

Heimstaden

Heimstaden Bostad AB (publ)
(incorporated with limited liability in Sweden)

Heimstaden Bostad Treasury B.V.
(incorporated with limited liability in the Netherlands, and having its statutory seat (statutaire zetel) in Amsterdam, The Netherlands)

€12,000,000,000
Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by

Heimstaden Bostad AB (publ)
(incorporated with limited liability in Sweden)

This supplement no. 1 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 26 August 2021 (as supplemented, the "**Base Prospectus**") prepared by Heimstaden Bostad AB (publ) ("**Heimstaden Bostad**" and, in its capacity as guarantor of Notes issued by HBT (as defined below), the "**Guarantor**") and Heimstaden Bostad Treasury B.V. ("**HBT**" and, together with Heimstaden Bostad, the "**Issuers**", and each an "**Issuer**") with respect to their €12,000,000,000 Euro Medium Term Note Programme (the "**Programme**") and constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank should not be considered as an endorsement of the Issuers or the Guarantor or of the quality of the Notes that are the subject of the Base Prospectus.

Each Issuer and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer and the Guarantor the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) update references to Heimstaden Bostad's credit ratings following the recent announcement of a credit rating by Fitch Ratings Ireland Limited;
- (b) update the "*Description of Heimstaden Bostad – Recent Developments since 30 June 2021*" section of the Base Prospectus to reflect the announcement on 26 September 2021 of Heimstaden Bostad signing an agreement to acquire property portfolios in Germany, Sweden and Denmark from Akelius Residential Property AB (publ) and other recent developments; and
- (c) following the announcement of the proposed property acquisitions, update the statement of no significant change.

Rating assigned by Fitch

On 26 September 2021, Fitch Ratings Ireland Limited ("**Fitch**") announced that it had assigned a credit rating of "BBB (outlook stable)" to Heimstaden Bostad.

Reference to "and Heimstaden Bostad has been rated BBB (outlook stable) by Fitch" shall be added immediately after the references to the S&P ratings on pages ii, 4 and 16 of the Base Prospectus.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Fitch is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Fitch is not established in the UK but ratings issued by Fitch will be endorsed by Fitch Ratings Limited in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). As such, ratings may be used for regulatory purposes in the EEA in accordance with the CRA Regulation and in the UK in accordance with the UK CRA Regulation.

Recent Developments since 30 June 2021

On page 117 of the Base Prospectus the following section shall be inserted at the end of the section entitled "*Recent Developments since 30 June 2021*":

"Issuance of senior unsecured bonds

On 6 September 2021, HBT issued EUR 750,000,000 0.750 per cent. Notes due 6 September 2029 guaranteed by Heimstaden Bostad.

Acquisitions of Akelius portfolio in Germany, Sweden and Denmark

On 26 September 2021, Heimstaden Bostad entered into agreements with Akelius Residential Property AB (publ) ("**Akelius**") to acquire property portfolios in Germany, Sweden, and Denmark (together, the "**Portfolio**") (the "**Acquisitions**"). The estimated purchase price is approximately SEK 92.5 billion. The Acquisitions are due to complete during the fourth quarter of 2021 and are subject to certain conditions precedent, including regulatory approvals. The Portfolio comprises approximately 28,776 homes, 2,074 commercial premises and 9,117 parking spaces.

Property stock

In Germany, the Portfolio is comprised of 17,642 fully regulated homes with an average size of 61 square metres, additionally the German portfolio comprises approximately 66,000 square metres of commercial space and 1,859 parking spaces. Based on rental income, residential premises were 93% of the total German portfolio as at 30 June 2021. Following the acquisition of the Portfolio in Germany, Berlin will become Heimstaden Bostad's largest city by rental income. Based on number of units as at 30 June 2021, 80% of the German portfolio is located in Berlin and the rest is located in Hamburg. 100% of the rental income in the German portfolio is regulated. As at 30 June 2021, the German portfolio had an economic occupancy rate on residential units of 97.5%.

In Sweden, the Portfolio is comprised of 10,041 fully regulated homes with an average size of 69 square metres, approximately 118,000 square metres of commercial space and 7,050 parking

spaces. Based on rental income, residential premises were 81% of the total Swedish portfolio as at 30 June 2021. Based on the number of units, around 60% of the Swedish portfolio is located in Stockholm and the rest is located in Malmö. Following the acquisition of the Portfolio in Sweden, Stockholm will become Heimstaden Bostad's fourth largest city by rental income. 100% of the rental income in the Swedish portfolio is regulated. As at 30 June 2021, the Swedish portfolio had an economic occupancy rate on residential units of 99.9%.

In Denmark, the Portfolio is comprised of 1,093 homes, with an average size of 81 square metres and of which 90% (by rental income) are regulated. The Danish portfolio also includes approximately 6,000 square metres of commercial space and 205 parking spaces. Based on rental income, residential premises were 88% of the total Danish portfolio as at 30 June 2021. The majority of the Danish portfolio is located in Copenhagen. As at 30 June 2021, the Danish portfolio had an economic occupancy rate on residential units of 94.7%.

As at 30 June 2021, the economic occupancy rate on residential units in the Portfolio was 98.1%. Following the Acquisitions, the properties will be managed through the existing property management organisations in Germany, Sweden, and Denmark under the asset management agreement with Heimstaden AB.

The below table provides an overview of the Portfolio as at 30 June 2021.

	Pro forma fair value of investment properties ⁽¹⁾ (SEK million)	Proportion of fair value	Homes	Average unit size (square metres)	Residential share	Economic occupancy ⁽²⁾	Regulated income	Earning capacity ⁽³⁾	
								Rental income ⁽⁴⁾	Net operating income ⁽⁵⁾
								(SEK million)	(SEK million)
Sweden	32,572	36%	10,041	69	85%	99.9%	100%	1,164	739
Germany	52,048	59%	17,642	61	94%	97.5%	100%	1,379	1,167
Denmark	4,111	5%	1,093	81	87%	94.7%	86%	146	85
Total	88,732	100%	28,776	65	90%	98.1%	99%	2,689	1,991

Note:

⁽¹⁾ See note E to the pro forma balance sheet set out below. Figures include external valuation of Akelius's property portfolio in connection with the Acquisitions resulting in increased fair value of SEK 13,196 million.

⁽²⁾ Residential units only.

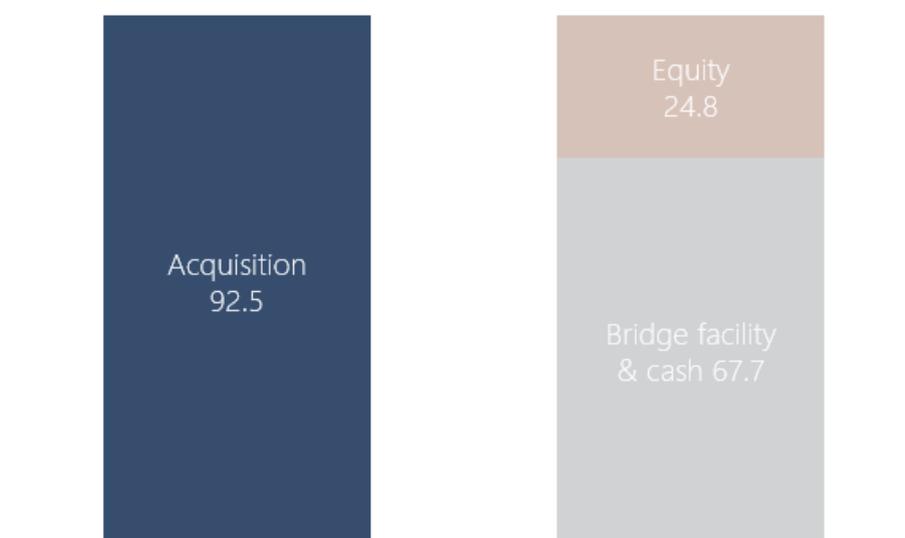
⁽³⁾ This information is an earning capacity based on properties in the Portfolio as at 30 June 2021 and is based on the property portfolio, as of 30 June 2021, contracted rental income, and current property and administrative costs. It is important to note that earning capacity should not be equated with a forecast for the current year or the next twelve months. For example, earning capacity does not include an assessment of future rents, vacancies and market interest rates. In earning capacity, changes in value of properties and financial instruments, which affect the Portfolio's income statement, have not been taken into account either.

⁽⁴⁾ Rental income capacity for the twelve months from 30 June 2021, excluding service income charges.

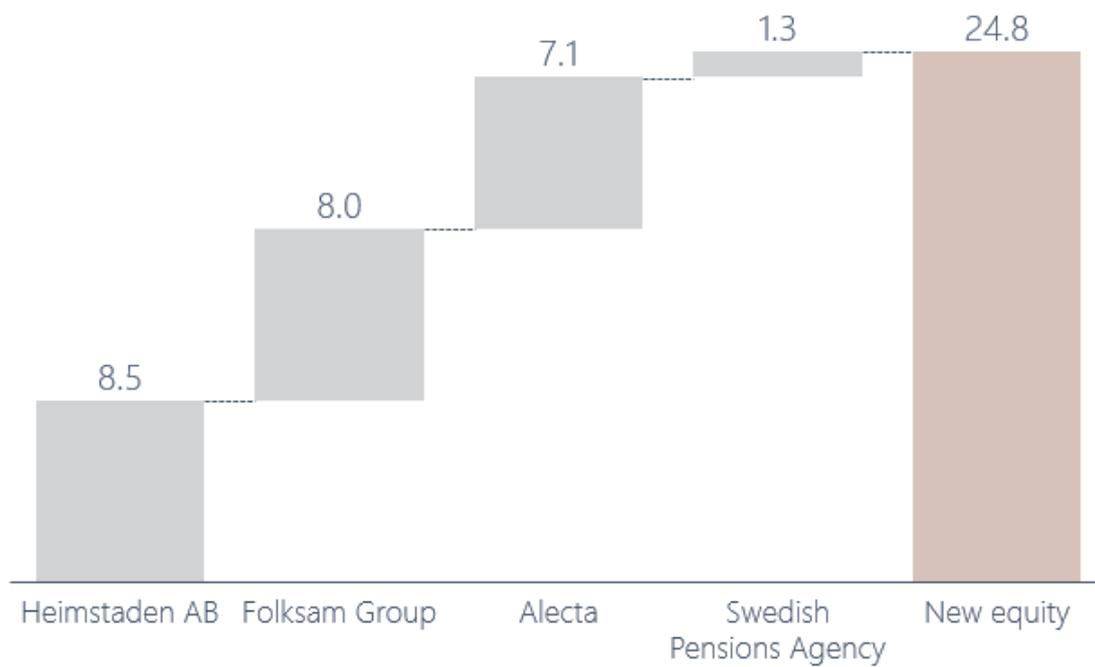
⁽⁵⁾ Net operating income capacity for the twelve months from 30 June 2021.

Financing of the Acquisitions

The Acquisitions are to be financed through a mix of equity, existing cash and a bridge financing entered into by Heimstaden Bostad and underwritten by Deutsche Bank Aktiengesellschaft and J.P. Morgan AG (the "**Bridge**"). The following sources and uses are expected (in SEK billion).



The equity part of the financing is expected to have the following contributions from existing shareholders (in SEK billion).



PRO FORMA FINANCIAL INFORMATION IN RESPECT OF AKELIUS PORTFOLIO ACQUISITION IN GERMANY, SWEDEN AND DENMARK

On 26 September 2021 Heimstaden Bostad entered into agreements to carry out the Acquisitions, as described in "*– Recent Developments since 30 June 2021*" above. Once the Acquisitions have closed, they will affect Heimstaden Bostad's future earnings, financial position and cash flows. The pro forma income statement has therefore been created as an illustration of how the result for the period 1 January 2021 to 30 June 2021 could have looked if the Acquisitions were carried out on 1 January 2021 and the pro forma balance sheet and earnings capacity are only intended to describe the hypothetical financial position and earnings capacity as if the Acquisitions had been completed as of 30 June 2021.

The following pro forma financial information has been produced for illustrative purposes only and the hypothetical financial position or results included in the pro forma financial information may differ from Heimstaden Bostad's actual financial position or results. It also does not show the financial position or the results of the business at a future point in time.

The pro forma income statement and the pro forma balance sheet have been prepared in a manner consistent with the accounting policies adopted by Heimstaden Bostad in preparing its financial statements for the six months ended 30 June 2021.

Third Party Information

The financial information of Akelius has been extracted from management accounts provided by Akelius to Heimstaden Bostad. Heimstaden Bostad confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information made available to it by Akelius, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Independent auditors assurance report on the compilation of pro forma financial information included in this Base Prospectus

To the Board of Directors of Heimstaden Bostad AB (publ)

Norrköping, 30 September 2021

Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Heimstaden Bostad AB (publ) (the "**Company**") by the Board of Directors. The pro forma financial information consists of the unaudited pro forma balance sheets as at 30 June 2021, the unaudited pro forma income statement for the six month period ended 30 June 2021 and related notes as set out on pages 10 to 13 of supplement no. 1 issued by the Company dated 30 September 2021 to the base prospectus issued by the Company dated 26 August 2021. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and described in the notes (applicable criteria).

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the acquisition of all shares in each of Akelius Bolig Holding ApS, with Danish registration number 37 22 21 19, Akelius Lägenheter AB, with Swedish registration number 556549-6360, Akelius GmbH (registered with the commercial register kept at the local court of Charlottenburg under registration number HRB 101392 B), Akelius Lots GmbH & Co. KG (registered with the commercial register kept at the local court of Charlottenburg under registration number (HRA 47950 B) and the direct and indirect subsidiaries of Akelius GmbH (together, the "**Akelius Portfolio**"), set out on pages 10 to 13 on the basis of the applicable criteria as if the acquisition of all shares in the Akelius Portfolio (as described in "*Recent Developments since 30 June 2021*"), had taken place at 1 January 2021 and 30 June 2021, respectively.

As part of this process, information about the Company's balance sheet and income statement has been extracted by the Board of Directors from the unaudited consolidated financial statements of Heimstaden Bostad AB (publ) prepared in accordance with International Financial Reporting Standards (IFRS) for the six month period ended 30 June 2021 on which an auditors' report under ISRE 2410 has been issued and information about the Akelius Portfolio's balance sheet and income statement has been extracted from management accounts provided by Akelius for the six month period ended 30 June 2021, on which no auditors' review report has been issued.

The Board of Directors' Responsibility for the Pro Forma Financial Information

The Board of Directors is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements for Professional Accountants in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditor's Responsibilities

Our responsibility is to express an opinion, as required by Annex 20 item 3 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, about whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the independent auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria. We confirm that we do not have a material interest in the Company.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the independent auditor's judgment, having regard to the independent auditor's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated and such basis is consistent with the accounting policies of Heimstaden Bostad AB (publ).

Ernst & Young AB

Peter von Knorring
Authorised public accountant

Balance Sheet

As at 30 June 2021	Pro forma Adjustments				
	Heimstaden Bostad ⁽¹⁾	Akelius Portfolio ⁽²⁾	Acquisition related adjustments	Footnotes	Pro forma
ASSETS					
Non-current assets					
Investment properties.....	186,068	75,536	13,196	F	274,800
Intangible assets.....	6	-	15,363	E	15,370
Property, plant and equipment	102	84			186
Other non-current financial assets.....	2,798	7,223	-7,204	A	2,817
Total non-current assets	188,974	82,843	21,356		293,172
Current assets					
Inventory properties	1,054	-			1,054
Rent and trade receivables	98	222	-1	A	319
Other current financial assets.....	2,853	58			2,911
Prepayments.....	195	79	-1	A	273
Cash and cash equivalents.....	9,244	3,661	-6,851	A, B, C, G	6,054
Total current assets	13,444	4,021	-6,853		10,611
TOTAL ASSETS.....	202,417	86,864	14,502		303,784
EQUITY AND LIABILITIES					
EQUITY	109,084	53,732	-30,903	B, D, G	131,913
LIABILITIES					
Non-current liabilities					
Interest-bearing liabilities	78,754	22,343	-11,005	A, C	90,091
Lease liabilities	646	60			706
Derivative financial instruments	268	-			268
Deferred tax liabilities.....	6,078	9,869	2,216	F	18,163
Other non-current financial liabilities	842	58			900
Total non-current liabilities.....	86,589	32,330	-8,789		110,129
Current liabilities					
Interest-bearing liabilities	4,195	86	54,298	C	58,580
Trade payables	384	58			442
Other current liabilities	1,484	659	-104	A	2,039
Derivative financial instruments	9	-			9

Prepayments.....	671	-		671
Total current liabilities.....	6,744	802	54,195	61,742
TOTAL EQUITY AND LIABILITIES	202,417	86,864	14,502	303,784

Notes:

- (1) The financial information in respect of Heimstaden Bostad is sourced from its unaudited consolidated financial statements in respect of the six months ended 30 June 2021, incorporated by reference into the Base Prospectus.
- (2) The financial information in respect of the Akelius Portfolio is sourced from management accounts prepared by Akelius in respect of the six months ended 30 June 2021.

Adjustments (each with a continuing impact on Heimstaden Bostad):

- A. Akelius inter-company balances are settled with a negative net effect on cash and cash equivalents of SEK 4,009 million.
- B. Committed new share issue of SEK 24,787 million.
- C. The Acquisitions are paid with cash resulting in cash and cash equivalents being reduced by SEK 25,672, comprising the purchase price of SEK 80,076 million settled in cash, offset by SEK 54,404 million in current interest-bearing liabilities. Current interest-bearing liabilities is increased by SEK 54,404 million, representing committed bridge financing which is expected to be refinanced after closing of the Acquisitions.
- D. Shareholders' equity in the acquired companies is eliminated, totaling SEK 53,732.
- E. Goodwill is increased by SEK 15,363 million, corresponding to the difference between the agreed purchase price of SEK 80,076 million reported value of equity in Akelius of SEK 53,732 million and equity gain on fair value adjustment of SEK 10,980 million..
- F. External valuation of the Portfolio resulting in increased fair value of investment properties of SEK 13,196 million and deferred tax liability of SEK 2,216 million, and equity is increased by SEK 10,980 million. Equity is offset in Acquisitions elimination.
- G. Income statement items is settled of SEK 1,958 million.

Income Statement

Six months ending 30 June 2021	Heimstaden Bostad ⁽¹⁾	Akelius Portfolio ⁽²⁾	Pro forma Adjustments		Pro forma
			Acquisition related adjustments <i>(SEK, millions)</i>	Footnotes	
Rental income.....	4,066	1,341			5,408
Service income	306	182			488
Property costs	-1,812	-609			-2,421
Net operating income.....	2,560	914			3,474
Corporate administrative expenses	-231	-78	-13	D, E	-323
Other operating income	3	5			8
Other operating expenses.....	-32	4	-6	D	-35
Share of net profits of associates and joint ventures	-2	-75			-77
Profit before inventory properties and fair value adjustments	2,298	769	-20		3,048
Fair value adjustment of investment properties.....	8,998	3,696	13,196	A	25,891
Gains/losses from sale of inventory properties	40	8			49
Operating profit.....	11,337	4,474	13,176		28,987
Interest expenses on interest-bearing liabilities.....	-595	-72	-152	B	-819
Net foreign exchange gains/losses	-364	-3			-367
Fair value adjustment of derivative financial instruments.....	265	2			267
Other financial items	-196	-242	240	D	-198
Profit before tax	10,447	4,159	13,264		27,870
Current tax expense	-301	-32	-2,026	C	-2,358
Deferred tax expense	-1,813	-966	-2,216	A	-4,995
Profit for the period.....	8,333	3,161	9,022		20,516
Other comprehensive income/loss	1,487				1,487
Comprehensive income for the period	9,820	3,161	9,022		22,003

Notes:

- (1) The financial information in respect of Heimstaden Bostad is sourced from its unaudited consolidated financial statements in respect of the six months ended 30 June 2021, incorporated by reference into the Base Prospectus.
- (2) The financial information in respect of the Akelius Portfolio is sourced from management accounts prepared by Akelius in respect of the six months ended 30 June 2021.

Adjustments (without a continuing impact on Heimstaden Bostad):

- A. External valuation of Akelius's property portfolio in connection with the Acquisitions resulting in increased fair value of SEK 13,196 million and deferred tax is increased by SEK 2,216 million
- B. Interest expenses on interest-bearing liabilities is increased by SEK 152 million to reflect committed bridge financing in Heimstaden Bostad.
- C. Transaction costs, mainly related to real estate transfer tax decreases cash and cash equivalents and equity of SEK 2,026 million.
- D. Akelius inter-company items are removed to mirror Heimstaden Bostad ownership, increasing Comprehensive income of SEK 297 million.
- E. Central administration costs are increased SEK 76 million to reflect Heimstaden Bostad ownership.

Earnings Capacity (unaudited and unreviewed)

The pro forma annual earning capacity for Heimstaden Bostad as of 30 June 2021 and taking account of the Acquisitions is presented below. The pro forma annual earning capacity is produced for illustrative purposes only, is hypothetical and may differ from Heimstaden Bostad's actual earning capacity.

It is important to note that pro forma earning capacity should not be equated with a forecast for the current year or the next twelve months. For example, pro forma earning capacity does not include an assessment of future rents, vacancies and market interest rates. In pro forma earning capacity, changes in value of properties and financial instruments, which affect Heimstaden Bostad's income statement, have not been taken into account either.

The pro forma earning capacity as of 30 June 2021 is based on the earning capacity set out in the section titled "*Description of Heimstaden Bostad – Operational Data – Potential Earnings Capacity*" in the Base Prospectus. This earning capacity is based on the properties that were owned as of 30 June 2021 and their associated financing and is based on the property portfolio, as of 30 June 2021, contracted rental income, and current property and administrative costs for the 12 months from 30 June 2021. Costs for the interest-bearing liabilities have been based on the Group's average interest rate level as of 30 June 2021, including the effect of derivative instruments.

In the pro forma earning capacity, historical data for the Acquisitions have been added to the earning capacity set out in the section titled "*Description of Heimstaden Bostad – Operational Data – Potential Earnings Capacity*" in the Base Prospectus as of 30 June 2021. The historical information has been adjusted with the expected development of Heimstaden Bostad's operations following the Acquisitions given Heimstaden Bostad's current management model, agreed capital structure at the time of the Acquisitions and owner-specific internal transactions.

Earning capacity	As at 30 June 2021 (unaudited)	
	Actual	Pro forma
	<i>(SEK millions)</i>	
Current earning capacity		
Rental income	8,575	11,264
Service income.....	613	977
Property costs	-3,713	-4,775
Net operating income	5,475	7,466
Corporate administrative expenses.....	-465	-668
Profit before financial items	5,010	6,798
Financial costs – interest-bearing liabilities	-1,091	-1,538
Profit from property management	3,919	5,260
Key data		
Net operating income margin (%).....	63.8	66.3
Interest coverage ratio (ICR) (<i>multiple</i>).....	4.6	4.4

Key Performance Indicators

In order to describe the financial effects of the Acquisitions, the selected key performance indicators (as further described in "Description of Heimstaden Bostad – Selected Key Performance Indicators – Alternative Performance Measures" in the Base Prospectus) are presented below based on the above pro forma income statement and pro forma balance sheet as at 30 June 2021.

Key Performance Indicators	As at / for six months ending 30 June 2021	
	Actual	Pro forma
	<i>(unaudited)</i>	
Loan-to-value ratio (%)	36.4	46.9
Secured loan-to-value ratio (%)	25.2	20.5
Interest coverage ratio (<i>multiple</i>)	3.9	3.8

Derivation of key data considered alternative according to the ESMA guidelines	As at / for six months ending 30 June 2021	
	Actual	Pro forma
	<i>(unaudited)</i>	
	<i>(SEK, millions unless stated)</i>	
Loan-to-value ratio (LTV) (%)		
Interest-bearing liabilities	82,949	148,671
Cash and cash equivalents	-9,244	-6,054
Net interest-bearing liabilities	73,705	142,617
Total assets	202,417	303,784
Loan-to-value ratio (%)	36.4	46.9
Secured loan-to-value ratio (%)		
Secured interest-bearing liabilities	50,985	62,322
Total assets	202,417	303,784
Secured loan-to-value ratio (%)	25.2	20.5
Interest coverage ratio (ICR) (<i>multiple</i>)		
Profit before inventory properties and fair value adjustments	2,298	3,048
Financial income	29	30
Profit before inventory properties and fair value adjustments plus financial income	2,327	3,077
Interest expenses on interest-bearing liabilities	595	819
Interest coverage ratio (ICR) (<i>multiple</i>)	3.9	3.8

Note:

⁽¹⁾ Interest coverage ratio is provided on the basis of the six months ending 30 June 2021 rather than the 12 months rolling basis used in the Base Prospectus and the Conditions. For the purposes of this Supplement only, the definition of "interest coverage ratio (rolling 12 months) (*multiple*)" on page 118 of the Base Prospectus shall be adapted to remove the reference to rolling 12 months and to refer to "profit before inventory properties and fair value adjustments" instead of "profit before financial items" and "interest expenses on interest-bearing liabilities" instead of "financial costs on interest-bearing liabilities", as these line items have been renamed since the financial statements prepared for the year ended 31 December 2020.

Heimstaden Bostad following the Acquisitions

In order to describe the financial effects of the Acquisitions, selected key performance indicators and financial information (as further described in "Description of Heimstaden Bostad – Selected Key Performance Indicators – Alternative Performance Measures" in the Base Prospectus) are presented below based on the above pro forma income statement and pro forma balance sheet as at 30 June 2021. These key performance indicators and financial information are produced for illustrative purposes only, are hypothetical and may differ from Heimstaden Bostad's actual key performance indicators and financial information.

Heimstaden Bostad has conducted an estimation of the impact of the Acquisitions. The estimated figures have been calculated based on the reported figures as at 30 June 2021 and multiple deviations such as valuation changes, foreign exchange rate changes and other minor transactions may be present between the estimated figures and final reported figures.

The below provides an overview of Heimstaden Bostad following the Acquisitions on the basis that it took place as at 1 January 2021 (in the case of income statement line items) or 30 June 2021 (in the case of balance sheet line items) and with financials presented as at / for the six months ended 30 June 2021.

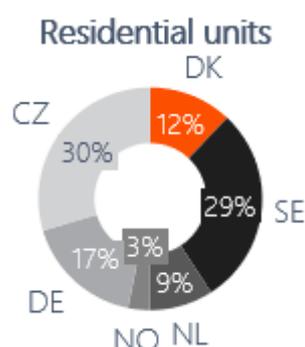
	Pro forma fair value of investment properties <i>(SEK million)</i>	Proportion of pro forma fair value	Homes	Residential share	Earnings capacity net operating income ⁽¹⁾ <i>(SEK million)</i>	Regulated income	Economic occupancy ⁽²⁾
Sweden.....	86,075	31%	41,680	87%	2,182	100%	99%
Germany	68,644	25%	24,900	92%	1,484	100%	98%
Denmark	61,267	22%	17,452	92%	1,780	16%	96%
Netherlands	24,184	9%	13,330	98%	748	68%	97%
Norway	18,842	7%	4,593	84%	480	0%	92%
Czech Republic .	15,428	6%	42,904	95%	792	34%	92%
United Kingdom	360	0%	-	-	-	-	-
Total.....	274,800		144,859	91%	7,466	64%	97%

Note:

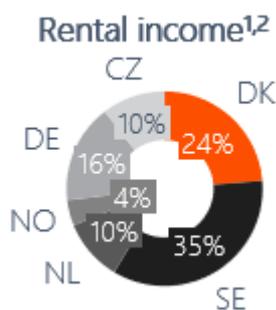
⁽¹⁾ Based on earnings capacity for the twelve months from 30 June 2021. See "Earnings Capacity (unaudited and unreviewed)" above for further information on the methodology for the calculation of earnings capacity.

⁽²⁾ Based on 30 June 2021 for Heimstaden Bostad, adjusted with net effect from the Acquisitions. Residential units only.

Set out below is the geographic distribution of residential units of the Group on a pro forma basis following the Acquisitions (figures as at 30 June 2021).

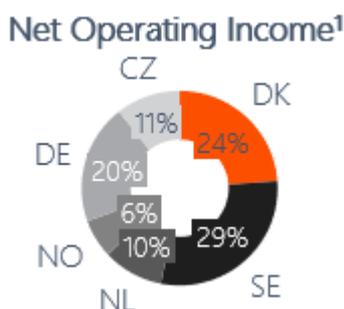


Set out below is the geographic distribution of rental income of the Group on a pro forma basis following the Acquisitions (figures as at 30 June 2021).



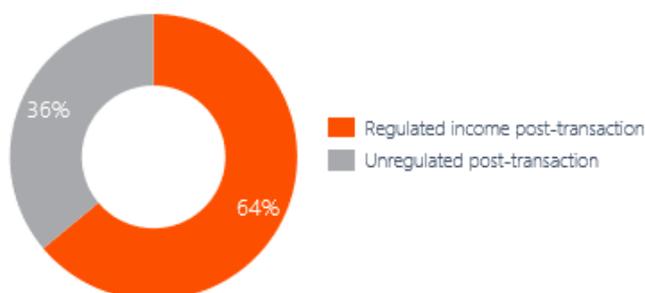
1) Based on earnings capacity for the twelve months from 30 June 2021. See "Earnings Capacity (unaudited and unreviewed)" above for further information on the methodology for the calculation of earnings capacity.
 2) Includes service charges.

Set out below is the geographic distribution of net operating income of the Group on a pro forma basis following the Acquisitions (figures as at 30 June 2021).

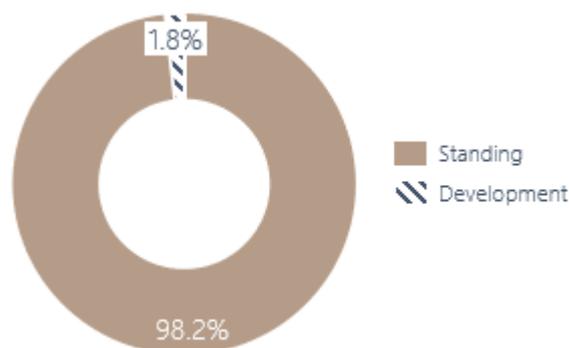


1) Based on earnings capacity for the twelve months from 30 June 2021. See "Earnings Capacity (unaudited and unreviewed)" above for further information on the methodology for the calculation of earnings capacity.

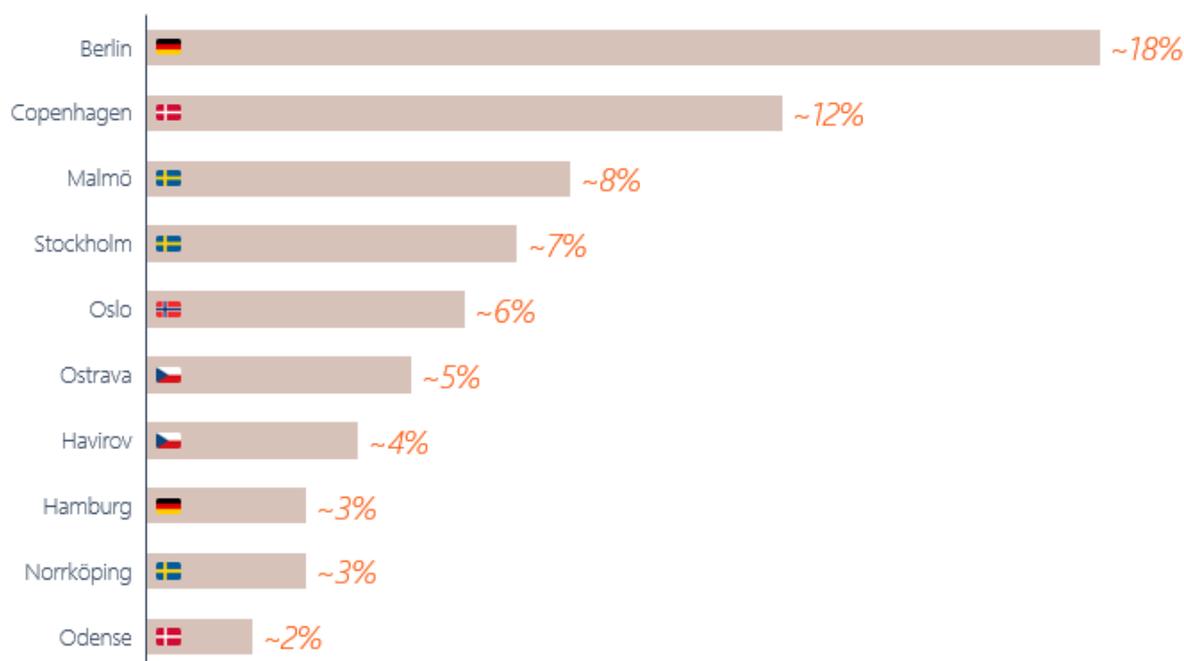
Following the Acquisitions (figures as at 30 June 2021) on a pro forma basis approximately 64% of the Group's rental income would be regulated.



Following the Acquisitions (figures as at 30 June 2021) on a pro forma basis approximately 98.2% of the Group's investment properties are estimated to be standing assets.



Following the Acquisitions (figures as at 30 June 2021) on a pro forma basis, the following 10 cities are expected to be the largest by rental income for the Group.



Derivation of certain key data by geographic segment

At the end of the section entitled "*Derivation of certain key data by geographic segment*" on page 123 of the Base Prospectus, the following tables and figures should be inserted.

Heimstaden Bostad's earnings capacity net operating income margin on a pro forma basis following the Acquisitions							
	Denmark	Sweden	Netherlands	Norway ⁽¹⁾	Czech Rep.	Germany	Total
Net operating income Heimstaden Bostad pre-Acquisitions (SEK million).....	1,695	1,443	748	480	792	317	5,475
Net operating income from the Acquisitions (SEK million).....	85	739	-	-	-	1,167	1,991
Total earnings capacity net operating income	1,780	2,182	748	480	792	1,484	7,466
Rental income Heimstaden Bostad pre-Acquisitions (SEK million).....	2,524	2,765	1,156	480	1,175	474	8,575
Rental income from the Acquisitions (SEK million).....	146	1,164	-	-	-	1,379	2,689
Total earnings capacity rental income.	2,670	3,929	1,156	480	1,175	1,853	11,264
Net operating income (%)	66.7	55.5	64.7	100.0	67.4	80.1	66.3

1) Rental income for the property portfolio in Norway is generated through a lease agreement with Heimstaden AS, a subsidiary of Heimstaden AB. Under the arrangement, Heimstaden Bostad receives lease payments, calculated as the net of rental income generated by the property less its property expenses and certain administrative costs.

	Economic occupancy ratio						Total
	Denmark	Sweden	Netherlands	Norway	Czech Rep.	Germany	
Theoretical rental income on residential units Heimstaden Bostad (<i>SEK million</i>)	1,158	1,184	566	309	584	186	3,988
Vacancy Heimstaden Bostad (<i>SEK million</i>).....	-47	-26	-17	-25	-46	-4	-165
Residential income Heimstaden Bostad (<i>SEK million</i>).....	1,111	1,159	549	284	539	182	3,822
Economic occupancy pre-Acquisitions (%).....	96%	98%	97%	92%	92%	98%	96%
Theoretical rental income on residential units Portfolio (<i>SEK million</i>).....	133	988	0	0	0	1,326	2,446
Vacancy from the Portfolio (%).....	-7	-1	0	0	0	-33	-41
Residential income from the Acquisitions (<i>SEK million</i>).....	126	986	0	0	0	1,292	2,404
Economic occupancy post-Acquisitions (%).....	96%	99%	97%	92%	92%	98%	97%

Significant Change

Save as disclosed in "*Recent Developments since 30 June 2021 – Acquisitions of Akelius portfolio in Germany, Sweden and Denmark*" in this Supplement, there has been no significant change in the financial performance or financial position of the Group since 30 June 2021.

Other Information

To the extent that there is any inconsistency between (a) any statements in or incorporated by reference into this Supplement and (b) any statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted since the publication of the Base Prospectus.

Certain figures and percentages included in this Supplement have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.