share issue	1,107	18	-	-	-	1,125	7,132	8,257
Hybrid bonds issue	-	-	570	-	-	570	14,163	14,733
Cost of issuance	-	-	-38	-	-	-38	-136	-174
Dividend	-	-	-175	-	-1,053	-1,227	-2,505	-3,733
Non-controlling interests	-	-	-	-	-	-	12	12
Total transactions with the company's owners	1,107	18	358	-	-1,053	430	18,667	19,097
Equity, 30 Sep 2021	1,185	6,484	4,399	-1,234	24,349	35,183	75,327	110,511

Cash Flow Statement

SEK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Cash flows from operating activities				
Profit before tax	6,367	3,067	16,797	7,531
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Net gain from fair value adjustment on investment properties	-5,633	-2,534	-14,665	-6,043
Net change in fair value of derivative financial instruments	-102	-689	-367	-335
Finance expenses – net	543	402	1,593	1,127
Other adjustments	243	68	494	-136
<i>Working capital changes</i>				
Increase/decrease(+) in trade receivables	209	265	-232	4
Increase/decrease(-) in trade and other payables	-864	11	-184	-298
Cash generated from operations	761	590	3,434	1,850
Interest paid	-560	-360	-1,659	-997
Interest received	7	9	7	38
Paid tax	-138	-68	-454	-321
Net cash flows from operating activities	70	170	1,328	569
Investing activities				
Acquisitions of investment properties	-4,587	-584	-19,021	-8,915
Capital expenditure on investment properties	-1,482	-655	-3,841	-1,781
Proceeds from sale of investment properties	424	-	732	-
Deposits for signed acquisitions	-5,486	-571	-5,795	-335
Purchases of intangible assets	-	-	-	-37
Other cash flows from investing activities	-360	-44	-2,378	-335
Net cash flows from investing activities	-11,491	-1,855	-30,303	-11,404
Financing activities				
Proceeds from interest-bearing liabilities	18,674	5,031	32,042	-8,654
Repayment of interest-bearing liabilities	-618	-2,536	-12,614	11,163
Dividends paid	-	-	-1,000	-
Dividends paid to non-controlling interest	-	-	-2,107	-894
Dividends paid to preference shares	-30	-12	-53	-35
Proceeds from issuance of new shares	-	-	1,125	-
Proceeds from non-controlling interests	-	-	7,144	7,610
Proceeds from issuance of hybrid bonds	-	-	14,733	950
Repayments on hybrid bonds	-67	-61	-573	-232
Other cash flows from financing activities	-3	-	-175	-85
Net cash flows from financing activities	17,957	2,422	38,523	9,822
Net change in cash and cash equivalents	6,535	737	9,547	-1,012
Cash and cash equivalents at the beginning of the period	14,013	8,879	10,906	10,687
Net currency exchange effect in cash and cash equivalents	82	-14	176	-73
Cash and cash equivalents at the end of the period	20,630	9,602	20,630	9,602

Notes to the Interim Financial Statements

1. Accounting Principles

Corporate information

Heimstaden AB (publ), Corp. ID No. 556670-0455, is a limited liability company registered in Sweden with its registered office at Östra promenaden

7A, SE-211 28, Malmö, Sweden. Heimstaden's operations consist of owning, developing and managing residential properties.

Basis for preparation

Heimstaden's interim condensed consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and its interpretations of these (IFRIC). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Parent Company applies 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 2020 annual financial statements. 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, service income is from 2021 presented on a separate line item in accordance with IFRS 15. The main purpose is to increase comparability and provide improved presentation disclosures of revenues earned. Service

income is mainly invoicing of utility costs without a margin. Service income is recognised in the period the performance obligation under the contract with the tenant is satisfied. The performance obligations are generally satisfied over time when the service is performed by the company.

Rental income year to date decreased by SEK 423 million and service income correspondingly increased by SEK 423 million. Comparative numbers have been revised to conform to the Group's current presentation. As a result, as of Q3 2020, SEK 236 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.

Right of use assets (RoU)

In Q2 2021 the Company revised its classification of right of use assets related to land leases. These assets are, as from June 30 2021, classified as investment properties according to IAS 40. Prior periods have not been revised to conform with current classification.

Due to rounding, numbers presented in 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

No related party transactions other than salaries and board fees have been paid to management and the board as of Q3 2021. During Q3 Heimstaden AB acquired 100% of the shares in Icelandic residential company Heimstaden ehf. from Fredensborg ICE ehf. for SEK 1.7 billion.

3. Segment Reporting

Heimstaden organises and governs its activities based on geographical areas. These geographical areas form the basis of the reportable segments. Senior management monitors net operating income and changes in the value of managed properties in the identified segments; other statement of profit and loss items are not distributed per segment. Heimstaden has identified eight reportable segments consisting of the geographical areas of Denmark, Sweden, Netherlands, Norway, Germany, Czech Republic and Iceland. Finland, Poland and United Kingdom are included under Other. See Note 7 for fair value of investment properties per segment.

Q3 2021

SEK million	Denmark	Sweden	Netherlands	Norway	Germany	Czech Republic	Iceland	Other	Adjustment	Group in total
INCOME STATEMENT										
Rental income ¹	683	686	288	170	127	285	59	4	3	2,305
Service charge income	0	10	0	4	37	56	-	0	0	109
Total income	684	696	288	174	165	341	59	5	3	2,413
Utilities	-18	-86	-	-7	-28	-53	-2	-1	0	-196
Repair and maintenance	-26	-64	-30	-17	-6	-27	-5	0	3	-173
Property tax	-28	-16	-31	-3	-3	-2	-13	0	0	-97
Other	-29	-42	-8	-8	-22	-11	5	-1	8	-109
Property management	-72	-89	-37	-32	-7	-48	-7	-2	-2	-296
Total property expenses	-173	-296	-107	-68	-67	-141	-23	-4	9	-871
Net operating income	511	400	181	106	98	200	35	1	12	1,543
Net operating income margin, %	74.8	58.3	62.7	62.7	77.0	70.1	60.3	11.4	-	66.9

Q3 2020

SEK million	Denmark	Sweden	Netherlands	Norway	Germany	Czech Republic	Iceland	Other	Adjustment	Group in total
INCOME STATEMENT										
Rental income ¹	370	595	273	161	18	265	-	-	-2	1,680
Service charge income	0	4	-	4	0	49	-	-	-	57
Total income	370	599	273	165	18	314	-	-	-2	1,737
Utilities	-5	-75	-	-7	-4	-51	-	-	0	-143
Repair and maintenance	-35	-58	-50	-17	-3	-2	-	-	39	-125
Property tax	-26	-14	-37	-3	0	-1	-	-	-1	-81
Other	-30	-60	13	-8	3	-23	-	-	-50	-154
Property management	-42	-32	-60	-32	-2	-11	-	-	-21	-200
Total property expenses	-138	-238	-134	-66	-7	-87	-	-	-33	-703
Net operating income	232	361	139	98	11	227	-	-	-35	1,034
Net operating income margin, %	62.7	60.7	51.0	61.2	62.2	85.5	-	-	-	61.6

YTD 2021

SEK million	Denmark	Sweden	Netherlands	Norway	Germany	Czech Republic	Iceland	Other	Adjustment	Group in total
INCOME STATEMENT										
Rental income ¹	1,888	2,026	850	503	315	836	59	4	4	6,485
Service charge income	1	32	0	13	94	283	-	0	1	424
Total income	1,889	2,057	850	517	409	1,119	59	5	5	6,908
Utilities	-52	-344	-	-28	-65	-277	-2	-1	1	-770
Repair and maintenance	-81	-194	-84	-50	-28	-83	-5	0	48	-478
Property tax	-95	-44	-96	-9	-9	-5	-13	0	0	-271
Other	-89	-132	-40	-31	-50	-45	5	-3	3	-382
Property management	-238	-280	-97	-22	-53	-115	-7	-3	-52	-865
Total property expenses	-555	-994	-317	-141	-204	-525	-23	-7	-1	-2,767
Net operating income	1,334	1,063	533	376	205	594	35	-3	4	4,142
Net operating income margin, %	70.7	52.5	62.7	74.7	65.1	71.1	60.3	-60.7	-	63.9

YTD 2020

SEK million	Denmark	Sweden	Netherlands	Norway	Germany	Czech Republic	Iceland	Other	Adjustment	Group in total
INCOME STATEMENT										
Rental income ¹	1,117	1,813	755	493	51	622	-	-	-24	4,828
Service charge income	0	10	-	12	0	214	-	-	0	236
Total income	1,117	1,823	755	506	51	836	-	-	-24	5,064
Utilities	-19	-296	-	-27	-11	-176	-	-	0	-529
Repair and maintenance	-91	-172	-130	-49	-8	-54	-	-	80	-423
Property tax	-73	-41	-88	-8	-1	-4	-	-	0	-215
Other	-76	-161	40	0	9	-63	-	-	-40	-291
Property management	-152	-147	-158	-83	0	-60	-	-	-19	-619
Total property expenses	-411	-817	-336	-167	-11	-357	-	-	21	-2,078
Net operating income	705	1,006	419	339	40	479	-	-	-2	2,986
Net operating income margin, %	63.2	55.5	55.5	68.6	79.1	77.0	-	-	-	61.9

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

4. Rental Income

Rental income distributed by property category

SEK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Residential	2,110	1,569	5,927	4,544
Commercial	170	92	483	229
Parking	26	18	75	55
Total	2,306	1,680	6,485	4,828

Service income distributed by property category

SEK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Residential	98	53	393	223
Commercial	10	4	31	14
Total	108	57	423	236

5. Other Operating Expenses

In Q3 2021 SEK 26 million was expensed in donations to SOS Children's Villages. See page 5 for more information regarding the partnership A Home for a Home.

6. Foreign Currency Translation and Sensitivities

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

Basis 1 local currency to 1 SEK

Country	Currency code	Closing rate		Average rate	
		30 Sep 2021	31 Dec 2020	YTD 2021	YTD 2020
Czech Republic	CZK	0.3988	0.3824	0.3945	0.4002
Denmark	DKK	1.3674	1.3484	1.3649	1.4164
Netherlands, Germany & Finland	EUR	10.1681	10.0338	10.1506	10.5636
Norway	NOK	1.0003	0.9583	0.9925	0.9859
Poland	PLN	2.2011	2.2006	2.2330	2.3876
United Kingdom	GBP	11.8160	-	11.7985	-
Iceland	ISK	0.0674	-	0.0673	-

Specification of Other Comprehensive Income

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

SEK million	Country	Currency code	Q3 2021	Q3 2020	YTD 2021	YTD 2020
	Czech Republic	CZK	82	-801	611	-1,144
	Denmark	DKK	133	125	260	242
	Netherlands, Germany & Finland	EUR	165	5	320	89
	Norway	NOK	134	-183	800	-1,859
	Poland	PLN	-25	-	-14	-
	United Kingdom	GBP	-2	-	0	-
	Iceland	ISK	-44	-	-44	-
	Total		443	-854	1,933	-2,672

7. Investment Properties

Total property value

Fair value of the property portfolio was SEK 203,211 million (144,248) at quarter end. This value included unrealised value increase for 2021 of SEK

14,644 million (5,921). In percentage, the unrealised increase in value was 7.8% (4.4) of the total property value before changes in value. The total property value is shown as follows.

Change in fair value of investment properties

SEK million	Total	Denmark	Sweden	Netherlands	Norway	Germany	Czech Republic	Iceland	Finland	United Kingdom
Fair value of investment properties, 31 Dec 2020	144,428	36,200	50,312	23,366	17,008	3,715	13,827	-	-	-
Acquisitions during the period	37,599	17,625	3,334	-	-	12,034	213	3,757	342	294
Sales during the period	-241	-	-	-58	-68	-114	-	-2	-	-
Land leases reclassified from RoU assets	682	3	75	-	560	-	-	44	-	-
Capital expenditure on completed standing assets	2,006	596	588	414	136	35	225	12	-	-
Capital expenditure on investment properties under construction	1,779	503	1,111	-	2	-	81	-	-	82
Foreign currency translation	2,313	594	-	316	754	126	620	-95	-1	1
Fair value after transactions	188,567	55,522	55,420	24,038	18,391	15,795	14,966	3,716	340	377
Unrealised value change	14,644	4,970	4,147	1,528	519	1,610	1,545	315	56	-45
Fair value of investment properties, 30 Sep 2021	203,211	60,492	59,568	25,566	18,910	17,405	16,511	4,031	397	332

Breakdown by category

SEK million	Total	Denmark	Sweden	Netherlands	Norway	Germany	Czech Republic	Iceland	Finland	United Kingdom
Standing assets	196,959	59,700	55,220	25,566	18,351	17,405	16,334	3,987	397	-
Investment properties under construction	5,261	657	4,272	-	-	-	-	-	-	332
Land and building rights	308	131	-	-	-	-	177	-	-	-
Land leases reclassified from RoU assets	682	3	75	-	560	-	-	44	-	-
Total	203,211	60,492	59,568	25,566	18,910	17,405	16,511	4,031	397	332

The Company's contracts in Poland are forward purchases and expenses incurred related to these contracts of SEK 1,509 million are classified under other non-current financial assets.

8. Investments in Associates and Joint Ventures

SEK million	Share in %	Rental income	Property expenses	Financial items, net	Change in value	Profit YTD 2021	Heimstaden's holding of profit YTD 2021
Fastighets AB Rosengård	25	37	-29	-2	0	4	1
Gamlebro AB	50	12	-12	-4	0	-3	-2
Upplands Bro Brogård's etapp 2	50	0	-1	-18	27	3	1
A Place To A/S	50	3	-8	0	0	-5	-2
Magnolia Projekt 5222 AB	50	0	0	0	0	0	0
Byggrätt Norr AB	19	0	0	0	0	0	0
Atriet AS	50	0	0	0	0	0	0
KCP Utvikling	50	0	0	0	0	0	0
Høje Tåstrup A21 ApS	50	0	0	0	0	0	0
A21 Taastrup ApS	50	0	0	0	0	0	0
Total		52	-50	-24	27	-1	-2

Balance sheet of associates and joint ventures

SEK million	Total (100%)		Heimstaden's holding	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
Assets	4,042	2,861	1,597	1,062
Equity	1,109	899	359	291
Liabilities	2,933	1,962	1,238	771

9. Inventory properties

SEK million	30 Sep 2021	31 Dec 2020
Opening balance	1,292	865
Capital expenditures	47	325
Foreign currency translation	45	-86
Reclassification to other non-current financial assets	-127	-
Disposals of inventory properties	-492	-
Reversed impairment/impairment	21	188
Closing balance	786	1,292

Properties acquired or being constructed or redeveloped for sale rather than to be held for rental or capital appreciation, are held as inventory properties. Principally, these are residential properties that Heimstaden devel-

ops and intends to sell before, or on completion of, development. Inventory properties are primarily related to certain projects in Oslo, Norway.

10. Financial Assets and Liabilities

Heimstaden is exposed to a number of risk factors. The company works actively to quantify and control these risks. Further description is included on pages 68-73 in the 2020 Annual Report.

assessment by the Board of Directors and company management. At the balance sheet date, Heimstaden was in compliance with its financial covenants. The Company's hybrid bonds are classified as equity, amounting to SEK 32,058 million, and therefore not included in the specifications of interest bearing liabilities in the tables below.

No significant changes have subsequently occurred affecting the risk as-

Specification of interest bearing liabilities

SEK million	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	54,997	0	48	-
Mortgages	32,084	100	28	-
Bank loans	26,726	95	23	22,128
Total	113,806	51	100	22,128
Deferred charges	-518			
Total	113,288			

Movements of interest bearing liabilities

SEK million	Corporate bonds	Mortgages/bank loans	Deferred charges	Total
Opening balance 1 Jan 2021	34,636	40,773	-288	75,081
Loan repayments	-7,797	-4,817	-	-12,614
New borrowings/assumed debt from acquisitions	27,753	22,492	-	50,245
Currency exchange effect on loans	405	402	-	807
Capitalisation of debt issuance cost, net of amortisation	-	-	-230	-230
Closing balance 30 Sep 2021	54,997	58,809	-518	113,288

30 Sep 2021

Years	Interest maturity, loans			Interest maturity, incl. financial instruments		
	SEK million	Share %	Interest, incl. margin, %	SEK million	Share %	Interest, incl. margin, %
0-1	72,646	64	1.4	48,268	42	2.4
1-2	6,351	6	2.2	9,331	8	0.8
2-3	1,478	1	2.1	13,024	11	0.2
3-4	3,342	3	1.2	7,507	7	0.5
4-5	440	0	2.6	4,817	4	0.3
>5 years after balance sheet date	29,549	26	1.6	31,083	27	1.6
Total	113,806	100	1.5	114,029	100	1.6

Average remaining term of fixed interest in the loan portfolio:

2.6 years

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

3.2 years

Years	Loan tenor		Lines of credit	
	SEK million	Share %	SEK million	Share %
0-1	8,478	7	1,400	6
1-2	13,550	12	7,701	35
2-3	8,981	8	11,023	50
3-4	3,347	3	1,903	9
4-5	13,762	12	-	0
>5 years after balance sheet date	65,687	58	102	0
Total	113,806	100	22,128	100

Average loan tenor:

10.7 years

Financial instruments

Years	Maturity, interest rate derivatives			
	Type	SEK million	Share, %	Interest, % ¹
0-1	Paying fixed	5,535	15	0.2
1-2	Paying fixed	6,338	17	0.2
2-3	Paying fixed	12,630	34	-0.1
3-4	Paying fixed	6,448	17	0.3
4-5	Paying fixed	4,377	12	0.1
>5 years after balance sheet date	Paying fixed	1,534	4	0.1
Total		36,863	100	0.1

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

Years	Maturity, cross currency swaps			
	Type	SEK million	Share, %	Interest, % ¹
0-1	Paying variable	-	-	-
1-2	Paying variable	5,624	100	2.5
>2 years after balance sheet date	Paying variable	-	-	-
Total		5,624	100	2.5

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

11. Fair Value Measurements of Financial Instruments

SEK million	30 Sep 2021		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Other financial non-current assets	3,229	3,229	1,302	1,302
Trade receivables	216	216	86	86
Other financial receivables	8,569	8,569	2,106	2,106
Cash and cash equivalents	20,630	20,630	10,906	10,906
Total	32,643	32,643	14,401	14,401
Financial liabilities:				
Derivate financial instruments	210	210	447	447
Long-term interest-bearing liabilities	104,258	105,177	67,116	68,453
Current interest-bearing liabilities	9,030	9,030	7,965	7,965
Trade payables	484	484	477	477
Other liabilities	1,366	1,366	917	917
Total	115,348	116,267	76,922	78,259

Fair value hierarchy of the Group's financial assets and financial liabilities as of 30 September 2021:

SEK million	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:				
Derivative financial assets	2,073	2,053	20	-
Interest rate swaps	20	-	20	-
Equity investments	2,053	2,053	-	-
Financial liabilities measured at fair value:	-230	-	-230	-
Derivative financial liabilities				
Cross currency swaps – SEK	-230	-	-230	-

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. Unrealised value change of equity investments was SEK -54 million and presented under other financial items in the income statement. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the nine months ended 30 September 2021.

12. Commitments and Contingencies

Pre-emptive rights

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 buy 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. Subsequently, the parties have entered into a settlement agreement, which is subject to city council approval. The matter is expected to be presented to the city council for approval in Q4 2021. As of September 30 2021, Heimstaden Bostad has not made any provisions related to this matter, based on the stated guarantee from Fredensborg AS.

Investment obligations

Heimstaden subsidiary, Heimstaden Bostad, has signed agreements to buy turnkey investment properties under construction after the balance sheet date. As at 30 September 2021, Heimstaden Bostad had total investment obligations of SEK 20.0 billion between 2021 and 2027, see table below. Several of these contracts contain exit clauses that limit the total exposure to 12.7 billion.

Capital expenditures

As at 30 September 2021, Heimstaden Bostad had agreed forward funding contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties under construction of SEK 5,864 million.

SEK million	2021	2022	2023	2024	2025	2026	2027	Total
Investment obligations ¹	618	3,682	2,683	2,972	5,124	3,915	1,051	20,045

¹ Maturity profile excludes the signed acquisition of the residential property portfolio from Akelius in Germany, Sweden and Denmark of SEK 92.5 billion, with expected closing in Q4 2021.

Agreement to buy property portfolio from Akelius

In Q3 Heimstaden Bostad signed an agreement to acquire 599 properties from Akelius with 28,776 homes centrally located in Berlin (14,050), Hamburg (3,592), Stockholm (5,934), Malmö (4,107), and Copenhagen (1,093), with a total transaction value of the property portfolio of SEK 92.5 billion (EUR 9.1 billion). Subject to merger clearance, the transaction is expected to close in December 2021. The acquisition will be accounted for as a business combination.

The transaction will be financed with cash at hand, SEK 24.8 billion in new equity and the company has available a SEK 65.7 billion bridge financing facility with a 2-year maturity. See also Note 13 for refinancing of the bridge facility subsequent to quarter end.

Equity has been committed from existing shareholders Heimstaden AB (SEK 8.5 billion), KPA Pension (part of Folksam Group) (SEK 8 billion), Alecta (SEK 7.1 billion), and the Swedish Pensions Agency (SEK 1.25 billion).

Heimstaden's equity investment will be financed primarily with cash at hand. In addition, the company has a committed 2-year SEK 7 billion bridge financing facility in place. See Note 13 for refinancing of the bridge facility subsequent to quarter end.

Disputes

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

13. Subsequent Events

In October Heimstaden Bostad successfully issued EUR 2.75 billion in fixed rate senior unsecured bonds under its EMTN programme with maturities of 3, 6.5 and 10 years. The bonds carry annual coupons of 0.25%, 1.00% and 1.625%, respectively, were rated 'BBB' by S&P and Fitch. Heimstaden Bostad also issued a EUR 600 million subordinated perpetual hybrid bond with an annual fixed rate coupon of 3.625% and a next reset period of 5.25 years. The bond will be accounted for as 100% equity by Heimstaden Bostad in accordance with IFRS. S&P and Fitch will classify the bond as having intermediate (50%) equity content and have assigned a 'BB+' rating to the issue.

Heimstaden AB issued EUR 300 million in its inaugural euro-denominated subordinated perpetual hybrid bond with an initial reset of 5.25 years. The bond carries an annual fixed rate coupon of 6.750% and a yield of 6.875%.

The proceeds will be used to fund the recently announced acquisition of Akelius' residential properties in Germany, Sweden, and Denmark and will reduce the commitments under the bridge financing of 65.7 billion.

Parent Company Income Statement

SEK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020	R12
Management service revenues	95	60	278	189	351
Administrative expenses	-81	-41	-219	-143	-295
Operating profit	14	19	59	46	57
Dividends from shares in subsidiaries	-	-	-	-	34
Result from shares in subsidiaries	-	-	-	-2	2
Interest income	-1	3	2	18	7
Interest expenses	-104	-47	-223	-354	-257
Other financial items, net	-8	0	49	0	59
Profit/loss after financial items	-99	-26	-113	-291	-100
Income tax expense	0	0	0	0	0
Profit for the period	-99	-26	-113	-291	-100

Parent Company Comprehensive Income Statement

Amounts in SEK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020	R12
Profit for the period according to the Income Statement	-99	-26	-113	-291	-100
Other comprehensive income	-	-	-	-	-
Comprehensive income	-99	-26	-113	-291	-100

Parent Company Balance Sheet

SEK million	30 Sep 2021	31 Dec 2020	30 Sep 2020
ASSETS			
Shares and participations	20,349	18,565	15,325
Non-current receivables, subsidiaries	202	322	379
Total non-current assets	20,551	18,887	15,704
Current receivables, subsidiaries	4,510	1,456	4,705
Other financial assets	144	102	165
Cash and cash equivalents	6,058	3,002	1,889
Total current assets	10,712	4,561	6,759
Total assets	31,263	23,448	22,463
EQUITY AND LIABILITIES			
Equity	18,697	18,380	18,436
Interest-bearing liabilities	11,764	4,304	3,189
Non-current liabilities, subsidiaries	714	714	744
Total non-current liabilities	12,478	5,018	3,933
Trade and other payables	89	50	93
Total current liabilities	89	50	93
Total equity and liabilities	31,263	23,448	22,463

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	78	729	2,975	14,202	17,984
Profit for the period	-	-	222	-499	-278
Total profit	-	-	222	-499	-278
Dividend	-	-	-222	-47	-268
Hybrid bonds issue	-	-	1,030	-	1,030
Premium, hybrid bonds	-	-	-30	30	0
Repurchase, hybrid bond	-	-	-100	20	-80
Costs of issuance	-	-	-8	-	-8
Total transactions with the company's owners	-	-	670	3	674
Equity, 31 Dec 2021	78	729	3,867	13,706	18,380
Opening balance, 1 Jan 2021	78	729	3,867	13,706	18,380
Profit for the period	-	-	175	-288	-113
Total profit	-	-	175	-288	-113
Share issue	18	1,107	-	-	1,125
Dividend	-	-	-175	-1,053	-1,227
Hybrid bonds issue	-	-	570	-	570
Costs of issuance	-	-	-38	-	-38
Total transactions with the company's owners	18	1,107	358	-1,053	430
Equity, 30 Sep 2021	96	1,836	4,399	12,366	18,697

Parent Company Statement of Cash Flows

SEK million	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Cash flows from operating activities				
Profit before tax	-99	-29	-113	-291
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Finance expenses – net	78	23	221	61
Other adjustments	8	20	-76	270
<i>Working capital changes</i>				
Increase/decrease(+) in trade receivables	-19	28	-72	-70
Increase/decrease(-) in trade and other payables	20	14	27	14
Cash generated from operations	-12	56	-13	-16
Interest paid	-105	-24	-191	-77
Net cash flows from operating activities	-117	32	-204	-93
Investing activities				
Other cash flows from investing activities	-1,722	-	-1,722	-
Net cash flows from investing activities	-1,722	-	-1,722	-
Financing activities				
Proceeds from loan and borrowings	5,315	-	9,012	-
Repayment of loan and borrowings	-1,140	-	-1,261	-
Dividends paid to the parent company's shareholders	-	-	-1,000	-
Dividends paid to preference shares	-29	-11	-53	-35
Proceeds from shareholders contributions	-	-	1,125	-
Loans paid to subsidiaries	-405	-140	-3,287	-4,611
Proceeds from issuance of hybrid capital	-	-	570	1,000
Repayments on hybrid capital	-66	-61	-174	-169
Other cash flows from financing activities	-	-	-38	-52
Net cash flows from financing activities	3,675	-212	4,894	-3,867
Net change in cash and cash equivalents	1,836	-180	2,968	-3,960
Cash and cash equivalents at the beginning of the period	4,209	2,094	3,002	6,124
Net currency exchange effect in cash and cash equivalents	13	-25	88	-275
Cash and cash equivalents at the end of the period	6,058	1,889	6,058	1,889

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, 21 October 2021

Patrik Hall
CEO

Ivar Tollefsen
Chairman

John Giverholt
Board Member

Fredrik Reinfeldt
Board Member

Vibeke Krag
Board Member

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

Auditor's review report

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

Introduction

We have reviewed the condensed interim report for Heimstaden AB as at September 30, 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, 21 October 2021
Ernst & Young AB

Peter von Knorring
Authorised Public Accountant

Jonas Svensson
Authorised Public Accountant

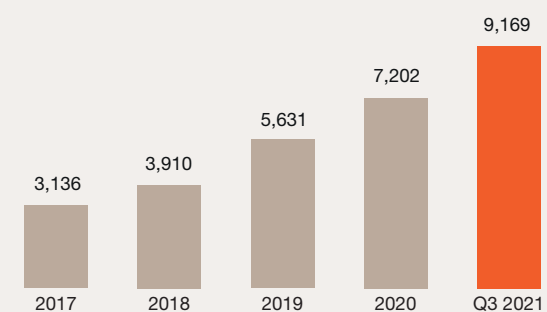
Earnings capacity

Earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 30 September 2021. Announced property acquisitions that closed after the balance sheet date are not included in the calculation. Earnings capacity does not include any adjustment for development trends in rent levels, vacancy rates, property expenses or interest rates, nor does the earnings capacity provide any adjustment for expected changes in the fair value of properties, foreign exchange rates, acquisitions or disposals. Earnings capacity should not be considered a forecast for the current year or for the next 12-month period.

SEK million	
Rental income	9,196
Service income	618
Property expenses	-3,876
Net operating income	5,938
Corporate administrative expenses	-421
Profit before financial items	5,517
Financial income	-1,805
Financial costs - interest-bearing liabilities	3,712
Profit	
Net operating income margin, %	64.6
Interest coverage ratio	3.1

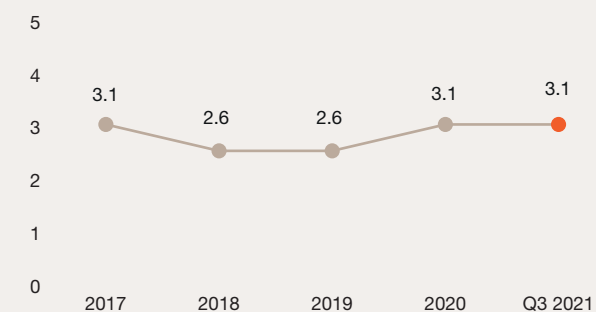
Earnings Capacity Rental Income

SEK million



Earnings Capacity ICR

multiple



Alternative performance measures

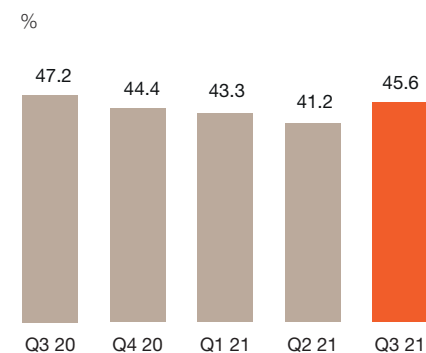
For more information, definitions, and methodology please refer to www.heimstaden.com

Net Loan-to-Value (LTV)

Net loan-to-value is an acknowledged measure of leverage and risk in the real estate industry. This ratio highlights Heimstaden's ability to manage financial liabilities given the fair value of its investment properties.

SEK million	Q3 2021	Q2 2021	Q3 2020
Interest-bearing secured liabilities	57,509	51,302	41,326
Interest-bearing unsecured liabilities	55,779	39,557	34,070
-Cash and cash equivalents	-20,630	-14,012	-9,602
Net interest-bearing liabilities	92,658	76,847	65,794
Fair value of investment properties	203,211	186,679	139,329
Net LTV, %	45.6	41.2	47.2

Net LTV

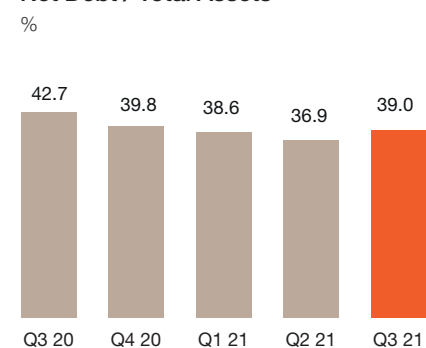


Net Debt / Total Assets

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

SEK million	Q3 2021	Q2 2021	Q3 2020
Net interest-bearing liabilities	92,658	76,847	65,794
Total assets	237,407	208,376	153,908
Net Debt / Total Assets	39.0	36.9	42.7

Net Debt / Total Assets

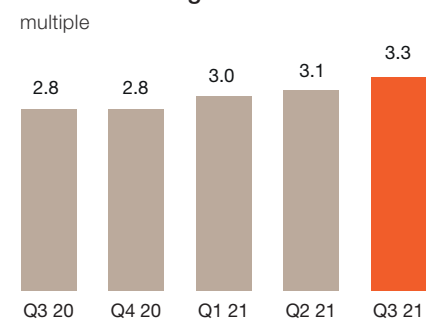


Interest Coverage Ratio (ICR)

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 Rolling 12 months	Q3 2021	Q2 2021	Q3 2020
Profit before financial items	4,760	4,299	3,573
Financial income	75	81	113
Profit before financial items plus financial income	4,835	4,380	3,686
Financial expenses - interest-bearing liabilities	1,447	1,418	1,302
ICR	3.3x	3.1x	2.8x

Interest Coverage Ratio



All figures in SEK million unless otherwise specified.

Regulated income, %

	Q3 2021	Q4 2020
Regulated residential income	993	857
Residential income	2,087	1,621
Regulated income, %	47.6	52.9

Residential, %

	Q3 2021	Q4 2020
Fair value residential properties	183,534	134,318
Fair value investment properties	196,959	144,428
Residential, %	93.2	93.0

Like-for-like rental income growth

	Q3 2021 ¹	Q3 2020 ²
Rental income current year	1,384	941
Rental income last year	1,355	919
Like-for-like rental income growth, %	2.1	2.4

¹ Only properties owned as of 31 December 2019 included.

² Only properties owned as of 31 December 2018 included.

Net operating income margin

	Q3 2021	Q3 2020
Rental income	2,305	1,737
Net operating income	1,543	1,034
Net operating income, %	66.9	59.5

Economic occupancy, residential

	Q3 2021	Q4 2020
Theoretical rental income from residential units	2,162	1,698
Economic vacancy	-76	-77
Rental income on residential units	2,087	1,621
Economic occupancy rate, %	96.5	95.5

Real economic occupancy, residential

	Q3 2021	Q4 2020
Theoretical rental income	2,162	1,698
Adj. for non-market vacancy	-52	-46
Adj. Theoretical rental income	2,111	1,652
Real economic occupancy, %	97.6	97.3

Equity ratio

	Q3 2021	Q4 2020
Equity	110,511	76,166
Total assets	237,407	161,310
Equity ratio, %	46.5	47.2

Solvency ratio

	Q3 2021	Q4 2020
Equity	110,511	76,166
Total liabilities	126,896	85,145
Solvency ratio, %	46.5	47.2

Net asset value (NAV)

	Q3 2021	Q4 2020
Total equity	110,511	76,166
Deferred tax liability	8,536	5,446
NAV	119,046	81,611

EBITDA

Rolling 12 months	Q3 2021	Q4 2020
Operating profit before investment properties and fair value adjustments	4,760	3,749
Amortisation and depreciation	5	12
EBITDA	4,764	3,760

Debt/EBITDA

Rolling 12 months	Q3 2021	Q4 2020
Interest-bearing loans and borrowings	93,591	73,426
EBITDA	4,764	3,760
Debt/EBITDA, multiple	19.6	19.5

NAV per ordinary share

	Q3 2021	Q4 2020
Equity attributable to Parent Company shareholders	35,183	26,197
Preference capital	2,227	891
Hybrid capital & non-controlling interests	4,500	4,000
Deferred tax	8,536	5,446
Equity excluding preference capital	36,992	26,752
Average number of ordinary shares	132,040,000	13,204,000
NAV per ordinary share, SEK	280	2,026

Secured loan-to-value

	Q3 2021	Q4 2020
Interest-bearing secured liabilities	57,509	40,764
Total assets	237,407	161,310
Secured loan-to-value, %	24.2	25.3

Heimstaden AB Standalone

In this section we present Heimstaden AB financials on a standalone basis, defined as Heimstaden AB consolidated excluding Heimstaden Bostad AB consolidated.

The presentation of this information is intended as a supplement and information should not be considered a substitute or in accordance with IFRS.

Standalone Earnings, Rolling 12 Months

SEK million	2021-09-30	2020-12-31	2020-09-30
Operating income ¹	437	262	244
Operating cost ¹	-325	-218	-202
Operating profit/loss¹	112	44	42
Pref A dividend	277	184	184
Common dividend	1,636	400	400
Pref B dividend	553	349	349
Dividends from Heimstaden Bostad	2,465	933	933
Adjusted earnings	2,578	977	975
Interest expense ¹	-282	-113	-104
Adjusted earnings after interest expense	2,295	865	871
Payments on hybrid securities	-234	-230	-215
Adjusted earnings after debt and hybrid instruments	2,061	635	656

Interest Coverage Ratio (ICR)

SEK million	2021-09-30	2020-12-31	2020-09-30
Adjusted earnings	2,578	977	975
Interest expense ¹	-282	-113	-104
Interest Coverage Ratio	9.1x	8.7x	9.4x
Payments on hybrid securities	-234	-230	-215
Interest Coverage Ratio including hybrid payments	5.0x	2.9x	3.1x

¹ Figures from Heimstaden AB parent company financial statements (unconsolidated).

Heimstaden Bostad AB Dividend Policy

Heimstaden Bostad has three share classes, Preference Share Class A ('Pref A'), Preference Share Class B ('Pref B') and Common shares. Pref A shares are entitled to quarterly dividends of 0.05% of the market value of Heimstaden Bostad's investment properties. Dividends on the Pref B shares are dependent on the Loan-to-Value and Return on Equity of Heimstaden Bostad. Owners of Common Shares are entitled to all additional possible dividend payments, to be decided by the general assembly, subject to that Heimstaden Bostad maintains its financial policies, after owners of Pref A Shares and Pref B Shares have received their parts in full. More information on the dividend policy can be found in Heimstaden Bostad's Articles of Association at: <https://www.heimstadenbostad.com/articles-of-association>.

Debt and Relevant Assets

SEK million	30 Sep 2021	31 Dec 2020	30 Sep 2020
Interest-bearing secured liabilities ¹	1,494	301	185
Interest-bearing unsecured liabilities ¹	12,614	4,017	3,014
Interest-bearing liabilities	14,108	4,318	3,199
Cash and cash equivalents ¹	-6,355	-3,270	-2,079
Net interest-bearing debt	7,754	1,049	1,120
Heimstaden Bostads net asset value	121,563	81,953	75,639
Equity attributed to Heimstaden Bostad's hybrid securities and non-controlling interests	28,249	14,009	8,765
Heimstaden Bostads adjusted net asset value	93,314	67,944	66,874
Heimstaden share of capital, %	46,51	44,74	44,61
Heimstaden share of capital	43,404	30,402	29,830
Investment properties ¹	4,668	622	393
Relevant assets	48,072	31,023	30,223

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

Net Loan-to-Value

SEK million	30 Sep 2021	31 Dec 2020	30 Sep 2020
Net interest-bearing debt	7,754	1,049	1,120
Relevant assets	48,072	31,023	30,223
Net loan-to-value, %	16.1	3.4	3.7

Liquidity Reserves

SEK million	30 Sep 2021
Cash and cash equivalents ¹	6,355
Unutilised credit commitment	1,000
Total	7,355
Estimated interest expense (12-months forward)	556

¹ Figures from Heimstaden AB parent company financial statements (unconsolidated).

Standalone Funding Overview

Standalone Financial Policy

	Policy	Q3 2021
Net Loan-to-Value	≤30	16.1
Interest Coverage Ratio, rolling 12 months, multiple	≥2.0	9.1
Interest Coverage Ratio including hybrid bonds, rolling 12 months, multiple	≥1.4	5.0

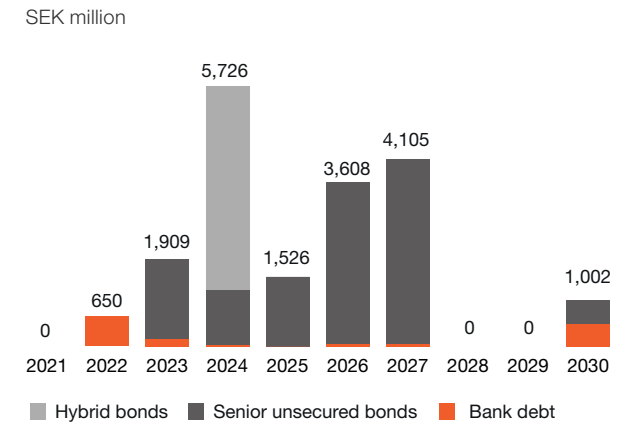
As at 30 September 2021, Heimstaden had outstanding senior unsecured bonds amounting to SEK 11,776 million, listed on Nasdaq Stockholm

Currency	Amount (million)	Fixed/floating	Coupon/spread	Start date	Maturity
SEK	1,750	Floating	Stibor 3m + 325 bps	2019-05-23	2023-05-31
SEK	1,200	Floating	Stibor 3m + 330 bps	2020-10-15	2024-01-15
SEK	1,200	Floating	Stibor 3m + 400 bps	2020-10-15	2025-10-15
EUR	350	Fixed	425	2021-02-26	2026-03-09
EUR	400	Fixed	437	2021-09-02	2027-03-06

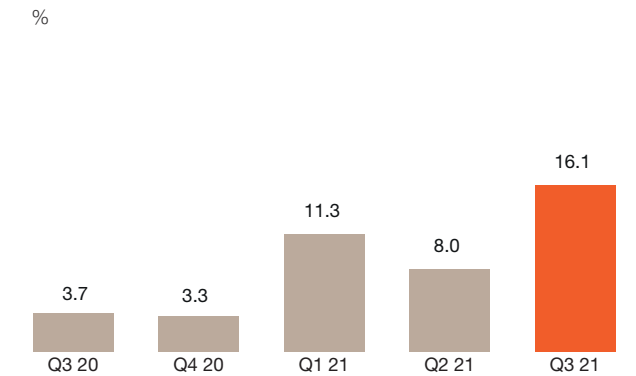
As at 30 September 2021, Heimstaden had a SEK 4,500 million perpetual hybrid bond outstanding, listed on Nasdaq Stockholm

Currency	Amount (million)	Fixed/floating	Coupon/spread	Start date	First call date
SEK	4,500	Floating	Stibor 3m + 590 bps	2019-04-04	2024-11-10

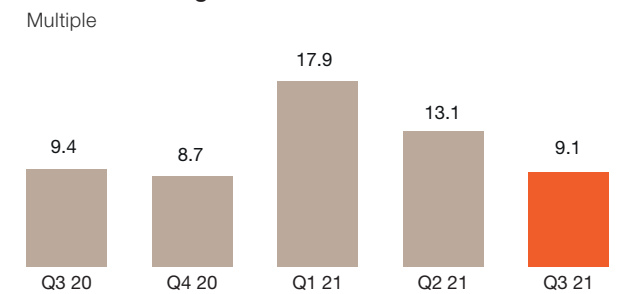
Funding Maturity Profile



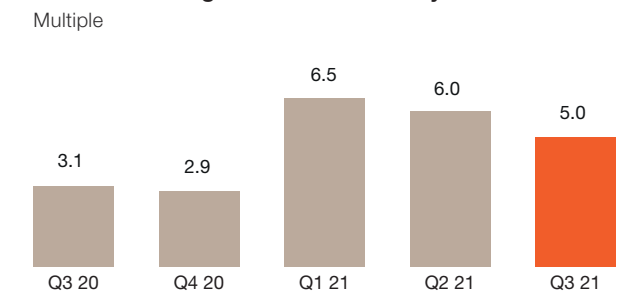
Net Loan-to-Value



Interest Coverage Ratio



Interest Coverage Ratio incl. 100% hybrid



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This information is such that Heimstaden 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 CET on 22 October 2021.

The Annual Report for 2021 will be published on 28 February 2021.

Heimstaden

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