

**SUPPLEMENT NO. 2 DATED 5 NOVEMBER 2021
TO THE BASE PROSPECTUS DATED 26 AUGUST 2021**

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. 2 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 26 August 2021 (as supplemented, the "**Base Prospectus**") and supplement no.1 dated 30 September 2021 (the "**First Supplement**"), each 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) incorporate by reference the Q3 2021 Results Announcement (as defined below);
- (b) update the "*Description of Heimstaden Bostad – Group Structure*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;
- (c) update the "*Description of Heimstaden Bostad – Shareholders*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;

- (d) update the "*Description of Heimstaden Bostad – Strategy and Ambitions – Sustainability Strategy*" section of the Base Prospectus to reflect new environmental, social and governance targets;
- (e) update the "*Description of Heimstaden Bostad – Property Portfolio – Fair Value of Investment Properties*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;
- (f) update the "*Description of Heimstaden Bostad – Investment Property Portfolio*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;
- (g) update the "*Description of Heimstaden Bostad – Income*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;
- (h) update the "*Description of Heimstaden Bostad – Valuation of Investment Properties*" section of the Base Prospectus to reflect Heimstaden Bostad's entry into the Finnish market;
- (i) update the "*Description of Heimstaden Bostad – Lease Activities*" section of the Base Prospectus to reflect Heimstaden Bostad's entry into the Finnish market;
- (j) update the "*Description of Heimstaden Bostad – Finance and Capital Structure*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;
- (k) update the "*Description of Heimstaden Bostad – Board of Directors, Management and Auditors – Senior Management*" section of the Base Prospectus following publication of the Q3 2021 Results Announcement;
- (l) update the "*Description of Heimstaden Bostad – Recent Developments since 30 June 2021*" section of the Base Prospectus to reflect updated operational information, Heimstaden Bostad's entry into the Finnish market and to include pro forma financial information for the nine months ending 30 September 2021 following 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);
- (m) update the "*Selected Key Performance Indicators*" section of the Base Prospectus following the publication of the Q3 2021 Results Announcement and to explain certain pro forma key performance indicators;
- (n) add a new section entitled "*Pro Forma Financial Information in respect of the Akelius Portfolio Acquisition in Germany, Sweden and Denmark*" to the Base Prospectus following the publication of the Q3 2021 Results Announcement; and
- (o) following the publication of the Q3 2021 Results Announcement, update the statement of no significant change for the Group.

Incorporation of information by reference

By virtue of this Supplement, Heimstaden Bostad's interim results announcement, including the unaudited and reviewed consolidated financial statements as at and for the nine months ended 30 September 2021 (the "**Q3 2021 Results Announcement**") (which is available for viewing at <https://vp289.alertir.com/afw/files/press/heimstadenbostad/202110212636-1.pdf>), which was filed with the Central Bank, shall be incorporated in, and form part of, the Base Prospectus.

Group Structure

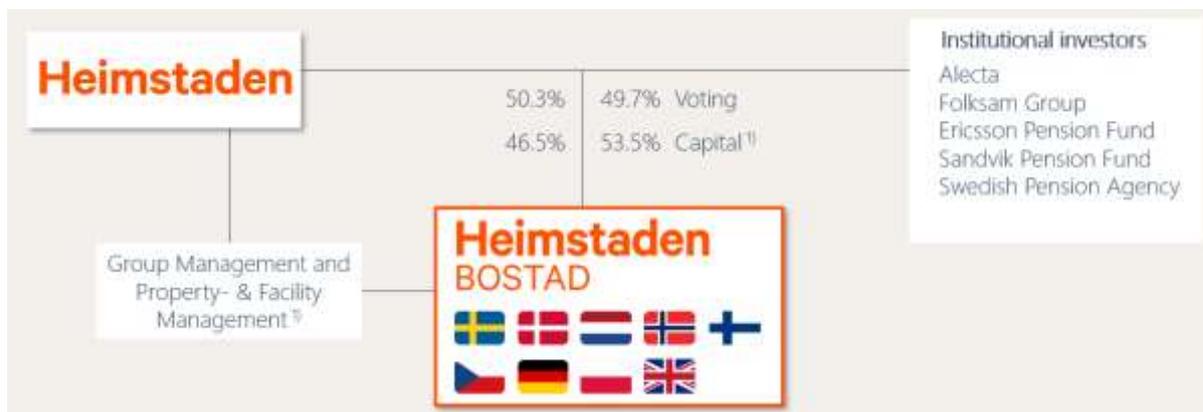
The section entitled "*Group Structure*" beginning on page 91 of the Base Prospectus shall be deleted and replaced with the following:

"Heimstaden Bostad's ownership structure (based on voting rights) is as follows as at 30 September 2021:

- Heimstaden (through subsidiary), 50.3%;
- Alecta, 41.2%;
- Folksam Group, 5.5%;
- Ericsson Pension Fund, 1.7%;
- Sandvik Pension Fund, 0.6%;
- Swedish Pensions Agency, 0.6%; and
- Heimstaden management, 0.1 %.

Heimstaden's majority owner is Fredensborg AS, a Norwegian residential real estate group wholly owned by Ivar Tollefsen.

The illustration below provides an overview of the ownership structure of Heimstaden Bostad based on voting rights and total capital as at 30 September 2021.



Note:

⁽¹⁾ Capital means Heimstaden Bostad's net asset value excluding non-controlling interest and hybrid bonds with accrued interest."

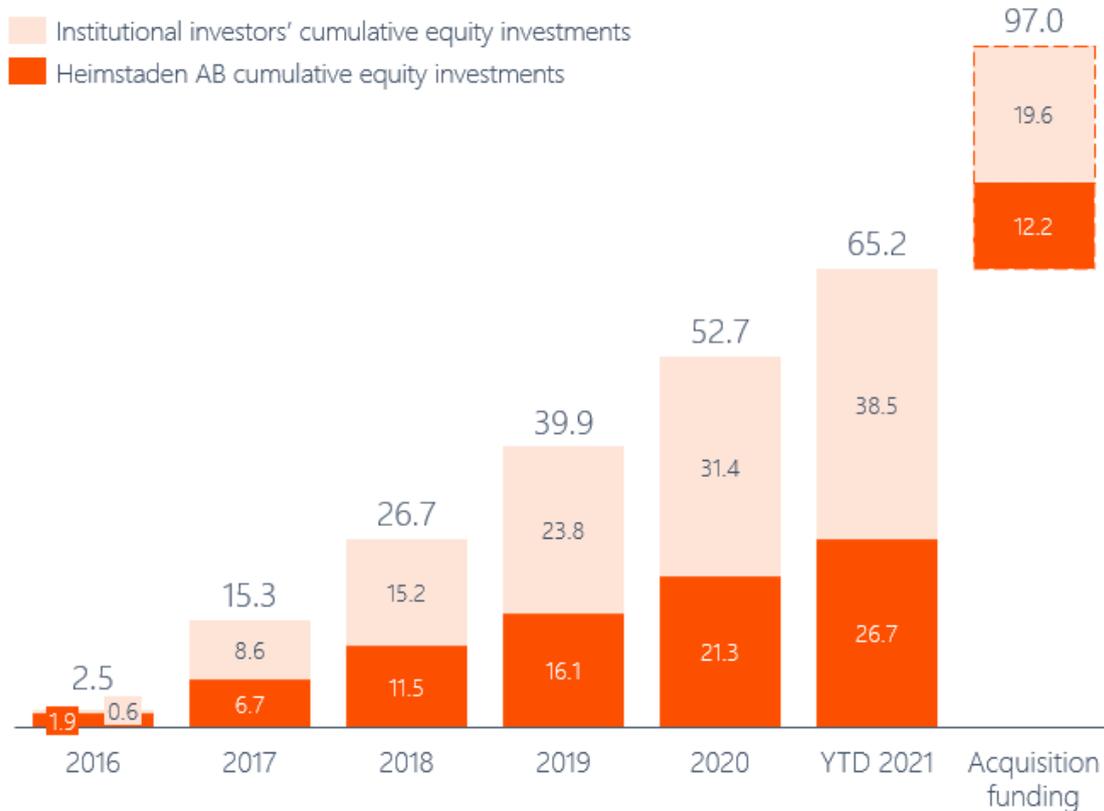
Shareholders

Equity

- (a) The paragraph and graph entitled "*The graph below shows the unaudited cumulative historical equity investment (SEK billions) made by the Group's institutional investors and Heimstaden from 2015 to 30 June 2021*" beginning on page 93 of the Base Prospectus shall be deleted and replaced with the following:

"The graph below shows the unaudited cumulative historical equity investment (SEK billions) made by the Group's institutional investors and Heimstaden from 2016 to 30 September 2021.

Cumulative equity injections and committed capital (2016 – 30 September 2021, unaudited)



Note:

Acquisition funding is committed, not yet injected, and relates to the announced signing of the acquisition of Akelius Residential Property AB (publ)'s ("Akelius") portfolios in Germany, Sweden, and Denmark. 2016 excludes shareholder loans of SEK 4.2 billion."

- (b) The section entitled "*Capital Distribution*" on page 94 of the Base Prospectus shall be deleted and replaced with the following:

"Capital distribution

The total capital (unaudited) of Heimstaden Bostad as at 30 September 2021 and its distribution between its shareholders is presented in the table below:

Shareholders	Capital ⁽¹⁾ (SEK million)	Proportion of total capital ⁽¹⁾ (%)	Proportion of voting rights (%)
Heimstaden (through subsidiary).....	43,404	46.5	50.3
Alecta.....	41,402	44.4	41.2
Folksam Group.....	5,480	5.9	5.5
Ericsson Pension Fund.....	1,771	1.9	1.7
Sandvik Pension Fund.....	619	0.7	0.6
Swedish Pensions Agency.....	583	0.6	0.6
Heimstaden management.....	56	0.1	0.1
Total	93,314	100	100

Note:

⁽¹⁾ Capital means Heimstaden Bostad's net asset value excluding non-controlling interest and hybrid bonds with accrued interest. "

Sustainability Strategy

At the end of the section entitled "*Sustainability strategy*" on page 96 of the Base Prospectus, the following shall be inserted:

"Heimstaden Bostad has set new environmental, social and governance targets

Heimstaden Bostad has set new sustainability targets and intends to invest SEK 5 billion to reduce the Group's greenhouse gas emissions by at least 46% by 2030, in line with the 2015 Paris Agreement ambition to limit global warming to 1.5 degrees Celsius. Heimstaden Bostad is committed to the Science Based Targets initiative ("**SBTi**") and has sent the new targets to SBTi for verification. The new targets include:

- reducing the Group's scope 1 and scope 2 (each as defined in the Greenhouse Gas Protocol) greenhouse gas emissions by at least 46% by 2030 (2019 baseline);
- reducing the amount of purchased energy by 2% on average annually until 2025 (like-for-like basis, 2019 baseline); and
- requiring that suppliers of at least 70% of the Group's scope 3 (each as defined in the Greenhouse Gas Protocol) emissions will set science-based targets by 2025.

The overview below describes Heimstaden Bostad's sustainability targets:

ESG	Focus	Current target
	Sustainable Operations	Reduce absolute scope 1 & 2 greenhouse gas emissions by at least 46% by 2030 (2019 base year) Reduce the amount of purchased energy by, on average, 2% per year till 2025 (like for like basis, 2019 baseline) At least 1% reduced water consumption per sqm and year until 2030 (like-for-like, baseline 2019)
	Sustainable R&M and new construction	Ecosystem services shall be evaluated for all new builds and major projects, at least the same amount of ecosystem services, or more, must be recreated Include renewable energy generation in all newbuilds
	Workplace & employees	Employee survey by 2023: 8.5 for leadership, job satisfaction, and temperature (1-10) 65 on eNPS by 2023 (-100 to 100) 0% work related sick leave in 2023; 0% work related injuries in 2023 Gender equality in Group Management Team (40%-60%)
	Friendly Homes & Customer Care	Annual customer survey by 2023: total service: 80%, treatment: 86 % (0-100%) At least 3% of apartments consists of social lease contracts ¹ by 2023 (focus on people in exclusion)
	Neighborhoods & Society	On an annual basis, at least 3-4% of employees shall be trainees (focus on people in exclusion) 100 young adult jobs each year as student job and summer jobs (group wide)
	Leadership & Supervision	100% of employees have signed the Code of Conduct for Employees and have completed training by 2021 100% of contractors and suppliers have signed the Code of Conduct for business partners by 2023 Require that suppliers covering at least 70% of scope 3 emissions will set science-based targets by 2025
	Fair, Transparent & Trustworthy	No incidents of confirmed discrimination No incidents of confirmed corruption

Note:

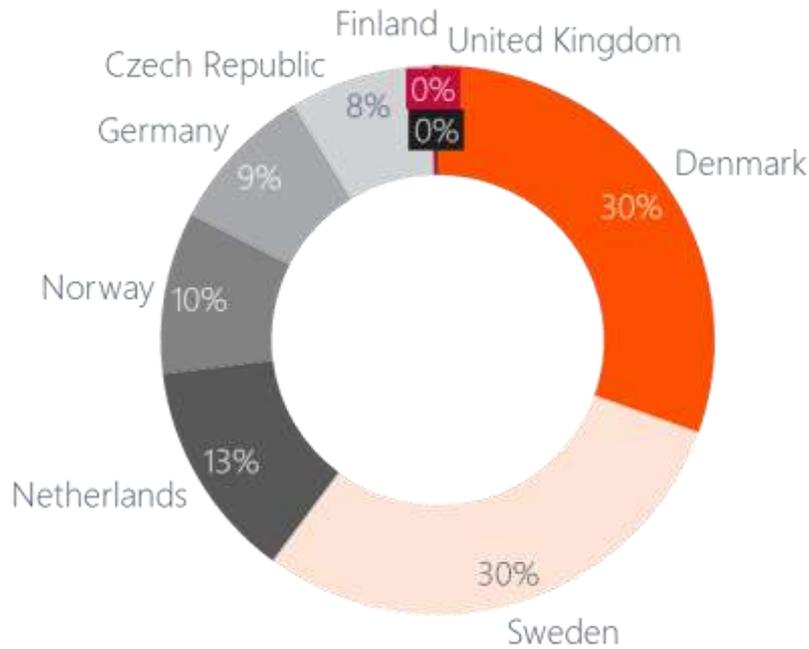
⁽¹⁾ Social lease contracts are lease contracts under which non-governmental organisations or municipalities lease apartments from Heimstaden Bostad to in turn be leased through these organisations to those who are socio-economically challenged (e.g., Salvation Army, labour migrants, care organizations)."

Fair Value of Investment Properties

At the end of the section entitled "*Fair Value of Investment Properties*" on page 98 of the Base Prospectus the following shall be inserted:

"The chart below shows the unaudited fair value of investment properties of the Group in the markets in which the Group operates as a percentage of the unaudited total fair value of investment properties of the Group as at 30 September 2021.

Geographic distribution of fair value of investment properties (SEK 198,543 million) as at 30 September 2021 (unaudited) (%)

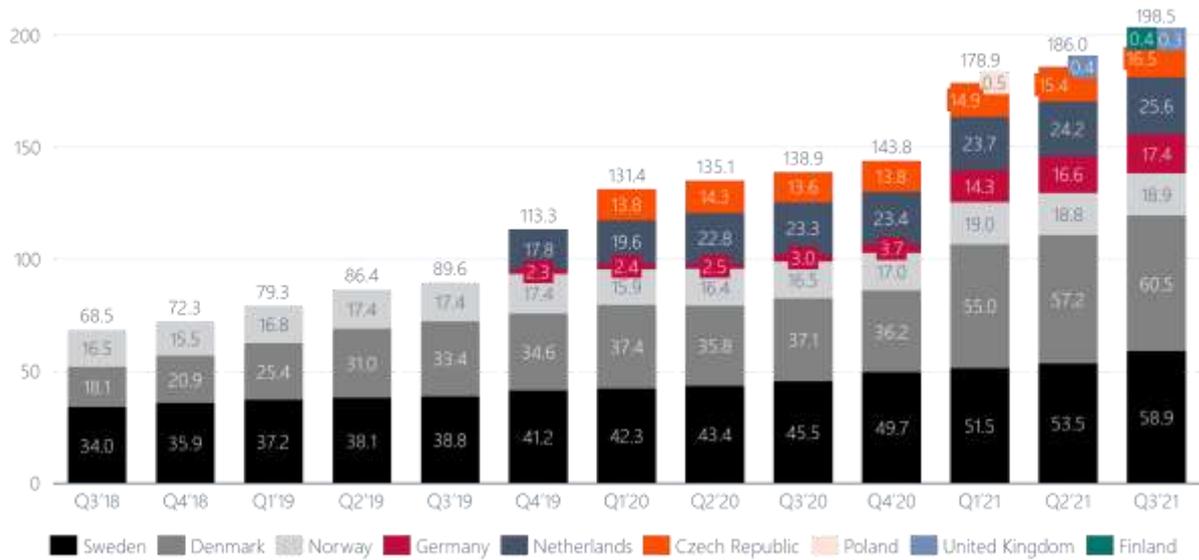


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Investment Property Portfolio

Immediately after the chart entitled "*The stacked column chart below shows the unaudited development in the fair value of investment properties over time from as at 30 June 2018 until as at 30 June 2021*" on page 100 of the Base Prospectus the following shall be inserted:

"The stacked column chart below shows the unaudited development in the fair value of investment properties (SEK billion) over time from as at 30 September 2018 until as at 30 September 2021.



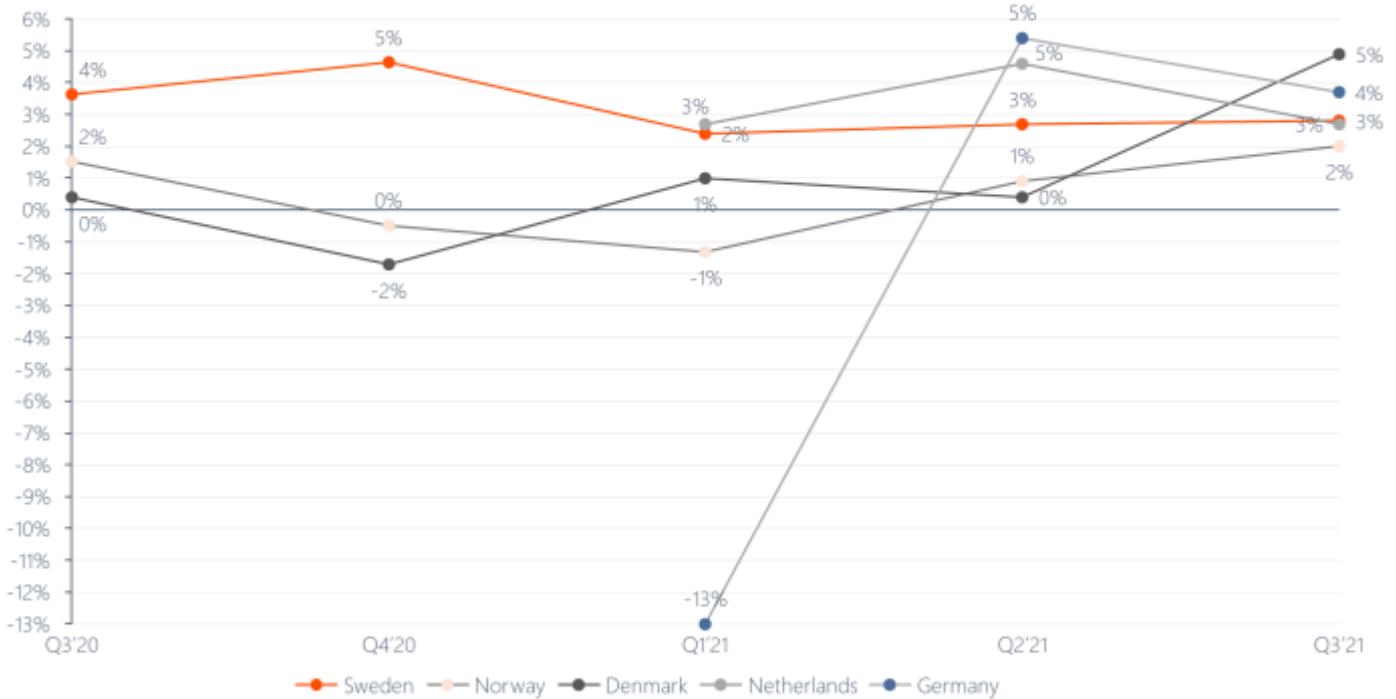
".

Income

- (a) Immediately after the chart entitled "Like-for-like rental growth by geographic segment" on page 101 of the Base Prospectus the following shall be inserted:

"The line chart below shows the historical quarterly like-for-like rental growth by geographic segment for the period between 30 September 2020 and 30 September 2021.

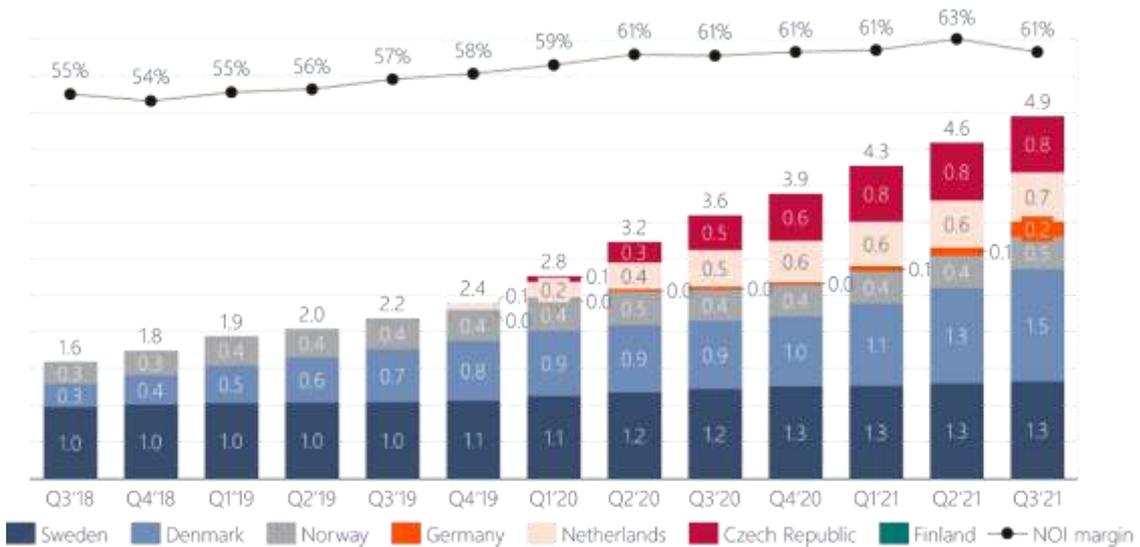
Like-for-like rental growth by geographical segment (%)



”

- (b) At the end of the section entitled "Net Operating Income" on page 102 of the Base Prospectus, the following shall be inserted:

"The column chart below shows the unaudited twelve months rolling net operating income (SEK billion) during the period from the twelve months ending 30 September 2018 until the twelve months ending 30 September 2021. In addition, the line value shows Heimstaden Bostad's total unaudited twelve months rolling net operating income margin, expressed as a percentage, from the twelve months ending 30 September 2018 until the twelve months ending 30 September 2021.



”

Valuation of Investment Properties

At the end of the section entitled "*Valuation of Investment Properties*" on page 104 of the Base Prospectus the following shall be inserted:

"CBRE Finland value Finnish assets on a quarterly basis. The assets are valued based on the re-letting scenario. The valuations are hereafter based only on the highest value from the re-letting scenario."

Lease Activities

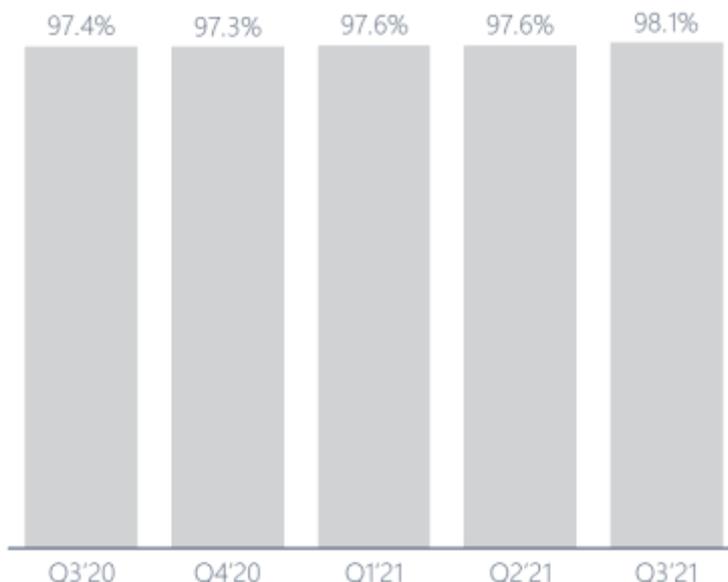
- (a) At the end of the section entitled "*Lease Activities*" above the heading "*Real economic occupancy, residential*" on page 106 of the Base Prospectus the following shall be inserted:

"In Finland, rental properties are either "liberalised" (free market rent) or "ARA regulated" (rent control). A unit is classified as "ARA regulated" if it is part of an asset which was built using state subsidies and/or loans guaranteed by the state. A unit remains "ARA regulated" until the loan is repaid and/or when the regulation expires (typically between 30 to 40 years). All other units are non-regulated and there are no restrictions on rent level or lease term. Leases are typically CPI-linked. Heimstaden Bostad currently targets and owns only liberalised units."

- (b) The section entitled "*Real economic occupancy, residential*" on page 106 of the Base Prospectus shall be deleted and replaced with the following:

"Real economic occupancy, residential

The chart below shows the Group's unaudited real economic occupancy, expressed as a percentage, for the period between the three months ending 30 September 2020 and the three months ending 30 September 2021.

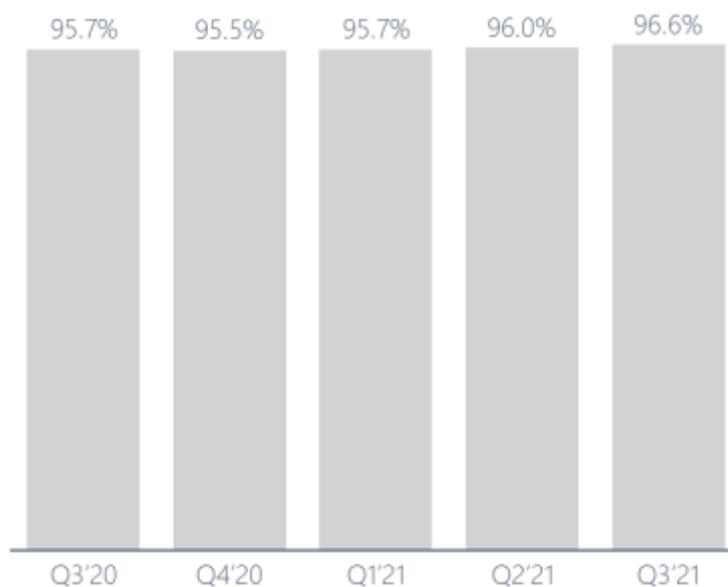


".

- (c) The section entitled "*Economic occupancy, residential*" on pages 106 to 107 of the Base Prospectus shall be deleted and replaced with the following:

"Economic occupancy, residential"

The chart below shows the Group's unaudited economic occupancy, expressed as a percentage, for the period between the three months ending 30 September 2020 and the three months ending 30 September 2021.



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Finance and Capital Structure

- (a) The section entitled "*Funding Strategy*" on pages 108 to 109 of the Base Prospectus shall be deleted and replaced with the following:

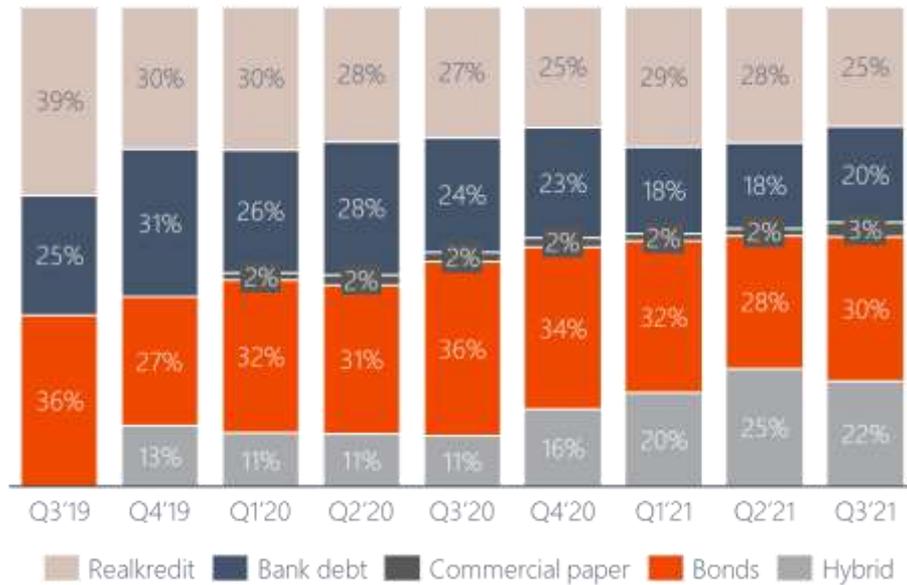
"Funding Strategy

Owning and operating residential real estate requires stable and favourable access to capital. Heimstaden Bostad adheres to conservative financial policies that support the Group's long-term strategy and aims to maintain a diversified financing structure with a robust balance sheet and strong credit metrics. Operations are funded using a combination of shareholders' equity, interest-bearing liabilities and other liabilities and cash flow."

- (b) The paragraph and graph entitled "*The chart below shows an overview of the Group's funding distribution from the three months ending 30 June 2019 to the three months ending 30 June 2021*" on page 109 of the Base Prospectus shall be deleted and replaced with the following:

"The chart below shows an overview of the Group's funding distribution, expressed as a percentage, from the three months ending 30 September 2019 to the three months ending 30 September 2021.

Funding distribution, % (three months ending 30 September 2019 – three months ending 30 September 2021, unaudited)

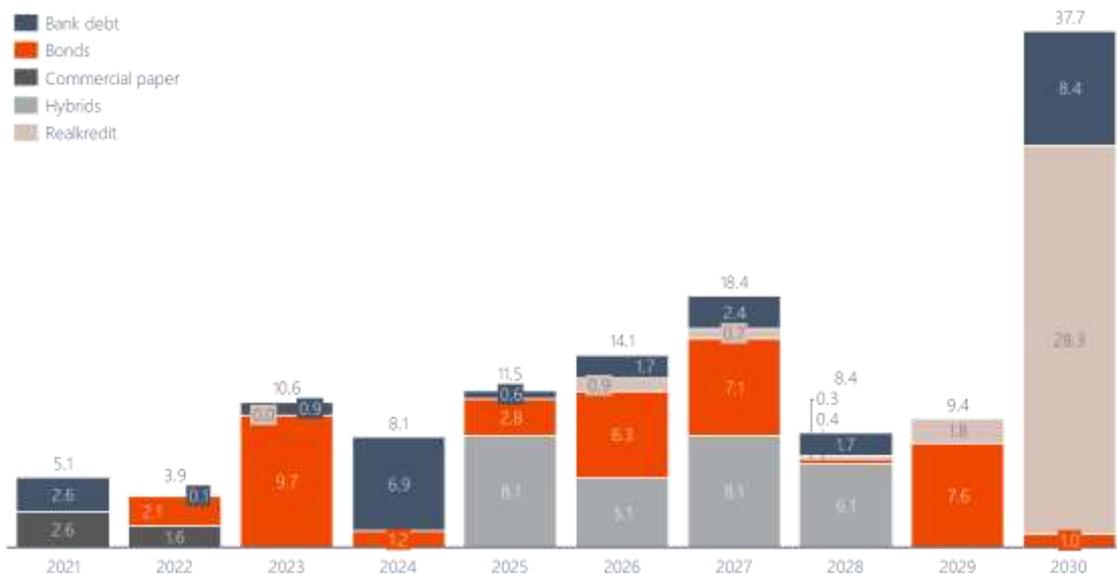


".

- (c) The paragraph and graph entitled *"The chart below shows an overview of the Group's funding maturity profile from the unaudited figures as at 30 June 2021"* on pages 109 to 110 of the Base Prospectus shall be deleted and replaced with the following:

"The chart below shows an overview of the Group's funding maturity profile (in SEK billion) from the unaudited figures as at 30 September 2021. Note hybrid instruments are perpetual and therefore the first reset date is shown as the maturity in the chart below.

Maturity profile (as at 30 September 2021, unaudited)

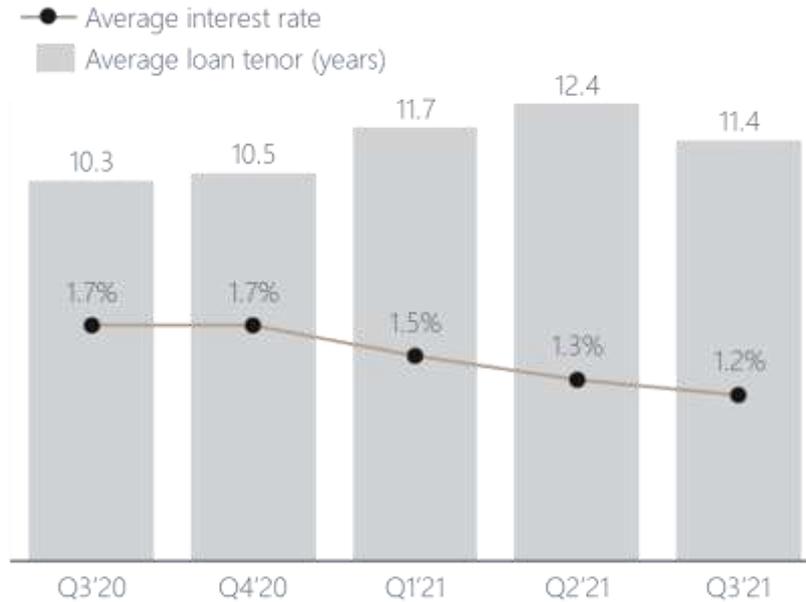


".

- (d) The paragraph and graph entitled "*The chart below shows an overview of the Group's average interest rate and average loan tenor (years) from the unaudited figures from the year ending 31 December 2017 to the six months ending 30 June 2021*" on pages 109 and 110 of the Base Prospectus shall be deleted and replaced with the following:

"The chart below shows an overview of the Group's average interest rate, expressed as a percentage, and average loan tenor (years) from the unaudited figures from the three months ending 30 September 2020 to the three months ending 30 September 2021.

Average interest rate and average loan tenor (three months ending 30 September 2020 – three months ending 30 September 2021, unaudited)

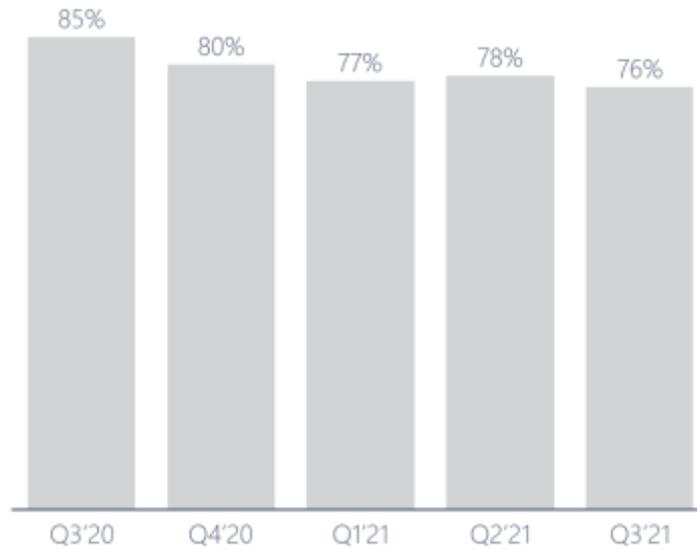


".

- (e) Immediately after the chart entitled "*Hedge ratio (2017 – Half Year 2021, unaudited)*" on page 110 of the Base Prospectus, the following shall be inserted:

"The chart below shows an overview of the Group's interest rate hedge, expressed as a percentage, from the unaudited figures from the three months ending 30 September 2020 to the three months ending 30 September 2021.

Hedge ratio (three months ending 30 September 2020 – three months ending 30 September 2021, unaudited)



".

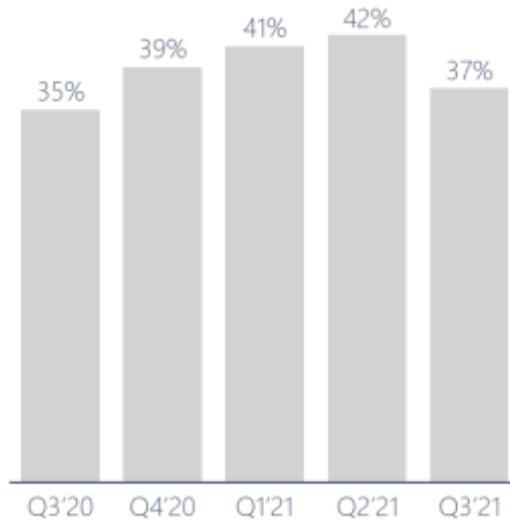
- (f) The paragraph and chart entitled "*The chart below shows the Group's unencumbered properties ratio from the three months ending 30 June 2020 to the three months ending 30 June 2021*" on page 111 of the Base Prospectus shall be deleted and replaced with the following:

"The table below shows the Group's unencumbered properties ratio (value of unencumbered properties as a proportion of total property value), expressed as a percentage, by country as at 30 September 2021.

Country	Unencumbered properties ratio
	(%)
Denmark.....	4.3
Sweden.....	57.7
The Netherlands.....	9.1
Germany.....	1.6
Czech Republic.....	100.0
Norway.....	94.4
Finland.....	100.0
The United Kingdom.....	100.0
Total.....	37.4

The chart below shows the Group's unencumbered properties ratio, expressed as a percentage, from the three months ending 30 September 2020 to the three months ending 30 September 2021.

Unencumbered properties ratio (three months ending 30 September 2020 – three months ending 30 September 2021, unaudited)



".

- (g) The paragraph and chart entitled "*The chart below shows the Group's secured loan-to-value ratio from the three months ending 30 June 2020 to the three months ending 30 June 2021.*" on pages 112 to 113 of the Base Prospectus shall be deleted and replaced with the following:

"The chart below shows the Group's secured loan-to-value ratio, expressed as a percentage, from the three months ending 30 September 2020 to the three months ending 30 September 2021.

Secured loan-to-value ratio (three months ending 30 September 2020 – three months ending 30 September 2021, unaudited)



".

Senior Management

The section entitled "*Senior Management*" commencing on page 114 of the Base Prospectus shall be amended by:

- (a) amending Helge Krogsbøl's title to "co-Chief Operating Officer and Deputy Chief Executive Officer"; and
- (b) adding the following at the end of the section:

"Eddo Rats, co-Chief Operating Officer

Previously held the position of Country Manager in Heimstaden Netherlands. Eddo will share the position with the company's existing Chief Operating Officer and Deputy CEO, Helge Krogsbøl. Previous experience: Heimstaden Netherlands, Vesteda Investment Management, de Alliantie."

Recent Developments since 30 June 2021

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

"HBT has issued EUR 2.75 billion of senior unsecured bonds and Heimstaden Bostad has issued EUR 600 million of hybrid bonds

On 13 October 2021, HBT issued EUR 2.75 billion of fixed rate senior unsecured bonds with maturities of 3, 6.5 and 10 years, in each case guaranteed by Heimstaden Bostad and on the same date Heimstaden Bostad issued EUR 600 million of subordinated perpetual hybrid bonds with an initial annual fixed rate of 3.625% and a first reset period of 5.25 years.

Heimstaden Bostad intends to use the proceeds of these bond issuances to fund the recently announced acquisition of Akelius' residential properties in Germany, Sweden, and Denmark and to reduce the commitments under the bridge financing entered into by Heimstaden Bostad and underwritten by Deutsche Bank Aktiengesellschaft, J.P. Morgan AG, certain other Dealers and certain additional banks (the "**Bridge**").

Heimstaden Bostad has bought shares in the listed Finnish residential company Kojamo Oyj

On 1 November 2021, Heimstaden Bostad bought 13,442,000 shares in Kojamo Oyj, a listed Finnish residential company. Following the purchase, Heimstaden Bostad owns just above 10% of shares of Kojamo Oyj.

Acquisitions of Akelius portfolio in Germany, Sweden and Denmark

Heimstaden Bostad has received final merger clearance for the Acquisitions (as defined in the First Supplement)

On 27 October 2021, Heimstaden Bostad confirmed that it had received final merger clearance and that all regulatory approvals had been received in relation to the Acquisitions in Germany, Sweden, and Denmark. The Acquisitions are scheduled to complete on 1 December 2021.

Property stock

The following table provides an overview of the Portfolio (as defined in the First Supplement), as at 30 September 2021.

	Pro forma fair value of investment properties ⁽¹⁾	Proportion of fair value	Homes	Average unit size (square metres)	Economic occupancy ⁽²⁾	Regulated income	Earning capacity ⁽³⁾	
							Rental income ⁽⁴⁾	Net operating income ⁽⁵⁾
	(SEK million)						(SEK million)	(SEK million)
Sweden.....	32,852	36.8%	10,041	69	100.0%	100%	1,194	752
Germany	52,341	58.6%	17,642	61	96.7%	100%	1,399	1,184
Denmark	4,140	4.6%	1,093	81	97.7%	90%	142	72
Total	89,333	100%	28,776	65	98.1%	99%	2,735	2,008

Note:

(1) See note F to the pro forma balance sheet set out below.

(2) Residential units only.

(3) This information is an earning capacity based on properties in the Portfolio as at 30 September 2021 and is based on the property portfolio, as of 30 September 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 September 2021, excluding service income charges.

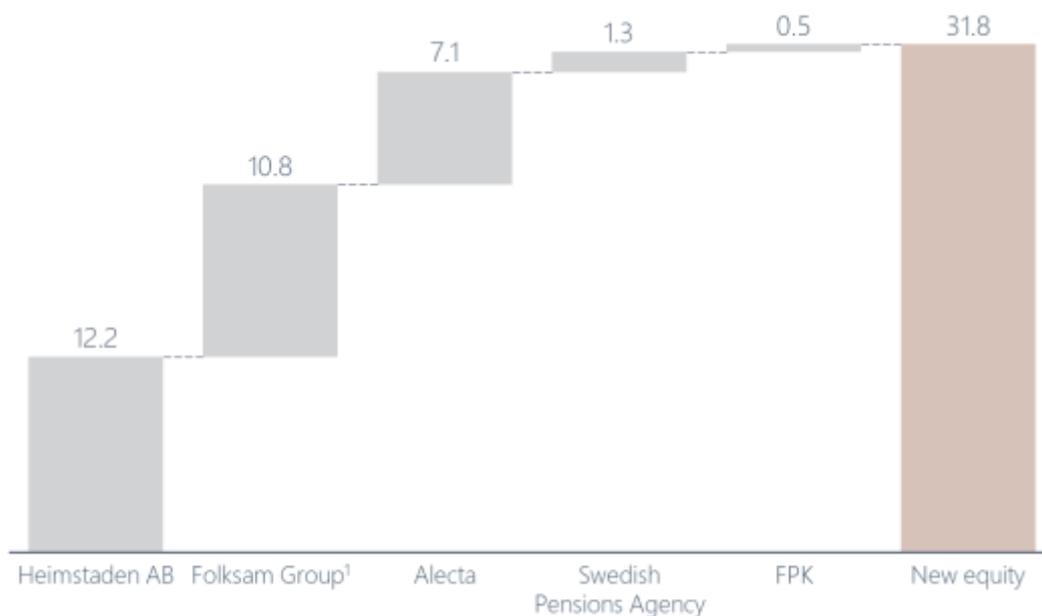
(5) Net operating income capacity for the twelve months from 30 September 2021.

Financing of the Acquisitions

The Acquisitions are to be financed through a mix of equity, existing cash and the Bridge. The following sources and uses are expected (SEK billion) as at the date of this Supplement.



The equity part of the financing is expected to have the following contributions from existing and new shareholders (in SEK billion) as at the date of this Supplement. Since the signing of the Acquisitions, Försäkringsbranschens Pensionskassa ("FPK"), a new equity investor in Heimstaden Bostad, has committed to invest SEK 500 million of equity, Heimstaden AB has increased its commitment by SEK 3.7 billion and Folksam Group has increased its commitment by SEK 2.75 billion.



Note:

⁽¹⁾ Various parts of the Folksam Group, such as KPA Pension.

Heimstaden Bostad following the Acquisitions

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 September 2021 (in the case of balance sheet line items) and with financials presented as at or for the nine months ended 30 September 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.

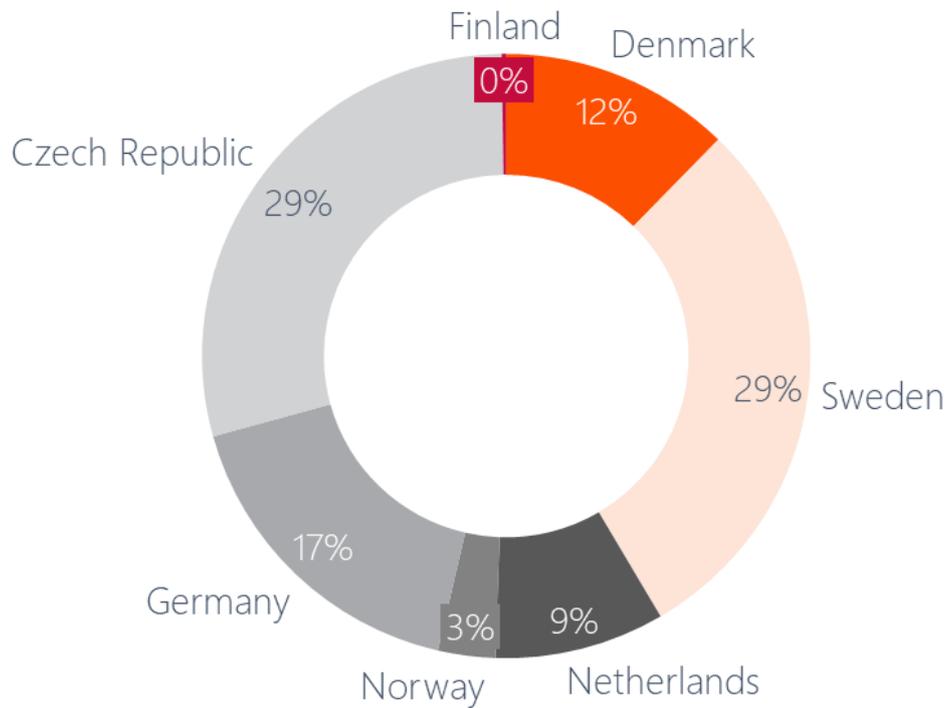
	Pro forma fair value of investment properties	Proportion of pro forma fair value	Homes	Earnings capacity net operating income⁽¹⁾	Regulated income	Economic occupancy⁽²⁾
	<i>(SEK million)</i>			<i>(SEK million)</i>		
Sweden	91,785	31.9%	43,102	2,195	100.0%	98.6%
Germany	69,747	24.2%	25,199	1,508	100.0%	96.8%
Denmark	64,629	22.5%	18,105	1,888	15.3%	96.5%
Netherlands	25,566	8.9%	13,321	757	68.0%	97.1%
Norway	18,909	6.6%	4,493	497	0.0%	92.5%
Czech Republic ...	16,511	5.7%	42,819	796	34.2%	92.3%
Finland	397	0.1%	351	20	0.0%	96.1%
United Kingdom .	332	0.1%	-	-	-	-
Total.....	287,876		147,390	7,661	64.7%	96.6%

Note:

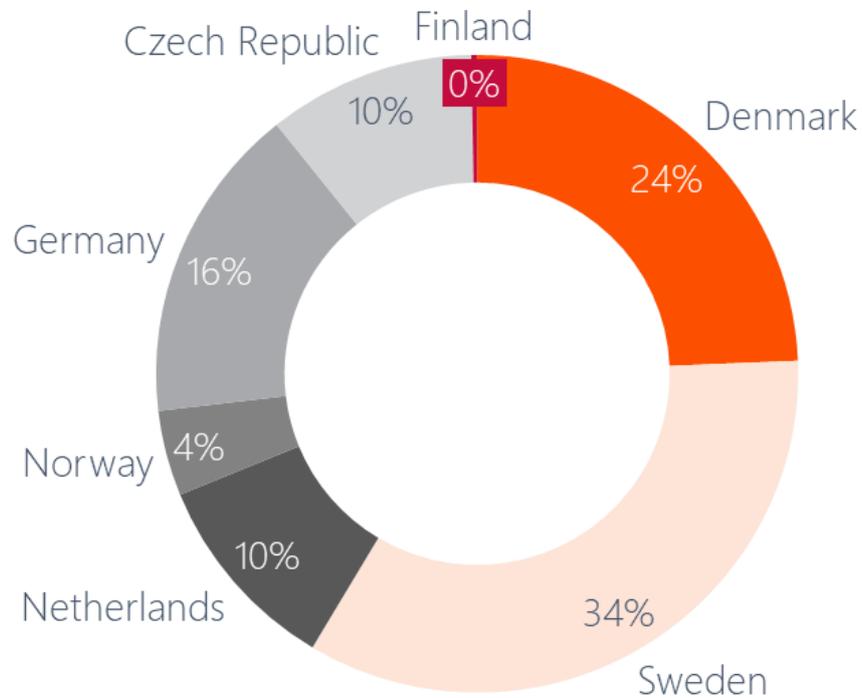
(1) Based on earnings capacity for the twelve months from 30 September 2021. See "Earnings Capacity" below for further information on the methodology for the calculation of earnings capacity.

(2) Based on 30 September 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 September 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 September 2021.^{1,2}

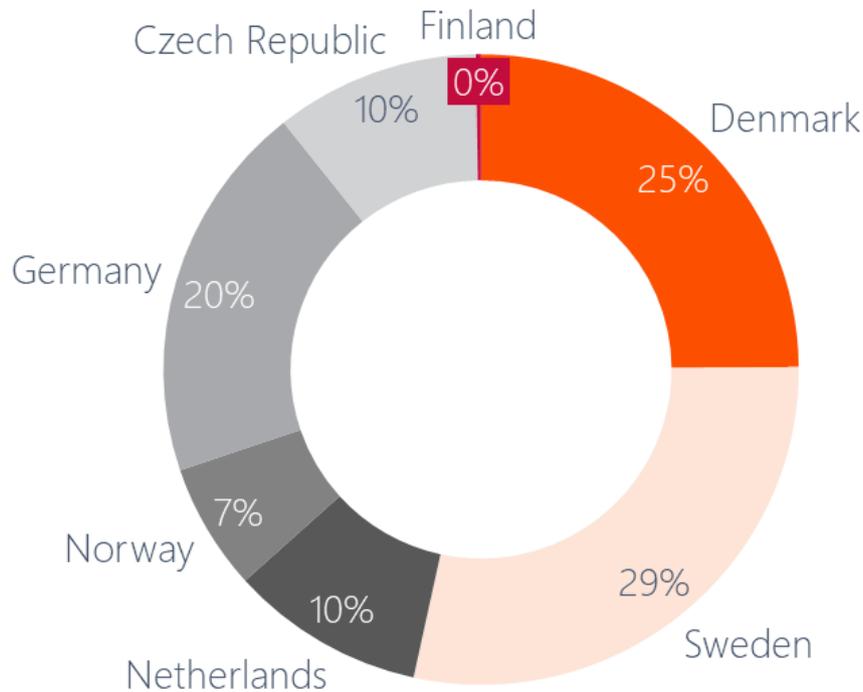


Notes:

(1) Based on earnings capacity for the twelve months from 30 September 2021. See "Earnings Capacity" below for further information on the methodology for the calculation of earnings capacity.

(2) Includes service charges.

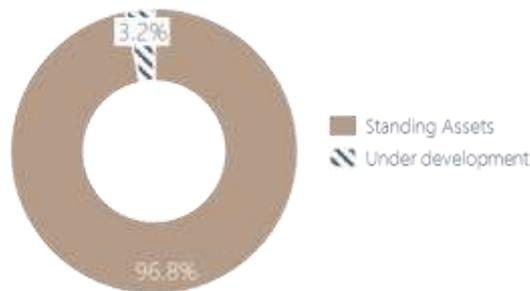
Set out below is the geographic distribution of net operating income of the Group on a pro forma basis following the Acquisitions, figures as at 30 September 2021.¹



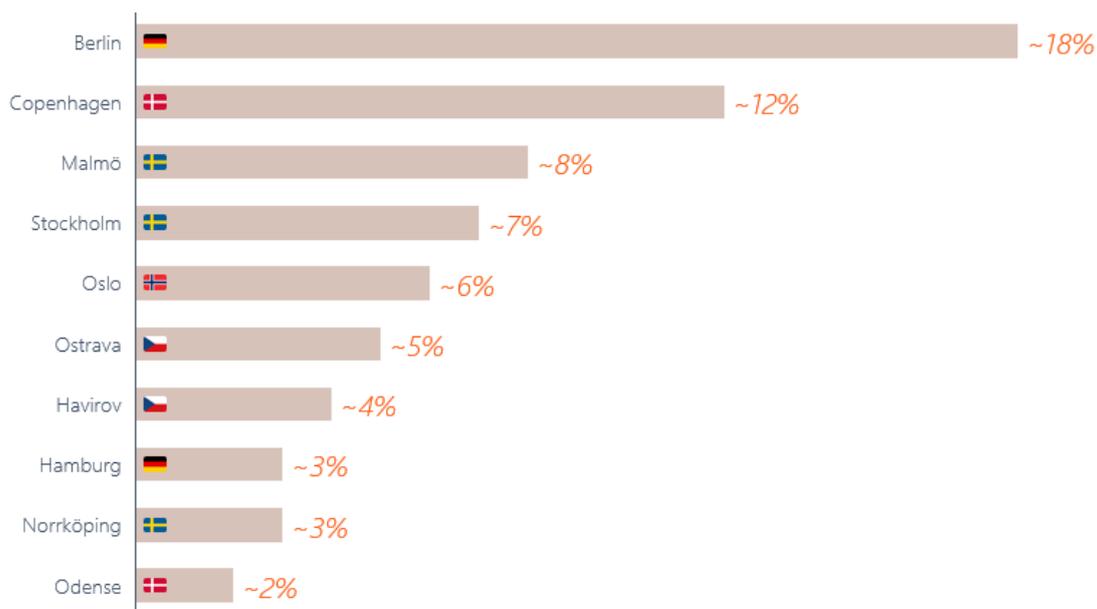
Note:

(1) Based on earnings capacity for the twelve months from 30 September 2021. See "Earnings Capacity" below for further information on the methodology for the calculation of earnings capacity.

Following the Acquisitions on a pro forma basis approximately 96.8% of the Group's investment properties are estimated to be standing assets, figures as at 30 September 2021.



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



"

Selected Key Performance Indicators

- (a) The tables under the heading "Key Performance Indicators" on page 120 of the Base Prospectus shall be amended to insert the following rows as a continuation of the relevant table:

"

	As at / for the nine months ending (unless otherwise stated) 30 September	
	2021 (unaudited)	2020 (unaudited)
Property related key data		
Net operating income margin (%).....	64.2	63.1
Economic occupancy, residential (%).....	96.1	95.9
Real economic occupancy, residential (%).....	97.8	97.7
Proportion residential fair value on balance sheet date (%).....	93	93
Financial key data		
Cash flow from operating activities after changes in working capital (SEK million).....	3,293	2,550
Interest coverage ratio (rolling 12 months) (multiple)	3.9	2.9
Interest coverage ratio, (S&P method) (rolling 12 months) (multiple) ..	3.0	2.5
Net loan-to-value ratio (%).....	42.9	46.6
Secured loan-to-value ratio (%).....	24.8	27.2
Net debt / Net debt + Equity (S&P method) (%)	50.1	51.0
Net debt to total assets (%).....	37.7	42.8
Equity ratio (%).....	50.7	47.5
Average interest rate (%).....	1.2	1.7
The average remaining term of fixed interest in the loan portfolio, including derivatives (years)	3.2	2.9
Average loan tenor (years)	11.4	10.3
Net asset value on the balance sheet date (SEK million).....	121,563	75,639
Debt / EBITDA (rolling 12 month) (multiple).....	18.9	20.2

Profit before inventory properties and fair value adjustments ⁽¹⁾ (SEK million)	3,564	2,655
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Notes:

⁽¹⁾ Prior to 31 March 2021, reported as profit from property management

- (b) The table under the heading "*Financial Policy*" on page 120 of the Base Prospectus shall be amended to insert the following rows as a continuation of the table:

"

Financial Policy	Financial Policy Targets	As at 30 September	
		2021	2020
		(unaudited)	(unaudited)
Interest coverage ratio, rolling 12 months	≥ 1.5	3.9	2.9
Equity ratio (%)	≥ 30	50.7	47.5
Average loan tenor (months)	≥ 15	137	123
Loan maturity in individual year (%).....	≤ 40	14	14
Share of loans from individual lender (%)	≤ 40	12	12
Interest rate hedge (%).....	≥ 75	76	85
Net Debt / Net Debt + Equity, S&P			
Method (%) ⁽¹⁾	45-55	50.1	51
Quick ratio ⁽²⁾	≥ 125	133	226

Notes:

⁽¹⁾ The Net debt to net debt + equity ratio is calculated on the basis of the S&P classification of Heimstaden Bostad's outstanding hybrid capital as being 50% debt and 50% equity, rather than the IFRS classification of the same instrument as being 100% equity.

⁽²⁾ The quick ratio is calculated as cash and bank balance, including available credit facilities divided by forecast net liquidity needs over the ensuing 12 months, in accordance with S&P's guidelines. "

- (c) The table under the heading "*Derivation of key data considered alternative according to the ESMA guidelines*" on pages 121 to 122 of the Base Prospectus shall be amended to insert the following rows as a continuation of the table:

	As at / for the nine months ending (unless otherwise stated) 30 September	
	2021	2020
	(unaudited)	(unaudited)
	<i>(SEK million unless otherwise stated)</i>	
Economic occupancy (%)		
Rental income from residential units	6,087	4,624
Theoretical rental income on vacant units	-236	-192
Theoretical rental income on residential units	5,851	4,432
Economic occupancy (%).....	96.1	95.9
Real economic occupancy ratio, residential (%)		
Theoretical rental income on residential units	5,851	4,432
Adjusted for non-market vacancy	-132	-110
Adjusted theoretical rental income	5,654	4,322
Real economic occupancy ratio, residential (%).....	97.8	97.7
Net operating income margin (%)		
Net operating income.....	3,988	2,934
Rental income.....	6,217	4,653

	As at / for the nine months ending (unless otherwise stated) 30 September	
	2021 (unaudited)	2020 (unaudited)
Net operating income margin (%)	64.2	63.1
Profit before financial items plus financial income (rolling 12 months)		
Profit before financial items	4,497	3,307
Financial income.....	68	84
Profit before financial items plus financial income (rolling 12 months)	4,566	3,391
Interest coverage ratio (rolling 12 months) (multiple)		
Profit before financial items plus financial income.....	4,566	3,391
Financial costs – Interest-bearing liabilities.....	1,161	1,190
Interest coverage ratio (rolling 12 months) (multiple)	3.9	2.9
Interest coverage ratio, (S&P method) (rolling 12 months) (multiple)		
Operating profit before inventory properties and fair value adjustments.....	4,497	3,007
Depreciation and amortisation	10	3
SOS Partnership ⁽¹⁾	26	-
Share of net profits of associates and joint ventures (reflecting S&P methodology)	-52	-67
EBITDA, adjusted	4,481	3,242
Interest expenses on interest-bearing liabilities	1,161	1,190
50% hybrid dividend (reflecting S&P methodology)	315	103
Interest expense, adjusted	1,476	1,293
Interest coverage ratio, (S&P method) (rolling 12 months) (multiple)	3.0	2.5
Equity ratio (%)		
Total equity.....	114,325	71,786
Total assets	225,611	151,090
Equity ratio (%)	50.7	47.5
Net interest-bearing liabilities		
Interest-bearing secured liabilities	56,015	41,141
Interest-bearing unsecured liabilities	43,378	31,070
Cash and cash equivalents	-14,276	-7,524
Net interest-bearing liabilities	85,118	64,688
Net debt to total assets (%)		
Net interest-bearing liabilities.....	85,118	64,688
Total assets	225,611	151,090
Net debt to total assets (%)	37.7	42.8
Net loan-to-value (LTV) (%)		
Net interest-bearing liabilities.....	85,118	64,688
Fair value of investment properties.....	198,543	138,936
Net loan-to-value (LTV) (%)	42.9	46.6
Secured loan-to-value (%)		
Interest-bearing secured liabilities	56,015	41,141
Total assets	225,611	151,090
Secured loan-to-value (%)	24.8	27.2
Net debt / Net debt + Equity (S&P method) (%)		
Equity	114,325	71,786
50% of hybrid equity as debt (S&P adjusted).....	-13,830	-4,250
Equity adjusted	100,495	67,536
Total interest-bearing liabilities	99,393	72,211
Right-of-use-liabilities.....	654	623
Cash and cash equivalents	-14,276	-7,524
10% decrease for cash and cash equivalents (S&P adjusted).....	1,428	752
50% of hybrid equity as debt (S&P adjusted)	13,830	4,250

	As at / for the nine months ending (unless otherwise stated) 30 September	
	2021 (unaudited)	2020 (unaudited)
Net interest-bearing liabilities, adjusted (Net debt)	101,028	70,313
Net debt + Equity	201,523	137,849
Net debt / Net debt + Equity (S&P method) (%)	50.1	51.0
Net asset value on the balance sheet date		
Equity	114,325	71,786
Deferred tax liability	7,238	3,854
Net asset value on the balance sheet date	121,563	75,639
Debt (rolling 12 months)		
interest-bearing liabilities (<i>rolling 12 months</i>)	85,076	66,946
Debt (rolling 12 months)	85,076	66,946
EBITDA		
Operating profit before inventory properties and fair value adjustments	4,497	3,307
Amortisation and depreciation	10	3
EBITDA (rolling 12 months)	4,507	3,310
Debt/EBITDA (multiple)		
Debt (rolling 12 months)	85,076	66,946
EBITDA	4,507	3,310
Debt/EBITDA (multiple)	18.9	20.2

Note:

⁽¹⁾ Heimstaden Bostad shows SOS Children's Villages separately on the reconciliation as these expenses are outside of its ordinary course of business but on the income statement for the nine months ended 30 September 2021 these amounts are included in operating profit before inventory properties and fair value adjustments.

- (d) The tables under the heading "*Derivation of certain key data by geographic segment*" on pages 122 to 123 of the Base Prospectus shall be amended to insert the following tables:

	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	Finland	Total
Net operating income Heimstaden Bostad pre-Acquisitions (<i>SEK million</i>)	1,816	1,443	757	497	796	324	20	5,654
Net operating income from the Acquisitions (<i>SEK million</i>)	72	752				1,184		2,008
Total earnings capacity net operating income	1,888	2,195	757	497	796	1,508	20	7,661
Rental income Heimstaden Bostad pre-Acquisitions (<i>SEK million</i>)	2,644	2,758	1,173	497	1,197	469	33	8,771
Rental income from the Acquisitions (<i>SEK million</i>)	142	1,194				1,399		2,735
Total earnings capacity rental income	2,786	3,952	1,173	497	1,197	1,868	33	11,506
Net operating income (%)	67.8	55.5	64.5	100.0	66.5	80.7	60.6	66.6

Note:

(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.

Heimstaden Bostad economic occupancy ratio following the Acquisitions, nine months ending 30 September 2021

	Denmark	Sweden	Netherlands	Norway	Czech Rep.	Germany	Finland	Total
Theoretical rental income on residential units Heimstaden Bostad (SEK million)	1,777	1,796	854	460	888	308	4	6,087
Vacancy Heimstaden Bostad (SEK million)	-63	-37	-25	-35	-68	-9	0	-236
Residential income Heimstaden Bostad (SEK million)	1,715	1,759	829	425	820	299	4	5,851
Economic occupancy pre-Acquisitions (%)	96.5	97.9	97.1	92.5	92.3	97.2	96.1	96.1
Theoretical rental income on residential units Portfolio (SEK million)	103	849	-	-	-	1,086	-	2,039
Vacancy from the Portfolio (%)	-2	0	-	-	-	-36	-	-38
Residential income from the Acquisitions (SEK million)	101	849	-	-	-	1,050	-	2,000
Economic occupancy post-Acquisitions (%)	96.5	96.6	97.1	92.5	92.3	96.8	96.1	96.6

- (e) The tables under the heading "Derivation of certain key data by geographic segment" on pages 122 to 123 of the Base Prospectus shall be amended to insert the following rows as a continuation of the tables:

Heimstaden Bostad, nine months ending 30 September 2021						
	Denmark	Sweden	Netherlands	Norway	Germany	Total
Rental income, comparing period (SEK million)	1,059	1,801	644	513	15	4,034
Rental income, reporting period (SEK million)	1,081	1,849	666	519	15	4,127
Like-for-like rental income growth (%)	2.1	2.7	3.3	0.5	-1.3	2.3

Heimstaden Bostad, nine months ending 30 September 2021								
	Denmark	Sweden	Netherlands	Norway	Czech Rep.	Germany	Finland	Total
Rental income, from residential units (SEK million)	1,715	1,759	829	425	820	299	4	5,851
Theoretical rental income on vacant units (SEK million)	63	37	25	35	68	9	0	236
Theoretical rental income on residential units (SEK million)	1,777	1,796	854	460	888	308	4	6,087
Economic occupancy ratio (%)	96.5	97.9	97.1	92.5	92.3	97.2	96.1	96.1

Heimstaden Bostad, nine months ending 30 September 2021								
	Denmark	Sweden	Netherlands	Norway	Czech Rep.	Germany	Finland	Total
Theoretical rental income on residential units (SEK million)	1,777	1,796	854	460	888	308	4	6,087
Adjusted for non-market vacancy (SEK million)	-38	-15	-4	-29	-42	-5	0	-132
Adjusted theoretical rental income (SEK million)	1,739	1,782	850	431	846	302	4	5,954
Real economic occupancy ratio (%)	97.9	99.2	99.5	93.8	95.3	98.3	96.1	97.8

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 and in the First Supplement. Once the Acquisitions have closed (which is currently expected to occur on 1 December 2021), 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 September 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 September 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 nine months ended 30 September 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, 5 November 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 September 2021, the unaudited pro forma income statement for the nine month period ended 30 September 2021 and related notes as set out on pages 29 to 32 of supplement no. 2 issued by the Company dated 5 November 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 29 to 32 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*" in the First Supplement), had taken place at 1 January 2021 and 30 September 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 nine month period ended 30 September 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 nine month period ended 30 September 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 September 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 September 2021	Pro forma Adjustments				
	Heimstaden Bostad ⁽¹⁾	Akelius Portfolio ⁽²⁾	Acquisition related adjustments	Footnotes	Pro forma
<i>(SEK, millions)</i>					
ASSETS					
Non-current assets					
Investment properties.....	198,543	88,371	963	F	287,876
Intangible assets.....	7	-	14,708	E	14,715
Property, plant and equipment	61	80			141
Other non-current financial assets.....	3,025	8,107	-8,049	A	3,083
Total non-current assets	201,636	96,557	7,621		305,815
Current assets					
Inventory properties.....	786	-	-		786
Rent and trade receivables	164	209	-1	A	372
Other current financial assets	8,354	64	-5,122	A, C	3,295
Prepayments.....	395	62	-2	A	455
Cash and cash equivalents.....	14,276	2,820	6,965	A, B, C, G	24,060
Total current assets.....	23,975	3,154	1,840		28,969
TOTAL ASSETS.....	225,611	99,712	9,461		334,784
EQUITY AND LIABILITIES					
EQUITY	114,325	62,809	-27,089	B, C, D, G	150,044
LIABILITIES					
Non-current liabilities					
Interest-bearing liabilities	90,459	23,259	16,016	A, C	129,734
Lease liabilities	649	57	-		706
Derivative financial instruments	204	-	-		204
Deferred tax liabilities.....	7,238	12,653	58	F	19,948
Other non-current financial liabilities	883	62	-		945
Total non-current liabilities	99,433	36,031	16,074		151,538
Current liabilities					
Interest-bearing liabilities	8,934	83	20,634	C	29,651
Lease liabilities	5	-	-		5
Trade payables	430	86	-		516
Other current liabilities	1,372	703	-157	A	1,917

Derivative financial instruments	6	-	-	6
Prepayments.....	1,106	-	-	1,106
Total current liabilities	11,853	872	20,477	33,201
TOTAL EQUITY AND LIABILITIES	225,611	99,712	9,461	334,784

Notes:

- (1) The financial information in respect of Heimstaden Bostad is sourced from its unaudited consolidated financial statements in respect of the nine months ended 30 September 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 nine months ended 30 September 2021.

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

- A. Akelius inter-company balances are settled with a negative effect on Other non-current financial assets of SEK 8,049 million. Akelius inter-company balances are settled with a negative effect on Rent and trade receivables of SEK 1 million. Akelius inter-company balances are settled via cash with a negative effect on Other current financial assets reducing this by SEK 38 million. Akelius inter-company balances are settled with a negative effect on prepayments of SEK 2 million. Akelius inter-company balances are settled with a negative net effect on cash and cash equivalents of SEK 4,097 million. Akelius inter-company balances are settled with a negative effect on long-term interest-bearing liabilities of SEK 12,029 million. Akelius inter-company balances are settled with a negative effect on Other current payables of SEK 157 million.
- B. Committed new share issue of SEK 31,737 million which would increase Cash and cash equivalents by SEK 31,737 million.
- C. The Acquisitions are paid with cash resulting in cash and cash equivalents being reduced by SEK 18,558 million, comprising the purchase price of SEK 78,422 million settled in cash. A deposit for the purchase price of SEK 5,084 million had already been paid by Heimstaden Bostad during the third quarter of 2021 and was included in Other current financial assets and therefore Other current financial assets is reduced by SEK 5,084 million. The reduction in Cash and cash equivalents from the purchase price of SEK 78,422 million is offset by the SEK 5,084 million deposit, SEK 48,679 million in interest-bearing liabilities and SEK 6,101 million equity due to hybrid bond issuance, therefore Cash and Cash equivalents are reduced by a net amount of SEK 18,558 million for the payment of the purchase price. Interest-bearing liabilities is increased by SEK 48,679 million, representing committed bridge financing of SEK 20,717 million expected to be fully refinanced after closing of the Acquisitions, and senior unsecured bond issuance already completed of SEK 27,962 million. Equity is increased by SEK 6,101 million, representing the hybrid bond issue, which increased Cash and cash equivalents by SEK 6,101 million.
- D. Shareholders' equity in the acquired companies is eliminated, totaling SEK 62,809 million.
- E. Goodwill is increased by SEK 14,708 million, corresponding to the difference between the agreed purchase price of SEK 78,422 million, the reported value of equity in Akelius of SEK 62,809 million and equity gain on fair value adjustment of SEK 905 million.
- F. External valuation of the Portfolio resulting in increased fair value of investment properties of SEK 963 million and deferred tax liability of SEK 58 million, and equity is increased by SEK 905 million. Equity gain of the external valuation is considered to be part of the equity in the acquired companies, this is then offset in Acquisitions elimination.
- G. Income statement items are settled and all adjustments made to the income statement are settled and mirrored in the balance sheet with a negative effect on cash and cash equivalents of SEK 2,118 million and reducing equity by SEK 2,118 million.

Income Statement

Nine months ending 30 September 2021	Pro forma Adjustments				
	Heimstaden Bostad ⁽¹⁾	Akelius Portfolio ⁽²⁾	Acquisition related adjustments <i>(SEK, millions)</i>	Footnotes	Pro forma
Rental income.....	6,217	2,001			8,218
Service income	409	269			678
Property costs	-2,638	-890			-3,527
Net operating income.....	3,988	1,380			5,368
Corporate administrative expenses	-356	-116	-58	D, E	-530
Other operating income	4	8			12
Other operating expenses.....	-72	4	-10	D	-78
Share of net profits of associates and joint ventures	-1	-289	-		-290
Profit before inventory properties and fair value adjustments.....	3,563	987	-68		4,482
Fair value adjustment of investment properties.....	14,329	15,635	963	A	30,926
Gains/losses from sale of inventory properties	21	39	-		60
Operating profit.....	17,913	16,661	895		35,469
Interest expenses on interest-bearing liabilities.....	-887	-106	-265	B	-1,258
Financial income	46	-	-		46
Net foreign exchange gains/losses	-439	-5	-		-444
Fair value adjustment of derivative financial instruments.....	302	2	-		304
Other financial items	-434	-247	245	D	-436
Profit before tax.....	16,501	16,305	875		33,681
Current tax expense	-445	-85	-2,030	C	-2,560
Deferred tax expense	-2,966	-3,656	-58	A	-6,680
Profit for the period.....	13,090	12,564	-1,213		24,441
Other comprehensive income/loss	1,975	-	-		1,975
Comprehensive income for the period	15,065	12,564	-1,213		26,416

Notes:

- (1) The financial information in respect of Heimstaden Bostad is sourced from its unaudited consolidated financial statements in respect of the nine months ended 30 September 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 nine months ended 30 September 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 963 million and deferred tax is increased by SEK 58 million
- B. Interest expenses on interest-bearing liabilities is increased by SEK 265 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 2,030 million.
- D. Akelius inter-company items are based on IFRS figures from the sellers of the acquired companies, the financing under Akelius's property portfolio would not be applicable where the acquired companies are owned by Heimstaden Bostad and the Akelius inter-company items are therefore removed and new calculations of Heimstaden Bostad represented mirroring full ownership by Heimstaden Bostad for the full period. Akelius inter-company items are removed to mirror Heimstaden Bostad ownership, increasing Corporate administration expenses of SEK 92 million. Akelius inter-company items are removed to mirror Heimstaden Bostad ownership, decreasing other operating cost of SEK 10 million. Akelius inter-company items are removed to mirror Heimstaden Bostad ownership, increasing Other financial items of SEK 245 million. Net effect of removal of Akelius inter-company items, increases Comprehensive income of SEK 327 million.
- E. Corporate administrative expenses costs are increased SEK 150 million to reflect Heimstaden Bostad ownership.

Earnings Capacity (unaudited and unreviewed)

The pro forma annual earning capacity for Heimstaden Bostad as of 30 September 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 September 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 September 2021 and their associated financing and is based on the property portfolio, as of 30 September 2021, contracted rental income, and current property and administrative costs for the 12 months from 30 September 2021. Costs for the interest-bearing liabilities have been based on the Group's average interest rate level as of 30 September 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 September 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 September 2021 (unaudited)	
	Actual	Pro forma
	<i>(SEK millions)</i>	
Current earning capacity		
Rental income	8,771	11,506
Service income.....	618	983
Property costs	-3,736	-4,828
Net operating income	5,654	7,661
Corporate administrative expenses.....	-498	-721
Profit before financial items	5,156	6,940
Financial costs – interest-bearing liabilities	-1,248	-1,743
Profit from property management	3,908	5,197
Key data		
Net operating income margin (%).....	64.46	66.58
Interest coverage ratio (ICR) (<i>multiple</i>)	4.1	4.0

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, as such section is amended by the First Supplement and this Supplement) are presented below based on the above pro forma income statement and pro forma balance sheet as at 30 September 2021.

Key Performance Indicators	As at / for nine months ending 30 September 2021	
	Actual	Pro forma
	<i>(unaudited)</i>	
Loan-to-value ratio (%)	37.7	40.4
Secured loan-to-value ratio (%)	24.8	20.1
Interest coverage ratio (<i>multiple</i>)	4.1	3.6

Derivation of key data considered alternative according to the ESMA guidelines	As at / for nine months ending 30 September 2021	
	Actual	Pro forma
	<i>(unaudited)</i>	
	<i>(SEK, millions unless stated)</i>	
Loan-to-value ratio (LTV) (%)		
Interest-bearing liabilities	99,393	159,385
Cash and cash equivalents	-14,276	-24,060
Net interest-bearing liabilities	85,118	135,324
Total assets	225,611	334,784
Loan-to-value ratio (%)	37.7	40.4
Secured loan-to-value ratio (%)		
Secured interest-bearing liabilities	56,015	67,328
Total assets	225,611	334,784
Secured loan-to-value ratio (%)	24.8	20.1
Interest coverage ratio (ICR) (<i>multiple</i>)		
Profit before inventory properties and fair value adjustments	3,564	4,482
Financial income	46	46
Profit before inventory properties and fair value adjustments plus financial income	3,609	4,528
Interest expenses on interest-bearing liabilities	887	1,258
Interest coverage ratio (ICR) (<i>multiple</i>)	4.1	3.6

Note:

⁽¹⁾ Interest coverage ratio is provided on the basis of the nine months ending 30 September 2021 rather than the 12 months rolling basis used in the Base Prospectus and the Conditions. For the purposes of this section 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.

Significant Change

There has been no significant change in the financial performance or financial position of the Group since 30 September 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.