20230721106183

Årsredovisning

för

Heimstaden Bostad Invest 2 AB

Org.nr. 556867-8451

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01--2022-12-31

Undertecknad styrelseledamot i Heimstaden Bostad Invest 2 AB.
intygar härmed, dels att denna kopia av årsredovisningen överensstämmer
med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 30 juni 2023.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Malmö 2023-06-30

.....
Maria Petersson

DocuSign Envelope ID: 0E95952A-68CC-4894-AD16-9FA5C1EC872C

20230721061844

Årsredovisning

för

Heimstaden Bostad Invest 2 AB

Org.nr. 556867-8451

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01--2022-12-31

Innehåll **Sida**

- förvaltningsberättelse 2
- resultaträkning 4
- balansräkning 5
- rapport över förändring av eget kapital 7
- kassaflödesanalys 8
- tilläggsupplysningar och noter 9
- underskrifter 15

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

Förvaltningsberättelse

Årsredovisningen är upprättad i svenska kronor, SEK.

Verksamheten
Bolaget har sitt säte i Malmö och bedriver fastighetsförvaltning genom ägande i dotterbolag.

Flerårsjämförelse

	2022	2021	2020	2019	2018
Nettoomsättning	0	0	0	0	0
Resultat efter finansiella poster	-2 815 621	-2 395 724	-151 700	-163 936	-60 664
Balansomslutning	491 745 647	1 068 508 734	1 066 202 754	1 063 135 646	579 051 356

Ägarförhållanden
Bolaget är dotterbolag till Heimstaden Bostad AB, org nr 556864-0873, med säte i Malmö. Heimstaden Bostad AB ingår i en koncern där Heimstaden Bostad AB (publ), org nr 556864-0873 med säte i Malmö, upprättar koncernredovisning. Heimstaden Bostad AB ingår i en koncern där Heimstaden AB (publ), org nr 556670-0455 med säte i Malmö, upprättar koncernredovisning. Heimstaden AB är i sin tur dotterbolag till Fredensborg AS, org nr 929 301 684, med säte i Norge som upprättar koncernredovisning. Fredensborg AS ingår i en koncern där Fredensborg 1994 AS, org nr 943 582 815, är moderbolag. Fredensborg 1994 AS upprättar koncernredovisning för den största koncernen. Koncernredovisningen för Fredensborg 1994 AS kan erhållas via post@fredensborg.no.

Väsentliga händelser under räkenskapsåret
Den förändrade makromiljön under 2022 med ökade räntor, hög inflation och höga energikostnader har varit en utmanade miljö för alla bostadförvaltare.

Gällande energikostnaderna har Heimstaden i Sverige lyckats sänka sin mängd köpta energi med 6,3% vilket delvis motverkat de höga energipriserna och driftoptimering samt investeringar inom hållbarhet är fortsatt bland våra mest prioriterade områden.

Vi ser att underliggande fundament för bostadsfastigheter är fortsatt väldigt god. Likväl spiller utvecklingen från de finansiella marknaderna över även på bostadsfastigheter genom stigande avkastningskrav och investerare är försiktiga medan man väntar på bekräftelse avseende förmågan att kunna överföra inflationen till hyrorna för att kompensera för de ökade finansieringskostnaderna. Heimstaden är med en diversifierad förfallostruktur och balanserad mix av skuldinstrument väl positionerade för att möta de skarpare villkoren på finansmarknaden.

Trots rådande osäkerhet förväntar vi oss en stabilisering under 2023 med utplanat inflationstryck och en tydlighet var räntorna kommer att lägga sig.

Risker och riskhantering
Bolaget är genom sin verksamhet utsatt för en mängd olika risker. Bolagets bedömda risker är huvudsakligen relaterade till nedanstående:

Finansierings- och refinansieringsrisk
Med finansieringsrisk avses risken att finansiering inte kan erhållas, endast kan erhållas till viss del eller bara kan erhållas på för bolaget oförmånliga villkor. Motsvarande risk föreligger när befintlig finansiering löper ut och ska återbetalas vilket kallas refinansieringsrisk.

Heimstaden Bostads finanspolicy fastställer riskmandat för verksamheten. Heimstaden Bostad eftersträvar en långsiktig kapitalbindning. För att minimera finansieringsrisken är det också viktigt att vara oberoende av enskilda finansieringskällor.

Ränterisk
Räntekostnader är en av de största kostnadsposterna. Ränterisk avser risken för att förändringar i marknadsräntor påverkar upplåningskostnaden. Räntekostnaderna påverkas främst av nivån på aktuella marknadsräntor och bankernas marginaler samt vilken strategi som väljs för bindningstider.

20230721061835

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721061936

Räntebindning sker enligt Heimstaden Bostads finanspolicy. För att uppnå den räntebindning och räntesäkringsgrad som eftersträvas används primärt räntederivat. Räntederivatsavtalen ingås av Heimstaden Bostad AB.

Bolagets förväntade framtida utveckling
Under det kommande året förväntas verksamheten bedrivas med oförändrad inriktning.

Förslag till disposition av bolagets vinst
Till årsstämmans förfogande står:

balanserat resultat	247 552 752
årets resultat	-2 774 621
	244 778 131
Styrelsen föreslår att:	
i ny räkning överföres	244 778 131
	244 778 131

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande tilläggsupplysningar.

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721105187

Resultaträkning

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter m.m.			
Övriga rörelseintäkter	2	0	0
Rörelsens kostnader			
Övriga externa kostnader		-41 000	-1 000
Rörelseresultat	3	-41 000	-1 000
Resultat från finansiella poster			
Räntekostnader och liknande resultatposter	4	-2 774 621	-2 394 724
Resultat efter finansiella poster		-2 815 621	-2 395 724
Bokslutsdispositioner			
Erhållna koncernbidrag		41 000	1 000
Resultat före skatt		-2 774 621	-2 394 724
Skatt på årets resultat	5	0	0
Årets resultat		**-2 774 621**	**-2 394 724**

Rapport över totalresultat

Årets resultat	-2 774 621	-2 394 724
Övrigt totalresultat	0	0
Summa totalresultat	**-2 774 621**	**-2 394 724**

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721061188

Balansräkning

	Not	2022-12-31	2021-12-31
Tillgångar			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	323 499 779	323 499 779
Fordringar hos koncernföretag	7	124 647 060	744 993 210
		448 146 839	1 068 492 989
Summa anläggningstillgångar		448 146 839	1 068 492 989
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		43 587 605	0
Övriga fordringar		51	51
		43 587 656	51
Kassa och bank		11 152	15 694
Summa omsättningstillgångar		43 598 808	15 745
Summa tillgångar		**491 745 647**	**1 068 508 734**

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721061339

Balansräkning

	Not	2022-12-31	2021-12-31
Eget kapital, avsättningar och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100 000	100 000
		100 000	100 000
Fritt eget kapital			
Balanserad vinst		247 552 752	249 947 476
Årets resultat		-2 774 621	-2 394 724
		244 778 131	247 552 752
Summa eget kapital		244 878 131	247 652 752
Långfristiga skulder			
Skulder till koncernföretag	9	246 827 516	812 046 402
Kortfristiga skulder			
Skulder till koncernföretag		40 000	8 809 580
Summa eget kapital och skulder		**491 745 647**	**1 068 508 734**

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721105190

Rapport över förändring av eget kapital

	Aktiekapital	Balanserat resultat	Totalt eget kapital
Eget kapital 2020-12-31	**100 000**	**249 947 476**	**250 047 476**
Årets resultat		-2 394 724	-2 394 724
Eget kapital 2021-12-31	**100 000**	**247 552 752**	**247 652 752**
Årets resultat		-2 774 621	-2 774 621
Eget kapital 2022-12-31	**100 000**	**244 778 131**	**244 878 131**

Aktiekapitalet var per 2022-12-31 fördelat på 1 000 A-aktier med en röst per aktie och ett kvotvärde om 100 kr per aktie.

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721065191

Kassaflödesanalys

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Den löpande verksamheten			
Rörelseresultat		-41 000	-1 000
Erlagd ränta		-2 774 621	-2 394 724
Betald inkomstskatt		0	-734
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		-2 815 621	-2 396 458
Kassaflöde från förändringar av rörelsekapital			
Förändring av kortfristiga fordringar		0	75 850
Kassaflöde från den löpande verksamheten		-2 815 621	-2 320 608
Investeringsverksamheten			
Kassaflöde från investeringsverksamheten		0	0
Finansieringsverksamheten			
Förändring fordringar/skulder till koncernföretag		2 811 079	2 320 608
Kassaflöde från finansieringsverksamheten		2 811 079	2 320 608
Förändring av likvida medel		-4 542	0
Likvida medel vid årets början		15 694	15 694
Likvida medel vid årets slut		**11 152**	**15 694**

Det finns inga ej kassaflödespåverkande poster inom finansieringsverksamheten i bolaget att specificera i enlighet med IAS 7 Rapport över kassaflöden.

20230721061922

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

Redovisningsprinciper och noter

Not 1 Redovisnings- och värderingsprinciper

Allmän information
Heimstaden Bostad Invest 2 ABs verksamhet omfattar att bedriva fastighetsförvaltning genom ägande i dotterbolag. Bolaget är ett aktiebolag registrerat i Sverige och med säte i Malmö. Adressen till huvudkontoret är Östra Promenaden 7 A, 211 28 Malmö.

Hållbarhetsrapport
Hållbarhetsrapport upprättas av Heimstaden Bostad AB, org nr 556864-0873, med säte i Malmö.

Grunder för redovisningen
Bolaget har upprättat sin årsredovisning enligt årsredovisningslagen, Rådet för finansiell rapporterings rekommendation RFR 2 (Redovisning för juridisk person) och uttalande från Rådet för finansiell rapportering. RFR 2 innebär att bolaget vid upprättandet av årsredovisningen ska tillämpa samtliga av EU antagna IFRS och uttalanden så långt detta är möjligt inom ramen för årsredovisningslagen och med hänsyn till sambandet mellan redovisning och beskattning.

Årsredovisningen har upprättats utifrån antagandet om fortlevnad (going concern). Tillgångar och skulder är värderade till sina historiska anskaffningsvärden. Bolaget tillämpar de principer som presenteras nedan. Principerna har tillämpats konsekvent för alla presenterade år, om inte annat anges.

Uppställningsform
Bolagets resultaträkning och balansräkning är uppställda enligt årsredovisningslagens scheman.

Nedskrivningar
Redovisat värde på bolagets anläggningstillgångar prövas fortlöpande. Om en sådan prövning indikerar att det redovisade värdet överstiger tillgångens återvinningsvärde, vilket är det högsta av nettoförsäljningsvärdet och nyttjandevärdet, sker nedskrivning till återvinningsvärdet. Nyttjandevärdet mäts som förväntat framtida diskonterat kassaflöde. Nedskrivningsbeloppet belastar periodens resultat i den period värdenedgången påvisas. I de fall en tidigare gjord nedskrivning ej längre är motiverad återförs denna till sitt nettovärde, dvs ursprunglig nedskrivning med avdrag för de avskrivningar som skulle ha gjorts om nedskrivning ej skett. I de fall en tidigare gjord nedskrivning har redovisats i resultaträkningen sker återföringen i resultaträkningen, medan i de fall nedskrivningen tidigare redovisats direkt mot fritt eget kapital sker återföringen direkt mot fritt eget kapital.

För att pröva eventuellt nedskrivnings- eller återföringsbehov, stäms vid varje årsskifte varje fastighets bokförda värde av mot en intern värderingsmodell. Om det finns indikationer på större värdeförändringar sker prövning kvartalsvis.

Finansiella kostnader
Finansiella kostnader avser ränta och andra lånekostnader och redovisas som kostnad i den period de hänför sig till. Kostnader för räntederivatavtal ingår även i denna post och betalningsströmmar för räntederivatavtalen kostnadsförs i den period de avser. Kostnader för uttag av pantbrev betraktas ej som en finansiell kostnad utan aktiveras som värdehöjande fastighetsinvestering.

Inkomstskatter
Periodens skattekostnad/skatteintäkt består av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen förutom då den underliggande transaktionen redovisas direkt mot eget kapital varvid tillhörande skatteeffekt också redovisas direkt mot eget kapital.

Aktuell skatt beräknas utifrån gällande skattesats om 20,6 %. Aktuell skatt beräknas på skattepliktigt resultat för perioden. Årets skattepliktiga resultat skiljer sig från årets redovisade resultat genom att det har justerats för ej skattepliktiga och ej avdragsgilla poster. I aktuell skatt ingår även justering av aktuell skatt hänförlig till tidigare perioder.

20230721061193

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

Uppskjuten skatt har beräknats med 20,6 %, vilket är den skattesats som beslutats och förväntas gälla när uppskjuten skatt realiseras eller regleras. Uppskjuten skatt beräknas på temporära skillnader enligt balansräkningsmetoden mellan en tillgångs eller en skulds redovisade respektive skattemässiga värde. Temporära skillnader uppstår bland annat till följd av att bolaget gör större skattemässiga än räkenskapsenliga avskrivningar avseende byggnader. Uppskjuten skatteskuld är skatt som hänför sig till skattepliktiga temporära skillnader och som ska betalas i framtiden. Uppskjuten skattefordran representerar en reduktion av framtida skatt som hänför sig till avdragsgilla temporära skillnader, skattemässiga underskottsavdrag eller andra skatteavdrag. Värdering av samtliga skatteskulder/skattefordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade.

Uppskjutna skatteskulder i bolaget avser huvudsakligen skillnader mellan förvaltningsfastigheternas redovisade värde och deras skattemässiga värde.

Uppskjutna skattefordringar redovisas i balansräkningen avseende underskottsavdrag och avdragsgilla temporära skillnader i den omfattning det är sannolikt att beloppen kan utnyttjas mot framtida skattepliktiga överskott.

Finansiella instrument
Med hänsyn till sambandet mellan redovisning och beskattning har bolaget i enlighet med RFR2 valt att inte tillämpa IFRS 9 utan tillämpar en metod med utgångspunkt i anskaffningsvärde enligt ÅRL.
En finansiell tillgång eller en finansiell skuld tas upp i balansräkningen när bolaget blir part i ett avtal. En finansiell tillgång tas bort från balansräkningen när rättigheterna realiseras, förfaller eller bolaget tappar kontrollen över dem. En finansiell skuld tas bort från balansräkningen när förpliktelsen fullgörs eller på annat sätt utsläcks. En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast när det föreligger en legal rätt att kvitta beloppen samt att det föreligger avsikt att reglera posterna med ett nettobelopp eller att samtidigt realisera tillgången och reglera skulden.

Finansiella instrument som redovisas i balansräkningen inkluderar kassa och bank, hyresfordringar, övriga fordringar, lånefordringar, leverantörsskulder, övriga skulder och låneskulder.

Fordringar redovisas till upplupet anskaffningsvärde och har efter individuell bedömning av reserveringsbehov upptagits till det belopp varmed de beräknas inflyta. Kortfristiga fordringar utgörs av fordringar som förfaller till betalning inom 12 månader efter balansdagen.

Bolagets räntebärande lån löper med tre månaders räntebindning och upptas till upplupet anskaffningsvärde efter första redovisningen. Skillnaden mellan detta värde och verkligt värde bedöms vara oväsentligt.

Kortfristiga skulder utgörs av skulder vilka förfaller till betalning inom 12 månader från balansdagen och upptas till upplupet anskaffningsvärde.

Leverantörsskulder redovisas när faktura har mottagits. Skuld avseende utfört arbete där motparten har fullgjort sin prestation och avtalsenlig skyldighet att betala föreligger redovisas under posten upplupna kostnader. Upplupna ej betalda räntor redovisas under posten upplupna kostnader.

Likvida medel
I likvida medel ingår kassa, banktillgodohavanden och övriga kortfristiga placeringar med förfallodag inom tre månader från anskaffningstidpunkten.

Koncernkonto
Tillgodohavande på konton som ingår i en koncernkontostruktur redovisas som banktillgodohavande i Heimstaden Bostad AB eftersom Heimstaden Bostad AB är avtalspart med banken. Dotterbolag som ingår i strukturen redovisar då sina behållningar eller skulder på underkonton som kortfristig fordran respektive kortfristig skuld på och till Heimstaden Bostad AB.

20230721061941

Övriga koncernmellanhavanden
Övriga koncernmellanhavanden gentemot övriga företag inom Heimstaden Bostadkoncernen betraktas som långfristiga då det inte finns någon avsikt eller något krav att dessa ska regleras inom en period om tolv månader.

Låneutgifter
Bolaget tillämpar undantaget i RFR2 vad gäller IAS 23. Detta innebär att bolaget kostnadsför låneutgifter i den period de hänför sig till.

Utdelning, koncernbidrag och aktieägartillskott
Erhållen eller anteciperad utdelning redovisas som finansiell intäkt medan lämnad utdelning redovisas som en minskning av fritt eget kapital efter detta att årsstämman fattat beslut om utdelning.

Aktieägartillskott redovisas hos givaren som en ökning av aktier i dotterbolag och hos mottagaren som en ökning av fritt eget kapital.

Bolaget redovisar enligt alternativregeln i RFR2 vilket innebär att erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Avsättningar
Avsättningar redovisas när det finns en legal eller informell förpliktelse till följd av en tidigare händelse, det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen och beloppen kan uppskattas på ett tillförlitligt sätt. Tidpunkten eller beloppet för utflödet kan fortfarande vara osäker.

En avsättning redovisas till den bästa uppskattningen av det belopp som krävs för att reglera förpliktelsen på balansdagen. Avsättningar tas endast i anspråk för de utgifter som avsättningen ursprungligen var avsedd för. Avsättningar diskonteras till sina nuvärden där pengars tidsvärde är väsentligt.

Kassaflödesanalys
Kassaflödesanalyserna har upprättats enligt indirekt metod. Det finns inga ej kassaflödespåverkande poster inom finansieringsverksamheten i bolaget att specificera i enlighet med IAS 7 Rapport över kassaflöden.

Transaktioner med närstående
Managementtjänster köps från och med 2022 in från Heimstaden Bostad AB, enligt ingånget avtal. Avtalet är upprättat på armslängds avstånd. Uppgift om belopp finns i noten avseende inköp och försäljning inom koncernen.

Bolaget är finansierat via lån från koncernföretag. Lånebelopp och räntekostnader framgår i not under rubrikerna skulder till koncernföretag och finansiella kostnader.

Viktiga antaganden och bedömningar
För att kunna upprätta redovisningen i enlighet med ÅRL, RFR 2 och god redovisningssed krävs det att företagsledningen och styrelsen gör en del väsentliga antaganden och bedömningar som påverkar redovisade tillgångar, skulder, intäkter och kostnader samt övriga upplysningar. Bedömningarna baseras på erfarenheter och antaganden som ledningen och styrelsen bedömer vara rimliga utifrån rådande omständigheter. Faktiskt utfall kan skilja sig från gjorda bedömningar om andra antaganden görs eller andra förutsättningar föreligger. De områden där framför allt görs uppskattningar och bedömningar är värdering av förvaltningsfastigheter, nyttjandeperioder för förvaltningsfastigheter, nedskrivningsbehov av förvaltningsfastigheter och gränsdragningar mellan investeringar och underhåll.

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721105195

Finansiell risk

Rysslands invasion av Ukraina den 24 februari 2022 har haft stor påverkan på Europas ekonomi och geopolitiska klimat. Osäkerheten i den globala ekonomin har ökat. Kriget har bland annat lett till högre priser för varor, el och bränsle, dvs en stigande inflation. Detta har i sin tur lett till ökade marknadsräntor. Den försämrade räntemiljön påverkar bolagets finansieringskostnader och kan även ha negativ påverkan på värdet av bolagets fastighetsinnehav. Detta kan leda till att bolagets finansieringskostnader ökar genom högre basräntor och potentiellt högre marginaler. Utvecklingen har också påverkat likviditeten och tillgängligheten på kreditmarknaden.

Finansiell riskhantering

Bolaget utsätts genom sin verksamhet för en mängd olika finansiella risker:
• Finansierings- och refinansieringsrisk, dvs risken att inte ha tillgång till finansiering av sin verksamhet
• Ränterisk, dvs risken att marknadsräntan förändras på ofördelaktigt sätt
• Motpartsrisk, dvs risken att en motpart inte kan fullgöra sina åtaganden

All riskhantering inom koncernen hanteras av moderbolaget Heimstaden Bostad AB i enlighet med fastlagd finanspolicy. Riskhanteringen avrapporteras och diskuteras löpande på styrelsemöten. De övergripande målen i finanspolicyn sammanfattas enligt nedan:
• Säkerställa koncernens kapitalförsörjning på kort och lång sikt genom diversifierad upplåning i kapitalmarknaden eller hos starka motparter i bank och finanssektorn
• Förfallostrukturen på lånens kapitalbindning skall vara väl spridd över tiden
• Räntebindningstiden på lånen (inkl effekter av derivat) skall vara väl spridd över tiden

Utifrån senaste balansdags låneportfölj beräknas en ökning av marknadsräntan med 1%-enhet innebära en kostnadsökning om 0 Tkr.

Nya och beslutade ändringar av redovisningsprinciper

Av EU nya och ändrade standarder samt tolkningsuttalanden från IFRS Interpretations Committee bedöms för närvarande inte påverka bolagets redovisning i väsentlig omfattning. Förändringar i svenska regelverk under 2022 har inte heller haft någon väsentlig påverkan på bolagets redovisning.

Av EU godkända nya och ändrade standarder samt tolkningsuttalanden från IFRS Interpretations Committee som träder i kraft 2023 bedöms för närvarande inte påverka bolagets resultat eller finansiella ställning i väsentlig omfattning. Samma sak gäller även svenska regelverk.

Noter till resultaträkningen

Not 2	**Inköp och försäljning inom koncernen**	**2022**	**2021**
	Inköp managementtjänster	-40 000	0
		-40 000	0

Not 3 Personal, styrelse och revisorer

Personal

Bolaget har inte haft någon personal anställd under året. Inga löner eller andra ersättningar har utbetalats.

Styrelse

Någon ersättning till styrelsen har inte utgått. Antalet styrelseledamöter har under året uppgått till 4 (2), varav 1 (0) kvinnor.

Revisorer

Arvode till revisorer faktureras Heimstaden Bostad AB (publ).

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721106195

Not 4 Räntekostnader och liknande resultatposter	2022	2021
Räntekostnader	-439 088	-2 394 724
Övriga finansiella kostnader	-2 335 533	0
	-2 774 621	-2 394 724

Not 5 Skatt på årets resultat	2022	2021
Aktuell skatt	0	0
Uppskjuten skatt	0	0
	0	0
Avstämning av effektiv skatt		
Redovisat resultat före skatt	-2 774 621	-2 394 724
Skatt enligt gällande skattesats, 20,6%	571 572	493 313
Skatteeffekt av:		
Ej avdragsgilla kostnader	0	-2
Ej avdragsgillt negativt räntenetto	-571 572	0
Överföring negativt räntenetto inom koncernen	0	-493 311
	0	0

Noter till balansräkningen

Not 6 Andelar i koncernföretag			2022-12-31	2021-12-31
Företag		**Antal/Kap.**	**Redovisat**	**Redovisat**
Organisationsnummer	**Säte**	**andel %**	**värde**	**värde**
Kronohem AB		500		
556951-7823	Malmö	100%	3 975 000	3 975 000
Vetlandia Bostäder AB		10 000		
556734-0129	Malmö	100%	150 663 442	150 663 442
Heimstaden Höjden AB		1 000		
556774-4569	Malmö	100%	168 861 337	168 861 337
			323 499 779	**323 499 779**
Ingående anskaffningsvärde			323 499 779	323 499 779
Årets inköp			0	0
Årets försäljningar			0	0
Utgående anskaffningsvärde			323 499 779	323 499 779

Not 7 Fordringar hos koncernföretag	2022-12-31	2021-12-31
Ingående fordringar	744 993 210	742 611 380
Tillkommande fordringar	0	2 381 830
Avgående fordringar	-620 346 150	0
Utgående ackumulerade fordringar	124 647 060	744 993 210

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

20230721061917

Not 8 Finansiella instrument

Samtliga finansiella tillgångar och skulder är klassificerade som aktier i dotterbolag, kundfordringar, övriga finansiella fordringar, leverantörsskulder och övriga finansiella skulder. Redovisat värde bedöms inte avvika från verkligt värde då diskonteringseffekten inte är väsentlig.

	2022-12-31	2021-12-31
Finansiella tillgångar		
Andelar i koncernföretag	323 499 779	323 499 779
Fordringar hos koncernföretag	168 234 664	744 993 210
	491 734 443	1 068 492 989
Finansiella skulder		
Skulder till koncernföretag	246 867 516	820 855 982
	246 867 516	820 855 982

Not 9 Skulder till koncernföretag

	2022-12-31	2021-12-31
Ingående lån	812 046 402	810 398 429
Nya lån	0	1 647 973
Amorteringar	-565 218 886	0
	246 827 516	812 046 402

Övriga noter

Not 10 Ställda säkerheter

	2022-12-31	2021-12-31
Pantsatta aktier i dotterbolag	323 499 779	323 499 779

Not 11 Eventualförpliktelser

	2022-12-31	2021-12-31
Borgensförbindelser	0	0
Varav till förmån för koncernföretag	0	0

Not 12 Koncernförhållande

Bolaget är dotterbolag till Heimstaden Bostad AB, org nr 556864-0873, med säte i Malmö. Heimstaden Bostad AB ingår i en koncern där Heimstaden Bostad AB (publ), org nr 556864-0873 med säte i Malmö, upprättar koncernredovisning. Heimstaden Bostad AB ingår i en koncern där Heimstaden AB (publ), org nr 556670-0455 med säte i Malmö, upprättar koncernredovisning. Heimstaden AB är i sin tur dotterbolag till Fredensborg AS, org nr 929 301 684, med säte i Norge som upprättar koncernredovisning. Fredensborg AS ingår i en koncern där Fredensborg 1994 AS, org nr 943 582 815, är moderbolag. Fredensborg 1994 AS upprättar koncernredovisning för den största koncernen. Koncernredovisningen för Fredensborg 1994 AS kan erhållas via post@fredensborg.no.

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2§ upprättas inte någon koncernredovisning.

20230721061198

Heimstaden Bostad Invest 2 AB
Org.nr. 556867-8451

Not 13 Väsentliga händelser efter balansdagen

Inga väsentliga händelser efter balansdagen har identifierats.

Årsredovisningen undertecknas av styrelsen den dag som framgår av den elektroniska underskriften.

Not 14 Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står:	
balanserat resultat	247 552 752
årets resultat	-2 774 621
	244 778 131
Styrelsen föreslår att:	
i ny räkning överföres	244 778 131
	244 778 131

Malmö den dag som framgår av vår elektroniska underskrift.

DocuSigned by:
Eduard Gerardus Antonius Rats
F8C546BA73D34AA...
Eduard Rats
Ordförande

DocuSigned by:
Tobias Grönvall
7637CEB7F6C54D7...
Tobias Grönvall
Styrelseledamot

DocuSigned by:
Maria Petersson
B22CDFEDC8C84BE...
Maria Petersson
Styrelseledamot

DocuSigned by:
1F7FC8443BAF4F2...
Thomas Alexander Hansen
Styrelseledamot

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift.

Grant Thornton Sweden AB

DocuSigned by:
Johan Kling
F0AEE6563B1844F...
Johan Kling
Auktoriserad revisor

20230721105199

DocuSign

Certifikat om färdigställande

Kuvert-ID: 0E95952A68CC4894AD169FA5C1EC872C
Ämne: Complete with DocuSign: Annual reports GT (Eddo, Thomas, Maria and Tobias) 230629
Källkuvert:
Dokumentsidor: 229
Certifikatsidor: 6
AutoNav: Aktiverat
Kuverterad stämpling: Aktiverat
Tidszon: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Signaturer: 75
Initialer: 0

Status: Färdigställda

Kuvertskapare:
Ibrahim Shaalan
Östra Promenaden 7 A
Malmö, 211 28
ibrahim.shaalan@heimstaden.com
IP-adress: 185.225.48.109

Spela in spårning

Status: Original
2023-06-29 15:19:01

Hållare: Ibrahim Shaalan
ibrahim.shaalan@heimstaden.com

Plats: DocuSign

Signeringshändelser

Eduard Gerardus Antonius Rats
e.rats@heimstaden.nl
Säkerhetsnivå: E-post, Kontoautentisering (ingen)

Signatur

DocuSigned by:
Eduard Gerardus Antonius Rats
F8C546BA73D34AA...

Signaturantagande: Förvald stil
Med IP-adress: 77.63.12.22
Signerad med mobil

Tidsstämpel

Skickade: 2023-06-29 15:31:19
Visade: 2023-06-29 15:55:29
Signerade: 2023-06-29 15:56:17

Autentiseringsuppgifter
Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Myndighetsutfärdad ID-handling
Typ av ID: Pass
Identifieringsnivå: Endast ID-handling
Unikt transaktions-ID: cf5a52e7-5fc3-5ecc-8371-918f73ce6b5a
Land eller region som ID-handlingen är utfärdad i: NL
Resultat: Misslyckades
Genomförd: 2023-06-29 15:53:37

Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Myndighetsutfärdad ID-handling
Typ av ID: Pass
Identifieringsnivå: Endast ID-handling
Unikt transaktions-ID: cf5a52e7-5fc3-5ecc-8371-918f73ce6b5a
Land eller region som ID-handlingen är utfärdad i: NL
Resultat: Godkänd
Genomförd: 2023-06-29 15:55:08

Delgivande av elektronisk uppgift och signatur:
Godkänt: 2023-04-26 13:41:59
ID: 7875f2e0-1b15-401d-a788-7c5689e65c2d

Maria Petersson
Maria.petersson@heimstaden.com
Säkerhetsnivå: E-post, Kontoautentisering (ingen)

DocuSigned by:
Maria Petersson
B22CDFEDC8C84BE...

Signaturantagande: Förvald stil
Med IP-adress: 185.225.48.109

Skickade: 2023-06-29 15:31:20
Visade: 2023-06-29 15:34:48
Signerade: 2023-06-29 15:35:21

Autentiseringsuppgifter

20230721062308

Signeringshändelser	Signatur	Tidsstämpel

Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Elektroniskt ID
Typ av elektroniskt ID: BankID Sweden
Unikt transaktions-ID: 3a188ee7-f449-5d8f-91c4-77b0fb0eb49a
Land eller region som ID-handlingen är utfärdad i: SE
Resultat: Godkänd
Genomförd: 2023-06-29 15:34:32

Delgivande av elektronisk uppgift och signatur:
Godkänt: 2023-03-08 14:44:42
ID: 61567687-f3a3-4fc4-a9e6-ac5d981e0040

Thomas Alexander Hansen
thomas.hansen@heimstaden.com
CFO
Heimstaden UK
Säkerhetsnivå: E-post, Kontoautentisering (ingen)

DocuSigned by:
1F7FC8443BAF4F2...

Skickade: 2023-06-29 15:31:21
Visade: 2023-06-29 17:06:39
Signerade: 2023-06-29 17:07:30

Signaturantagande: Skrevs på en enhet
Med IP-adress: 46.15.70.30
Signerad med mobil

Autentiseringsuppgifter
Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Elektroniskt ID
Typ av elektroniskt ID: BankID Norway
Unikt transaktions-ID: f958fad8-e696-5442-aca1-b306eddc6f84
Land eller region som ID-handlingen är utfärdad i: NO
Resultat: Godkänd
Genomförd: 2023-06-29 17:06:13

Delgivande av elektronisk uppgift och signatur:
Godkänt: 2023-06-29 17:06:39
ID: 30f041bb-966b-4d4c-aa9c-9d4b9242e6c6

Tobias Grönvall
Tobias.gronvall@helmstaden.com
Säkerhetsnivå: E-post, Kontoautentisering (ingen)

DocuSigned by:
7637CEB7F6C54D7...

Skickade: 2023-06-29 15:31:20
Visade: 2023-06-29 15:50:25
Signerade: 2023-06-29 15:51:09

Signaturantagande: Förvald stil
Med IP-adress: 213.65.236.7

Autentiseringsuppgifter
Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Elektroniskt ID
Typ av elektroniskt ID: BankID Sweden
Unikt transaktions-ID: 3ecb85b5-414b-5f60-97f1-f9869a56844b
Land eller region som ID-handlingen är utfärdad i: SE
Resultat: Godkänd
Genomförd: 2023-06-29 15:50:02

Delgivande av elektronisk uppgift och signatur:
Erbjöds inte via DocuSign

Johan Kling
johan.kling@se.gt.com
Säkerhetsnivå: E-post, Kontoautentisering (ingen)

DocuSigned by:
F0AFF6563B1644F...

Skickade: 2023-06-29 17:07:42
Visade: 2023-06-30 18:04:21
Signerade: 2023-06-30 18:05:37

Signaturantagande: Förvald stil
Med IP-adress: 88.131.44.131

Autentiseringsuppgifter

20230727062203

Signeringshändelser	Signatur	Tidsstämpel

Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Elektroniskt ID
Typ av elektroniskt ID: BankID Sweden
Unikt transaktions-ID: 8e682869-447d-5534-89ca-a6c8049ec8c3
Land eller region som ID-handlingen är utfärdad i: SE
Resultat: Godkänd
Genomförd: 2023-06-30 18:03:58

Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Elektroniskt ID
Typ av elektroniskt ID: BankID Sweden
Unikt transaktions-ID: c021ce4a-1713-5603-bd31-984b089824ba
Land eller region som ID-handlingen är utfärdad i: SE
Resultat: Godkänd
Genomförd: 2023-06-30 18:48:34

Uppgifter för identitetsverifiering:
Arbetsflödes-ID: 9bbb5cce-6c25-42d6-8934-2799d18947ef
Arbetsflödesnamn: DocuSign ID Verification
Arbetsflödesbeskrivning: The recipient will need to identify themselves with a valid government ID, eID or through Knowledge-Based Authentication.
Identifieringsmetod: Elektroniskt ID
Typ av elektroniskt ID: BankID Sweden
Unikt transaktions-ID: c021ce4a-1713-5603-bd31-984b089824ba
Land eller region som ID-handlingen är utfärdad i: SE
Resultat: Godkänd
Genomförd: 2023-07-03 21:57:54

Delgivande av elektronisk uppgift och signatur:
Godkänt: 2023-06-30 18:04:21
ID: c0183728-7ea8-41ad-903a-12521c3f48fb

Händelser med undertecknare på plats	Signatur	Tidsstämpel
Redigerarleveranshändelser	**Status**	**Tidsstämpel**
Agentleveranshändelser	**Status**	**Tidsstämpel**
Mellanhandsleveranshändelser	**Status**	**Tidsstämpel**
Certifierade leveranshändelser	**Status**	**Tidsstämpel**
Kopieringshändelser	**Status**	**Tidsstämpel**
Vittneshändelser	**Signatur**	**Tidsstämpel**
Notariehändelser	**Signatur**	**Tidsstämpel**

Sammanfattning av kuverthändelser	Status	Tidsstämplar
Kuvertet har skickats	Hashkodat/krypterat	2023-06-29 15:31:21
Certifierat levererat	Säkerhetskontrollerat	2023-06-30 18:04:21
Signeringen är slutförd	Säkerhetskontrollerat	2023-06-30 18:05:37
Färdigställda	Säkerhetskontrollerat	2023-06-30 18:05:37

Betalningshändelser	Status	Tidsstämplar

Delgivande av elektronisk uppgift och signatur

Delgivande av elektronisk uppgift och signatur skapat den: 2022-04-08 09:03:06
Parterna enades om: Eduard Gerardus Antonius Rats, Maria Petersson, Thomas Alexander Hansen, Johan Kling

20230721065202

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Heimstaden AB (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

20230721062703

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Heimstaden AB:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: melanie.schober@heimstaden.de

To advise Heimstaden AB of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at melanie.schober@heimstaden.de and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Heimstaden AB

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to melanie.schober@heimstaden.de and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Heimstaden AB

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

20230721052304

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to melanie.schober@heimstaden.de and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Heimstaden AB as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Heimstaden AB during the course of your relationship with Heimstaden AB.

20230721106205

Revisionsberättelse

Till bolagsstämman i Heimstaden Bostad Invest 2 AB

Org.nr. 556867-8451

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Heimstaden Bostad Invest 2 AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Heimstaden Bostad Invest 2 ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Heimstaden Bostad Invest 2 AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övriga upplysningar

Revisionen av årsredovisningen för räkenskapsåret 2021-01-01 - 2021-12-31 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 31 maj 2022 med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

B1EEppUO2-Hkk2apU_2

20230721062705

• utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Heimstaden Bostad Invest 2 AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Heimstaden Bostad Invest 2 AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

• företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
• på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Malmö den dag som framgår av min elektroniska underskrift.

Grant Thornton Sweden AB

Johan Kling
Auktoriserad revisor

B1EEppUO2-Hkk2apU_2

20230721062207



Document history

COMPLETED BY ALL:
30.06.2023 15:48

SENT BY OWNER:
Johan Kling • 26.06.2023 10:32

DOCUMENT ID:
Hkk2apU_2

ENVELOPE ID:
B1EEppUO2-Hkk2apU_2

DOCUMENT NAME:
235.pdf
2 pages

Activity log

RECIPIENT	ACTION*	TIMESTAMP (CET)	METHOD	DETAILS
1. Johan Andreas Håkan Kling	**Signed**	**30.06.2023 15:48**	**eID**	**Swedish BankID (DOB: 1975/03/30)**
johan.kling@se.gt.com	Authenticated	30.06.2023 15:45	Low	IP: 88.131.44.131

* Action describes both the signing and authentication performed by each recipient. Authentication refers to the ID method used to access the document.

Custom events

No custom events related to this document

Verified ensures that the document has been signed according to the method stated above.
Copies of signed documents are securely stored by Verified.

To review the signature validity, please open this PDF using Adobe Reader.

GDPR compliant

eIDAS standard

PAdES sealed

20230721062O8

2022 Annual, Governance, and Sustainability Report

Heimstaden
BOSTAD



2023072106209

Contents

About 3
The Year in Brief 6
CEO Letter 8

Strategy and ambitions 10
Customer Centred 11
Friendly Workplace 13
Sustainable Mindset 16
Investment Market and Transaction 20
Property and Asset Management 22
Property Portfolio 23
Capital Structure 25

Governance Report 28
Share structure and owners 29
Corporate Governace Structure 30
Board of Directors 31
Manager's Senior Executives 35
Risk Management 37
Compliance and Governance 39
Internal Control 40

Financial Information 43
Consolidated Financial Statements 44
Parent Company Financial Statements 82
Proposed appropriation of accumulated profit 95
Signatures 96
Auditor's Report 97
Alternative Performance Measurements 100
Quarterly financial information 103

Sustainability Report 110
About the Sustainability Report 111
Reporting Principles 112
Climate Road Map 115
Scenario Analysis 118
EU Taxonomy 119
Environmental management system 122
Stakeholder Engagement 123
GRI Index 126
TCFD Index 129
Topic disclosures 130
Economic Performance 131
Anti-Corruption 133
Tax 135
Energy 137
Water 141
Greenhouse Gas Emissions 143
Waste 145
Employment 147
Occupational Health and Safety 150
Human Rights 152
Local Community 156

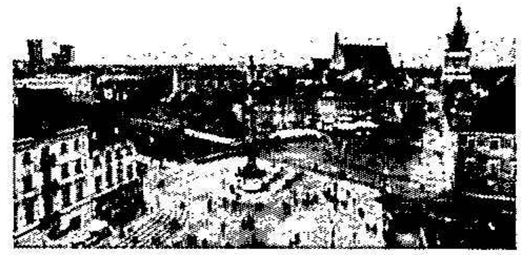
- Refers to audited sections. Pages 1–2, 6, 23–26 and 42–96 make up Heimstaden Bostad's Administration Report and Financial Information, which have been audited by the company's auditors.

  The Statutory Sustainability Report, in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, was approved for publication by the Board of Directors. Find our Statutory Sustainability Report index on page 110.

Administration Report and Financial Information
Heimstaden Bostad is a public company. Corporate identification number 556864-0873. Domiciled in Malmö, Sweden.

This report contains forward-looking information based on the current expectations of Heimstaden Bostad's management. No guarantee can be provided that these expectations will prove correct, and future outcomes may vary considerably compared to what is presented herein based on, among other things, changing economic, market, and competitive conditions, changes in legal requirements and other policy measures, and exchange-rate fluctuations.

The Annual Report is published in Swedish and English. The Swedish version is the original and has been audited by Heimstaden Bostad's auditor. Figures in brackets refer to the previous year, 2021, unless otherwise stated.



Cover photo:
Aerial view of Warszawa

An Evergreen Platform of *Friendly Homes*

With a presence in nine European countries, Heimstaden Bostad is a leading European residential real estate company with an evergreen perspective.

Guided by our values and Scandinavian heritage, we aim for excellence in happiness and life quality for customers and employees, and responsible and cost-efficent in-house operations.

This is how we fulfil our vision to enrich and simplify lives through Friendly Homes.



Care

about and respect our co-workers, customers, partners, and the society we live in. We find sustainable solutions for people and buildings.

Dare

to think outside the box. We always look for better ways to do what we do. We encourage diversity, open minds, and new ideas.

Share

our knowledge and willingly help each other grow. We are authentic, transparent, and honest in our communication and actions.

Investment Properties

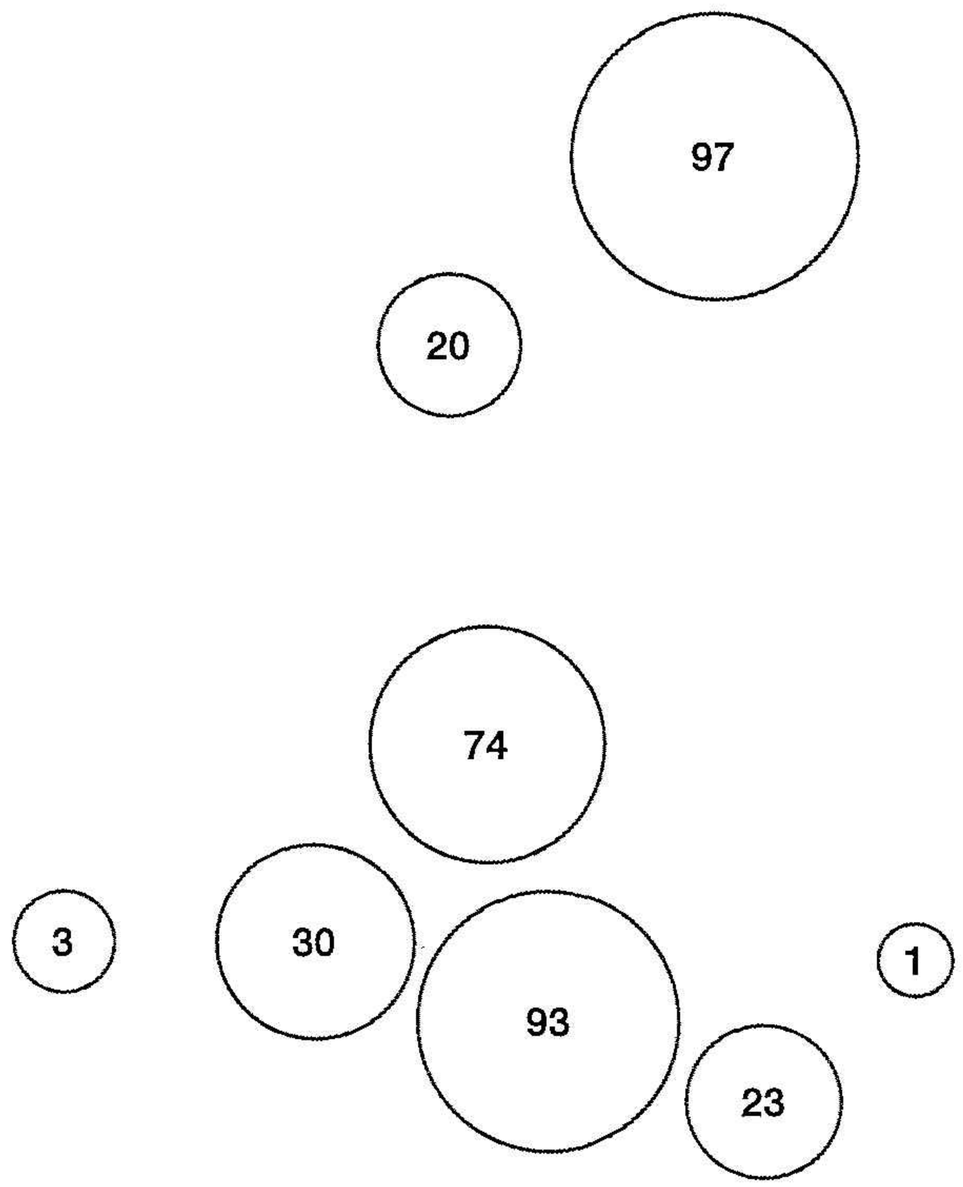
158,326
Homes

93%
Residential Area[1]

60%
Regulated Income

11 million
sqm

[1] 7% commercial premises and parking.





Key Characteristics



Strong ownership structure

Heimstaden Bostad is owned by Heimstaden and long-term institutional investors who share a philosophy for evergreen and sustainable investments. Heimstaden has substantial experience in acquiring, developing, and actively managing residential real estate and is Group Manager of Heimstaden Bostad.



Attractive, resilient asset class

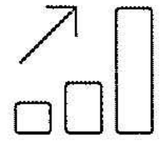
Residential real estate is the world's largest asset class and an essential part of the global economy. Non-cyclical in nature, it is a basic human need without risk of disruption and with strong supportive demographic trends, such as decreasing household sizes, supply shortages, and urbanisation.





Diversified portfolio across strong European markets

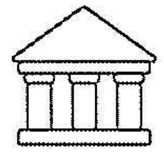
Heimstaden Bostad's property portfolio is diversified across attractive European markets with growing economies and favourable residential fundamentals. The portfolio has a balanced exposure to regulated and unregulated rental regimes, which provides Heimstaden Bostad with stable and secure cash flows as well as the ability to capture upsides from positive market developments.



Fully integrated operating platform with proven track record

A fully integrated and scalable operating platform ensures a common experience for our customers combined with swift and cost-efficient integration of new markets.





Solid financial position and conservative financial policy

Heimstaden Bostad follows a strategy for responsible growth and value creation and has continuously improved its operating performance and financial metrics. We adhere to conservative financial policies that support Heimstaden Bostad's long-term strategy and vision. The company is rated 'BBB' by S&P Global Ratings and Fitch Ratings.

2023072106213

The Year in Brief

We delivered strong operational results in a challenging market with a like-for-like rental growth of 5.4%. Continued fine-tuning of our operations resulted in improved customer survey scores. Our revised climate targets were approved by the Science Based Targets initiative, confirming that our plan to reduce emissions and energy usage is in line with the Paris agreement. Our sustainability efforts reduced total GHG emissions by 7% and energy usage by 11% per sqm compared to 2021 (Scope 1 & 2). Following a strong start to the year, the changing macro environment gave a 5% negative fair value adjustment of our property portfolio in the second half of 2022. We responded prudently with active management of our balance sheet and muted growth activity. Our partnership with SOS Children's Villages reached 55,000 children in 25 countries and we provided housing to more than 1,000 Ukrainian refugee families.

47.6%
Rental income growth

21 billion
Acquisitions, SEK

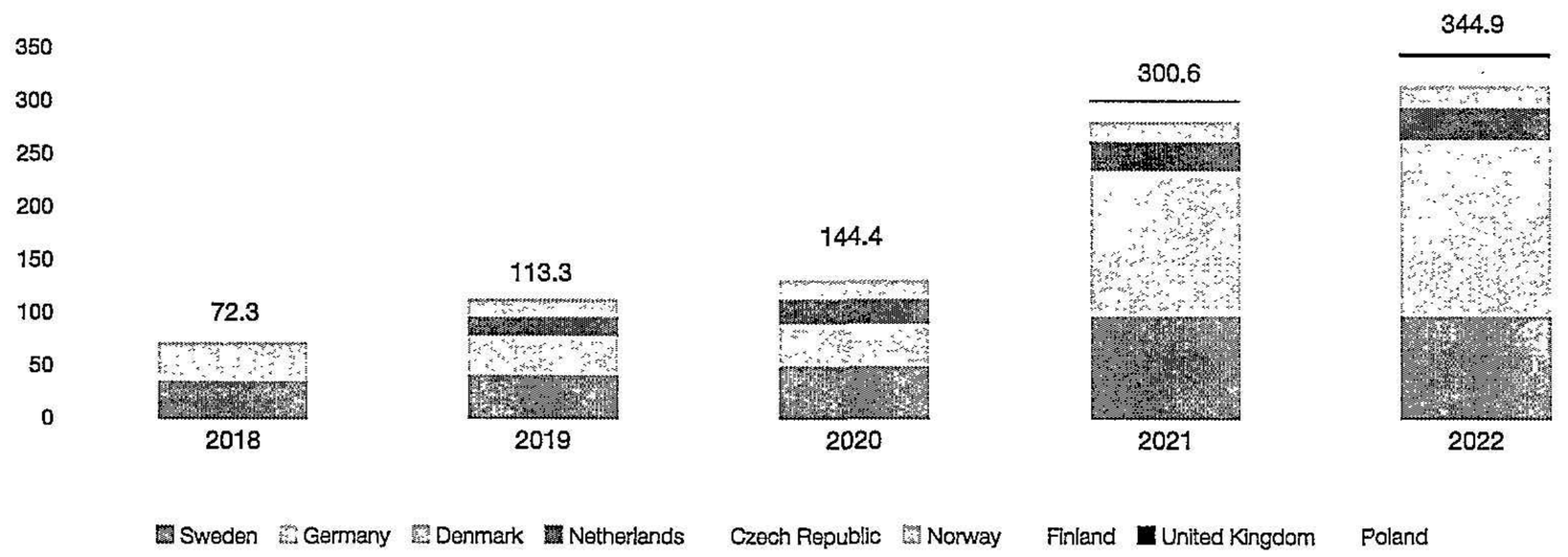
50.3%
Net loan-to-value

3.4x
Interest coverage ratio

Key Figures
SEK million

	2022	2021	2020	2019	2018
Rental income	12,702	8,608	6,332	4,135	3,046
Net operating income	8,141	5,386	3,893	2,403	1,751
Profit before inventory properties and fair value adjustments	7,901	2,834	3,589	2,263	1,611
Total comprehensive income	8,382	22,579	4,194	4,740	2,581
Net loan-to-value, %	50.3	46.2	43.9	48.0	54.3
Interest coverage ratio, multiple	3.4	4.1	2.9	2.5	2.6
Real economic occupancy, residential, %	98.4	97.9	97.5	98.8	98.6

Fair Value
SEK billion



	Q1	Q2	Q3	Q4
Fair Value, SEK	316 billion	336 billion	337 billion	345 billion
Homes	148,764	153,205	154,145	158,326
Real Economic Occupancy	98.5%	98.5%	98.4%	98.2%
Net LTV	44.5%	46.5%	48.9%	50.3%

Allianz Real Estate invested SEK 7.9 billion in Heimstaden Bostad's Swedish portfolio bought from Akelius, forming a partnership.

Issued EUR 1.2 billion of fixed rate bonds and repaid the Akelius acquisition bridge facility.

Sharpened climate targets and committed to invest almost SEK 7 billion to reduce greenhouse gas emissions with 42% by 2030.

Strengthened presence in UK and Sweden by buying a project with 464 homes in Edinburgh and 806 homes in Jönköping.

Made large efforts to support refugees from Ukraine, supporting more than 1,000 Ukrainian refugee families with housing during the year.

Bought 1,091 homes in Germany and 2,009 homes in Finland.

Celebrated one year and 35,000 children reached through A Home for a Home.

Successful EUR 868 million hybrid bonds buyback fully funded with new equity from shareholders.

Bought the Country Management organisation from Heimstaden AB

First customers were welcomed into their new Friendly Homes in Poland.

Announced that Helge Krogsbøl will succeed Patrik Hall as CEO from 1 January 2023.

Published Customer Scorecards for 2022.

Science Based Targets initiative validated Heimstaden Bostad's roadmap to reduce emissions in line with the Paris Agreement.

Allianz and Heimstaden Bostad injected SEK 7 billion in new equity in their existing Swedish partnership and formed a new partnership comprising Allianz's German residential real estate portfolio.

2023072106215

Resilience in a Challenging Market

Spiking energy prices, rising inflation and interest rates, and a challenging geopolitical situation set the tone for last year. Thanks to our long-term strategy to invest in affordable housing in European markets with strong fundamentals, we have a diversified and resilient portfolio. With high occupancy of 98.4% and a like-for-like rental growth of 5.4%, we delivered a strong operational result in 2022.

Efficient operations

We continue to fine-tune our operational platform. By rolling out new digital tools, we are sharpening our efficient, data-driven, and lean business model while improving the service for our customers. I am proud of how our teams have succeeded in continuing to deliver excellent customer service, demonstrated in improved customer survey scores.

Our monthly employee surveys consistently document a strong and happy organisation, and I am grateful to our colleagues who have faced this turbulent period with a positive attitude.

Balancing act

After years of value growth, the changing macro environment gave a 5% (SEK 18 billion) negative fair value adjustment of our property portfolio in the second half of 2022. The fundamentals of European residential real estate remain intact and are set to improve as construction activity is falling sharply. Nevertheless, the financial market development has impacted yield requirements for residential real estate and investors await confirmation of the ability to passthrough inflation to rents to compensate for the increased funding costs. Despite the uncertainty in the market, we expect a stabilisation during 2023 as inflation pressure will level off and more clarity is provided on when and where interest rates will settle.

With a staggered debt maturity profile and a balanced mix of debt instruments, we are well positioned to meet the tightened financial market conditions. After securing a substantial amount of new bank financing, we have good coverage for our upcoming maturities in the bond market. The hybrid bond buybacks funded with equity also demonstrated continued shareholder commitment to support the company. S&P's revised financial thresholds are a testament to our improved business risk profile and provides more headroom to maintain the current rating.

Intensified sustainability efforts

We have increased the pace and scale of our efforts to mitigate climate change and reduce emissions. By proactively engaging our tenants to have an efficient energy usage in their homes, and, by fine tuning the performance of central heating systems and technical solutions, installing efficient lighting and smart control systems, and improving thermal insulation, we decreased energy usage per sqm with 11% in 2022 versus 2021. Our continuous work to improve energy efficiency in our buildings reduces our, and our tenants', energy usage and cost significantly.

Last year, the globally recognised Science Based Targets initiative (SBTi) approved our Climate Roadmap. This reconfirms the quality of our work and ambitious climate goals to reduce greenhouse gas emissions in line with the Paris Agreement.

Our partnership with SOS Children's Villages reached more than 55,000 children in 25 countries with our SEK 125 million donation in 2022. In addition, we helped more than 1,000 Ukrainian refugee families with housing during the year.

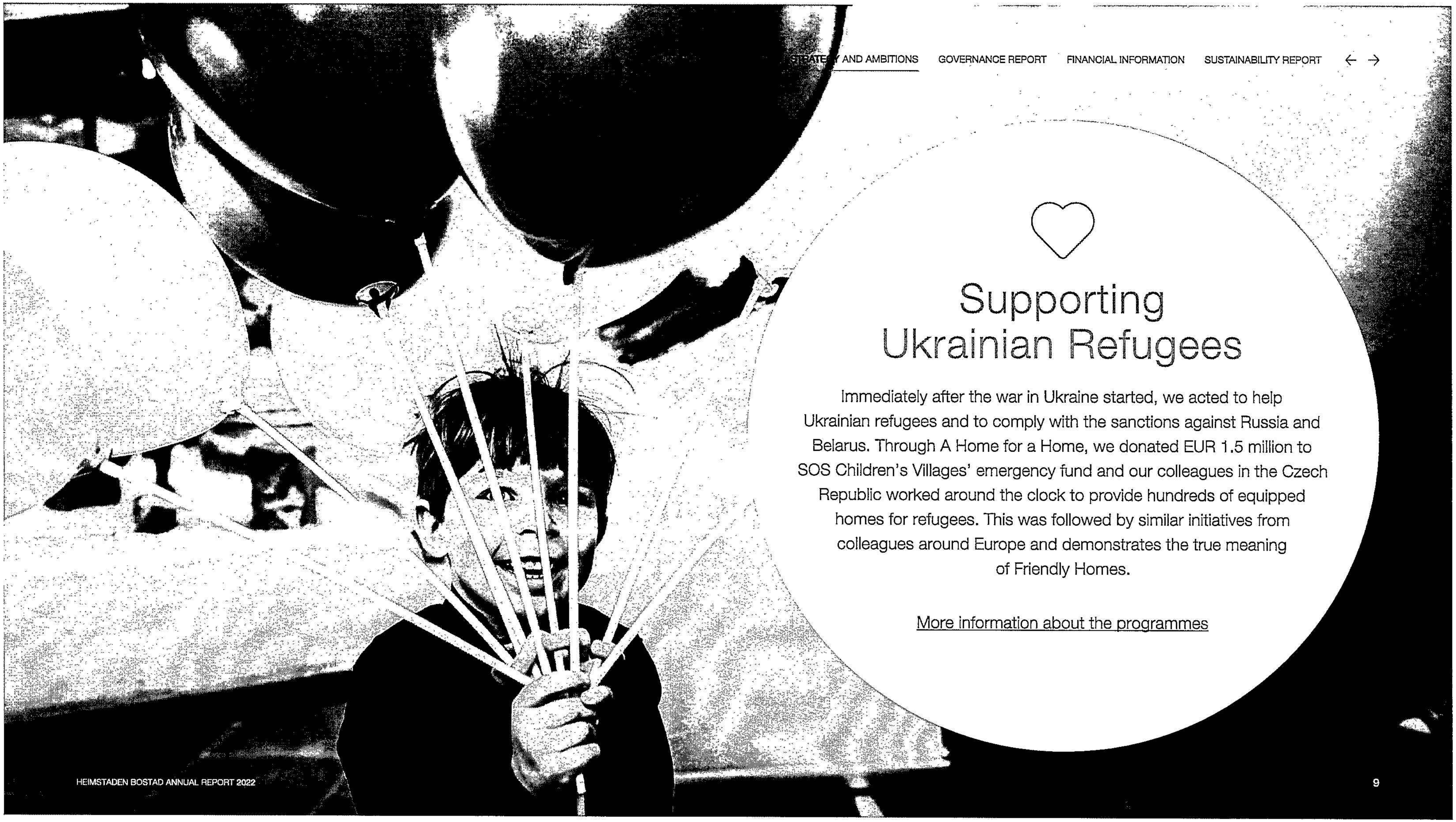
Looking ahead

Uncertainty will follow us into 2023, however I am certain that the high demand for rental housing will continue in a market with a tighter supply, and we will once again deliver strong operational results. With the new long-term management agreement signed with Heimstaden last summer and the acquisition of the country management organisations, we are well positioned to deliver on our long-term strategy to provide sustainable and Friendly Homes to our customers.



Helge Krogsbøl
CEO Heimstaden Bostad

"I am proud that we are taking action to face climate issues in a purposeful, structured, and innovative manner."



Supporting Ukrainian Refugees

Immediately after the war in Ukraine started, we acted to help Ukrainian refugees and to comply with the sanctions against Russia and Belarus. Through A Home for a Home, we donated EUR 1.5 million to SOS Children's Villages' emergency fund and our colleagues in the Czech Republic worked around the clock to provide hundreds of equipped homes for refugees. This was followed by similar initiatives from colleagues around Europe and demonstrates the true meaning of Friendly Homes.

More information about the programmes

Strategy and Ambitions

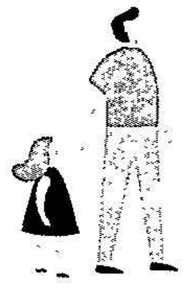
Continuing Our Friendly Homes Mission

Our values 'Care, Dare, and Share' are at the heart of the organisation and form the foundation of our Friendly Homes concept.

Through Efficient and Innovative Operations and our four strategic pillars Customer Centred, Friendly Workplace, Sustainable Mindset, and Financial Strength, we continue to improve our evergreen and industry-leading platform.

This enables us to fulfil our core ambitions to create excellence in life quality for customers and colleagues, and to contribute to society, while always being commercially outstanding.

Visit our website to read more about our Strategy





We contribute to society by being commercially outstanding and creating excellence in life quality for people at home and at work.

Customer Centred | Friendly Workplace | Sustainable Mindset | Financial Strength

Efficient and Innovative Operations

CARE DARE SHARE

Ethical Business Conduct



Our Core Ambitions

- Excellence in happiness and life quality at home
- Excellence in happiness and life quality at work
- Societal contribution, inspiration, and enrichment
- Commercially outstanding

2023072106218

Customer Centred

Engagement is Everything

Continually engaging with our customers and promoting The Friendship concept through multiple points of contact is key to improve life quality for our customers and creating enduring value through Friendly Homes.



A year of consolidation
In 2022, our Customer Service team focused on achieving consistency in communication and service offerings across all markets. The Friendship offering is fully implemented in Sweden and present at different levels in all markets where we operate. Our customer interaction is firmly founded on our three strategic pillars – personal, digital, and self-service.

Back to meeting face to face
Interacting with customers in different scenarios is a mainstay of our personal pillar and we hosted many in-person events in 2022. Activities ranged from competitions, gardening activities, children's days, and welcome communications to new tenants, to attractive consumer offers to enhance the customer experience. In the Czech Republic we held special events in support of refugees from Ukraine and we continue to sponsor worthy causes, including homeless shelters and SOS Children's Villages through our A Home for A Home programme.

It's all about content
Our websites together with blog posts, social media, digital newsletters, and print magazines are key sources of useful information for our customers. In 2022, we focused on sharing relevant information to encourage behaviour that saves energy and water, increased recycling, and reduction of food waste. We also increased editorial content to foster engagement and share inspiration.

Helping customers help themselves
On the Self-service front, we launched our MyHome tenant portal in Denmark, Norway, and the Netherlands. The 24/7 digital HelpCenter was also rolled out in more markets enabling, for example, digital chat with service personnel.

Voice of Customers
We constantly measure customer satisfaction to identify our strong points and areas requiring attention, and their feedback will steer our operational priorities in 2023.

In addition to our annual Customer Score Cards (CSCs), we have rolling customer surveys that cover key touchpoints on the customer journey; contract signing, moving in, during tenancy, and moving out. Given historically good scores in the early phases, we have increased our focus to improve the 'move out' touch point. We want customers to leave us on a positive note; our job is to assure them they remain important and are welcome back.

HeimMade is Best!

Our HeimMade initiative includes and encourages all our employees to share ideas that brings our vision to life and improves our brand experience. Every year we award a global prize for the best proposal. The 2022 accolade went to Klara Svensson in Sweden for her pilot project to improve waste management. Klara's idea is to inspire tenants to recycle more by redesigning waste rooms to make them more appealing. This not only reduces our own environmental impact, but also encourages more climate-smart choices on a daily basis.

2023072106219

Increasing Customer Focus in the Rental Industry

We publish our Customer Score Card (CSC) results openly, and proactively encourage other landlords to measure their customer satisfaction and be transparent on results. Find more results from previous years on our website.

In 2022, we expected the results in many markets to reflect customers' financial worries due to the economic and geopolitical uncertainty. Results indicate that we had an increase of 0.7 percent in the Service Index and 0.4 percent in the Profile Index.

Although we see room for improvement in all markets, we are pleased to see a general progress in the most important overall scores. This gives us motivation to further strengthen our efforts to achieve our goals to have the happiest customers in our industry.

Service Index

	2022	2021	2020
Sweden	78.3%	78.4%	78.4%
Finland	71.3%	-	-
Norway	75.7%	74.7%	74.5%
Denmark	68.2%	74.6%	74.4%
Czech Republic	70.8%	68.8%	67.2%
Netherlands	63.1%	58.6%	55.8%
Germany[1]	63.1%	66.2%	-
Group Average	73.7%	73.0%	73.1%

Profile Index

	2022	2021	2020
Sweden	79.6%	80.1%	79.3%
Finland	69.4%	-	-
Norway	77.0%	77.5%	77.2%
Denmark	60.4%	67.6%	67.1%
Czech Republic	70.1%	65.1%	60.3%
Netherlands	58.5%	59.5%	52.0%
Germany[1]	59.9%	71.3%	-
Group Average	73.3%	72.9%	72.8%

Recommend Heimstaden

	2022	2021	2020
Sweden	87.2%	85.7%	85.3%
Finland	81.1%	-	-
Norway	79.0%	83.0%	78.4%
Denmark	68.0%	73.5%	77.0%
Czech Republic	73.6%	67.8%	66.2%
Netherlands	62.9%	77.7%	-
Germany[1]	71.1%	79.8%	-
Group Average	80.2%	79.8%	79.9%

Help When Needed

	2022	2021	2020
Sweden	84.6%	85.6%	85.3%
Finland	75.3%	-	-
Norway	81.3%	77.5%	76.5%
Denmark	69.0%	75.3%	74.3%
Czech Republic	73.8%	72.2%	69.3%
Netherlands	65.2%	64.4%	59.4%
Germany[1]	63.4%	71.1%	-
Group Average	78.7%	78.5%	79.0%

Take the Customer Seriously

	2022	2021	2020
Sweden	84.4%	84.0%	84.8%
Finland	68.7%	-	-
Norway	83.6%	83.0%	84.4%
Denmark	63.9%	75.6%	76.5%
Czech Republic	79.6%	77.1%	74.9%
Netherlands	58.0%	59.0%	52.5%
Germany[1]	61.6%	76.9%	-
Group Average	78.3%	78.6%	79.8%

Satisfaction with Heimstaden

	2022	2021	2020
Sweden	87.0%	85.2%	84.6%
Finland	88.9%	-	-
Norway	80.1%	79.5%	80.1%
Denmark	64.8%	76.3%	77.3%
Czech Republic	76.6%	73.4%	70.9%
Netherlands	62.5%	60.0%	57.0%
Germany[1]	66.6%	77.7%	-
Group Average	79.9%	78.2%	79.2%

Additional responses for 2021 have been included after the publication of Heimstaden's 2021 Annual Report.

[1] The main reason for the drop in results in Germany is that we include customers from the Akelius properties which we took over in December 2021. The results from our former customers are stable or slightly positive and we also see an improvement from December last year in the scores from customers living in the former Akelius properties.

2023072106220

Friendly Workplace

Continuing to Improve Our Friendly Workplace

2022 was primarily a year of consolidation for our People and Culture team who were busy refining projects rolled out in 2021. As the pandemic receded, we returned to more physical interaction, while continuing to leverage digital tools to enhance productivity.



Heimstaden remains committed to fortifying the foundation of our employee value proposition, resting on the eight pillars (see page 14) of our Friendly Workplace philosophy that we monitor on a constant basis.

We opened new operations in Finland and the UK, and rather than hiring local HR business partners we are supporting new markets remotely, ensuring the delivery of high-quality processes, and economies of scale.

Adoption of our group-wide digital platform, Workday, increased in 2022 and at the same time we included additional global HR processes into our operational model to promote ONE way of working. This harmonizes work processes, reduces administration, increases efficiency, ensures quality, data security and compliance.

Integration and consolidation

Following the Akelius acquisition, we focused on integrating new colleagues in Germany, Sweden, and Denmark during the first half-year. In the second half, we concentrated on further consolidating our employee base and revising and harmonising our organisational structure to better reflect our corporate strategy and to improve our capacity to respond to growth.

A high level of change often triggers a degree of insecurity, exacerbated by wider political and economic turbulence. Rather than limit everyday development activities we believe it is all the more important to reinforce a common culture and strong leadership.

In 2022, we introduced a free psychological counselling service with up to ten meetings in Sweden, which we can roll out to more markets. We updated our whistleblowing process to be in line with new EU legislation. This is now available on our website and can be used by employees as well as external stakeholders. The number of reports has increased, indicating that the solution is working well and that users feel safe to report any wrongdoing via this channel.

Robust internal training

Zero tolerance for discrimination is a cornerstone of our culture. During 2022, we continued training our People and Culture team to minimize bias in the recruitment process. A groupwide diversity training has also been rolled out to all managers on the subject of how to counter bias when recruiting. This is also an integral part of our leadership programmes. In addition, we now universally use testing to eliminate early-stage bias and match the best candidates to each competency profile.

After launching our digital learning platform in 2021, we delivered more training occasions last year, than ever before. We initiated our training for new managers, New@Leading, in more

Gender distribution



[1] Full time Equivalents (FTE) including employees in Heimstaden AB. Total headcount is 2,482 including employees in Heimstaden AB.
[2] Compared to the previous year, the number of employees has increased. Unfortunately, we have seen the percentage of women in the organization decrease by 1.8%. We continuously follow up on gender distribution and one explanation to the decline is that we have grown mostly within roles where there are few female applicants, such as facility/property management.

2023072106221

markets while also advancing our programme for country management, Leading@Heimstaden.

This year we also introduced a new performance development process, Reflect and Act. The process reviews the previous six months as well as outlines the coming six, and has been well received by employees.

We have successfully mapped all our roles into the Mercer framework giving us access to renowned international compensation benchmark data, improving reporting and follow-up on gender pay-gap status, as well as visualising the five different career streams within Heimstaden. We have also introduced a global salary review process that reduces manual handling, provides better visibility for managers and complies with confidentiality requirements.

We continued our work to create a common culture in our fast-growing business with a digital conference for all employees in February. In May, we brought our top 150 managers together to share lessons and to unite around our strategy. In addition to these forums, local 1–2 day conferences are organised to highlight strategy, culture, and other current issues.

Friendly Workplace consists of eight building blocks that form the foundation for our EVP (Employee Value Proposition)

• A secure workplace where people feel safe and cared for • Striving for zero work related accidents • Lower than industry average short/long term sick leave	**Work Health & Safety**	**Diversity, Inclusion & Belonging**	• Welcoming all to be part of an inclusive, friendly, value-driven culture with open, accepting and supportive people • Accepting no form of discrimination or harassment
• Terms and conditions are clear • Fair pay following market conditions • Benefits and pension that ensure now and future wellbeing	**Compensation and Benefits**	**Good Leadership**	• Inclusive, best-in-class leaders passionate about inspiring and empowering our people to reach our goals • Frequent, transparent and clear communication • Open door, open mind, and open-heart attitude
• We enable flexibility in terms of where, how, and when we work • We make room for both our private and work family • We strive for zero % illness due to work related stress	**Work Life Flexibility**	**Opportunity to GROW**	• We help each employee grow to reach their full potential • Each employee can take the initiative and ownership for own development
• We always look for areas to digitize to increase efficiency and quality • We are in the forefront and love technological progress paired with the human touch	**Digitally Smart Solutions**	**Well-being & Happiness at Work**	• We are highly engaged, committed, and driven people- we find our own purpose and motivation • We enjoy what we do – we make sure to have fun! • We seek physical, mental, financial, and social well-being for our people

2023072106222

Achieving a Friendly Workplace comprises the following focus areas[1]

Total temperature

2022 Outcome:

7.9[2]

2023 Target: 8.5
Index: 7.5

Equal rights

2022 Outcome:

9.1

2023 Target: 10
No Index

Good leadership

2022 Outcome:

8.2

2023 Target: 8.5
Index: 7.9

Opportunity to grow

2022 Outcome:

7.6

2023 Target: 8.5
Index: 7.2

Happiness at work

Work situation

2022 Outcome:

7.5

2023 Target: 8.5
Index: 6.8

Job Satisfaction

2022 Outcome:

7.7

2023 Target: 8.5
Index: 7.1

Health and safety

Work-related injuries

2022 Outcome:

85[3]

2023 Target: Work-related injuries 0

Sick leave

2022 Outcome:

5.7%

2023 Target: Sick leave <5%

Personnel turnover

2022 Outcome:

15.7%[4]

2023 Target: <15%

For more information see page 147. The above KPIs are collected from our employee engagement tool Winningtemp, from our HR system Workday, and local payroll systems. Index is the average for all customers using Winningtemp. Where there is no index, the area was not covered in the standard survey but added by Heimstaden.

[1] *For detailed information, read more in our Sustainability Report on pages 110–171. The employee survey is sent out monthly, with a break during July. The areas examined (leadership, job satisfaction, meaningfulness, independence, work situation, participation, personal development, group spirit, commitments, safety, equal treatment, feedback) are measured on a ten-point scale from 1–10, where one corresponds to the lowest result and 10 highest.*

[2] *Total Temperature is the average of all the areas surveyed monthly in Winningtemp (Leadership, Job satisfaction, Meaningfulness, Autonomy, Work situation, Participation, Personal development, Team spirit, Commitment, Safety, Equal treatment, Feedback).*

[3] *A total of 154 incidents were reported, of which 85 were workplace accidents.*

[4] *15.7% refers to voluntary staff turnover, excluding short-term fixed-term contracts, retirements and staff dismissed at the initiative of Heimstaden.*

2023072106223

Sustainable Mindset

Purpose-Driven ESG Focus

Sustainability is embedded in everything we do, and our ambitious ESG objectives aim to set a leading standard for the residential real estate industry in Europe.



Our ambitious targets were approved
Our new Science Based Targets initiative (SBTi)-approved target is to reduce absolute GHG emissions in Scope 1, Scope 2, and category 13 in Scope 3, covering downstream leased assets1, with 42% by 2030, with 2020 as base year. The revised target is sharper given our growth in 2021 and the additional component of emissions from tenant energy use. We also commit that 27% of our suppliers by spend covering purchased goods and services, will have science-based targets by 2027.

Climate roadmap
We will continue to work intensively to reduce energy use and emissions across our portfolio, in line with our 2030 climate mitigation roadmap. Our previously communicated pathway budget based on our 2020 portfolio of over SEK 7 billion by 2030 is under revision, and an updated budget in line with current portfolio size and recent growth will be presented during 2023.

Our most important measure is shifting to cleaner fuel sources, which we estimate will reduce total CO_2 emissions by 26% by 2030. We typically replace old boilers, install heat pumps, switch to cleaner district heating if available, optimize heating systems, install smart control systems, improve thermal insulation, and nudge tenants to use less energy.

While we expect gas supplies to normalize before 2030, we also hope the current crisis leads to more clean energy coming online in Europe in the medium term.

We are also working on water and waste strategies across all our markets, including a solution to track water usage and encouraging tenants to use less water. By giving our tenants, employees, and business partners good preconditions, we ensure that our properties are contributing to sustainable resourcing.

A turbulent energy year
We have local teams with the technical know-how to improve the energy efficiency of our buildings. Because of the turmoil in Europe's energy supply chain in 2022, they intensified the work to decrease energy usage in our properties. By proactively engaging our tenants to have an efficient energy usage in their homes, and, by fine tuning the performance of central heating systems and technical solutions, installing efficient lighting and smart control systems, and improving thermal insulation, we

2022 Energy Saving Highlights

- Insulation of more than 2,000 apartments in the Czech Republic reduced energy use by around 21,000 GJ/year.
- Replacing old gas boilers in Germany reduced energy use by up to 30% per property.
- Replaced all oil burners in the Netherlands with efficient natural-gas boilers.
- Heat pumps installed in properties in Sweden reduced energy use by up to 25%.
- Control systems in five buildings in Norway reduced energy use by a minimum of 7%.
- Control system pilot in Denmark reduced energy use by 10% in the first property.

[1] Energy purchased by tenant

2023072106224

decreased the weather corrected energy usage per sqm with 11% in 2022 versus 2021.

Energy intensity figures per square meter (where heat is normal year-adjusted) improved in all countries in 2022, except Germany where we are further investigating relevant measures despite tight regulations on rent increases.

With the risk of high energy costs likely to persist for our customers, we have taken many steps to optimise technical installations and set indoor temperatures of our buildings at the right level. We also engaged our customers by informing them of how best to conserve energy in their homes, to ensure that everyone does what they can to reduce energy use.

Social sustainability

As part of our goal to create a safe and friendly society for all, in 2022 we developed our social roadmap to focus on the areas where we can have most impact. This includes offering safe and affordable homes, creating job opportunities, and building a diverse and inclusive society.

Inclusive housing

We offer social contracts – defined as contracts with local authorities or non-governmental organisations that in turn rent apartments to people in need – in Sweden, the Czech Republic, the Netherlands, Germany and Norway. However, in 2022, we recognized that this definition is not workable in all markets. Accordingly, we will adapt our definition to encompass more types of contracts aimed at helping vulnerable groups obtain housing. The target will most likely be a multi-year nominal target, at a similar level to the current one, which is 3% (of our total apartment stock) by 2023.

Recruitment and diversity/inclusion

We continue to work on our target to help people access the labour market, including providing apprentice positions, jobs for young adults, and, together with third parties, internships for people with socio-economic challenges.

In terms of gender balance in our own operation, we will keep working towards our current target of a 40:60 gender split in Group Management.

Human rights

In 2021, we carried out a thorough GAP analysis of our supply chain. Accordingly, we strengthened our due diligence process to be able to identify and mitigate human rights risk that can arise.

A Home for a Home

In 2022, we donated approximately SEK 125 million to SOS Children's Villages through our unique A Home for a Home partnership, supporting 35,000 children in 25 countries to a better, safer start in life. Programs we supported include family strengthening, improved foster care, youth vocational training and support, and advocacy at both local and government levels (see A Home for A Home, page 19).

In June 2022, we launched a skill-sharing programme pilot through which our employees support SOS Children's Villages with skills and expertise within learning & development, business development, and carbon footprint measurement.

Expanding ESG oversight

We added three new members to sustainability teams at group level in 2022, including a new Head of Social Sustainability. Our Group Sustainability Council met regularly during the year, while we also established an Executive Sustainability Committee tasked with presenting key ESG topics to our board.



A sharp eye on regulations

In 2022, we prioritised preparation for reporting share of our alignment with the EU Taxonomy which is presented in this report, see page 117. We continue to track the development of the upcoming Delegated Acts related to the Taxonomy, and continue the work on mitigating our climate impact and adapting our business to climate change.

We closely keep track of the development of the Corporate Sustainability Reporting Directive (CSRD), which extends the scope and reporting requirements of the already existing Non-Financial Reporting Directive.

We also follow the development of EU's Fit for 55 package which, among other things, proposes changes in the Energy Performance of Buildings Directive (EPBD) as well as including buildings in the EU Emissions Trading System. We continue to track how else Fit for 55 may impact our business.

We are developing processes to comply with the Commission's new mandatory Directive on Corporate Sustainability Due Diligence Directive (CSDDD), encompassing companies' entire value chain and all proportionate and commensurate measures to prevent adverse impacts on human rights, governance, and the environment.

Swift help for Ukrainian refugees

The day after the Russian invasion of Ukraine on 24 February, Heimstaden made a donation of SEK 15.5 million (EUR 1.5 million) to SOS Children's Villages' emergency response fund. Only a week later, we made hundreds of apartments available, mostly in the Czech Republic, as emergency housing for displaced families. Today we make available close to 950 homes to refugee families, including Germany, Denmark, the Netherlands and Norway. In addition, we performed an extraordinary screening of our supply chain to ensure compliance with EU sanctions.

2022 Neighbourhood Hero

The Neighbourhood Hero award was initiated by Heimstaden in the Netherlands to honour individuals who went out of their way to help their local community during the Covid-19 pandemic. Election was open to the public. Among 150 nominees, this year the award went to Meltem Tamzok of the Amsterdam Public Library (OBA) for her role in helping people in her neighbourhood, including through the Buurtzus program which promotes self-development and creativity among young girls and women. Meltem won a Neighbourhood Party with her neighbours, as well as a new bicycle.

2023072106225

Sustainability Achievements in 2022



Heimstaden Czech Wins Prestigious Prize for Social Housing Efforts

The Business for Society Alliance in Prague voted Heimstaden Czech as the 'TOP Responsible Company 2022' for its cooperation with local NGOs to provide social housing for people in need. Nominated social and environmental sustainability projects were assessed by 60 independent judges.



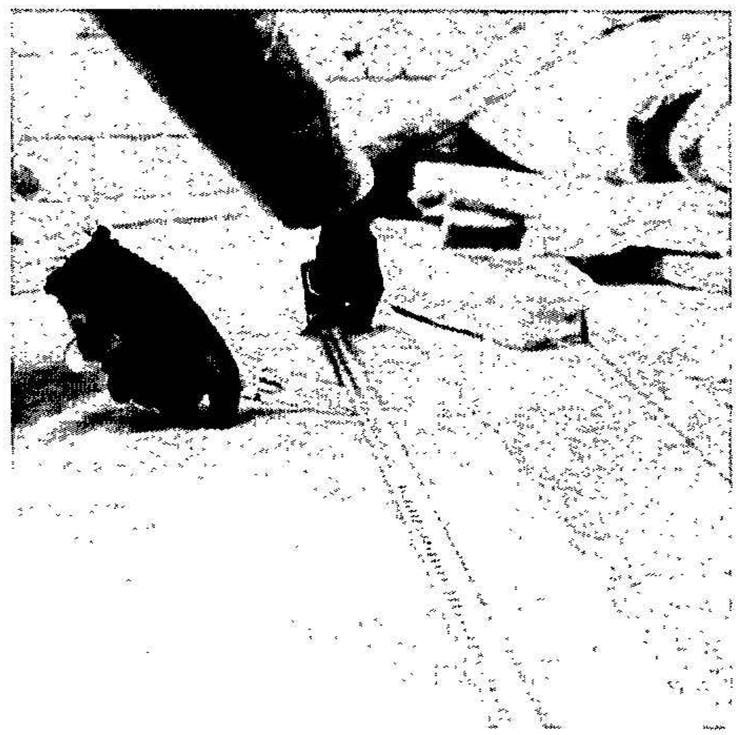
Skillsharing with SOS Children's Villages

We continue to explore different ways of creating impact through A Home for a Home. In Q2, we launched a skill-sharing programme pilot, whereby Heimstaden employees support SOS with expertise in learning & development, business development, and carbon footprint measurement.



Heating Optimisation in Germany

Heating accounts for the majority of our buildings' energy usage and related carbon emissions. We have performed hydraulic balancing in 34 buildings and replaced 12 old heating systems in Germany this year, decreasing our carbon emissions by an estimated 400 tonnes per year.



Thermal Insulation in Czech Republic

Our thermal insulation project saves 20-35% of energy-related carbon emissions from heating. In 2022, we have finalised this project on more than 2,000 apartments.

2023072106226

Memorable First Year of A Home for a Home

In the summer of 2022, we celebrated the first year of our A Home for a Home partnership with SOS Children's Villages. Last year, we donated around SEK 125 million and have through 42 programmes in total supported 55,000 children in 25 countries around the world.

We believe in equal opportunities for all, starting with giving children and youths the best foundation to grow and prosper. So far, we have supported over 55,000 children and young people to a better start in life. Our societal impact will increase in the years to come.

In alignment with our values and expertise, the four key focus areas of our partnership comprise access to a safe home while growing up, access to a safe home when leaving care, access to activities for social integration, and building a skillset to become self-sufficient. Programmes we support include family strengthening, improved foster care, youth vocational training and support, and advocacy at local and government levels.

More than a donation
Contributing to building safety nets for children and their families is a key component of social sustainability, but A Home for a Home represents much more than just a financial donation to a worthy cause. Our ambition is also to set a new standard for cooperation between NGOs and private corporations through leveraging our resources and expertise to maximize our impact.

You can read about all our programmes and activities on our website.

2022 Highlights

55,000
children supported since inception

25
countries

27
global SOS programmes

15
local co-created programmes



2023072106227

Investment Market and Transaction

Prudence in a Turbulent Financial Climate

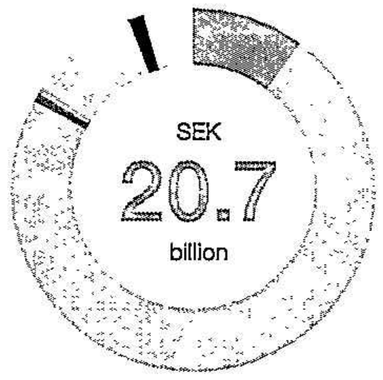
In 2022, we experienced an abrupt change in market conditions with an unprecedented sharp increase in inflation causing tightened financial market conditions, coinciding with Russia's invasion of Ukraine and a European energy crisis. The combination of rising interest rates and an outlook of reduced growth caused a slowdown in transaction volumes and provided for increased caution.

As a result of the changed market conditions, 2022 was a less active transaction year for us than previous years. We have continued to be visible in the market and tracked all deal flows to be able to act on appealing transactions, given current market circumstances, in line with our strategy.

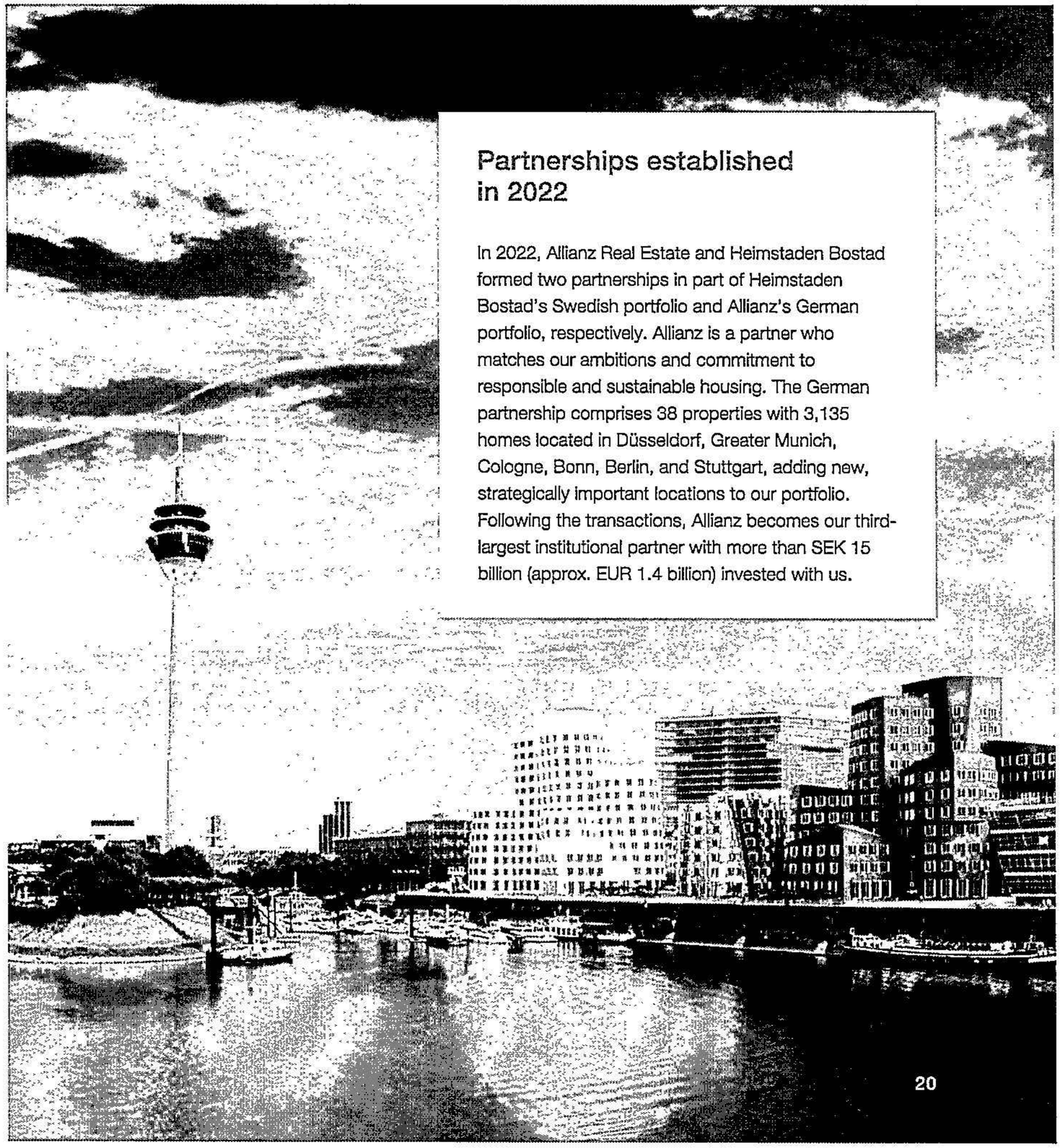
Among the transactions carried out, we executed a larger acquisition from SATO in Finland, in line with our stated strategy to target operational scale in our new markets, which our new-build transactions in the UK (Edinburgh) and Poland (Warsaw) were a testament to as well.

As uncertainty about peak inflation and the consequences of the European energy crisis on the economy intensified during the summer months, we felt pausing portfolio expansion was the only responsible course of action. Prudently analysing supply/demand balances and affordability metrics are the key foundation of our investment philosophy. To ensure the best

Acquisitions Closed in 2022
SEK billion



Sweden	2.1
Germany	11.6
Denmark	3.5
Netherlands	0.2
Norway	0.1
Finland	2.0
United Kingdom	0.3
Poland	0.9



Partnerships established in 2022

In 2022, Allianz Real Estate and Heimstaden Bostad formed two partnerships in part of Heimstaden Bostad's Swedish portfolio and Allianz's German portfolio, respectively. Allianz is a partner who matches our ambitions and commitment to responsible and sustainable housing. The German partnership comprises 38 properties with 3,135 homes located in Düsseldorf, Greater Munich, Cologne, Bonn, Berlin, and Stuttgart, adding new, strategically important locations to our portfolio. Following the transactions, Allianz becomes our third-largest institutional partner with more than SEK 15 billion (approx. EUR 1.4 billion) invested with us.

2023072106228

possible risk-adjusted returns, we must take into account that many tenants are impacted by increased cost-of-living.

Looking ahead – financial discipline and guarded optimism

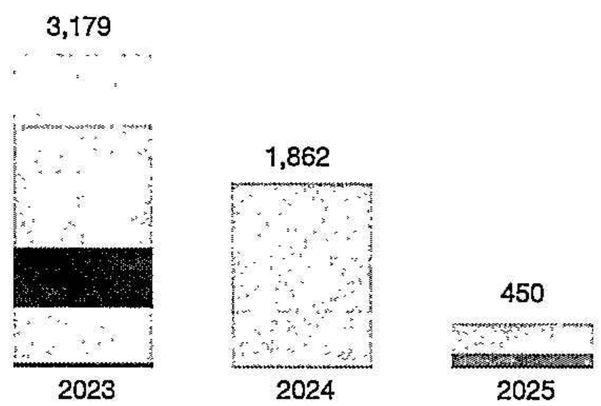
The fundamentals underlying residential real estate remain intact despite the turbulent market conditions. Supply/demand balances and rental growth are still benign. In all previous periods of increased uncertainty, the rental market has strengthened because of would-be home-owners' reluctance to make large investments at a time of high uncertainty. Consequently, we expect the high occupancy rates to continue and pricing of landlords to improve.

Although it seems headline inflation has peaked, there is still question marks around the stickier core inflation and how quickly that will return to acceptable levels for central banks. While we continue to see a recession in Europe as the most likely outcome, leading economic indicators are pointing in varying directions at present, and there is still possibility for a soft landing. Once we get better visibility on the macroeconomic consequences of the monetary tightening and where real rates are to stabilize after a year of large volatility, we will return to pursuing a responsible portfolio growth backed up by solid equity support.

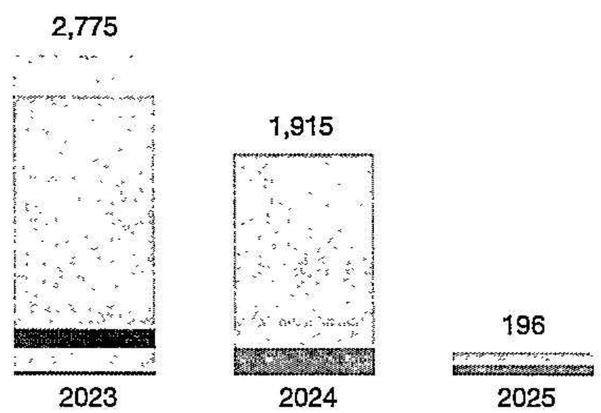
We expect supply of newbuild developments to be constrained as the increased cost of construction makes it difficult for developers to generate acceptable margins. Newbuild investments have become more challenging to make commercially viable, and in the current market environment, the required rent levels to support such viability would be associated with an affordability that in many cases would be perceived as unsustainable by us. With reduced supply of newbuilds and increased replacement costs being the driver hereof, we expect to see an exacerbated supply/demand imbalance across our markets, supporting residential capital values. Accordingly, we don't anticipate seeing large scale distressed residential sales during 2023.

On the personnel front, at the end of 2022, our investment function comprised eight local transaction teams with a combined staff of around 50 people.

Signed acquisitions[1]
SEK million



Signed acquisitions
Units



[1] *Signed acquisitions include standing assets and newbuilds and amounted to SEK 5,5 billion as at 31 December 2022. For more details, see Note 8.4.*

Significant Transactions in 2022 (in addition to the Allianz Partnerships)

February

Strengthening presence in Jönköping, Sweden
SEK 1.7 billion investment of Vätterbygdens Byggnads's portfolio comprising 806 residential units and 21 new attic apartments under construction.

April

Expansion in Finland
Acquisition of 64 properties comprising 2,009 residential and 30 commercial units from residential company SATO, mostly in the cities of Oulu, Lahti, and Jyväskylä.

Residential project in Edinburgh
Funding and acquisition of PLATFORM's 464-home residential project for SEK 1.5 billion. A turnkey contract was placed simultaneously and practical completion is scheduled for mid-2024.

Residential project in Warsaw
Acquisition of 400-apartment residential project from the developer Dantex. The turnkey forward-funded acquisition is scheduled for completion mid-2024.

Expansion of portfolio in Hamburg
Acquisition of 513 apartments in Hamburg that also offers development potential for the construction of around 90 residential units.

2023072106229

Property and Asset Management

Strong Focus on Energy Savings

Coming into 2022, our modernization programme of standing assets in pursuit of long-term value creation continued with strong results. However, following the war in Ukraine we adjusted the programme in favor of a less capital-intensive, more ESG-driven focus on energy sustainability. Doing so, allowed us to maintain optionality for more intensive programmes in the future, while leveraging digital tools to drive operational performance across all markets.

Ability to adapt to uncertainty shows resilience
In 2022, the market was hit by rising inflation and material costs creating a period where assessing acceptable yields and associated costs was uncertain. Accordingly, we adjusted our CAPEX plans to reduce discretionary spending and postpone a significant share of those projects. Cost inflation also hit the construction industry directly and the timing for negotiating certain projects was sub-optimal, further supporting the postponement of projects for a more favourable environment. Despite the average cost per square meter increasing by 8% in our Tenant Improvement programme, our unlevered yield on investment for the year grew from 6.5% to 7.5% in 2022 while completing 831 more units than previous year, proving the programme's strong resilience to inflation and accretive returns.

Optionality makes us agile
Our CAPEX programme is highly optional allowing us to deploy different measures and levers to adapt to market developments. These programmes include Tenant Improvements and apartment modernizations, ongoing maintenance focusing on value preservation, opportunistic value-added investments such as attic and commercial conversions, and energetic modernizations to reduce consumption and carbon emissions. With little mandatory spending, we can optimize our strategy based on market conditions. Our sustainability CAPEX category will grow in-line with our Science Based Targets Initiative commitment, as we see opportunities in the transition to more energy efficient buildings while utilizing cleaner heating. We plan to do so at attractive yields above 5% on a portfolio level while simultaneously delivering savings for our tenants' overall cost and reducing CO_2 emissions.

Protecting affordability while growing NOI
We contribute to a more sustainable future by reducing our overall need for source energy and reducing CO_2 emissions. By investing to offset energy-related costs in the long term, we are reducing utility costs for tenants and the property as a whole, creating accretive returns via both income and savings. In addition, we are advising our customers on how to save money on their energy bills, which also helps the planet and the current energy shortfall in Europe, as everyone needs to be stricter on energy consumption.

Secure and low risk New Build Pipeline
In most new construction projects, we are acquiring assets through forward-funding or forward-purchase structures with a turn-key development partner who inturn holds the direct risk of the construction costs and supply chain. We therefore run very low exposure to the development market as we only fund according to milestones and in accordance with the value completed on-site. Our turn-key partners are well vetted and with generally strong balance sheets which are further supplemented with the added certainty of performance guarantees and various relevant security packages resulting in a solidified pipeline of forward projects.

Ongoing quest for excellence
A slower acquisition market in 2022 gave us the opportunity to focus more on resharpening our existing tools and processes for future growth and optimized operational performance through further embedding of operational excellence in all countries. By implementing Operations handbooks, we have provided a service catalogue and guidelines for each vertical to promote One Way of Working, share experience, and establish best practice across markets.

Data drives efficiencies
Our implemented monthly KPIs are rooted in high-quality data on everything from annualised number of letting contracts per letting officer, to how many days it takes to renovate an apartment, and maintenance costs per square meter. This reduces risk and provides insight to further improve our service offering. Meanwhile, our digital dashboards ensure real-time information flow across projects and provide strong alignment on KPIs throughout the organization.

MyHome empowers customers
We continued to roll out our customer portal, MyHome. Providing all relevant contract and payment documentation empowers tenants in their relationship with us. They can also enter and track service requests where and when they want. The platform enables us to allocate resources more efficiently and enhance customer satisfaction. We can analyse data to the unit level, as well as troubleshoot anomalies. Its value is clear from the huge decrease in service-related phone calls in the markets where MyHome has been launched. The platform is planned to be implemented in all markets by 2024.

2023072106230

Investment Properties

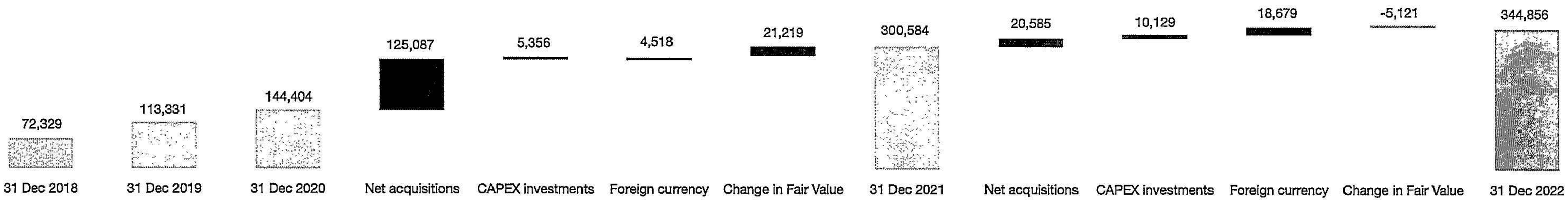
Fair Value of investment properties increased from SEK 301 billion at 31 December 2021 to SEK 345 billion at 31 December 2022, mainly through acquisitions of SEK 21 billion, and currency translation gain of SEK 19 billion. The portfolio includes 158,326 homes across nine markets. Residential units made up 93% of Fair Value and 59.8% of residential income came from regulated units.

Valuation of Heimstaden Bostad's portfolio is performed by independent external valuers. For more details, see Note 3.1 on page 59 of this report.

2022 turned out to be a year of shifting in the macro and geo-political climate that have had spill-over effects into the residential real estate sector. The invasion of Ukraine and high inflation leading to an unprecedented pace of interest rate hikes from central banks have been important drivers in the year. Persistent supply-demand imbalance combined with a sharp decline in newbuilds point to a continued strong demand for residential units. Affordability continues to be a key topic across European residential markets. We are maintaining our disciplined approach to ensure our portfolio offers a sustainable affordability profile.

In 2022, Heimstaden Bostad has seen muted transaction activity in the second half of the year. We continued to grow in Sweden, UK, Netherlands, Poland, Finland, and Germany in the first half of the year. We remain true to our sustainability goals by investing in our existing portfolio. Ensuring continuous upgrades to ensure long-term durability and improved energy efficiency and catering for tenant preferences.

Fair Value of Investment Properties
SEK billion



Portfolio Overview

Country	Fair Value, SEK million	Homes	Fair Value/sqm, SEK	Residential Area, %	Regulated Income,[1] %
Sweden	96,851	44,785	30,671	91.4	100.0
Germany	92,820	29,704	46,443	92.3	100.0
Denmark	73,640	19,815	38,092	94.9	15.5
Netherlands	30,048	13,464	28,329	98.2	53.4
Czech Republic	23,443	42,593	9,050	96.0	27.9
Norway	20,338	4,453	91,566	84.7	0.0
Finland	3,837	3,170	22,818	96.2	0.0
United Kingdom	2,854	60	75,651	88.3	0.0
Poland	1,026	282	40,844	89.3	0.0
Total	**344,856**	**158,326**	**30,940**	**93.0**	**59.8**

[1] *Residential units*



Capital Structure

Funding Overview

Owning, managing, and developing residential real estate requires stable and favourable access to capital. We safeguard the availability of borrowed capital at attractive terms through a well-diversified financing structure and by owning high-quality properties that generate solid cash flows.

Heimstaden Bostad has a financial policy in line with an investment grade rating that supports our long-term strategy and maintains a well-diversified financing structure with a robust balance sheet and strong credit metrics.

The key credit metrics Interest Coverage Ratio (ICR) and Loan-to-Value (LTV) have weakened somewhat in the second half of 2022 due to increasing interest rates and valuation yields. Both S&P and Fitch affirmed the BBB investment grade rating, but revised the outlook from stable to negative. S&P adjusted the rating thresholds for the current rating level to EBITDA Interest Coverage Ratio sustainably above 1.8x (down from 2.4x) and Net Debt to Net Debt plus Equity below 60% (up from 55%).

Funding strategy

With a staggered debt maturity profile and a balanced mix of debt instruments, we are well positioned to meet the tightened financial market conditions.

Capital market activity

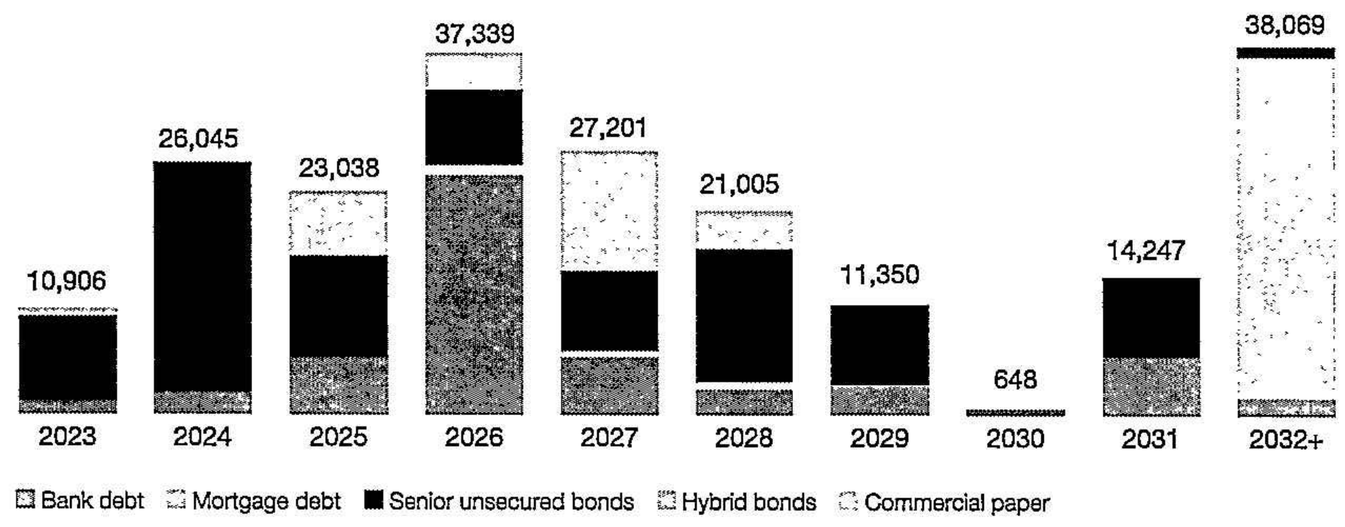
At the end of the year, Heimstaden Bostad had SEK 91,051 million in senior unsecured bonds and SEK 24,330 million in hybrid bonds outstanding. See note 6.3, page 73 for more information on exchange and debt issuances after the balance sheet date. For more detailed information on Heimstaden Bostad's debt instruments, please see our website.

Financial Policy

		Policy	Q4 2022
ICR, rolling 12 months, S&P method	Multiple	≥ 2.4	2.6
Net Debt / Net Debt + Equity, S&P method	%	< 55	52.6
Average Loan Tenor	Years	≥ 4	8.3
Loan Maturity in Individual Year	%	≤ 25	18
Share of Loans From Individual Lender	%	≤ 20	8.1
Interest Rate Hedge Ratio	%	≥ 75	76.3
Quick ratio	%	≥ 1.25	1.49

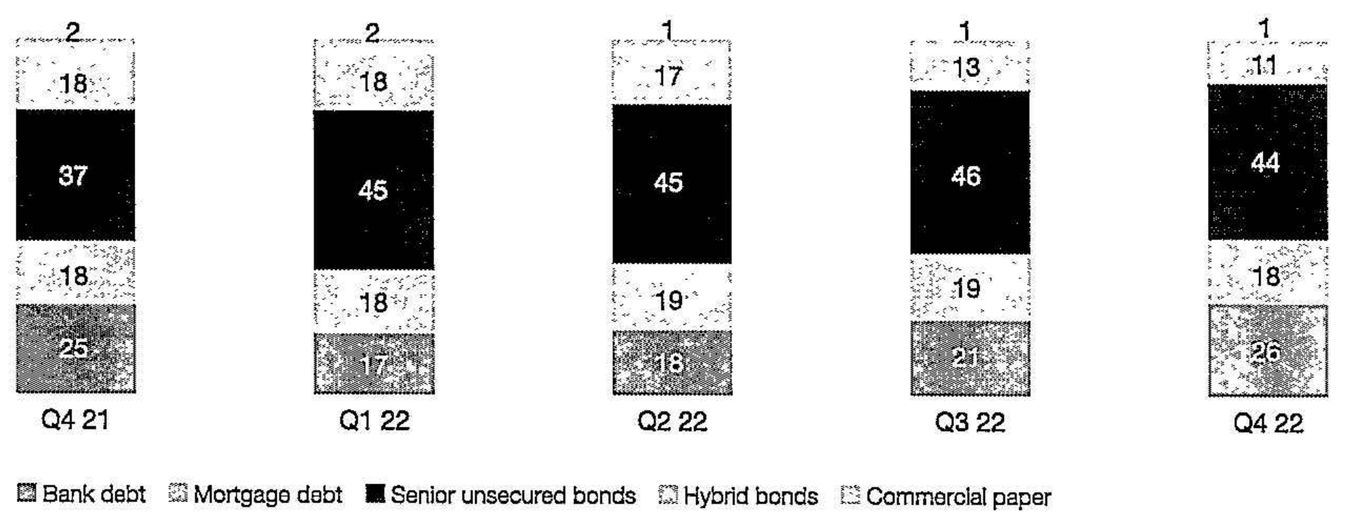
Debt Maturity Profile

SEK billion



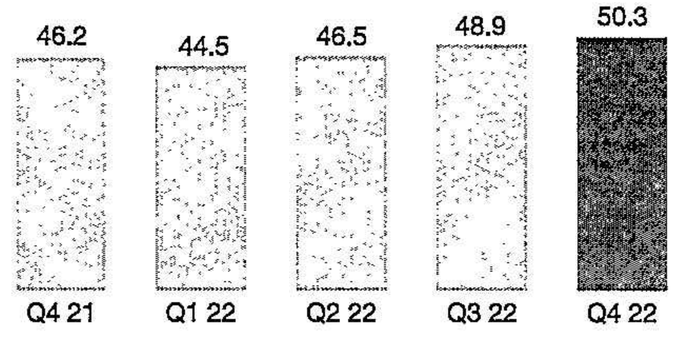
Funding Distribution

%

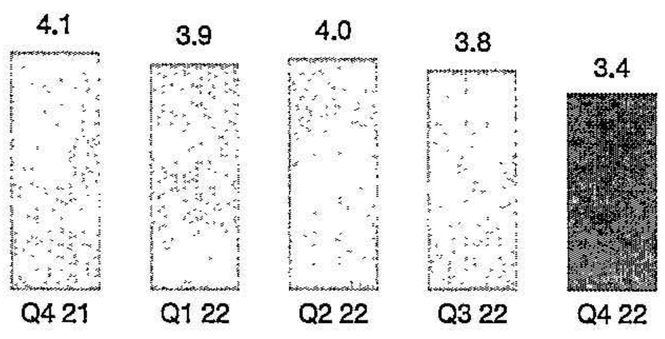


Credit Metrics

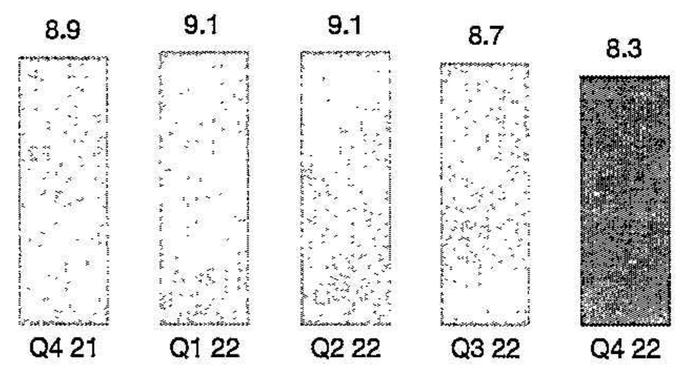
Net Loan-to-Value (LTV)
%



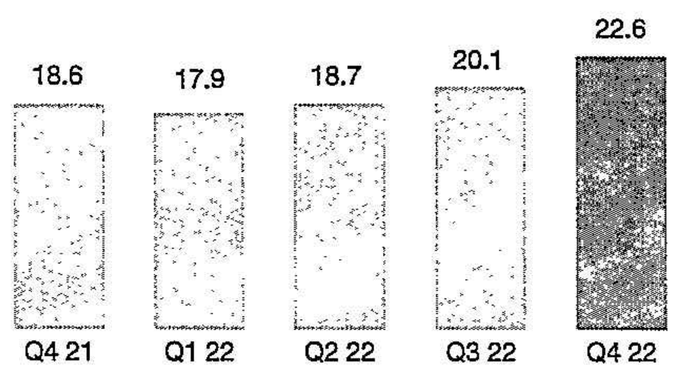
ICR
multiple



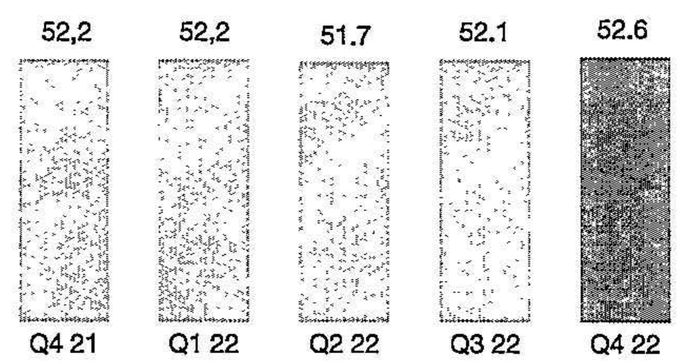
Average Loan Tenor
years



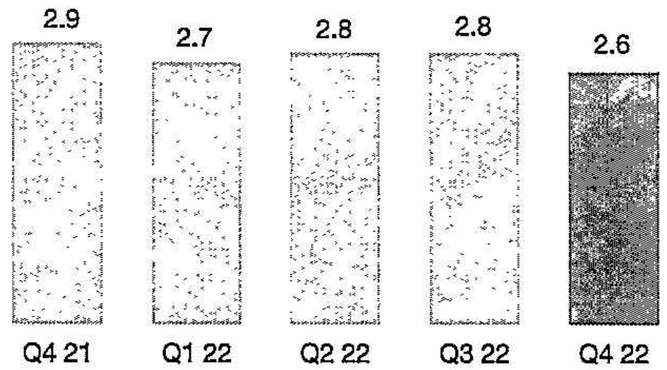
Secured LTV
%



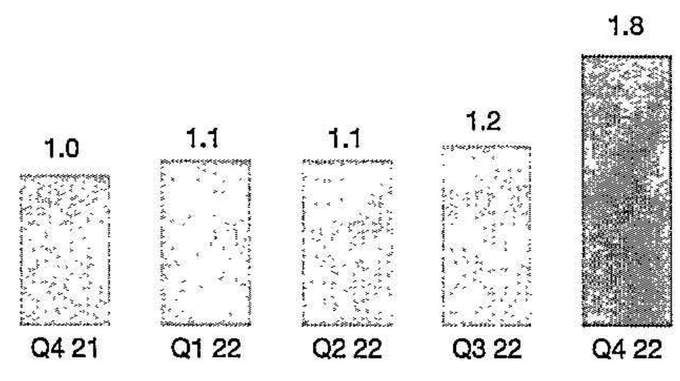
Net Debt / (Net Debt + Equity), S&P Methodology
%



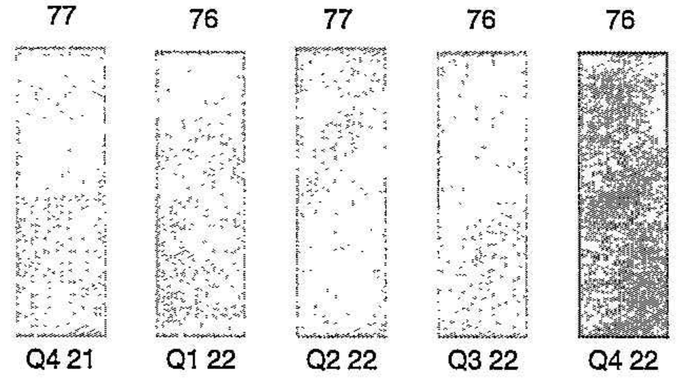
ICR, S&P Methodology
multiple



Average Interest Rate
%



Interest Rate Hedge Ratio
%



2023072106234



Youth Apartments in Norway

In a pilot under our A Home for a Home programme, young adults leaving foster care moved into Heimstaden Bostad's apartments. For the first time they will be living on their own, giving them a stable base for a good start in their independent adult lives. The pilot is a collaboration between Heimstaden, SOS Children's Villages, and Child Protection Services.

More information about the programmes







"Heimstaden Bostad has committed to high standards of corporate governance, risk management, and compliance in our operations. During 2022, we further strengthened our governance, risk, and compliance framework. The Board is committed to continue this work going forward, ensuring long-term trust from our stakeholders."

Casper von Koskull
Chairman of the Board

Governance Report

Good corporate governance is an important element in Heimstaden Bostad's corporate culture and in enhancing our shareholders', customers', and employees' trust in us, as well as that of the communities in which we operate. The corporate governance model is designed to support the Board and Group Management in their work to ensure the Company's sustainable success through their day-to-day management efforts.

The general mandate from the shareholders is to provide a high and stable long-term return. Ensuring this requires good corporate governance with a clear separation of responsibilities between the shareholders, the Board, and Group Management.

Rules and regulations
As a Swedish public limited liability company with corporate bonds listed on Euronext Dublin and the Oslo Stock Exchange, the Company is subject to numerous rules and regulations. The framework for corporate governance includes the following:

- the Swedish Companies Act
- the Swedish Annual Accounts Act
- the Company's Articles of Association
- the Shareholders' Agreement between Heimstaden AB and the institutional investors ('the Shareholders Agreement')
- directions given by the general meeting
- the Swedish Corporate Governance Code 'the Code'
- other Swedish and foreign laws and regulations, as applicable.
- Heimstaden Bostad's Key Policy framework

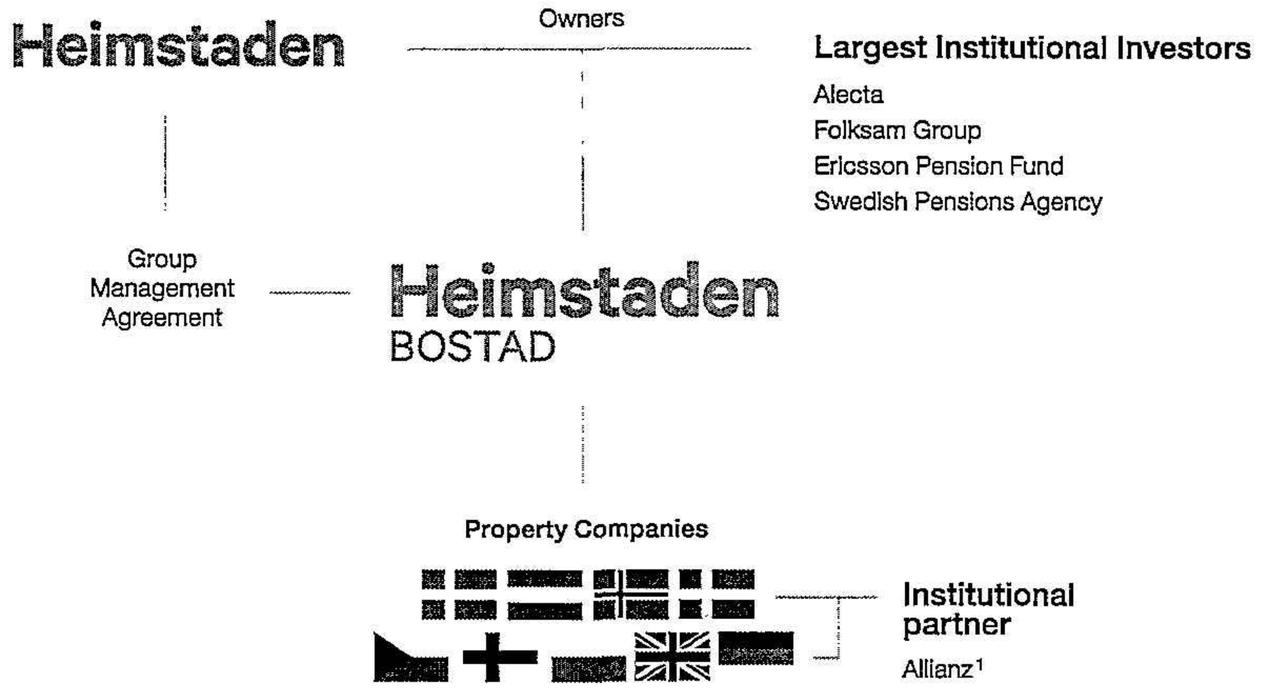
The Company contracts Heimstaden AB (through its subsidiary Heimstaden Group Manager AB, 'the Manager') as group management. The Manager holds the strategic and administrative responsibility of the operations of the Company, and the Board performs the oversight of the Manager's execution and the Company's obligations. The responsibilities of the Manager are stipulated in the Group Management Agreement.

Following the reorganisation in July 2022, Heimstaden Bostad owns, through its subsidiaries, the operational platform performing the portfolio property and facility management. Heimstaden AB, as the Manager, has the supervision and oversight of the performance under the Country Management Agreements.

In addition to the Shareholders' Agreement, Group Management Agreement and the Articles of Association, the Company also adheres to an internal key policy framework defining the way we work.

Heimstaden Bostad has decided to follow those parts of the Code that the Board considers to be relevant for the Company in relation to its operations and the ownership structure. This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code. Deviations from the Code can be seen on page 32.

Simplified Company Structure



Largest Institutional Investors

Alecta
Folksam Group
Ericsson Pension Fund
Swedish Pensions Agency

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

[1] Heimstaden Bostad/Allianz partnership owning part of the Swedish and German portfolio. Consolidated as Group companies.

Share structure and owners
Heimstaden Bostad is owned by Heimstaden, together with long-term institutional investors. Heimstaden has substantial experience in acquiring, developing, and actively managing residential real estate and is the group manager of Heimstaden Bostad.

Shareholders hold a stapled combination of preference B shares and common shares. Preference shares have seniority and rights to a predefined level of dividends but carry lower voting rights than common shares. Dividends on common shares are determined at the Annual General Meeting and are subject to the profit of the year, the financial policy, and overall liquidity needs.

Heimstaden holds a higher proportion of common shares to B shares compared to the institutional investors.

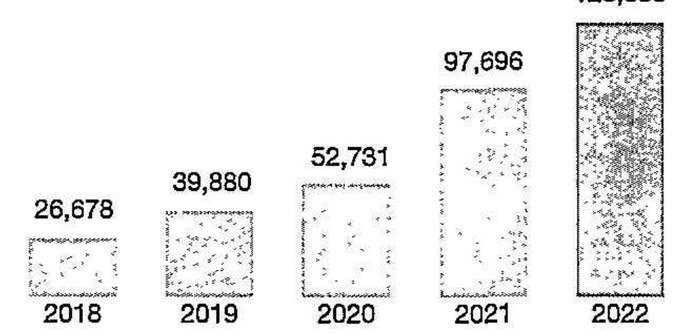
2022 share issuances
March: Raised SEK 3.4 billion in new equity from existing owners.

July: SEK 6.9 billion in new equity from existing owners, funding a buyback of hybrid bonds in the amount of EUR 868 million.

December: SEK 750 million in new equity from existing owners, funding a buyback of bonds.

Partnership with Allianz
Allianz Real Estate and Heimstaden Bostad formed two partnerships in part of Heimstaden Bostad's Swedish portfolio and Allianz's German portfolio, respectively. Following the transactions, Allianz has more than SEK 15 billion (approx. EUR 1.4 billion) invested with us.

Cumulative Capital Injections[3]
SEK million



Ownership Structure as of 31 December 2022
SEK billion

	Year of initial investment	Total Capital[2]	Capital Share, %	Voting Share, %
Heimstaden AB	2013	62.3	42.1	50.1
Alecta	2013	52.7	35.6	30.8
Ericsson Pension Fund	2013	2.2	1.5	1.3
Folksam Group	2020	25.5	17.2	14.8
Swedish Pensions Agency	2021	2.8	1.9	1.6
Others		2.3	1.6	1.4
Total		147.9	100.0	100.0

[2] Net asset value excluding non-controlling interest and Hybrid bonds with accrued interest. See page 102 for details.
[3] SEK 23,4 billion of dividends were reinvested in new share issues. See page 69 for more details.

2023072106237

General Meetings

The shareholders' influence is exercised at Annual General Meeting (AGM), which is Heimstaden Bostad's highest decision-making body. Shareholders are entitled to attend and vote at the AGM, either in person or through a proxy. The AGM is held once a year.

The AGM adopts the Articles of Association, and at the AGM, the shareholders elect Board members, the Chairman of the Board, and the auditors, and determine their fees. Furthermore, the AGM approves the Financial Statements, the disposition of the Company's profit, and resolves whether to discharge Board members and the CEO from liability to the Company.

2022 Annual General Meeting

The 2022 AGM took place per capsulam on 30 March 2022. All shareholders participated at the AGM. A summary of the minutes and information about the 2022 AGM can be found at www.heimstadenbostad.com.

Among other things, the AGM decided:

- To approve the Financial Statements.
- To allocate of the Company's profit in accordance with the proposal – that is, a maximum of SEK 26,584,981,433 will be distributed to the shareholders and SEK 97,618,078,637 will be carried forward to a new account.
- To discharge the Board and CEO from liability for the 2021 financial year.
- To re-elect Board members Casper von Koskull, Stefan Attefall, Axel Brändström, John Giverholt, Frans Heijbel, Birgitta Stenmark, Vibeke Krag, Bente A Landsnes, and Ivar Tollefsen.
- To re-elect the Chairman of the Board Casper von Koskull.
- To re-elect EY as auditors.
- To approve the issue of ordinary shares and Series B9 preference shares in accordance with the Board's proposal.
- To approve the remuneration proposed for the Board and the auditor.

2022 Extraordinary General Meetings

In 2022 the Company held three extraordinary general meetings adopting the Share issuances further described on page 69.

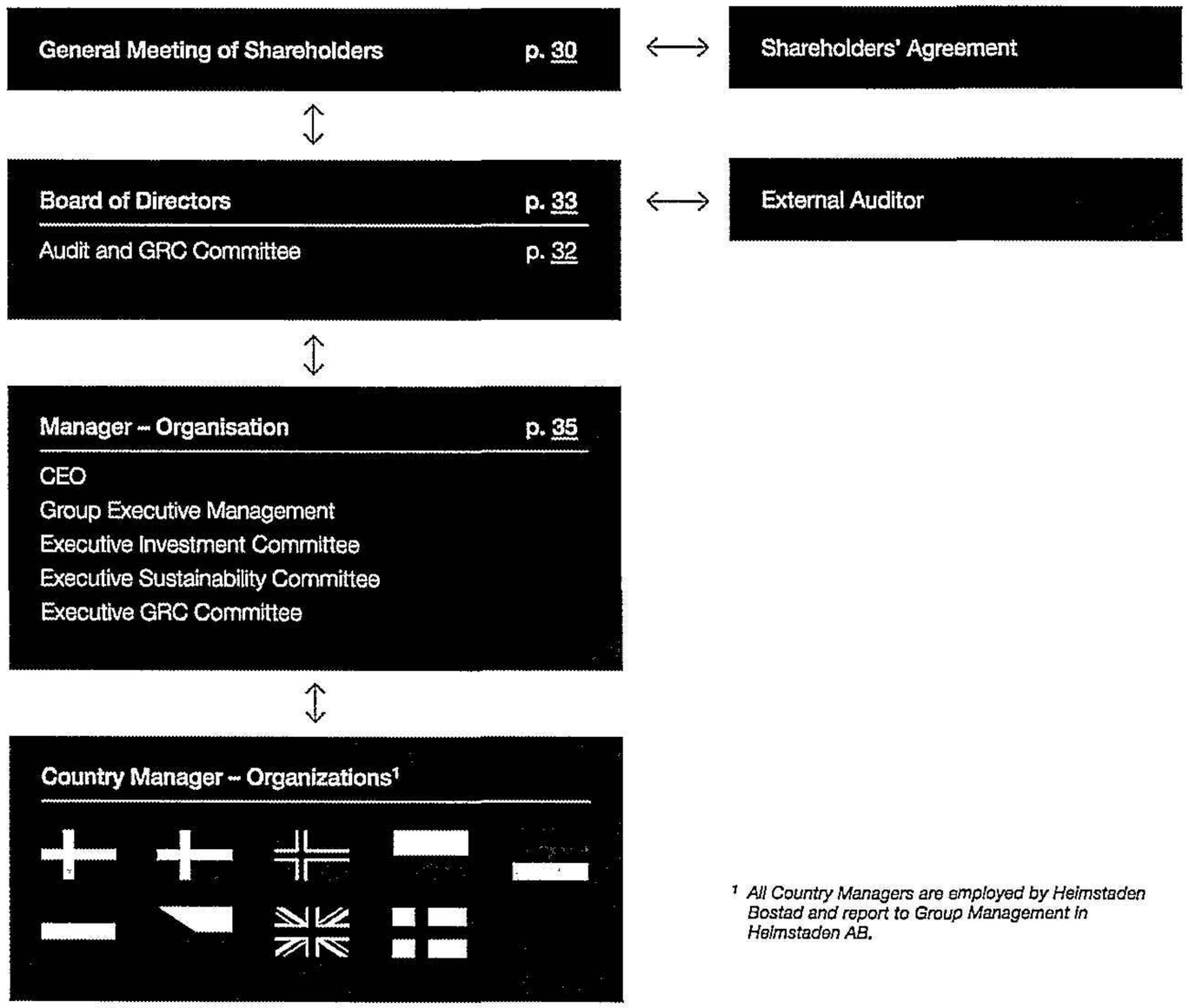
For information regarding shareholders and Heimstaden Bostad's corporate bonds, see page 74 and www.heimstadenbostad.com.

Nomination Committee

Board members are elected by the AGM for a period that lasts until the end of the next AGM. Given its limited ownership base, the shareholders of Heimstaden Bostad have resolved not to establish a Nomination Committee, since the Shareholders' Agreement regulates shareholders' right to nominate Board members. At most, six out of eleven Board members are nominated by the majority shareholder, Heimstaden. The largest institutional owner nominates two members and the second and third-largest institutional owners nominate one member each.

Corporate Governance Structure

Heimstaden Bostad's business operations are managed, controlled, and followed up in accordance with the Shareholders' Agreement, the Group Management Agreement, Country Management Agreements, and policies and instructions established by the Board and the Manager.



[1] *All Country Managers are employed by Heimstaden Bostad and report to Group Management in Heimstaden AB.*

2023072106238

Board of Directors
The Board has overarching responsibility for the oversight and organization of the operations of the Company.

The Board is responsible for Heimstaden Bostad's organisation and the management of Heimstaden Bostad's affairs. In accordance with the Articles of Association, the Board shall consist of at least three and at most 11 members, with a maximum of five deputies. Board Members are elected annually at the AGM for the period up to the end of the following AGM. Except for the responsibilities vested in the Audit and Governance, Risk and Compliance (GRC) Committee.

The Board has adopted Rules of Procedure that regulate the Board's work as well as an instruction to the Audit & GRC committee.

The Chairman of the Board is responsible for the work of the Board being well organised and conducted efficiently, and for the Board meeting its commitments. The Chairman is responsible that the other Board Members receive the information and documentation necessary for a high level of quality in discussions and decision-making, and for verifying that the Board's decisions are implemented.

The tasks of the Board include, inter alia:
- execute and oversee that the Company delivers on the overall objectives and strategy of the Company
- approval of material financial and real estate transactions
- appointing, evaluating and, if necessary, dismissing the CEO
- defining appropriate internal guidelines in internal steering documents on the Company's ESG policy, with the aim of ensuring its long-term value creation capability
- approve sustainability strategy and yearly sustainability reporting
- ensuring that there is an effective system for follow-up and control of the Company's operations and the risks to the Company that are associated with its operations
- ensuring that there is a satisfactory process for monitoring the Company's compliance with laws and regulations relevant to the Company's operations, as well as the application of internal guidelines in internal steering documents
- ensuring that the Manager's execution of the Company's external communications is characterised by openness, and that they are accurate, reliable, and relevant

The Board's work follows a yearly plan. In 2022, the Board held 30 meetings. The relevant Senior Executives at the Manager and the Board secretary participate in Board meetings. Other executives of the Manager participate whenever required. The Manager's CEO and other executives present the operational and financial development at ordinary Board meetings. The Board conducts reviews with the auditor, at which reports from the auditor are addressed. The auditor also holds meetings with the Board without management attending.

For further information regarding Board members, see pages 33–34 and Note 2.6 on page 55.

Highlights of the Board's agenda in 2022[1]

First quarter
- Approving Annual Report 2021
- Approving Annual Sustainability and Governance Report 2021
- Review of balance sheet and capital structure and dividend recommendation
- Meeting with external auditors
- Reviewing Finance, Rating, Market and investment strategy
- Approving revised Climate Targets
- Notice for Annual General Meeting
- Constitutive meeting with new board of directors

Second quarter
- Approving Q1 report
- Review of updated forecast for FY 2022
- Market update and review of finance and operations
- Orientation from the Chairman of the Audit and GRC Committee
- Approving new long-term contractual framework for the Company
- Approving acquisition of operational platform from Heimstaden AB

Third quarter
- Approving Q2 report
- Share issue and buy back of listed debt instruments
- Review audit plan
- Market update and review of finance and operations
- Orientation from the Chairman of the Audit and GRC Committee
- Change to board composition and appointment of deputy CEO

Fourth quarter
- Approving Q3 report
- Market update and review of finance and operations
- Approving updated Governance Framework, including a new Key Policy Framework
- Approving updated BOD instruction and instruction to Audit & GRC Committee
- Approving updated Sustainability Policy and ESG Targets (in line with the Paris Agreement)
- Orientation from the Chairman of the Audit and GRC Committee
- Onboarding program for new Board of Director (BOD)
- Share issue and buy back of listed debt instruments
- Approving partnership with Allianz in Germany
- Approval of 2023 budget

[1] *In addition, the Board of Directors approved numerous financial and real estate transactions as well as matters to be handled by the Board of Directors according to the Shareholders' Agreement.*

2023072106239

Audit and GRC Committee

The Board's overarching responsibility cannot be delegated. However, the Board has, as part of its strong commitment on governance, risk and compliance, expanded the Committee's mandate to deal with Audit and Governance, Risk and Compliance issues, and to prepare such issues for decision by the Board.

The Committee is a preparatory and advisory working committee for the Board of Heimstaden Bostad with regard to governance, risks, financial reporting, and external audits, internal control, compliance, risk management processes and systems. The Committee is appointed by the Board and shall report to it regularly. If necessary, the Committee proposes measures on which the Board decides.

In 2022, the Committee consisted of the following members: John Giverholt (Committee Chairman), Axel Brändström, and Bente Landsnes. All members are independent in relation to the Company and its Senior Executives, one member is independent in relation to the larger shareholders, and the Chairman is the financial expert in accounting.

Evaluation of the Board

The Chairman of the Board is responsible for evaluating the Board's work, including the efforts of its individual members. This is achieved by means of an annual, structured evaluation.

Remuneration to Board Members and Senior Executives

The remuneration to the Board is indirectly regulated by the Shareholders' Agreement, which stipulates that no remuneration shall be paid out to the Board Members, except for the chairman of the Board and Board Members nominated in accordance with the Shareholders' Agreement (and who is not employed by a party to the Shareholders' Agreement).

No remuneration is paid to the senior executives since the Manager function is provided by Heimstaden AB.

The AGM sets the total fees for the directors of the Board and decides how the fees are to be distributed among the directors and the Board's committees. The independent directors are renumerated as follows; Casper von Koskull (Chairman of the Board) SEK 960,000 and Bente A. Landsnes SEK 300,000, respectively.

Composition and diversity

The Board of Heimstaden Bostad shall comprise a well-balanced mix of individuals holding the required skills, expertise, background, gender, age, as well as independence from Company and main shareholders, ensuring that the Company delivers on its strategic goals in a responsible and successful manner. Heimstaden Bostad is working to achieve a balanced diversity mix and in 2022, the Board comprised 44% women and 56% men.

Furthermore, the Board is ensuring focus on diversity in its operations via the Manager, which have implemented two policy documents, 'Equal rights and opportunities', and 'Discrimination and offensive treatment', asserting that diversity represents a strength for the Group.

Board independence

Heimstaden Bostad complies with the Code regarding requirements that the majority of the Board Members elected by the AGM must be independent in relation to Heimstaden Bostad and its Senior Executives, and that at least two of these are also independent in relation to Heimstaden Bostad's main shareholders (i.e., shareholders holding more than 10% of the shares and votes in the Company).

Deviations from the Code

Heimstaden Bostad complies with the rules set out in the Code, except as explained below.

The Company deviates from the rules set out in 1.1 and 1.2 in the Code since all general meetings are held per capsulam and no physical meetings are held. Due to the limited shareholder group and the fact that all shareholders consent thereto, there is no need for public disclosures of general meeting dates or for carrying out physical meetings.

The Company deviates from the rules set out in 1.3, 2.1–2.7, 4.6 and 8.1 in the Code since no nomination committee has been established. Due to the limited shareholder base and the fact that the shareholding and appointment of Board Members is regulated by the Shareholders' Agreement, there is no need for a nomination committee. Any responsibility normally vested in a nomination committee is regulated either by the Shareholders' Agreement or handled by the Board as a whole.

The Company deviates from the rules set out in 9.1–9.9 in the Code since no remuneration committee has been established and no formal remuneration guidelines are applied by the Company. In Heimstaden Bostad, Board remuneration is regulated by the Shareholders Agreement. No remuneration is paid to the Senior Executives as the Manager function is provided by Heimstaden.

The Board has made the assessment that the Company currently does not need a formalised internal audit beyond the existing processes and functions for internal governance and control. Follow-up is performed by the Board and Group Management, and the level of control is currently assessed to meet the Company's needs. An annual assessment is made as to whether an internal audit function is considered necessary to maintain good control within the Company.

External auditor

The Auditor is appointed by the AGM based on a proposal from the board. At the 2022 AGM, audit firm EY was elected for the period up to and including the 2023 AGM, with Authorised Public Accountant Jonas Svensson as the principal auditor.

Remuneration to auditor

SEK million	2022	2021
Audit engagement	29	24
Auditing activities beyond the audit engagement	2	5
Other assignments	1	–
Total	32	29

2023072106240

Board of Directors



Casper von Koskull
Chairman of the Board



Axel Brändström
Member



Birgitta Stenmark
Member



John Giverholt
Member



Stefan Attefall
Member

Year elected	2020	2020	2019	2019	2018
Born	1960	1968	1960	1952	1960
Nationality	Finnish	Swedish	Swedish	Norwegian	Swedish
Education	MSc, Aalto University School of Business, Helsinki	MSc Business, and Economics, Stockholm University, and Chartered Financial Analyst (CFA)	Master of Science, specialization Real Estate Economics	BSc, University of Manchester and MSc Accounting and Auditing, NHH Norwegian School of Economics	Bachelor's degree in political science and economics, Umeå University
Other assignments	Chairman of the Board of European Business Leaders' Convention and of Board Oy Fazer AB. Member of Citigroup inc. Montrose Associates, Ductor Oy, and Ahlström Capital.	Board Member of Swedish Airport Infrastructure AB and Skandia Fastigheter.	Board member of Tornet Bostadsproduktion AB, Sinoma Fastighets AB, Kvarnholmen Utveckling AB, and Sickdaön Bygg Invest AB.	Board member of Heimstaden AB and Fredensborg AS.	Strategic advisor to Veidekke Bostad AB. Member of the board of Hoivatilat AB.
Employment and work experience	Former President and CEO of Nordea, partner and head of Nordic Investment Banking at Goldman Sachs, London, and key positions in the financial sector in Europe and the US.	Head of Real Asset Investments at Alecta. Prior to that he was Chief Investment Officer at Skandia Investment Management, where he spent more than 15 years in various positions.	Head of alternative investments within Folksam Group. Previous experience as, among other things, Portfolio Manager and in Property Valuation.	Extensive experience of capital markets as CFO for DNB and CEO of Ferd. Former Board member of Telenor, Kongsberg Gruppen, Gjensidige Forsikring, and Scatec Solar as well as Board assignments in family-owned businesses.	Former member of the Riksbank's General Council and senior adviser to several companies in the Nordic construction and residential property segment. Former member of the Swedish Parliament and member of the Government as Minister of Housing and Public Administration.
Independent of Company	Yes	Yes	Yes	Yes.	No. Dependent in relation to the Company due to his consultancy assignment with Heimstaden AB.
Independent of Main Shareholder	Yes	No. Dependent in relation to the Company's main shareholders through his employment with Alecta.	No. Dependent in relation to the Company's main shareholders through her employment with Folksam Group.	No. Dependent in relation to the Company's main shareholders by relationship with ultimate principal shareholder of Heimstaden AB.	No. Dependent in relation to the Company due to his consultancy assignment with Heimstaden AB.
Own shareholdings and those of related parties in 2022	–	–	–	–	–
Attendance at Board meetings	29 of 30	28 of 30	29 of 30	27 of 30	30 of 30
Attendance at Audit and GRC Committee meetings	–	4 of 4	–	Chairman 4 of 4	–









	Vibeke Krag Member	Anna Magnusson Member	Bente A Landsnes Member	Ivar Tollefsen Member
Year elected	2021	2022	2021	2021
Born	1962	1977	1957	1961
Nationality	Danish	Swedish	Norwegian	Norwegian
Education	Master in Law, University of Copenhagen	Master of Laws, University of Stockholm		
Other assignments	Board Member of ATP, Gjensidige Forsikring ASA, Nykredit A/S, and the Danish Competition and Consumer Authority.	Board member of the Swedish Institutional Investors Association and member of The Stock Market Self-Regulation Committee.	Board member of Danske Bank and vice chair in Norbit ASA. Chair of the Board of Hvitsten AS.	Chairman of the Board of Fredensborg AS and Heimstaden AB.
Employment and work experience	Extensive experience of international leadership, portfolio management, law, and insurance from an operational career in financial services.	Extensive experience of leadership in the Swedish Ministeries of Finance and Business. Prior to joining Alecta, Anna was responsible for the corporate governance and management of the Swedish state's corporate protfolio. Former Board Member of Akademiska Hus, and Ersättningsmark I Sverige.	Extensive experience in financial services and licensed financial activities from, for example, Oslo Børs. Strong relationships with major international investors, and experience in digital transformation, change and reputation management, financial reporting, investor relations, corporate governance, and ESG. Former board member of Infront ASA, Oslo Clearing ASA, Verdipapirsentralen ASA, and Federation of European Exchanges (FESE).	Founder and majority shareholder of the voting rights of Fredensborg AS. Due to his control over Fredensborg AS, Ivar effectively controls over 50.1% of the votes of Heimstaden Bostad. In addition to his controlling shareholding, Ivar is deemed to be of great importance for Heimstaden Bostad due to his vast personal connections and business relationships.
Independent of Company	Yes	Yes	Yes	No
Independent of Main Shareholder	No. Dependent in relation to the Company due to her board position with Heimstaden AB.	No. Dependent in relation to the Company's main shareholders through his employment with Alecta.	Yes	No
Own shareholdings and those of related parties in 2022	–	–	–	Indirect majority shareholder in Heimstaden Bostad AB.
Attendance at Board meetings	27 of 30	7[1] of 30	30 of 30	28 of 30
Attendance at Audit and GRC Committee meetings	–	–	3 of 4	–

[1] *Elected as new board member in Q3, 2022.*

2023072106242

Manager's Senior Executives
Heimstaden Bostad contracts the Manager and thus has no senior executives of its own.

The CEO's responsibilities are governed by the Group Management Agreement and a written instruction defining the division of responsibilities between the Board and the CEO. The CEO reports to the Board and presents a CEO report at each Board meeting, including information on how the operations are developing based on the decisions made by the Board.

The Senior Executives at the Manager comprises 13 individuals, as illustrated on the right.

The Manager has organised its operations with a Group Executive Management to deliver on the scope of services under the Group Management Agreement, ensuring the Company's strategic and operational development and monitoring of performance.

To ensure the continued success of the Company, the Manager has organised its work under different Executive Committees, currently the following:

Executive Investment Committee
The Executive Investment Committee consists of key Senior Executives of the Manager and is chaired by the Board Member John Giverholt. It is responsible for reviewing and deciding on all real estate transactions, supported by the relevant investment teams, and ensuring attractive deal structuring and solid underwriting. The committee decides on the following matters:

- discretionary approval of real estate transactions below 500 million SEK
- decisions to recommend transactions above 500 million SEK to the Board of Heimstaden Bostad
- decisions to recommend entries into new markets in line with the Shareholders' Agreement.

Executive Sustainabilty Committee
The Chief Sustainability Officer chairs this committee and is responsible for developing the corporate sustainability strategy and ensuring implementation in all areas within the Company. The committee decides on the following matters in order to secure the best interest for the Company:

- matters that are to be presented to the Board
- matters of major importance or of importance as to principles
- matters of common concern to several departments
- sustainability-related policies and position statements
- KPIs and targets for the Company.

Executive GRC Committee
This is a group-wide committee that addresses all governance, risk, and compliance matters relevant for management in order to evaluate our business from a comprehensive governance, risk, and compliance perspective. The committee is tasked to:

- organisation of governance, risk, and compliance and alignment within management
- evaluate governance, risk, and compliance matters in the Company's activities
- support Management in embedding governance, risk, and compliance considerations into all major decision-making processes
- ensure that the governance, risk, and compliance management framework is implemented.

Manager's Senior Executives[1]



Helge Krogsbøl
CEO



Thomas Alexander Hansen
CFO



Eddo Rats
COO



Katarina Skalare
Chief Sustainability Officer



Christian Fladeland
Chief Investment Officer



Suzanna Malmgren
Chief People and Culture Officer



Steen Lønberg Jørgensen
Head of Capital Raising and Client Relations



Paul Spina
Chief Asset Management and Development Officer



Christian Vammervold Dreyer
Chief Corporate Communications Officer



Rodin Lie
Chief Technology Officer



Kristian Berentsen
Chief Legal Officer



Karmen Mandic
Chief Marketing Communications Officer



Nikolaj Degn Brammer
Chief Business Development Officer

[1] Senior Executive Management after changes made in January 2023.

2023072106243

Manager's Senior Executives

	Helge Krogsbøl CEO	Thomas Alexander Hansen Chief Finance Officer	Eddo Rats Chief Operating Officer	Katarina Skalare Chief Sustainability Officer	Christian Fladeland Chief Investment Officer
Employed since	2018	2023	2020	2018	2019
Born	1968	1975	1971	1963	1986
Nationality	Norwegian	Norwegian	Dutch	Swedish	Danish
Education	The Norwegian School of Marketing, Oslo	MSc Business and Economics, and State Authorized Public Accountant from the Norwegian Business School	Bha in Hospitality Administration/Management from the Hotelschool Hague, MRE in Real Estate from the University of Amsterdam.	Bachelor of Social Science, Malmö University, Sweden	MSc Economics, University of Copenhagen
Previous experience	Helge has long experience in executive positions as SVP in Pandox AB, GM at Benelux Thon Hotels, MP RoomRoom, and as CEO at First Hotels.	Thomas has experience from senior positions within financial reporting and control, financial systems, international tax, and commercial operations at Scatec ASA, Cirkle K Europe, and KPMG.	Eddo has a long management experience in residential real estate and hotel industry from positions as Regional Director at de Alliatie, and General Manager at Bastion Hotels.	Katarina has extensive experience from positions as Sustainability Strategist at Kraftringen, Manager of Sustainable Business Solutions at PwC, and Head of Corporate Responsibility at E.ON Nordic.	Christian has extensive experience within real estate investment management from his position as Partner at Colliers International Danmark.

	Suzanna Malmgren Chief People and Culture Officer	Steen Lønberg Jørgensen Head of Capital Raising and Client Relations	Paul Spina Chief Asset Management and Development Officer	Christian Vammervold Dreyer Chief Corporate Communications Officer	Rodin Lie Chief Technology Officer
Employed since	2017	2022	2020	2020	2020
Born	1971	1970	1987	1974	1974
Nationality	Swedish	Danish	American	Norwegian	Norwegian
Education	MSc, Uppsala University	MSc Economics from the University of Copenhagen. MBA, Finance from NYU.	BA Economics, Fordham University, New York	Economics and Property, BI Norwegian Business School, Norway	Computer Science and Psychology, Bergen University, and Officers' School, Norwegian Coastal Artillery
Previous experience	Suzanna has long experience from organisational development, HR, and talent acquisition from management consulting and as Partner at Alumni.	Steen har extensive experience in capital raising and investment from executive roles at Copenhagen Infrastructure Parteners (CIP), Nordea, and Dansk Kapitalanlæg.	Paul has real estate experience from WeWork from positions as Head of Project Delivery at WeWork International and Development Director at Tri-State .	Christian has real estate experience from executive roles at Real Estate Norway, Eie Eiendomsmegling, Norwegian Realtor Association, and National Federation of House Owners.	Rodin has a strong background in technology and innovation from previous positions as CDO in Selmer, CDO in Innovation Norway and CTO in NOS Clearing.

	Kristian Berentsen Chief Legal Officer	Karmen Mandic Chief Marketing Communications Officer	Nikolaj Degn Brammer Chief Business Development Officer
Employed since	2020	2015	2021
Born	1982	1971	1992
Nationality	Norwegian	Swedish	Danish
Education	Master of Law, University of Oslo	BSc Business Administration, Lund University, Sweden	BSc International Business, Copenhagen Business School, and MSc International Finance, HEC Paris
Previous experience	Kristian has long experience in real estate, M&A, and financing from position as Chief Legal Officer in the Adolfsen Group, and Corporate Council at Entra.	Karmen has a substantial marketing background from leading position in OctoFrost Group, Sony Mobile, and Western Union.	Nikolaj has a broad and extensive experience in corporate transformations and private equity from Bain and Company, Goldman Sachs, and Maersk.

202307210624

Risk Management

Heimstaden Bostad's risk management objective is to maximise returns at acceptable risk levels without compromising the Company's vision, values, or Code of Conduct. Heimstaden Bostad is exposed to a range of risks that may affect the business, thus it is of key importance to have a comprehensive risk management programme to optimise the risk/return balance.

Heimstaden Bostad gives high priority to risk management, and it is treated as a continuous process integrated into daily processes. In 2022, Heimstaden Bostad further developed the risk function and risk management framework. This includes embedding risk management, designating risk ownership, and implementing risk responses throughout the organisation. The Audit & GRC Committe (A&GRC), established by the Board, oversees the framework and process.

The Risk Management function aggregates risks from our different countries of operation and analyses other risks across the Heimstaden Bostad portfolio in the Executive Risk Committee. Identified risks, risk responses, and risk processes are presented to Executive Management, the A&GRC, and the Board.

In 2022, the Risk Policy was further developed and incorporated in our different countries of operation. The Risk Policy sets out key principles related to risk management to ensure that all foreseeable risks that may have an impact on Heimstaden Bostad's operations and ambitions are evaluated and measured. All managers are required to assume responsibility for risk management within their areas of responsibility and to ensure that risk management is embedded in day-to-day business processes. Risks identified and evaluated by local operations and business areas are continuously tracked and reported in a quarterly review process.

Country Management is responsible for developing and maintaining its risk register on a regular basis. They provide quarterly updates, including reporting new risks that have emerged and the status of actions to address these risks. The Country Management is required to align risk management processes closely with their existing business and management operations.

Financial Risks

Refinancing

Heimstaden Bostad uses various reliable funding sources with a diversified maturity structure to minimize refinancing risk. The Company's financial policy stipulates the level of key credit ratios, which include leverage thresholds, average tenor, and minimum metrics. To further manage financial risks, Heimstaden Bostad also maintains ample cash reserves and unutilised sources of liquidity.

Interest rates

Rising interest rates may increase financing costs for Heimstaden Bostad and negatively impact profitability. According to our financial policy, Heimstaden Bostad shall maintain at least 75% of its loan portfolio at fixed rates, which is managed with loans and bonds at fixed interest rates and interestrate swaps.

Financial obligations

Heimstaden Bostad's debt agreements include financial covenants, the breach of which could lead to the termination of loans, immediate repayment requirements, or a claim on secured assets. Key credit ratios are monitored to ensure that no covenants are breached. Frequent internal review and external audit assure accurate reporting and information.

Property value decline

Declining property values in isolation could impact Heimstaden Bostad's credit metrics, leading to pressure to decrease leverage from the capital markets and credit rating agencies. To manage this risk, the Company has a highly diversified property portfolio across many countries and regional locations with strong economies and favourable demographics. The property portfolio is valued by reputable third-party suppliers each quarter.

Credit

Failure of counterparties to meet their obligations towards Heimstaden Bostad would lead to reduced liquidity and financial losses, likewise if a substantial number of customers failed to pay rent. To counter this, Heimstaden Bostad regularly assesses the creditworthiness of its larger counterparties. Credit risk is further reduced due through our large and diversified base of tenants and that rent is paid in advance for most of our rental contracts.

Currency

Heimstaden Bostad owns assets in other currencies than the reporting currency, which leads to a risk of negative impact on cash flows or asset values in the case of fluctuating currency exchange rates. Heimstaden Bostad targets to utilise match funding to match cash flows with asset and debt-value fluctuations.

Heimstaden Bostad continuously monitors market developments for early warning signs and maintains significant headroom towards its bond covenants for Net Debt/Total Assets and interest coverage ratio. In addition, we are in active dialogue with relevant credit rating agencies and actively manage our debt portfolio to ensure credit metrics are in line with our financial policy and rating ambitions.

Strategic Risks

Regulatory changes

Heimstaden Bostad's exposure to regulatory changes mainly relates to political agendas, or as a natural evolution of residential markets. These changes can be related to a wide range of legislation, including housing laws, tax, and VAT, and may have both a positive and negative long-term impact on property values, operations, or financial performance. Before entering a new market, Heimstaden Bostad evaluates a wide range

2023072106245

of aspects, including regulatory and political risks. Our local in-house operations contribute to in-depth knowledge of each of our markets and we continuously monitor changes in the respective regulatory environment. We maintain active dialogue with policy makers and other stakeholders.

Investment

New property acquisitions may introduce various risks associated with legal, financial, tax, and technical perspectives. Furthermore, M&A involving entire companies could result in additional company-specific risks after closing. Heimstaden has a strong investment team with local presence across all markets who have significant experience within M&A. All acquisitions are subject to customary due diligence (DD) from a legal, financial, tax, and technical perspective. DD processes are also continuously evolving to ensure that all relevant functional lines are informed, coordinated, and involved in the M&A process.

Third-party expertise is frequently utilised to advise on various aspects of transaction processes, including structuring, legal, tax, and technical factors, among others. When necessary and/or possible, a Warranty & Indemnity (W&I) insurance may also be included as part of an acquisition to reduce the risk of potential breaches in representations and warranties at a later stage.

Operational Risks

People and organisation

The loss of individuals in management or in other key positions poses a risk to operations and profitability. To manage this risk, Heimstaden takes a structured approach to succession planning for key positions, interim or long-term, as well as continuous monitoring of employee satisfaction. We have an internal training and career development platform in place including a proprietary program for management training.

Heimstaden Bostad is an equal-opportunities employer with zero tolerance for discrimination and harassment, and we offer competitive compensation. To ensure consistency in remuneration, we benchmark fair pay in all markets to help managers gauge appropriate salary levels for all new hires, as well as people moving between roles and countries.

Cyber security

Cyberattacks may lead to data breaches, operational disruption, and ransomware incidents that may negatively impact Heimstaden Bostad's operations, financial performance, and reputation.

Heimstaden has implemented several levels of protection, such as two-factor authentication, external 24/7 security operation centre, firewalls, antivirus, and backup systems. We are implementing a centralized cloud-based policy for data centres, cyber security, and IT infrastructure and during 2023 all local solutions will be turned off.

Privacy/GDPR

Non-compliance could potentially lead to significant fines, reputational damage, and damage to customer and employee privacy. To manage this risk, Heimstaden has, among other measures, implemented modern system platforms like Workday, mandatory training for all employees on GDPR matters, and the relevant framework has been strengthened.

Customer relationships

Availability is of key importance in an increasingly digital society. Poor customer service and property and facility management can potentially result in dissatisfied tenants, reduced occupancy, and/or increased churn. Proactive communication with customers and availability on site has never been more important than during the Covid-19 pandemic and, to remain relevant, it is important for Heimstaden Bostad to continue to personalize offers, services, and interactions.

To achieve this, the Company has a fully integrated operational platform with a customer-centric philosophy integrated in our strategy, values, and ambitions. We continuously monitor rental markets, maintain active dialogue with tenant unions, and conduct annual customer surveys in all our markets. We also invest in the continuous development of in-house digital customer-service platforms to engage tenants and ensure efficient communications. Read more about our customer-centric approach on pages 11–12 of this report.

Organisational governance and corporate reporting

Failing to operate within the norms of corporate responsibility may cause significant damage to Heimstaden Bostad's reputation and operations, elevating the risk of losing tenants and strategic investors, as well as suffering economic losses in terms of fines or penalties.

We apply high ethical standards and integrity throughout our operations with zero tolerance for any forms of corruption, fraud, bribery, or threats, and have developed a compliance management system involving a Code of Conduct, Business Partner Principles and a variety of Policies and Manuals. We have also implemented a group-wide initiative for implementing culture and value workshops to highlight our guidelines pertaining to business ethics, human rights, and working conditions among employees.

Environmental and climate issues

The increasingly complex risk picture related to ESG combined with increasing integration of sustainability into daily operations, makes responsible business challenging to monitor and maintain. Environmental risks also have a potentially wide area of impact, affecting people, properties, and operations, and inadequate management of environmental risks could negatively impact the Company's reputation and profits. Furthermore, an inability to deliver on investors' ESG criteria may reduce access to capital.

Among the greatest environmental risks are those related to climate change, including direct risks such as increased energy costs, fines, and other operational implications, and indirect risks such as supply chain interruptions and reputational impact. Longer term, there are also risks of damaged properties and/or emergency measures that may lead to decreased property values and higher property insurance prices, among other factors.

To manage these risks, Heimstaden Bostad has implemented a thorough ESG strategy focused on integrating sustainability into daily operations, and we have set ambitious sustainability targets aligned with the Paris Agreement 1.5°C ambition. ESG matters are followed up at Board level as a key part of Heimstaden Bostad's overall strategy. Read more about our climate risks on page 116 of this report.

Compliance and Governance

Heimstaden is committed to high standards of corporate governance, risk management, and compliance. As a continuation of this statement, a centralised Compliance function with a Group Head of Compliance was established in 2022.

The Compliance function of Heimstaden Group is responsible for the following:

- Code of Conduct development, implementation, and ownership on behalf of the Board of Directors
- Establishment, implementation, and follow-up of a common and simplified Group Policy framework for the company
- Planning, implementation, and follow-up of a Compliance Management System consisting of the relevant elements and tasks for the Countries to adopt
- Relevant training and awareness related to the compliance area
- Participate in relevant projects related to compliance and governance

In the fall of 2022, an updated Code of Conduct was approved by the Board of Directors, based on the values of the company and the commitment to ethical business conduct. The Code of Conduct is complemented by detailed policies, manuals, guidelines, and routines – all available on our intranet, in our group HR system, and incorporated in our Staff Handbooks. Together, these documents form our governing framework that guides us in our daily work. Our Group policy framework was set, updated, and simplified in the fall of 2022, and this will be followed by implementation, follow-up, and monitoring in 2023.

The Board of Directors owns and approves the Code of Conduct. In 2023, an updated yearly training programme will be launched with an automated sign-off required from all employees and relevant stakeholders, including Board members. Other relevant training programmes within different Policy areas are also planned for the upcoming period.

We expect our business partners to comply with ethical standards consistent with our own, and they are expected to sign our Business Partner Principles when signing an agreement with us.

Heimstaden Bostad will work continuously to improve the governing framework – together with the Country organisations. Breaches of the Code of Conduct or governing documents should be reported through the whistleblower function on our website.



2023072106247

Internal Control

The planning, governance, and control of operations follow the Company's organisational structure, with a clear delegation of responsibilities and authority. Policies, manuals, guidelines, and instructions provide our framework for internal control. We continue our commitment to strong internal control by strengthening our governance, doing a full review and update of policies, manuals, and guidelines and deciding on a key policy framework for Heimstaden Bostad, including a new Code of Conduct.

Internal control over financial reporting
Regular monitoring, combined with a close collaboration with the Company's auditors, and the control and monitoring conducted through the annual audit and quarterly reviews, ensure accurate reporting. The Board has, as part of its strong commitment to internal control, established an Audit & GRC Committee to increase quality of financial reporting processes and how we work.

To ensure the quality of financial reporting, the Company applies several internal controls, such as a financial policy, attestation and authorisation procedures, and segregation of duties. Regarding financial reporting, the risks are primarily judged to derive from material errors being able to arise in the reporting of the Company's financial performance. The Board is responsible for identifying and managing significant financial risks and risks of errors in the financial reporting.

The Board reviews each interim report and discusses its contents with the Senior Executives and, where applicable, with the Company's Auditor.

The senior executives hold regular meetings with the Board's Audit and GRC committee to discuss ongoing financial performance and issues.

The Audit and GRC committee have established a pre-approval guideline governing the engagement of Heimstaden Bostad's primary external auditors for audit and non-audit services to Heimstaden Bostad or any entity within the group. The committee has in the guideline defined and pre-approved subcategories of audit and non-audit services, and includes annual monetary frames for each of the following categories of services:

- Audit
- Audit-related
- Tax
- Other – not related to financial audit and tax

Heimstaden Bostad has established a whistleblower function that can be accessed anonymously.

Internal control over operations
Heimstaden Bostad performs several control activities to ensure internal control over our operations. Key policies and manuals are established to ensure operation in line with our values and are designed to manage significant risks related to our operations. Control activities exist both at the overall and detailed level within the Group. For example, monthly management reporting is prepared and reviewed by the business unit and function managers and controllers.

The finance function has regular contact with business unit managers to discuss operational and financial matters and to verify that processes are followed and developed. The Board monitors the operations through regular reporting, in which the CEO comments on the development of operations, profit, and financial position. Necessary measures and activities are implemented with the aim of strengthening and streamlining the internal controls.

The internal controls over operations are regularly monitored. This mainly takes the form of reporting deviations in comparison with the budget/forecast, as well as monthly operational reporting and business reviews.

Insider Policy
The Insider Policy contains guidelines for the handling and communication of insider information as well as other external information obligations. The communication shall be long-term, and compatible with the brand, vision, business concept, strategies, targets, and values of Heimstaden Bostad. In addition, the communication shall be open, factual, well-structured, and well-planned. Heimstaden Bostad shall provide correct, relevant, and clear information in accordance with applicable laws and regulations.

Internal control and governance activities 2023
In 2023, Heimstaden Bostad will continue to develop its internal governance, risk and compliance function, and control processes. The following planned activities are in focus:

- Rollout of an updated key policy framework and measurement of the maturity of our operations in the countries
- Further maturing a centralized compliance framework
- Year-end assessment of the Manager's formalised self-assessment procedure on internal controls

The following information is available from www.heimstadenbostad.com:

- Governance Statement
- Articles of Association
- Code of Conduct
- Annual and Interim Reports from the 2016 financial year and onwards
- Annual and Sustainability reports from the 2019 financial year and onwards
- Year-end assessment of the Group Manager's internal controls



Sharing Our Skills and Competence

As part of A Home for a Home, we launched a skill-sharing programme pilot where Heimstaden employees use their skills and expertise to support the SOS Children's Villages organisation. Assignments included learning & development, business process development, and carbon footprint measurement.

More information about the programmes

2023072106249

Financial Five-Year Summary

SEK million	2022	2021	2020	2019	2018
Comprehensive Income Statement					
Rental income	12,702	8,608	6,332	4,135	3,046
Service charges paid by tenants	1,217	639	389	–	–
Property expenses	-5,778	-3,861	-2,828	-1,732	-1,295
Net operating income	**8,141**	**5,386**	**3,893**	**2,403**	**1,751**
Corporate administrative expenses	-887	-546	-345	-193	-140
Other operating income	468	5	48	11	14
Other operating expenses	-231	-2,340	-39	-46	-14
Share of net profits of associated companies and joint ventures	410	329	32	88	–
Profit before inventory properties and fair value adjustments	**7,901**	**2,835**	**3,589**	**2,263**	**1,611**
Fair value adjustment of investment properties	-5,111	21,363	7,934	4,834	2,562
Change in value and gains/losses from sale of inventory properties	402	-2	188	0	0
Operating profit	**3,191**	**24,195**	**11,711**	**7,097**	**4,173**
Interest income	316	152	81	35	26
Interest expenses on interest-bearing liabilities	-2,275	-1,288	-1,269	-923	-698
Net currency translation gains/losses	-6,578	76	656	-241	203
Fair value adjustment of derivative financial instruments	1,115	819	-178	39	11
Other financial items	-2,131	70	-168	-154	1
Profit/loss before tax	**-6,362**	**24,024**	**10,833**	**5,853**	**3,716**
Current tax expense	-836	-492	-386	-200	-135
Deferred tax	1,878	-4,580	-1,774	-1,193	-557
Profit/loss for the period	**-5,321**	**18,952**	**8,673**	**4,460**	**3,023**
Other comprehensive income/loss	13,703	3,627	-4,479	279	-442
Total comprehensive income	**8,382**	**22,579**	**4,194**	**4,740**	**2,581**
Property-related key data					
Lettable time-weighted area, sqm thousands	10,766	8,365	6,441	3,047	2,345
Net operating income, %	64.1	62.6	61.5	58.1	54.2

SEK million	2022	2021	2020	2019	2018
Balance Sheet					
Investment properties	344,856	300,584	144,404	113,331	72,329
Other non-current assets	35,226	20,183	1,299	1,660	168
Current assets	17,245	28,299	11,223	6,573	3,786
Total assets	**397,327**	**349,066**	**156,926**	**121,564**	**76,283**
Equity	180,854	160,338	77,741	57,548	31,925
Deferred tax liabilities	22,941	21,904	4,212	2,526	1,356
Other non-current liabilities	175,201	136,488	65,929	54,492	40,637
Current liabilities	18,330	30,336	9,044	6,998	2,365
Total liabilities	**397,327**	**349,066**	**156,926**	**121,564**	**76,283**
Financial key data					
Cash flow from operating, investing and financing activities	-10,751	10,503	3,390	2,018	1,535
Interest coverage ratio (ICR), multiple	3.4	4.1	2.9	2.5	2.6
Net loan-to-value ratio (LVT), %	50.3	46	44	48	54
Average interest rate, %	1.8	1.0	1.7	1.9	1.8
Average loan tenor, number of years	8.3	8.9	10.5	10.5	8.1
Net asset value as of the balance sheet date	190,066	169,271	81,953	60,074	33,281
Data per share					
Earnings per ordinary share (basic and diluted), SEK	282	2,360	318	1,176	795
Equity per ordinary share, SEK	3,422	5,334	3,229	2,954	4,881
Equity per preference share A, SEK	3,413,143	2,220,304	1,432,552	972,342	1,365,663
Equity per preference share B, SEK	2,071	2,088	2,077	2,064	103,452
Equity per preference share C, SEK	2	2	–	–	–
Number of ordinary shares outstanding	12,563,147	9,725,321	6,578,058	5,315,502	2,429,449
Number of preference shares A outstanding	200	200	200	200	100
Number of preference shares B outstanding	42,183,739	35,205,992	20,317,179	16,027,565	203,360
Number of preference shares C outstanding	385,445	327,379	–	–	–

2023072106250

Financial Information

Consolidated Financial Statements

Consolidated Comprehensive Income Statement 44
Consolidated Balance Sheet 45
Consolidated Statement of Changes in Equity 46
Consolidated Cash Flow Statement 47
Notes to the Consolidated Financial Statements 48

1. Corporate information and general accounting policies 48
1.1 Corporate information 48
1.2 General accounting policies 48
1.3 New accounting standards 50

2. Income and expenses 51
2.1 Segment reporting 51
2.2 Rental income and service charges paid by tenants 53
2.3 Property expenses 54
2.4 Other operating items 54
2.5 Audit fee 54
2.6 Employee benefit expenses and senior management compensation 55
2.7 Fair Value adjustment of investment properties 56
2.8 Fair Value adjustment of derivative financial instruments 56
2.9 Financial income and expenses 57
2.10 Income tax expenses 57
2.11 Earnings per share 58

3. Non-current assets 59
3.1 Investment properties 59
3.2 Intangible assets 63
3.3 Machinery and equipment 64
3.4 Investments in associated companies and joint ventures 65
3.5 Other non-current financial assets 66

4. Current assets 67
4.1 Inventory properties 67
4.2 Rent and trade receivables 67
4.3 Other current assets 68
4.4 Cash and cash equivalents 68
4.5 Other adjustments in Cash Flow Statement 68

5. Equity 69

6. Capital structure and financial items 70
6.1 Financial instruments 70
6.2 Financial risks 72
6.3 Interest-bearing loans and borrowings 73
6.4 Capital management 75
6.5 Leases 76

7. Other liabilities 77
7.1 Deferred tax 77
7.2 Other current liabilities 78
7.3 Accrued expenses and prepaid income 78

8. Other disclosures 79
8.1 Related-party disclosures 79
8.2 Business combinations 79
8.3 Pledged assets 80
8.4 Contingencies and commitments 80
8.5 Events after the reporting period 81

Parent Company Financial Statements

Income Statement 82
Comprehensive Income Statement 82
Balance Sheet 83
Statement of Changes in Equity 84
Cash Flow Statement 85
Notes to the Parent Company Financial Statements 86

1. Accounting policies 86
2. Income and expenses 87
3. Assets 89
4. Equity 90
5. Capital structure and financial items 91
6. Other liabilities 92
7. Other disclosures 93

Proposed appropriation of accumulated profit 95
Signatures 96
Auditor's Report 97
Alternative Performance Measurements 100
Quarterly financial information 103

2023072106251

Consolidated Comprehensive Income Statement

SEK million	Note	2022	2021
Rental income	2.1, 2.2	12,702	8,608
Service charges paid by tenants	2.1, 2.2	1,217	639
Property expenses	2.1, 2.3, 2.6	-5,778	-3,861
Net operating income		**8,141**	**5,386**
Corporate administrative expenses	2.5, 2.6	-887	-546
Other operating income	2.4	468	5
Other operating expenses	2.4	-231	-2,340
Share of net profits of associated companies and joint ventures	3.4	410	329
Profit before inventory properties and fair value adjustments		**7,901**	**2,834**
Fair value adjustment of investment properties	2.1, 2.7, 3.1	-5,111	21,363
Change in value and gains/losses from sale of inventory properties	2.1, 4.1	402	-2
Operating profit		**3,191**	**24,195**
Interest income	2.9	316	152
Interest expenses on interest-bearing liabilities	2.9	-2,275	-1,288
Net currency translation gains/losses	2.9	-6,578	76
Fair value adjustment of derivative financial instruments	2.8	1,115	819
Other financial items	3.4, 6.1	-2,131	70
Profit/loss before tax		**-6,362**	**24,024**
Current tax expense	2.10	-836	-492
Deferred tax income/expense	2.10	1,878	-4,580
Profit/loss for the period		**-5,321**	**18,952**
Other comprehensive income			
Other comprehensive income	2.10, 5	13,703	3,627
Total comprehensive income		**8,382**	**22,579**
Profit/loss attributable to:			
The Parent Company's shareholders		-5,105	18,946
Non-controlling interests		-216	5
Comprehensive income/loss attributable to:			
The Parent Company's shareholders		8,598	22,574
Non-controlling interests		-216	5
Average number of shares outstanding	2.11	11,627,659	7,741,760
Earnings per ordinary share (basic and diluted)	2.11	282	2,360

2023072106252

Consolidated Balance Sheet

SEK million	Note	31 December 2022	31 December 2021
ASSETS			
Investment properties	2.1, 3.1	344,856	300,584
Intangible assets	3.2	19,693	16,497
Machinery and equipment	3.3, 6.5	314	76
Investments in associated companies and joint ventures	3.4	9,698	739
Quoted equity investments	6.1	–	5,765
Derivative financial instruments	6.1	836	190
Deferred tax assets	7.1	982	–
Other non-current financial assets	3.5	3,703	2,431
Total non-current assets		**380,082**	**326,282**
Inventory properties	4.1	573	846
Rent and trade receivables	4.2	359	179
Other current assets	4.3	4,867	1,469
Derivative financial instruments	6.1	645	250
Prepayments	4.3	1,416	532
Cash and cash equivalents	4.4	9,385	19,508
Total current assets		**17,245**	**22,784**
TOTAL ASSETS		**397,327**	**349,066**

SEK million	Note	31 December 2022	31 December 2021
EQUITY AND LIABILITIES			
Share capital		93	72
Other capital contributions		128,559	97,626
Hybrid bonds		24,330	33,666
Currency translation reserve		11,643	-2,060
Retained earnings		-662	30,969
Total equity attributable to Parent Company shareholders	5	**163,964**	**160,273**
Non-controlling interests	5	16,891	65
Total equity	5	**180,854**	**160,338**
Interest-bearing liabilities	6.1, 6.2, 6.3	171,119	134,895
Lease liabilities	6.5	1,331	729
Derivative financial instruments	6.1	51	–
Deferred tax liabilities	7.1	22,941	21,904
Other non-current financial liabilities		2,700	864
Total non-current liabilities		**198,142**	**158,392**
Interest-bearing liabilities	6.3	11,572	23,485
Lease liabilities	6.5	84	5
Trade payables		833	566
Other current liabilities	7.2	3,008	4,411
Derivative financial instruments	6.1	75	6
Accrued expenses and prepaid income	7.3	2,758	1,863
Total current liabilities		**18,330**	**30,336**
TOTAL EQUITY AND LIABILITIES		**397,327**	**349,066**

Consolidated Statement of Changes in Equity

SEK million	Share capital	Other capital contributions	Hybrid bonds	Currency translation reserve	Retained earnings	Attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, 1 January 2021	**42**	**52,690**	**13,635**	**-5,687**	**17,001**	**77,681**	**60**	**77,741**
Profit for the period	–	–	406	–	18,541	18,947	5	18,952
Other comprehensive income	–	–	–	3,627	–	3,627	–	3,627
Total comprehensive income	**–**	**–**	**406**	**3,627**	**18,541**	**22,574**	**5**	**22,579**
New share issue	29	44,936	–	–	–	44,965	–	44,965
Dividends	–	–	-406	–	-4,572	-4,978	–	-4,978
Issue of hybrid bonds	–	–	20,235	–	–	20,235	–	20,235
Costs of issuance	–	–	-204	–	–	-204	–	-204
Total transactions with the company's shareholders	**29**	**44,936**	**19,625**	**–**	**-4,572**	**60,018**	**–**	**60,019**
Equity, 31 December 2021	**72**	**97,626**	**33,666**	**-2,060**	**30,969**	**160,273**	**65**	**160,338**
Opening balance, 1 January 2022	**72**	**97,626**	**33,666**	**-2,060**	**30,969**	**160,273**	**65**	**160,338**
Profit for the period	–	–	960	–	-6,065	-5,105	-216	-5,321
Other comprehensive income	–	–	–	13,703	–	13,703	–	13,703
Total comprehensive income	**–**	**–**	**960**	**13,703**	**-6,065**	**8,598**	**-216**	**8,382**
New share issue	22	30,970	–	–	–	30,991	–	30,991
Costs of issuance	–	-36	–	–	–	-36	–	-36
Buyback of hybrid bonds	–	–	-9,336	–	1,692	-7,644	–	-7,644
Dividends	–	–	-960	–	-26,585	-27,545	–	-27,545
Transactions with non-controlling interests	–	–	–	–	-673	-673	17,042	16,368
Total transactions with the company's shareholders	**22**	**30,934**	**-10,296**	**–**	**-25,567**	**-4,907**	**17,042**	**12,135**
Equity, 31 December 2022	**93**	**128,559**	**24,330**	**11,643**	**-662**	**163,964**	**16,891**	**180,854**

2023072106254

Consolidated Cash Flow Statement

SEK million	Note	2022	2021
Operating activities			
Profit/loss before income tax		-6,362	24,024
Adjustments to reconcile profit before tax to net cash flows:			
Fair value adjustment of investment properties	2.1, 2.7, 3.1	5,436	-21,217
Fair value adjustment of derivative financial instruments		-883	-885
Finance expenses – net		1,823	1,656
Other adjustments	4.5	8,501	-939
Working capital changes			
Increase(-)/decrease(+) in rent and other receivables		-1,914	-480
Increase(+)/decrease(-) in trade and other payables		864	3,883
Cash generated from operations		**7,465**	**6,042**
Interest paid		-1,858	-1,884
Interest received		344	41
Paid income tax		-843	-659
Net cash flows from operating activities		**5,107**	**3,540**

SEK million	Note	2022	2021
Investing activities			
Acquisitions of businesses, net of cash	8.2	-2,837	-79,449
Purchase of investment properties		-11,131	-19,498
Capital expenditure on completed investment properties		-9,568	-5,428
Disposals of investment properties		661	1,148
Deposits paid for signed acquisitions		-731	-506
Investments in associated companies and joint ventures	3.4	-168	-262
Purchase of quoted equity investments	6.1	-4,474	-5,188
Other cash flows from investing activities		-9	-93
Net cash flows from investing activities		**-28,257**	**-109,276**
Financing activities			
Proceeds from interest-bearing liabilities	6.3	48,656	72,880
Repayment of interest-bearing liabilities	6.3	-40,270	-16,582
Dividends paid	5	-3,229	-4,572
Proceeds from non-controlling interests		7,694	–
Proceeds from share issuances	5	7,635	44,965
Buyback of hybrid bonds	5	-7,100	–
Proceeds from issuance of hybrid bonds		–	20,235
Repayments on hybrid bonds		-960	-406
Settlement of derivative financial instruments		232	-61
Other cash flows from financing activities		-259	-219
Net cash flows from financing activities		**12,399**	**116,240**
Net change in cash and cash equivalents		-10,751	10,503
Cash and cash equivalents at the beginning of the period		19,508	7,636
Net currency exchange effect in cash and cash equivalents		628	1,369
Cash and cash equivalents at the end of the period		**9,385**	**19,508**

2023072106255

Notes to the Consolidated Financial Statements

1. Corporate information and general accounting policies

1.1 Corporate information

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

1.2 General accounting policies

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. Significant accounting policies are reflected in respective notes.

The Consolidated Financial Statements were approved by the Board of Directors on 24 February 2023 and will be laid before the Annual General Meeting for approval on 6 March 2023.

The Financial Statements are presented in SEK and rounded to the nearest million. Numbers and percentages presented in the financial statements may not add up precisely to the totals provided.

The Consolidated Financial Statements have been prepared on a going-concern basis, applying a historical cost convention except for the measurement of investment property and derivative financial instruments at fair value.

Heimstaden Bostad presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Heimstaden Bostad classifies all other liabilities as non-current.

Consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to Heimstaden Bostad and deconsolidated from the date that control ceases. All Heimstaden Bostad's companies are set to have 31 December as their year-end. Newly acquired companies that have a different financial year-end are changed to 31 December at the earliest opportunity. Accounting policies of subsidiaries are changed where necessary to ensure consistency.

Inter-company transactions, balances, and unrealised gains or losses on transactions between Group companies are eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When Heimstaden Bostad ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if Heimstaden Bostad had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests share of the results and equity of subsidiaries are shown separately in the Consolidated Comprehensive Income Statement, Statement of Changes in Equity and Balance Sheet, respectively.

Asset acquisitions, business combinations, and goodwill

Where properties are acquired, either through business combinations or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents a business combination or an asset acquisition. Companies may choose to perform a 'concentration test' and, should this prove that the acquisition is an asset acquisition, no further assessment is required. If the fair value of the gross assets acquired can substantially be attributed to an asset or a group of similar assets, the voluntary test shows the acquisition to constitute an asset acquisition. If the test is performed and it is not possible to determine acquisition to be an asset acquisition, further assessment must be made to determine whether or not the acquisition is a business combination.

Business combinations

Heimstaden Bostad determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. If the acquisition lacks a labour force, it may nonetheless be the case that the acquired process is sufficiently unique or unusual, or costly, to replace to be able to generate returns, that the acquisition nonetheless constitutes a business.

When Heimstaden Bostad acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous

interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is more than the aggregate consideration transferred, Heimstaden Bostad re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Heimstaden Bostad's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.

Asset acquisitions
For acquisition of a subsidiary that is not considered a business combination, Heimstaden Bostad allocates the cost between the individual identifiable assets and liabilities based on their relative fair values as at the date of acquisition. Such transactions or events do not give rise to goodwill.

The cost is allocated between the identifiable assets and liabilities of the entity based on their relative values at the acquisition date.

The Group recognises only the identifiable assets and liabilities. Any deferred tax is subject to the initial recognition exemption in accordance with IAS 12.

Foreign currencies
The Group's Consolidated Financial Statements are presented in SEK, which is also the Parent Company's functional currency. For each entity, the Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method except when the transactions constitute net investments, in which gains and losses are recognised in other comprehensive income.

Transactions in foreign currencies are converted to the functional currency at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities that are recognised at fair value are translated into the functional currency at the rate prevailing on the date of fair value measurement. Income and expenses in a foreign operation are translated into functional currency at an average rate that represents an approximation of the prevailing exchange rates at the date of each transaction.

The currency effect connected to cross currency swaps is recognised under net currency translation gains. The currency effect on loans in foreign currency and the corresponding economic hedge is reported on the same line in the Statement of Comprehensive Income. Translation differences arising on currency translation of foreign operations are recognised in other comprehensive income.

Cash Flow Statement
Cash Flow Statements have been prepared in accordance with the indirect method in accordance with IAS 7, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

Judgements and estimates
Management makes judgements, estimates, and assumptions each reporting period that affect the Statement of Comprehensive Income and Balance Sheet. These assumptions and assessments are based on historical experience and other factors that appear reasonable under the existing circumstances.

Estimation of fair value of investment properties and forward purchase contracts
In most markets investment properties and forward purchase contracts to buy investment properties held in limited liability companies are valued according to the discounted cash flow (DCF) method using operating and market inputs, except for Norwegian residential assets where the valuation is determined using the sales comparison approach.

Current economic developments and uncertainties influence the valuation of our investment properties and our forward purchase contracts to buy investment properties held in limited liability companies. The methods and material assumptions applied in determining the Fair Value of our investment properties are mainly based on realised transaction prices.

The fair values are based on valuations by independent external valuation experts. The valuation is based on a market value principle upon which assets can be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of the valuation.

The investment property portfolio is appraised on a quarterly basis by independent external appraisers. See Note Note 3.1 for further information.

Impairment testing of goodwill
Each year, the Group tests goodwill for impairment in accordance with the accounting policy described in Note 3.2. Recoverable amounts for CGU have been determined by calculating value in use. For these calculations certain estimates need to be made, see Note 3.2.

Recognition of property acquisition and business combinations
When determining whether the acquisition represent a business combination or an asset acquisition, management makes judgements with regards to the application of the optional concentration test and the substance of the assets and activities acquired.

If substantially all the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets) the transaction is treated as an asset acquisition.

To determine whether the acquisition is a business combination or an asset acquisition, management makes judgements regarding inputs, processes, and output of the acquired assets.

Purchase price allocation
The Group prepares a purchase price allocation for accounting in accordance with the accounting policy described in Note 8.2. Accounting for an acquisition involves a high degree of judgement and estimation, mainly with regard to the allocation of premiums and discounts to assets and liabilities (net assets) in the purchase price allocation, as well as adjusting entries for adaptation to the Group's accounting policies. Fair value adjustments and resultant goodwill are presented in Note 3.2.

Classification of investments in associated companies
When determining whether the Company's investment are an associated company or an equity investment, management makes judgements with regards to an assessment of significant influence.

The Company's investment in Kojamo Oyi was classified as an associated company based on management's judgement of significant influence. The assessment of significant influence is determined by the fact that Heimstaden Bostad AB is by far the largest owner in Kojamo Oyi with significant voting power, owning 19.98%, and took a position on the nomination committee of the company in September 2022.

Climate risks
Among the greatest environmental risks are those related to climate change, including direct risks such as increased energy costs, fines, and other operational implications, and indirect risks such as supply chain interruptions and reputational impact. Longer term, there are also risks of damaged properties and/or emergency measures that may lead to decreased property values and higher

2023072106257

property insurance prices, among other factors. To ensure that efforts to reduce our climate impact are sufficient, the company has committed to the Science-Based Targets initiative (SBTi).To reach its climate targets by 2030, Heimstaden Bostad has developed a climate roadmap, committing SEK 7,300 million in primarily linear investments during the timespan. The investment is expected to result in annual savings/income of about SEK 420 million, generating a minimum yield on investment of 5.6%. The capital expenditures (capex) of the GHG emission reductions initiatives are expected to have a positive return on investment for Heimstaden Bostad as well as reduce the energy and electricity cost for the tenants.

Heimstaden Bostad has established local carbon emission pathways in all the countries where it operates. The climate impact and carbon emission pathways in local markets vary due to differences in national climate policies, the energy mix, EPC scheme implementation, and differences in properties' energy performance. Transition to a low-carbon society also presents opportunities for Heimstaden Bostad. By switching to renewable energy sources, investing in renewable electricity generation, and continuing to work on energy efficiency and biodiversity measures, we will reduce our GHG emissions and, in many cases, our operating costs. At the same time, we are increasing the number of energy-efficient buildings in the portfolio and adapting to climate change.

Heimstaden will continue to evaluate long-term climate risks and opportunities, develop its climate reporting according to TCFD and the EU Taxonomy and continue to make climate assessments of the properties. This will provide knowledge about which properties may be affected by a changed climate and society, and what is required in order to adapt the Company's operations to handle a volatile climate. This is an important foundation for decisions on necessary climate adaptations, and to remain a relevant and attractive property owner in the long term. Climate-related projects are a central part of Heimstaden Bostad's sustainability focus, covering areas such as investments in climate change mitigation and adaptation measures, the supply chain, ESG in acquisitions, and access to capital. The current and future property portfolio and investments will be continuously monitored and assessed in terms of climate impact.

1.3 New accounting standards

Amendments to IAS 1: Classification of Liabilities
IASB has issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure is required to include information about the covenants and the related liabilities. The disclosures must include information about the nature of the future covenants and when compliance is applicable, as well as the carrying amount of the related liabilities. The purpose of this information is to allow users to understand the nature of the future covenants and to assess the risk that a liability classified as non-current could become repayable within twelve months. Furthermore, if facts and circumstances indicate that an entity may have difficulty in complying with such covenants, those facts and circumstances must be disclosed. The amendments will be effective for annual reporting periods beginning on or after 1 January 2023 and January 2024 and will need to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Heimstaden is monitoring the developments and is assessing the impact the amendments will have on its current accounting policies.

IAS 1 Presentation of financial statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Heimstaden Bostad is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Heimstaden Bostad is currently assessing the impact of the amendments.

No other standards, amendments or interpretations effective from fiscal years beginning on or after 1 January 2022 had a material impact on the consolidated financial statements. No other new standards or interpretations that come into effect after 31 December 2022 are expected to have any material impact on the consolidated financial statements.

202307210625S

2. Income and expenses

2.1 Segment reporting

Accounting policies

The Group organises and governs its activities based on geographical areas where the investment properties are located, and these geographical areas form the basis of the definition of segments. Senior managment is the chief operating decision maker and monitors net operating income and changes in the value of managed properties in the identified segments; other Statement of Comprehensive Income items are not distributed per segment. Additionally, management monitors the value of investment properties and interest-bearing liabilities in each segment. Other items are not distributed per segment in the segments' profits, assets, and liabilities. The segment statements include only directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. See also note 3.1 for fair value of investment properties per segment.

2022

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Poland	Adjustments	Total
COMPREHENSIVE INCOME STATEMENT											
Rental income	4,113	2,065	3,026	1,242	1,382	776	193	17	6	-117	12,702
Service charges paid by tenants	70	640	2	–	478	30	8	–	1	-11	1,217
Property expenses	-2,051	-1,200	-971	-431	-904	-278	-107	-14	-16	193	-5,778
Net operating income	**2,132**	**1,505**	**2,057**	**810**	**955**	**529**	**93**	**3**	**-9**	**65**	**8,141**
Net operating margin %	**51.8**	**72.9**	**68.0**	**65.3**	**69.1**	**68.1**	**48.3**	**–**	**–**	**–**	**64.1**
Corporate administrative expenses, unallocated	–	–	–	–	–	–	–	–	–	–	-887
Other income and expenses, unallocated	–	–	–	–	–	–	–	–	–	–	647
Profit/loss before inventory properties and fair value adjustments	**2,132**	**1,505**	**2,057**	**810**	**955**	**529**	**93**	**3**	**-9**	**65**	**7,901**
Fair value adjustment of investment properties	-6,627	3,147	-3,872	-743	2,372	250	154	131	77	–	-5,111
Change in value and gains/losses from sale of inventory properties	–	–	–	–	–	402	–	–	–	–	402
Operating profit/loss	**-4,494**	**4,652**	**-1,815**	**67**	**3,328**	**1,180**	**247**	**134**	**68**	**65**	**3,191**
Financial income and expenses	-13,155	2,199	-573	65	639	-154	157	39	115	–	-10,669
Fair value adjustment of derivative financial instruments	371	–	385	318	–	41	–	–	–	–	1,115
Profit/loss before tax	**-17,278**	**6,851**	**-2,003**	**450**	**3,966**	**1,067**	**403**	**174**	**183**	**65**	**-6,362**
BALANCE SHEET											
Investment properties	96,851	92,820	73,640	30,048	23,443	20,338	3,837	2,854	1,026	–	344,856
Inventory properties	–	–	–	–	–	573	–	–	–	–	573
Assets, unallocated	–	–	–	–	–	–	–	–	–	–	51,898
Total assets	**96,851**	**92,820**	**73,640**	**30,048**	**23,443**	**20,911**	**3,837**	**2,854**	**1,026**	**–**	**397,327**
Equity, unallocated	–	–	–	–	–	–	–	–	–	–	180,854
Interest-bearing liabilities	50,255	21,534	35,125	75,246	–	531	–	–	–	–	182,691
Other liabilities, unallocated	–	–	–	–	–	–	–	–	–	–	33,781
Total equity and liabilities	**50,255**	**21,534**	**35,125**	**75,246**	**–**	**531**	**–**	**–**	**–**	**–**	**397,327**
Capital expenditures in investment properties	4,675	666	1,310	873	784	366	75	1,381	–	–	10,129

2023072106259

2021

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Poland	Adjustments	Total
COMPREHENSIVE INCOME STATEMENT											
Rental income	2,784	550	2,523	1,137	1,127	677	16	1	–	-207	8,608
Service charges paid by tenants	41	176	2	–	419	17	–	–	–	-16	639
Property expenses	-1,481	-345	-786	-454	-773	-248	-6	-2	-4	238	-3,861
Net operating income	**1,344**	**380**	**1,738**	**683**	**773**	**446**	**9**	**-1**	**-4**	**15**	**5,386**
Net operating margin %	**48.3**	**69.1**	**68.9**	**60.1**	**68.6**	**65.9**	**58.7**	**–**	**–**	**–**	**62.6**
Corporate administrative expenses, unallocated	–	–	–	–	–	–	–	–	–	–	-546
Other income and expenses, unallocated	–	–	–	–	–	–	–	–	–	–	-2,005
Profit before inventory properties and fair value adjustments	**1,344**	**380**	**1,738**	**683**	**773**	**446**	**9**	**–**	**-4**	**15**	**2,834**
Fair value adjustment of investment properties	8,068	1,754	6,033	2,831	2,182	408	72	15	–	–	21,363
Change in value and gains/losses from sale of inventory properties	–	–	–	–	–	-2	–	–	–	–	-2
Operating profit	**9,412**	**2,134**	**7,772**	**3,514**	**2,955**	**853**	**81**	**15**	**-4**	**15**	**24,195**
Financial income and expenses	-589	39	-474	-171	392	-232	6	21	18	–	-991
Fair value adjustment of derivative financial instruments	582	–	112	47	–	78	–	–	–	–	819
Profit before tax	**9,405**	**2,173**	**7,409**	**3,390**	**3,348**	**698**	**87**	**36**	**14**	**15**	**24,024**
BALANCE SHEET											
Investment properties	97,056	70,651	66,636	27,324	17,932	18,951	1,014	1,019	–	–	300,584
Inventory properties	–	–	–	–	–	846	–	–	–	–	846
Assets, unallocated	–	–	–	–	–	–	–	–	–	–	47,636
Total assets	**97,056**	**70,651**	**66,636**	**27,324**	**17,932**	**19,797**	**1,014**	**1,019**	**–**	**–**	**349,066**
Equity, unallocated	–	–	–	–	–	–	–	–	–	–	160,338
Interest-bearing liabilities	102,679	16,660	31,766	6,766	–	508	–	–	–	–	158,380
Other liabilities, unallocated	–	–	–	–	–	–	–	–	–	–	30,348
Total equity and liabilities	**102,679**	**16,660**	**31,766**	**6,766**	**–**	**508**	**–**	**–**	**–**	**–**	**349,066**
Capital expenditures in investment properties	2,528	188	917	644	503	315	10	251	–	–	5,356

20230721062260

2.2 Rental income and service charges paid by tenants

Accounting policies

Heimstaden Bostad leases out its investment properties to third parties with contracted non-cancellable lease terms and a normal term of notice for the customer of three months. The Group classifies these leases as operating because they do not transfer substantially all the risks and rewards, or control, incidental to ownership of the properties to the counterparties. For investment property leases the rental income is largely fixed under the contracts, however, it is subject to an annual index adjustment. To mitigate any risks regarding the leased properties, Heimstaden Bostad assesses the creditworthiness of its counterparties, receives rent deposits, and receives guaranties from its lessees.

The rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature, except for contingent rental income, which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Statement of Comprehensive Income when the right to receive them arises.

Service charges to tenants mainly comprise utility cost and other operating costs that can be recharged. The services charged are separately invoiced to tenants and include fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. The Group arranges for third parties to provide certain of these services to its tenants. The Group acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

No single customer accounts for more than 1% of total revenues. For rental income and service charges paid by tenants by geographic market, see Note 2.1.

Rental income and service charges paid by tenants

SEK million	2022	2021
Rental income	12,761	8,673
Straight-lining of lease	-58	-65
Rental income	**12,702**	**8,608**
Services to tenants	1,217	639
Service charges paid by tenants	**1,217**	**639**
Total revenues	**13,919**	**9,247**

Rental income distributed by property category

SEK million	2022	2021
Residential	11,691	7,991
Commercial premises	838	520
Garages and parking spaces	173	98
Total rental income	**12,702**	**8,608**

Service charges paid by tenants distributed by property category

SEK million	2022	2021
Residential	1,146	600
Commercial premises	70	38
Total service charges paid by tenants	**1,217**	**639**

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

2022 Maturity on lease contracts[1]

SEK million	Residential	Commercial premises	Garages and parking spaces
Within one year	3,370	1,026	113
1–5 years	58	–	–
> 5 years	1	–	–
Total lease contracts	**3,429**	**1,026**	**113**

[1] *Most of the Company's lease contracts have a notice period of three months, hence most of the contracts have a three-months minimum rentals receivables.*

2021 Maturity on lease contracts

SEK million	Residential	Commercial premises	Garages and parking spaces
Within one year	1,827	451	17
1–5 years	126	–	–
> 5 years	107	–	–
Total lease contracts	**2,060**	**451**	**17**

20230721062261

2.3 Property expenses

Accounting policies
Property expenses include costs for electricity, heating, water, property management, cleaning, and insurance. Maintenance costs consist of both periodic and ongoing measures to maintain the properties' standard. Property management refers to costs incurred by the company to facilitate the overall management of the company such as financial services and certain overarching property management services. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Property expenses

SEK million	2022	2021
Utilities	1,773	1,113
Repairs and maintenance	697	673
Property tax	446	346
Property management	2,208	1,315
Other	654	414
Total property expenses	**5,778**	**3,861**

2.4 Other operating items

Other operating items mainly consist of adjustments for Real Estate Transfer Tax (RETT) in Germany after receival of final closing accounts from the 2021 acquisition of the Akelius' property portfolio, amounting to SEK 182 million (2,202), see note 8.1.

During 2022, SEK 143 million (49) were expensed as donations to SOS Children's Villages. See page 19 for more information regarding the partnership "A Home for a Home".

2.5 Audit fee

The audit assignment refers to the audit of the Consolidated Financial Statements and the annual financial statements for the Group companies. Other assurance services provided by the auditors include services related to reivew procedures on interim reports and other attestation services. The fees are summarised in the table below:

EY

SEK million	2022	2021
Audit assignment	26	21
Other assurance services	2	5
Other services	1	–
Total	**29**	**26**

Grant Thornton

SEK million	2022	2021
Audit assignment	3	3
Other assurance services	0	0
Total	**3**	**3**

Total

SEK million	2022	2021
Audit assignment	29	24
Other assurance services	2	5
Other services	1	–
Total	**32**	**29**

2023072106262

2.6 Employee benefit expenses and senior management compensation

Accounting policies

Employee benefits in the form of salaries, paid vacation, paid absence due to illness, etc., are recognised as employees perform services in exchange for compensation. Pensions and other post-employment benefits may be classified as defined contribution plans or defined benefit plans. All Heimstaden Bostad's pension obligations consist of defined contribution plans, which are met through ongoing payments to the independent authorities or organisations that administer the plans. Obligations regarding defined contribution plans are expensed in profit or loss as they are incurred.

Average number of employees	2022			2021		
	Women	Men	Total	Women	Men	Total
Sweden	190	244	434	4	4	8
Germany	79	82	161	8	5	13
Denmark	45	83	128	1	1	2
Netherlands	35	40	75	–	–	–
Czech Republic	184	233	417	331	379	710
Norway	16	33	49	–	–	–
Finland	–	2	2	–	–	–
United Kingdom	1	1	2	–	–	–
Poland	2	2	4	–	–	–
Total	**552**	**720**	**1,272**	**343**	**390**	**733**

On 1 July 2022, the Country Management organisation in Sweden, Germany, Denmark, Netherlands, Czech Republic, Norway, Finland, United Kingdom and Poland was sold from Heimstaden AB to Heimstaden Bostad AB. The transaction included companies employing about 2,000 people in nine countries, carrying out local management of Heimstaden Bostad's properties. See Note 8.2 for more information.

Remuneration

The CEO, Deputy CEO and senior management receive remuneration from Heimstaden AB and these costs are included in the administrative services from Heimstaden AB. For other employees, the customary pension commitments within the framework of general pension plans apply.

The Board of Directors and company management are presented on pages 33–36.

Board Member remuneration SEK	2022 Board fees	2021 Board fees
Casper von Koskull	960,000	960,000
Ivar Tollefsen	–	–
Stefan Attefall	–	–
Vibeke Krag	–	–
John Giverholt	–	–
Eldbjørg Sture[1]	–	300,000
Frans Heijbel[1]	–	–
Birgitta Stenmark	–	–
Axel Brändström	–	–
Christer Franzén[1]	–	–
Anna Magnusson	–	–
Bente A Landsnes	300,000	300,000
Total	**1,260,000**	**1,560,000**

[1] *Resigned during 2022.*

2023072106263

Salaries, remuneration, social security, and pension cost

2022

Position	Board Members	Employees	Total
SEK million			
Base salary	–	394	394
Benefits	–	18	18
Social security costs	–	70	70
Pension costs	–	35	35
Variable remuneration	–	8	8
Board remunerations	1	–	1
Total	1	525	527
Women in %	44	43	43

2021

Position	Board Members	Employees	Total
SEK million			
Base salary	–	145	145
Benefits	–	7	7
Social security costs	–	46	46
Pension costs	–	1	1
Board remunerations	2	–	2
Total	2	198	200
Women in %	36	47	47

2.7 Fair Value adjustment of investment properties

Investment properties are measured at fair value. Gains and losses arising from changes in the fair value of the investment property are included in Comprehensive Income Statement in the period in which they arise. For more information regarding Fair Value assessments see Note 3.1.

Fair Value adjustment of investment properties

	2022		2021	
	%	SEK million	%	SEK million
Sweden	-6.4	-6,627	9.0	8,038
Germany	3.5	3,147	2.5	1,754
Denmark	-5.0	-3,872	10.0	6,033
Netherlands	-2.4	-743	11.6	2,831
Czech Republic	11.3	2,372	13.9	2,182
Norway	1.3	250	2.3	438
Finland	4.2	154	7.6	72
United Kingdom	4.8	131	1.5	15
Poland	8.1	77	–	–
Total / Average in %	**-1.5**	**-5,111**	**7.6**	**21,363**

2.8 Fair Value adjustment of derivative financial instruments

Derivative financial instruments include interest rate derivatives, cross currency swaps and forward purchase contracts and are measured at fair value. Gains and losses arising from changes in the fair value of the derivative financial instruments are included in Comprehensive Income Statement in the period in which they arise. For more information regarding fair value assessments see Note 6.1.

SEK million	2022	2021
Unrealised value change	883	885
Realised value change	232	-65
Total fair value adjustment of derivative financial instruments	**1,115**	**819**

2023072106264

2.9 Financial income and expenses

Accounting policies
Interest income on bank balances, and interest and other borrowing costs, are recognised as income and expenses, respectively. Payments in accordance with interest-rate derivative agreements are included in this item and are expensed in the period to which they relate. Changes in the fair value of interest-rate derivatives are presented in a separate line in the Statement of Comprehensive Income. Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalised to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period they incur.

Financial income and expenses reported in Comprehensive Income Statement

SEK million	2022	2021
Assets and liabilities measured at amortised cost:		
Interest income, promissory notes	33	116
Interest income, other financial assets	283	36
Total interest income in accordance with the effective interest method	**316**	**152**
Interest expenses, loans	-2,364	-1,340
Total interest expenses in accordance with the effective interest method	**-2,364**	**-1,340**
Finance expenses capitalised within investment property	89	52
Total finance cost capitalised	**89**	**52**
Currency translation losses	-8,751	-1,368
Currency translation gain	2,172	1,444
Total currency gains/losses	**-6,578**	**76**
Net financial items	**-8,538**	**-1,060**

2.10 Income tax expenses

Accounting policies
Tax is recognised in Comprehensive Income Statement except where the underlying transaction is recognised in other comprehensive income or directly in equity, upon which the associated tax effect is recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the date of the Consolidated Balance Sheet in the countries where Heimstaden Bostad operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Consolidated Comprehensive Income Statement

SEK million	2022	2021
Current tax expense	-836	-492
Deferred tax	1,878	-4,580
Income tax expenses reported in the Comprehensive Income Statement	**1,041**	**-5,072**

Reconciliation of effective tax rate

SEK million	2022	2021
Reported profit/loss before tax	-6,362	24,024
Tax according to current rate	1,311	-5,491
Tax effect of:		
Non-taxable income	-20	18
Non-deductible costs	-50	-20
Non-taxable profit on disposal of participations	38	10
Non-deductible interest net	-250	-274
Tax effect of hybrid bonds	198	137
Tax on share in earnings from associated companies	-335	–
Negative value change in properties acquired during the year	–	115
Revaluations, deferred tax	-203	326
Tax attributable to previous years	-82	73
Other	434	34
Income tax expenses reported in the Comprehensive Income Statement	**1,041**	**-5,072**

2023072106265

2.11 Earnings per share

Basic and diluted earnings per share are calculated by dividing earnings attributable to shareholders of the Parent Company by an average number of outstanding ordinary shares during the period.

SEK million	2022	2021
Profit for the period attributable to:		
The Parent Company's shareholders	-5,105	18,946
Non-controlling interests	-216	5
Comprehensive income for the period attributable to:		
The Parent Company's shareholders	8,598	22,574
Non-controlling interests	-216	5
Average number of ordinary shares outstanding	11,627,659	7,741,760
Total comprehensive income for the period attributable to ordinary shareholders	3,281	18,267
Earnings per ordinary share (basic and diluted)	**282**	**2,360**

2023072106266

3. Non-current assets

3.1 Investment properties

Total property value per segment

The total property value, measured at fair value, was SEK 344,856 million (300,584). This value included value decrease for 2022 of SEK 5,121 million (increase 21,219). In percentage, the decrease in value was 1.5 (increase 7.6) of the total property value before changes in value. The total property value per operating segment is shown below.

Valuation gain or loss investment properties

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Poland	Total
Fair Value of investment properties, 31 December 2020	**49,757**	**3,716**	**36,200**	**23,366**	**13,827**	**17,538**	**–**	**–**	**–**	**144,404**
Acquisitions during the period	3,523	12,473	18,272	0	213	0	918	721	–	36,119
Business combinations	33,139	52,232	4,163	–	–	–	–	–	–	89,534
Disposals	0	-114	-68	-55	0	-451	0	0	–	-688
Land leases	71	4	–	–	–	42	–	–	–	117
Capital expenditure on completed investment properties	881	146	563	644	296	295	10	–	–	2,836
Capital expenditure on investment properties under construction	1,647	42	354	–	207	20	–	251	–	2,520
Currency translation	0	399	1,113	539	1,208	1,211	15	33	–	4,518
Fair Value after transactions	**89,018**	**68,898**	**60,601**	**24,494**	**15,750**	**18,657**	**942**	**1,005**	**–**	**279,365**
Value change[1]	8,038	1,754	6,033	2,831	2,182	294	72	15	–	21,219
Fair Value of investment properties, 31 December 2021	**97,057**	**70,651**	**66,635**	**27,324**	**17,932**	**18,951**	**1,014**	**1,019**	**–**	**300,584**
Acquisitions during the period	2,134	11,601	3,523	196	–	125	1,985	268	901	20,733
Disposals	-471	-26	-16	-33	-2	-113	–	–	–	-661
Land leases	89	-4	–	–	–	92	337	–	–	513
Capital expenditure on completed investment properties	2,202	645	491	873	784	139	75	–	–	5,210
Capital expenditure on investment properties under construction	2,473	21	818	–	–	227	–	1,380	–	4,919
Currency translation	–	6,802	6,043	2,438	2,356	665	272	55	48	18,679
Fair Value after transactions	**103,483**	**89,690**	**77,496**	**30,798**	**21,071**	**20,084**	**3,683**	**2,723**	**949**	**349,977**
Value change[1]	-6,632	3,130	-3,856	-750	2,372	254	154	131	77	-5,121
Fair Value of investment properties, 31 December 2022	**96,851**	**92,820**	**73,640**	**30,048**	**23,443**	**20,338**	**3,837**	**2,854**	**1,026**	**344,856**

[1] *Fair value adjustment of investment properties in the income statement also includes realised change and is not reflected in the table above, see note 2.1 and note 2.7.*

2023072106267

Breakdown by category, 31 December 2021

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Poland	Total
Completed investment properties	91,788	70,647	65,600	27,324	17,750	18,378	1,014	172	–	292,673
Investment properties under construction	5,106	–	895	–	–	–	–	847	–	6,848
Land and building rights	25	–	141	–	181	–	–	–	–	347
Land leases	137	4	–	–	–	574	–	–	–	716
Total	**97,057**	**70,651**	**66,635**	**27,324**	**17,932**	**18,951**	**1,014**	**1,019**	**–**	**300,584**

Breakdown by category, 31 December 2022

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Poland	Total
Completed investment properties	91,616	92,820	72,402	30,048	23,236	19,672	3,500	186	562	334,040
Investment properties under construction	4,742	–	1,061	–	–	–	–	2,668	464	8,934
Land and building rights	267	–	178	–	207	–	–	–	–	652
Land leases	226	–	–	–	–	666	337	–	–	1,229
Total	**96,851**	**92,820**	**73,640**	**30,048**	**23,443**	**20,338**	**3,837**	**2,854**	**1,026**	**344,856**

The Company's contracts in Poland are structured as forward purchases (contracts under the condition precedent of the completion of the works) and the transfer to investment properties and of ownership occurs only after provisional acceptance. A parallel financing agreement has been entered with the developers. The balances as per 31 December 2022, SEK 1,977 million and SEK 109 million, are recognised as other non-current financial assets and other current assets, respectively.

Accounting policies

Investment properties comprise completed properties, properties under construction, and land and building rights that are held, to earn rentals or for capital appreciation or both. A property held under a lease is classified as investment property when it is held to earn rental income or for capital appreciation, or both, and land leases. Contracts related to land leases are accounted for as long-term lease contracts.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, brokers' fees, and professional fees for legal services. Borrowing costs that are directly attributable to the construction or redevelopment of assets that take a substantial period of time to get ready for their intended use are capitalised.

Subsequent recognitions are at fair value, which reflects market conditions at the reporting date. Gains or losses are recognised in profit or loss in the period in which they arise, including the corresponding tax effect. Subsequent expenditure is capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed. Investment property under construction is measured at fair value if the fair value is reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value to be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed.

Management considers the following factors when evaluating whether the fair value of property under construction can be measured reliably:

- Provisions of the construction contract.
- Stage of construction.
- Custom or standard project/property.
- Reliability of cash inflows after completion.
- Risks specific to the property.
- Experience with similar construction.
- Status of construction permits.

Management has determined that investment properties under construction are eligible for fair value measurements once all three following criteria are fulfilled:

- Administrative authorisations are obtained.
- Ongoing construction and costs are committed toward the constructor.
- Uncertainty in future rental income has been assumed low.

Transfers are made to (or from) investment property when there is evidence of a change in use. For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

An investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal or use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

2023072106268

External valuation

All investment properties are valued quarterly by external acknowledged real-estate advisory companies, whose employees are professionally qualified, and have the appropriate competence to carry out the valuation in accordance with the required international valuation standards. The Company has a dedicated in-house valuation team ensuring quality assurance of all external valuations.

Country	Valuer
Sweden	CBRE
Germany	CBRE
Denmark	CBRE
Netherlands	Cushman Wakefield
Czech Republic	JLL
Norway	Cushman Wakefield, Nyverdi, Eie, Aktiv
Finland	CBRE
United Kingdom	Savills
Poland	CBRE

Valuation assumptions

The valuation methodology follows market practice in each respective country and is in general based on 'highest-and-best use' meaning both a reletting and a divestment scenario. The market value in the two scenarios is based on cash flow generated by:

- Reletting scenario: Reletting the units at market rent upon tenant fluctuation.
- Divestment scenario: Successively divesting the units as owner-occupied units upon tenant fluctuation.

There were no material changes to the valuation techniques during the year.

In most markets, properties are valued according to the discounted cash flow (DCF) method using operating and market inputs.

- Estimated rental income based on the location, type, and quality of the properties and supported by any existing leases, other contracts or external evidence such as current market rents for similar units;
- Estimated sales prices of vacant units (only divestment scenario): income based on sales prices supported by external evidence such as sales prices for similar units;
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current leases;
- Property costs and capital expenditures including maintenance and necessary investments to maintain functionality of the property for expected useful life as well as fixed cost like property taxes, insurance etc.;
- Capitalisation rates based on location and quality of the properties and taking into account market data at the valuation date; and
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates, and market rents on a stabilised basis.

For Norwegian residential assets with a total carrying amount of SEK 19,672 million (18,378), the valuation is determined using the sales comparison approach. Values are determined by considering recent comparable unit sales evidence in the market and making adjustments for differences in key attributes such as unit size and quality of interior fittings.

For properties under construction or redevelopment, the DCF model also takes into account cost to complete including developers margin and completion date based on internal forecasts and management's experience and knowledge of market conditions. Additionally, properties under construction require approval or permits from regulatory bodies at various points in the development process. Based on management's experience with similar developments, all relevant permits and approvals are expected to be obtained.

Valuation hierarchy

The majority of the property portfolio is deemed to be at Level 3 in the fair value hierarchy according to IFRS 13 fair value Measurement, with the exception of the Norwegian residential assets which are based on Level 2. For Level 3, the estimated future cash flows are based on existing rental income and operating and maintenance costs, adjusted for expected changes herein. The fair value of the properties is the sum of the discounted cash flows during the calculation period and the terminal value.

Valuation process

Valuations are based on appraisals from independent external valuers.

The policies and procedures for property valuations are assessed by the Company's in-house valuation team, which has aligned methods with the external valuers. The valuation team holds relevant professional qualifications and are experienced in valuing the types of property in the applicable locations.

At each reporting date, the valuation team analyses the development in property value including verifying major inputs applied and agreeing the information in the valuation computation to rent rolls, market reports, and other relevant documents. The internal team also compares each property's change in fair value with relevant external benchmarks to determine whether the change in fair value is reasonable.

A quantitative sensitivity analysis regarding return requirements and net operating income in accordance with the present value method is shown in the below table.

Property valuations are estimates that build on accepted policies and assumptions. The actual fair value of a property can only be determined when it is sold. Accordingly, the valuation, uncertainty intervals, and sensitivity analysis, include unobservable inputs and a degree of uncertainty in the inputs and assumptions made. However, uncertainty related to the valuation and its assumptions are reduced by obtaining external assurance from independent third parties in addition to management's internal review, which among other factors includes comparing values to recent transactions in the market.

The table on the next page presents the following information for investment properties in each of our markets:

1. The fair value measurements at the end of the reporting period.
2. The level of the fair value hierarchy (e.g., Level 2 or Level 3) within which the fair value measurements are categorised in their entirety.
3. Valuation technique applied.
4. The inputs used in the fair value measurement.
5. Quantitative information about the significant unobservable inputs used in the fair value measurement.
6. Uncertainty interval and sensitivity analysis.

2022

Markets	Valuation	Valuation technique	Fair Value hierarchy level	Net operating income	Of which regulated, %	Running yield, %	Sensitivity	Lower impact	Higher impact	Sensitivities in running yield, change in percentage point								Sensitivities in net operating income (NOI)					
										1.00%	0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	-1.00%	-2.00%	-1.50%	-1.00%	1.00%	1.50%	2.00%
Sweden	96,851	DCF	Level 3	2,737	100	2.83	–	–	–	-25,311	-20,310	-14,558	-7,870	9,398	20,816	34,983	53,028	-1,937	-1,453	-969	969	1,453	1,937
Germany	92,820	DCF	Level 3	2,334	100	2.51	–	–	–	-26,414	-21,327	-15,398	-8,395	10,249	23,043	39,462	61,304	-1,856	-1,392	-928	928	1,392	1,856
Denmark	73,640	DCF	Level 3	2,875	16	3.90	–	–	–	-15,014	-11,865	-8,359	-4,431	5,037	10,814	17,507	25,352	-1,473	-1,105	-736	736	1,105	1,473
Netherlands	30,048	DCF	Level 3	999	53	3.32	–	–	–	-6,950	-5,533	-3,930	-2,102	2,444	5,322	8,758	12,934	-601	-451	-300	300	451	601
Czech Republic	23,443	DCF	Level 3	1,081	28	4.61	–	–	–	-4,178	-3,279	-2,293	-1,206	1,344	2,851	4,553	6,491	-469	-352	-234	234	352	469
Norway	20,338	Sale comparison	Level 2	602	0	2.96	Sales price pr. sqm +/- 10%	-2,034	2,034	-5,136	-4,112	-2,939	-1,584	1,876	4,134	6,903	10,377	-407	-305	-203	203	305	407
Finland	3,837	DCF	Level 3	179	0	4.66	–	–	–	-678	-532	-372	-195	217	461	735	1,048	-77	-58	-38	38	58	77
United Kingdom	2,854	DCF	Level 3	131	0	4.60	–	–	–	-509	-400	-280	-147	164	348	556	792	-57	-43	-29	29	43	57
Poland	1,026	DCF	Level 3	53	0	5.16	–	–	–	-166	-130	-91	-47	52	110	174	247	-21	-15	-10	10	15	21
	344,856			**10,991**	**60**	**3.17**																	

2021

Markets	Valuation	Valuation technique	Fair Value hierarchy level	Net operating income	Of which regulated, %	Running yield, %	Sensitivity	Lower impact	Higher impact	Sensitivities in running yield, change in percentage point								Sensitivities in NOI					
										1.00%	0.75%	0.50%	0.25%	-0.25%	-0.50%	-0.75%	-1.00%	-2.00%	-1.50%	-1.00%	1.00%	1.50%	2.00%
Sweden	97,057	DCF	Level 3	2,792	100	2.88	–	–	–	-23,583	-20,069	-14,370	-7,759	9,236	20,415	34,221	58,054	-1,941	-1,456	-971	971	1,456	1,941
Germany	70,651	DCF	Level 3	1,877	100	2.66	–	–	–	-19,367	-15,554	-11,191	-6,077	7,339	16,379	27,790	42,421	-1,413	-1,060	-707	707	1,060	1,413
Denmark	66,635	DCF	Level 3	2,326	12	3.49	–	–	–	-14,831	-11,787	-8,350	-4,454	5,141	11,143	18,239	26,779	-1,333	-1,000	-666	666	1,000	1,333
Netherlands	27,324	DCF	Level 3	789	67	2.89	–	–	–	-7,041	-5,633	-4,032	-2,177	2,589	5,721	9,585	14,422	-546	-410	-273	273	410	546
Czech Republic	17,932	DCF	Level 3	871	34	4.86	–	–	–	-3,069	-2,397	-1,673	-877	972	2,056	3,272	4,633	-359	-269	-179	179	269	359
Norway	18,951	Sale comparison	Level 2	537	0	2.84	Sales price pr. sqm +/-10%	-1,895	1,895	-4,967	-3,964	-2,841	-1,535	1,832	4,057	6,814	10,234	-379	-284	-190	190	284	379
Finland	1,014	DCF	Level 3	59	0	5.80	–	–	–	-146	-116	-80	-42	46	96	150	215	-20	-15	-10	10	15	20
United Kingdom	1,019	DCF	Level 3	46	0	4.48	–	–	–	-180	-146	-102	-54	60	128	205	303	-20	-15	-10	10	15	20
	300,584			**9,298**	**62**	**3.09**																	

Acquisitions after the Balance Sheet date

Heimstaden Bostad has agreed to acquire properties with closing dates after the Balance Sheet date.

Segments

SEK million	Anticipated date of acquisition	Agreed purchase price
Denmark	Q1,2023	505
Total		**505**

3.2 Intangible assets

Goodwill mainly derives from the business combination of Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS (DK) and Akelius GmbH (DE) that was completed in 2021, and the Country Management organisation in Sweden, Germany, Denmark, Netherlands, Czech Republic, Norway, Finland, United Kingdom and Poland that was sold from Heimstaden AB to Heimstaden Bostad AB during 2022. For further information, see Note 8.2.

SEK million	Goodwill	Licences	Total
Opening balance, 1 January 2021	–	38	38
Business combinations	16,466	–	16,466
Investments for the year	–	-5	-5
Changes in value from foreign currency	22	3	25
Closing balance, 31 December 2021	16,489	35	16,524
Opening balance accumulated depreciation, 1 January 2021	–	-31	-31
Business combinations	–	–	–
Depreciation for the year	–	6	6
Disposals	–	-2	-2
Closing balance accumulated depreciation, 31 December 2021	–	-28	-28
Carrying amount, 31 December 2021	16,489	8	16,497

SEK million	Goodwill	Licences	Total
Opening balance, 1 January 2022	16,489	35	16,524
Business combinations	2,859	10	2,869
Final Adjustment Purchase Price Allocation	-600	–	–
Investments for the year	–	118	118
Changes in value from foreign currency	821	5	226
Closing balance, 31 December 2022	19,569	167	19,737
Opening balance accumulated depreciation, 1 January 2022	–	-28	-28
Business combinations	–	-1	-1
Depreciation for the year	–	-4	-4
Disposals	–	-10	-10
Closing balance accumulated depreciation, 31 December 2022	–	-43	-43
Carrying amount, 31 December 2022	19,569	124	19,693

Accounting policies

Goodwill

Goodwill acquired in a business combination is recognised at fair value at the acquisition date. Goodwill has an infinite useful life and is subsequently carried at cost less accumulated impairment.

Impairment

Goodwill identified in a business combination is allocated to the Group's cash generating units (CGUs) and tested for impairment. The operating segments is the lowest level where cash flows are identified and is therefore identified as the Group's CGUs. To identify the CGUs recoverable amount, the management calculated the CGUs "value in use" by discounting the estimated future cash flows of the operating segment. Heimstaden Bostad's operating segments are expected to benefit from the synergies derived by combining the Akelius and Heimstaden Bostad asset base. Goodwill from the acquisition of Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS and Akelius GmbH is comprised of two parts. It comprises of the synergy effects resulting from lowered financial costs. This part amounts to SEK 3,750 million (3,544). In addition, there is a reported goodwill attributable to the difference between nominal tax and the deferred tax that is calculated on the acquisition of properties in company format that must be reported among business combinations. For reported goodwill, a corresponding amount is recognized under the item deferred tax. Synergies from the transaction is primarily assessed to relate to debt financing synergies through a strengthened business risk profile, i.a. through improved portfolio diversification and size. The Company has assessed that goodwill related to financial synergies from the Akelius transaction is primarily related to financing in EUR (including DKK which is pegged to EUR) and has therefore allocated goodwill to the CGUs directly exposed to EUR (and DKK). Heimstaden Bostad expect to benefit from synergies derived from the respective management company in each country within Heimstaden Bostad's Country Management group. Synergies derived mainly by cost savings. The economic benefits derived from the combined asset base is higher than the operating segment's carrying amount. This means that no impairment is necessary.

Assumptions

The value in use was calculated based on discounted cash flows, which are based on assumptions regarding sales growth and the cost trend. Cash flows include a forecast period of five years, were 2023 is based on budget approved by board. Cash flows between year two and five are based on a long term financial plan, cash flows after this period have been determined using a terminal growth rate corresponding to 2%. This growth is based on reasonable prudence and does not exceed long-term growth for the in-

2023072106271

dustry. A discount rate before tax was applied when calculating the value in use of our CGUs. With the assumptions described above, recoverable amount exceeds the carrying amount for all CGUs.

Sensitivity analysis
In connection with the impairment test, sensitivity analyses have been performed on changes in estimated growth and discount rates. The sensitivity analyses indicated that an increase in the average discount rate before tax of 0.25% would lead to an impairment of SEK 1,346 million, a decrease in the growth rate of 0.25% would lead to an impairment of SEK 1,353 million.

Carrying amount of goodwill allocated by CGU

		2022		2021	
	Discount rate	Goodwill Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS and Akelius GmbH	Goodwill Country Management[1]	Goodwill Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS and Akelius GmbH	Goodwill Country Management
Sweden	5.3	3,928	223	3,777	–
Germany	4.9	9,981	828	10,155	–
Denmark	4.9	1,998	1,097	1,807	–
Netherlands	5.4	677	133	640	–
Czech Republic	–	–	420	–	–
Norway	–	–	125	–	–
Finland	5.8	116	6	110	–
United Kingdom	–	–	9	–	–
Poland	–	–	27	–	–
Total		**16,700**	**2,869**	**16,489**	**–**

[1] *A discount rate of 5.4% is used for Country Management.*

3.3 Machinery and equipment

Accounting policies
Machinery and equipment mainly comprises machinery, office and computer equipment. Machinery and equipment is recognised at cost less accumulated depreciation and impairment. Cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are capitalised to the asset's carrying amount or recognised as a separate asset only if it is likely that future economic benefits associated with the asset will be received by the Group and when the cost of the asset can be reliably calculated.

The useful life of computer equipment and of other machinery and equipment has been calculated at three years and five years, respectively. Depreciation is applied on a straight-line basis over the useful life and is recognised in profit or loss. The residual value of the assets and their useful life is reviewed at every closing and adjusted when necessary.

SEK million	Equipment
Opening balance, 1 January 2021	**42**
Business combinations	53
Investments for the year	20
Changes in value from foregin currency	5
Closing balance, 31 December 2021	**120**
Opening balance accumulated depreciation, 1 January 2021	**-23**
Business combinations	-38
Depreciation for the year	-4
Disposals	6
Change in value from foregin currency	-2
Closing balance accumulated depreciation, 31 December 2021	**-61**
Carrying amount, 31 December 2021	**59**
Opening balance, 1 January 2022	**120**
Business combinations	133
Investments for the year	16
Changes in value from foregin currency	6
Closing balance, 31 December 2022	**274**
Opening balance accumulated depreciation, 1 January 2022	**-61**
Business combinations	-65
Depreciation for the year	-18
Disposals	1
Change in value from foregin currency	1
Closing balance accumulated depreciation, 31 December 2022	**-143**
Carrying amount, 31 December 2022	**131**

2023072106272

3.4 Investments in associated companies and joint ventures

Accounting policies

Associated companies and joint ventures are all entities over which Heimstaden Bostad has significant influence but not control or joint control. This is generally the case where Heimstaden Bostad holds between 20% and 50% of the voting rights. Investments in associated companies and joint ventures are accounted for using the equity method of accounting, after initially being recognised at acquisition cost. The carrying amount of the investment is adjusted to recognise changes in Heimstaden Bostad's share of net assets of the associated company and joint venture since the acquisition date. Dividends received or receivable from associated companies and joint ventures are recognised as a reduction in the carrying amount of the investment.

The Statement of Comprehensive Income reflects Heimstaden Bostad's share of the results of operations of the joint ventures. Any change in other comprehensive income of those investees is presented as part of Heimstaden Bostad's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint ventures, Heimstaden Bostad recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between Heimstaden Bostad and the associated company and joint ventures are eliminated to the extent of the interest in the associated company and joint ventures.

Where Heimstaden Bostad's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, Heimstaden Bostad does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between Heimstaden Bostad and its associated companies and joint ventures are eliminated to the extent of Heimstaden Bostad's interest in these entities.

At each reporting date, Heimstaden Bostad determines whether there is objective evidence that the investment in each joint venture and associated companies is impaired. If there is such evidence, Heimstaden Bostad calculates the amount of impairment as the difference between the recoverable amount of the associated company and joint venture and its carrying value, and then recognises the loss as 'Share of profit of joint ventures' in the Statement of Comprehensive Income.

When Heimstaden Bostad ceases equity accounting for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset.

Investments in associated companies and joint ventures

SEK million	31 December 2022	31 December 2021
Opening balance	739	347
Investment for the year	186	63
Financial investments that were reclassified as associated companies[1]	10,058	–
Change in value from foregin currency	332	–
Share of profit	-1,617	329
Closing balance	**9,698**	**739**

[1] *During 2022, the Company's investment in Kojamo Oyj was classified as an associated company based on an assessment of significant influence. The assessment of significant influence is determined by the fact that Heimstaden Bostad AB is by far the largest owner in Kojamo Oyj with significant voting power, owning 19.98%, and took a position on the nomination committee of the company in September 2022. Based on the difference between the cost of the investment and the Company's share of the estimated net fair value of the investee's identifiable assets and liabilities, Heimstaden Bostad recorded a bargain gain of SEK 2,027 million.*

Specifications of the Group's investments in associated companies

Company	Corp. ID No	Reg. office	No. of shares	Share in %	Value of share of equity in the Group, SEK million
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	224
Kojamo Oyj[1]	0116336-2	Helsingfors	49,389,283	20	9,071
Kiinteistö Oy Hiihtomäentie 14	0819867-2	Helsingfors	13,327	53	102
Asunto Oy Jyväskylän Tanhurinne	2550507-2	Jyväskylä	2,412	24	7
Asunto Oy Hämeenlinnan Aaponkuja 3	0476973-0	Hämeenlinna	3,339	33	4
Asunto Oy Jyväskylän Harjukartano	2000294-3	Jyväskylä	1,837	23	19
Asunto Oy Lahden Jyrkkärinteenpuisto	0149959-5	Lahti	2,094	41	23
Asunto Oy Lahden Roopenkuja	0854949-5	Lahti	2,556	26	6
Asunto Oy Jyväskylän Vaneritori 4	1656220-0	Jyväskylä	3,666	37	24
Asunto Oy Oulun Tulliveräjä	2335738-7	Oulu	4,068	41	22
Asunto Oy Puolukkavarikko	0823818-7	Jyväskylä	3,391	34	7
Asunto Oy Jyväskylän maalaiskunnan Kirkkotie 3	1518422-8	Jyväskylä	6,158	62	20
Asunto Oy Oulun Notaarintie 1	1749066-7	Oulu	2,440	24	16
Total					**9,544**

[1] *Heimstaden Bostad's share price of Kojamo Oyj as at 31 December 2022 amounted to SEK 7,606 million. Heimstaden Bostad have performed an impairment test and assessed that there is no need for write-down.*

Impairment

Heimstaden Bostad has due to the share price of Kojamo Oyj, performed an impairment test for its holding in the Company. To identify the recoverable amount, the management calculated the "value in use" by discounting the estimated future cash flows of the investment. The economic benefits derived from the combined asset base is higher than the associated company's carrying amount. This means that no impairment is necessary.

Assumptions

The value in use was calculated based on discounted cash flows, which are based on assumptions regarding sales growth and the cost trend. Cash flows have been determined using a growth rate corresponding to 2%. This growth is based on reasonable prudence and does not exceed long-term growth for the industry. An average discount rate of 5.4% before tax was applied when calculating the value in use. With the assumptions described above, recoverable amount exceeds the carrying amount.

Sensitivity analysis

In connection with the impairment test, sensitivity analyses have been performed on changes in growth and discount rates. The sensitivity analyses indicated that an increase in the average discount rate before tax of 0.2% or a decrease in the growth rate of 0.5% would lead to an impairment.

20230721062273

Specifications of the Group's investments in joint ventures

Company	Corp. ID No	Reg. office	No. of shares	Share in %	Value of share of equity in the Group, SEK million
Upplands Bro Brogårds etapp 2	559175-4915	Stockholm	500	50	94
A Place 2 A/S	39754134	Charlottenlund	5,000	50	22
Gamlebro AB	556791-3990	Norrköping	500	50	11
Byggrätt Norr AB	559207-4859	Skellefteå	94	19	0
Österåkerporten AB	559175-4907	Stockholm	500	50	26
Total					**154**

2022 Financial Statements

SEK million	Kojamo Oyj	Rosengård Fastighets AB	Upplands Bro Brogårds Etapp 2 AB	Kiinteistö OY Hiihtomäentie 14	Other
Rental income	1,148	159	5	6	99
Property expenses	-378	-76	-4	-8	-44
Net operating income	**770**	**83**	**0**	**-2**	**54**
Corporate administrative expenses	-130	-26	-1	0	-41
Financial items, net	-168	-16	-43	0	-61
Unrealised value change	-8,603	-167	-39	6	-509
Tax expenses	1,621	23	8	-1	44
Profit/loss for the period	**-6,510**	**-104**	**-75**	**3**	**-513**
Group's share of profit/loss	**-1,301**	**-26**	**-38**	**4**	**-256**
Balance Sheet					
Investment properties	90,950	1,972	823	159	859
Assets except investment properties	3,706	48	210	4	84
Equity	45,392	1,037	188	149	431
Liabilities	49,264	982	845	14	512
Group's carrying amount of the investment as of 31 December 2022	**9,071**	**224**	**94**	**102**	**206**

2021 Financial Statements

SEK million	Rosengård Fastighets AB	Upplands Bro Brogårds Etapp 2 AB	Kiinteistö OY Hiihtomäentie 14	Other
Rental income	150	0	3	24
Property expenses	-108	-1	-1	-23
Net operating income	**43**	**-1**	**1**	**1**
Corporate administrative expenses	0	-2	0	0
Financial items, net	-10	-25	0	-7
Unrealised value change	385	44	23	471
Tax expenses	-87	-8	-6	0
Profit/loss for the period	**330**	**10**	**19**	**464**
Group's share of profit/loss	**83**	**5**	**9**	**232**
Balance Sheet				
Investment properties	2,086	748	99	1,760
Assets except investment properties	44	106	0	63
Equity	1,117	234	86	495
Liabilities	1,012	620	13	1,326
Group's carrying amount of the investment as of 31 December 2021	**250**	**117**	**86**	**286**

3.5 Other non-current financial assets

SEK million	31 December 2022	31 December 2021
Opening balance	2,431	895
Loans granted for properties under construction	1,741	1,403
Loans granted to associated companies and joint ventures	104	133
Equity securities	88	–
Impairment on loans granted to associated companies and joint ventures	-78	–
Repayment on loans	-582	–
Closing balance	**3,703**	**2,431**

2023072106274

4. Current assets

4.1 Inventory properties

Accounting policies
Property acquired or being constructed or redeveloped for sale, rather than to be held for rental or capital appreciation, is held as inventory property and measured at the lower of cost and net realisable value (NRV). Principally, this is residential property that Heimstaden Bostad develops and intends to sell before, or on completion of, development. NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date, and is determined by the Group based on comparable transactions identified by the Group for property in the same geographical market serving the same segment. NRV in respect of inventory property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, considering the time value of money, if material. Inventory properties are primarily related to certain projects in Oslo, Norway.

SEK million	31 December 2022	31 December 2021
Opening balance	846	1,292
Capital expenditures	15	62
Currency translation	27	85
Reclassification to non-current assets	–	-127
Disposals of inventory properties	–	-464
Value change[1]	-315	-2
Closing balance	**573**	**846**

[1] *Change in value and gains/losses from sale of of inventory properties in the income statement, SEK 402 million, also includes return on investment guarantee from Fredensborg of SEK 717 million (0).*

In 2018, Fredensborg AS sold the Norwegian housing portfolio to Heimstaden Bostad. As part of the commercial agreement between the parties, Fredensborg AS guaranteed that the development projects would provide an annual equity return of at least 7.5% until April 2025. The guarantee is settled in cash on an ongoing basis for completed projects that do not generate a return above the minimum level, and the total guarantee responsibility must be settled in cash at the end of the guarantee period, with potential subsequent settlement for projects that have been started but not completed at this time.

The investment guarantee is not reflected in the table above. The balance as per 31 December 2022 is recognised as other current assets.

4.2 Rent and trade receivables

Accounting policies
Heimstaden Bostad holds trade receivables with the objective to collect contractual cash flows. Trade receivables are recognised initially at transaction price and subsequently at amortised cost using the effective interest method, a provision for expected credit losses.

Heimstaden Bostad applies the simplified method for recognising expected loan losses for leases and trade receivables. This means that expected credit losses are recognised for the remaining term, which is expected to be less than one year for all receivables. Rent is invoiced in advance, meaning that all reported rent receivables and trade receivables have fallen due for payment. Heimstaden Bostad makes provisions for expected credit losses based on historical credit losses and forward-looking information. Heimstaden Bostad's customers have similar risk profiles, which is why the credit risk is initially assessed collectively. Any major individual receivables are assessed per counterparty. Heimstaden Bostad writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been discontinued. See note 6.1 for further information.

SEK million	31 December 2022	31 December 2021
Rent receivables	359	179
Total rent and trade receivables	**359**	**179**

Age distribution of rent and trade receivables

SEK million	31 December 2022	31 December 2021
–30 days	250	137
31–60 days	21	9
61–90 days	12	5
91 days +	133	75
Total	**415**	**226**
Expected credit loss provision	-56	-47
Rent and trade receivables, net	**359**	**179**

2023072106275

Expected credit loss provision

SEK million	31 December 2022	31 December 2021
Opening balance	**-47**	**-16**
Provisions made during the year	-95	-55
Provisions used during the year	39	12
Unutilised provisions reversed during the year	47	11
Closing balance	**-56**	**-47**

4.3 Other current assets

SEK million	31 December 2022	31 December 2021
Prepaid tax	234	131
Deposits related to acquisitions	315	313
Prepaid insurance premium	34	45
Prepaid interest	427	311
Receivable from sale of subsidiaries	3,937	–
Other receivables	1,336	1,202
Total	**6,283**	**2,002**

4.4 Cash and cash equivalents

Cash and cash equivalents mainly include bank deposits. The change in cash and cash equivalents is shown in the Consolidated Statement of Cash Flows.

There are unutilised credit commitments of SEK 19,847 million (24,474), which are not included in cash and cash equivalents.

4.5 Other adjustments in Cash Flow Statement

SEK million	2022	2021
Depreciation	50	4
Rental losses	74	38
Exchange rate difference	6,578	-76
Other financial items	182	–
Share of net profits/losses of associated companies and joint ventures	1,617	-905
Total	**8,501**	**-939**

2023072106276

5. Equity

At the end of the financial year there were 12,563,147 (9,725,321) ordinary shares, 200 (200) Series A preference shares, 45,872,521 (35,205,992) Series B preference shares and, 514,421 (327,379) Series C preference shares. The voting value of an ordinary share is one half vote per share, the voting value for Series A and B preference shares is one tenth of a vote per share and the voting value for Series C preference shares is one vote per share.

Event	Type	Date of registration	Change in number of shares	Total number of shares	Change in share capital	Total share capital	Par value
Opening balance, 1 January 2021				**26,895,437**		**42,546,466**	**1.58**
New share issue	Ordinary, Pref B	12.01.2021	1,671,996	28,567,433	2,644,927	45,191,393	1.58
New share issue	Ordinary, Pref B	18.03.2021	3,721,074	32,288,507	5,886,359	51,077,753	1.58
New share issue	Ordinary, Pref B, Pref C	17.11.2021	12,637,892	44,926,399	19,991,855	71,069,608	1.58
New share issue	Ordinary, Pref B, Pref C	15.12.2021	332,493	45,258,892	525,970	71,595,578	1.58
Closing balance, 31 December 2021				**45,258,892**		**71,595,578**	**1.58**
Opening balance, 1 January 2022				**45,258,892**		**71,595,578**	**1.58**
New share issue	Ordinary, Pref B	29.03.2022	9,671,291	54,930,183	15,298,995	86,894,573	1.58
New share issue	Ordinary, Pref B, Pref C	25.07.2022	3,554,262	58,484,445	5,622,480	92,517,053	1.58
New share issue	Ordinary, Pref B, Pref C	21.12.2022	465,844	58,950,289	736,918	93,253,971	1.58
Closing balance, 31 December 2022				**58,950,289**		**93,253,971**	**1.58**

Other capital contributions

Other contributed capital refers to equity contributed by the owners, as well as share premiums for issues of ordinary shares and preference shares.

In 2022, SEK 30,991 million has been raised in equity from existing shareholders. SEK 7,225 million and SEK 410 million, was used to buy back outstanding hybrid bonds and bonds, respectively. SEK 23,356 million of dividends were set off against the subscription price in new share issue.

Hybrid bonds

Heimstaden Bostad had SEK 24.3 (33.7) billion in outstanding hybrid bonds. These have a perpetual maturity with a variable coupon rate. Heimstaden has the opportunity to redeem outstanding hybrid bonds as of first possible redemption day, which is 5–7 years from the issue date. See Note 6.3 for further details.

At initial recognition, the hybrid bonds are classified as an equity instrument. The classification is based on that there is no explicit contractual obligation to settle the agreement by paying cash or another financial asset. Nor are there any other circumstances indicating that the agreement will be settled in cash or other financial assets. Heimstaden Bostad is entitled to postpone interest payments for an indefinite period in so far as hybrid bond holders are notified within the agreed period and the hybrid bond is subordinated to all other creditors.

During 2022, Heimstaden Bostad bought back hybrid bonds, fully financed by equity raised from existing shareholders. The hybrid bond buy-back included SEK 9.3 billion in outstanding hybrid bonds, obtaining an average discount of 25.9% and resulted in a SEK 1.7 billion gain, net of SEK 0.5 billion in tax, recognised in retained earnings.

Currency translation difference

Currency translation differences arise as a result of translation of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented.

Loans to subsidiaries that comply with IAS 21 paragraphs 15 and 32 for increased net investment in foreign subsidiaries, the translation effect for lending in foreign currencies has affected other comprehensive income by SEK 6,266 million as 31 December 2022.

Retained earnings

Retained earnings refer to earned profits in the Group. This item also includes previous allocations to the reserve fund.

Non-controlling interests

Non-controlling interests consist of external ownership interests in subsidiaries and their subsidiaries. Non-controlling interests refers primarily to Allianz Real Estate's investments in Heimstaden Bostad. In 2022, Allianz Real Estate invested in Heimstaden Bostad's portfolio in Sweden and its properties purchased from Akelius in 2021. The partnership was expanded at the end of the year by forming a new joint partnership comprising Allianz's German residential real estate portfolio.

Non-controlling interests' share of comprehensive income/loss for the period

SEK million	2022	2021
Comprehensive income/loss for the period	-216	5

Specification of other comprehensive income

Other comprehensive income is related to foreign currency translation differences that may be reclassified to profit or loss in subsequent periods.

SEK million Country	Currency code	2022	2021
Czech Republic	CZK	2,250	1,179
Denmark	DKK	2,974	506
Netherlands, Germany, and Finland	EUR	7,471	660
Norway	NOK	734	1,264
Poland	PLN	207	6
United Kingdom	GBP	67	14
Total		**13,703**	**3,627**

2023072106277

6. Capital structure and financial items

6.1 Financial instruments

Accounting policies

Financial assets
The Group's financial assets include rent and other trade receivables, other receivables, cash and short-term deposits, derivative financial instruments and publicly traded shares.

Classification at initial recognition depends on the financial asset's contractual cash flow characteristics and Heimstaden Bostad's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of a principal and interest (SPPI) on the principal amount outstanding'. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that do not qualify as SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Heimstaden Bostad's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets to collect contractual cash flows.

For purposes of subsequent measurement, Heimstaden Bostad's financial assets are classified in two categories:
- Financial assets at fair value through profit or loss (derivative financial instruments etc.)
- Financial assets at amortised cost (rent and other trade receivables, other receivables, cash, and short-term deposits)

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Comprehensive Income. This category includes publicly quoted shares and derivative instruments, which are further described below.

For purposes of subsequent measurement, Heimstaden Bostad measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets, except for financial assets that do not contain a significant financing component, at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired. Rent and other trade receivables, other receivables, cash, and short-term deposits, meet these conditions and are subsequently measured at amortised cost. A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or when Heimstaden Bostad has transferred its rights to receive cash flows from the asset and either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets
Heimstaden Bostad recognises an allowance for expected credit losses for all debt instruments except those held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Heimstaden Bostad expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The valuation of expected credit losses is based on various methods. Other receivables and assets that are not under the scope of the simplified method (see Note 4.2 Rent and trade receivables), are impaired in accordance with a rating-based method using external credit rating. In accordance with the general method, the financial assets covered by provisions for expected credit losses are cash and cash equivalents, other non-current receivables, and other receivables.

Expected credit losses are valued at the product of probability of default, loss given default, and the exposure in the event of default. Heimstaden Bostad has defined default as when payment of the claim is overdue by 90 days or more, or if other factors indicate that payment is in default. For assets and receivables with deteriorated credit exposure, an individual assessment is made, considering historical, current, and forward-looking data. The assessment of whether there is a significant increase in credit risk at the Balance Sheet date for a receivable or asset is based on whether payment is overdue by 30 days or more, or if significant deterioration of rating occurs, entailing a rating below investment grade. In cases where the amounts are not deemed insignificant, a provision is made for expected credit losses for these financial instruments as well. The valuation of expected credit losses considers any collateral and other credit enhancements in the form of guarantees.

Heimstaden Bostad considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Heimstaden Bostad may also consider a financial asset to be in default when internal or external information indicates that Heimstaden Bostad is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by Heimstaden Bostad. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities
Heimstaden Bostad's financial liabilities comprise interest-bearing loans and borrowings, corporate bonds, lease liabilities, derivative financial instruments, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. All financial liabilities are recognised initially at fair value and, except for derivative financial instruments, net of directly attributable transaction costs. For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the effective interest rate amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the Statement of Comprehensive Income.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

Derivative financial instruments
Heimstaden Bostad does not apply hedge accounting in accordance with IFRS 9. Derivative financial assets and liabilities are classified as financial assets or liabilities at fair value through profit and loss. Derivative financial assets and liabilities comprise mainly interest rate swaps, forward foreign exchange contracts for economic hedging purposes, and forward purchase contracts for investment

properties held in limited liability companies. Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in net valuation gain or loss financial instruments at fair value through profit and loss. When forward contracts for investment properties held in limited liability companies are settled and the Company takes control of the new subsidiary, the fair value of the forward contract is transferred to the fair value of the investment property.

The Company accounts for future purchase agreements of investment properties held in limited liability companies as a financial instrument under IFRS 9 at fair value through profit/loss, where the investment properties valuation on the special assumption it is built and let is an underlying factor in the fair value calculation. For further information, see note 3.1

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair Value Measurements of Financial Instruments

Below is a comparison of the carrying amounts and fair values of financial assets and financial liabilities:

	31 December 2022		31 December 2021	
SEK million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Derivative financial instruments	1,481	1,481	440	440
Quoted equity investments	–	–	5,765	5,765
Other financial non-current assets	3,703	3,703	2,431	2,431
Trade receivables	359	359	179	179
Other financial receivables	4,867	4,867	1,469	1,469
Cash and cash equivalents	9,385	9,385	19,508	19,508
Total	**19,796**	**19,796**	**29,791**	**29,791**
Financial liabilities				
Derivative financial instruments	127	127	6	6
Long-term interest-bearing liabilities	171,119	155,011	134,895	135,229
Current interest-bearing liabilities	11,572	11,572	23,485	23,485
Lease liabilities	1,416	1,416	734	734
Trade payables	833	833	566	566
Other liabilities	3,008	3,008	4,411	4,411
Total	**188,074**	**171,965**	**164,096**	**164,431**

The following tables provide the fair value measurement hierarchy of the Group's financial assets and financial liabilities:

As at 31 December 2022

		Fair value measurement using:		
SEK million	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:	**1,481**	**–**	**1,281**	**200**
Derivative financial assets				
Cross currency swap	163	–	163	–
Interest rate swaps	1,118	–	1,118	–
Foward purchase contracts	200	–	–	200
Financial liabilities measured at fair value:	**-127**	**–**	**-127**	**–**
Derivative financial liabilities				
Interest rate swaps	-127	–	-127	–

There were no changes in the Group's valuation processes, valuation techniques, or types of inputs used in the fair value measurements during the period. During 2022, the Company's holding in quoted equity investments were reclassified to associated companies. Upon this classification value change of quoted equity investments was SEK -2,208 million. This is presented under other financial items in the income statement. For more information regarding the reclassification see Note 3.4. There were no transfers between Level 1 and Level 2 fair value measurements during 2022, and no transfers into or out of Level 3 fair value measurements during 2022.

As at 31 December 2021

		Fair value measurement using:		
SEK million	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value:	**6,401**	**5,765**	**165**	**471**
Derivative financial assets				
Cross currency swaps	165	–	165	–
Foward purchase contracts	471	–	–	471
Quoted equity investments	5,765	5,765	–	–
Financial liabilities measured at fair value:	**-202**	**–**	**-202**	**–**
Derivative financial liabilities				
Cross currency swaps	-173	–	-173	–
Interest rate swaps	-28	–	-28	–

2023072106279

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest-level input that is significant to the fair value measurement as a whole, as follows:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period. 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. For more information regarding fair value hierarcy see Note 3.1.

Maturity, interest rate derivatives

		31 December 2022			31 December 2021		
SEK million	Type	Nominal amount	Share, %	Average interest, %[1]	Nominal amount	Share, %	Average interest, %[1]
Maturity, year							
Within 1 year of the Balance Sheet date	Paying fixed	21,961	48	0.76	5,314	15	0.15
Within 1–5 years of the Balance Sheet date	Paying fixed	16,028	35	0.74	28,845	81	0.12
Later than 5 years from the Balance Sheet date	Paying fixed	7,753	17	2.88	1,542	4	0.10
Total interest rate derivatives		**45,742**	**100**	**1.11**	**35,701**	**100**	**0.12**

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

Maturity, cross currency swaps

		31 December 2022			31 December 2021		
SEK million	Type	Nominal amount	Share, %	Average interest, %[1]	Nominal amount	Share, %	Average interest, %[1]
Within 1 year of the Balance Sheett date	Receives variable	5,624	100	4.96	–	–	–
Within 1–5 years of the Balance Sheet date	Receives variable	–	–	–	5,624	100	2.36
Later than 5 years from the Balance Sheet date	Receives variable	–	–	–	–	–	–
Total cross currency swaps		**5,624**	**100**	**4.96**	**5,624**	**100**	**2.36**

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

6.2 Financial risks

Russia's invasion of Ukraine on 24 February 2022 has had major impact on Europe's economy and geopolitical climate and may affect the Group. The uncertainty in the global economy has increased. The war has amongst other things led to higher prices for commodities, electricity, and fuel, which has again led to record high inflation in the countries Heimstaden Bostad operates in. Heimstaden Bostad has no presence in the Ukraine but may be affected with higher costs in our operational countries as a consequence of the geopolitical climate. This has in turn led to increased market interest rates and forced central banks to hike key policy rates. The worsened interest rate environment impacts Heimstaden Bostad's funding expenses and may continue to impact asset values negatively. This may cause Heimstaden Bostad's funding costs to increase through higher base rates and potentially higher margins. It has also impacted the liquidity and availability of public debt market funding and Heimstaden Bostad is increasing its focus on secured lending in response.

Refinancing risk
To minimise refinancing risk, the Company uses various reliable funding sources with a diversified maturity structure. The Company's financial policy stipulates the level of key credit ratios, as well as a minimum average loan tenor in the debt portfolio of 4 years. To mitigate refinancing risk, the Company also maintains ample liquidity reserves and unutilised sources of credit.

Liquidity risk
Liquidity risk is the risk that Heimstaden Bostad cannot fulfil its financial or operational obligations, or that the Group cannot pay for acquisitions, capital expenditures, or other signed obligations. To mitigate this risk, Heimstaden Bostad has unutilised credit facilities of 19,847 SEK million, a financial policy stating that there can never be more than 25% of debt maturing in a single year, as well as a policy stipulating that the estimated liquidity ratio always has to exceed 125%.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments):

Maturity 31 December, 2022, SEK million	0–1 years	1–5 years	>5 years
Interest-bearing liabilities[1]	14,583	100,328	100,895
Leasing liabilities	84	120	1,369
Trade payables	833	–	–
Other liabilities	5,766	–	–
Total	**21,266**	**100,448**	**102,264**

Maturity 31 December, 2021, SEK million	0–1 years	1–5 years	>5 years
Interest-bearing liabilities[1]	22,866	64,980	89,379
Leasing liabilities	62	100	476
Trade payables	566	–	–
Other liabilities	6,274	–	–
Total	**29,768**	**65,080**	**89,855**

[1] *Of which interest-bearing liabilities excluding interest expenses amounts to SEK 183,250 million (158,933).*

Financial obligations
The Company's debt agreements include financial covenants, the breach of which could lead to the termination of loans, immediate repayment requirements, or a claim on secured assets. The Company's financial policy stipulates levels of key credit ratios to ensure that no covenants are breached. Continuous internal and external auditing assures accurate reporting and information. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

Credit risk
If counterparties cannot meet their obligations towards the Company or if a substantial number of customers fail to pay rent, it would lead to reduced liquidity and losses. To counter this, the Company regularly assesses the creditworthiness of its counterparties. For the majority of rental contracts rent is paid in advance and risk is further reduced through a large and diversified customer base.

Interest rate risk
Rising interest rates may increase the financing cost for the Company and negatively impact profitability. According to the financial policy, the Company shall maintain at least 75% of its loan portfolio at a fixed rate, which is managed with loans and bonds with fixed interest rates and interest rate swaps.

Currency risk
The Company owns assets in other currencies than the reporting currency, which leads to a risk of negative impact on cash flows or asset values in the case of fluctuating currency exchange rates. The Company targets to utilise match funding to match cash flows with asset and debt value fluctuations.

Changes in values of derivatives
The value of currency derivatives may be affected by changes in base rates or foreign currency exchange rates. The Company's financial policy dictates which derivative instruments may be used for hedging strategies, stating that only marketable instruments for which prices can be obtained may be utilised. The Company also continuously monitors market movements and obtains external and internal derivative valuations.

Interest rate sensitivity
The following table shows the sensitivity by a change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected as follows:

Interest expenses

2022 SEK million	Increase/decrease in basis points	Effect on profit before tax (+)	Effect on profit before tax (-)
	1%	445	-501
	2%	850	-1,001

2021 SEK million	Increase/decrease in basis points	Effect on profit before tax (+)	Effect on profit before tax (-)
	1%	427	-526
	2%	1,042	-1,267

Foreign currency sensitivity
The following table shows the sensitivity by a change in foreign currency on senior unsecured bonds. With all other variables held constant, the Group's profit before tax is affected through the impact of changes in foreign currency as follows:

2022 million	Increase/decrease in foreign currency rate	Effect on profit before tax (+)	Effect on profit before tax (-)
EUR	10%	765	-765
NOK	10%	310	-310

2021 million	Increase/decrease in foreign currency rate	Effect on profit before tax (+)	Effect on profit before tax (-)
EUR	10%	600	-600
NOK	10%	310	-310

6.3 Interest-bearing loans and borrowings

	2022				2021			
SEK million	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment	Interest-bearing liabilities	Secured loans, %	Share, %	Unutilised credit commitment
Corporate bonds	91,779	0	50	–	75,282	0	47	–
Mortgages	37,760	100	21	–	34,599	100	22	–
Bank loans	53,711	98	29	19,847	49,052	62	31	24,474
Total	**183,250**	**37**	**100**	**19,847**	**158,933**	**41**	**100**	**24,474**
Deferred charges	-559				-553			
Total incl. deferred charges	**182,691**				**158,380**			

Interest-bearing liabilities per currency

	2022		2021	
Currency	SEK million	Local currencies	SEK million	Local currencies
SEK	33,459	33,459	22,143	22,143
NOK	3,826	3,600	3,694	3,600
EUR	110,840	9,933	101,254	9,878
DKK	35,125	23,385	31,842	23,103
Total	**183,250**		**158,933**	
Deferred charges	-559		-553	
Total incl. deferred charges	**182,691**		**158,380**	

2023072106281

Quoted bonds

Nominal value (millions)	Currency	Fair value[2]	Maturity	Rating	Annual coupon	Identification number	Exchange
Interest-bearing liabilities							
500	NOK	495	2024-06-07	BBB	FLOATING 5,8%	NO0010838899	Oslo Børs
450	EUR	438	2023-09-05	BBB	FIXED 2,125%	XS1958655745	Euronext Dublin
500	EUR	418	2026-01-21	BBB	FIXED 1,125%	XS2105772201	Euronext Dublin
50	EUR	30	2035-05-04	BBB	FIXED 2,8%	XS2168047087	Euronext Dublin
50	EUR	31	2035-05-04	N/A	FIXED 2,8%	XS2161838276	Euronext Dublin
700	EUR	563	2027-03-03	BBB	FIXED 1,375%	XS2225207468	Euronext Dublin
800	SEK	772	2025-02-25	N/A	FLOATING 3,653%	XS2259800121	Euronext Dublin
400	SEK	360	2025-02-25	N/A	FIXED 1,368%	XS2259781230	Euronext Dublin
400	NOK	361	2025-02-25	N/A	FIXED 2,019%	NO0010906951	Oslo Børs
400	NOK	381	2025-02-25	N/A	FLOATING 4,83%	NO0010906944	Oslo Børs
750	SEK	713	2025-04-07	N/A	FLOATING 2,471%	XS2327990649	Euronext Dublin
500	SEK	486	2024-04-08	N/A	FLOATING 2,388%	XS2327839580	Euronext Dublin
200	NOK	194	2024-04-22	N/A	FLOATING 4,11%	NO0010976319	Oslo Børs
1,250	NOK	1,135	2026-04-22	N/A	FLOATING 4,31%	NO0010976327	Oslo Børs
350	NOK	313	2028-04-24	N/A	FLOATING 4,51%	NO0010976335	Oslo Børs
750	EUR	503	2029-09-06	BBB	FIXED 0,75%	XS2384269366	Euronext Dublin
1,250	EUR	1,107	2024-10-13	BBB	FIXED 0,25%	XS2397239000	Euronext Dublin
750	EUR	563	2028-04-13	BBB	FIXED 1%	XS2397252102	Euronext Dublin
750	EUR	478	2031-10-13	BBB	FIXED 1,625%	XS2397252011	Euronext Dublin
1,050	SEK	1,030	2023-11-23	N/A	FLOATING 2,937%	XS2412109105	Euronext Dublin
2,800	SEK	2,675	2023-11-23	N/A	FIXED 0,933%	XS2412106002	Euronext Dublin
1,000	SEK	904	2026-11-23	N/A	FLOATING 3,437%	XS2412106853	Euronext Dublin
850	SEK	804	2024-01-22	N/A	FIXED 0,875%	XS2420346517	Euronext Dublin
700	EUR	594	2025-07-24	BBB	FIXED 0,625%	XS2435603571	Euronext Dublin
500	EUR	375	2028-07-24	BBB	FIXED 1,375%	XS2435611244	Euronext Dublin
700	EUR	667	2024-01-19	BBB	FLOATING 2,008%	XS2430702873	Euronext Dublin
500	SEK	454	2027-02-22	N/A	FLOATING 3,739%	XS2447755351	Euronext Dublin
500	EUR	501	2023-01-12	N/A	FLOATING 0.052%	XS2284258345	Euronext Dublin
Hybrid bonds[1]							
800	EUR	592	2024-11-19	BB+	VARIABLE 3,248%	XS2010037765	Euronext Dublin
500	EUR	288	2024-11-19	BB+	VARIABLE 3,375%	XS2125121769	Euronext Dublin
800	EUR	432	2027-02-01	BB+	VARIABLE 2,625%	XS2294155739	Euronext Dublin
600	EUR	344	2027-10-29	BB+	VARIABLE 3%	XS2357357768	Euronext Dublin
600	EUR	324	2026-10-13	BB+	VARIABLE 3,625%	XS2397251807	Euronext Dublin

[1] Hybrid bonds are classified as equity in the statement of Balance Sheet. Maturity refers to first call date.
[2] Based on quoted market prices as of the Balance Sheet date.

Maturity structure interest-bearing liabilities

	Average loan tenor, 31 December 2022					
SEK million	Loans and borrowings, secured	Corporate bonds, unsecured	Total loans and borrowings	Share, %	Lines of credit	Share, %
Loan maturity						
Within 1 year of the Balance Sheet date	1,307	9,600	10,906	6	3,738	19
Within 1–5 years of the Balance Sheet date	39,233	50,673	89,906	49	11,278	57
Later than 5 years from the Balance Sheet date	49,631	32,807	82,438	45	4,830	24
Total	**90,171**	**93,079**	**183,250**	**100**	**19,847**	**100**

	Average loan tenor, 31 December 2021					
SEK million	Loans and borrowings, secured	Corporate bonds, unsecured	Total loans and borrowings	Share, %	Lines of credit	Share, %
Loan maturity						
Within 1 year of the Balance Sheet date	131	22,641	22,772	14	1,400	6
Within 1–5 years of the Balance Sheet date	15,612	38,298	53,910	34	22,971	94
Later than 5 years from the Balance Sheet date	49,329	32,922	82,251	52	102	0
Total	**65,072**	**93,861**	**158,933**	**100**	**24,474**	**100**

	Interest tenor, 31 December 2022				
SEK million	Secured borrowing	Unsecured borrowing	Total borrowing	Average interest rate,% incl. margin	Share, %
Interest maturity					
Within 1 year of the Balance Sheetdate	64,185	25,131	89,316	2.69	49
Within 1–5 years of the Balance Sheet date	12,576	36,813	49,389	0.97	27
Later than 5 years from the Balance Sheet date	13,410	31,135	44,545	1.41	24
Total	**90,171**	**93,079**	**183,250**	**1.92**	**100**

	Interest tenor, 31 December 2021				
SEK million	Secured borrowing	Unsecured borrowing	Total borrowing	Average interest rate,% incl. margin	Share, %
Interest maturity					
Within 1 year of the Balance Sheet date	43,189	60,250	103,438	0.91	65
Within 1–5 years of the Balance Sheet date	11,877	18,236	30,113	0.91	19
Later than 5 years from the Balance Sheet date	10,007	15,375	25,382	1.14	16
Total	**65,072**	**93,861**	**158,933**	**0.95**	**100**

The average remaining term of fixed interest in the loan portfolio, including derivatives, as at 31 December 2022 was: 3.20 years (2.19)
The average remaining loan tenor, as at 31 December 2022 was: 8.32 years (8.86)

Reconciliation of liabilities attributable to financing activities

SEK million	Corporate bonds	Morgages/ bank loans	Deferred charges	Lease liabilities	Total
Opening balance, 1 January 2021	**30,317**	**40,734**	**-271**	**531**	**71,311**
Loan repayments	-8,070	-8,500	–	-12	-16,582
New borrowings/assumed debt in connection with acquisitions	52,016	20,778	–	86	72,880
Assumed debt in connection with acquisitions	–	29,538	–	–	29,538
Currency exchange effect on loans	1,019	1,102	–	119	2,240
Capitalisation of debt issuance cost, net of amortisation	–	–	-282	9	-273
Closing balance, 31 December 2021	**75,282**	**83,652**	**-553**	**733**	**159,114**
Opening balance, 1 January 2022	**75,282**	**83,652**	**-553**	**733**	**159,114**
Loan repayments	-11,115	-29,154	–	-88	-40,358
New borrowings/assumed debt in connection with acquisitions	21,507	27,150	–	693	49,349
Assumed debt in connection with acquisitions	–	3,912	–	–	3,912
Currency exchange effect on loans	6,106	5,913	–	69	12,087
Capitalisation of debt issuance cost, net of amortisation	–	–	-6	9	3
Closing balance, 31 December 2022	**91,779**	**91,471**	**-559**	**1,416**	**184,107**

6.4 Capital management

The access to long-term capital is important for Heimstaden Bostad to acquire, develop, and manage our property portfolio. The Company defines its managed capital as the sum of consolidated net debt and equity, including hybrid capital and the part attributable to non-controlling interests. Changes in the capital structure affect the operations' financial risk and earnings capacity and we are monitoring the capital structure to ensure it is aligned with the Company's financial policy.

Financial Policy

		Policy	2022	2021
Interest coverage ratio, S&P method	Multiple	≥ 2.4	2.6	2.9
Net debt / net debt + equity, S&P method	%	<55	52.6	52.2
Average loan tenor	Years	≥ 4	8.3	8.9
Loan maturity in individual year	%	≤ 25	18	14
Loans from individual lender	%	≤ 20	8.1	11.0
Interest rate hedge ratio	%	≥ 75	76.3	77.0
Quick ratio	%	≥ 1.25	1.49	2.9

2023072106283

6.5 Leases

Accounting policies
Helmstaden Bostad has a lease commitment for leasehold rights, premises, and vehicles. The commitment is classified as a lease liability in the Balance Sheet and the right to use the underlying asset during the lease term is classified as an asset. Amortisation of the asset is reported in profit or loss. Lease payments are reported partly as payment of interest and partly as amortisation of the lease liability. Lease payments are renegotiated at the end of the agreements to reflect market rents. The agreements mainly fall due for renegotiation in more than 5 years. Premises and vehicles are reported at discounted values in the Balance Sheet as a right-of-use asset and a lease liability. In profit or loss, the right-of-use asset is depreciated over the term of the agreement and payment made to the landlord / lessor is reported partly as amortisation of the lease liability and partly as interest expense in profit or loss.

The table below shows the rights of use per category:

SEK million	Premises	Vehicles	Other	Total
Opening balance, 1 January 2021	**29**	**2**	**–**	**31**
Changes to contracts	-13	2	–	-11
Depreciation	-3	-2	–	-5
Currency translation	2	–	–	2
Closing balance, 31 December 2021	**15**	**2**	**–**	**17**
Changes to contracts	157	82	1	240
Depreciation	-55	-29	-1	-84
Currency translation	7	3	–	10
Closing balance, 31 December 2022	**125**	**58**	**1**	**183**

Below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

SEK million	2022	2021
As at 1 January	**733**	**610**
Additions	693	86
Accretions of interest	7	5
Payments	-88	-12
Reclassification	2	4
Currency translation	69	40
As at 31 December	**1,416**	**733**
Current	84	5
Non-current	1,331	728

The following amounts are recognised in profit or loss:

SEK million	2022	2021
Depreciation expense of right-of-use assets	-84	-5
Interest expense on lease liabilities	-7	-5
Expense relating to short-term leases (included in cost of sales)	2	-2
Expense relating to leases of low-value assets (included in administrative expenses)	1	-2
Total amount recognised in profit or loss	**-87**	**-14**

Breakdown of undiscounted lease debt:

SEK million	2022	2021
Within one year	99	62
1–5 years	120	100
> 5 years	1,369	476
Total	**1,588**	**638**

The Group's lease income from operating leases is presented in rental income in profit or loss. For more information see Note 2.2.

The Group had total cash outflows for leases of SEK 88 million (12).

2023072106284

7. Other liabilities

7.1 Deferred tax

Accounting policies

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. In business combinations, deferred tax is recognised using the acquisition method and valued at fair value. Differences in valuation between the reported and taxable values of assets and liabilities are accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of Heimstaden Bostad's investment property is assumed to be realised by sale at the end of use.

The capital gains tax rate is based on the applicable rate of a direct sale of the property recorded in the Balance Sheet regardless of whether Heimstaden Bostad would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Heimstaden Bostad and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Deferred tax

	2022		2021	
SEK million	Basis	Tax	Basis	Tax
Deferred tax asset loss carryforwards				
Opening balance	-1,085	-236	-667	-147
Change for the year	-3,949	-746	-418	-89
Closing balance	**-5,034**	**-982**	**-1,085**	**-236**
Deferred tax liabilities investment properties				
Opening balance	91,163	21,880	20,923	4,453
Business combinations	–	–	48,916	12,877
Depreciation for the year	246	51	187	39
Value change for investment properties	-5,436	-1,315	21,217	4,528
Reversal for the year due to sale	-156	-32	-79	-17
Corporate acquisition	9,751	2,110	–	–
Closing balance	**95,568**	**22,694**	**91,163**	**21,880**
Derivative financial instruments				
Opening balance	434	91	-447	-95
Change for the year	920	190	881	186
Closing balance	**1,354**	**281**	**434**	**91**
Temporary differences				
Opening balance	629	169	–	–
Change for the year	-1,025	-202	629	169
Closing balance	**-396**	**-33**	**629**	**169**
Net deferred tax				
Opening balance	91,141	21,904	19,809	4,212
Business combinations	–	–	48,916	12,877
Change for the year	351	56	22,416	4,815
Closing balance	**91,492**	**21,960**	**91,141**	**21,904**

Capitalised tax loss carryforward relates to a tax loss of SEK 5,034 million (1,085).

7.2 Other current liabilities

SEK million	31 December 2022	31 December 2021
Current tax liabilities	603	450
Real estate transfer tax	–	2,414
Liabilities related to real estate transactions	392	645
Social security charges	21	0
Other liabilites	1,991	902
Total	**3,008**	**4,411**

7.3 Accrued expenses and prepaid income

SEK million	31 December 2022	31 December 2021
Accrued interest	593	176
Prepaid rent	513	560
Accrued personnel expenses	95	111
Accrued operating expenses	751	580
Accrued administrative expenses	51	328
Other accrued items	755	110
Total	**2,758**	**1,863**

2023072106286

8. Other disclosures

8.1 Related-party disclosures

Transactions with related parties are carried out at arm's length terms.

The following are defined as related parties:
- All companies within the Heimstaden Group
- Board Members and Company management
- Close family members of Board Members or Company management
- Companies controlled by Board Members or Company management
- Shareholders in control of more than 10% of the shares or votes in the Company

Summary of transactions with related parties
In addition to the related-party relationships specified for the Group, the Parent Company has a controlling influence over subsidiaries in accordance with Note 7.

In 2022, Heimstaden Bostad acquired administrative services from Heimstaden AB and its subsidiaries for SEK 1,716 million (1,437).

In 2022, Heimstaden Bostad AB acquired properties from Group companies for SEK 157 million (0).

In 2022, Heimstaden Bostad AB, received an investment guarantee from Fredensborg of SEK 717 million (0).

In 2022, Ivar Tollefsen and his family received SEK 12 million (15) in total fees for ground rent.

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

In July 2022, the Country Management organisation in Sweden, Germany, Denmark, Netherlands, Czech Republic, Norway, Finland, United Kingdom and Poland was sold from Heimstaden AB to Heimstaden Bostad AB. The transaction included companies employing about 2,000 people in nine countries, carrying out local management of Heimstaden Bostad's properties. See Note 8.2 for more information.

Transactions with key individuals in leading positions
The CEO holds shares in Heimstaden Bostad AB, and accordingly received dividends in 2022 and 2021 and participated in the new share issue.

Transactions with associated companies and joint ventures

SEK million	2022	2021
Interest revenue from investments in associated companies and joint ventures	39	22
Receivables from investments in associated companies and joint ventures	104	161
Capital contributions to investments in associated companies and joint ventures	41	–

In addition to the related parties presented above see also Note 3.4, Associated companies and joint ventures.

8.2 Business combinations

On 1 July 2022, Heimstaden Bostad acquired 100% of the voting shares in Heimstaden Country Manager AB from Heimstaden AB. The consideration paid in the transaction was SEK 2.6 billion. The portfolio comprised the Country Management organisation in Sweden, Germany, Denmark, Netherlands, Czech Republic, Norway, Finland, United Kingdom and Poland.

The transaction is a business combination under common control and the Company has elected to account for the transaction as a business combination according to IFRS 3. As a result of the business combination and the preliminary analysis of the purchase price allocation, SEK 2.9 billion in goodwill was recognised. The goodwill arose from the purchase price exceeding the fair value of acquired net assets. The goodwill amount is related to synergies attributable to savings for Heimstaden Bostad.

The acquired businesses have from the date of acquisition to 31 December 2022 contributed with reduced property management expenses, and to the Group's profit before taxes, with SEK 69.2 million. If the acquisition had occured at the beginning of 2022, profit before taxes for 2022 would have improved by SEK 138.4 million.

Acquisition of the Country Management organisation

Balance Sheet, 1 July 2022

SEK million	Fair value recognised on acquisition
NET ASSETS	
Other non-current financial assets	331
Other current assets	363
Cash and cash equivalents	307
Non-current liabilities, financial leasing	-118
Other long-term liabilities	-63
Other current liabilities	-1,077
Net identifiable assets at fair value	**-256**
Goodwill	2,859
Total purchase price	**2,603**
CASH FLOW EFFECT	
Consideration paid	2,603
- cash and cash equivalents in acquired companies	307
Total cash flow effect	**2,296**

Purchase price allocations for the the business combination of Akelius Lägenheter Aktiebolag, Akelius Bolig Holding ApS, and Akelius GmbH, which was completed in December 2021, have now been finalised. Final purchase price allocations are included below and refers to adjustments related to goodwill and consideration paid.

Acquisition of Akelius properties in Germany, Sweden, and Denmark

Balance Sheet, 1 December 2021

SEK million	Preliminary purchase price allocation Fair value recognised on acquisition	Final purchase price allocation Fair value recognised on acquisition
NET ASSETS		
Investment properties	89,069	89,069
Machinery and equipment	10	10
Other non-current financial assets	68	68
Inventory properties	467	467
Other current assets	246	246
Cash and cash equivalents	288	288
Long-term interest-bearing liabilities	-13,067	-13,067
Non-current liabilities, financial leasing	-68	-68
Deferred tax liability	-12,949	-12,949
Other long-term liabilities	-70	-70
Other current liabilities	-723	-723
Net identifiable assets at fair value	**63,271**	**63,271**
Goodwill	16,466	15,866
Total net assets	**79,737**	**79,137**
CASH FLOW EFFECT		
Consideration paid	79,737	79,137
- cash and cash equivalents in acquired companies	288	288
Total cash flow effect	**80,025**	**79,425**

8.3 Pledged assets

SEK million	31 December 2022	31 December 2021
Mortgages[1]	102,993	62,526
Pledged shares in subsidiaries[1]	10,750	7,622
Total	**113,743**	**70,148**

[1] *The collateral has been pledged with regard to interest-bearing loans from credit institutions.*

8.4 Contingencies and commitments

Investment obligations

Heimstaden Bostad has entered into contracts with sellers of investment property placed in a corporate wrapper. The corporate wrapper holds an existing investment property and rental agreements with tenants. Heimstaden Bostad will acquire 100% of the outstanding shares in the corporate wrapper at a future date. The contract is either for a fixed price or at a variable price based on the equity in the corporate wrapper, where the investment property is measured at fair value. The arrangements are recognised as financial instruments under IFRS 9 at fair value through profit/loss. For more information see Note 6.1.

Heimstaden Bostad has signed agreements to buy turnkey investment properties under construction after the Balance Sheet date. As at 31 December 2022, Heimstaden Bostad had total investment obligations of SEK 5,492 million between 2023 and 2029, see table below.

2022

SEK million	2023	2024	2025	2026	2027	2028	2029	Total
Investment obligations	3,179	1,862	451	–	–	–	–	5,492

2021

SEK million	2022	2023	2024	2025	2026	2027	2028	Total
Investment obligations	3,871	1,643	3,303	2,273	378	601	–	12,069

Capital expenditures

As at 31 December 2022, Heimstaden Bostad had agreed forward funding contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties under construction of SEK 3,676 million.

Disputes

As at 31 December 2022, Heimstaden Bostad is not a part in any ongoing process that is expected to have a significant impact on the financial statement.

202307210628S

8.5 Events after the reporting period

Subsequent events are viewed as new information on the Company's Balance Sheet that becomes known after the reporting period. In evaluating such, the Group distinguishes between adjusting and non-adjusting events after the reporting period. Adjusting events refer to those that provide evidence of conditions that existed at the end of the reporting period, whereas non-adjusting events refer to those that are indicative of conditions that arose after the reporting period. Events after the reporting period that do not affect the company's Balance Sheet at the end of the reporting period, but which will affect the Company's Balance Sheet in the future, are disclosed if significant.

Adjusting subsequent events:
No adjusting events have occurred after the Balance Sheet date.

Non-adjusting subsequent events:
On 03 January 2023, Heimstaden AB made changes in its Management Team. Arve Regland, who has held a combined CFO position in Heimstaden AB and Fredensborg AS, will take the more strategic role as Group CFO of Fredensborg AS, as Thomas Alexander Hansen is appointed CFO of Heimstaden AB. To strengthen the synergies between Investments and Financing, the DCM & Treasury team will report to Chief Investment Officer Christian Fladeland.

The financial statements form part of the Annual Report and were approved by the Board of Directors and the CEO on 24 February 2023.

2023072106289

Parent Company Financial Statements and Notes

Income Statement

SEK million	Note	2022	2021
Management service revenues		450	1
Other operating expenses		-58	-15
Administrative expenses	2.1, 2.2, 7.2	-777	-603
Operating profit/loss		**-385**	**-617**
Results from divestment of shares in subsidiaries	2.3	-2,018	–
Impairment of investment in subsidiaries and associated companies	3.1, 7.4	-175	–
Interest income	2.4	2,012	655
Interest expenses	2.4	-1,333	-668
Net currency translation gains/losses	2.4	-4,902	–
Fair value adjustment of derivative financial instruments	5.2	174	306
Other financial items	2.4	-74	331
Profit/loss after financial items		**-6,701**	**7**
Appropriations	2.5	5,517	–
Profit/loss before tax		**-1,184**	**7**
Income tax expense	2.6	540	-104
Profit/loss for the period		**-644**	**-97**

Comprehensive Income Statement

SEK million	Note	2022	2021
Profit/loss for the year according to the Income Statement		-644	-97
Other comprehensive income		–	–
Total comprehensive income/loss		**-644**	**-97**

2023072106290

Balance Sheet

SEK million	Note	31 December 2022	31 December 2021
ASSETS			
Shares in subsidiaries	7.4	55,643	62,021
Investments in associated companies	3.1	9,544	–
Quoted equity investments	3.1	–	5,188
Equity securities		511	–
Deferred tax assets	3.2	555	41
Non-current receivables, subsidiaries	3.3, 7.2	97,472	100,209
Total non-current assets		**163,725**	**167,459**
Current receivables, subsidiaries	3.4, 7.2	48,374	40,369
Other current assets		4,016	86
Cash and cash equivalents	3.5	4,735	16,555
Total current assets		**57,125**	**57,010**
TOTAL ASSETS		**220,850**	**224,469**

SEK million	Note	31 December 2022	31 December 2021
EQUITY AND LIABILITIES			
Share capital		93	72
Restricted equity		**93**	**72**
Share premium reserve		126,110	95,176
Hybrid bonds		24,316	33,652
Retained earnings		-31,122	-4,625
Unrestricted equity		**119,304**	**124,203**
Total equity	4.1	**119,397**	**124,274**
Interest-bearing liabilities	5.1	18,775	45,303
Derivative financial instruments	5.2	127	198
Deferred tax liability		518	–
Non-current liabilities, subsidiaries	6.1, 7.2	72,158	54,242
Total non-current liabilities		**91,577**	**99,743**
Interest-bearing liabilities	5.1	9,600	–
Trade payables		2	3
Current tax liabilities		–	51
Accrued expenses and prepaid income	6.2	275	398
Total current liabilities		**9,877**	**452**
TOTAL EQUITY AND LIABILITIES		**220,850**	**224,469**

Statement of Changes in Equity

SEK million	Share capital	Share premium reserve	Hybrid bonds	Retained earnings	Total equity
Opening balance, 1 January 2021	**43**	**50,240**	**13,621**	**450**	**64,353**
Profit/loss for the period	–	–	406	-502	-97
Total profit/loss	**–**	**–**	**406**	**-502**	**-97**
Share issue	29	44,936	–	–	44,965
Dividends	–	–	-406	-4,572	-4,978
Hybrid bonds issue	–	–	20,235	–	20,235
Costs of issuance	–	–	-204	–	-204
Total transactions with the Company's shareholders	**29**	**44,936**	**19,625**	**-4,572**	**60,018**
Equity, 31 December 2021	**72**	**95,176**	**33,652**	**-4,625**	**124,274**
Opening balance, 1 January 2022	**72**	**95,176**	**33,652**	**-4,625**	**124,274**
Profit/loss for the period	–	–	960	-1,604	-644
Total profit/loss	**–**	**–**	**960**	**-1,604**	**-644**
New share issue	22	30,970	–	–	30,991
Costs of issuance	–	-36	–	–	-36
Buyback of hybrid bonds	–	–	-9,336	1,692	-7,644
Dividends	–	–	-960	-26,585	-27,545
Total transactions with the Company's shareholders	**22**	**30,934**	**-10,296**	**-24,893**	**-4,233**
Equity, 31 December 2022	**93**	**126,110**	**24,316**	**-31,122**	**119,397**

2023072106292

Cash Flow Statement

SEK million	Note	2022	2021
Operating activities			
Profit/loss before income tax		-1,184	7
Adjustments to reconcile profit before tax to net cash flows:			
Other adjustments	7.3	7,019	-995
Working capital changes			
Increase(-)/decrease(+) in rent and other receivables		-3,931	-57
Increase(+)/decrease(-) in trade and other payables		-490	158
Cash generated from operations		**1,414**	**-887**
Paid income tax		-51	-26
Net cash flows from operating activities		**1,363**	**-913**

SEK million	Note	2022	2021
Investing activities			
Acquisitions of businesses, net of cash	8.2	-2,603	-2,347
Purchase of quoted equity investments		-4,474	-5,118
Proceeds from sale of subsidiaries		7,722	–
Net cash flows from investing activities		**645**	**-7,465**
Financing activities			
Proceeds from interest-bearing liabilities	5.1	4,118	29,838
Repayment of interest-bearing liabilities	5.1	-23,075	-8,070
Bonds		-501	–
Dividends paid		-3,229	-4,572
Proceeds from share issuances		7,635	44,965
Proceeds to subsidiaries		8,902	-64,095
Proceeds from issuance of hybrid bonds		–	20,235
Buyback of hybrid bonds		-7,100	–
Repayment on hybrid bonds		-996	-610
Settlement of derivative financial instruments		102	51
Net cash flows from financing activities		**-14,144**	**17,742**
Net change in cash and cash equivalents		-12,136	9,364
Cash and cash equivalents at the beginning of the period		16,555	5,916
Net currency exchange effect in cash and cash equivalents		316	1,275
Cash and cash equivalents at the end of the period		**4,735**	**16,555**

2023072106293

Notes to the Parent Company Financial Statements

1. Accounting policies

1.1 Accounting Policies

The Parent Company applies the same accounting policies as the Group (see Note 1.2, Significant accounting policies), with the following differences:

Investments in subsidiaries
Investments in subsidiaries are recognised at historical cost less deductions for any impairments. Acquisition-related costs and any contingent consideration are capitalised if there are indications that participations in Group companies have decreased in value. The recoverable amount is calculated and if this is lower than the carrying amount, the investment is impaired. Impairment is recognised under the item 'Impairment of investments in subsidiaries'.

Investments in associated companies
Participations in associated companies are recognised in the Parent Company in accordance with the cost method.

Financial instruments
The guidance for financial instruments under IFRS 9 is not applied by the Parent Company. The Parent Company applies the lower of cost or market method in accordance with the Swedish Annual Accounts Act. Accordingly, financial non-current assets are valued at cost and financial current assets at the lower of cost or market. The Parent Company applies the expected credit loss method under IFRS 9 for assets that are debt instruments. For other financial assets, impairment is based on market value.

The Parent Company applies the exemption not to value financial guarantee agreements benefitting subsidiaries, associated companies, and joint ventures in accordance with IFRS 9, applying instead the valuation policies under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Impairment of financial assets
The Parent Company applies the same impairment method as the Group for expected credit losses. The Parent Company considers the subsidiaries to have similar risk profiles and assessments are performed on a collective basis for similar transactions. At the Balance Sheet date, no material increase in credit risk has been deemed to prevail for any intra-Group receivables. The Parent Company's receivables from its subsidiaries are subordinated external lenders' claims. The Parent Company's expected loss in the event of default takes into account the average of the subsidiaries' loan-to-value ratios and their expected market value in the event of a forced sale. Based on the Parent Company's assessments, it is estimated that expected loan losses will not be significant and no provision has been reported.

Group contributions and shareholder contributions
Group contributions are deductible, unlike shareholder contributions. Group contributions paid and received are reported in the Comprehensive Income Statement. Shareholder contributions are reported as an increase of participations in Group companies and tested for impairment.

Credit risk
The Parent Company's maximum credit risk is the net amount of the financial assets. The Parent Company has no collateral for its net financial assets.

Based on our assessment there has been no significant increase in credit risk of the Parent Company's financial assets.

Leases as a lessee
When the Parent Company is the lessee, lease payments are expensed on a straight-line basis over the term of the lease. The cost of leases attributable to leaseholds and the cost for other leases are recognised in operating profit. The right-of-use asset and the lease liability are therefore not recognised in the Balance Sheet.

Presentation
For the Parent Company, the Income Statement and other comprehensive income are presented in two reports. For the Parent Company, the Statement of Comprehensive Income and Balance Sheet are prepared in accordance with the Annual Accounts Act's schedule while the Statement of Changes in Equity and the Cash Flow Statement are based on IAS 1, Presentation of Financial Statements, and IAS 7 Statement of Cash Flows.

2023072106294

2. Income and expenses

2.1 Audit fee

The audit assignment refers to the audit of the financial statements. Other assurance services provided by the auditors include services related to review procedures on interim reports and other attestation services. The fees are summarised in the table below:

EY

SEK million	2022	2021
Audit assignment	3	3
Other assurance services	2	2
Other services	1	–
Total	**6**	**5**

Grant Thorton

SEK million	2022	2021
Audit assignment	–	2
Total	**–**	**2**

Total

SEK million	2022	2021
Audit assignment	3	5
Other assurance services	2	2
Other services	1	–
Total	**6**	**7**

2.2 Personnel and senior management

The remuneration to the Chairman of the Board amounts to SEK 0.96 million (0.96). No other remuneration was paid to the Members of the Board except board fees presented in Group Note 2.6. The CEO receives remuneration from Heimstaden AB and these costs are included in the administrative services from Heimstaden AB.

During the year, the Board of Directors consisted of 9 (11) Members, of whom 5 (7) were men. There was 1 (1) other senior management, of whom 1 (1) are men.

2.3 Results from divestment of shares in subsidiaries

SEK million	2022	2021
Results from divestment of shares in subsidiaries	-2,018	–
Total	**-2,018**	**–**

2023072106295

2.4 Financial income and expenses

SEK million	2022	2021
Assets and liabilities measured at amortised cost:		
Interest income, subsidiaries	1,987	649
Interest income, other financial assets	25	7
Total interest income in accordance with the effective interest method	**2,012**	**656**
Interest expenses, loans	-752	-481
Interest expenses, Group companies	-581	-187
Total interest expenses in accordance with the effective interest method	**-1,333**	**-668**
Other financial items		
Foregin currency, financial items	-4,902	740
Other financial expenses	-74	-409
Total other financial items	**-4,976**	**331**
Net financial items	**-4,297**	**318**

2.5 Appropriations

SEK million	2022	2021
Group contributions received	5,517	–
Total	**5,517**	**–**

2.6 Income tax expense

SEK million	2022	2021
Current tax expense	–	-51
Deferred tax	540	-53
Income tax expense reported in Comprehensive Income Statement	**540**	**-104**
Profit before tax	-1,184	7
Tax according to current rate	244	-1
Tax effect of:		
Non-taxable income	21	–
Non-deductible interest, net	-26	-189
Tax effects hybrid bonds	648	137
Tax attributable to previous years	51	-51
Deferred tax capitalised on prior years losses carried forward	67	–
Fiscal adjustment divestment of co-ownership rights	-417	–
Write down of shares in subsidiaries and associated companies	-35	–
Non-deductible costs	14	–
Income tax expense reported in Comprehensive Income Statement	**540**	**-104**

2023072106296

3. Assets

3.1 Investments in associated companies

SEK million	31 December 2022	31 December 2021
Opening balances	–	–
Reclassification from financial investments	9,663	–
Impairment	-119	–
Closing balance	**9,544**	–

During 2022, the Company's investment in Kojamo Oyi (01163336-2, Helsingfors, Finland) was classified as an associated company based on an assessment of significant influence. The assessment of significant influence is determined by the fact that Heimstaden Bostad AB is by far the largest owner in Kojamo Oyi with significant voting power, owning 19.98%, and took a position on the nomination committee of the company in September. During 2022, the Company's holdings in quoted equity investments were reclassified to associated companies. Shares in associated companies are valued at the lowest value principle.

3.2 Deferred tax assets

SEK million	31 December 2022	31 December 2021
Opening balance	41	93
Change for the year	514	-52
Closing balance	**555**	**41**

Capitalised tax loss carryforward relates to tax loss of SEK 2,982 million (0).

3.3 Non-current receivables, subsidiaries

SEK million	31 December 2022	31 December 2021
Opening balance	100,209	19,343
Change for the year	-2,737	80,866
Closing balance	**97,472**	**100,209**

Receivables from Group companies are attributable to transactions between the Parent Company and the subsidiaries. Intra-group loans are subject to market terms and are without collateral.

3.4 Current receivables, subsidiaries

SEK million	31 December 2022	31 December 2021
Opening balance	40,369	33,721
Change for the year	8,005	6,648
Closing balance	**48,374**	**40,369**

Receivables from Group companies are attributable to transactions between the Parent Company and the subsidiaries. Intra-group loans are subject to market terms and are without collateral.

3.5 Cash and cash equivalents

Cash and cash equivalents mainly include bank deposits. The change in cash and cash equivalents is shown in the Consolidated Statement of Cash Flows.

2023072106297

4. Equity

4.1 Equity

Event	Type	Date of registration	Change in number of shares	Total number of shares	Change in share capital	Total share capital	Quota value
Opening balance at 1 January 2021				**26,895,437**		**42,546,466**	**1.58**
New share issue	Ordinary, Pref B	12.01.2021	1,671,996	28,567,433	2,644,927	45,191,393	1.58
New share issue	Ordinary, Pref B	18.03.2021	3,721,074	32,288,507	5,886,359	51,077,752	1.58
New share issue	Ordinary, Pref B, Pref C	17.11.2021	12,637,892	44,926,399	19,991,855	71,069,607	1.58
New share issue	Ordinary, Pref B, Pref C	15.12.2021	332,493	45,258,892	525,970	71,595,577	1.58
Closing balance at 31 December 2021				**45,258,892**		**71,595,577**	**1.58**
Opening balance at 1 January 2022				**45,258,892**		**71,595,577**	**1.58**
New share issue	Ordinary, Pref B	29.03.2022	9,671,291	54,930,183	15,298,995	86,894,573	1.58
New share issue	Ordinary, Pref B, Pref C	25.07.2022	3,554,262	58,484,445	5,622,480	92,517,053	1.58
New share issue	Ordinary, Pref B, Pref C	21.12.2022	465,844	58,950,289	736,918	93,253,340	1.58
Closing balance at 31 December 2022				**58,950,289**		**93,253,340**	**1.58**

At 31 December 2022, there were 12,563,147 (9,725,321) ordinary shares, 200 (200) Series A preference shares, 45,872,521 (35,205,992) Series B preference shares, and 514,421 (327,379) Series C preference shares. The voting value of an ordinary share is one-half vote per share, the voting value for Series A and B preference shares is one-tenth of a vote per share and the voting value for Series C preference shares is one vote per share. For information regarding hybrid bonds, see Group Note 5.

Proposed appropriation of accumulated profit, SEK

Share premium reserve	126,109,549,744	Dividend to shareholders	6,741,871,901
Hybrid bonds	24,316,095,331	Share premium reserve	126,109,549,744
Retained earnings	-30,478,310,296	Hybrid bonds	24,316,095,331
Profit/loss for the year	-643,835,364	Retained earnings	-37,864,017,561
Total	**119,303,499,415**	**Total**	**119,303,499,415**

It is proposed that the funds at the disposal of the Annual General Meeting, SEK 119,303,499,415 be appropriated such that, a dividend amounting to SEK 223.05 per ordinary share, totalling SEK 2,802,269,267. The Board further proposes distribution of a dividend to the holders of Series A preference shares in accordance with the Company's Articles of Association in the amount of SEK 3,363,143.11 per Series A preference share, totalling SEK 672,628,623. The Board further proposes distribution of a dividend to the holders of Series B1, B2, B3, B4, B5, B6, B7 and B8 preference shares in accordance with the Company's Articles of Association in the amount of SEK 77.26 per Series B1, B2, B3, B4, B5, B6, B7 and B8 preference shares, totalling SEK 2,719,959,416 for Series B1, B2, B3, B4, B5, B6, B7 and B8 shares. The Board further proposes distribution of a dividend to the holders of Series B9 preference shares in accordance with the Company's Articles of Association in the amount of SEK 59.20 per Series B9 preference share, totalling SEK 446,279,898 for Series B9 shares. The Board further proposes distribution of a dividend to the holders of Series B10 preference shares in accordance with the Company's Articles of Association, that is, in the amount of SEK 35.75 per Series B10 preference share, totalling SEK 99,987,968 for Series B10 shares. The Board further proposes distribution of a dividend to the holders of Series B11 preference shares in accordance with the Company's Articles of Association, that is, in the amount of SEK 2.26 per Series B11 preference share, totalling SEK 746,728 for Series B11 shares. Accordingly, a total of SEK 6,741,871,901 is to be paid out in dividends. The remaining amount, SEK 112,561,627,514 is to be carried forward to a new account. The dividend shall be paid in immediate connection with the resolution of the Annual General Meeting on 6 March 2023. No dividend shall, in accordance with the Company's articles of Association, be paid on the Series C preference shares.

2023072106298

5. Capital structure and financial items

5.1 Interest-bearing liabilities

SEK million	31 December 2022	31 December 2021
Loan maturity, year		
Within 1 year of the Balance Sheet date	9,600	22,641
Within 2–5 years of the Balance Sheet date	16,257	20,360
Later than 5 years from the Balance Sheet date	2,788	2,684
Total	**28,644**	**45,685**
Deferred charges	-269	-381
Total	**28,375**	**45,303**

	2022		2021	
SEK million	Loan amount	Average interest, % incl. margin	Loan amount	Average interest, % incl. margin
Interest maturity, year				
Within 1 year of the Balance Sheet date	20,274	2.9	39,749	0.7
Within 2–5 years of the Balance Sheet date	7,255	1.7	5,423	2.1
Later than 5 years from the Balance Sheet date	1,116	3.2	513	2.8
Total	**28,644**	**2.6**	**45,685**	**0.9**
Deferred charges	-269	–	-381	–
Total	**28,375**	**–**	**45,303**	**–**

Reconciliation of liabilities attributable to financing activities

SEK million	Corporate bonds	Mortgages/bank loans	Deferred charges	Total
Opening balance, 1 January 2021	21,520	1,690	–	23,210
Loan repayments	-5,870	-2,200	–	-8,070
New borrowings/assumed debt in connection with acquisitions	24,377	5,460	-302	29,535
Currency exchange effect on loans	628	–	–	628
Closing balance, 31 December 2021	**40,655**	**4,950**	**-302**	**45,303**
Opening balance, 1 January 2022	40,655	4,950	-302	45,303
Loan repayments	-23,077	–	–	-23,077
New borrowings/assumed debt in connection with acquisitions	1,300	2,818	–	4,118
Currency exchange effect on loans	1,780	139	112	2,031
Closing balance, 31 December 2022	**20,658**	**7,907**	**-190**	**28,375**

2023072106299

5.2 Interest-rate derivatives

SEK million	2022	2021
Gains or losses on disposal of interest-rate derivatives	103	51
Value change	71	255
Total	**174**	**306**

		2022			2021		
SEK million	Type	Nominal amount	Share, %	Average interest, %	Nominal amount	Share, %	Average interest, %
Interest maturity, year							
Within 1 year of the Balance Sheet date	Paying fixed	10,356	51	0.6	3,470	17	0.1
Within 1–5 years of the Balance Sheet date	Paying fixed	4,500	22	1.6	16,639	80	0.0
Later than 5 years from the Balance Sheet date	Paying fixed	5,500	27	2.9	750	4	0.3
Total purchased swaps		**20,356**	**100**	**1.4**	**20,859**	**100**	**0.0**
Within 1 year of the Balance Sheet date	Paying variable	3,625	100	2.8	3,610	100	0.8
Within 1–5 years of the Balance Sheet date	Paying variable	–	–	–	–	–	–
Later than 5 years from the Balance Sheet date	Paying variable	–	–	–	–	–	–
Total sold swaps		**3,625**	**100**	**2.8**	**3,610**	**100**	**0.8**

6. Other liabilities

6.1 Non-current liabilities, subsidiaries

SEK million	31 December 2022	31 December 2021
Opening balance	54,242	9,729
Change for the year	17,916	44,513
Closing balance	**72,158**	**54,242**

6.2 Accrued expenses and prepaid income

SEK million	31 December 2022	31 December 2021
Accrued interest expenses	225	203
Other accrued expenses	50	195
Total	**275**	**398**

2023072106300

7. Other disclosures

7.1 Contingencies and commitments

SEK million	31 December 2022	31 December 2021
Issued financial guarantees for the benefit of subsidiaries	101,756	83,585
Total	**101,756**	**83,585**

There are 0 pledged assets as of 31 December 2022 (0).

7.2 Related-party disclosures

Heimstaden Bostad has bought asset management services from Heimstaden AB of SEK 589 million in 2022 (545).

In 2022, the Country Management organisation was sold from Heimstaden AB to Heimstaden Bostad AB. During May 2022, the management companies employing former Akelius and Residomo employees in Sweden, Germany, Denmark, and Czech Republic was sold from Heimstaden Bostad AB to Heimstaden AB. On 1 July 2022, the Country Management organisation in Sweden, Germany, Denmark, Netherlands, Czech Republic, Norway, Finland, United Kingdom and Poland was sold from Heimstaden AB to Heimstaden Bostad AB. For more information, see Group note 8.1.

Transactions with subsidiaries

SEK million	2022	2021
Sales to subsidiaries	422	–
Purchases from subsidiaries	11	–
Interest income to subsidiaries	1,987	649
Interest costs to subsidiaries	-581	-187
Receivables from subsidiaries	145,846	140,578
Liabilities to subsidiaries	72,158	54,242
Capital contributions to subsidiaries	–	21,598
Issued financial guarantees for the benefit of subsidiaries	101,756	83,585

Executive management

For information of remuneration to the Board of Directors and the CEO, see Note PC 2.2.

7.3 Other adjustments in Cash Flow Statement

SEK million	2022	2021
Fair value adjustment of derivative financial instruments	-71	-255
Results from divestment of shares in subsidiaries	2,018	–
Impairment of investment in subsidiaries and associated companies	173	–
Exchange rate difference	4,900	-740
Total	**7,019**	**-995**

20230721063O1

7.4 Group companies

Shareholdings in subsidiaries

Company	Corp.ID.nr	Registrered office	Number of shares	Share in %[1,2]	Recognised value in Parent Company, SEK million 2022	2021
Heimstaden Bostad Invest 1 AB	556867-8444	Malmö	1,000	100	1,039	1,039
Heimstaden Bostad Invest 2 AB	556867-8451	Malmö	1,000	100	249	249
Heimstaden Bostad Invest 3 AB	556871-1153	Malmö	1,000	100	608	608
Heimstaden Bostad Invest 4 AB	556871-1104	Malmö	1,000	100	889	889
Heimstaden Bostad Invest 5 AB	556910-3467	Malmö	500	100	1,086	1,086
Heimstaden Bostad Invest 6 AB	556989-5690	Malmö	500	100	371	427
Heimstaden Bostad Invest 7 AB	559106-1584	Malmö	500	100	917	917
Heimstaden Bostad Invest 8 AB	559106-1550	Malmö	500	100	2,329	2,329
Heimstaden Bostad Invest 9 A/S	38714953	Copenhagen	500	100	10,356	10,356
Heimstaden Bostad Invest 10 AS	819330492	Oslo	500	100	10,095	10,095
Heimstaden Bostad Invest 12 AB	559228-4433	Malmö	500	100	4,592	4,592
Heimstaden Bostad Invest 13 AB	559276-3345	Malmö	500	100	1,303	1,303
Heimstaden Bostad Invest 14 AB	559295-8168	Malmö	500	100	0	0
Heimstaden Bostad Invest 15 AB	559298-5260	Malmö	500	100	312	312
Heimstaden Bostad Invest 16 AB	559326-5225	Malmö	500	100	0	0
Heimstaden Eagle AB	559326-5233	Malmö	500	100	10,802	17,445
Heimstaden Bostad Invest AB	559190-1607	Malmö	500	100	0	0
Heimstaden Bostad Bostadsfinansiering AB	559112-2105	Malmö	500	100	0	0
Heimstaden Bostads Portalen AB	559085-2264	Malmö	500	100	0	0
Heimstaden Satelliten AB	559163-3457	Malmö	500	100	122	66
Heimstaden Bostad Skrinet AB	559177-3436	Malmö	500	100	0	0
Heimstaden Bostad Skrinet 2 AB	559322-6771	Malmö	500	100	0	0
Heimstaden Bostad Portalen 2 AB	559177-3451	Malmö	500	100	0	0
Heimstaden Bostad Parkering AB	559001-2414	Malmö	500	100	0	0
Heimstaden Buriöv AB	559147-4076	Malmö	500	100	0	0
Heimstaden Castor AB	559101-4963	Malmö	500	100	7,919	7,919
Heimstaden Bostad Treasury B.V.	78619610	Amsterdam	100	100	41	41
Heimstaden Country Manager AB	559382-7909	Malmö	25,000	100	2,603	0
Heimstaden Bostad Invest 19 AB	559365-7512	Malmö	250	100	0	0
Heimstaden Services AB	559382-7917	Malmö	25,000	100	9	0
Heimstaden Bostad Invest 20	559396-1120	Malmö	250	100	0	0
Heimstaden A Sweden AB	559160-4334	Malmö	1,000	100	0	35
Heimstaden A Kronprinsen 1 AB	556954-1369	Malmö	1,000	100	0	2,312
Heimstaden Landet AB	559411-7284	Malmö	250	100	0	0
Total					**55,643**	**62,021**

[1] *The share of capital corresponds to the share of votes.*
[2] *Except for the Group companies acquired in 2022 the share of capital in 2022 corresponds to the share of capital in 2021.*

SEK million	31 December 2022	31 December 2021
Opening balance	62,021	38,867
Acquisitions	2,668	2,347
Disposal	–	-791
Write-down	-57	–
Shareholder contributions	-8,989	21,598
Closing balance	**55,643**	**62,021**

2023072106302

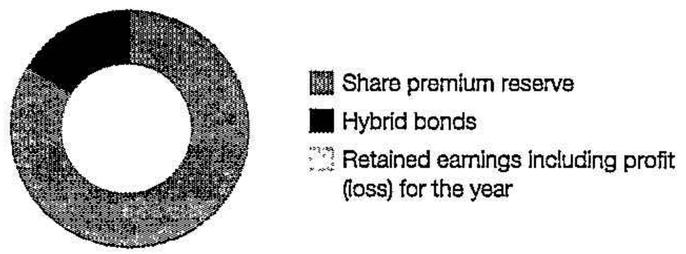
Proposed Appropriation of Accumulated Profit

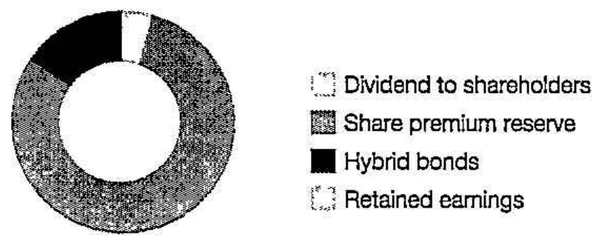
According to the Parent Company's Balance Sheet, the following earnings are at the disposal of the Annual General Meeting:

SEK	
Share premium reserve	126,109,549,744
Hybrid bonds	24,316,095,331
Retained earnings	-30,478,310,296
Profit (loss) for the year	-643,835,364
Total	**119,303,499,415**

The Board of Directors proposes that dividends be paid to shareholders as follows:

SEK	
Dividens to shareholders	6,741,871,901
Share premium reserve	126,109,549,744
Hybrid bonds	24,316,095,331
Retained earnings	-37,864,017,561
Total	**119,303,499,415**





It is proposed that the funds at the disposal of the Annual General Meeting, SEK 119,303,499,415 be appropriated such that, a dividend amounting to SEK 223.05 per ordinary share, totalling SEK 2,802,269,267. The Board further proposes distribution of a dividend to the holders of Series A preference shares in accordance with the Company's Articles of Association in the amount of SEK 3,363,143.11 per Series A preference share, totalling SEK 672,628,623. The Board further proposes distribution of a dividend to the holders of Series B1, B2, B3, B4, B5, B6, B7 and B8 preference shares in accordance with the Company's Articles of Association in the amount of SEK 77.26 per Series B1, B2, B3, B4, B5, B6, B7 and B8 preference shares, totalling SEK 2,719,959,416 for Series B1, B2, B3, B4, B5, B6, B7 and B8 shares. The Board further proposes distribution of a dividend to the holders of Series B9 preference shares in accordance with the Company's Articles of Association in the amount of SEK 59.20 per Series B9 preference share, totalling SEK 446,279,898 for Series B9 shares. The Board further proposes distribution of a dividend to the holders of Series B10 preference shares in accordance with the Company's Articles of Association, that is, in the amount of SEK 35.75 per Series B10 preference share, totalling SEK 99,987,968 for Series B10 shares. The Board further proposes distribution of a dividend to the holders of Series B11 preference shares in accordance with the Company's Articles of Association, that is, in the amount of SEK 2.26 per Series B11 preference share, totalling SEK 746,728 for Series B11 shares. Accordingly, a total of SEK 6,741,871,901 is to be paid out in dividends. The remaining amount, SEK 112,561,627,514 is to be carried forward to a new account. The dividend shall be paid in immediate connection with the resolution of the Annual General Meeting on 6 March 2023. No dividend shall, in accordance with the Company's articles of Association, be paid on the Series C preference shares.

The Board of Directors' statement in accordance with Chapter 18, Section 4, of the Swedish Companies Act.

This statement has been prepared in accordance with Chapter 18, Section 4, of the Swedish Companies Act and constitutes the Board of Directors' assessment of whether the proposed dividend is justified according to Chapter 17, Section 3, second and third paragraph, of the Swedish Companies Act.

The Board of Directors proposes distribution of a dividend amounting to SEK 223.05 per ordinary share, totalling SEK 2,802,269,267. The Board further proposes distribution of a dividend to the holders of Series A preference shares in accordance with the Company's Articles of Association in the amount of SEK 3,363,143.11 per Series A preference share, totalling SEK 672,628,623. The Board further proposes distribution of a dividend to the holders of Series B1, B2, B3, B4, B5, B6, B7 and B8 preference shares in accordance with the Company's Articles of Association in the amount of SEK 77.26 per Series B1, B2, B3, B4, B5, B6, B7 and B8 preference shares, totalling SEK 2,719,959,416 for Series B1, B2, B3, B4, B5, B6, B7 and B8 shares. The Board further proposes distribution of a dividend to the holders of Series B9 preference shares in accordance with the Company's Articles of Association in the amount of SEK 59.20 per Series B9 preference share, totalling SEK 446,279,898 for Series B9 shares. The Board further proposes distribution of a dividend to the holders of Series B10 preference shares in accordance with the Company's Articles of Association, that is, in the amount of SEK 35.75 per Series B10 preference share, totalling SEK 99,987,968 for Series B10 shares. The Board further proposes distribution of a dividend to the holders of Series B11 preference shares in accordance with the Company's Articles of Association, that is, in the amount of SEK 2.26 per Series B11 preference share, totalling SEK 746,728 for Series B11 shares. Accordingly, a total of SEK 6,741,871,901 is to be paid out in dividends.

The dividend in total amounts to SEK 6,741,871,901. The proposed dividend reduces the Company's equity ratio from circa 54.06% to circa 51.01% and the group's equity ratio from circa 45.52% to circa 44.58%. The equity ratio is satisfactory both in short and long term.

The Company's and the Group's financial positions as of 31 December 2022 are stated in the 2022 annual report. As of 31 December 2022 the unrestricted equity of the Company amounted to SEK 119,303,499,415. No assets or liabilities have been valued at fair value in accordance with Chapter 4: Section 14 a, of the Swedish Annual Accounts Act (1995:1554).

The operations conducted by the Company and the Group do not pose any risks beyond what is occurring or what can be presumed to occur in the industry or the risks associated with the course of business operations. The Board of Directors has taken into account the Company's and the Group's need for consolidation through a comprehensive assessment of the Company's and Group's financial position, as well as the Company's and the Group's capability to comply with its undertakings in the long run. The Company's and Group's financial position does not indicate anything other than that the Company and the Group will be able to continue their operations and are expected to be able to comply with all of their obligations in the short and long term and to be able to make necessary investments. The Board assessment is that the amount of the Company's equity, even after the proposed dividends, is in a reasonable proportion to the extent of the operations conducted by the Company and the Group, as well as the risks associated with the course of the business' operations.

In light of, and taking the above into account, it is the Board assessment that the proposed dividends are justified according to Chapter 17, Section 3, second and third paragraph, of the Swedish Companies Act regarding the requirements on the Company's equity, the company's and Group's need for consolidation, liquidity, and position in general as determined by the nature of business, scope, and risk.

Signatures

The undersigned provide their assurance that the Consolidated Financial Statements have been prepared in accordance with the International Accounting Standards (IFRS), as adopted by the EU, as well as the Swedish Financial Reporting Board's recommendation RFR 1, and that the Annual Report has been prepared in accordance with the Annual Accounts Act and the recommendation RFR2 of the Swedish Financial Reporting Board. The Consolidated and Annual Financial Statements have been prepared in accordance with good accounting practices, and provide a fair view of the Group's and the Parent Company's financial position and profit, and that the Administration Report provides a fair overview of the development of the operations, position, and results of the Group and the Company, as well as describing significant risks and uncertainty factors facing the companies within the Group.

Malmö, 24 February 2023

Helge Krogsbøl CEO	Casper von Koskull Chairman of the Board	Ivar Tollefsen Board Member	Stefan Attefall Board Member
Vibeke Krag Board Member	John Giverholt Board Member	Bente A. Landsnes Board Member	Anna Magnusson Board Member
Birgitta Stenmark Board Member	Axel Brändström Board Member		

Our Audit Report was submitted on 24 February 2023
Ernst & Young AB

Jonas Svensson
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Heimstaden Bostad AB (publ), corporate identity number 556864-0873

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Heimstaden Bostad AB (publ) except for the corporate governance statement on pages 28–40 and the statutory sustainability report on pages 110–171 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 1–2, 6, 23–26, 42–96 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31st of December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31st of December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 28–40 and the statutory sustainability report on pages 110–171. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the consolidated comprehensive income statement and the consolidated balance sheet for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Property Valuations

Description

The fair value of the Group's investment properties reported in the Statement of Financial Position at 31 December 2022 amount to SEK 344,856 million. The valuations are made through a combination of local price analyses and market simulations of future cash flows. The properties were valued externally at year-end. The properties' direct return requirements are assessed on the basis of each property's unique risk and transactions made in the market for objects of a similar nature.

In view of the many assumptions and assessments made in connection with the valuation of investment properties, we believe that this area is to be considered of particular importance in our audit. A description of the valuation of the property holdings is shown in the Annual Report under Note 3.1 Investment Properties.

How our audit addressed this key audit matter

In our audit of the fair value of the Group's investment properties we have evaluated and examined the external property valuation process by, among other things, evaluating the valuation method. With the support of our internal property valuation specialists, we have examined a sample of the external property valuations and assessed the reasonableness of assumptions made, such as direct return requirements, vacancy rates, rental income and operating costs. We have made comparisons with available market data. For a selection of investment properties, we have examined inputs on revenue and operating expenses and calculations in the external valuations at the property level. We have evaluated the external valuers' competence and objectivity.

We have reviewed supplementary disclosures made in the Annual Report.

Goodwill

Description

At 31 December 2022 the Group's consolidated statements of financial position includes goodwill amounting to SEK 19,569 million.

The Group has assessed goodwill for impairment at 31 December 2022. Assessment of the impairment of the Group's goodwill incorporate significant judgments and estimates, specifically concerning factors such as forecast cashflows, discounts rates and terminal growth rates. Minor changes in certain assumptions can lead to significant changes in the recoverable amount of these assets.

Accordingly, based on the significant judgements and estimates involved in the impairment testing of goodwill we considered this to be a key audit matter in our audit.

Break-down of Goodwill and impairment test is found in note 8.2 Business Combinations and note 3.2 Intangible Assets in the Annual Report.

How our audit addressed this key audit matter

Our audit procedures included the following:

- Assessed the cash flow forecasts, assumptions and estimates used by the Group, by considering the reliability of the Group's cash flow forecasts based of our knowledge of the business and historical accuracy.
- With support from our valuation specialists assessed applied methodology for impairment and evaluated the key assumptions applied in the impairment models. These include in particular the discount rates and growth rates.
- Tested the mathematical accuracy of the impairment testing models and relevant inputs.
- Performed sensitivity analysis on key assumptions including terminal growth rates and forecast cashflows.
- We have reviewed supplementary disclosures made in the Annual Report.

Other information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3–5, 7–22, 27–41 and 100–172. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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.
- Obtain an understanding of the company's internal control relevant to our 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. 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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of 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, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Helmstaden Bostad AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement
The Board of Directors is responsible for that the corporate governance statement on pages 28–40 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report
The Board of Directors is responsible for the statutory sustainability report on pages 110–171, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, P.O Box 7850, 103 99 Stockholm, was appointed auditor of Helmstaden Bostad AB (publ) by the general meeting of the shareholders on the 30th of March 2022 has been the company's auditor since the 16th of April 2018.

Stockholm the 24th of February 2023

Ernst & Young AB

Jonas Svensson
Authorized Public Accountant

2023072106307

Alternative Performance Measures

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

Net Loan-to-Value

SEK million	2022	2021
Interest-bearing secured liabilities	89,612	65,072
Interest-bearing unsecured liabilities	93,079	93,307
Cash and cash equivalents	9,385	19,508
Net interest-bearing liabilities	**173,306**	**138,872**
Fair value of investment properties	**344,856**	**300,584**
Net LTV, %	**50.3**	**46.2**

Net Debt / Total Assets

SEK million	2022	2021
Net interest-bearing liabilities	173,306	138,872
Total assets	397,327	349,066
Net Debt / Total Assets, %	**43.6**	**39.8**

Interest Coverage Ratio (ICR)

SEK million	2022	2021
Profit before financial items	7,901	2,834
Transaction costs from business combination	-182	2,232
Adjustment for operating result of associated companies and joint ventures	-262	–
Financial income	316	152
Profit before financial items plus financial income	**7,772**	**5,219**
Financial costs - interest-bearing liabilities	2,275	1,288
ICR	**3.4**	**4.1**

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

SEK million	2022	2021
Equity	180,854	160,338
50% hybrid	12,165	16,833
Equity, adjusted	**168,689**	**143,505**
Total interest-bearing liabilities	182,691	158,380
Right-of-use-liabilities	1,416	734
Less: Cash and cash equivalents	-9,385	-19,508
50% of hybrid bonds as debt (S&P adjusted)	12,165	16,833
Net interest-bearing liabilities, adjusted (Net debt)	**186,887**	**156,439**
Net debt + Equity	**355,576**	**299,944**
Net debt / (Net debt + Equity), %	**52.6**	**52.2**

ICR (S&P method)

SEK million	2022	2021
Operating profit before inventory properties and fair value adjustments	**7,901**	**2,834**
Depreciation and amortisation	4	2
SOS Partnership	143	49
Transaction costs from business combination	-182	2,232
Share of net profits/losses of associated companies and joint ventures	-410	-329
EBITDA, adjusted	**7,456**	**4,789**
Interest expenses on interest-bearing liabilities	2,275	1,288
Capitalised interest	89	52
50% of hybrid bonds dividend (S&P adjusted)	473	389
Interest expense, adjusted	**2,837**	**1,729**
ICR incl. hybrid bonds as 50% debt	**2.6**	**2.8**

2023072106308

Residential

SEK million	2022	2021
Fair value residential properties	310,684	270,589
Fair value investment properties	334,040	292,673
Residential, %	**93.0**	**92.5**

Like-for-like rental income growth

SEK million	2022	2021
Rental income current year	8,197	5,553
Rental income last year	7,774	5,417
Like-for-like rental income growth, %	**5.4**	**2.5**

[1] 2022: only properties owned as at 31 december 2020 are included.
[2] 2021: only properties owned as at 31 december 2019 are included.

Net operating income margin

SEK million	2022	2021
Rental income	12,702	8,608
Net operating income	8,141	5,386
Net operating income, %	**64.1**	**62.6**

Economic occupancy, residential

SEK million	2022	2021
Theoretical rental income on residential units	12,105	8,425
Economic vacancy	-418	-305
Rental income on residential units	**11,688**	**8,120**
Economic occupancy, %	**96.5**	**96.4**

Real economic occupancy, residential

SEK million	2022	2021
Theoretical rental income on residential units	12,105	8,425
Adjusted for non-market vacancy	-196	-175
Adjusted theoretical rental income	**11,909**	**8,250**
Real economic occupancy, %	**98.4**	**97.9**

Equity ratio

SEK million	2022	2021
Equity	180,854	160,338
Assets	397,327	349,066
Equity ratio, %	**45.5**	**45.9**

Solvency

SEK million	2022	2021
Equity	180,854	160,338
Liabilities	216,472	188,728
Solvency ratio, %	**45.5**	**45.9**

2023072106309

Net Asset Value (NAV)

SEK million	2022	2021
Equity	180,854	160,338
Deferred tax attributable to fair value gain	9,211	8,934
NAV	**190,066**	**169,271**

EBITDA

SEK million	2022	2021
Operating profit before investment properties and fair value adjustments	7,901	2,834
Transaction costs from business combination	-182	2,232
Amortisation and depreciation	4	2
EBITDA	**7,722**	**5,068**

Debt / EBITDA

SEK million	2022	2021
Interest-bearing liabilities	167,896	106,976
EBITDA adjusted	7,722	5,068
Debt / EBITDA, multiple	**21.7**	**21.1**

NAV per ordinary share

SEK million	2022	2021
Equity	180,854	160,338
Less Preference capital A	683	444
Less Preference capital B	95,012	73,506
Less Preference capital C	1	1
Less Hybrid bonds and minority	42,167	34,510
Deferred tax attributable to fair value gain	9,211	8,934
Equity excluding preference capital	**52,203**	**60,811**
Number of ordinary shares	12,563,147	9,725,321
NAV per ordinary share	**4,155**	**6,253**

Secured loan-to-value

SEK million	2022	2021
Interest-bearing secured liabilities	89,612	65,072
Total assets	397,327	349,066
Secured Loan-to-Value, %	**22.6**	**18.6**

20230721063310

Quarterly Financial Information

Consolidated Key figures

SEK million	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Financials					
Rental income	3,387	3,197	3,105	3,014	2,391
Growth year-on-year, %	41.6	48.7	51.3	49.6	42.4
Net operating income	2,060	2,217	2,035	1,829	1,397
Net operating income margin, %	60.8	69.4	65.5	60.7	58.4
Total comprehensive income/loss	-4,730	-2,176	5,360	9,927	5,861
Capital expenditures	3,199	2,425	2,259	2,245	1,594
Portfolio Metrics					
Fair value of investment properties	344,856	336,967	335,902	315,843	300,584
Homes, units	158,326	154,145	153,205	148,764	148,295
Real economic occupancy, residential, %	98.2	98.4	98.5	98.5	98.3
Like-for-like rental income growth, year-on-year, %	5.4	5.5	5.2	5.6	3.3
Credit metrics					
Net Loan-to-Value (LTV), %	50.3	48.9	46.5	44.5	46.2
Net debt / (Net debt + Equity), S&P method, %	52.6	52.1	51.7	50.2	52.2
Net debt / Total assets, %	43.6	43.3	41.5	38.4	39.8
Interest Coverage Ratio (ICR), multiple	3.4	3.8	4.0	3.9	4.1
Interest Coverage Ratio, S&P method, multiple	2.6	2.8	2.8	2.7	2.9

Earnings capacity

Earnings capacity is calculated as annualised earnings based on the contracted rental income, normalised property expenses and administrative expenses of the property portfolio as of 31 December 2022, as well as interest expenses based on outstanding loans multiplied by the average interest rate as of the same date. Earnings capacity does not include any future agreed or estimated changes in income, expenses, acquisitions or divestments and should therefore not be considered a forecast for the current year or for the next 12-month period.

Key figures per market

SEK million	Sweden	Germany	Denmark	Netherlands	Czech Republic	Norway	Finland	United Kingdom	Poland	Group in total
Q4										
Like-for-like rental income growth	2.8	2.8	4.5	4.9	12.6	8.4	N/A	N/A	N/A	5.4
Real Economic occupancy	99.2	98.3	97.0	99.7	97.1	99.4	95.6	100.0	81.8	98.2
Economic occupancy	98.0	95.1	95.2	97.6	94.6	98.9	90.7	100.0	78.7	96.3
Full year 2022										
Like-for-like rental income growth	3.0	7.8	5.7	3.7	9.1	8.2	N/A	N/A	N/A	5.4
Real Economic occupancy	99.1	98.4	98.0	99.7	96.9	98.1	95.6	99.2	84.7	98.4
Economic occupancy	97.9	95.9	96.5	97.4	94.2	96.8	90.2	99.2	81.1	96.5
Expenses for repair and maintenance [1]	279	153	153	110	147	105	10	–	–	958
Capitalised repair and maintenance	1,720	453	353	661	494	94	52	–	–	3,828
Tenant improvements	482	192	138	212	290	46	22	–	–	1,383
Investment properties under construction	2,473	21	818	–	–	227	–	1,380	–	4,919

[1] *Excluding group adjustments, see Note 2.1*

Earnings capacity per Q4 2022

SEK million	
Rental income	13,914
Service charges paid by tenants	1,811
Property expenses	-6,448
Net operating income	**9,277**
Corporate administrative expenses	-891
Profit before financial items	**8,386**
Financial costs - interest-bearing liabilities	-3,499
Profit	**4,887**
Net operating income margin, %	66,7
Interest Coverage Ratio	2.4

202307210631 1

Quarterly Review

Figures in parenthesis refer to the previous quarter.

Income
Rental income increased by 6% to SEK 3,387 million (3,197), driven by standing assets and favourable exchange rate developments. Service charges paid by tenants increased to SEK 386 million (271), mainly due to higher heating costs in Germany and Czech Republic.

Like-for-like rental income growth was 5.4% (5.5%). The comparable portfolio made up 65% (63%) of rental income.

Residential real economic occupancy was stable at 98.2% (98.4%), excluding 1.9% (1.9%) in vacancy due to refurbishments and other non-market related vacancies.

Operating expenses
Utility expenses increased to SEK 551 million (379), mainly related to higher heating consumption in the Czech Republic and Sweden. In most markets, the utility cost is covered by the tenant and have a limited impact on the net operating income.

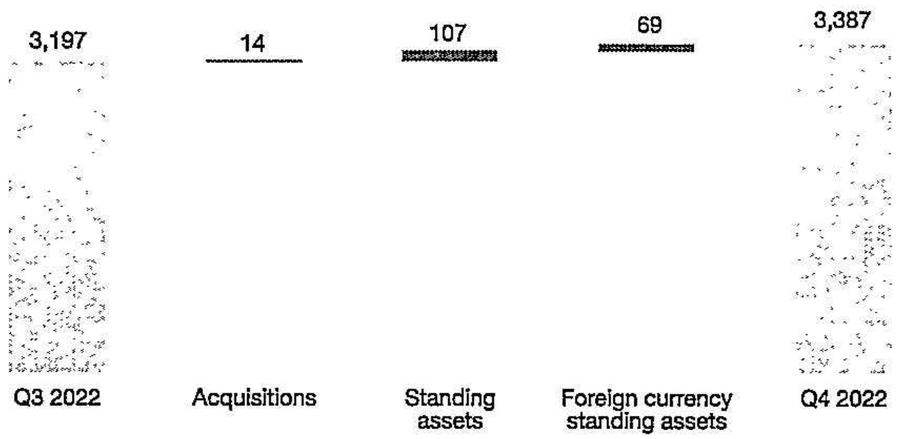
Repair and maintenance expenses including group eliminations increased to SEK 206 million (97). Costs for facility and property management increased to SEK 646 million (517).

Capital expenditures and Repair & Maintenance
Total expenditure in standing assets increased to SEK 1,750 million (1,589), corresponding to 0.51% of fair value (0.47%), while investments in properties under construction, excluding forward purchase contracts, increased to 0.49% of fair value (0.31%), due to higher activity on new developments.

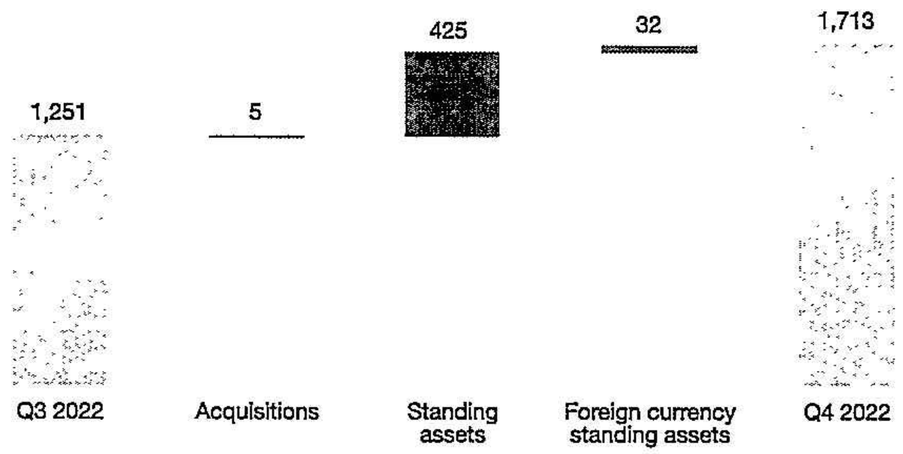
SEK million	Q4 2022	Q3 2022
Income statement items		
Expenses for repair & maintenance[1]	251	204
Balance sheet items		
Capitalised repair & maintenance	1,043	1,035
Tenant improvements	457	350
Expenditure on standing assets	**1,750**	**1,589**
Investment properties under construction	1,700	1,040
Capital expenditures	**3,199**	**2,425**

[1] *Excluding group eliminations, see Note 2.1.*

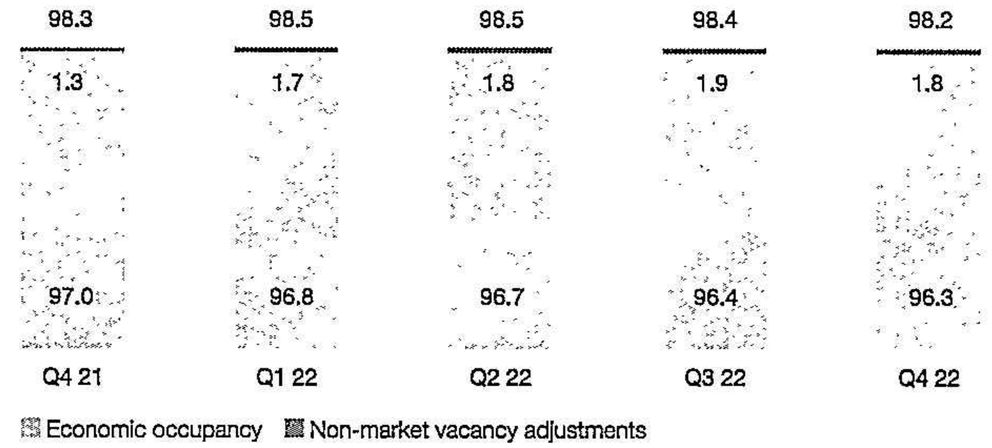
Rental Income
SEK million



Property Cost Development
SEK million



Real economic occupancy residential
%



2023072106312

Net operating income

Net operating income decreased by 7.1% to SEK 2,060 million (2,217), resulting in a net operating income margin of 60.8% (69.4%), mainly driven by the seasonality in utility costs.

Change in fair value of investment properties[1]

	Q4 2022	
SEK million	%	SEK million
Sweden	-4.5	-4,540
Germany	-1.5	-1,404
Denmark	-4.8	-3,713
Netherlands	-4.4	-1,384
Czech Republic	0.2	51
Norway	-3.4	-723
Finland	-1.2	-46
United Kingdom	-1.2	-33
Poland	6.6	63
Total	**-3.3**	**-11,730**

[1] *For more information regarding fair value assessments, see Note 3.1.*

Net loss from fair value adjustments on investment properties was SEK -11,730 million (-6,468) corresponding to -3.3%. The yield requirement in the valuation amounted to an average 3.17%, up from 3.02% at the end of the previous quarter.

Interest expenses

Interest rate expenses were SEK 849 million (543), and the average interest rate was 1.8% (1.2%). At the balance sheet date the interest rate hedge ratio was 76.0% (75.5%). The interest coverage ratio for the last 12 months was 3.4 (3.8).

Foreign currency

Heimstaden Bostad has holdings and operations in SEK, EUR, DKK, NOK, CZK, PLN and GBP, currency fluctuations gave other comprehensive income of SEK 5,155 million (2,244), which was partially offset by SEK 2,203 million in foreign exchange loss (1,408), mainly related to bonds issued in foreign currency.

Cash Flow

SEK million	Q4 2022	Q3 2022
Operating activities	2,286	1,259
Investing activities	-6,910	-6,676
Financing activities	9,234	3,492
Currency effects	104	-128
Change	**4,714**	**-2,052**
Period opening balance	4,673	6,725
Closing balance	**9,385**	**4,673**

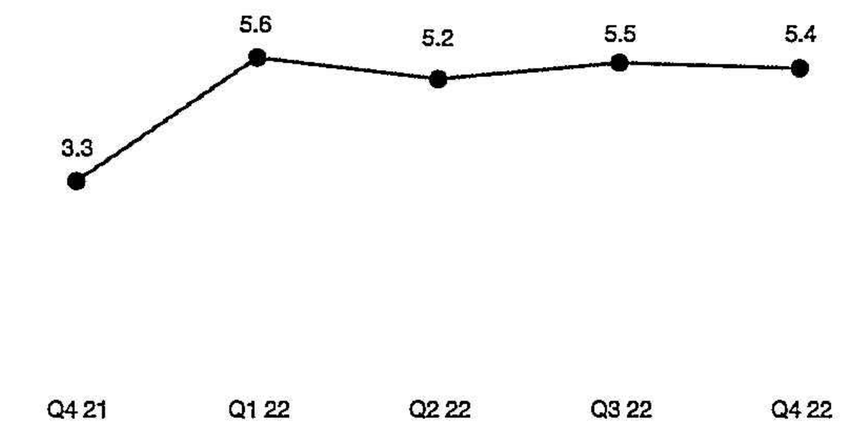
Cash flow from operating activities before changes in working capital was SEK 1,889 million (1,575). Working capital increased by SEK 397 million (decrease 316), resulting in net cash flows from operating activities of SEK 2,286 million (1,259).

Cash flow from investing activities was SEK 6,910 million (6,676) and included acquisitions of SEK 3,970 million (847) and capex on investment properties of SEK 2,626 million (2,438).

Cash flow from financing activities was SEK 9,234 million (3,492), which included buyback of hybrid bonds for SEK 317 million, new share issue from existing shareholder for SEK 750 million, bond repayments for SEK 682 million and new bank loans for SEK 11,690 million.

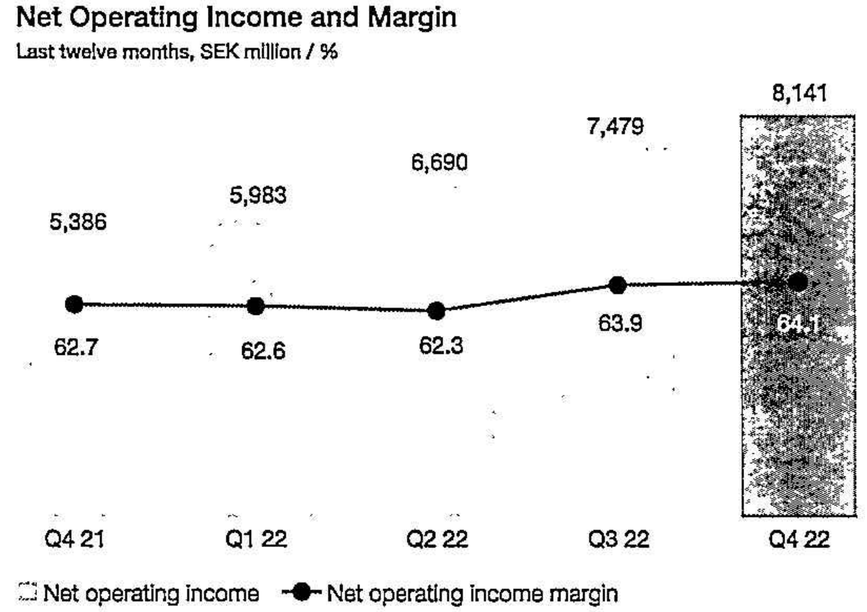
Like-for-Like Rental Income Growth

year-on-year, %



Net Operating Income and Margin

Last twelve months, SEK million / %



2023072106313

Consolidated Comprehensive Income Statement

SEK million	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Rental income	3,387	3,197	3,105	3,014	2,391
Service charges paid by tenants	386	271	234	326	229
Property expenses	-1,713	-1,250	-1,304	-1,510	-1,224
Net operating income	**2,060**	**2,217**	**2,035**	**1,829**	**1,397**
Corporate administrative expenses	-229	-247	-212	-199	-190
Other operating income	35	37	213	184	1
Other operating expenses	-37	-25	-57	-113	-2,268
Share of net profits/losses of associated companies and joint ventures	-973	1,553	-196	26	330
Profit before inventory properties and fair value adjustments	**856**	**3,536**	**1,782**	**1,728**	**-729**
Fair value adjustment of investment properties	-11,710	-6,480	3,837	9,237	7,034
Change in value and gains/losses from sale of inventory properties	437	-11	-6	-13	-23
Operating profit/loss	**-10,417**	**-2,956**	**5,613**	**10,951**	**6,281**
Interest income	208	46	0	66	107
Interest expenses on interest-bearing liabilities	-849	-543	-419	-468	-401
Net currency translation gains/losses	-2,203	-1,408	-2,309	-658	515
Fair value adjustment of derivative financial instruments	152	80	462	421	518
Other financial items	142	-745	-1,828	300	503
Profit/loss before tax	**-12,967**	**-5,525**	**1,518**	**10,613**	**7,522**
Income tax expense	17	-253	-257	-344	-47
Deferred tax expense	3,114	1,358	-335	-2,259	-1,614
Profit/loss for the period	**-9,836**	**-4,420**	**925**	**8,010**	**5,861**
Other comprehensive income/loss	5,106	2,244	4,435	1,917	1,652
Total comprehensive income/loss	**-4,730**	**-2,176**	**5,360**	**9,927**	**7,513**
Profit/loss attributable to:					
The Parent Company's shareholders	-9,754	-4,218	923	7947	5,860
Non-controlling interests	-81	-202	2	63	1
Comprehensive income/loss attributable to:					
The Parent Company's shareholders	-4,649	-1,974	5,358	9,864	7,512
Non-controlling interests	-81	-202	2	63	1
Average number of shares outstanding	12,496,115	12,322,898	11,857,910	9,796,407	8,647,842
Earnings/loss per ordinary share (basic and diluted)	-411	-268	290	847	688

2023072106314

Consolidated Balance Sheet

SEK million	31 December 2022	30 September 2022	30 June 2022	31 March 2022	31 December 2021
ASSETS					
Investment properties	344,856	336,967	335,902	315,843	300,584
Intangible assets	19,693	19,987	16,960	16,578	16,497
Machinery and equipment	314	309	79	87	76
Investments in associated companies and joint ventures	9,698	10,322	733	787	739
Quoted equity investments	–	–	8,014	8,482	5,765
Derivative financial instruments	836	1,018	889	546	190
Deferred tax assets	982	–	–	–	–
Other non-current financial assets	3,703	3,345	3,202	2,943	2,431
Total non-current assets	**380,082**	**371,948**	**365,778**	**345,266**	**326,282**
Inventory properties	573	826	835	864	846
Rent and trade receivables	359	207	146	119	179
Other current assets	4,867	1,391	1,852	1,614	1,469
Derivative financial instruments	645	312	323	335	250
Prepayments	1,416	978	837	927	533
Cash and cash equivalents	9,385	4,673	6,724	16,321	19,508
Total current assets	**17,245**	**8,386**	**10,717**	**20,180**	**22,784**
TOTAL ASSETS	**397,327**	**380,334**	**376,496**	**365,446**	**349,066**

SEK million	31 December 2022	30 September 2022	30 June 2022	31 March 2022	31 December 2021
EQUITY AND LIABILITIES					
Equity	**180,854**	**176,540**	**179,219**	**174,483**	**160,338**
Interest-bearing liabilities	171,119	159,434	157,067	150,402	134,895
Lease liabilities	1,331	1,294	914	1,393	729
Derivative financial instruments	51	139	114	255	0
Deferred tax liabilities	22,941	24,639	25,235	24,303	21,904
Other non-current financial liabilities	2,700	1,046	1,014	941	865
Total non-current liabilities	**198,142**	**186,553**	**184,343**	**177,294**	**158,392**
Interest-bearing liabilities	11,572	9,898	5,741	6,352	23,485
Lease liabilities	84	74	12	17	5
Trade payables	833	448	633	475	566
Other current liabilities	3,008	4,002	4,198	4,552	4,411
Derivative financial instruments	75	2	1	1	6
Accrued expenses and prepaid income	2,758	2,818	2,349	2,271	1,863
Total current liabilities	**18,330**	**17,241**	**12,933**	**13,668**	**30,336**
TOTAL EQUITY AND LIABILITIES	**397,327**	**380,334**	**376,496**	**365,446**	**349,066**

20230721063315

Consolidated Cash Flow Statement

SEK million	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Operating activities					
Profit/loss before income tax	-12,967	-5,525	1,518	10,613	7,522
Adjustments to reconcile profit before tax to net cash flows:					
Fair value adjustment on investment properties	12,009	6,487	-3,837	-9,224	-6,867
Fair value adjustment of derivative financial instruments	-150	150	-462	-421	-517
Finance expenses, net	363	548	467	445	381
Other adjustments	3,257	558	4,399	287	-1,472
Working capital changes					
Increase(-)/decrease(+) in rent and other receivables	-1,821	339	26	-458	-159
Increase(+)/decrease(-) in trade and other payables	2,218	-655	-347	-352	3,862
Cash generated from operations	**2,909**	**1,902**	**1,764**	**890**	**2,750**
Interest paid	-757	-485	-392	-224	-507
Interest received	318	10	9	7	34
Paid income tax	-183	-168	-259	-233	-226
Net cash flows from operating activities	**2,286**	**1,259**	**1,122**	**440**	**2,051**

SEK million	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Investing activities					
Acquisitions of businesses, net of cash	-156	-2,681	-6,153	-161	-79,449
Purchase of investment properties	-3,970	-847	–	–	-2,210
Capital expenditure on completed investment properties	-2,626	-2,438	-2,259	-2,245	-1,610
Disposals of investment properties	126	57	468	10	417
Deposits paid for signed acquisitions	-177	-112	-330	-112	5,205
Investments in associated companies and joint ventures	-108	128	-137	-50	-132
Purchase of quoted equity investments	–	-775	-1,339	-2,360	-3,081
Other cash flows from investing activities	2	-8	10	-13	-135
Net cash flows from investing activities	**-6,910**	**-6,676**	**-9,740**	**-4,931**	**-80,996**
Financing activities					
Proceeds from interest-bearing liabilities	17,501	5,516	4,303	21,336	49,649
Repayment of interest-bearing liabilities	-8,530	-1,975	-5,033	-24,733	-5,230
Dividends paid	–	–	–	-3,229	–
Proceeds from non-controlling interests	–	–	-231	7,926	–
Proceeds from share issuances	750	6,885	–	–	32,500
Buyback of hybrid bonds	-317	-6,783	–	–	–
Proceeds from issuance of hybrid bonds	–	–	–	–	6,072
Repayments on hybrid bonds	-10	-115	-393	-443	-8
Settlement of derivative financial instruments	2	–	–	230	4
Other cash flows from financing activities	-162	-37	7	-67	-82
Net cash flows from financing activities	**9,234**	**3,492**	**-1,347**	**1,020**	**82,906**
Net change in cash and cash equivalents	4,610	-1,924	-9,967	-3,470	3,961
Cash and cash equivalents at the beginning of the period	4,671	6,725	16,321	19,508	14,276
Net currency exchange effect in cash and cash equivalents	104	-130	371	283	1,271
Cash and cash equivalents at the end of the period	**9,385**	**4,671**	**6,725**	**16,321**	**19,508**

Helping Homeless Children

To improve the rights and welfare of children in street situations in Ethiopia and Rwanda, and to address the root causes of street life, A Home for a Home launched a programme to first register children living on the streets then begin to reintegrate them into their families or other appropriate caregivers. The programme goal is to help 10,500 children directly and 59,000 indirectly by 2026.

More information about the programmes



2023072106317



Sustainability Report 2022

About the Sustainability Report	111
Reporting Principles	112
Climate Road Map	115
Scenario Analysis	118
EU Taxonomy	119
Environmental management system	122
Stakeholder Engagement	123
GRI Index	126
TCFD Index	129
Topic disclosures	130
Economic Performance	131
Anti-Corruption	133
Tax	135
Energy	137
Water	141
Greenhouse Gas Emissions	143
Waste	145
Employment	147
Occupational Health and Safety	150
Human Rights	152
Local Community	156

2023072106318

About the Sustainability Report

At Heimstaden Bostad, we report our sustainability work on an annual basis in accordance with the Global Reporting Initiative (GRI) Universal Standards, the Swedish Annual Accounts Act Chapter 6 Section 11 and the EU Taxonomy Regulation. We have identified the topics that are material for our company, stakeholders, and the planet, reporting on at least one indicator per topic. The GRI Content Index can be found on pages 126 to 128 of this report and the statutory Sustainability Report index can be found on page 129. Omitted information is reported in the GRI Content Index.

This is Heimstaden Bostad's sixth Sustainability Report, and the fourth compiled in accordance with GRI reporting principles. The report covers the fiscal year 2022 and is published in Swedish and English, both accessible at HeimstadenBostad.com. The last report was published on 28 February 2022 and covered the fiscal year 2021. The main point of contact for the report is Katarina Skalare, Chief Sustainability Officer.

Changes in the report

This year, we will disclose our share of EU Taxonomy alignment and the progress of our Science Based Targets.

EU Taxonomy Regulation

Heimstaden Bostad's reporting on its EU Taxonomy eligibility and share of alignment may be found in the EU Taxonomy section on page 119.

Climate-related disclosures

The report includes climate-related disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which can be found on page 129. Each year, a detailed report of Heimstaden Bostad's climate-related work is also provided through CDP, the organisation that runs the global disclosure system.

Heimstaden Bostad's latest CDP report covers the 2021 fiscal year and the report earned a score of B.

UN Global Compact

In 2019, Heimstaden AB signed the UN Global Compact and committed to following the Compact's 10 principles in the areas of human rights, labour practice, the environment, and anti-corruption. The commitment includes Heimstaden AB and its subsidiaries. This report represents our Communication on Progress report to the UN and the GRI Content Index includes references to where the data is presented.



2023072106319



Reporting Principles

Scope and boundaries
For each topic, details of impact on the economy, environment, and people, actions taken to manage the topic, and target tracking and evaluation for each material area of sustainability are to be found in the sustainability notes on pages 131–160.

Information and data given in the report concern the entire group, unless otherwise stated. Data regarding employees concern employees of Heimstaden AB and Heimstaden Bostad AB. Acquisitions of properties in 2022 have broadened the scope of the report.

This report only covers energy and water purchased by Heimstaden Bostad; we are unable to access energy and water data when our customers have their own energy or water supply contracts.

Data collection and consolidation
Data provided in the report has been compiled from various systems for all countries since 2019. We have updated our base year to 2020 to align with our Science Based Targets.

Employee data
Heimstaden Bostad launched a new Group-wide system during 2021, from which all employee data presented in this report is collected. The employee KPIs presented in the report are reported in accordance with GRI and based on the headcount principle. The figures are correct as of the last day of the reporting period, unless otherwise stated.

In addition, Heimstaden Bostad also reports on workers who are not employees, in accordance with the new GRI Standards Disclosure 2-8. The workers who are not employees are insourced consultants. The indicator is compiled per the end of the reporting period and is based on headcount.

Health and safety data covers employees from Heimstaden Bostad and Heimstaden. Heimstaden Bostad is currently investigating different options for collecting health and safety data for contractors, sub-contractors, and consultants working on our sites. The report covers actual figures and does not include frequency KPIs on health and safety.

This is the first year Heimstaden Bostad is reporting on its annual total compensation ratio, in accordance with the updated GRI Standards. The ratio covers permanent employees as reported under Disclosure 2-7. Full-time equivalent (FTE) pay rates are used for each part-time employee. The type of compensation included in the calculation is base salary.

Energy data
Energy data is collected locally in each country in different systems and consolidated in a group-wide system for both the Annual Report and Sustainability Report. Heimstaden Bostad, the tenant or a Housing Owner Association could be the contracting party responsible for providing energy for the tenant space. This varies from country to country, thus affecting the amount of energy Heimstaden Bostad purchases in each country. The table below gives an overview of who has the energy contract in the tenant space in each country.

2023072106320



We use conversion factors from our local energy suppliers to convert liters of oil and cubic metres of natural gas into MWh. For the fuel mix of district heating, we take a similar approach, using emission factors from local energy suppliers.

In the Czech Republic, data for the year's total energy use is not yet available from the supplier when compiling the annual report. Energy use for the Czech Republic in 2022 has instead been estimated based on the previous year's total energy use and corrected for 2022 weather conditions.

In general, this report covers electricity used in the common parts of a building while electricity used in apartments is only covered to a minor extent. Energy use for heating is often procured by Heimstaden Bostad and is therefore included in the reporting for Sweden, Germany, Norway, the Czech Republic, Denmark, Poland, and Finland. Heating produced with heat-pumps is reported under electricity. In the Netherlands and the UK, our customers usually have their own energy contracts, therefore we lack access to such data for most of the properties. For this reason, our reporting includes heating data for a limited subset of our properties in the Netherlands and the UK. See the table below for more detailed information.

Overview of Energy Contracts

	Heating in tenant space		Electricity in tenant space	
Countries	Share of sqm where Heimstaden Bostad has the contract	Share of sqm where the tenant has the contract	Share of sqm where Heimstaden Bostad has the contract	Share of sqm where the tenant has the contract
Sweden	99%	1%	0%	100%
Norway	32%	68%	11%	89%
Denmark	30%	70%	0%	100%
Netherlands	4%	96%	0%	100%
Germany	71%	29%	0%	100%
Czech Republic	88%	12%	0%	100%
Finland	86%	14%	17%	83%
United Kingdom	0%	100%	0%	100%
Poland	0%	100%	100%	0%
Total Heimstaden Bostad	65%	35%	1%	99%

20230721063321

Energy performance certificates

Data on energy performance certificates (EPC's) is collected for all countries where Heimstaden Bostad operates. In countries where there is no equivalent EPC standard, Heimstaden Bostad estimates the EPC using methods equivalent to those in other European countries. The standards of EPCs and their grades differ greatly between the nine countries where Heimstaden Bostad owns properties. This creates challenges in comparing the performance between countries and in compiling an overview of Heimstaden Bostad's performance. A detailed overview of the EPC labels per country is provided in the table "Breakdown of EPC Labels per % of Square Metres per Country" on page 140.

Emissions data

Data on greenhouse gases (GHG) in this report is collected and reported in accordance with the financial control approach of the GHG Protocol. Our reported Scope 1 emissions derive from fuel combustion where Heimstaden Bostad has contracted the energy supplier for property heating, from leakage of refrigerants, and from fuel used in company-owned service cars and service cars with a financial lease. Our reported Scope 2 emissions derive from purchased heating, cooling, and electricity in our properties, where Heimstaden Bostad is the named contractee. Our reported Scope 3 emissions cover all categories applicable to Heimstaden Bostad's organisation. The Scope 3 emissions do not cover new acquisitions made during the reporting year. For more information on the Scope 1–3 emissions, see the sustainability notes 305-1 to 305-3 on page 144. No offsets or climate compensation is made to meet our climate targets. Instead, Heimstaden Bostad focuses on investing in measures that will reduce its own emissions.

Gases included in our calculations are mainly CO_2 and CH_4, but can also include refrigerants or CH_2 and N_2O used in the production of district heating. We obtain the emission factor for electricity (market-based) and district heating (both market-based and location-based) from our energy suppliers. The source we use for the emission factors for location-based electricity is the International Energy Agency (IEA), whereas we use factors from the Swedish organisations Energiföretagen and Hagainitiativet for natural gas and oil. The global warming potential (GWP) rates from the IPCC's Fifth Assessment Report are used for refrigerants.

Supplier data

There are no significant changes in the structure of the supply chain or relationship with suppliers, including selection and contract termination. While we build our in-house organisation in new markets, we naturally gain more suppliers.

Water data

Water consumption data is collected on a regular basis. The reporting does not cover the complete water consumption from our Danish properties. We are currently implementing processess to collect this in the upcoming years. The water consumption for the Czech Republic is estimated based on the previous year's consumption.

Tax data

This report contains our second country-by-country reporting on tax and is based on 2021 figures.

Waste data

Waste generated by tenants is calculated by the number of tenants and the reporting is based on 2021 figures.

Comparability

Heimstaden Bostad's energy, emission, and water intensity KPIs are based on data from comparable properties, requiring a full year of reported energy, emissions, or water usage for the reporting year. Energy, water, and emissions from new property acquisitions and divestments during the reporting year will be included in the absolute figures when data is available.

Baseline recalculation

For each acquisition and divestment, Heimstaden Bostad's total GHG emissions may change significantly. Heimstaden Bostad has set 2020 as the base year and developed a policy for the base-year recalculations in line with the GHG Protocol. Recalculations of the base year are necessary to enable comparison of emissions and to track development on a like-for-like basis over a longer period. To be transparent, Heimstaden Bostad reports the original and recalculated figures.

Definitions

Comparable properties: Properties with the full year's energy data, where Heimstaden Bostad is the contractee for energy supply to these properties.

High-consequence work-related injuries: Accidents at work resulting in sick leave. Fatalities are not included in this consolidation.

Recordable work-related injuries: Incidents at work resulting in an injury, but no sick leave.

Young adult jobs: Jobs for employees who are younger than 25 years of age.

Social lease contract: Contracts under which local authorities or non-governmental organisations lease apartments from Heimstaden Bostad to rent them, in turn, to socio-economically challenged people such as homeless people, recently arrived migrants, or people with various disabilities.

Affordable housing contracts: Contracts where the maximum rent level as well as the maximum income level of tenants are regulated by the authorities.

2023072106322

Climate Roadmap

Climate strategy
Climate research has shown that Central Europe will have more frequent heat waves, forest fires, and droughts, while Northern Europe will get significantly wetter and winter floods could become more common. In addition, urban areas will be exposed to heat waves, flooding, or rising sea levels. This will have a medium- and long-term impact in markets and cities where Heimstaden Bostad owns properties.

Heimstaden Bostad supports climate research and its sense of urgency, committing to group-wide climate targets in line with the Paris Agreement's ambition to limit global warming to 1.5°C. As a European residential company, Heimstaden Bostad supports the EU target of being climate neutral by 2050. To ensure that efforts to reduce our climate impact are sufficient, the company has committed to the Science-Based Targets initiative (SBTi). The previous climate target has been revised in 2022 to include emissions in Scope 3 category 13 from downstream leased assets[1], which consists mostly of energy use in apartments where tenants have their own energy supply contract.

Heimstaden Bostad AB commits to reduce absolute Scope 1, Scope 2, and Scope 3 category 13 GHG, covering downstream leased assets[1] 42% by 2030 from a 2020 base year

The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

[1] *Tenant use of energy.*

Heimstaden Bostad AB commits that 27% of its category 1 suppliers (covering purchased goods and services) by expenditure, will have Science Based Targets by 2027.

The targets have been verified by the SBTi in 2022. To reach our climate targets, we have developed a road map and intend to invest over SEK 7 billion during the nine years in which our targets are active.

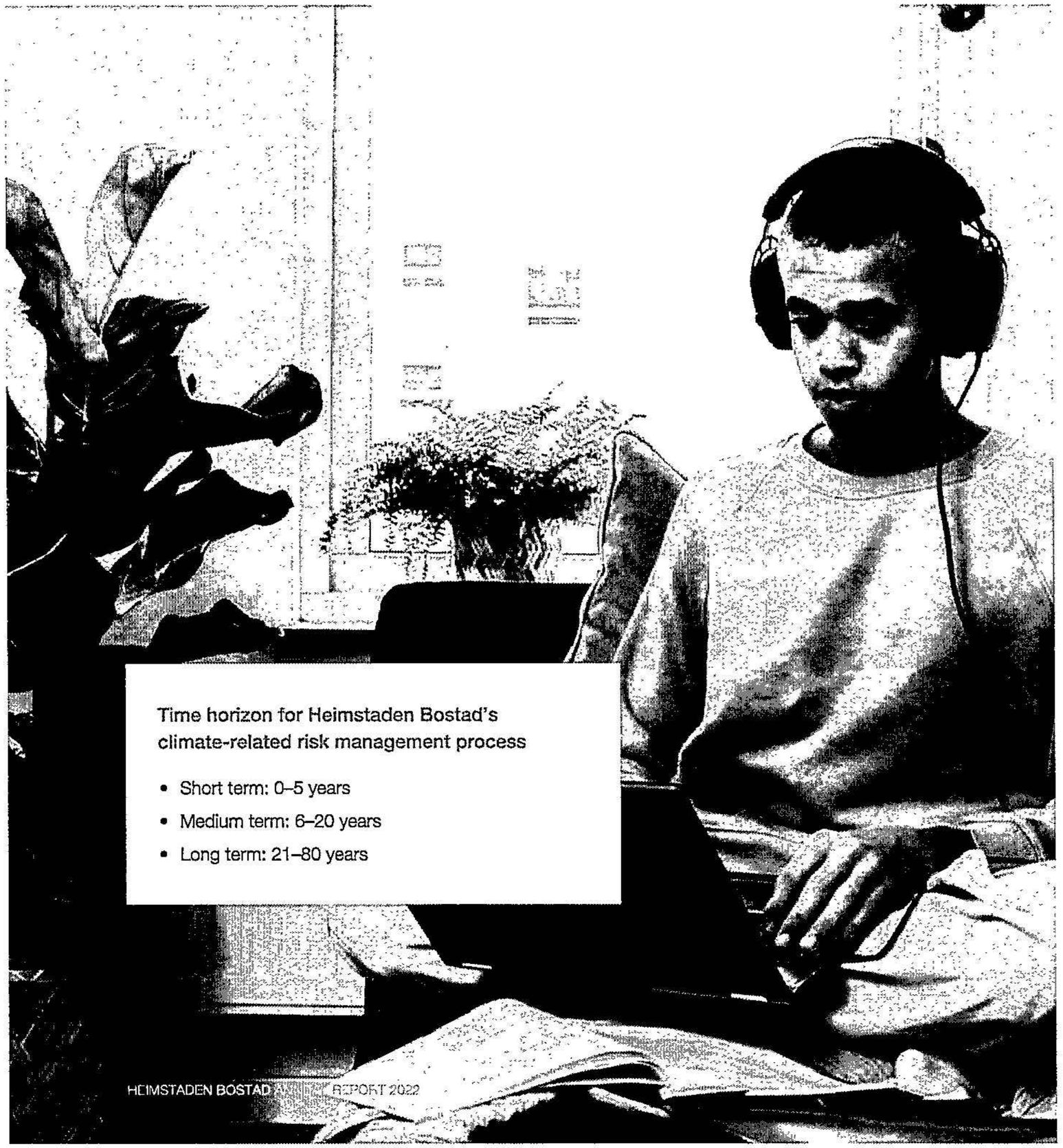
The investment will increase as we grow and is expected to result in annual savings/income of about SEK 420 million, generating a potential yield on investment of 5.6%. Measures that cost the most generate the most emissions reduction potential, but we will work on smaller steps as well, since every effort counts. Heimstaden Bostad has established local carbon emission pathways in all the countries where it operates. The climate impact and carbon emission pathways in local markets vary due to differences in national climate policies, the energy mix, EPC scheme implementation, and differences in properties' energy performance.

Heimstaden Bostad will reduce its GHG emissions, and in many cases operating costs, while at the same time increase the number of energy-efficient buildings and adaptation to

"Our previously communicated pathway budget to reach the targets based on our 2020 portfolio of over SEK 7 billion by 2030 is under revision, and an updated budget in line with current portfolio size and recent growth will be presented during 2023."



2023072106323



Time horizon for Heimstaden Bostad's climate-related risk management process

- Short term: 0–5 years
- Medium term: 6–20 years
- Long term: 21–80 years

climate change. The company has a team of technical energy specialists with the necessary tools and processes to track energy across our local markets and share best practices between countries for technical investments and for local solutions to optimise energy use and to reduce carbon emissions. This approach is optimal for achieving the best possible results, combining local experience and day-to-day operational know-how with group-wide specialist competence.

Helmstaden Bostad has an evergreen philosophy. Therefore, it is important the company monitors areas that have a significant long-term impact, such as sustainable choices of materials and products, and climate-related risks and opportunities. Our Sustainable Mindset is one of Heimstaden Bostad's four strategic cornerstones and is supported by a comprehensive long-term sustainability strategy. The strategy is evaluated annually and includes monitoring and management of both the social and environmental factors that have the greatest impact on the company, and the factors that the company has the greatest impact on. An assessment of appropriate strategies for new and changed conditions is also carried out. Climate-related projects are a central part of Heimstaden Bostad's sustainability focus, covering areas such as investments in climate change mitigation and adaptation measures, the supply chain, ESG in acquisitions, and access to capital. The current and future property portfolio and investments will be continuously monitored and assessed in terms of climate impact. See pages 37–38 for further details on sustainability in the Corporate Governance section.

Climate risk management

Heimstaden Bostad's climate-related risk management process is integrated into the company's overall cross-disciplinary risk management process. The climate risk process covers all stages of the value chain from a short-, medium- and long-term perspective, namely direct operations, upstream, and downstream.

Heimstaden Bostad follows TCFD's recommendations and divides climate-related risks into two main categories: transition risks and physical risks. Transition risks refer to the political, regulatory, and technological risks that a transition to a society with lower carbon emissions may entail. Physical risks can be acute or chronic and can include direct damage to assets or indirect damage, such as interruptions to the supply chain. The risks have been identified and analysed by using different climate scenarios. See section Scenario Analysis on page 118 for a full table of physical and transitional risk (long-term and short-term).

Heimstaden Bostad ensures a relevant risk management process by defining certain risk sub-categories, which identify risks and opportunities for all stakeholders. The risks have been processed by a dedicated risk team that includes experts from all business departments. Heimstaden Bostad has an ongoing risk management improvement project covering all relevant risk areas. Part of the process is to develop key financial metrics that will be used to measure and manage climate-related risks and opportunities.

The Chief Sustainability Officer (CSO) chairs the Executive Sustainability Committee with responsibility for developing the sustainability strategy and ensuring its implementation across the Company. The CSO is a member of the Heimstaden Bostad Executive GRC Committee and is a key stakeholder regarding climate-related matters and other ESG-related risks and op-

20230721063324

portunities. The Board of Directors is ultimately responsible for Heimstaden Bostad's risk management, including climate-related risks. The Executive GRC Committee is a cross-disciplinary advisory forum chaired by the Chief Legal Officer (CLO), which meets on a regular basis. For more information, please read the Corporate Governance section on page 28.

A crucial part of a growing business is the ability to identify, assess, and manage the impact of various risks on earnings performance and the company's financial position. The objective of Heimstaden Bostad's risk management process is to work proactively with the company's risk exposure, helping to create the right balance between managing identified threats and enhancing opportunities. For identified risks, the Board of Directors and the Group Management Team have prepared responses such as guidelines and instructions, and allocated responsibilities with follow-ups on an ongoing basis. Heimstaden Bostad assesses risks based on their likelihood and impact. Material risks are then presented to the Board of Directors.

Heimstaden Bostad's environmental and climate-related risks are presented in the Risk Management section on pages 37–38.

Opportunities

Transition to a low-carbon society also presents opportunities for Heimstaden Bostad. By switching to renewable energy sources, investing in renewable electricity generation, and continuing to work on energy efficiency and biodiversity measures, we will reduce our GHG emissions and, in many cases, our operating costs. At the same time, we are increasing the number of energy-efficient buildings in the portfolio and adapting to climate change. Such results are key to achieving our goals and attracting investors. An increased focus on the materials used, recycling of building materials, and waste management in property development projects will lead to lower emissions and reduced water use, also creating positive financial results.

There will be opportunities to seek public funding to meet climate and energy objectives and to support the transition to clean energy, such as the various EU support schemes and initiatives to accelerate energy-efficiency investments. Heimstaden Bostad assesses funding opportunities for transition projects, such as testing new technologies, and the development of new products and customer services.

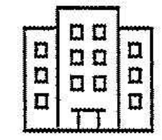
Heimstaden Bostad's focus:

- Improve EPCs
- Energy-efficiency measures
- Heat system optimisation, fuel shifts, and technical investments
- Transition to fossil-free energy solutions
- Investments in photovoltaics and e-mobility
- Biodiversity measures
- Various partnerships
- Customer nudging projects

Long-term potential climate effects in markets where Heimstaden Bostad owns properties:

Northern Europe
getting significantly wetter, so floods could become common.

Central Europe
more frequent heat waves, forest fires, and droughts.



Urban areas
exposed to heat waves, flooding, and rising sea levels.

Source: Consequences of climate change (europa.eu).

Challenges on our path

Heimstaden Bostad is transparent about its status, and we acknowledge that there is a lot to do to address and manage climate challenges fully, not least because of our growth in European countries where there is a high proportion of fossil fuel in the energy mix.

Climate actions

Our Climate target is in line with the Paris Agreement ambition to limit global warming to 1.5°C.

Heimstaden Bostad calculates its Scope 1, Scope 2, and Scope 3 GHG emissions in line with the GHG Protocol methodology. A compilation of Heimstaden Bostad's GHG emissions in Scope 1, Scope 2, and Scope 3 can be found in sustainability notes 305-1 to 305-3 on pages 144.

A description of environmental and climate-related projects for 2022 is presented in the Energy section on pages 137–140 and the Greenhouse Gas emissions Section on pages 143–144.

20230721063325

Scenario Analysis

Heimstaden Bostad's strategy to identify relevant climate-related risks and opportunities is based on data from the UN's Intergovernmental Panel on Climate Change (IPCC) Risk Concentration Pathway (RCP) 2.6 scenario (stringet mitigation) and its RCP8.5 scenario (very high GHG emissions), from a short-term (2040) and long-term (2100) perspective. An RCP of 2.6 represents a strong climate policy with reduced emissions, negative emissions by 2100, and a global temperature increase of 0.5–1.5°C. Conversely an RCP of 8.5 represents a weak climate policy, continued high emissions and a global temperature increase of 3.5–5.0°C.

To support the risk management process, Heimstaden Bostad has used data from the European Commission and European Summary Data from the Swedish Meteorological and Hydrological Institute (SMHI) covering elevated average temperatures, rising sea levels, extreme heat, and heavy rains with both RCP scenarios. The analysis has been mapped against the results of regional climate modelling system RCA31 and RCA41 for the IPCC's short-term (2040) and long-term (2100) perspectives.

Climate risk and vulnerability assessments

In 2022, we have developed a methodology for carrying out climate risk and vulnerability assessments (hereinafter CRVA) at property level. This methodology is carried out in accordance with the criteria of the EU Taxonomy Regulation. The CRVA has been used for properties that had taxonomy-aligned turnover, investments (capex), or operating costs (opex) during 2022.

We have assessed risk scenarios that extend beyond 2050. To ensure comparability and uniformity of the variables, we have used the same data source in all countries. The analysis has been conducted at the county/regional level using the global datasets on historical weather patterns and future climate scenarios, locational vulnerability, and climate impacts provided by the Climate Change Knowledge Portal (CCKP).

Properties that have a high exposure to climate risks will undergo a vulnerability analysis. The climate exposure and level of vulnerability are then combined and result in a final property risk score. We will prioritise mitigating measures for properties where we see an urgent need, or where we expect the level of risk to be very high, within the next five years.

Focus going forward

We will continue to implement the CRVA in our country organisations in 2023, as well as continue to improve the quality of the methodology and educate our colleagues on climate risks and climate adaptation measures. Our ambition is to fully integrate CRVA into our country organisations and have its results included in the ongoing property maintenance plans. Taking this systematic approach to working with climate risks is, in our belief, the best way to protect our tenants and properties from harmful climate risks.

Scenario Analysis

	Short-term 2040	Short-term 2040	Long-term 2100	Long-term 2100
RPC	2.6	8.5	2.6	8.5

	Regulatory	Technological	Market	Reputation	Acute	Systemic
Elevated average temperature	the value of financial assets is affected increased tax and insurance costs Increased costs for CO_2 emissions	energy-efficiency technical solutions fossil-free heating systems	changed market price for services and goods due to increased cost for CO_2 emissions emission reduction requirements in new builds	energy requirements in environmental certifications poorer housing	deteriorating human health threatened ecosystems and biodiversity loss less products and timber from forestry	Increased demand for property maintenance deteriorating water quality
Rising sea level	difficulties in insuring affected properties	increased demand for damage control systems	some properties might be unable to rent out	pricing of land and properties affected	property-related damage	some locations become uninhabitable
Extreme heat	legislation on heat control in relation to customers' health	increased need for cooling systems		customer satisfaction decline	forest fires	health problems, increased mortality, drought, and water scarcity
Heavy rain	legislation on property flooding control	demand for water and storm-resistant technical solutions		customers' personal assets are destroyed	momentary floods strong flows	recurring floods that destroy assets and customers' belongings

Heimstaden Bostad's categorisation and analysis of scenarios used the Rossby Centre's climate scenarios conducted by SMHI and estimated climate scenarios also conducted by SMHI.

Source: http://www.smhi.se/klimat/framtidens-klimat/klimatscenarier.

[1] *The Rossby Centre regional atmospheric climate model.*

2023072106326



EU Taxonomy Regulation

In the fiscal year 2021, we determined that 100% of Heimstaden Bostad turnover, investments (capex), and operating costs (opex) are eligible for the EU Taxonomy Regulation (the taxonomy regulation). Following the review of our financial activities in 2022, we have made assessments that show that parts of our turnover, capex, and opex are aligned with the taxonomy regulation. All our reported properties have been assessed against the Technical Screening Criteria in the environmental objectives for climate change mitigation.

Heimstaden Bostad has activities in the following categories of the taxonomy regulation:

- 7.1 Construction of new buildings
- 7.2 Renovation of buildings
- 7.3 Installation, maintenance, and repair of energy-efficiency equipment
- 7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings
- 7.6 Installation, maintenance, and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings.
- 9.3 Professional services related to energy performance of buildings

Since Heimstaden Bostad's operations consist of owning, developing, and managing residential properties, activity 7.7, Acquisition and Ownership of Buildings, is the most applicable economic activity within the taxonomy regulation when it comes to turnover. Heimstaden Bostad also sells properties to some extent. This turnover is allocated to activity 7.1 Construction of New Buildings. Heimstaden Bostad constructs new buildings for its own use: during the construction phase of an asset all capex and opex is allocated as a 7.1 activity; after completion they are allocated as a 7.7 activity. For more about Heimstaden Bostad's position on this, please see the section Interpretation of new builds in relation to eligible activities (7.1 or 7.7) below. Activities 7.1-7.7 and 9.3 have been identified when screening eligibility and alignment within the capex and opex KPIs.

Heimstaden Bostad is covered by both environmental objectives, (1) climate change mitigation, and (2) climate change adaptation. Heimstaden has decided that all activities should be allocated to environmental objective 1 where turnover for activity 7.1 and 7.7 can be included. However, for some of the investments completed during the year, Heimstaden could have allocated investments to environmental objective 2. But because the taxonomy regulation does not allow double counting, we deem it most appropriate that these investments are reported under environmental objective 1.

investments are reported under environmental objective 1.

Analysis of Taxonomy KPIs

In short, we conclude that we are 16% aligned within our turnover-generating activities for 2022. For this year's capex and opex we are 11% and 4% aligned. For complete tables for turnover, capex, and opex KPIs, see pages 169–171.

2023072106327

Summary of taxonomy-eligible and taxonomy-aligned economic activities

	Taxonomy-eligibility in %	Taxonomy-alignment in %
Turnover[1]	100	16%
Capex[2]	100	11%
Opex	100	4%

For complete tables on turnover, capex and opex, see page 169.

Being around 15% in aligned turnover generally indicates that Heimstanden Bostad's properties have similar energy efficiency compared to the general real estate market due to the definition of the technical screening criteria (top 15% in PED in relation to comparable building stock). The proportion aligned capex indicates that Heimstaden Bostad is investing in order to improve the energy efficiency in parts of the building stock. Heimstaden assesses that the proportion of taxonomy alignment will increase in the coming years and that Heimstaden Bostad will be able to ensure an increased share of capex and opex in alignment with the taxonomy regarding investments linked to category C investments.

Relevant judgment on the taxonomy-eligibility and alignment of our activities

All eligible turnover, capex and opex have been assessed based on the technical screening criterias in the respective economic activity for environmental objective 1. For the proportion of aligned turnover, all properties have first been assessed in accordance to the substantial contribution criteria. In order to evaluate the significant contribution to environmental objective 1 Heimstaden Bostad has developed methods to evaluate the properties based on the criteria of top 15% where possible. As Heimstaden Bostad operates in several countries, there has been varying availability of data at national level. These methods have been applied to the properties that are not classified with EPC A. Below follows an account of some of Heimstaden's most significant interpretations and positions, when assessing the eligibility and alignment with the taxonomy.

Interpretation of new builds in relation to eligible activities (7.1 or 7.7)

In Annex I of the taxonomy regulation, economic activities in sector 7 (Construction and Real Estate Activities) are described, but there are some uncertainties on how to interpret these activities. Activity 7.1 covers construction of new buildings and activity 7.7 covers the acquisition and ownership of buildings. Additionally, the criteria in order to respond to the Do Not Significant Harm (DNSH) requirements differ depending on the economic activity under evaluation, while criteria 7.1 are more extensive and detailed in comparison.

The uncertainty occurs when a company builds a property for its own use. Turnover related to a new build that is kept within the company is to be reported as 7.7. However, it is not clear whether the capex and opex related to such a building is to be reported as 7.7 or 7.1. It can be argued to be categorised as 7.1 Construction of New Buildings since it does involve the construction of a new building as per the activity description. On the other hand, the turnover of these buildings is considered 7.7 and therefore it can be argued that expenditures on building these properties also relates to 7.7.

Heimstaden Bostad has decided to take the position of combining the two relevant activities for new builds, depending on the level of control in the planning and construction of the properties.

If Heimstaden Bostad initiates the process of building the new property, the capex and opex is to be categorized as economic activity 7.1 Construction of New Buildings. This capex and opex is in such cases categorised as category C by the regulation (i.e., investments related to the purchase of output from taxonomy-aligned economic activities). In these cases, it is regarded that the developer hired by Heimstaden Bostad does have eligible and potentially aligned turnover in relation to activity 7.1, and that Heimstaden Bostad is purchasing that output.

However, if Heimstaden Bostad does not initiate the building process, it is to be reported as capex and opex related to economic activity 7.7 Acquisition and Ownership of Buildings.

Assessment of DNSH (Do Not Significant Harm)

When assessing alignment, Heimstaden Bostad has ensured that no significant harm is done to other environmental objectives for the economic activities, respectively. Heimstaden Bostad has ensured that suitable climate risk assessments are prepared for all buildings that have aligned turnover, capex and opex. For economic activity 7.1 where Heimstaden Bostad reports aligned capex for 2022, it has been more difficult to assess the fulfilment of DNSH in environmental objective 5, "Pollution prevention and control", and the criteria referred to in appendix C. Heimstaden Bostad follows national legislation, which means that Appendix C is fulfilled to some extent, and Heimstaden Bostad works to further develop routines to ensure that no substances according to f) and g) in Appendix C are used in its processes.

Individually taxonomy-eligible and aligned capex and opex

For capex and opex that are related to activity 7.7 and where a building has been assessed as non-aligned with the taxonomy regulation, Heimstaden Bostad has further screened the investments individually to see if those investments potentially could be seen as taxonomy-aligned through other economic activities than 7.7, i.e., related to activities 7.2-7.6 and 9.3 and according to the category C in the delegated act. However, Heimstaden Bostad has not been able to fully screen all investments for alignment due to difficulties in ensuring that suppliers meet the alignment criteria. This will be further processed in upcoming years.

[1] This figure discloses the share of taxonomy-aligned turnover. That is properties classified with EPC A and properties belonging to the top-15% of the best energy performing buildings (PED) in the national building stock. However, Heimstaden Bostad operates in several countries where the 15% limit value is yet to be defined. This suggests that the figure for aligned turnover for Heimstaden Bostad may increase when the threshold value have been defined in all markets.
[2] The figure discloses the share of taxonomy-aligned capex for 2022. However, as part of our climate roadmap, we intend to invest over SEK 7 billion during the nine years in which our climate targets are active.

2023072106328

Minimum safeguards
We have made our assessment of minimum safeguards in line with the most recent guidance from the Platform for sustainable finance. This includes ensuring that we have processes in place on Group level for anti-corruption, fair competition, taxation, and human rights. On the latter, we have worked during the year to complete our previous work on adherence to the six steps within the OECD Due Diligence Guidance, including embed responsible business conduct into policies and management systems; identify and assess adverse impacts; cease, prevent or mitigate adverse impacts; track implementation and results; communicate how impacts are addressed; and provide for or cooperate in remediation when appropriate. Please read more about our work on page 152 in our sustainability report.

In addition, we did not have any convictions in court on any of these topics, nor have we been contacted by the OECD National Contact Point or the Business and Human Rights Resource Center with regards to human rights allegations. For details on our human rights due diligence process, please refer to our Human Rights statement which can be found on our website.

Reporting principles
The turnover included in the taxonomy regulation report follows the same definition as in the Annual Report and consists of rental- and service income (this can be reconciled with the line-item rental- and service income in the consolidated comprehensive income statement on page 132). The allocation of turnover related to the different activities has been made at a building level. Assessment of the alignment criteria on the turnover generating activities 7.1 and 7.7 has also been based on every building. All turnover for 2022 has been allocated to 7.7. Acquisition and ownership of buildings, this since no sale for properties has been done during the year. Aligned turnover, i.e. the numerator, derives from both rental- and service income.

Capex refers to additions to tangible and intangible assets during the financial year before depreciation and revaluations (including devaluations) for the financial year and excluding changes in fair value. Examples of this can be major renovations, insulation projects, digital measurement, solar panels, and the installation of charging stations for electric vehicles. (For this year's capex please refer to acquisitions and investments on pages 119–121).

Opex refers to direct costs that are not capitalised assets. These costs refer to building renovation, short-term leases, maintenance and repair, and all other direct expenses related to the daily maintenance of tangible fixed assets – performed by the company itself or a third party hired for this purpose – and required to ensure the continuous and efficient functioning of these assets. Opex does not correspond to total operating expenses, but only to expenses associated with the asset's continuous and appropriate function. For example, maintenance and repair of our properties are included, while expenses for energy, water, and property tax are excluded.

For capex and opex, the numerator in the KPIs consists mostly of investments and expenditures that are associated with our turnover generating activity 7.7 Acquisition and Ownership of Buildings that are eligible and/or aligned.

Furthermore, we have identified individually taxonomy-eligible and taxonomy-aligned capex and opex that relates to the purchase of output from taxonomy-eligible or aligned economic activities and certain individual measures enabling the target activities to become low-carbon or to lead to GHG reductions. These individual measures correspond to economic activities listed in the activities 7.1-7.6 and 9.3 in the Climate Delegated Act Annex I (climate mitigation objective) and Annex II (climate adaptation objective). To avoid double counting the capex and opex KPIs, we counted only once those investments relating to purchased outputs and those individual measures that we already treat under category A (i.e., investments related to our turnover generating activities in 7.7).

For the aligned share of capex, the majority of it relates to investments on completed investment properties, but also for investment properties under construction in accordance with our policy choice on how to classify investments in relation to activity 7.1. All of this capex is classified as investment properties in the financial report and most of it allocated to economic activity 7.1 and 7.7. However investments that are deemed as aligned according to "category c" in the delegated act relates to economic activities 7.1-7.6. No aligned capex comes from any capex plan.

Most of the aligned share of opex is maintenance and repair expenditures for aligned investment properties within activity 7.7. There is also some aligned opex that is attributable to "category c", which relates to activity 7.2-7.6 and 9.3.

Adjusted KPIs
In the taxonomy's delegated act, section 1.2 of Annex I, it is mentioned that adjusted KPIs for turnover and capex must be submitted if an undertaking has issued environmentally sustainable bonds or debt securities that aim to finance specific identified taxonomy-aligned activities. Heimstaden Bostad has interpreted environmentally sustainable bonds as referring to the EU Green Bond Standard, which is a framework that is not yet available. Heimstaden Bostad has issued bonds, which are not in line with the taxonomy's framework for green bonds, which is why the disclosure requirement in that regard is not deemed to be applicable for this year's reporting.

Furthermore, Heimstaden Bostad assesses that the issued bonds or other debt obligations are not intended to finance specific taxonomy-aligned activities, which is why the disclosure requirement for adjusting our KPIs for capex or turnover does not apply either.

Environmental Management System

Heimstaden Bostad works with significant environmental aspects throughout its value chain, covering production, supply chain, our organisation, tenants, the communities in which we operate, and the business partners we cooperate with. Heimstaden Bostad's Environmental Management System originates from the Environmental Management Principles that state the company's environmental impact and its governance, legal compliance, and systematic process to track and follow up on performance and to ensure responsibilities and education. There is a clear common thread between Heimstaden Bostad's environment work, sustainability strategy, goals, and Environmental Management System. Heimstaden Bostad's biggest environmental focus is on our operations, as we impact the environment when we acquire, operate, maintain, develop, and renovate properties. Comparatively, in our organisation we have a lesser environmental impact, but this work is still significant as it increases employee engagement.

"During 2022, we began the implementation of Heimstaden Bostad's Environmental Management System and over the coming years this will be applied across the entire company."



2023072106330



Stakeholder Engagement

We map and analyse stakeholder expectations of our operations because we regard it as a prerequisite for achieving our targets and generating value that is sustainable in the long term. When identifying stakeholders for engagement, we have focused on those with whom we have a long-term relationship and who are affected by, and/or have an impact on, our operations. The principal stakeholders we have identified are customers, suppliers, lenders and investors, employees, public entities, and shareholders.

Materiality analysis

To address stakeholder expectations and evaluate issues that are important to Heimstaden Bostad, we conduct materiality assessments through dialogues with our stakeholders as well as considering Heimstaden Bostad's business strategy and vision, and its impact on people, environment, climate, economy, and society. Stakeholder dialogues are conducted regularly as part of our day-to-day activities, helping us to carry out an ongoing assessment of our impacts. To see the details of how we engage with our stakeholders, please refer to the table on page 124.

Heimstaden Bostad's materiality analysis is based on GRI standards for sustainability reporting. The GRI topics and their definitions can be found on www.globalreporting.org. By prioritising our most significant impacts, we have identified the following material GRI areas for our reporting: GRI 206 Anti-Corruption; GRI 201 Economic Performance; GRI 207 Tax; GRI 302 Energy; GRI 305 Emissions; GRI 306 Waste; GRI 401 Employment; GRI 403 Occupational Health and Safety; and GRI 413 Local Communities. In addition to the areas that have been prioritised as material from a GRI perspective, Heimstaden Bostad applies a structured and long-term approach to water use and human rights and reports accordingly.

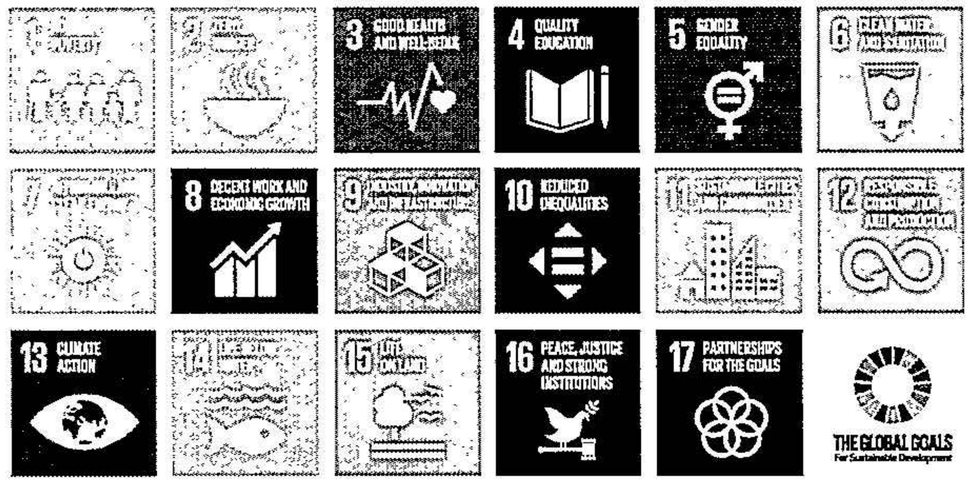
In terms of the severity, likelihood, and scale of our impacts, our customers – tenants at Heimstaden Bostad – form one of our largest stakeholder groups. We launched the Sustainability Survey in the fourth quarter of 2021 to measure their opinions on sustainability, evaluate how they perceive our activities, and how they are impacted by us. The project had two phases: 1) a qualitative stage running from December 2021 to February 2022, consisting of interviews with a small sample of our customers across all our markets; and 2) a quantitative stage involving a digital survey in seven markets, conducted in June-July 2022. The digital survey reached 82,698 households, which is about 54% of Heimstaden Bostad's households. Please refer to the table on Stakeholder Engagement on page 124 to see the summarised results of the survey. These results will inform our continuous evaluation of material topics and help us to set new focuses and thresholds in the upcoming years.

Stakeholder Engagement

Stakeholders	Shareholders	Public Bodies	Employees[1]	Lenders and investors	Suppliers	Customers
Engagement technique	• Owner dialogues and meetings • Board meetings • Annual General Meeting • Meetings with shareholder representatives	**PUBLIC SECTOR** • Dialogue forums for urban planning and dialogues with developers • Dialogue forums on social aspects – safe neighbourhoods, crime prevention, and environment in the local community • Dialogues with municipalities • Dialogues when entering new markets **NOT-FOR-PROFIT SECTOR** • Engagement and attendance at meetings with special-interest and industry organisations • Network meetings • Partnerships with not-for-profit organisations **UNIVERSITIES & HIGH SCOOLS** • Career fairs • Company presentations and workshops for students • Project/thesis assignments • Internships	• Personal development plan (PDP) discussions • Leadership development • Employee surveys • Work health and safety group • Operational planning • Internal conferences • Regular one-on-ones (weekly, bi-weekly, or monthly depending on leader and need) • Trainings, mentorships	• Individual meetings with banks and investors • Financial statements • Capital market presentations • Bond and Green Bond issuance	• As part of regular procurement processes for framework agreements, when placing orders, and in direct meetings with suppliers • When performing sustainability due diligence, especially for risk categories of products/ services	• Customer service and ongoing dialogues regarding property management • Customer surveys: - Yearly Customer Score Card Survey - Rolling Customer Satisfaction survey (CSAT) in five phases: contract signing, move-in, service, living, and move-out - CSAT for New Development - Sustainability Survey • Local events and interactions • Office visits • Magazines and newsletters • Digital Help Centre • Chat with customer service • MyHome Digital Customer portal
Stakeholder expectations	• A long-term stable profit where consideration is given to people, ethics, and the environment • Customer satisfaction • Community engagement and social responsibility • Sustainable growth • Transparent reporting	• Community engagement and social responsibility • Safe and secure neighbourhoods • Reduction of GHG emissions • Measures to mitigate and adapt to climate change • Job and internship opportunities	• Responsible and ethical business practices • Stable and long-term employer that offers good employment terms and work environment • Leadership presence • Local community engagement	• Responsible business conduct • Climate change mitigation and adaptation • Social responsibility • Customer satisfaction • Sustainability reporting • Disclosure of ESG-related information under the Sustainable Finance Disclosures Regulation (SFDR)	• Specifications concerning the supplier's work conditions, work environment, human rights, and environmental work • Collaboration for increased sustainability	• Pleasant and safe living environment • Homes powered by renewable energy and energy efficiency • Access to clean recycling rooms • Information and communication • Affordable apartments
Our actions in 2022 to meet stakeholder expectations	• Acquired new homes in Germany, UK, Finland, Sweden, and Denmark • Improved reporting capacity to be in line with new GRI standards and the EU Taxonomy Regulation • Sharpened our climate targets and got them validated by the SBTi to reduce our GHG by 42% by 2030, covering Scope 1, 2 and Scope 3 category 13, downstream leased assets[2]	• Housed more than 500 Ukrainian families who came as refugees • Donated over SEK 130 million to SOS Children's Villages to give children a safe home and a good start in life • 118 internships and summer jobs provided to students • Committed to investing >SEK 7 billion to achieve our climate targets	• Improved employee benefits package in order to increase wellbeing • 82% of employees have taken all mandatory trainings (GDPR, Code of Conduct, IT Awareness). Integrated a new sustainability module in the mandatory onboardig training for all new employees • Closely tracked employee wellbeing through Winningtemp employee surveys • Launched skill sharing programme where employees can use their skill-sharing to the benefit of SOS Children's Villages • Developed Grow@Helmstaden – a concept for talent development • Launched new leadership trainings (Leading@ Helmstaden) and trainings for new managers (New@ Leading)	• Reviewed all company policies and Codes of Conduct, creating in-depth manuals and handbooks where necessary • Maintained Fitch rating of 'BBB' • Maintained S&P rating of 'BBB' • Provided requested ESG-related data on external web page	• New supplier requirements and Procurement Manual for clearer purchasing guidelines, in all our countries of operation • Industry collaborations and supplier dialogues for increased sustainability in the solar panel supply chain • Revised Business Partner Principles, which suppliers will be required to sign • Set up a contract management system in Sweden • New role in Group Procurement, with a focus on sustainable supply chains, to engage procurement departments in all our countries • Set a new Supplier Engagement target, demanding that 27% of our suppliers, in terms of expenses within Scope 3 category 1, shall have set science based climate targets by 2027	• Conducted customer surveys in all our markets regarding customer satisfaction and expectations of Helmstaden Bostad • Introduced a new customer survey – Sustainability Survey – to investigate customers' perceptions and expectations regarding sustainability • A wide portfolio of apartments in different price ranges – expanded to 158,326 homes in 2022 • Launched MyHome customer portal in selected markets, ongoing roll-out to other markets • Carried out various projects to improve living conditions of customers – e.g., improved energy systems, outdoor environments, recycling rooms, and much more

[1] *All information regarding employees pertain to employees of Helmstaden AB and Helmstaden Bostad AB.*
[2] *Tenant use of energy.*

2023072106332



In the GRI Index on pages 126–128 we have linked our material sustainability areas to the Sustainable Development Goals and their sub-targets.

UN Global Compact

Heimstaden AB joined the UN Global Compact initiative for responsible business in 2019, whereby it committed to follow the Compact's 10 principles in human rights, labour, the environment, and anti-corruption. The commitment also covers Heimstaden Bostad.

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Memberships and undertakings

- Science Based Targets initiative (SBTi)
- SABO (Public Housing organisation in Sweden, associated member)
- Sweden Green Building Council
- Fastighetsägarna (Swedish organisation for real-estate companies)
- Norsk Eiendom (Norwegian organisation for real-estate companies)
- Ejendom Danmark (Danish organisation for real-estate companies)
- Association of Real Estate Agents (Czech Republic)
- Rental Housing Association (Czech Republic)
- Association for the Development of the Moravian-Silesian Region (Czech Republic)
- Association for Real Estate Market Development (Czech Republic)
- Chamber of Commerce of the Moravian-Silesian Region (Czech Republic)
- Nordic Chamber of Commerce in the Czech Republic
- Association of Industry and Transport (Czech Republic)
- IVBN (Dutch organisation for real-estate companies)
- BeBo – Swedish Energy Agency's network for residential property owners committed to energy efficiency
- Studentbostadsföretagen (Swedish student housing association)
- LFM 2030 (Local path chart towards a climate-neutral construction and property management sector in Malmö, Sweden by 2030)
- The Rotterdam Climate Agreement (Netherlands)
- Polski Zwiazek Firm Deweloperskich (PZFD) (Polish Association of Developers)
- Skandynawsko-Polska Izba Gospodarcza (SPCC) (Scandinavian-Polish Chamber of Commerce)
- VNW – Verband norddeutscher Wohnungsunternehmen (Association of North German Housing Companies).
- ZIA – Zentraler Immobilien Ausschuss (Central German Real Estate Association)
- VBKI – Verein Berliner Kaufleute und Industrieller (Berlin Merchants and Industrialists Association)
- IHK – Industrie- und Handelskammer (Chamber of Commerce and Industry in Germany)
- UKAA – United Kingdom Apartment Association (British Build to Rent organisation)

2023072106333

GRI Index

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure	Location	SDG sub-target	Principle of the Global Compact	Omission: Requirements omitted	Omission: Reason	Omission: Explanation
General Disclosures							
GRI 2: General Disclosures 2021	2-1 Organisational details	111					
	2-2 Entities included in the organisation's sustainability reporting				2-2	No list available	
	2-3 Reporting period, frequency, and contact point	111–112					
	2-4 Restatements of information	111					
	2-5 External assurance				2-5	We are preparing for external assurance in 2024	
	2-6 Activities, value chain, and other business relationships	13–15					
	2-7 Employees	162–163					
	2-8 Workers who are not employees	147					
	2-9 Governance structure and composition	28–40					
	2-10 Nomination and selection of the highest governance body	28–40					
	2-11 Chair of the highest governance body	28–40					
	2-12 Role of the highest governing body in overseeing the organisation	28–40					
	2-13 Delegation of responsibility for managing impacts	28–40					
	2-14 Role of the highest governance body in sustainability reporting	28–40		8			
	2-15 Conflicts of interest	28–40					
	2-16 Communication of critical concerns	28–40		3-6, 10			
	2-17 Collective knowledge of the highest governance body	28–40					
	2-18 Evaluation of the performance of the highest governance body				2-18 a, b, c	We do not have an evaluation process in place yet	
	2-19 Remuneration policies	28–40		10			
	2-20 Process to determine remuneration	28–40					
	2-21 Annual total compensation ratio				2-21 b	No increase could be calculated since the role with the highest compensation did not receive a salary raise yet	
	2-22 Statement on sustainable development strategy	8		7, 8, 9			
	2-23 Policy commitments	28–40					
	2-24 Embedding policy commitments	28–40					
	2-25 Process to remediate negative impacts	28–40					
	2-26 Mechanisms for seeking advice and raising concerns	28–40		3, 4, 5, 6			
	2-27 Compliance with laws and regulations	28–40		1-10			
	2-28 Membership associations	125					
	2-29 Approach to stakeholder engagement	123					
	2-30 Collective bargaining agreements	150–151		3			

2023072106334

GRI Standard	Disclosure	Location	SDG sub-target	Principle of the Global Compact	Omission: Requirements omitted	Omission: Reason	Omission: Explanation
Material Topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	111					
	3-2 List of material topics	111					
	3-3 Management of material topics	111					
Specific Disclosures							
Economic performance 2016	201-1 Direct economic value generated and distributed	131–132	8.1, 9.1, 9.2, 11.1				
Anti-corruption 2016	205-3 Confirmed incidents of corruption	133–134	16.5	2, 6, 10			
Tax 2019	207-1 Approach to tax	135–136	12.6				
	207-2 Tax governance, control and risk management	135–136					
	207-3 Stakeholder engagement and management of concerns related to tax	135–136					
	207-4 Country-by-country reporting	135–136					
Energy 2016	302-1 Energy consumption within the organisation	137–140	7.1-7.3, 9.4, 12.2	8, 9			
	302-3 Energy intensity	137–140					
Water	303-5 Water consumption (2018)	141–142	6.4, 12.2	8, 9			
Emissions 2016	305-1 Direct (Scope 1) GHG emissions	143–144	9.4, 11.1, 11.6, 13.2	7, 8, 9			
	305-2 Energy indirect (Scope 2) GHG emissions	143–144					
	305-3 Other indirect (Scope 3) GHG emissions	143–144					
	305-4 GHG emissions intensity	143–144					
Waste 2020	306-3 Waste generated	145–146	11.6, 12.4, 12,5	7, 8			
Employment 2016	401-1 New employee hires and employee turnover	147–149	5.5, 8.5, 8.6, 8.8, 10.3, 16.7	3-6			

2023072106335

GRI Standard	Disclosure	Location	SDG sub-target	Principle of the Global Compact	Omission		
					Requirements omitted	Reason	Explanation
Occupational health and safety 2018	403-1 Occupational health and safety management system	150–151	3.4, 8.8				
	403-2 Hazard identification, risk assessment and incident investigation	150–151					
	403-3 Occupational health services	150–151					
	403-4 Worker participation, consultation and communication on occupational health and safety	150–151					
	403-5 Worker training on occupational health and safety	150–151					
	403-6 Promotion of worker health	150–151					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	150–151					
	403-9 Work-related injuries	150–151					
Human rights	406-1 Incidents of discrimination (2016)	152–155	8.7, 8.8, 10.3, 12.7	1-6			
	414-1 New suppliers that were screened using social criteria (2016)	152–155					
Local community 2016	413-1 Operations with local community engagement, impact assessments and development programmes	156–160	4.4, 4.6, 8.6, 10.2, 11.3, 17.17	1, 6, 8			

2023072106336

TCFD Index

	Chapter	Page
Governance		
a) Describe the Board's oversight of climate-related risks and opportunities	Governance, Risk management	37–38
b) Describe management's role in assessing and managing climate-related risks and opportunities	Governance, Risk management	37–38
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Scenario Analysis	118
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Climate Road Map, Scenario Analysis	115–118
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate Road Map, Scenario Analysis	115–118
Risk Management		
a) Describe the organisation's processes for identifying and assessing climate-related risks	Climate Risk Management	116
b) Describe the organisation's processes for managing climate-related risks	Climate Risk Management	116
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate Risk Management	116
Metrics and Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate actions, Greenhouse Gas Emissions	117, 143
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Greenhouse Gas Emissions	143
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Greenhouse Gas Emissions	143

Statutory Sustainability Report Index

Find our statutory Sustainability Report according to the Swedish Annual Accounts Act on the following pages:

Topic	Area	Page
Environmental issues	Policy, review procedures and policy results	137, 141, 143, 145
	Risks and risk management	37–38
	Key performance indicators	137, 141, 143, 145
Social issues and employees	Policy, review procedures and policy results	147, 150, 156
	Risks and risk management	37–38
	Key performance indicators	147, 150, 156
Human rights	Policy, review procedures and policy results	152
	Risks and risk management	37–38
	Key performance indicators	152
Anti-corruption	Policy, review procedures and policy results	133
	Risks and risk management	37–38
	Key performance indicators	133

2023072106337

Topic Disclosures

Economic Performance

201-1 Direct economic value generated and distributed

Anti-Corruption

205-3 Confirmed incidents of corruption and actions taken

Tax

207-1 Approach to tax
207-2 Tax governance, control and risk management
207-3 Stakeholder engagement and management of concerns related to tax
207-4 Country-by-country reporting

Energy

302-1 Energy usage within the organisation
302-3 Energy intensity

Water

303-5 Water consumption

Greenhouse Gas Emissions

305-1 Direct (Scope 1) GHG emissions
305-2 Energy indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) GHG emissions
305-4 GHG emissions intensity

Waste

306-3 Waste generated

Employment

401-1 New employee hires and employee turnover

Occupational Health and Safety

403-1 Occupational health and safety management system
403-2 Hazard identification, risk assessment and incident investigation
403-3 Occupational health services
403-4 Worker participation, consultation and communication on occupational health and safety
403-5 Worker training on occupational health and safety
403-6 Promotion of worker health
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
403-9 Work-related injuries

Human Rights

406-1 Incidents of discrimination and corrective actions taken
414-1 New suppliers that were screened using social criteria

Local Community

413-1 Operations with local community engagement, impact assessments and development programs

2023072106338

Economic Performance

201-1 Direct economic value generated and distributed



Impact on economy, environment, and people
Through long-term, profitable growth generated with consideration for people and the planet, we build trust among our employees, customers, shareholders, suppliers, banks and credit rating agencies. Their trust in us is crucial for our continued growth, while a competitive offering to employees is critical for our success. Heimstaden Bostad makes contributions to local societies in all our markets through corporation tax, VAT, and social security payments. Our co-owners are institutional investors, and a large part of our profit is re-invested in people's future pensions.

Actions taken to manage the topic
Our strategy is to acquire, develop, and manage residential properties for rent over the long term. Investment decisions are therefore premised on positive growth in the population and the economy, which generates long-term demand for residential properties in the locations where we operate.

Our Financial Policy serves as a framework for the management of the company's financial risks, such as liquidity, refinancing, foreign currency and interest rates.

Target tracking and evaluation
We continuously measure and assess the effectiveness of our financial governance and review our financial goals as part of our ongoing business. We measure our progress by:

- Acquisition volumes
- Raised equity volumes
- Access to debt markets and ensuring a strong rating for Heimstaden Bostad
- Investment and asset management performance

Our Group policies implemented are:

- Financial Policy

The policy applies company-wide and in all our markets and is approved by the CEO.

2023072106339

GRI 201-1 Direct economic value generated and distributed (company-wide)

SEK million	2022	2021	2020
DIRECT ECONOMIC VALUE GENERATED			
Tenants			
Rental income	13,919	9,247	6,721
Economic value generated from rental income	**13,919**	**9,247**	**6,721**
ECONOMIC VALUE DISTRIBUTED			
Employees			
Salaries (incl. social costs and pensions)	-527	-200	-147
Cost for employees	**-527**	**-200**	**-147**
Society			
Suppliers (incl. VAT)	-15,165	-7,204	-3,685
Corporate tax (current tax)	-836	-492	-386
Deferred tax	1,878	-4,580	-1,774
Economic value to society	**-14,124**	**-12,276**	**-5,845**
Owners			
Dividends (payout year)	-27,545	-4,978	-1,897
New share issue (capital injections)	47,324	64,996	17,895
Transactions with the shareholders	**19,779**	**60,018**	**15,998**
ECONOMIC VALUE RETAINED	**19,048**	**56,790**	**16,728**

The calculation is based on reported financials in the Annual Report and is in accordance with GRI guidelines. The intention is to show in a simple way how Heimstaden Bostad creates value for its stakeholders and in the economic systems within which the organisation works. The table provides an overview of the directly measurable monetary value Heimstaden Bostad adds to stakeholders and how the company thereby contributes to the development of society. Big changes are related to the acquisition of Akelius.



2023072106340

Anti-Corruption

205-3 Confirmed incidents of corruption and actions taken



Impact on economy, environment and people
Heimstaden Bostad's values make it crucial to conduct our operations responsibly and with a high level of business ethics. Failure to respect the norms of corporate responsibility may increase the improper use of natural resources, the risk of human rights violations in our supply chain, accidents and work-related health problems for our people and barriers to attracting talent to ensure growth and service delivery. Costs may increase due to turnover and/or skill-shortage. Any detected cases of corruption or suspicion thereof may cause economic losses in terms of fines or penalties. This in turn will affect our brand and reputation, increasing the risk of losing customers as well as investor trust, capital and interest.

Because of continuous investor dialogues combined with stricter demands for compliance in these areas, in 2021 we installed Group Governance, Risk and Compliance (GRC) function that has helped us increase the awareness and focus on these areas in the organisation.

Actions taken to manage the topic
In accordance with Heimstaden's UN Global Compact commitment, we work actively on anti-corruption measures throughout our compliance management system which involves policies internally and across the length of our value chain. People & Culture are responsible for ensuring tools are available for educating employees on our Code of Conduct, culture and values, diversity, inclusion and belonging and anti-corruption, as well as how to report any breaches using our whistleblowing tool and our employee engagement tool.

"People & Culture are responsible for ensuring tools are available for educating employees on our Code of Conduct, culture and values, diversity, inclusion and belonging and anti-corruption."

Each manager is responsible for ensuring employees are properly trained and informed. To ensure training is delivered, People & Culture follow up on completion rates on a quarterly basis. Whistleblowing and other incidents related to these areas trigger immediate action and are reported quarterly.

Heimstaden Bostad provides mandatory e-learning courses for all employees, to be conducted every 18 months. In addition,

2023072106341

People & Culture run culture and values workshops to highlight business ethics guidelines, human rights and working conditions among employees. In the onboarding process, all new hires sign the Code of Conduct and are required to perform mandatory trainings during their first month of employment.

The Purchasing function and internal clients are responsible for setting purchasing function and contractor requirements, as well as monitoring compliance with the Business Partner Principles. For this purpose, we have implemented a self-assessment covering topics such as environment and human rights.

Target tracking and evaluation

GRI 205-3 Confirmed incidents of corruption and actions taken (company-wide)

	2022	2021	2020	2019
Number of reported cases	0	0	0	2
Number of confirmed cases	0	0	0	0

Heimstaden Bostad has a whistleblower function where employees and external stakeholders can report any irregularities and violations of the Code of Conduct. The system is owned and managed by a neutral third party. Our Whistleblower Policy specifies how reported cases are to be processed, followed up and communicated. Our vision is to have zero annual confirmed cases company-wide. During the year, zero cases were reported through the whistleblower function, whereof zero cases qualify as whistleblower cases. We started the follow-up at Group level in year 2019 making year 2019 our baseline.

Our Group policies implemented are:

- Anti-Corruption
- Code of Conduct
- Business Partner Principles
- Sanctions Policy
- Whistleblower Policy and Whistleblower Manual
- People & Culture Policy

The policies apply company-wide and in all our markets. The Code of Conduct is approved by the Board of Directors, Anti-Corruption, Business Partner Principles, Sanctions Policy, Whistleblower Policy and Whistleblower Manual, People and Culture Policy are approved by the CEO.



202307210634 2

Tax



207-1 Approach to tax
207-2 Tax governance, control, and risk management
207-3 Stakeholder engagement and management of concerns related to tax
207-4 Country-by-country reporting

Impact on economy, environment and people
At Heimstaden Bostad, we view tax as a social responsibility. Taxes make up most of a government's revenue and provide the resources to build a sustainable society. We believe it is important that tax is paid in the country where value is created, in due time and in accordance with local tax rules.

We also think that it is self-evident to live up to requirements and expectations regarding tax transparency. We work continuously with stakeholders to follow their interests and to identify potentially new requirements in the tax area, including new initiatives by the OECD and other international bodies. If there is uncertainty about a tax matter, Heimstaden Bostad often initiates a dialogue with the concerned tax authority to clarify how the matter should be handled correctly.

An integral part of our business is to be transparent with the relevant tax authorities and fully compliant in terms of the administration and payment of taxes. Simultaneously, tax is a cost that can help reduce our business risk, when managed effectively to the level required by law, fulfilling our obligations towards stakeholders.

As we are a multinational group, all subsidiaries carry out their operational business activities in their respective jurisdictions. However, our subsidiaries will never be entities that engage in illegal tax planning, which we consider unacceptable.

Actions taken to manage the topic
Heimstaden Bostad's handling of tax is ultimately regulated by the group's tax policy and special local tax policies where applicable. The policy covers governance principles, risk profile, relations with the relevant authorities, organisational roles and responsibilities, and structures and routines for tax communication.

The policy is owned by the CFO and, where applicable, by the local financial manager. The policy covers all levies paid to respective countries' tax authorities and applies to all subsidiaries and employees in Heimstaden Bostad Group from the date of adoption.

We have a low risk profile when it comes to tax with a large local presence. Our goal is to always have a correct handling and reporting of tax risks. Effective tax risk management in connection with acquisitions requires tax to be part of the Group's due diligence processes. Identification of tax issues involving acquisitions is principally managed by the investment teams, who work closely with local external counsel to review, carry out due diligence and advise on a robust integration into

2023072106343

the Group's approach to taxes, supported by local or Group Tax resource where relevant.

The CFO has the operational responsibility for the Group's tax position across all territories and has delegated the day-to-day responsibility for tax to the respective local finance manager and finance department. Significant tax matters are routinely addressed in Audit & GRC Committee meetings, in which the Group auditor is also present. Careful monitoring of Transfer Pricing is an integral part of mitigating any negative impact on our tax footprint.

In the event of late filings or non-adherence to statutory deadlines, reasonable efforts shall be made to correct the situation in consultation with Group Tax. Unintentional errors in submissions to tax authorities shall be corrected and communicated to the relevant tax authorities as soon as they have been identified.

Any person suspecting serious business irregularities can alert Group Tax or use our Whistleblowing function, which is explained further in the section Human Rights on page 152.

Heimstaden Bostad intends this section to satisfy any statutory responsibilities it may have to disclose its approach to the management of taxes.

Target tracking and evaluation
Group Legal and Tax evaluate the management approach by reporting tax at Group level, monitoring and providing Group oversight of tax, and assisting with tax advice.

In some countries the Group employs local tax counsels to take part and oversee recurring tax reporting to local authorities. In other countries there is a close collaboration with external counsel to meet tax reporting requirements, ensuring compliance in line with the tax policy.

Heimstaden Bostad prepares and intends to have Transfer Pricing documentation updated on an annual basis, consisting of a Group Master File and Local File for each country in which the Group operates. This standardised framework is transparent on key tax drivers on an aggregated level and is also disclosed to stakeholders such as local tax authorities, where relevant.

Heimstaden Bostad files an aggregated country-by-country Report at Group level undertaking relevant notification procedures to tax authorities in each country. Heads of Finance at a country level together with Group Tax ensure an annual review of the results to identify any material discrepancies between aggregated revenues and the country-by-country tax position. The country-by-country reporting on tax is shown in the table below.

GRI 207-4 Country-by-country reporting (company-wide)

	2021								
SEK million	Sweden	Norway	Denmark	Nether-lands	Germany	Czech Republic	Poland	Finland	UK
Number of employees (Headcount)	8	-	2	-	13	710	-	-	-
Revenues from third-party sales	2,873	74	2,593	1,139	805	1,572	14	16	1
Revenues from intra-group transactions with other tax jurisdictions	1,103	779	3	192	41	600	13	0	4
Profit/loss before tax	-409	272	6,769	8,131	1,075	2,766	10	86	-5
Tangible assets other than cash and cash equivalents	62,858	5,667	66,636	27,324	67,608	17,997	0	1,014	975
Corporate income tax paid on a cash basis	76	65	191	174	-64	125	0	2	36
Corporate income tax accrued on profit/loss	72	79	259	123	-37	64	1	2	0

The table contains country-by-country reporting for year 2021 for all countries in which Heimstaden Bostad operated during the year. Data from FY 2021 is the most recent available data. See the table section for data on previous year. Data related to the acquisition of properties from Akelius in December 2021 is not included in this overview.

Our Group policies implemented are:

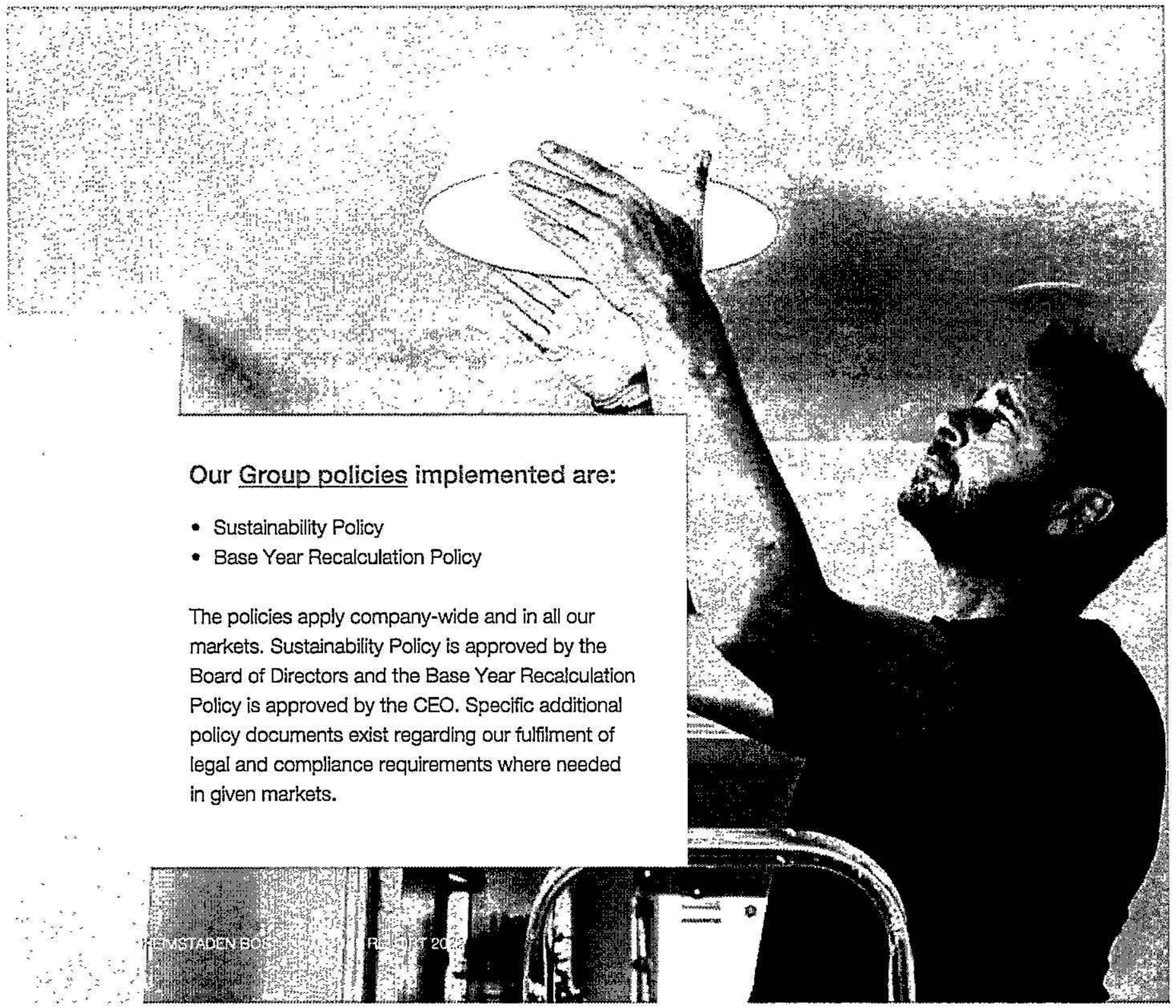
- Tax policy

The policy applies company-wide and in all our markets and is approved by the CEO.

2023072106344

Energy

302-1 Energy usage within the organisation
302-3 Energy intensity



Our Group policies implemented are:

- Sustainability Policy
- Base Year Recalculation Policy

The policies apply company-wide and in all our markets. Sustainability Policy is approved by the Board of Directors and the Base Year Recalculation Policy is approved by the CEO. Specific additional policy documents exist regarding our fulfilment of legal and compliance requirements where needed in given markets.

Impact on economy, environment, and people
We use energy for heating and electricity in our properties. Operating our buildings has a direct impact on energy usage and energy cost. In some countries, the energy cost is directly transferred to the customer on a yearly basis as a part of the property's operating cost. By implementing energy-efficiency measures, we can lower energy usage, climate impact, and costs for Heimstaden Bostad and customers. The amount of fossil fuel we use has a negative impact on the environment, which we can counteract in selected buildings by fuel shifts to more efficient solutions or renewable energy sources. In all countries, we purchase renewable electricity to lower the negative environmental impact of fossil fuels. When acquiring properties, we include them in the renewable electricity supply when possible. Unfortunately, we cannot control energy usage in all our properties, as explained in the Reporting Principles section. In 2022, we have assessed our solar suppliers to track if there is any risk of human rights being abused in the supply chain, as we have seen from experience that materials used in solar photovoltaic cells have come from regions where human rights could be negatively affected.

Energy-efficiency measures and fossil-free energy are considered important to our stakeholders and affect our customers' ability to live sustainably. This is also an important topic for Heimstaden Bostad's owners, resulting in the Board deciding

"By implementing energy-efficiency measures, we can lower energy usage, climate impact and costs for Heimstaden Bostad and the customers."

to set a science-based target. Actions to achieve the target are defined in a Climate Roadmap, which is approved by the Board of Heimstaden Bostad.

Actions taken to manage the topic
Our energy focus is based on Heimstaden Bostad's business strategy and underlying sustainability strategy.

In the Climate Roadmap section, you can read about our climate governance, strategy and Heimstaden Bostad's SBTs. We work continuously on energy-efficiency improvements throughout our organisation in all countries and train our staff in energy-efficient operations. Energy-efficiency measures are prioritised according to the expected impact on energy usage and GHG emissions at a reasonable cost. When making acqui-

2023072106345

sitions, we always screen properties, resulting in an action plan for energy-related measures.

We reduce the amount of purchased energy through the following actions:

- We certify all of our own developments in Sweden with Sweden Green Building Council's 'Miljöbyggnad Silver' certification. In UK and Poland, several turnkey developments are certified with BREEAM (level: very good) and in Denmark with DGNB. These projects cover approximately 1% of our total portfolio.
- Operational energy efficiency of our buildings is a very important part of our business. On average 5-10% of the energy use in the buildings could be saved over a two-year period just by running the buildings in the right way. To achieve this, Heimstaden Bostad has implemented a Group function focused on energy management as well as resources in our local organisations, which ensures that we have the right capabilities in place.
- We focus in several markets on thermal insulation of walls and attics, and window replacement projects, which reduces energy consumption and improves the indoor environment for the customers. Some of the areas we focus on in our different markets, depending on the local conditions, are replacement of old inefficient centralised heating systems and boilers with efficient new ones, installation of heat pumps for heat recovery, smart control systems, efficient controlled fans and hydraulic balancing.
- During 2022, we conducted a major mapping of our 20 multi-family homes in the Netherlands, to make them more energy efficient. Some examples of the short-term actions identified include adapting the settings of the temperature heating curves, insulating pipes, replacing valves, and pressure testing and commissioning. The mapping will also be used to planning optimisation and the replacement of technical installations in the coming years.
- We have a target to install photovoltaic cells on all new construction projects (when applicable).

Among the topics on which we assess our energy suppliers are the environment and human rights, which you can read more about in the Human Rights section.

Target tracking and evaluation

In Sweden, Norway, Denmark, Germany, Netherlands, Finland, and Poland, we are compiling energy statistics monthly or quarterly to detect deviations in energy usage and to act on them where needed. In the other countries, we compile energy data annually at a minimum to ensure there is ample progress to reach our targets in time, as described in the Reporting Principles. That gives us the chance to implement more actions if needed. We are constantly working to improve data quality through new digital solutions and performing a quarterly quality check on energy data.

Our Climate Target is in line with the 1.5°C ambition of the Paris Agreement, meaning we are commited to reducing Scope 1, 2 and 3 category 13 GHG emissions by at least 42% by 2030, using 2020 as the reference base year. The baseline will be recalculated every year as described in our Baseline Policy. Climate Roadmap actions are ongoing, with the intention to invest over SEK 7 billion to implement the measures needed to reach the target. Fuel shifts and energy reduction will be a key measure, where we aim to reduce the amount of energy purchased by 2% per square metre annually until 2025 in comparable property portfolios, with 2019 as the baseline.

The results for 2022 are described in the adjacent table GRI 302-1, 302-3 Energy consumption in the properties in MWh.

Normally, trimmings and one calendar year of operation are required before energy-efficiency measures are fully effective. In addition to this operational phase, most energy investments require planning. In some cases, they require permission from the authorities, which can also mean that a project start can be delayed by several months to as much as one year from the original decision on implementation.

GRI 302-1, 302-3 Energy consumption in the properties in MWh (company-wide)

	2022	2021	2020
Heating	**973,870**	**777,036**	**637,522**
Of which renewable heating	448,455	364,048	279,163
District cooling	271	326	203
Electricity	103,871	76,507	71,536
Of which renewable electricity	100,879	74,268	68,240
Total energy consumption (heating, cooling, electricity)	1,078,013	853,869	709,261
Electricity production (Solar power)			
Installed capacity (photovoltaic cells), kWp	2,011	1,262	374
Estimated energy production, MWh	1,535	595	456

The data for 2022 includes the purchased energy by Heimstaden Bostad in Sweden, Norway, Denmark, Netherlands, Germany, Finland, Poland, and UK. For Czech Republic the energy consumption from year 2022 is not yet available and therefore estimates are used, based on the energy consumption figures from 2021. Properties where customers have their own energy contract are not included, as it is not possible for Heimstaden Bostad to obtain the energy data. In 2022, the total energy consumption has increased in absolute numbers due to our growing business and the acquisition of Akelius property portfolios in Sweden, Germany and Denmark and more properties. However, we decreased the energy usage per sqm with 11% in 2022 versus 2021. For more information, please see the Energy intensity section on page 139.

2023072106346

Energy intensity[1]

		2022	2021	2020
Energy in kWh/sqm/year	Target: Reduce energy intensity by 2% annually (weather corrected)	137	161	145
Weather-corrected energy in kWh/sqm/year		147	165	-
Annual change in energy intensity in kWh/sqm/year (weather corrected)		-11%	-	-

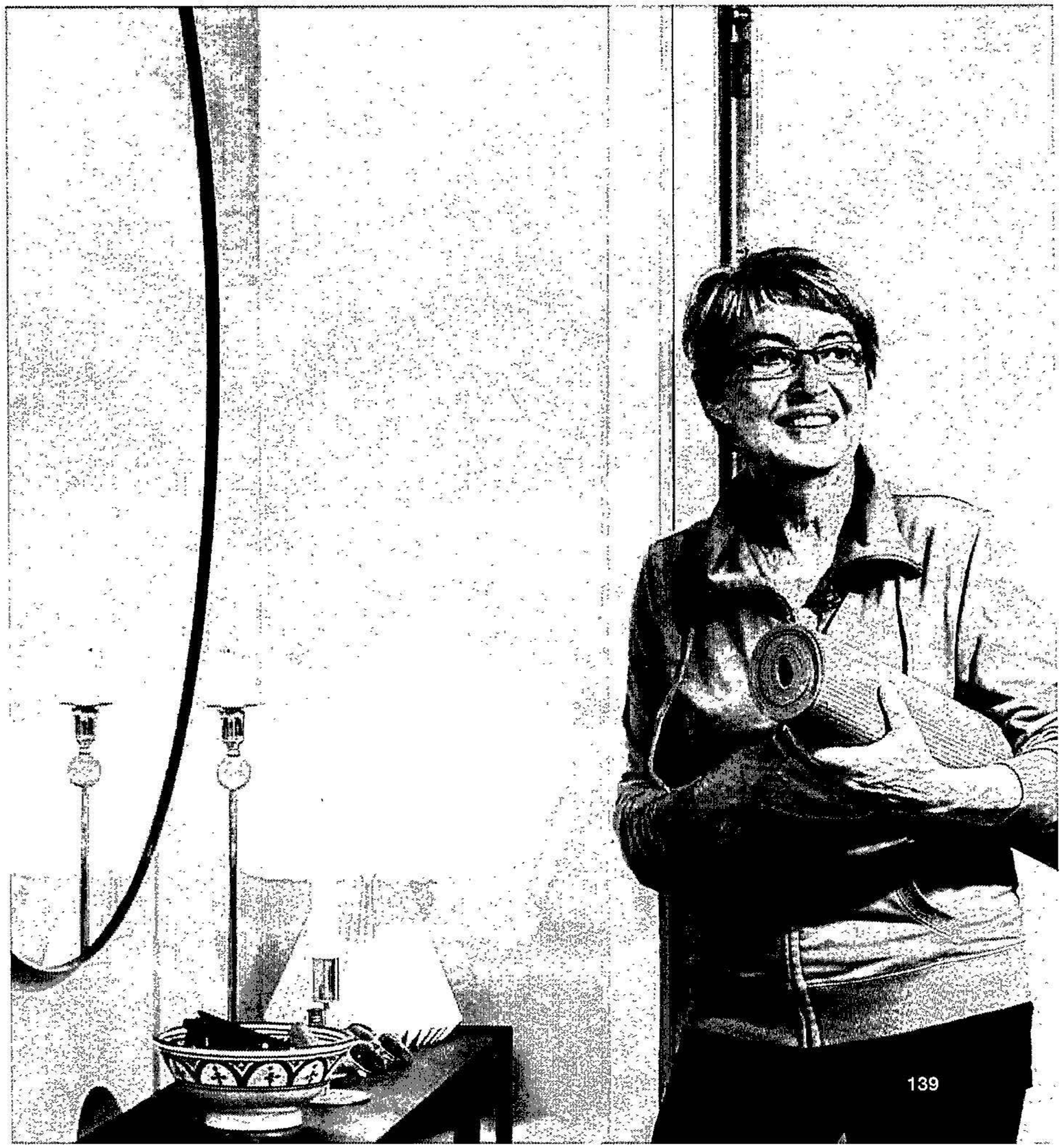
[1] *Based on comparable properties, for more information see the reporting principles on page 112.*

The energy performance is based on energy consumption within Heimstaden Bostad properties as per the above table. The denominator consists of the net leasable area of those properties where Heimstaden Bostad has the energy contract, and the numerator consists of energy use for an entire year. Properties where customers have their own energy contract are not included, as it is not possible for Heimstaden Bostad to obtain the energy data. Also, properties that lack energy data for an entire year (such as acquisitions and divestments during the reporting year) are excluded from the intensity figures. Between 2021 and 2022 the weather corrected energy use per square metre decreased with 11% due to our energy efficiency measures and tenant engagement.

EPC labels

The EPC labels for Heimstaden Bostad are shown in table and graph "Breakdown of EPC labels per % of square metres per country" on page 140. The implementation of the EPC label system varies between the countries, which is described in the table.

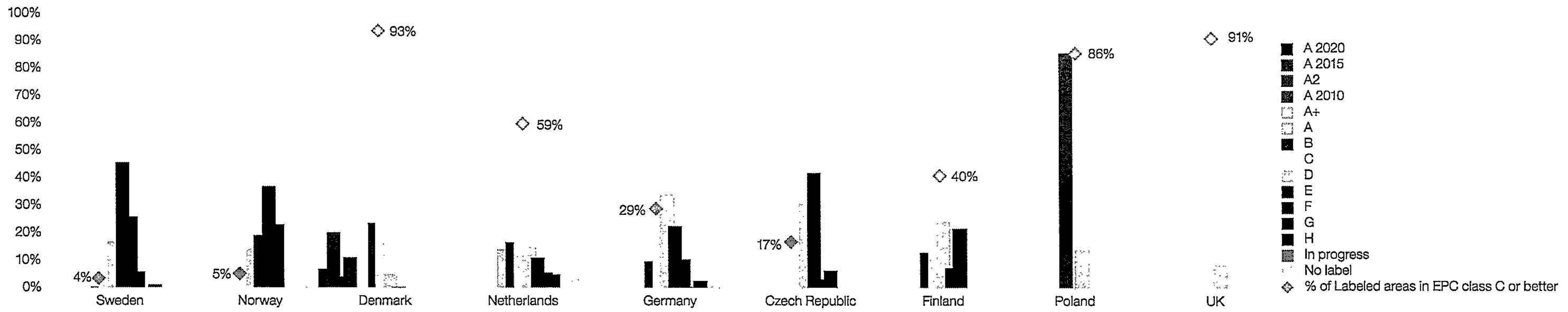
The graph below describes how EPC classes of our buildings are distributed in each market. The way in which EPC system is applied and how levels for letter grading of buildings are calculated and defined vary according to the different countries' legislation. This means that a direct comparison among the countries' different classifications cannot be made. In addition to this variation in the grading system, the outcome is also affected by the age of the building stock in each country.



2023072106347

Breakdown of EPC labels per % of square metres per country

Country	Sweden		Norway		Denmark		Netherlands		Germany		Czech Republic		Finland		Poland		UK	
EPC label	% of EP	% of sqm covered	kWh/(sqm year)	% of sqm covered	kWh/(sqm year)	% of sqm covered	kWh/(sqm year)	% of sqm covered	kWh/(sqm year)	% of sqm covered	CI value	% of sqm covered	E number kWh/ (sqm year)	% of sqm covered	kWh/ (sqm year)	% of sqm covered	SAP Assessment score	% of sqm covered
A 2020					20	7%												
A 2015					<30 + 1000/A	20%												
A2					<50 + 1600/A	4%												
A 2010					<52.5 + 1650/A	11%												
A+							<105	0,3%										
A	≤50	0,0%					<160	14%	<50	0,1%			E number ≤ 75	1.3%				
B	≤75	0,4%			<70+ 2200/A	24%	<190	17%	<75	10%	<75	0,4%	76 ≤ E number ≤ 100	3%	<75	86%		
C	≤100	3,1%	< 110 + 1500/ A	4.7%	<110+ 3200/A	27%	<250	28%	<100	19%	<100	17%	101 ≤ E number ≤ 130	17%			69-80	91%
D	≤135	17%	< 135 +2200/ A	15%	<150+ 4200/A	5,1%	<290	15%	<130	34%	<150	31%	131 ≤ E number ≤ 160	42%	<130	14%	55-68	9%
E	≤180	46%	< 160 +3000/ A	19%	<190+5200/A	0.4%	<335	11,3%	<160	23%	<200	42%	161 ≤ E number ≤ 190	22%				
F	≤235	26%	< 200 + 4000/ A	37%	<240+ 6500/A	0.0%	<380	5.8%	<200	11%	<250	3,5%	191 ≤ E number ≤ 240	5,4%				
G	>235	6,1%	>200	23%	>240+ 6500/A	0.3%	>380	5,2%	<250	0,4%	>250	6,6%	241 ≤ E number	10%				
H									>250	2,9%								
In progress		1,2%																
No label		0,3%		0,9%		1,0%		3,7%										
Label areas coverage of total area in %	100,0%		100%		100%		100%		100%		100%		100%		100%			
% in (A to C) area	3,5%		4,7%		93%		59%		29%		17%		21%		86%		91%	
% in (G to H) area	6,1%		23,2%		0%		5,2%		3,3%		6,6%		10%		0%		0%	



2023072106348

Water

303-5 Water consumption



Impact on economy, environment, and people
Water must be treated as a scarce resource, since water scarcity may occur due to a changing climate, causing altered weather patterns including droughts, floods, increased pollution, and increased human demand and overuse of water. Heimstaden Bostad's own water use is a minor part of the total water use in our properties; the majority of usage comes from our customers' activities such as personal hygiene, washing, and cooking. Nevertheless, we still have a responsibility to support our customers in living sustainably by offering responsible water management and water-efficient equipment.

Actions taken to manage the topic
Heimstaden Bostad's environmental focus is based on our strategic pillars, underlying sustainability strategy and sustainability policy. We have set a target to reduce our water use by at least 1% per square metre annually through to 2030. In Sweden, Norway, Denmark, Germany, Netherlands, Finland, and Poland, we are following up water usage monthly or quarterly to detect variations in water usage and to act on them. We compile water data per country annually as a minimum requirement to ensure there is ample progress to reach our targets in time. When we renovate apartments, the mixer taps, toilets, and shower equipment are replaced with new efficient ones. At the end of 2021, Heimstaden Netherlands started a pilot programme for customer nudging, where we actively encourage our tenants to use less water. The four targeted buildings saved an average of 5% water during the half-year project. In a number of selected properties in Sweden, Norway, and the Netherlands we are evaluating smart metres with continuous leakage control that allow us to detect deviations immediately. We are also investigating the possibility of installing heat pumps that recover the heat from the wastewater systems in our buildings. In one of our new build projects in Sweden, we have a pilot installation that we will evaluate and use as a test platform for future installations in our existing stock.

"We have set a target to reduce our water use by at least 1% per square metre annually through to 2030."

2023072106349

Target tracking and evaluation

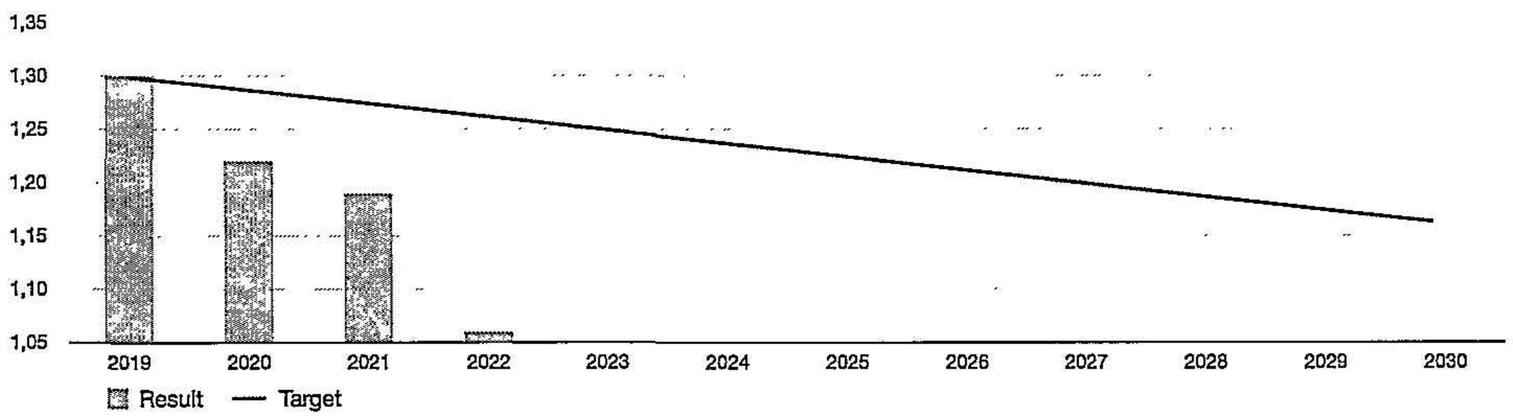
In Denmark and Czech Republic, water statistics are compiled only once annually, meaning water consumption figures for the full-year 2022 are not available for all the properties in the table below. In these cases, the 2021 figures for water consumption are used.

GRI 303-5 Water consumption (company-wide)

	2022	2021	2020
Total water consumption m³	9,806,756	7,592,252	6,955,106
Building water intensity (per year) m³ per sqm	1.06	1.2	1.2

Data for 2022 includes water use in Sweden, Norway, Netherlands, Germany and partly Denmark. For other properties, water consumption is not yet available and therefore water consumption values for 2021 are used for the Czech Republic and partly Denmark. Total water consumption for 2022 has increased due to new acquisitions.
The building water intensity in our stock has decreased significantly during 2022 versus 2021. This positive trend has been on-going for some years, and is a combined result from the technical measures that we have implemented and our tenants water saving behavior. Examples on measures done is that we have installed water efficient taps when replacing old ones, adding water saving equipment on existing showers and taps and the information campaigns that we have performed in order to engage our tenants to use water more efficient.

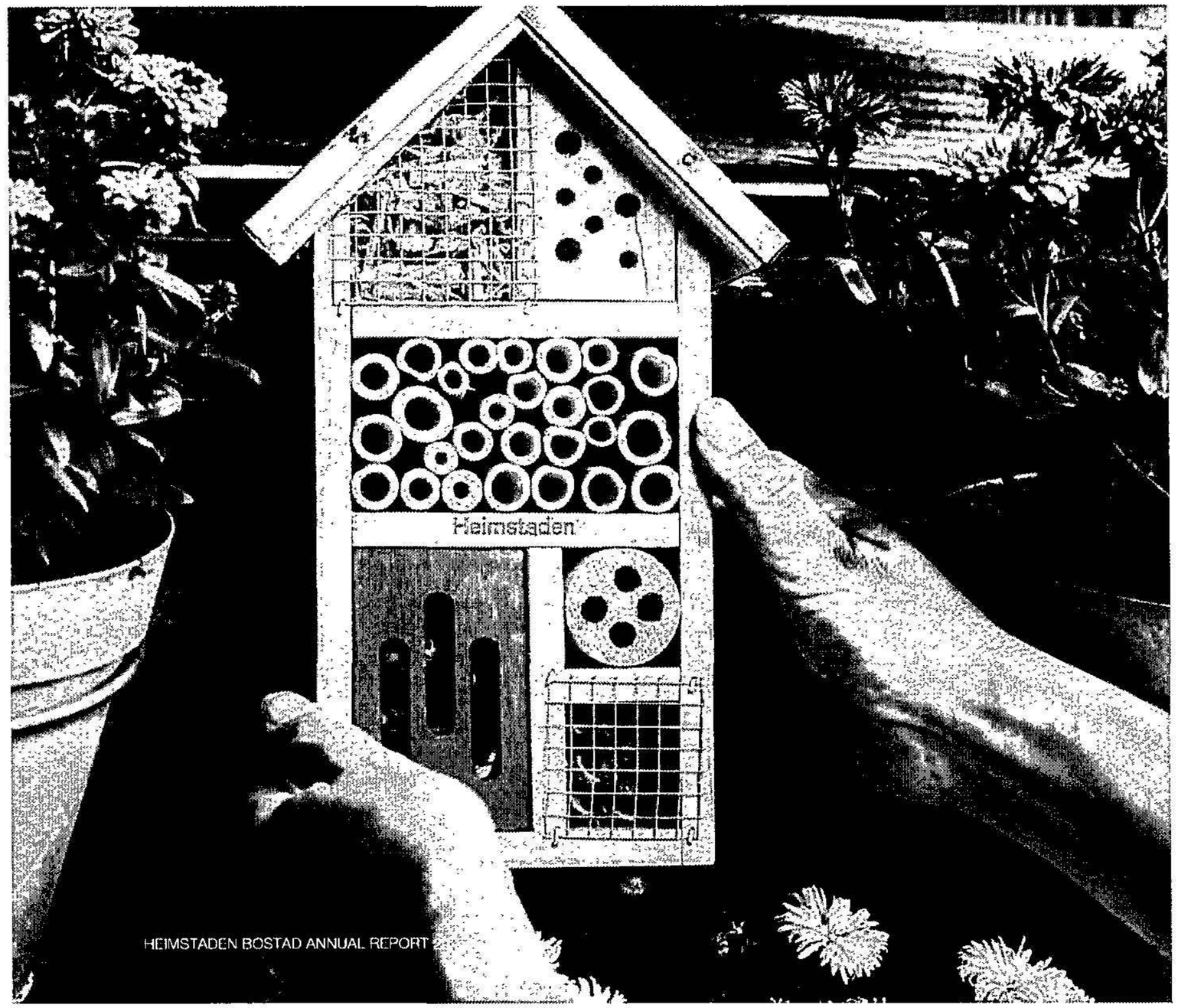
Building water intensity in m³ per sqm per year





2023072106350

Greenhouse Gas Emissions



305-1 Direct (Scope 1) GHG emissions
305-2 Energy indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) GHG emissions
305-4 GHG emissions intensity

Impact on economy, environment, and people
GHG emissions have a negative impact on the climate and the environment through rise in temperatures, air and water pollution, rising sea levels, and extreme weather events. This in turn affects people through forced displacements, water and food insecurity and a variety of health-related impacts. Focusing on reducing emissions is the only way forward, lowering the negative impact and increasing opportunities for external financing.

GHG emissions occur throughout our entire value chain, including our suppliers, contractors, and customers. Most of the Scope 1 and 2 emissions are generated by energy usage in our properties, while Scope 3 emissions mostly come from our tenants' energy consumption, new construction, reconstruction, and renovation.

Our investors are frequently asking for our progress and actions taken to lower our GHG emissions. This is also an important topic for Heimstaden Bostad's owners, resulting in the Board deciding to set science-based targets. Actions to achieve the targets are defined in a Climate Road Map, which is approved by the Board.

Actions taken to manage the topic
Our environmental work is based on Heimstaden Bostad's strategic pillars and underlying sustainability strategy.

"Heimstaden Bostad commits to reduce absolute Scope 1, Scope 2 and Scope 3 category 13 GHG emissions covering downstream leased assets 30 from a 2020 base year."

The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks. In addition, Heimstaden Bostad commits to 27% of its suppliers by spend covering category 1 – purchased goods and services – having science-based targets by 2027. The target is in line with the 1.5°C Paris Agreement ambition. To be able to achieve our objectives in time, we have assigned a clear budget to the climate target, as described in the Climate Roadmap section on page 115 and will evaluate emissions data annually to track our progress, as shown in the table Science Based Climate Target on page 144.

Fuel shifts, energy efficiency, and customer nudging are our key actions to lower Heimstaden Bostad's emissions in all three scopes for our existing properties. Besides energy-ef-

2023072106351

ficiency measures described in the Energy Section on page 137, the following actions reduce our GHG emissions:

- For the Czech Republic we are working to shift to more energy-efficient heating by replacing local boilers in each apartment with central heat pumps or gas boilers in the buildings. We also perform fuel shifts from fossil-based district heating to heat pumps running on renewable electricity.
- Renewable energy production is an important key action for us to achieve our climate goals. During 2022 in Sweden, we have installed solar photovoltaic cells and geothermal heat pumps.

In Sweden, Heimstaden Bostad reduces emissions in its own developments when certifying with Sweden Green Building Councils Environmental label Miljöbyggnad, Silver level, (20% less than Sweden's NZEB (Near zero-energy building), conducting Life Cycle Assessments (LCA) and requesting Environmental Product Declarations (EPD) that enable calculations on specific carbon equivalent (CO_2e) emissions. A sustainability program, with demands on developer and suppliers regarding emission reduction measures, has been implemented for our own developments in Sweden. For turnkey developments in all countries we are implementing requirements for full LCA calculations on buildings larger than 5,000-sqm gross area and energy performance at least 10% lower than the national NZEB (legal requirement).

Target tracking and evaluation

We consolidate energy data per country at least annually to ensure there is ample progress to achieve our targets in time. This allows us to implement more actions if needed. The table GHG emissions Scope 1 and 2 on this page shows Heimstaden Bostad's GHG emissions for Scope 1 and 2, based on energy usage in the properties, fuel for vehicles and refrigerants. In our Scope 3 assessment we cover all the categories applicable to our organisation. In most cases we used emission factors based on standard values due to lack of measured data. Our ambition is to replace those assumptions step-by-step with measured data through our suppliers and contractors. See the GRI 305-3: Scope 3 emissions per country Table for more detailed information about our Scope 3 emissions.

Our Group policies implemented are:

- Sustainability Policy
- Base Year Recalculation Policy

The policies apply company-wide and in all our markets. Sustainability Policy is approved by the Board of Directors and Base Year Recalculation Policy is approved by the CEO

GRI 305-1, 305-2, 305-3, 305-4 GHG emissions Scope 1, 2 and 3 (company-wide)

	2022	2021	2020
Scope 1 in tonnes CO_2e	23,050	11,985	1,660
Scope 2 Market-based in tonnes CO_2e	170,004	195,882	175,258
Scope 2 Location-based in tonnes CO_2e	173,525	197,730	175,745
Biogenic emissions in tonnes CO_2e	399	448	393
Scope 3 in tonnes CO_2e	-	343,068	242,828
Scope 1 and 2 emissions in tonnes CO_2e / SEK million revenues (market-based)	14	24	26
Scope 1 and 2 emissions in kg CO_2e/sqm	24	40	36

Heimstaden Bostad's GHG emissions for Scope 1 and Scope 2 are based on the energy purchased (see Table Energy Consumption in the Properties on page 138) by Heimstaden Bostad within Heimstaden Bostad properties, fuel from vehicles owned or leased by Heimstaden Bostad, and refrigerants. Fuel for vehicles and refrigerants are only included since 2021, since we have not measured these before. Heimstaden Bostad's GHG emissions decreased in 2022 compared to 2021. However, total Scope 1 emissions are increasing compared to last year. This is mainly due to the acquired Akelius portfolio in Germany of which many properties use natural gas or oil for heating. We see a big reduction in the Scope 2 emissions. This is mainly due to the new emission factors for district heating that we received from Veolia regarding our Czech portfolio, which were much lower than what we previously estimated. The emissions for the Czech Republic from 2021 in the GRI 305-1, 305-2 tables have not yet been updated with the new emission factors, which is reflected in the big difference between 2021 and 2022. As the emissions in the Czech Republic are such a big share of the total emissions, this correction also impacts the total emission intensity figure for the year, which decreased.Scope 1 emissions came from natural gas and oil for heating, vehicles, and refrigerants. Scope 2 covers district heating and consumption of electricity in the properties. The calculations have been performed in accordance with the GHG protocol, applying the financial control approach. For 2022, emission factors from 2021 are used and have been obtained from Heimstaden Bostad's energy suppliers. Gases included in the calculations are mostly CO_2, but can also include CH_4, N_2O, and refrigerants used in the production of district heating. For the emission intensity figure the denominator consists of the lettable area in the properties where Heimstaden Bostad signs the energy agreement, and the numerator consists of GHG emissions during a whole year. Properties that lack data for an entire year (such as acquisitions and divestments during the reporting year) are excluded from the intensity figures. Data on Scope 3 2022 is not available yet since the mapping of our Scope 3 emissions will be performed during Q1-Q2 2022. Nevertheless, we have included category 13 to track progress in our science-based climate targets. For more detailed figures, please see the GRI 305-1, 305-2, 305-4: GHG emissions scope 1 and 2 Table.

Science-based climate target

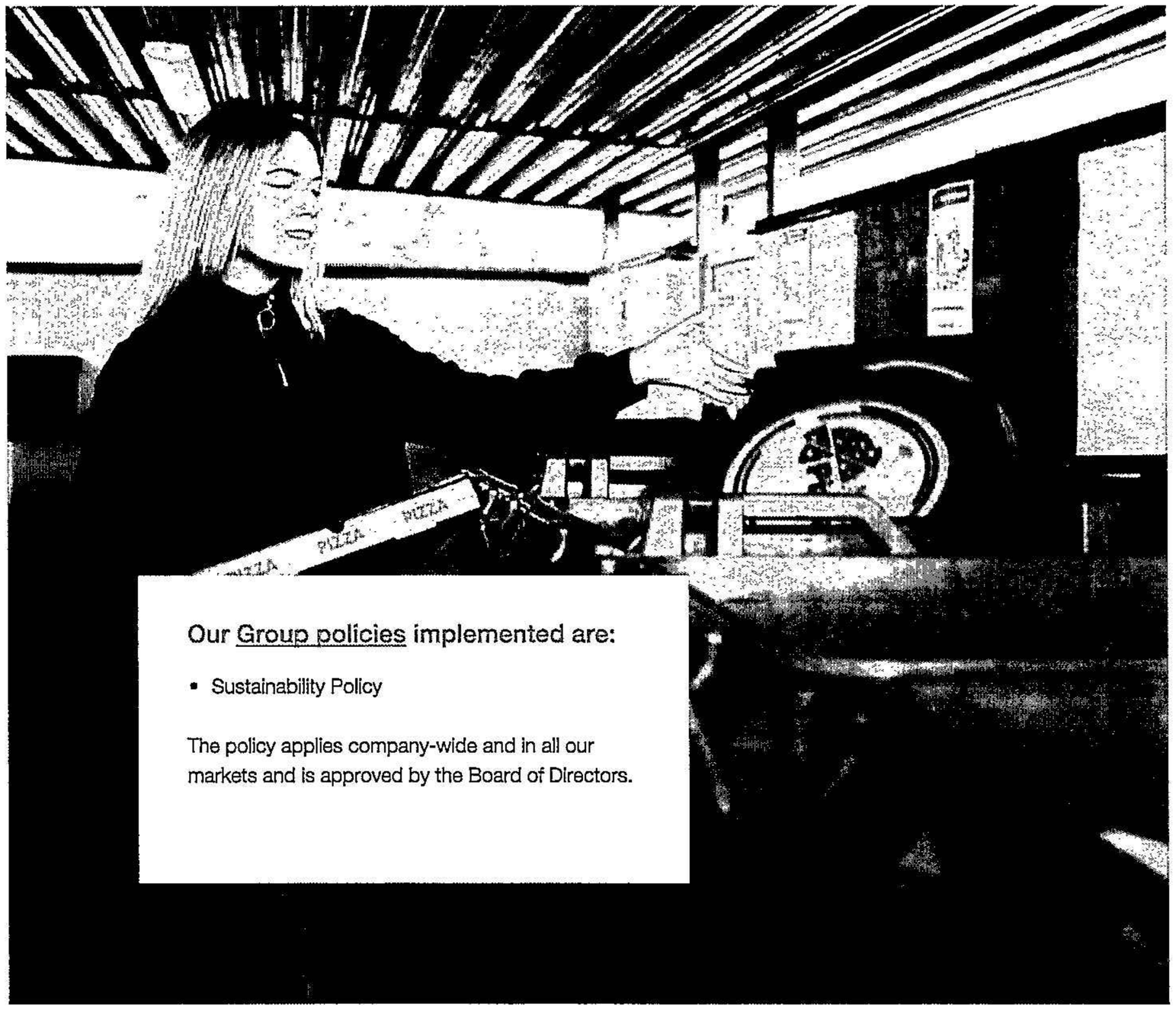
Science-based climate target, 42% reduction by 2030	2022	2020 (recalculated)
Scope 1 in tonnes CO_2e	21,880	25,961
Scope 2 Market-based in tonnes CO_2e	168,484	167,984,5
Scope 3, category 13 in tonnes CO_2e	152,330	140,862
Total emissions included in target	342,694	334,807
% Reduction of CO_2e emissions compared to 2020, with a recalculated baseline	2%	
Share of spend from suppliers with science-based targets	5%	5%

Compared with 2020, the emissions in Scope 1, Scope 2, and Scope 3 (category 13) increased with 2% in 2022. The increase in emissions is mainly due to the increase of emissions from the tenants' purchased energy, Scope 3. The emission factors from the Association of Issuing Bodies (AIB) for 2021 (used for 2022) were higher than those in 2020. According to AIB this was due to an increased level of production for all energy sources in 2021 compared to 2020. In Scope 1 and Scope 2 we see a 2% decrease in the emissions, this is related to our energy efficiency measures, switching to renewable electricity contracts and lower district heating emission factors in the Czech Republic compared to 2020. Note that the table contains a recalculated baseline due to acquisitions made after the base year. Read more about the method in the Reporting Principles on page 112.

2023072106352

Waste

306-3 Waste generated



Our Group policies implemented are:

- Sustainability Policy

The policy applies company-wide and in all our markets and is approved by the Board of Directors.

Impact on economy, environment, and people

There has been a dramatic increase in annual resource extraction during the last century. Society can conserve natural resources and protect the environment by reducing usage and increasing the reuse and recycling of materials. In our organisation, waste is generated in new construction, reconstruction, renovation projects and property management. By reducing waste, we can have a positive impact on the costs linked to waste management as well as reduce emissions from waste. Waste also impacts people's human rights and health through water and air pollution, alongside the increased risk of spreading infectious diseases.

Heimstaden Bostad's Stakeholder Engagement Programme indicates that proper recycling of waste is one of the top three areas on which our customers want the company to focus. Actions in the organisation will be prioritised once the analysis of the programme's findings is complete.

Actions taken to manage the topic

Heimstaden Bostad will lower the amount of waste produced in our projects and operations through proactive choices and assessing the potential of projects with contractors. In addition, our tenants produce waste. By offering waste-sorting bins, we can reduce the amount of unsorted waste while increasing recycling and reuse. We inform our tenants via social media, with signs and through other channels on how to reduce and recycle waste. In Sweden, Heimstaden Bostad conducted a pilot project to investigate the waste facilities in properties and the opportunities for waste separation, resulting in better recycling and a financial profit. The pilot project led to an assessment of all waste facilities in Sweden during 2022 and steps to enable more waste separation in our properties. In Norway, we compile data annually on waste generated from operations, including smaller renovations and repairs. During 2022 we initiated a Group project on waste management that will cover all Heimstaden Bostad markets.

We require the new construction contractors of Heimstaden Bostad's own developments in Sweden to manage the reduction of packaging and to recycle filling mass and at least 80% of waste. Heimstaden Bostad also requires a report documenting how the contractor has planned its purchasing and production to reduce the generation of waste. Requirements on building waste in accordance with the EU Taxonomy are currently being implemented in our own development projects in all countries, and a waste report on turnkey developments.

2023072106353

Target tracking and evaluation

Heimstaden Bostad's data on waste is, to a large extent, based on assumptions and standard values, making it challenging to analyse our impact and prioritise actions. The EU Taxonomy requires a minimum of 70% waste recycling at building sites, and we ensure compliance with this through agreements with our developers. Our ambition is to collect this data at the end of development projects and in the future define more thresholds on waste management in projects. Collecting customers' waste management data differs from country to country where we operate. We work actively to improve our recycling stations and nudge Heimstaden Bostad's customers to reduce and separate waste, sharing experience and best-practice procedures both within the country and across borders.

GRI 306-3 Waste generated (company-wide)

	2021	2020	2019
Total weight of waste generated by the tenants in tonnes	100,741	99,171	39,066

Weight of waste generated by customers is a calculation based on the number of customers. Waste has therefore risen as we have acquired more properties every year. Waste generated by contractors in new construction and reconstruction is not included, because we do not have sufficient data at Group level yet. Data for 2021 is the latest available data.



2023072106354

Employment

401-1 New employee hires and employee turnover



Impact on economy, environment, and people
At Heimstaden, we seek to provide excellence in life quality at work and a Friendly Workplace through the engagement, involvement, satisfaction, and general well-being of our people. These efforts help to ensure we are an attractive employer that is able to recruit, develop, and retain skilled personnel.

The cost of staff turnover is high in terms of new recruitment as well as the need to rebuild skills and knowledge that are lost. Currently, we are monitoring turnover using KPIs that cover all turnover and voluntary turnover, with a target of below 15% for voluntary turnover. For the remaining turnover, we look into those departments showing unusual turnover numbers. As an example, if we terminate many employees due to poor performance in one department, it may indicate we need to work on improving the recruitment process, expectations management, and training, or it may be a leadership issue. We also investigate further if there are unusually high numbers of contingent workers over a long period of time, and if we then need to consider hiring in-house instead. The People & Culture department analyses these data to create action plans.

Work tasks can have an impact on the environment, for example when linked to material use and energy use. It is therefore important to train personnel and make sure they follow Group policies and local guidelines.

"Heimstaden AB has joined the UN Global Compact and we work actively in accordance to that commitment to establish favourable terms of employment and ensuring that there is no harm to human rights."

We also have workers who are not employees, such as contingent workers. In 2022, we had 110 workers who were not employees. They are mainly found in our white-collar staff departments such as Finance, IT, Corporate Communications, and People & Culture. They can also be present in our operations as temporary substitutes or for hires within property management, administration, back office, customer care, facility management and letting. These positions are normally contracted for a fixed period of time with monthly or hourly renumeration. For Operations, the numbers tend to increase during summer holidays and for Group functions the need is more ad hoc.

2023072106355

Turnover is a paramount aspect for Executive Management to monitor as it is a good indicator on how well we live up to our employee value proposition and pledge to offer a Friendly Workplace. In addition, it is one of the areas investors and the Board usually focus on.

All information regarding employees pertains to employees of Heimstaden AB and Heimstaden Bostad AB.

Actions taken to manage the topic

The People & Culture department is responsible for developing policies that address Heimstaden's relations with our people as an employer and with the people in the external talent market interested in working for us. As legislation is amended and new requirements are added, efforts to set out, revise and maintain policies are performed annually. Managers and employees are at the same time jointly responsible for emphasising and adhering to these policies.

In the Friendly Workplace section on page 13, we describe all key ambitions and our definition of a Friendly Workplace. For each area, we work with KPIs that we monitor quarterly. This gives us a good indicator on how well we deliver to each promise. We are aware that our staff turnover is partly due to high workload caused by our growth and hence high rate of change and demands to continuously adapt our processes and structure to our growing business. Also, when growing through acquisitions, there is always a certain natural turnover as the culture of an acquired company does not always have an immediate fit with Heimstaden's. Culture and value work are therefore a high priority and natural part of all our dialogues.

The ability to grow, develop, and take on new roles is important for today's talent. Failure to provide employees with career paths and development opportunities increases turnover risk. In 2021, we launched an education platform in Workday that has steadily increased our provision of training and raised the visibility on the opportunity for employees to apply for such training. Furthermore, since 2021 we are working towards implementing the Mercer framework for a 2023 launch to all employees that will display different vertical and horizontal career paths.

In 2022 our approximately 2000 employees together completed almost 10,000 digital and classroom courses. We currently use 250 licences to LinkedIn Learning, enabling access to 8,000 courses in various subjects. We have also successfully continued our leadership program, Leading@Heimstaden, by combining online and offline learning, developed a programme for new managers called New@Leading. We have continued our Leadership on the Go concept with focus on topics such as work health and safety, distance leadership, diversity, recruitment, and performance development.

Remuneration

The purpose of Heimstaden Bostad's remuneration policy is to provide guidelines on how to work with compensation, benefits and rewards. It ensures that remuneration is fair, principles are transparent and that no unexplained differences occur when benchmarking salaries within or across departments. Employees should understand the basis on which salary is set and thus be able to influence their salary level by improving work performance, enhancing skills, and taking greater responsibility in the workplace.

Principles

- Remuneration is used to reward performance and to reinforce our desired culture and values.
- Four factors determine remuneration: market pay; individual experience and competence; performance and results; and adherence to our values.
- Our remuneration guideline ensures that we attract people who make a positive difference and that we retain and reward motivated employees who contribute to Heimstaden achieving its business strategy and goals.
- Remuneration is one part of our total employment package, which includes opportunities for personal development and flexibility in work-life balance, which contributes to the well-being of our employees.
- The remuneration package is made up of one or several components depending on employee role (base salary, short and long-term incentives, pension, insurances and other benefits).
- We do not strive to be the market leader in compensation, but offer competitive terms in our local markets.
- For certain positions there is the possibility of short or long-term bonus programs.
- We have an annual salary audit where we review differences based on gender or other factors. Employees are entitled to compensation according to local legislation during parental leave. Annual benchmarking does not yet take place in all markets, but is planned to be carried out in 2023.
- Change of role/job does not automatically lead to an adjustment of salary. A salary increase (or in the case of a demotion, salary decrease) can be made between the annual salary review only in the case of a promotion or other major permanent increase in job content and responsibility. This is always done in consultation with the responsible manager and the People & Culture department for final approval by the manager's manager. When an employee returns from leave or studies for a longer period than one year, a review of the salary scale shall be conducted. At this juncture, any changes that might have occurred during the period of leave should be considered.
- All employees are eligible for base salary. Long-term incentives are usually discretionary cash bonuses reserved for Group Management, country managers and other positions identified as critical to the company. Some executive management positions are eligible for stock programmes (Chief Executive Officer, Chief Investment Officer, Chief Operations Officer, Chief Finance Officer, Chief Asset Management Officer) as well as select positions in business development. Short-term incentives are usually annual discretionary bonuses or commission. The former is used mainly in country management roles or select business-critical positions. Commission is mainly used in our Letting department. From time to time, annual discretionary bonuses can be granted to all employees who are not part of other programs.

Roles and responsibilities in the annual salary review

CEO/COO

- Concludes and annually reviews Heimstaden guidelines for remuneration to adapt it to business objectives and strategy.
- Concludes the final remuneration framework.

Country Manager

- Concludes and annually reviews that the country is aligned with Heimstaden Group guidelines for remuneration to adapt it to business objectives and strategy.
- Is the approver for the annual local salary review.

People & Culture

- Conducts external benchmarks.
- Conducts equal pay analysis.
- Leads and coordinates the salary process.
- Initiates the salary review in Workday.
- Supports and informs managers related to the salary process.
- Distributes salary documentation, overview and mapping.
- Initiates actions to develop and improve salary framework for the business.
- Informs and updates payroll and pension providers about salaries.

2023072106356

Manager

- Ensures that salaries are set in accordance with the salary policy, the local structure and that they comply with existing agreements and the local business plan (within approved budget).
- Ensures that employees are aware of the content of the salary policy.
- Approves salary according to the grandparent principle.
- Sets objectives and follow-up through development reviews (Reflect & Act) with employees.
- Motivates and informs employees through one-on-one salary conversation/letter.

Employee

Develops their work performance and thus contributes to their own salary development and to the company achieving its overall business objectives.

Target tracking and evaluation

Our employee engagement survey is sent out monthly in all countries. Where we see areas of concern we can intervene and initiate an anonymous dialogue with the employee, or we contact the manager for a follow-up. We measure the Group temperature in terms of leadership and job satisfaction, as well as total temperature in terms of management, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit, commitment, equal rights/ treatment and security. See the Table Section for additional data about employees, including employee turnover.

Our Group policies implemented are:

- Code of Conduct
- People & Culture Policy

The policies apply company-wide and in all our markets. Code of Conduct is approved by the Board of Directors, and People & Culture Policy is approved by the Group Management and/or CEO and COO. Specific additional policy documents exist regarding our fulfilment of legal and compliance requirements where needed in given markets.

Winningtemp survey (company-wide)

	Target (by 2023)	2022	2021	2020	2019
Temperature (management, job satisfaction and overall temperature)	8.5 (scale 1 to 10)	7.9	7.9	7.8	7.0
eNPS (employee Net Promoter Score)	65 (scale -100 to +100)	16	28	34	40

All information regarding employees pertains to employees of Heimstaden AB and Heimstaden Bostad AB.

Occasionally we have experienced a low response rate in our Winningtemp surveys. In 2022, the average response rate has been 71% (68% in 2021 and 65% in 2020). We are working hard to improve this, for example by encouraging more feedback in our work teams and by actively responding to comments submitted by employees using the tool.

A key learning is the difficulty of keeping employees motivated to respond to similar questions they receive repeatedly. We respond to this by emphasising that their replies matter, we need the actual temperature of the company and we stress the importance attached to this priority area by country management, Group Management and the Board.

The challenge in introducing this tool in new markets is to create trust in the complete anonymity of the solution as well as establishing the routine of monthly feedback to the team. However, once trust is established it is not unusual to see result numbers drop during the first year. That is because employees who have previously not had the possibility to voice opinions on areas for dissatisfaction turn to the employee engagement tool to tell them, causing a lower result.

2022 was a year where our industry was affected by macroeconomic pressure, impacting our operations and generating the need for us to launch cost saving programs. We have initiated a program to streamline our operations with many reorganisations of roles and departments. We have also worked with the integration of the Akelius acquisition. All these simultaneous changes have put a strain on our organisation and on our employees.

Compensation

	2022
Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	12.97

In the ratio we have included employees employed at 2022-12-31. All employees terminated during the year are not included. Employee types included are Permanent, Fixed Term and Mini Job. Mini job is a form a fixed term employment used in Germany.
Salary that has been included are those components that are included in Base Pay. Salaries are calculated on full-time pay rates. This means that employees that are working part-time have had their salaries increased to a full-time salary.

2023072106357

Occupational Health and Safety



403-1 Occupational health and safety management system
403-2 Hazard identification, risk assessment and incident investigation
403-3 Occupational health services
403-4 Worker participation, consultation and communication on occupational health and safety
403-5 Worker training on occupational health and safety
403-6 Promotion of worker health
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
403-9 Work-related injuries

Impact on economy, environment, and people
The well-being, health, and safety of our employees are of paramount importance to Heimstaden Bostad, our contractors and other stakeholders, including investors and banks. Poor well-being of workers lowers productivity and results in more cost for the company in relation to sick leave. For our people in property management operations, there is the risk of physical injury and risks related to psychosocial factors, including threats and harassment. In our offices, the dominant risks are stress, workload and ergonomics. In the Human Rights section on page 152, you can read more about how we address the impact on employees and their human rights. In 2023, we will start looking into how to improve the monitoring and follow-up of the well-being and health and safety of employees in subcontracted companies.

All information regarding employees pertains to employees of Heimstaden AB and Heimstaden Bostad AB.

Actions taken to manage the topic
Heimstaden Bostad's occupational health and safety work is based on our strategic Friendly Workplace pillar. We work systematically to eliminate the number of accidents to achieve our zero target by conducting regular proactive risk assessment and monthly accident/incident reporting. Each manager is responsible for the work health and safety of their team.

Many of our policies at Group level concern health and safety, including:

- People & Culture Policy
- Whistleblower Policy and Whistleblower Manual
- Business Partner Principles (based on the UN's 10 Global Compacts principles)

The policies apply company-wide and in all our markets. They are approved by the Group Management and/or CEO and COO. Specific additional policy documents exist regarding our fulfilment of legal and compliance requirements where needed in given markets.

202307210635B

In order to comply with the EU Whistleblowing directive, the reporting of Whistleblowing is handled by a neutral third party via a new digital platform, ensuring there is no traceability or retaliation risk. Everyone can anonymously report discrimination, harassment, corruption or any other irregularities that violate our values or policies.

403-1 Occupational health and safety management system

Heimstaden's incident and accident reporting is done on one common platform where we follow up monthly on all reported incidents, on actions taken and on the responsibility for these actions. The report is sent to the Board of Directors quarterly. We follow all legal requirements including, for example, manager training in work health and safety responsibility, risk assessments and reporting on incidents and accidents internally and externally. Employees, contingent workers, interns and students are covered by our management of work health and safety. All employees can report incidents, but to safeguard integrity only the People & Culture department has access to reported accidents and incidents. We regularly remind managers of the importance of reporting incidents.

403-2 Hazard identification, risk assessment and incident investigation

We hold working environment meetings several times a year with employees and employer representatives. Everyone appointed to our working environment committees or as health and safety representatives must undergo specific training. The demands and requirements are not the same in all countries and the local country management is responsible for ensuring Heimstaden Bostad is aligned with work safety and risk prevention rules.

Operations in all countries are required to report workplace accidents and incidents to external local authorities, in addition to internal Group reporting via local tools and processes. These are tracked monthly and reported to the Board of Directors quarterly. The measures that are identified are compiled into plans of action and delegated to suitable individuals. Progress is reviewed at a subsequent meeting.

In addition to the incident and accident reporting platform, we also use our employee engagement tool to monitor the psychosocial working environment in all countries. Managers shall review their team's results at least quarterly and discuss strengths and areas for improvement. Responses are anonymous.

403-3 Occupational health services

There is no Health and Safety Committee at Group level at Heimstaden Bostad.

403-4 Worker participation, consultation and communication on occupational health and safety

Heimstaden's communication with workers on health and safety is managed locally via the organisations' intranet, Workday, and managers. Workers' possibility to participate differs locally and is often managed through representatives, Winningtemp, or their manager.

403-5 Worker training on occupational health and safety

Training given includes topics such as how to work on roofs, working with electricity, handling chemicals, heavy lifts, general safety and security. The direct report manager is responsible for assessing if there is a need for training among the employees. For those judged to need it, the training is mandatory to ensure a safe workplace. The frequency of training depends on the requirements for a certain certification. Training can be delivered by internal trainers on site or via e-learning. Training is free of charge for employees and takes place during working hours. Training sessions conducted are logged and documented in Workday, which enables automatic notifications (the functionality is not yet implemented in all markets) e.g., when a certificate expires and training needs to be retaken. The effect of training is not evaluated at Group level.

403-6 Promotion of worker health

Medical and healthcare services provided for employees differ locally, but company doctors' consultations, and sports are the most common services provided. In some countries, there are also voluntary health promotion services addressing non-work-related health risks such as support to stop smoking. In 2021, Heimstaden adapted a hybrid working model as many employees found working from home improved their work-life balance and efficiency. The model enables remote work for up to 40% of the time, in roles where appropriate and approved by the manager.

403-7 Prevention and mitigation of occupational health and safety impacts that are directly linked by business relationships

Preventing occupational health and safety impacts is achieved by incident reporting, training in health and safety, benefits to promote worker health and by setting demands on health and safety in the Business Partner Principles.

Target tracking and evaluation

To safeguard a high level of quality in health and safety, we work continuously to improve our processes and by distributing information on working environment issues. Our target is 0% work-related absences due to illness and zero work-related injuries in 2023. The most frequently reported accidents are fall accidents, lifting accidents and head injuries.

GRI 403-9 Work-related injuries (company-wide)

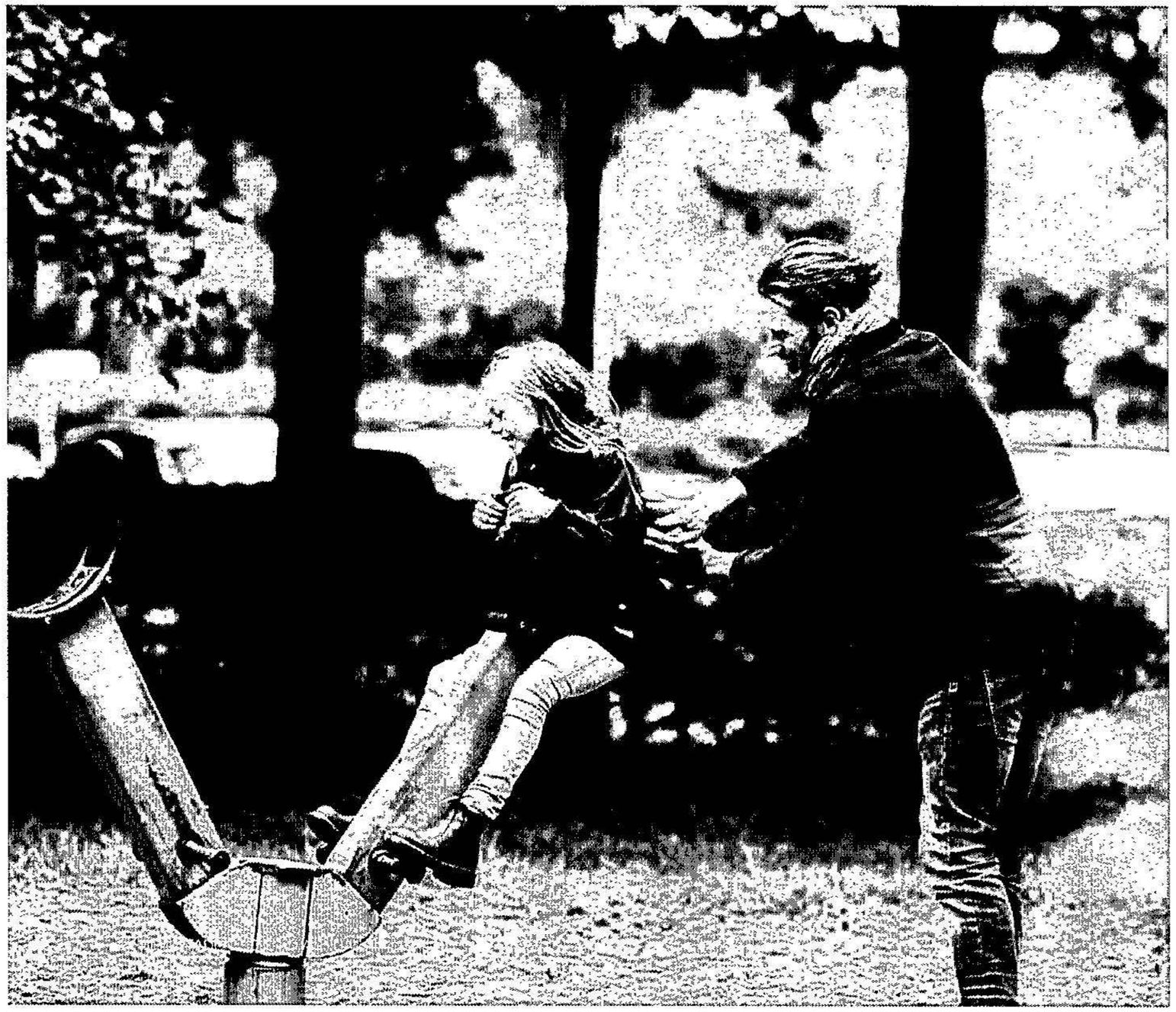
	2022	2021	2020	2019
Fatalities	0	0	0	0
High-consequence work-related injuries (Accidents)	18	14	31	32
Recordable work-related injuries	67	23		
Incidents	69	23	14	20
Absence due to illness	5.7%	6.4%	5.3%	3.5%
Number of hours worked	3,906,757	2,764,865	-	-

As of 2021, we report work-related injuries according to GRI, divided into recordable work-related injuries and high-consequence work-related injuries (injuries that lead to absence). The number of incidents increased also due to the requirement to report Covid-19 illness (29 over 69) as an incident in Sweden during a certain time period in 2021. This is the most common incident of all. In previous years we have not separated injuries that lead to absence from those that do not. We define incidents as situations that could lead to a work injury, emergency or increase the risk of both. As we grow and enter new markets, it will take time before all processes are implemented and adapted by the organisation, hence we can expect that numbers will not entirely follow our growth trajectory. All information regarding employees pertain to employees of Heimstaden AB and Heimstaden Bostad AB. The decrease in sick leave compared to 2021 is likely due to the receding Covid-cases and to people being vaccinated to a higher degree. The high consequence related injuries are also attributable to us growing and working a lot to ensure that we capture and report injuries. The same applies for accidents and incidents.

2023072106359

Human Rights

406-1 Incidents of discrimination and corrective actions taken
414-1 New suppliers that were screened using social criteria



Impact on economy, environment, and people
Heimstaden Bostad supports the UN's Universal Declaration of Human Rights, which recognises the right to housing. Heimstaden Bostad's largest risks regarding human rights violations are most likely to be found in our supply chain, therefore we put a great emphasis on managing and controlling this part of our value chain. Regarding our people and relationships with customers, a key focus area is the right to non-discrimination. For us, equal treatment, diversity, equality and inclusion are strengths that create conditions for our development and ability to meet customers' needs and wishes. Heimstaden AB has joined the UN Global Compact and thereby commits to follow the principles of human rights.

Actions taken to manage the topic
Heimstaden Bostad has set a target that all employees must sign the Code of Conduct and undergo regular training every 18 months. We also have a target that 100% of our contracted business partners must have signed our Business Partner Principles by 2023. Together with each manager, the People & Culture department is responsible for ensuring that employees are aware of and comply with the Codes of Conduct, policies and compliance procedures.

Human rights and non-discrimination
Heimstaden Bostad has zero tolerance for discrimination.

"Heimstaden Bostad has set a target that all employees must sign the Code of Conduct and undergo regular training, every 18 months. We also have a target that 100% of our contracted business partners must have signed our Business Partner Principles by 2023."

Heimstaden Bostad operates in several markets with different common practices regarding collective bargaining agreements. We have collective agreements in our operations departments in the Czech Republic, the Netherlands, Sweden and partly in Denmark and Norway, covering 68.3% of our total employees. Our non-discrimination work is based on preventing the seven types of discrimination: sex; gender identity or expression; ethnicity (and colour); religion or other belief; disability; sexual orientation; and age.

Grievance mechanism
Reporting Whistleblowing cases is managed by a neutral third party via a new digital platform to ensure there is no traceability or retaliation risk. All stakeholders, both internal and external, can anonymously report discrimination, harassment, corruption or other irregularities that violate our values or policies. We have appointed Whistleblowing committees to handle incoming Whistleblowing cases.

Human rights in the supply chain
We strive to have a transparent supply chain. Integrating environmental, social and governance requirements into the supply chain is an important part of our sustainability work. Suppliers covered in this section refer to those providing goods and services. For recipients of donations and sponsorships, refer to the Local Community section on page 156.

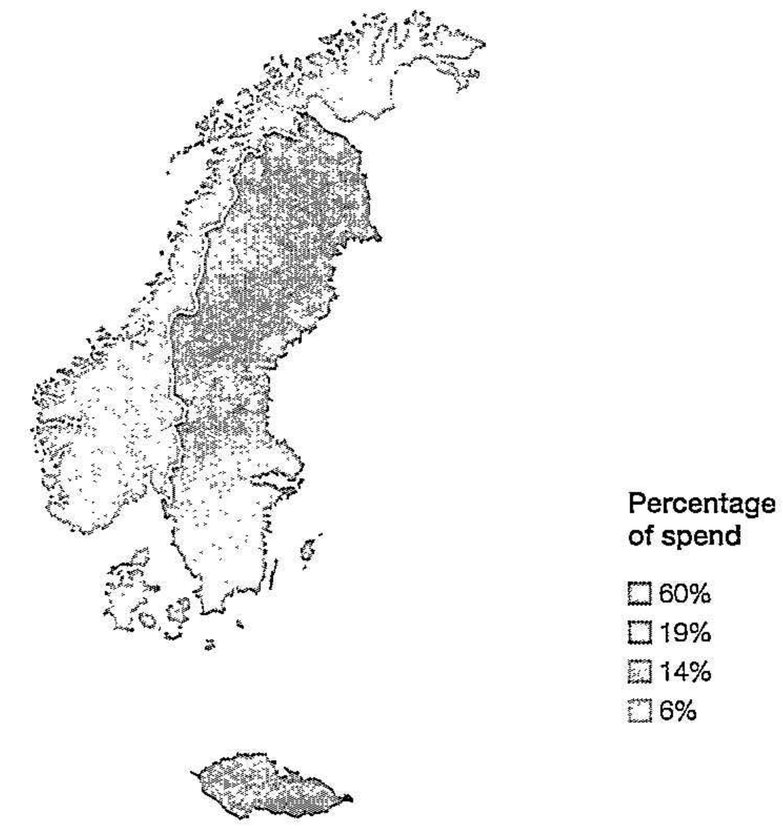
Heimstaden Bostad is a real estate company that rents out apartments in Sweden, Norway, Denmark, the Netherlands, Germany, Czech Republic, Finland, Poland, and the UK. In Sweden, Denmark, the Czech Republic, Poland, and the UK, we have new construction projects ongoing. Therefore, our biggest suppliers by expenditure are construction companies and energy providers, most of which are located within the EU. The contract model we have with construction companies is a turnkey contract in which the construction company takes full responsibility for the materials it provides for us and for the subcontractors. As we grow our organisation in various markets, our supply chain will naturally grow as well. However, there are no significant changes in the structure of the supply chain or relationship with suppliers since the previous reporting year, including the selection and termination of suppliers.

Our Group policies related to human rights are:

- Code of Conduct
- Business Partner Principles
- People & Culture Policy
- Whistleblower Policy and Whistleblower Manual
- Sustainability Policy

The policies apply company-wide and in all our markets. Code of Conduct and Sustainability Policy are approved by the Board of Directors, and Business Partner Principles, People & Culture Policy, Whistleblower Policy and Whistleblower Manual are approved by the Group Management and/or CEO and COO.

Domicile of biggest suppliers by spend[1]



[1] *Based on data from Sweden, Denmark, Norway, Netherlands, and Czech Republic.*

Of our 10 largest suppliers by spend, seven are located in Sweden, accounting for 60% of this spend in 2021. Our top ten suppliers constituted 24% of our total spend in 2021. This is based on 2021 data from Sweden, Denmark, Norway, Netherlands and Czech Republic.

2023072106361

Heimstaden Bostad's purchases by operating country in 2021

Operating country	Purchases made SEK million	Percentage of spend
Sweden	3,054	42%
Denmark	1,408	20%
Netherlands	1,155	16%
Czech Republic	930	13%
Norway	658	9%
Total	**7,206**	

Purchases made by Heimstaden Bostad in Sweden, Denmark, Netherlands, Czech Republic and Norway. This is based on purchasing data for FY 2021.

The procurement team at Heimstaden Bostad manages human rights in the supply chain by developing processes and procedures for setting demands and monitoring compliance among suppliers. We carry out the following due diligence in our purchasing process.

Governance

We updated our policies in 2022 and adopted new Business Partner Principles that we will require all our contracted business partners to sign. We also developed Procurement and Purchasing Guidelines that list requirements we place on our suppliers and steps that our employees shall follow while purchasing. For sponsorships, donations and other business relations, we have adopted new screening criteria and guidelines.

Human Rights Impact Assessments

So far, we have gathered most of the strategic suppliers in Sweden, Norway and Denmark in our supplier assessment system. They have a risk rating on Human Rights, Labour Rights, Business Ethics & Anti-corruption, Political Stability & Rule of Law, Environmental Performance, Economic Stability, Currency and Trade Ability. The self-assessment includes questions about:

- Approval of our Business Partner Principles
- Collective agreement
- Environment
- Human rights
- Business management
- Working conditions
- Anti-corruption

In Sweden, Denmark and Norway, we also conduct an annual sustainability risk assessment of new suppliers for centrally negotiated contracts relating to the environment, anti-corruption, work conditions, health and safety and human rights. If we do not receive satisfactory answers from our suppliers or their responses raise any red flags, we contact the supplier and ask for more information on that issue.

Actions to prevent, mitigate and remediate adverse impacts

Our actions in 2022 can be summarised as follows:

- We screened 100% of our suppliers for sanctions to detect, prevent and manage sanctions risk.
- We also, immediately after the war in Ukraine started, carried out a thorough screening of all our suppliers to support the sanctions that were implemented against Russia and Belarus.
- Annually we screen 100% of our new suppliers in Sweden, Denmark and Norway with framework agreements linked to the areas of human rights, anti-corruption, labour conditions, health and safety and environmental aspects.
- A new Sustainability Purchaser was appointed with a special focus on sustainability in the supply chain.
- A contract management system was implemented in Sweden to track all our agreements, which provides more transparency and control over our supply chains.
- We published a modern slavery statement on our website describing how we work to ensure there is no forced labour in our supply chain.
- We published a Human Rights Statement on our website to strenghten our commitment to human rights and be transparent about our due diligence processes.
- We identified solar panels as a risk category for procurement, following media reports on forced labour in the global solar supply chains. Accordingly, we engaged in dialogues with energy companies and other real-estate companies to build leverage in the industry, are investigating new solar suppliers and are engaging with current solar suppliers and sub-suppliers to ensure best practices in their operations.

Next steps

To ensure we source responsibly, we are continuously evaluating our procurement processes. Accordingly, we have identified concrete actions to take in the coming year:

- Extend Contract Management System to all the countries where we operate.
- Carry out a new risk assessment of our entire supply chain.
- Adopt a new supplier assessment system with the goal of rolling it out in all our country organisations.

2023072106362

Target tracking and evaluation

GRI 406-1 Incidents of discrimination (company-wide)

	2022	2021	2020	2019
Number of reported cases	0	0	1	1
Number of confirmed cases	0	0	0	0

Helmstaden Bostad complies with anti-discrimination legislation and has zero tolerance for discrimination cases. During the year, zero discrimination incidents were reported through our Whistleblower function. The reported cases in previous years were not of such a nature to justify a deeper investigation and were dismissed after the initial investigation. We started company-wide follow-up in 2019 making 2019 our baseline year.

Business Partner Principles

	2022	2021	2020	2019
Number of suppliers that have signed the Business Partner Principles	418	400	168	106
Spend of suppliers[1] that have signed the Business Partner Principles	50%	50%	-	-

To date, 418 of our suppliers have signed our Business Partner Principles, which stands for about 50% of the spend in those countries. In 2023, we will focus on getting more suppliers to sign our Business Partner Principles and to introduce quarterly follow-ups.

[1] Includes only spend of suppliers in Sweden, Norway and Denmark.

GRI 414-1 New suppliers screened (Sweden, Norway, Denmark)

	2022	2021	2020	2019
Number of new suppliers	35	14	35	17
Of which screened	100%	100%	100%	100%

We started the screening in 2019 making 2019 our baseline year. During 2022, we screened 100% of our 35 new suppliers in Sweden, Denmark and Norway with framework agreements linked to the areas of human rights, anti-corruption, labour conditions, health and safety and environmental aspects. The results of our desktop screening showed that most of our new suppliers have communicated sufficient information on how they handle these issues.



2023072106363

Local Community

413-1 Operations with local community engagement, impact assessments, and development programs



Impact on economy, environment, and people

The vision of Heimstaden Bostad is to enrich and simplify lives through Friendly Homes. With over 150,000 homes spread across nine European countries, we recognise our impact on the economy, environment and people in the countries where we operate.

We acknowledge and want to be part of the solution to societal challenges such as housing shortages, social inequalities and climate change. We take our impact seriously and focus our efforts on the areas where we have most impact.

Actions taken to manage the topic

Our growth the recent years has required us to revisit our social sustainability strategy. A new Social Road Map is under development to meet the conditions in our different markets better. Below is a selection of ongoing activities to support the local communities in our markets and beyond.

A Home for a Home, our unique partnership with SOS Children's Villages, aims to give children the best foundation to grow and prosper. The programme focuses on four key areas, each aligning with our values and strengths to benefit growing children the most:

- Access to a safe home when growing up
- Access to a safe home when leaving care
- Access to activities for social integration
- Build a skillset to become self-sufficient

Our Head of Social Sustainability and Programme Manager for A Home for a Home is responsible for coordinating the focus areas and following up on the results. See the table on 'Operations with local community engagement, impact assessments and development programs' on page 158 for project examples and the A Home for a Home section on page 19 for more information about the partnership.

We believe inclusive societies are better societies, and therefore Heimstaden Bostad's goal is that at least 3% of all its apartments should be social lease contracts. Social lease contracts can be rental agreements with municipalities or NGOs who in turn offer the apartments to people with socio-economic challenges.

It is also important for us to create opportunities for young people to gain work experience and to have opportunities for internships. Our goal is to offer at least 100 jobs annually Group-wide to trainees and student employees, and summer jobs for younger people.

In some regions, we have hired Community Coordinators with a mandate to handle social issues in our neighbourhoods. Our

2023072106364

Community Coordinators participate in meetings and dialogues with local authorities, emergency services and other property owners to create safe and secure living environments.

As seen in the table '413-1 Operations with local community engagement, impact assessments, and development programmes' on page 158, we have numerous activities in our country organisations to support the environment and vulnerable groups in society. For example, we support tutoring for children, housing for the homeless, crisis accommodation for people in acute need, housing for Ukrainian refugees, activities through sport clubs, cultural organisations, events to engage local communities and nudging activities to promote sustainable living among our customers.

Target tracking and evaluation

The Chief Brand and Marketing Communications Officer is responsible for conducting customer surveys in all operating countries. We use the results to set internal benchmarks and action plans, as well as short- and long-term targets for improving customer satisfaction. The customer satisfaction surveys measure four touch points in the customer journey: contract phase, move-in phase, tenancy and move-out phase. The results are gathered under the Service index and Take Customers Seriously index presented below.

Tracking and evaluation of our tenant's opinions and needs are also collected through our recently launched Sustainability Survey, which is further explained in the Stakeholder Engagement section on page 123.

Customer survey results

In the table below, the results for each country's Service index and Takes customer seriously index are presented, with 2020 as the baseline year when we began measuring.

Service index (scale 0–100)

	2022	2021	2020
Sweden	78.3	78.4	78.4
Denmark	68.2	74.6	74.4
Norway	75.7	74.7	74.5
Netherlands	63.1	58.5	55.8
Czech Republic	70.8	68.8	67.2
Germany	63.1	63.4	-
Finland	76.6	-	-

Takes customer seriously (scale 0–100)

	2022	2021	2020
Sweden	84.4	84.0	84.8
Denmark	63.9	75.6	76.5
Norway	83.6	83.0	84.4
Netherlands	58	59.0	52.8
Czech Republic	79.6	77.1	74.9
Germany	61.6	74.9	-
Finland	68.7	-	-

Since implementing the surveys, customer feedback has been constantly improving. When we enter new markets, we see a significant improvement from the second year that we do the measurements. For further information, see the Customer Centred section on page 11.

Local community targets and tracking (company-wide)[1]

	Target	2022	2021	2020
Percentage social lease contracts	At least 3% of apartments by 2023	1.5%	1.5%	1.9%
Total number of social lease contracts[2]		2,359	2,321	1,943
Affordable housing contracts[3]		2,131	-	-
Apartments for Ukrainian refugees[4]		950	-	-
Share of regulated residential income		60%	62%	53%
Number of young adult jobs (student employees, summertime workers or trainees)	100 young adult jobs each year	118	110	77

All information regarding employees pertains to employees of Heimstaden AB and Heimstaden Bostad AB. We currently have social lease contracts in Sweden, Czech Republic, Netherlands, Germany, Norway and Denmark. During 2021, we changed our method for calculating the indicator. The denominator of the KPI consists of the total number of homes, including vacancies. The numerator consists of the total active and signed social lease contracts at the end of 2021. During 2022 the share of social lease contracts remained consistent compared with 2021.

Our Group policies related to local community are:

- Code of Conduct
- Business Partner Principles
- Whistleblower Policy and Whistleblower Manual

The policies apply company-wide and in all our markets. The Code of Conduct is approved by the Board of Directors and the Business Partner Principles, the Whistleblower Policy, and Whistleblower Manual are approved by the CEO.

[1] If we add up the number of social lease contracts, affordable housing and homes for Ukrainian refugees, we have achieved 3.4% 'inclusive housing'.
[2] Due to local regulations, our ability to work with social lease contracts varies substantially between markets.
[3] 2022 is the first year we report on number of Affordable housing contracts.
[4] Apartments for Ukrainian refugees include homes set aside in Czechia and a refugee facility in Norway. In addition, we have set aside a smaller number of homes spread across our other markets.

2023072106365

GRI 413-1 Operations with local community engagement, impact assessments and development programmes

	Stakeholder engagement plans based on stakeholder mapping	Broad-based local community consultation committees and processes that include vulnerable groups	Local community development programmes based on local communities' needs	Partnerships and sponsorships	Environmental impact assessments and ongoing monitoring
Sweden	Customer survey Sustainability survey	Social lease contracts	**A Home for a Home:** Supporting youth leaving alternative care to become self sufficient Family strengthening programme that supports unaccompanied refugees who are reunited with their families Public affairs collaboration to raise political awareness of the vulnerable position in the housing market of youth leaving foster care Helmstaden Bostad supports Ukrainian refugees through cooperation with SOS Children's Villages Zero evictions vision – Prevent evictions through early collaboration with municipalities Helmodlat – Inspire customers to grow food and flowers in our courtyards and on their balconies. Create friendly neighbourhoods, work against loneliness	Umeå Basket's project 'Vara med' ('Be included') to reduce involuntary loneliness Business Improvement District (BID) Malmö and BID Sofielund – crime prevention initiatives in vulnerable areas Drivkraft (Driving Force) offers mentors for pupils and arranges weekly help with homework at several schools in Linköping VildaKidz (Wild Kids) provides year-round activities for socio-economically vulnerable children Sponsorship to Luleå women's hockey team Collaboration with a supplier of mobility services to benefit of our tenants in new built properties	Communicated with our customers on how they can reduce their energy consumption An ecosystem service analysis, and measures to keep, restore or increase the location's ecosystem values in our own development projects, also contribute to the surrounding community. In our own new developments, we take several measures to increase safety and inclusion During 2022 we mapped our waste facilities and developed signs and information material to support out tenants when separating waste
Norway	Customer survey Sustainability survey	Social lease contracts Refugee facility	**A Home for a Home:** Family partner – helping vulnerable families to stay together by coordinating support from different agencies Apartments for youth leaving foster care Apartments for family visits with Oslo Child Protection Services Collecting toys, bicycles and helmets to be delivered at Driva for Ukrainian refugees Children's day – a day for the kids filled with toys, games, food and drinks Gathering neighbours together for a Christmas celebration, with Christmas trees and treats Facilitated litter-picking for employees and tenants (Hold Oslo Ren)	Collaboration with the social business for job inclusion, Fretex, whereby tenants can leave unwanted clothes when moving out, which we take to Fretex who sells them in its secondhand stores Collaboration with the Red Cross where we have recycling options with boxes for cloth and textiles placed on several properties Support to City Mission Church	Communicated with our customers on how they can reduce their energy consumption

2023072106366

	Stakeholder engagement plans based on stakeholder mapping	Broad-based local community consultation committees and processes that include vulnerable groups	Local community development programmes based on local communities' needs	Partnerships and sponsorships	Environmental impact assessments and ongoing monitoring
Denmark	Customer survey Sustainability survey	Social lease contracts	**A Home for a Home:** Tutoring – offer tutoring to children who need support with their schoolwork and self-esteem	WeShelter works to improve conditions for the most vulnerable homeless people with shelters, peer-to-peer initiatives and financial advice Hellebro – an NGO working to improve conditions for young homeless people (18–29 years), offering a day care centre, shelter, office hotel and halfway houses Joannahuset – Denmark's first crisis centre for children, where children and underage youth in vulnerable situations have a sanctuary, can talk to an adult and get a bed for the night Operation Julegaveregn (Operation Christmas Gift Showers) – a private initiative that since 2006 has raised money for Christmas presents for the approximately 1,500 children living in Danish orphanages and residential institutions Sommerfugleeffekten (The Butterfly Effect) – a private initiative with monthly workshops for hospitalised children at H. C. Andersen's Children's and Youth Hospital, where the children create content for a digital book. In addition to the e-book, two printed editions will be donated to all children's hospitals. The first book was launched during Easter 2022 Collaboration with Hi Neighbour to increase community wellbeing	Communicated with our customers on how they can reduce their energy consumption An ecosystem service analysis, and measures to keep, restore or increase the locations ecosystem values in own development projects also contribute to the surrounding community. In own new developments we take several measures to increase safety and inclusion During 2022 we mapped our waste facilities and developed signs and information material to support out tenants when separating waste
Netherlands	Customer survey Sustainability survey	Social lease contracts Affordable housing contracts	**A Home for a Home:** Children's Village 2.0 – support SOS with expertise in sustainable construction and maintenance when developing the next-generation children's village in Guinea-Bissau	"Buurheld van het jaar-verkiezing" – after noticing that neighbours were very helpful to each other during Covid-19 pandemic, Heimstaden Bostad started a contest to find the best Neighbour of the Year PSV Handbal Eindhoven – together with PSV Heimstaden Bostad organises local events where tenants can join in as well, such as sports day, selling cookies for charity, etc Collaboration with Steenbreek for biodiversity and green spaces. This involves some social events, competitions and garden parties Support to Eendracht Arnhem – local football club, collaborate for local events and participation in sporting activities	Communicated with our customers on how they can reduce their energy consumption

2023072106367

	Stakeholder engagement plans based on stakeholder mapping	Broad-based local community consultation committees and processes that include vulnerable groups	Local community development programmes based on local communities' needs	Partnerships and sponsorships	Environmental impact assessments and ongoing monitoring
Germany	Customer survey Sustainability survey		City clean up – cleaning by Heimstaden's employees Donating furniture from formerly furnished apartments Safari afternoons – showing and educating our tenants about flower meadows and the ecosystems services they provide Arrange visit to our beehives – showing and educating our tenants about beekeeping and the ecosystem services they provide Urban gardening – urging and inspiring tenants to grow their own crops	Stadtbienen (Urban bees) – an initiative that promotes ecological beekeeping and the protection of wild bees in urban areas Plant my tree – for every new lease contract a tree will be planted Cooperation with Young euro classic - helping children to find new perspectives in music and art	Communicated with our customers on how they can reduce their energy consumption
Czech Republic	Customer survey Sustainability survey	Social lease contracts	**A Home for a Home:** Support for young families – helping vulnerable families to care for their children Half-way house supporting youth leaving foster care Community centres for older tenants and citizens Home with us – offering apartments and social support for young people leaving children's homes and foster families Crisies housing – providing equipped apartment within 48 hours to municipalities Beehives on rooftops to support local ecosystem services Homes for Ukrainian Refugees – providing 500 apartments for Ukrainian refugees, providing homes for them, furnished by our employees with furniture from IKEA Housing Fund – providing contributions to single seniors over 60 in the form of a discount on rent Citizen dialogue – facilitating dialogues for better neighbourhoods, foster relationships, with focus on minorities and socially excluded areas	Support for existing and nascent entrepreneurs by offering assistance and start-up facilities Tenants can receive grants for initiating activities that cultivates public spaces, leisure activities and activities that contribute to good neighbourly relations Support to the Centere for Employment Support in the Moravian-Silesian Region	Communicated with our customers on how they can reduce their energy consumption
UK			We plan to implement our social agenda in the UK during 2023		
Finland					Communicated with our customers on how they can reduce their energy consumption
Poland			**A Home for a Home:** Family Strengthening		Communicated with our customers on how they can reduce their energy consumption

In all our organisations, except for United Kingdom, we have implemented local community engagement, impact assessments, or development programs. Resulting in a coverage of 99.9% of our units. We intend to implement similar initiatives in the United Kingdom.

2023072106368

Table Section

Table Index	Page
GRI 2-7: Employees	162
GRI 2-21 Annual total compensation ratio	163
GRI 207-4 Tax	136, 163
GRI 302-1: Energy consumption in the properties	138, 164
GRI 305-1, 305-2, 305-4: GHG emissions scope 1 and 2	144, 165
GRI 305-3: Scope 3 emissions per country	144, 166
GRI 306-3: Waste generated in tonnes	146
GRI 401-1: New employee hires, by age group, gender and country	167
GRI 401-1: Total number of employee turnover, by age group gender and country	168
Proportion of EU Taxonomy-aligned economic activities	120

2023072106369

GRI 2-7 Employees

Total number of employees (Headcount)	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Sweden	244	293	537	236	314	550	159	234	393
Norway	47	106	153	60	104	164	52	81	133
Denmark	99	212	311	95	177	272	50	76	126
Netherlands	67	94	161	58	75	133	10	13	23
Germany	170	165	335	147	136	283	50	67	117
Czech Republic	386	479	865	373	434	807	279	301	580
Poland	10	11	21	3	6	9	0	0	0
UK	6	7	13	3	0	3	0	0	0
Iceland	5	13	18	7	14	21	0	0	0
Finland	0	5	5	0	0	0	0	0	0
Heimstaden total	1,034	1,385	2,419	982	1,260	2,242	600	772	1,372

Total number of permanent employees (Headcount)	2022			2021		
	Women	Men	Total	Women	Men	Total
Sweden	228	282	510	219	299	518
Norway	39	97	136	51	99	150
Denmark	87	185	272	92	173	265
Netherlands	44	66	110	36	55	91
Germany	163	160	323	144	134	278
Czech Republic	246	140	386	253	246	499
Poland	10	11	21	3	6	9
UK	6	7	13	3	0	3
Iceland	5	13	18	7	14	21
Finland	0	5	5	0	0	0
Heimstaden total	828	966	1,794	808	1,026	1,834

Total number of temporary employees (Headcount)	2022			2021		
	Women	Men	Total	Women	Men	Total
Sweden	11	8	19	17	15	32
Norway	1	4	5	9	5	14
Denmark	2	6	8	3	4	7
Netherlands	18	18	36	22	20	42
Germany	6	3	9	3	2	5
Czech Republic	50	34	84	120	188	308
Poland	0	0	0	0	0	0
UK	0	0	0	0	0	0
Iceland	0	0	0	0	0	0
Finland	0	0	0	0	0	0
Heimstaden total	88	73	161	174	234	408

Total number of non-guaranteed hours employees (Headcount)	2022			2021		
	Women	Men	Total	Women	Men	Total
Sweden	4	3	7	0	1	1
Norway	7	5	12	12	10	22
Denmark	10	19	29	4	14	18
Netherlands	5	9	14	6	1	7
Germany	0	2	2	0	1	1
Czech Republic[1]	88	293	381	58	252	310
Poland	0	0	0	0	0	0
UK	0	0	0	0	0	0
Iceland	0	0	0	0	0	0
Finland	0	0	0	0	0	0
Heimstaden total	114	331	445	80	279	359

Total number of full-time employees (Headcount)	2022			2021		
	Women	Men	Total	Women	Men	Total
Heimstaden total	662	905	1,567	654	1,063	1,717

Total number of part-time employees (Headcount)	2022			2021		
	Women	Men	Total	Women	Men	Total
Heimstaden total	254	134	388	328	197	525

1The reason for the increase in the Czech Republic is that several employees accepted an offer of early retirement and are thus now defined non-guaranteed hours employees.

Data regarding employees pertain to employees of Heimstaden Bostad and Heimstaden. Heimstaden Bostad does not own any properties in Iceland.

2023072106370

GRI 2-21 Annual total compensation ratio

Annual total compensation ratio	2022 Total
Ratio of the annual total compensation ratio for the highest-paid individual to the median annual total compensation ratio for all employees (excluding the highest-paid individual)	12.97

GRI 207-4 Country-by-country reporting

	Sweden		Norway		Denmark		Netherlands		Germany		Czech Republic		Poland		Finalnd	UK
SEK million	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2021
Number of employees (Headcount)	8	-	-	-	2	-	-	-	13	-	710	580	-	-	-	-
Revenues from third-party sales	2,873	2,524	74	29	2,593	1,525	1,139	1,029	805	101	1,572	1,461	14	0	16	1
Revenues from intra-group transactions with other tax jurisdictions	1,103	883	779	779	3	-146	192	26	41	6	600	0	13	0	0	4
Profit/loss before tax	-409	-901	272	278	6,769	1,716	8,131	1,297	1,075	-27	2,766	1,015	10	0	86	-5
Tangible assets other than cash and cash equivalents	62,858	22,185	5,667	5,599	66,636	36,200	27,324	23,365	67,608	2,219	17,997	13,864	0	127	1,014	975
Corporate income tax paid on a cash basis	76	107	65	53	191	83	174	96	-64	-1	125	32	0	1	2	36
Corporate income tax accrued on profit/loss	72	31	79	53	259	101	123	99	-37	0	64	111	1	0	2	0

2023072106371

GRI 302-1: Energy consumption in the properties

	Total			Sweden			Norway			Denmark			Netherlands			Germany			Czech Republic			Finland	Poland	UK
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2022	2022
Heating (Non-renewable)																								
Fossil district heating	424,119	365,152	351,156	6,984	1,862	21,065	177	0	0	15,297	14,239	12,110	7,905	0	0	71,964	26,744	1,804	323,221	322,307	316,176	6,476	0	0
Natural gas	90,023	47,736	6,711	0	0	0	0	0	0	0	196	527	0	9,768	3,022	79,434	36,036	2,514	2,684	1,737	648	0	0	0
Oil	11,273	101	492	0	0	38	0	0	0	0	0	0	7,905	90	124	11,121	11	330	0	0	0	152	0	0
Total non-renewable	525,415	412,988	358,359	6,984	1,862	21,103	177	0	0	15,297	14,435	12,638	7,905	9,858	3,146	162,519	62,791	4,648	325,906	324,043	316,824	6,628	0	0
Of which non-renewable fuel (natural gas, oil)	101,295	47,837	7,203	0	0	38	0	0	0	0	196	527	0	9,858	3,146	90,555	36,047	2,844	2,684	1,737	648	152	0	0
Heating (Renewable)																								
Renewable and recycled district heating	446,553	361,860	277,246	369,016	287,520	218,474	11,592	15,259	12,477	44,047	39,363	28,811	0	0	0	5,706	1,945	196	8,056	17,774	17,288	8,137	0	0
Biogas	1,902	2,188	1,917	1,902	2,188	1,917	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total renewable	448,455	364,048	279,163	370,918	289,708	220,390	11,592	15,259	12,477	44,047	39,363	28,811	0	0	0	5,706	1,945	196	8,056	17,774	17,288	8,137	0	0
Of which renewable fuel (biogas)	1,902	2,188	1,917	1,902	2,188	1,917	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total heating (non-renewable and renewable)	973,870	777,036	637,522	377,902	291,570	241,493	11,768	15,259	12,477	59,344	53,798	41,449	7,905	9,858	3,146	168,225	64,735	4,844	333,962	341,817	334,112	14,765	0	0
Cooling																								
District cooling	271	326	203	271	326	203	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Electricity																								
Electricity consumption	103,871	76,507	71,536	75,617	53,519	50,844	12,704	13,587	13,659	4,985	5,134	3,647	2,643	1,150	1,155	3,477	960	60	2,177	2,156	2,171	2,267	0.2	0.02
Of which renewable electricity	100,879	74,268	68,240	75,617	53,519	50,844	12,704	13,587	13,659	4,030	4,846	2,339	2,643	1,150	1,155	1,603	960	32	2,027	205	211	2,255	0.2	0.02
Total energy usage (heating, cooling, electricity)	1,078,013	853,869	709,261	453,791	345,415	292,540	24,472	28,846	26,136	64,329	58,932	45,096	10,547	11,008	4,302	171,702	65,696	4,904	336,139	343,973	336,283	17,032	0.2	0.02
Electricity produced (Solar power)	0	595	456	0	462	394	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Installed capacity (photovoltaic cells), kWp	2,011	1,262	374	1,304	956	374	0	0	0	494	306	0	213	0	0	0	0	0	0	0	0	0	0	0
Estimated energy production, MWh	1,535	0	456	937	0	0	0	0	0	424	133	62	174	0	0	0	0	0	0	0	0	0	0	0

The data for 2022 includes the purchased energy by Heimstaden Bostad in Sweden, Norway, Denmark, Netherlands, Germany, Finland, Poland, and UK. For Czech Republic the energy consumption from year 2022 is not yet available and therefore estimates are used, based on the energy consumption figures from 2021. Properties where customers have their own energy contract are not included, as it is not possible for Heimstaden Bostad to obtain the energy data. In 2022, the total energy consumption has increased in absolute numbers due to our growing business and the acquisition of Akelius property portfolios in Sweden, Germany and Denmark and more properties. However, we decreased the energy usage per sqm with 11% in 2022 versus 2021. For more information, please see the Energy intensity section on page 139.

2023072106372

GRI 305-1, 305-2, 305-4: GHG emissions Scope 1 and 2

	Total			Sweden			Norway			Denmark			Netherlands			Germany			Czech Republic			Finland	Poland	UK
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2022	2022
Scope 1 in tonnes CO_2e	23,050	11,985	1,660	357	340	10	10	343	-	312	253	108	1,726	2,027	653	19,550	7,596	604	1,092	1,426	285	2	-	-
Of which from property heating	21,436	10,341	1,660	-	-	10	-	-	-	0	40	108	1,620	2,027	653	19,264	7,391	604	550	883	285	2	-	-
Of which from vehicles	1,555	1,607	-	298	303	-	10	9	-	312	213	-	106			286	205	-	542	543	-	-	-	-
Of which from refrigerants	59	37	-	59	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scope 2 market-based in tonnes CO_2e	170,004	195,882	175,258	25,524	16,756	16,255	47	17	75	3,292	2,745	4,572	-	-	-	7,190	2,692	529	132,452	173,672	153,827	1,419	80	-
Scope 2 location-based in tonnes CO_2e	173,525	197,730	175,745	26,100	17,892	16,859	110	115	228	3,690	2,833	3,808	979	464	432	7,345	3,000	532	133,481	173,426	153,884	1,625	192	3.9
Biogenic emissions in tonnes CO_2e	399	448	393	399	448	393	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scope 3 in tonnes CO_2e	343,068	242,828	82,185	-	32,583	22,261	-	4,363	8,469	-	6,862	24,093	216,740	-	54,710	-	3,195	3,608	-	79,229	129,687	-	-	-
Scope 1 and 2 in tonnes CO_2e / SEK million (market-based)	14	24	26	6	6	7	0.07	1	-	1,2	1	3	1.4	2	1	10	19	11	72	155	128	7.1	-	-
Scope 1 and 2 emissions in kg CO_2e/sqm	24	40	36	9	8	8	0.5	-	1	5,1	5	9	22.3	28	19	14.9	27	41	57	88	65	13	-	-

Heimstaden Bostad's GHG emissions for Scope 1 and Scope 2 are based on the energy purchased (see Table Energy Consumption in the Properties on page 138) by Heimstaden Bostad within Heimstaden Bostad properties, fuel from vehicles owned or leased by Heimstaden Bostad, and refrigerants. Fuel for vehicles and refrigerants are only included since 2021, since we have not measured these before. Heimstaden Bostad's GHG emissions decreased in 2022 compared to 2021. However, total Scope 1 emissions are increasing compared to last year. This is mainly due to the acquired Akelius portfolio in Germany of which many properties use natural gas or oil for heating. We see a big reduction in the Scope 2 emissions. This is mainly due to the new emission factors for district heating that we received from Veolia regarding our Czech portfolio, which were much lower than what we previously estimated. The emissions for the Czech Republic from 2021 in the GRI 305-1, 305-2 tables have not yet been updated with the new emission factors, which is reflected in the big difference between 2021 and 2022. As the emissions in the Czech Republic are such a big share of the total emissions, this correction also impacts the total emission intensity figure for the year, which decreased.Scope 1 emissions came from natural gas and oil for heating, vehicles, and refrigerants. Scope 2 covers district heating and consumption of electricity in the properties. The calculations have been performed in accordance with the GHG protocol, applying the financial control approach. For 2022, emission factors from 2021 are used and have been obtained from Heimstaden Bostad's energy suppliers. Gases included in the calculations are mostly CO_2, but can also include CH_4, N_2O, and refrigerants used in the production of district heating. For the emission intensity figure the denominator consists of the lettable area in the properties where Heimstaden Bostad signs the energy agreement, and the numerator consists of GHG emissions during a whole year. Properties that lack data for an entire year (such as acquisitions and divestments during the reporting year) are excluded from the intensity figures. Data on Scope 3 2022 is not available yet since the mapping of our Scope 3 emissions will be performed during Q1-Q2 2022. Nevertheless, we have included category 13 to track progress in our science-based climate targets. For more detailed figures, please see the GRI 305-1, 305-2, 305-4: GHG emissions scope 1 and 2 Table. The Scope 1 emissions in 2021 have been corrected due to a previous miscalculation of the emissions from vehicles in Norway.

2023072106373

GRI 305-3: Scope 3 emissions per country in tonnes CO_2e

	Total			Sweden			Norway			Denmark			Germany			Netherlands			Czech Republic		Poland
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2021
Category																					
1. Purchased goods and services (related to new construction, reconstruction and property management, etc)	187,852	56,061	21,126	25,644	10,602	11,024	3,467	4,052	7,325	2,265	8,880	2,451	77	0	325	129,605	3,829	1	26,793	28,698	0
2. Capital goods (acquired newbuilds)	2,496	10,512	41,357	0	0	0	0	0	0	2,496	9,491	41,357	0	0	0	0	1,021	0	0	0	0
3. Energy- and fuel-related emissions (upstream emissions from electricity, heating and fuels)	15,691	12,857	1,995	2,905	2,336	1,680	490	307	134	517	333	167	1,351	179	7	611	205	7	9,817	9,497	0
4. Upstream transportation and distribution (service cars)	455	379	385	51	69	249	15	29	27	0	53	104	0	1	3	230	64	1	158	163	0
5. Waste management (transport and management)	178	2,424	1,281	81	218	829	19	1,521	91	2	47	347	3	2	11	37	14	2	36	622	0
6. Business travel (travel by car, air, train, taxi)	270	122	173	78	31	79	20	15	24	51	24	47	5	0	0	6	5	22	13	47	96
7. Commuting (employee trips to and from work)	0	0	293	0	0	164	0	0	34	0	0	52	0	0	0	0	0	43	0	0	0
8. Leased assets – leased by Heimstaden Bostad (leased offices, rental cars or other machines)	912	195	120	63	56	63	0	0	0	22	20	16	290	21	0	25	98	40	512	0	0
11. Use of sold products (no sold real estates 2019 and 2020)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12. End-of-life sold products (waste from demolishing of buildings sold)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Leased assets – by tenants (energy and waste from tenants)	134,876	160,278	15,456	3,421	8,949	7,227	351	2,545	1,677	1,510	5,245	5,985	1,468	3,405	413	86,226	49,474	153	41,900	90,660	0
15. Investments (Joint Ventures)	340	0	0	340	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	343,068	242,828	82,185	32,583	22,261	21,316	4,363	8,469	9,313	6,862	24,093	50,527	3,195	3,608	760	216,740	54,710	269	79,229	129,687	96

Data for Scope 3 2022 is not available yet since the mapping of our Scope 3 emissions will be performed during Q1-Q2 2023. Category 9 Outbound transports, category 10 Processing of sold products and category 14 Franchise are not part of our organisation and therefore not included in Heimstaden Bostad's Scope 3 emissions. All acquired properties should be included in category 2 Capital Goods, according to the GHG Protocol, however, we have chosen to include only acquired newbuilds in this category, which is in line with the UK GBC, Guide to Scope 3 Reporting in Commercial Real Estate. Calculations have been performed in accordance with the GHG Protocol, applying the financial control approach. We used external consultants as supervisors in this assessment, who also made the calculations.

GRI 306-3: Waste generated in tonnes

	Total			Sweden			Norway			Denmark			Germany			Netherlands			Czech Republic	
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020
Total weight of waste generated by the tenants	100,741	99,171	39,066	24,579	27,215	25,554	2,269	2,000	2,267	9,719	14,597	10,992	1,010	1,107	197	14,931	12,300	56	48,240	41,952

Weight of waste generated by tenants is calculated based on the number of tenants; the increase in waste is explained by the new properties we have acquired each year. Waste generated by contractors in new construction and reconstruction is not included because we do not have sufficient data at Group level yet. Data for 2021 is the latest available data.

2023072106374

GRI 401-1: New employee hires by age group, gender and country

	2022		2021		2020		2019	
Number of new employees	Women	Men	Women	Men	Women	Men	Women	Men
Sweden								
under 30	34	51	26	106	15	7	7	12
30–50	43	46	62	36	29	31	22	22
over 50	8	11	18	80	5	7	5	11
Norway								
under 30	14	16	8	17	6	13	5	6
30–50	6	18	7	13	10	11	2	8
over 50	2	0	2	14	0	1	1	0
Denmark								
under 30	14	31	21	69	8	8	7	13
30–50	12	42	35	18	11	15	14	20
over 50	6	18	13	57	5	8	2	10
Netherlands								
under 30	11	19	7	20	12	5	0	2
30–50	22	14	11	5	22	28	1	8
over 50	3	16	2	15	7	9	0	0
Germany								
under 30	17	11	21	143	1	1	0	0
30–50	39	42	94	21	5	7	0	0
over 50	6	17	28	81	0	0	0	0
Czech Republic								
under 30	27	24	45	125	16	37	0	0
30–50	74	92	63	51	31	40	0	0
over 50	18	33	17	97	8	14	0	0
Poland								
under 30	2	5	1	3	0	0	0	0
30–50	8	2	2	3	0	0	0	0
over 50	0	0	0	3	0	0	0	0
UK								
under 30	0	1	0	3	0	0	0	0
30–50	3	7	3	0	0	0	0	0
over 50	0	0	0	0	0	0	0	0
Iceland								
under 30	0	0	0	3	0	0	0	0
30–50	0	3	2	1	0	0	0	0
over 50	0	0	1	2	0	0	0	0
Finland								
under 30	0	1	0	0	0	0	0	0
30–50	0	4	0	0	0	0	0	0
over 50	0	0	0	0	0	0	0	0
Total								
under 30	119	159	129	489	58	71	19	33
30–50	207	270	279	148	108	132	39	58
over 50	43	95	81	349	25	39	8	21

Data regarding employees pertains to employees of both Heimstaden Bostad and Heimstaden. Heimstaden Bostad does not own any properties in Iceland.

2023072106375

GRI 401-1: Total number of employee turnover by age group, gender and country

	2022		2021		2020		2019	
Number of employee turnover	Women	Men	Women	Men	Women	Men	Women	Men
Sweden								
under 30	23	47	18	32	5	3	4	3
30–50	34	47	10	22	8	16	11	11
over 50	10	14	4	21	10	7	4	10
Norway								
under 30	12	15	4	9	2	8	1	4
30–50	19	13	4	9	0	4	2	7
over 50	3	3	1	7	1	1	0	2
Denmark								
under 30	7	11	11	21	7	5	3	4
30–50	18	24	9	8	5	5	4	2
over 50	3	15	1	24	1	7	0	0
Netherlands								
under 30	10	6	2	11	0	0	0	2
30–50	14	17	6	3	1	4	2	4
over 50	4	8	3	10	0	1	0	0
Germany								
under 30	3	8	1	7	0	0	0	0
30–50	29	25	4	7	1	2	0	0
over 50	8	5	1	7	0	2	0	0

	2022		2021		2020		2019	
Number of employee turnover	Women	Men	Women	Men	Women	Men	Women	Men
Czech Republic								
under 30	18	24	34	71	5	17	0	0
30–50	53	66	30	24	19	18	0	0
over 50	30	22	7	30	5	7	0	0
Poland								
under 30	0	3	0	0	0	0	0	0
30–50	3	0	0	0	0	0	0	0
over 50	0	0	0	0	0	0	0	0
UK								
under 30	0	0	0	0	0	0	0	0
30–50	1	1	0	0	0	0	0	0
over 50	0	0	0	0	0	0	0	0
Iceland								
under 30	0	0	0	1	0	0	0	0
30–50	2	3	0	0	0	0	0	0
over 50	0	1	0	0	0	0	0	0
Finland								
under 30	0	0	0	0	0	0	0	0
30–50	0	0	0	0	0	0	0	0
over 50	0	0	0	0	0	0	0	0
Total								
under 30	73	114	70	152	19	33	8	13
30–50	173	196	68	73	34	49	19	24
over 50	58	68	17	99	17	25	4	12

Data regarding employees pertains to employees of Heimstaden Bostad and Heimstaden. Heimstaden Bostad does not own any properties in Iceland. During 2022, the turnover decreased to 15.7% compared with 2021 (22%) and 2020 (14%).

2023072106376

Proportion of EU Taxonomy-aligned economic activities

		Proportion of turnover from products or services associated with Taxonomy-aligned economic activities		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity)	Category (transitional activity)
		SEK million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Aquisition and ownership of buildings	7.7 (Annex I)	2,245	16.1%	100%	0%					-	Y	-	-	-	-	Y	16.1%		-	-
Turnover of eligible Taxonomy-aligned activities (A.1)		**2,245**	**16.1%**														**16.1%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Aquisition and ownership of buildings	7.7 (Annex I)	11,674	83.9%																	
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**11,674**	**83.9%**																	
Total (A.1 + A.2)		**13,919**	**100.0%**														**16.1%**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of non-eligible activities (B)																				
Total (A + B)		**13,919**	**100.0%**																	

2023072106377

		Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)										
Economic activities	Code(s)	Absolute Capex	Proportion of Capex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Capex, year 2022	Taxonomy-aligned proportion of Capex, year 2021	Category (enabling activity)	Category (transitional activity)
		SEK million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Construction of new buildings	7.1 (Annex I)	1,604	5.1%	100%	0%					-	Y	Y	Y	Y	Y	Y	5.1%		-	-
Renovation of buildings	7.2 (Annex I)	92	0,3%	100%	0%					-	Y	Y	Y	Y	-	Y	0.0%		-	T
Installation, maintenance and repair of energy efficiency equipment	7.3 (Annex I)	358	1.1%	100%	0%					-	Y	-	-	Y	-	Y	1.1%		E	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 (Annex I)	9	0.0%	100%	0%					-	Y	-	-	-	-	Y	0.0%		E	-
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 (Annex I)	20	0.1%	100%	0%					-	Y	-	-	-	-	Y	0.1%		E	-
Installation, maintenance and repair of renewable energy technologies	7.6 (Annex I)	15	0.0%	100%	0%					-	Y	-	-	-	-	Y	0.0%		E	-
Aquisition and ownership of buildings	7.7 (Annex I)	1,387	4.4%	100%	0%					-	Y	-	-	-	-	Y	3.0%		-	-
Capex of eligible Taxonomy-aligned activities (A.1)		**3,486**	**11.0%**														**11.0%**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Construction of new buildings	7.1 (Annex I)	3,315	10.5%																	
Aquisition and ownership of buildings	7.7 (Annex I)	24,851	78.5%																	
Capex of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**28,166**	**89.0%**																	
Total (A.1 + A.2)		**31,652**	**100.0%**														**11.0%**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Capex of non-eligible activities (B)																				
Total (A + B)		**31,652**	**100%**																	

2023072106378

		Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)										
Economic activities	Code(s)	Absolute Opex	Proportion of Opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiver-sity and ecosys-tems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiver-sity and ecosys-tems	Minimum safeguards	Taxono-my-aligned proportion of Opex, year 2022	Taxono-my-aligned proportion of Opex, year 2021	Category (enabling activity)	Category (transitional activity)
		SEK million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Renovation of buildings	7.2 (Annex I)	2.7	0.1%	100%	0					-	Y	Y	Y	Y	-	Y	0.0%	-	-	T
Installation, maintenance and repair of energy efficiency equipment	7.3 (Annex I)	4.9	0.1%	100%	0					-	Y	-	-	Y	-	Y	0.1%	-	E	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4 (Annex I)	0.1	0.0%	100%	0					-	Y	-	-	-	-	Y	0.0%	-	E	-
Aquisition and ownership of buildings	7.7 (Annex I)	122.3	3.6%	100%	0					-	Y	-	-	-	-	Y	3.6%	-	-	-
Professional services related to energy performance of buildings	9.3 (Annex I)	0.02	0.0%	100%	0					-	Y	-	-	-	-	Y	0.0%	-	E	-
Opex of eligible Taxonomy-aligned activities (A.1)		130	3.8%														3.8%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Aquisition and ownership of buildings	7.7 (Annex I)	3,299	96.2%																	
Opex of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,299.0	96,2%																	
Total (A.1 + A.2)		3,429	100%														3.8%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Opex of non-eligible activities (B)																				
Total (A + B)		3,429	100%																	

Heimstaden
BOSTAD

Ö Promenaden 7 A, SE-211 28 Malmö, Sweden
Corporate ID Number: 556864-0873
+46 40 660 2000, www.heimstadenbostad.com

artbox.no