**BASE PROSPECTUS DATED 16 MARCH 2022**

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)*

Under this €12,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), 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**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealers (as defined below).

References in this Base Prospectus to the relevant Issuer shall, in relation to any issue or proposed issue of Notes, be references to whichever of Heimstaden Bostad or HBT is specified as the Issuer of such Notes in the applicable final terms document (the "**Final Terms**").

The payments of all amounts due in respect of the Notes issued by HBT will be unconditionally and irrevocably guaranteed by the Guarantor. If the relevant Issuer of a Series of Notes is Heimstaden Bostad, references herein to the Guarantor and the Guarantee, and related expressions, are not applicable and shall be disregarded in respect of such Series.

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**") or in uncertificated book entry form ("**VPS Notes**") settled through the Norwegian Central Securities Depositary, *Verdipapirsentralen ASA* (trading as Euronext Securities Oslo) ("**Euronext VPS**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €12,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".**

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland (the "**CBI**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of either of the Issuers or the Guarantor (in the case of Notes issued by HBT) or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the "**Euronext Dublin Regulated Market**") of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), the Oslo Stock Exchange's regulated market (*Oslo Børs*) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**").

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the "**Official List**") and trading on the Euronext Dublin Regulated Market. The Issuers have further requested that the CBI send to the Norwegian Financial Supervisory Authority (*Finanstilsynet*) (the "**NFSA**") in its capacity as the competent authority in Norway (i) a copy of this Base Prospectus and (ii) a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the provisions of the Prospectus Regulation and the Commission Delegated Regulation (EU) 2019/980, for purposes of listing Notes on the Oslo Stock Exchange's regulated market (*Oslo Børs*).

Each of the Euronext Dublin Regulated Market and the Oslo Stock Exchange's regulated market (*Oslo Børs*) is a regulated market for the purposes of MiFID II. References in this Base Prospectus to the Notes being "**listed**" (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been either admitted (i) to the Official List and to trading on the Euronext Dublin Regulated Market or (ii) to trading on the Oslo Stock Exchange's regulated market (*Oslo Børs*), as may be agreed between the relevant Issuer and the relevant Dealer in relation to the relevant Series (as defined below).

**This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "EEA"). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined in "*Terms and Conditions of the Notes*", as the case may be) of Notes will be set out in the applicable Final Terms which will be delivered to the CBI, and further distributed to the NFSA and, where listed, Euronext Dublin and/or the Oslo Stock Exchange (*Oslo Børs*) (as appropriate).

Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin, and copies of Final Terms in relation to Notes listed on the Oslo Stock Exchange's regulated market (*Oslo Børs*) will be published on the website of the Oslo Stock Exchange (*Oslo Børs*).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor (in the case of Notes issued by HBT) and the relevant Dealer. The relevant Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Heimstaden Bostad has been rated BBB (outlook stable) by S&P Global Ratings Europe Limited ("**S&P**") and BBB (outlook stable) by Fitch Ratings Ireland Limited ("**Fitch**"). S&P and Fitch are each established in the EEA and are registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, S&P and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. S&P and Fitch are not established in the United Kingdom ("**UK**") but ratings issued by S&P and Fitch will be endorsed by S&P Global Ratings UK Limited and Fitch Ratings Limited, respectively, 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 "**EUWA**") (the "**UK CRA Regulation**"). As such, Heimstaden Bostad's ratings may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Guarantor by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the relevant Issuer to fulfil its obligations under the Notes and that may affect the Guarantor's ability to fulfil its obligations under the guarantee contained in the Trust Deed (the "**Guarantee**") are discussed under "Risk Factors" below.

Amounts payable on Floating Rate Notes will be calculated by reference to one of CIBOR, EURIBOR, NIBOR and STIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute, the administrator of EURIBOR, Danish Financial Benchmark Facility ApS, the administrator of CIBOR and Norske Finansielle Referanser AS, the administrator of NIBOR are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**"). As at the date of this Base Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under the EU Benchmarks Regulation. As far as the Issuers are aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the Swedish Financial Benchmark Facility AB is not currently required to obtain authorisation/registration (or, if located outside the EEA, recognition, endorsement or equivalence).

***Arranger***
**NORDEA**

***Dealers***

**BNP PARIBAS**
**DEUTSCHE BANK**
**ING BANK**

**DANSKE BANK**
**DNB BANK ASA**
**J.P. MORGAN**

**NORDEA**

## IMPORTANT INFORMATION

**This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.**

**Each Issuer and the Guarantor accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of each Issuer and the Guarantor the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.**

**Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus. Any website referred to in this Base Prospectus has not been scrutinised or approved by the CBI.**

**Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme.**

**No person is or has been authorised by the Issuers, the Guarantor, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, any of the Dealers or the Trustee.**

**Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuers, the Guarantor, any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer, the Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.**

**Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuers and/or the Guarantor is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.**

Notes denominated in NOK may not be offered, sold or delivered in Norway or to or for the benefit of persons domiciled in Norway, unless in compliance with the regulations relating to the offer of VPS Notes, including the registration in Euronext VPS of such VPS Notes.

**IMPORTANT – EEA RETAIL INVESTORS –** If the Final Terms or any Drawdown Prospectus in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms or any Drawdown Prospectus in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms or Drawdown Prospectus in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms or Drawdown Prospectus in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION)** – The applicable Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will

state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) (as modified or amended from time to time, the "**SFA**"). The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the applicable Final Terms will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the SFA.

**NOTICE TO CANADIAN INVESTORS –** The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of the Notes contemplated in this Base Prospectus as completed by the Final Terms in relation thereto.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including Belgium, Norway, the Netherlands and Sweden), the UK, Singapore and Japan*;* see "*Subscription and Sale*".

## NOTES ISSUED AS GREEN BONDS

None of the Dealers or the Arranger accepts any responsibility for any social, environmental or sustainability assessment of any Notes issued as Green Bonds. None of the relevant Issuer, the Guarantor (if applicable), the Dealers or the Arranger makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green" or similar labels. None of the Dealers or the Arranger are responsible for the use of proceeds for any Notes issued as Green Bonds, nor the impact, verification or monitoring of such use of proceeds. No representation or assurance is given by the Dealers or the Arranger as to the suitability or content of the Green Bond Framework or the suitability or reliability of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) made available in connection with an issue of Notes issued as Green Bonds and with any Green Projects to fulfil any environmental, sustainability, social or other criteria. Any such opinion or certification is only current as of the date that opinion was initially issued and the considerations or criteria which are the basis of such an opinion or certification can change at any time. The providers of such opinions and certifications are currently not subject to any specific regulatory regime or oversight and as such, is not a recommendation by any Dealer or the Arranger to buy, sell or hold any such Notes. In the event any such Notes are, or are

intended to be, listed, or admitted to trading on a dedicated "green", "environmental", "sustainable" or other equivalently labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers, the Arranger, the Trustee, the relevant Issuer or the Guarantor (if applicable) that such listing or admission will be obtained or maintained for the lifetime of the Notes.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to Heimstaden Bostad has been derived from the audited consolidated financial statements of Heimstaden Bostad for the financial years ended 31 December 2021 and 31 December 2020 (together, the "**Financial Statements**").

Heimstaden Bostad's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board.

HBT's first reporting period ended on 31 December 2020 and financial statements are not yet available for the reporting period ended on 31 December 2021. HBT's financial statements have been prepared in accordance with Dutch generally accepted accounting principles. HBT is a financing special purpose vehicle, see further "*Risk Factors – HBT is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Heimstaden Bostad and the Group in addition to that of HBT*".

The financial information provided for and discussed in this Base Prospectus and the financial statements of Heimstaden Bostad, HBT and the Group (as defined below) included in this Base Prospectus relate to the past performance of the Group. The future development of the Group could deviate significantly from past results due to a large number of internal and external factors. The historical earnings, historical dividends and other historical financial data of the Group are, therefore, not necessarily predictive of earnings or other key financial figures for the Group going forward.

### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus.

In addition, the following terms as used in this Base Prospectus have the meanings defined below:

- "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- "**NOK**" refers to the lawful currency of the Kingdom of Norway;
- "**Sterling**" and "**£**" refer to pounds sterling; and
- "**SEK**" refers to the lawful currency of the Kingdom of Sweden.

References to a "**billion**" are to a thousand million.

References to the "**Group**" are to Heimstaden Bostad and its subsidiaries taken as a whole.

Certain figures and percentages included in this Base Prospectus 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.

## SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## FORWARD LOOKING STATEMENTS

This Base Prospectus includes statements that are, or may be deemed to be, 'forward looking statements'. These forward looking statements can be identified by the use of forward looking terminology, including the terms 'forecast', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuers and/or the Guarantor (as applicable) concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies of the Issuers and/or the Guarantor (as applicable) and the industry in which the Issuers and/or the Guarantor (as applicable) operate.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Issuers' and/or the Guarantor's operations, financial condition and liquidity, and the development of the industry in which the Issuers and/or the Guarantor operate may differ materially from those described in, or suggested by, the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and liquidity, and the development of the industry in which the Issuers and/or the Guarantor operate, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

These and other factors are discussed in more detail under "*Description of Heimstaden Bostad*" and "*Description of HBT*", which should be read in conjunction with the risk factors set out in "*Risk Factors*" below. Many of these factors are beyond the control of the Issuers and the Guarantor. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuers and the Guarantor do not intend, and do not assume any obligation, to update any forward looking statements set out in this Base Prospectus.

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## OVERVIEW OF THE PROGRAMME

***The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor (if applicable) and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, and if appropriate, a new Base Prospectus, a drawdown prospectus or a supplement to the Base Prospectus, will be published.***

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the "**Delegated Regulation**").

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

| | |
|---|---|
| **Issuers**: | Heimstaden Bostad AB (publ)<br><br>Heimstaden Bostad Treasury B.V. |
| **Issuer's Legal Entity Identifier**: | Heimstaden Bostad AB (publ): 549300TJR3PR8EXILG79<br><br>Heimstaden Bostad Treasury B.V.:<br>549300ORG6UYMJBCV938 |
| **Guarantor:** | Heimstaden Bostad AB (publ) (in the case of issues of Notes by HBT) |
| **Risk Factors**: | There are certain factors that may affect an Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*". |
| **Description**: | Euro Medium Term Note Programme |
| **Arranger**: | Nordea Bank Abp |
| **Dealers**: | BNP Paribas<br>Danske Bank A/S<br>Deutsche Bank Aktiengesellschaft<br>DNB Bank ASA<br>ING Bank N.V.<br>J.P. Morgan SE<br>Nordea Bank Abp<br><br>and any other Dealers appointed in accordance with the Programme Agreement. |
| **Certain Restrictions**: | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus: |

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| | **Notes having a maturity of less than one year** |
| | Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*". |
| **Trustee**: | Deutsche Trustee Company Limited |
| **Principal Paying Agent**: | Deutsche Bank AG, London Branch |
| **VPS Agent**: | Nordea Bank Abp, filial i Norge, Issuer Service |
| **Programme Size**: | Up to €12,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement. |
| **Distribution**: | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. |
| **Currencies**: | Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the relevant Issuer and the relevant Dealer. |
| **Maturities**: | The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. |
| **Issue Price**: | Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par. |
| **Form of Notes:** | The Notes will be issued in bearer or registered form or, in the case of VPS Notes, uncertificated book entry form, as specified in the applicable Final Terms.<br><br>Notes in bearer form will not be exchangeable for Notes in registered form, and Notes in registered form will not be exchangeable for Notes in bearer form.<br><br>VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with Euronext VPS. VPS Notes will not be exchangeable for Notes in bearer or registered form and *vice versa*. See "Form of the Notes" below. |
| **Fixed Rate Notes**: | Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer. |

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| **Floating Rate Notes**: | Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms.<br><br>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.<br><br>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.<br><br>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. |
| **Benchmark Event**: | If a Benchmark Event (as defined below) occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the applicable Final Terms, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread (which could be positive, negative or zero)) as described in the Terms and Conditions. |
| **Step Up Rating Change and/or Step Down Rating Change**: | The applicable Final Terms will specify whether a Step Up Rating Change and/or Step Down Rating Change will apply to the Notes, in which case the rate of interest in respect of the Notes may be subject to adjustment as specified in the applicable Final Terms. See Condition 5.4 (*Adjustment of Rate of Interest for Fixed Rate Notes and Floating Rate Notes*). |
| **Zero Coupon Notes**: | Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest. |
| **Redemption**: | The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders and/or on the occurrence of a Special Redemption Event, upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer. If indicated in the applicable Final Terms, Notes may be redeemable on the occurrence of a change of control of the Guarantor (see Condition 7.7 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*)).<br><br>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above. |
| **Denomination of Notes**: | The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such |

amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation**: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8 (*Taxation*) In the event that any such deduction is made, the relevant Issuer, or as the case may be, the Guarantor, will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge**: The terms of the Notes will contain a negative pledge provision as further described in Condition 4.1 (*Negative Pledge*)

**Financial Covenants**: The terms of the Notes will contain certain financial covenants as further described in Condition 4.2 (*Financial Covenants*).

**Cross Default**: The terms of the Notes will contain a cross default provision as further described in Condition 10 (*Events of Default and Enforcement*).

**Status of the Notes**: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

**Guarantee:** Notes issued by HBT will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

**Rating**: The Guarantor has been rated BBB (outlook stable) by S&P and BBB (outlook stable) by Fitch. The Programme has not been rated by any rating agency. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing**: Application has been made to (i) Euronext Dublin for Notes issued under the Programme to be listed on the Euronext Dublin Regulated Market; and (ii) the Oslo Stock Exchange for Notes to be listed on its regulated market (*Oslo Børs*).

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| | Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued. |
| **Governing Law**: | The Notes, the Guarantee and any non-contractual obligations arising out of or in connection with the Notes or the Guarantee will be governed by, and shall be construed in accordance with, English law, except that the registration of VPS Notes in Euronext VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes will be governed by, and construed in accordance with, Norwegian law.<br><br>The VPS Notes must comply with the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6 which implements Regulation (EU) No. 909/2014 into Norwegian law, and, to the extent applicable, the Norwegian Securities Register Act of 5 July 2002 no. 64, as amended from time to time, and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under these acts (as applicable) and any related regulations and legislation. |
| **Selling Restrictions**: | There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Belgium, Sweden, the Netherlands and Norway), the UK, Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*". |
| **United States Selling Restrictions**: | Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms. |
| **Use of Proceeds:** | The net proceeds from each issue of Notes will be used for the general corporate purposes of the relevant Issuer unless, in respect of any particular issue, there is a particular identified use of proceeds stated in the applicable Final Terms. See "*Use of Proceeds*". |

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the relevant Issuer and/or the Guarantor, as the case may be, may become insolvent or otherwise be unable to make all payments due in respect of the Notes or under the Guarantee (as applicable). There is a wide range of factors which individually or together could result in the relevant Issuer and/or the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors, as the relevant Issuer and/or the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the relevant Issuer's and/or the Guarantor's control. The Issuers and the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their respective businesses and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the relevant Issuer and/or the Guarantor, and the industry in which they operate together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the relevant Issuer and/or the Guarantor that are not currently known to the relevant Issuer and/or the Guarantor or that they currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the relevant Issuer and/or the Guarantor and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.*

**FACTORS THAT MAY AFFECT THE BUSINESS OF THE GROUP AND THE ABILITY OF THE RELEVANT ISSUER TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME AND (IF APPLICABLE) THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE**

### Risks Relating to Macroeconomic Conditions

***The on-going uncertainty and volatility in the financial markets and the state of the global economic recovery may adversely affect the Group's operations***

Global financial markets continue to experience disruptions, including increased volatility and diminished liquidity and credit availability. Concerns about credit risk (including that of sovereigns) and the Eurozone crisis have increased recently, especially with the presence of significant sovereign debts and/or fiscal deficits in a number of European countries and the United States. This has raised concerns regarding the financial condition of financial institutions and other corporates located in these countries, having direct or indirect exposure to these countries, and/or whose banks, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group's counterparties or customers, directly or indirectly, in ways which are difficult to predict. The impact of these conditions could be detrimental to the Group and could adversely affect its business, results of operations, financial condition and/or prospects; its solvency and the solvency of its counterparties and customers; the value and liquidity of its assets and liabilities; the value and liquidity of the Notes and/or the ability of the relevant Issuer to meet its obligations under the Notes and under its debt obligations more generally and, if applicable, the ability of the Guarantor to meet its obligations under the Guarantee.

***Negative economic developments and conditions in Europe may affect the Group's operations and customers, as well as the prices of the Group's real property and tenant-owned apartments***

The European economies in which the Group is present have been adversely affected by the uncertain global economic and financial market conditions. Geopolitical developments, including among other things the ongoing conflict in Ukraine, may continue to impact financial markets and economies generally. This may impact the Group in terms of access to and cost of funding, as well as impacting the general economy. An economic slowdown or a recession, regardless of its depth, or any other negative economic developments in these principal countries of operation and involvement may affect the Group's business in a number of ways, including, among other things, the income, wealth, liquidity, business and/or financial condition of the Group, its customers and other business partners. The Group may not be able to utilise the opportunities created by the economic fluctuations, the value of the real property owned by the Group may decrease, and the Group may not be able to adapt to a long-term economic recession or stagnation. Further, although historically economic slowdowns and recessions have increased the demand for rental apartments in these countries, there can be no assurance that the Group will not experience declines in the demand for rental apartments during periods of economic slowdown or recession. The Group may also experience increased defaults on rent payments as a result of negative economic developments in Europe. Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Risks relating to Covid-19***

The Group conducts its business within the real estate market and is consequently affected by general economic trends outside the Group's control. The occurrence of extraordinary events, such as the outbreak of disease epidemics, could have an adverse impact on the global economy as a whole and may lead to a global recession, or even depression. The outbreak of the Covid-19 coronavirus ("**Covid-19**"), which is considered a pandemic and has led to a major slowdown in economic growth during 2020 and 2021, partly due to the spread of Covid-19 itself, but even more so due to the governmental decisions enacted across different nations in order to try to contain Covid-19, such as quarantines, lockdowns and restrictions on mobility. The direct and indirect impact of the Covid-19 outbreak remains uncertain. While governments and central banks around the world have reacted to the economic crisis caused by Covid-19 by implementing stimulus and liquidity programmes and cutting interest rates, governments have begun to phase-out pandemic relief. In addition, while vaccination campaigns are progressing and many economies are recovering, the spread of new variants of Covid-19 and uneven vaccination rates continue to cause uncertainty around a sustainable recovery. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks. A prolongation of the outbreak could significantly adversely affect economic growth and impact business operations across the economy generally and, by extension, real estate markets, both as a result of weakened economic activity and in terms of the health and wellbeing of employees being affected.

Such weakening of the economy and or operations could have a material adverse impact on the financial performance or operations of, or the cost of funding for, the Group. In addition, there is currently no reliable way to predict, with certainty, the timing or value of transactions affected. Thus, the outbreak of Covid-19 may lead to investments being postponed or planned acquisitions and/or divestments possibly not being carried out as planned, which could have a material adverse effect on the Group's business and possibilities to continue its growth. The longer the Covid-19 crisis continues it may become more difficult to raise capital, obtain loans or other financings or service existing debt.

Additionally, as of 31 December 2021, 8% of the fair value of the Group's investment properties were composed of commercial property therefore the Group may lose rental income from its commercial tenants as the economic impact of Covid-19 materialises. Moreover, due to Covid-19, there is a risk that the Group's current or future tenants may choose not to enter into new leases or renew existing leases.

There is also a risk that the global downturn could affect the liquidity position of the Group's existing tenants, which in turn may require such tenants to postpone rental payments or cause defaults under lease agreements. Accordingly, the Covid-19 crisis' impact on the Group's current and future tenants could lead to increased vacancies and a decrease in rental income for the Group, which would have a negative impact on the Group's operations, financial position and earnings.

## Risks Relating to the Group's Business Operations

***Decreases in the occupancy rate and increases in the tenant turnover may weaken the Group's results***

Tenant turnover is an integral part of the residential investment business, and results in costs to the Group, for example, related to the signing of rental agreements and minor renovations typically made in connection with a tenant moving out of the apartment. In recent years, the Group has tried to reduce tenant turnover through, for example, repairs enhancing the attractiveness of the apartments that it owns.

The Group's occupancy rate and tenant turnover depend to a great extent on general economic factors and the level of new-build construction activity. The occupancy rate of the Group's properties has a significant impact on the Group's business. The Group aims to secure a high letting rate by, among other things, actively developing its property portfolio to meet the demand for residential and commercial premises. If the vacancy rate increases, the Group will lose rental income while having to cover the maintenance costs which could have a material adverse effect on the Group's business, financial condition, results of operations and future projects.

***Decrease in fair value of the Group's properties will result in revaluation losses***

The Group's real estate properties are reported at fair value in the balance sheet and any change in the fair value of the Group's properties is recorded in the income statement for the period during which the revaluation of the Group's properties occurs. Unrealised changes in value do not affect the cash flow. Fair value of investment properties represents the price in the local primary market taking into account a number of factors, some of which are real estate specific, such as the condition and location of the property as well as occupancy ratio and operative expenses whereas others are market-specific, such as yield requirements and cost of capital that are derived from comparable transactions on the real estate market. Decreases in the fair value of the Group's properties could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects. In addition, decreases in the fair value of the Group's properties would have negative effects on the Group's performance indicators, particularly the net asset value, which could have a negative influence on the rating of Heimstaden Bostad.

***Property valuation is subjective and uncertain to some extent***

Although the Group's properties are valued by qualified external valuers, the appropriateness of sources of information used and the credibility of the valuations are, to a certain extent, subjective and, thus, subject to uncertainty. The Group's real estate properties are accounted for in the balance sheet at actual value and the changes in value are accounted for in the income statement. Non-realised value changes do not affect the cash flow. Valuations are based on a "highest-and-best-use" principle to determine the use that will result in the highest value of properties. Explicit income, implicit income and sales comparison approaches are all used to value the Group's properties.

Rental prices in the property portfolio are expected to follow inflation over time. Most commercial leases include indexation, which means that rent increases at the same rate as the Consumer Price Index (the "**CPI**") during the leasing period. Assumptions have also been made regarding future operating and maintenance payments. These assumptions are based on historic outcomes and future projections as well as estimated standardised costs. Operating and maintenance costs are adjusted upwards each year by inflation. Yield requirements and the cost of capital used in the valuation model have been derived from comparable transactions in the property market. Important factors in choosing a yield requirement are location, rental rate, vacancy rate and the condition of the property. Comparable valuations are based on data from historical transactions of condominiums and with additional certain assumptions at a specified date. In the event of significant and rapid market changes, such historical data may not accurately reflect the current market value of the Group's properties. Furthermore, the assumptions may prove to be inaccurate, and adverse market changes since the date when such assumptions were made may cause significant declines in the value of the Group's properties. In addition, the use of different assumptions or valuation models would likely produce different valuation results.

As a result of the factors above, there can be no assurance that the valuations accurately reflect the current market value of the Group's properties and property-related assets as at the date of valuation or any other date. Incorrect assumptions or flawed assessments underlying the valuations, or materialisation of any of the above risks, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Increasing refurbishment and maintenance costs may result in a decreased profit margin or increased rents and thus decreased demand for properties***

The Group continuously carries out refurbishment and maintenance repairs in its properties, which mainly result from their condition and requirements for energy-efficiency. The costs related to the refurbishment and maintenance of properties are significant and relate mainly to plumbing, external walls and roofs, window and balcony renovations. Residential buildings must typically have their plumbing refurbished within certain time intervals, which usually covers renewal of both water and sewage pipes as well as new bathrooms and kitchens. External walls, roofs and balconies must also be renovated periodically.

The Group expects the cost for refurbishment and maintenance repairs in the future to remain at the present level in proportion to the size of the Group's property portfolio. However, increasing refurbishment and maintenance repair costs may arise, for example, from increasing legal requirements for energy-efficiency, and there can, therefore, be no assurance that the amount spent on refurbishment and maintenance repair by the Group could not significantly increase from the level currently expected by the Group.

If refurbishment and maintenance costs were to increase significantly, the profit margin of the Group's properties may decrease or the Group may be required to increase rents, which may, in turn, result in a decreased demand for the Group's properties. As a result, the Group may not be able to fully pass on the costs of refurbishment and maintenance to its customers and the Group's investments in refurbishment and maintenance may not generate the expected return. Any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***The Group's property development may give rise to liabilities that can have significant effects***

The Group's property development may expose it to potential liabilities based on defects in the buildings, materials, design or the quality of the work. Standard form contracts that are used by construction designers limit the designer's liability to the value of the properties constructed, so the Group is liable for defects that exceed this amount. Materialisation of the Group's liabilities for construction defects, based on its own actions or based on the actions of the external designers or construction companies, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and therefore impact the value of an investment in the Notes.

***Heimstaden AB (publ) could fail in the management of the "Heimstaden" brand***

The Group's success and its ability to differentiate itself from other real estate companies in the markets in which it operates are partially dependent on the value of the "Heimstaden" brand. The "Heimstaden" trademark is owned by Heimstaden AB (publ) and licensed to the Group. The "Heimstaden" brand holds a great significance for both the Group's business operations, opportunities for it obtaining external financing under favourable terms and the implementation of its strategies. The integrity of the "Heimstaden" brand is important in all parts of its business (both for residential and commercial properties) and to the Group's business partners, such as municipalities, construction companies and lenders. In addition, corporate social responsibility forms part of the Group's customary long-term activities and, for example, many institutional investors impose stringent demands on the Group's sustainability efforts. Negative publicity or negative customer experience could have an adverse effect on the "Heimstaden" brand and its development. Should the "Heimstaden" brand lose value, regaining any lost brand value might prove impossible or require incurrence of significant costs. This, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Heimstaden Bostad is a holding company; it is reliant on dividend and group contribution upstreaming***

Heimstaden Bostad is a holding company. As is common with property groups, its material assets are its shareholdings in its subsidiaries and its associated companies. Heimstaden Bostad may use some of the proceeds of the sale of the Notes issued by it to repay certain of its own debts, and may on-lend proceeds under intercompany loans to its subsidiaries for them to repay or refinance certain of their indebtedness. Other than the receivables under intercompany loans and any other intra-group loans of proceeds made in connection with other financing transactions, Heimstaden Bostad depends on the distribution of dividends and group contributions and other payments from its subsidiaries. In meeting its payment obligations under the Notes issued or guaranteed by it, Heimstaden Bostad is dependent on the profitability and cash flow of its subsidiaries, whose ability to make dividend or similar distributions may be subject to restrictions as a result of factors such as low profitability, restrictive covenants contained in loan agreements and ancillary

agreements such as pledge agreements, foreign exchange limitations, regulatory, fiscal or other restrictions. In the event that Heimstaden Bostad's subsidiaries are not able (in whole or in part) to make the expected dividends or similar distributions to Heimstaden Bostad, this could impact Heimstaden Bostad's liquidity and therefore its ability to make payments in respect of its obligations in respect of the Notes.

***Dependency on Heimstaden AB (publ) as manager***

The Group is dependent on Heimstaden AB (publ), together with other subsidiaries in the Group, to provide it with group management and country management services. Heimstaden Bostad contracts with Heimstaden AB (publ) pursuant to a group-wide management agreement whereby Heimstaden AB (publ), as the manager, holds the strategic and administrative responsibility of the operations of Heimstaden Bostad for all countries in which Heimstaden Bostad operates. Further, Heimstaden AB (publ), through its subsidiaries performs the portfolio property and facility management for Heimstaden Bostad, except for the Czech Republic and in respect of the portfolios in the Akelius Portfolio (as defined below) management in Sweden, Denmark and Germany which are each managed by Heimstaden Bostad and its subsidiaries.

The Group's success is, to a large extent, dependent on Heimstaden AB (publ) and certain of its subsidiaries continuing to provide services at an acceptable cost and with a satisfactory level of quality. Poor customer service and property and facility management can potentially result in dissatisfied tenants, reduced occupancy and/or increased tenant turnover. Proactive communication with customers and availability on site has never been more important than during the Covid-19 pandemic and, to remain relevant, it is important for the Group to continue to personalise offers, services, and interactions and it is largely reliant on Heimstaden AB (publ) to ensure that these actions are taken so that the Group can maintain its competitiveness.

Any changes to the cost or quality of these services or any interruption of these services could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Loss of key personnel or failure in recruiting new key personnel may undermine the Group's operations***

The Group's financial performance is dependent on the contribution of Heimstaden AB (publ)'s key personnel. Key personnel include Heimstaden AB (publ)'s senior management and a number of other employees in key positions. The Group's success is, to a large extent, dependent on Heimstaden AB (publ)'s ability to recruit, motivate and retain highly skilled staff at every level of its organisation. Heimstaden AB (publ) may fail in retaining key personnel and recruiting skilled staff. Any loss of senior management or other employees with special expertise could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Dependency on the ultimate majority shareholder***

The ultimate majority shareholder of Heimstaden AB (publ) (the majority shareholder of Heimstaden Bostad) is Ivar Tollefsen who, as of the date of this Base Prospectus, indirectly owns approximately 98% of Fredensborg AS and owns, through Fredensborg AS, indirectly 70.8% of the share capital and 96.0% of votes in Heimstaden AB (publ), which in turn owns 45.0% of the capital (where capital means Heimstaden Bostad's net asset value excluding non-controlling interests and hybrid capital) and 50.1% of the votes in Heimstaden Bostad, which in turn owns 100% of the common shares and 100% of the votes in HBT. Ivar Tollefsen may, therefore, be able to prevent or delay a change of control in respect of the Group, or take other actions that may be contrary to the interests of the Group's other stakeholders. Further, the personal connections and business relationships of Ivar Tollefsen are important to the conduct of the Group's business. No assurance can be given that he will continue to make his services available to the Group indefinitely. The Group does not maintain any 'key-man' insurance on Ivar Tollefsen.

***Variations in supply and demand on the residential market and the market for commercial premises may affect the value of properties and rental levels***

The Group's income is affected by the occupancy rate of the properties, the possibility of charging market-related rents as well as customers' ability to pay rents. The occupancy rate and rental levels are largely determined by general and regional economic trends and, in relation to Denmark, Sweden, the Netherlands, Germany and the Czech Republic, the rental levels are in addition affected by applicable rent regulations (please see "*Risk Factors – Rental regulations may restrict the Group's ability to increase rents*").

The residential market is sensitive to fluctuations in supply and demand. Residential prices in the European markets in which the Group is present have historically followed macroeconomic development in a cyclical manner, while the demand for rental apartments has historically been countercyclical. The value of properties and rental levels are affected by a number of factors, including events related to domestic and international politics, interest rates, economic growth, the availability of credit and taxation. Changes in supply and demand on the property market in specific areas within the countries where the Group is present, resulting from new construction, investor supply and demand and other factors, may also materially affect the values of properties regardless of the overall development in these residential markets.

In addition, an oversupply of rental apartments or commercial premises could lead to rent decreases, which could have an adverse effect on the Group's rental income. A decrease in the prices of apartments and commercial properties is likely to have a direct impact on the fair value of the Group's property portfolio. The required return may increase in the future, which could lead to a reduction in the value of the Group's property portfolio.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Rental regulations may restrict the Group's ability to increase rents***

The ability of the Group to increase rents under its tenancy agreements may be limited by applicable rent regulations in the jurisdictions in which the Group's properties are located. For example, in Sweden, there is a legal principle of "utility value" (Swedish: *Bruksvärdesprincipen*) which entails that rent levels should be proportionate to the quality and standard of the residential unit in question and can only be increased to a level that is in line with the rent that is charged on other comparable residential units (consequently, rents can only be subject to more significant above-inflation increases when the residential units have been upgraded). As a further example, in Germany, there are legal restrictions on the ability to increase rent on existing leases and in general, rents can only be increased by 20% over three years and only up to the locally prevailing comparative levels of rent (*ortsübliche Vergleichsmiete*) which are set out in regularly published rent indices (*Mietspiegel*) by the municipalities. In certain cities classified as having a tight housing market, stricter restrictions on rent increases exist. In the context of the Group's development projects that relate to the upgrade of the Group's properties, to the extent that the Group is or becomes restricted by applicable rental regulations from increasing the rent payable on such upgraded properties, this could have a material impact on the Group's ability to recover the costs and expenses associated with the upgrade of those residential units and this could, in turn, have a material impact on the Group's operations, earnings and/or financial condition.

The further tightening of any applicable rental regulations in a specific market could have a negative impact on the market rental rates payable in that market. Any general decreases in the rental levels of the Group's properties as a result of decreases in market rental rates could have a negative effect on the value of the Group's properties and this, in turn, could have a material impact on the growth and financial prospects of the Group.

***Changes in legislation may adversely affect the value of the Group's properties or results, increase its expenses and/or slow or halt the development of investments***

The Group must comply with a wide variety of laws, regulations and provisions, including urban planning regulations, construction and operating permits, building standards, construction codes, health, safety, environmental, competition and labour laws, laws relating to rent levels and the rights of tenants as well as corporate, accounting and tax laws. Changes in such laws, regulations and provisions or their interpretations could require the Group to adapt its business operations, assets or strategy, potentially leading to a negative impact on the value of its properties or its results, an increase in its expenses and/or slowing or even halting of the development of certain investments. In particular, requirements for energy efficiency have become more stringent in recent years, which results, among other things, in increased construction prices.

In order for the Group's properties to be used and developed as desired, various permits and decisions can be required, including local plans and various kinds of property registrations, which are approved and given by, for instance, municipalities and authorities, and which are resolved on both a political and on an administrative level. There is a risk that the Group in the future is not granted the permits or decisions necessary to conduct and develop its business as desired. Further, there is always a risk that decisions are challenged by third parties and, as a result thereof, are delayed significantly, or that the established decision

making practice or the political will or direction are changed in the future in an adverse manner for the Group.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***The Group is subject to possible future changes in tax laws and regulations***

Tax laws and regulations or their interpretation and application practices may be subject to change in the countries in which the Group operates. Historically, the Group has used tax optimisation arrangements, such as utilising tax losses from companies it acquires to reduce its tax burden. However, there can be no assurance that the Group will be able to continue to rely on tax losses carried forward as there could be changes in tax laws and regulation or their interpretation and application. This would mean that the Group could be liable to pay additional tax which could have a material adverse effect on the Group's business, financial condition and cash flow.

Under EU Directive 2016/1164 there is, for example, a general limitation for interest deductions by way of an EBITDA-rule under which net interest expenses should be deductible only up to a certain percentage of the taxpayer's EBITDA for tax purposes. Local legislation in Europe similar to or based on the EU Directive 2016/1164 has been or may be implemented, and may cause the Group's final tax allowance, attributable to interest, to decrease as a result of the reduced allowance cap, which would result in lower profits after tax.

Tax laws and regulations, or their interpretation and application, may also change in other ways in the countries in which the Group operates. It is uncertain to what extent such future changes may affect the Group. Such changes may, among other things, have an adverse effect on the Group's cash flow and profit after tax as well as its business and future prospects.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Legal or regulatory proceedings or claims could have a material adverse effect on the Group***

The Group may become involved in, or a subject of, legal or regulatory proceedings or claims relating to its operations. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims, and there can be no assurance as to the outcome of such proceedings or claims, whether existing or arising in the future. In the normal course of its business operations, the Group could be involved in legal proceedings relating, for example, to alleged breaches of contract by the Group and employers' liabilities and be subject to tax and administrative audits. Any unfavourable judgment against the Group in relation to any legal or regulatory proceedings or claims, or the settlement thereof, could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and future prospects.

***Failures of regulatory compliance or business ethics could adversely affect the Group's reputation and operations***

The Group collaborates with a number of stakeholders (colleagues, customers, shareholders, partners, suppliers and contractors, etc.) and has broad customer and supplier bases. Many participants are involved within the Group's operations and services and products are procured through subcontractors at several levels. Despite procurement requirements that the Group has put in place, it is difficult for the Group to get an overview of its extended supply chain and there is a risk of activities occurring that violate the Group's values, breach its Code of Conduct, infringe human rights, involve corruption or breach regulations. There is also a risk that employees will commit such violations in their interactions with colleagues, customers and other actors.

Such shortcomings in ethical standards and/or regulatory compliance could result in financial losses, sanctions from supervisory authorities, tarnished reputation and delisting of Heimstaden Bostad's equity and/or the Group's debt securities. The realisation of such risks could adversely affect the Group's results and financial position.

As a large player in the property industry, risks to the Group are also found in health and safety, corruption and human rights. These risks may be found internally in the Group as well as at suppliers and partners

who work on behalf of the Group. This social responsibility risk could give rise to significant damage to the Group's reputation, result in legal or regulatory proceedings, could impact the Group's access to capital and could have a material negative impact on the Group's operations, earnings and financial position.

***Apartment renting and construction are highly competitive businesses***

Renting apartments is a highly competitive business in the markets in which the Group is present. The Group's main competitors in the rental apartments business are private households, municipalities, parishes, foundations and corporate investors. The competition for attractive plots has led to a steep increase in plot prices. Furthermore, an upward trend in construction usually increases construction prices, which, in turn, decreases the profitability of construction projects and delays the commencement of new projects. There can be no assurance that the Group can meet the intensifying competition on the apartment renting market. Increasing competition could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***The Group's operations may contaminate the environment***

The Group must comply with all local regulations in relation to the environment and health and safety in respect of its properties. The main environmental impacts caused by the Group's operations relate to contaminated soil. Soil contamination can cause substantial delays and increase the cost of construction projects (including new construction as well as conversions and extensions).

As the owner of the properties and land, the Group could be held liable for deterioration, damage, encumbrance or other hazardous causes originating from the operation of the properties. Any such event or material decrease in the value of the properties, or environmental issues that are not known or not recognisable at the time of the purchase or occurring at a later date, could have a material adverse effect on the business and financial condition of the Group.

The Group has established an environmental policy and works actively to address environmental issues. Under legislation in many of the countries in which the Group operates, the party conducting an activity which has contributed to pollution is also responsible for treating it. If the party conducting the activity cannot carry out or pay for such treatment and the party acquiring the property was aware of, or should have discovered the pollution, then the acquirer is responsible for carrying out the treatment. Under legislation in certain countries in which the Group operates, the party conducting an activity which has contributed to pollution is responsible for treating it, along with any other person who is competent and actually able to prevent or limit a violation of such legislation (for example, the owner of property on which polluting activities were carried out). Under certain circumstances, previous owners and current owners can also be held liable for pollution. An acquirer may be required to observe restrictions on the use of land laid out in any "after-care plan" agreed pursuant to such legislation.

The costs of any removal or clean up that may be necessary due to any deterioration, contamination, damage, encumbrance or hazardous materials may be higher than anticipated by the Group. Failure to comply with environmental regulations, or the need to comply with stricter new environmental regulations that may be introduced, could lead to higher costs or hinder the development of the Group's operations. There can be no assurance that the Group could not become liable for material environmental damage or other environmental liabilities in the future. Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Risks related to climate change could adversely affect the Group's operations***

From the perspective of the Group, climate change presents the risk of damage to property caused over time by altered weather conditions, rising sea levels and other changes in the physical environment that affect properties. As a property business, these risks could have a material adverse effect on the Group compared with other businesses as the Group relies on its physical infrastructure to generate its income. For example, the Group owns properties in Denmark (of which a part of the portfolio is located in the region of Greater Copenhagen) that are situated near to the sea and climate change may cause damage to those buildings as a consequence of flooding. There is also a risk that certain construction materials may be unable to cope with the stresses that a changed climate involves. As climate change is ongoing, these risks could potentially increase in the long term. This could mean a greater need for investments in properties situated in vulnerable areas. Investments in the wrong type of measures for properties could lead to the risk of unprofitable investments if climate risk is not appropriately considered and failure to invest at all in mitigation measures

could result in investments being written off. Climate change could also entail higher operating expenses. In addition, environmental-political decisions could affect the Group, not least in the form of higher taxes, energy costs or necessary investments. Moreover, increased climate related requirements imposed by investors, tenants and other stakeholders could also affect the Group. An inability to deliver on investors' criteria could negatively impact the Group's access to capital. As a real estate business, these risks could have a material adverse effect on the Group compared with other businesses as the Group relies on its physical infrastructure to produce its income. The Group also has portfolios concentrated in several cities across Europe (see "*Description of Heimstaden Bostad – Investment Property Portfolio*" below) and if climate change detrimentally impacts such cities then the value of such portfolios, and the earnings capacity from such portfolios, could reduce significantly. Moreover, the Group's business could also be affected by increased climate related requirements imposed by regulatory authorities, investors, tenants and other stakeholders, for example a requirement to reduce the Group's CO2 emissions. Any such changes or new requirements could adversely affect the Group's operations, results and financial position.

***Potential illiquidity of the property market could make it difficult for the Group to dispose of properties***

In accordance with its strategy, the Group makes selective divestments of properties. Such divestments may be affected by many factors beyond the Group's control, such as the availability of bank financing to potential buyers, interest rates and the supply of and demand for properties. A possible lack of liquidity in the property market may limit the Group's ability to sell its properties or modify its property portfolio in a timely manner in response to changes in economic or other conditions. Should the Group be required to divest part of its properties due to, for example, its inability to obtain financing, there can be no assurance that such divestments will be profitable or that such divestments will be possible at all, if the market functions inadequately or is illiquid. Unsuccessful divestments of properties could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Potential future acquisitions and recently completed acquisitions may contain inherent risks and could lead to overestimates and non-identification of all potential risks and liabilities***

Acquisition of properties constitutes a central part of the Group's business model. The acquisition of real estate requires, among other things, an analysis that is subject to a wide variety of factors, including subjective assessments and assumptions as to current and future prospects. It is possible that the Group may overestimate the potential of a real estate asset when making acquisition decisions or may base its decision on inaccurate information or assumptions that turn out to be incorrect. The Group may also underestimate the likelihood that a newly acquired real estate asset will require substantial renovation or capital repairs. Such errors may only become apparent at a later stage and force the Group to recognise fair value losses on its statement of financial position and income statement.

Furthermore, the Group cannot guarantee that its due diligence when acquiring a real estate asset will uncover all the potential liabilities and risks related to the property (such as construction defects) or that it will have recourse to the seller of the property for the non-disclosure of such risks. Furthermore, acquisitions involving entire companies could result in additional company-specific risks that only materialise after closing. Official information in the public registers of some of the countries in which the Group has its operations or assets may not be accurate and complete. Thus, although the Group may have to rely upon the information contained in land registers, it may not have effective recourse against the government of the relevant country if the information upon which the Group relied in deciding whether or not to make an investment was inaccurate, misleading or incomplete.

Furthermore, the Group may acquire properties in new jurisdictions and it may not be as familiar with the commercial, legal or regulatory environment as its current geographical markets. As a result, the Group may not be able to accurately judge its potential return on investment and such returns may be lower than expected and materially impact the financial position and income statement of the Group.

Additionally, material acquisitions for the Group, such as the acquisition in 2019 of a Dutch property portfolio, in 2020 of a Czech property portfolio and in 2021 of the Akelius Portfolio (as defined below), may exacerbate any of the above risks given the large scale of the acquisitions relative to the size of the Group.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***System malfunctions in the Group's operations may decrease the efficiency and/or profitability of the Group's operations***

The Group's operations are dependent on information systems and on its ability to operate such information systems efficiently and to introduce new technologies, systems and safety and back-up systems. Such information systems include telecommunication systems as well as software applications that the Group uses to control business operations, manage its property portfolio and risks, prepare operating and financial reports and to execute treasury operations. The operation of the Group's information systems may be interrupted due to, among other things, power cuts, computer or telecommunication malfunctions, computer viruses, defaults by IT suppliers, crime targeted at information systems, such as security breaches and cyber-attacks from unauthorised persons outside and inside the Group, or major disasters, such as fires or natural disasters, as well as human error by the Group's own staff. Material interruptions or serious malfunctions in the operation of the information systems may impair and weaken the Group's business, financial condition and the profitability of its operations. The Group may also face difficulties when developing new systems and maintaining or updating current systems in order to maintain its competitiveness. In particular, malfunctions in its IT systems could delay the Group in issuing rental invoices to its customers and/or prevent the Group from renting available apartments. Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Incorrect or inadequate processing of sensitive information***

The Group processes and stores information and data of various kinds in both electronic and physical form, including data about tenants and, to the extent that it exists, insider information. Among other things, the Group processes personal data relating to employees, consultants and tenants. When the Group processes such data, it is of great importance that the processing takes place in accordance with, among other things, the local laws of each jurisdiction in which it operates and EU regulations, such as the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"). For example, there are strict requirements for informing people about what personal data the Group processes and that this processing takes place in a manner that is consistent with the purpose for which the personal data was collected. If the Group processes this personal data inadequately, there is a risk that the Group will have to pay penalty fees for violations of, for example, GDPR as caused by such events. In addition, there is a risk that the Group will fail to properly handle confidential or sensitive information or that such information will be disclosed or made available to third parties as a result of, for example, data breaches or so-called extortion viruses or extortion programmes (ransomware). If the Group fails to properly process personal data, breaches the GDPR or other applicable privacy law, does not comply with privacy provisions in its agreements or if confidential or sensitive information is disclosed or made available to third parties, it may have a material adverse effect on the Group's reputation, business, financial condition, results of operations and future prospects.

***The Group could incur losses not covered by, or exceeding the coverage limits of, its insurance***

The Group has insurance policies, for example, in respect of property, business interruption and liability for damages. However, it is difficult to obtain insurance policies for property that provide full coverage on various types of disasters, such as terrorist attacks, natural disasters and war. There are also other factors that may affect the chances of getting sufficient insurance compensation to make the Group whole following damage to insured properties, for example inflation, tax, changes in construction regulations and environmental concerns. The actual losses suffered by the Group could be material and exceed its insurance coverage, which could have a material adverse effect on the relevant Issuer's business, financial condition and results of operations.

***Interests of the relevant Issuer's or, if applicable, the Guarantor's shareholders may conflict with those of the holders of the Notes***

The interests of the relevant Issuer's or, if applicable, the Guarantor's shareholders, in certain circumstances, may conflict with those of the holders, particularly if the relevant Issuer encounters financial difficulties or is unable to pay its debts when due. In addition, the relevant Issuer's or, if applicable, the Guarantor's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to the holders. Any of these actions could have an adverse effect on the relevant Issuer's or, if applicable, the Guarantor's business, financial condition, results of operations and future prospects.

**Financial Risks**

***The Group may not receive financing at competitive terms or at all and may fail in repaying/refinancing its existing debt***

Uncertainty in the financial markets or tightening regulation of banks could mean that the price of financing needed to carry out the Group's business, in particular its growth strategy (see "*Description of Heimstaden Bostad – Group Strategy*"), will increase and that such financing will be less readily available. As a result of the Group's intentions to raise additional debt from the capital markets, the Group is exposed to future adverse changes in those markets. The level of the Group's leverage may also affect its ability to refinance its existing debt, which, in turn, could also affect its competitiveness and limit its ability to react to market conditions and economic downturns.

The Group's target net debt / net debt plus equity ratio (S&P method classifying hybrid capital as 50% debt, compared to the IFRS definition of hybrid capital as 100% equity) is set at a maximum of 55%. As of 31 December 2021, the Group's net debt / net debt plus equity ratio was 52.2%.

The Group conducts continual discussions with banks and credit institutions aimed at securing its long-term financing. The Group cooperates closely with a handful of lenders in order to secure its long-term capital requirements. However, no assurance can be given that the Group may not have difficulty in raising new debt, repaying its existing debt or fulfilling its equity ratio target in the future. Any failure to repay the principal or pay interest in respect of the Group's existing debt, the inability to refinance existing debt, or to raise new debt at corresponding or more favourable financial and other terms than currently in force, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Risks posed by the Group's financing model***

The Group is financed through equity and interest-bearing debt as well as its cashflows. A large part of the Group's interest-bearing debt is borrowed or issued by the Group's subsidiaries, which means that the financial risks in the Group are to a large extent attributable to its subsidiaries. A large part of such long-term financing on the subsidiary level consists of bilateral credit facilities. There are certain obligations under such credit facilities on maintaining, for example, certain interest cover ratios and certain loan to value ratios. This means that the creditors of the subsidiaries could be entitled to demand repayment in advance of the creditors of the relevant Issuer or, if applicable, the Guarantor, if the relevant Group subsidiaries do not fulfil such obligations. If such a demand is made, it could adversely affect the relevant Issuer's or, if applicable, the Guarantor's financial position. For further information see "*Description of Heimstaden Bostad – Finance and Capital Structure – Funding Strategy*".

A minor portion of the Group's interest bearing debt is in the form of commercial paper, which in contrast to the Group's long term debt would be the first to face liquidity constraints in times of economic turmoil, which could result in there being no market for the Group to issue new commercial paper. If the market for commercial paper is negatively impacted and this coincides with insufficient liquidity in the banking sector to honour its back-up liquidity facilities commitments, the Group may not be able to refinance when due on acceptable terms, or at all.

***The Group is dependent on Heimstaden Bostad's long-term credit rating to pursue its financing strategy***

As part of its strategy to increase presence on the international capital markets in the future through the issuance of unsecured bonds and notes, Heimstaden Bostad has sought and received a long-term rating of BBB (outlook stable) from S&P and Fitch. If Heimstaden Bostad's long-term credit rating were to be downgraded, future issuances of unsecured bonds and notes by the Group may become significantly more expensive or may not be possible in the targeted amounts. S&P could downgrade Heimstaden Bostad's long-term credit rating if, for example, Heimstaden Bostad's secured leverage (secured debt divided by total assets) were to exceed certain levels, or Heimstaden Bostad's effective leverage (adjusted total debt divided by total assets) or fixed charge cover ratios were to exceed certain levels, both on a sustainable basis, or Heimstaden Bostad was unable to maintain an adequate liquidity profile at all times. The Group's total assets value is largely based on the value of its property portfolio and any significant decline in property values could impact the Group's credit metrics and therefore could result in a decrease in its long-term credit rating. See further "*Risk Factors – Decrease in fair value of the Group's properties will result in revaluation losses*" and "*Risk Factors – Property valuation is subjective and uncertain to a certain extent*".

If any of the risks described above were to materialise, it would be more difficult for the Group to pursue its current financing strategy, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***The Group's financings/insurance arrangements and operations involve counterparty risk***

Financial institutions are counterparties to the Group's long-term bank loans and insurance arrangements. During the financial crisis starting in 2007-2008, many banks and insurance companies in the United States and Europe experienced financial difficulties, resulting in numerous mergers, acquisitions and bankruptcies among financial institutions, including government takeovers of certain financial institutions. The Group's principal counterparties in financing transactions are financial institutions which have avoided serious financial problems. However, there is no assurance that the Group's financing or insurance counterparties will not experience any financial difficulties in the future.

Furthermore, the Group is reliant on its tenants to pay rent as contracted, otherwise it could face difficulties with liquidity if a substantial number of tenants failed to pay rent as contracted. The Group actively manages credit risk by requiring rent to be paid in advance for the majority of its rental contracts and its focus on residential letting ensures a large and diversified base of tenants which further minimises credit risk. However, it cannot be guaranteed that there will not in future be substantial defaults by the Group's tenants. See further "*Risk Factors – Negative economic developments and conditions in Europe may affect the Group's operations and customers, as well as the prices of the Group's real property and tenant-owned apartments*" and "*Risk Factors – Risks relating to Covid-19*".

If the Group's counterparties were to experience financial difficulties it could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects. A prolongation of the outbreak of Covid-19 would accentuate this risk.

***Fluctuations in interest rates may adversely affect the Group's business***

Interest costs are one of the Group's largest cost items. Interest rate fluctuations affect the Group's profits through changes in interest expenses and the market values of interest rate hedging. As at 31 December 2021, 77% of the Group's loans were fixed interest rate loans or floating rate loans hedged with interest rate derivatives. Further, fluctuations in interest rates may affect the Group's rental apartment business and the valuation of its properties. Although a significant increase in interest rates may considerably affect house owners' ability to pay interest on housing loans, it may also affect private consumption and decrease the value of properties. In addition, an increase in the interest rates could have a material adverse effect on the cost of financing and the Group's current financing expenses.

The Group uses interest rate derivatives to manage the interest rate risk relating to its floating interest rates risk, but may fail in managing its interest rate risk properly. The interest rate derivatives are reported at fair value in the balance sheet and with changes in value in the profit and loss account. As the market interest rates change, a theoretical over or under value on the interest rate derivatives can occur, however, this does not affect the cash flow. At the end of the term, the value of the derivatives is always zero. The derivative constitutes a hedging against higher interest rates, but it also means that the market value of the Issuer's interest rate derivatives decreases if the market interest rates decrease, which in turn has a negative impact on the Issuer's financial condition and results of operations. In the event a negative value of a derivative is realised it will have a negative effect on the liquidity of the Issuer.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***Fluctuations in currency exchange rates may adversely affect the Group's profit and property value***

Heimstaden Bostad and the Group are each, respectively, exposed to indirect foreign exchange translation risk due to its investment in countries outside Sweden.

The currency rate risk arises primarily when the balance sheets of non-Swedish subsidiaries of the Group are consolidated in the Group's balance sheet. The Group reports in SEK and all items in the balance sheet that are not denominated in SEK (including items for non-Swedish properties as well as all income and expenses generated by them and liabilities in currencies other than SEK) are converted to SEK. The Group uses cross-currency swaps to manage foreign exchange risks resulting from its issuances of securities denominated in EUR. Thus, when converting foreign items to SEK, a currency rate risk could arise. Should

these risks develop negatively, it could have a material adverse effect on the Group's financial position, earnings and future prospects.

***HBT is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Heimstaden Bostad and the Group in addition to that of HBT***

The principal activities of HBT are the issuance of euro-denominated financial instruments and intra-group arrangements with other members of the Group to on-lend the proceeds of the issuance of financial instruments.

Accordingly, HBT's ability to pay interest and repay principal in respect of its borrowings, including the Notes issued by it, depends upon the financial condition and liquidity of Heimstaden Bostad and the Group. Notes issued by HBT will be unconditionally and irrevocably guaranteed by Heimstaden Bostad. The Group further intends to provide HBT with liquidity by way of intra-group arrangements or other transfers of value in order for HBT to fulfil its obligations under the Notes issued by it. However, if the Group does not provide liquidity, or due to other circumstances, conditions, laws or regulations is prevented from providing liquidity to HBT, there is a risk that HBT will not fulfil its obligations under the Notes. Therefore, investors in Notes issued by HBT should consider the risk factors, financial condition and liquidity of Heimstaden Bostad and the Group in addition to that of HBT.

## FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

### Risks related to Notes generally

Set out below is a description of certain material risks relating to the Notes generally:

***The claims of holders of the Notes are structurally subordinated***

As is usual for property companies, the Group's operations are principally conducted through subsidiaries. Accordingly, Heimstaden Bostad is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes and the Guarantee (if applicable). Moreover, HBT is a special purpose financing vehicle that was formed for the purpose of raising debt for the Group. For more information see "*Risk Factors – HBT is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Heimstaden Bostad and the Group in addition to that of HBT*" and "*Risk Factors – Heimstaden Bostad is a holding company; it is reliant on dividend and group contribution upstreaming*".

The Notes issued by Heimstaden Bostad and the Guarantee (if applicable) are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Heimstaden Bostad's subsidiaries, and structurally and/or effectively subordinated to the extent of the value of collateral to all Heimstaden Bostad's and its subsidiaries' secured creditors. The Notes issued by Heimstaden Bostad will not be guaranteed by any of Heimstaden Bostad's subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of Heimstaden Bostad's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will generally have the right to be paid in full before any distribution is made to Heimstaden Bostad. As at 31 December 2021, the book value of interest-bearing debt of the Group was SEK 158,380 million.

***The Notes and the Guarantee (if applicable) will be effectively subordinated to any of the relevant Issuer's or, as the case may be, the Guarantor's existing secured and future secured indebtedness***

The Notes are unsecured obligations of the Issuers and the Guarantee is an unsecured obligation of the Guarantor (if applicable). The Notes and the Guarantee (if applicable) are, therefore, effectively subordinated to the relevant Issuer's or, as the case may be, the Guarantor's existing secured indebtedness and future secured indebtedness. Accordingly, holders of the relevant Issuer's or the Guarantor's secured indebtedness will have claims that are superior to the claims of Noteholders to the extent of the value of the assets securing such other indebtedness. In the event of a bankruptcy, liquidation or dissolution of any of the relevant Issuer or, as the case may be, the Guarantor, the assets that serve as collateral for any secured indebtedness of the relevant Issuer or the Guarantor would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes or the Guarantee, as applicable. Other than as set out in Condition 4.1 (*Negative Pledge*) Condition 4.2(a) (*Limitations on the Incurrence of*

*Financial Indebtedness)* and Condition 4.2(c) (*Limitations on the Incurrence of Secured Indebtedness*), the Conditions do not prohibit the Issuers or, as the case may be, the Guarantor from incurring and securing future indebtedness. To the extent that the Issuers or, as the case may be, the Guarantor were to secure any of its future indebtedness, to the extent not required to secure the Notes or the Guarantee (as applicable) in accordance with the terms of the Trust Deed governing the Notes and the Guarantee, the relevant Issuer's obligations, in respect of the Notes, and the Guarantor's obligations, in respect of the Guarantee, would be effectively subordinated to such secured indebtedness to the extent of the value of the security securing such indebtedness.

***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee, which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.***

The Terms and Conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a video conference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority. For more information as to these provisions, see Condition 16.1 (*Meetings of Noteholders*).

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 15 (*Substitution*).

***The value of the Notes could be adversely affected by a change in law or administrative practice.***

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with such Notes are governed by English law, except that the registration of VPS Notes in Euronext VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes are governed by Norwegian law, each in effect as at the date of this Base Prospectus

No assurance can be given as to the impact of any possible judicial decision or change to English law, Norwegian law or administrative practice in either jurisdiction after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Enforceability of judgments***

The UK left the EU on 31 January 2020. Negotiations are ongoing to determine the future terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU.

Each Issuer has submitted to the jurisdiction of the courts of England in the conditions of the Notes. As at the date of this Base Prospectus, and since the end of the transition period of the UK's withdrawal from the EU, a final judgment in civil or commercial matters obtained in the courts of England against Heimstaden Bostad, which is enforceable in the UK, will, in principle, neither be recognised nor enforceable in Sweden and the Noteholders would be required to re-litigate in the courts of Sweden. However, if any Noteholder brings a new action in a competent court in Sweden, the final judgment rendered in an English court may be submitted to the Swedish court, but will only be regarded as evidence of the outcome of the dispute to which it relates, and the Swedish court has full discretion to rehear the dispute *ab initio*.

**Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

***Credit ratings assigned to the relevant Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.***

One or more independent credit rating agencies may assign credit ratings to the relevant Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment,

which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

***If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

**Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

***If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Notes may be subject to redemption upon the occurrence of a Special Redemption Event.***

The use of proceeds of certain Notes issued under the Programme may be used to finance the acquisition of an Acquisition Target specified in the applicable Final Terms. Condition 7.5 (*Redemption upon the occurrence of a Special Redemption Event (Special Redemption Event Call)*) includes a redemption feature which, if selected as applicable in the Final Terms for a Series of Notes, will allow such Notes to be redeemed by the relevant Issuer (on either an optional or mandatory basis, as specified in the applicable Final Terms) upon the occurrence of a Special Redemption Event (namely that Heimstaden Bostad: (i) has not completed and closed the acquisition of the Acquisition Target by the Special Redemption Longstop Date; or (ii) has published an announcement that it no longer intends to pursue the acquisition of the Acquisition Target, as further described in Condition 7.5 (*Redemption upon the occurrence of a Special Redemption Event (Special Redemption Event Call)*) and the applicable Final Terms).

If the Notes are redeemed following the occurrence of a Special Redemption Event, Noteholders may not obtain their expected return on such Notes and may not be able to reinvest the proceeds of such redemption in an investment that results in a comparable return.

If a Special Redemption Event does not occur then Noteholders shall not have any right to require the redemption of their Notes and nor will any such right arise if, between the issue date of the Notes and the acquisition of the Acquisition Target, the Group or the Acquisition Target experiences any changes in its business or financial condition or if the terms of the acquisition of the Acquisition Target change. Whether or not the special redemption provision is ultimately triggered, it may adversely affect trading prices during the Special Optional Redemption Period for the Notes that include a Special Redemption Event Call.

***The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"***

Interest rates and indices which are deemed to be "benchmarks", (including the Copenhagen Interbank Offered Rate ("**CIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**"), the Norwegian Interbank Offered Rate ("**NIBOR**") and the Stockholm Interbank Offered Rate ("**STIBOR**")) are the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks (including CIBOR, EURIBOR, NIBOR and STIBOR): (i) discouraging market participants from continuing to administer or contribute to such benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon a benchmark.

The Terms and Conditions of Notes and the Agency Agreement provide for certain fallback arrangements in the event that an Original Reference Rate and/or any screen page on which an Original Reference Rate may be published (or any other successor page) becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions), with or without the application of an Adjustment Spread and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or alternative benchmark, all as determined by an Independent Advisor (acting in good faith). The use of a Successor Rate or Alternative Rate (with the application of an Adjustment Spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate or (in either case) Adjustment Spread is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applies to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period). This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

The Final Terms relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply an amount equal to the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and/or other environmental purposes, in accordance with Heimstaden Bostad's Green Bond Framework (as defined in "*Use of Proceeds*" below). Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and in "*Use of Proceeds*" below and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the relevant Issuer or any Dealer that the use of such proceeds for any Green Projects (as defined in "*Use of Proceeds*" below) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the Green Bond Framework) (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called EU Taxonomy) or Regulation (EU) 2020/852 as it forms part of domestic law of the UK by virtue of EUWA). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable", or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects. Each prospective investor should have regard to the factors described in the Green Bond Framework and seek advice from their independent financial adviser or other professional adviser as to the relevance of the information contained in this Base Prospectus regarding the use of proceeds and its purchase of the Notes before deciding to invest.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer or any other member of the Group and including the Second-Party Opinion (as defined in "*Use of Proceeds*" below)) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not intended to address any credit, market or other aspects of any investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Notes. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social", or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the relevant Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply an amount equal to the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in this Base Prospectus and/or the relevant Final Terms and to report on the use of proceeds or Green Projects as described in the Green Bond Framework, there is no contractual obligation to do so. There can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer or a failure by the relevant Issuer to allocate an amount equal to the proceeds of any Notes issued as Green Bonds or to report on the use of proceeds or Green Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds will not constitute an Event of Default under the Notes.

Any such event or failure to apply an amount equal to the proceeds of any issue of Notes for any Green Projects as aforesaid and/or to report on the use of proceeds or Green Project as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion

of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CBI shall be incorporated in, and form part of, this Base Prospectus:

(a) The independent auditor's report and audited consolidated annual financial statements of Heimstaden Bostad including the notes thereto which are contained in the annual reports of Heimstaden Bostad in respect of the financial years ended 31 December 2021 and 31 December 2020. These documents are available for viewing on the following websites:

Annual Report 2021:

https://s28.q4cdn.com/551253430/files/doc_financials/2021/ar/Heimstaden-Bostad-Annual-Report-2021.pdf

Annual Report 2020:

https://vp289.alertir.com/afw/files/press/heimstadenbostad/202103171897-1.pdf

(b) The independent auditor's report and audited annual financial statements of HBT including the notes thereto in respect of the financial period ended 31 December 2020. This document is available for viewing on the following website:

https://s28.q4cdn.com/551253430/files/doc_downloads/mtm_2020/Annual-Report-2020-HSTB-BV.pdf

(c) The terms and conditions of the Notes contained in the base prospectus of Heimstaden Bostad dated 14 November 2018 (which are included on pages 39 to 74). This document is available for viewing on the following website:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_7dde029c-8d15-4ed1-91df-a8289e86e27f.PDF

(d) The terms and conditions of the Notes contained in the base prospectus of Heimstaden Bostad dated 21 November 2019 (which are included on pages 51 to 86). This document is available for viewing on the following website:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_b0f2eb56-60ee-4532-b9ba-50595482b844.pdf

(e) The terms and conditions of the Notes contained in the base prospectus of Heimstaden Bostad and HBT dated 4 August 2020 (which are included on pages 49 to 91). This document is available for viewing on the following website:

https://s28.q4cdn.com/551253430/files/doc_downloads/mtm_2020/Heimstaden-EMTN-U20-Base-Prospectus-Final-Version.pdf

(f) The terms and conditions of the Notes contained in the base prospectus of Heimstaden Bostad and HBT dated 26 August 2021 (which are included on pages 45 to 87). This document is available for viewing on the following website:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202108/e3878555-c6a4-4ea7-a1f4-acbdd359c493.PDF

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and the Guarantor and approved by the CBI in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall,

to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Base Prospectus. In addition, where sections of any of the above documents which are incorporated by reference into this Base Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Base Prospectus, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors or the information is included elsewhere in this Base Prospectus.

## FORM OF THE NOTES

The Notes of each Series will be in bearer form, with or without interest coupons attached, or registered form, without interest coupons attached or, in the case of VPS Notes, uncertificated book entry form. Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

### Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, each a "**Bearer Global Note**") which, in either case, will:

(a) if the Bearer Global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"); and

(b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, **provided that** purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10 (*Events of Default and Enforcement*)) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer or the Guarantor (as appropriate) has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the relevant Issuer or the Guarantor (as applicable) is given to the Trustee. The relevant Issuer, or as appropriate, the Guarantor, will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer, or as appropriate, the Guarantor, may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

**Registered Notes**

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a "**Registered Global Note**").

Registered Global Notes will be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the "**NSS**"), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition

6.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the relevant Issuer, the Guarantor, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer or the Guarantor (as applicable) has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the relevant Issuer or the Guarantor (as applicable) is given to the Trustee. The relevant Issuer, or as appropriate, the Guarantor will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer, or as appropriate, the Guarantor, may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

**VPS Notes**

Each Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of Euronext VPS. On the issue of such VPS Notes, Heimstaden Bostad will send a letter to the Trustee, the Agent and the VPS Agent (the "**VPS Letter**"), which letter will set out the terms of the relevant issue of VPS Notes in the form of a Final Terms attached thereto. On delivery of a copy of such VPS Letter including the relevant Final Terms to Euronext VPS and notification to Euronext VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent will credit each subscribing account holder with Euronext VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in Euronext VPS will take place two Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will only take place in accordance with the rules and procedures for the time being of Euronext VPS.

VPS Notes may not be exchanged for Notes in bearer or registered form and *vice versa*.

The VPS Notes must comply with the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6 which implements Regulation (EU) No. 909/2014 into Norwegian law, and, to the extent applicable, the Norwegian Securities Register Act of 5 July 2002 no. 64, as amended from time to time, and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under this act and any related regulations and legislation.

The registration of VPS Notes in Euronext VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes will be governed by, and construed in accordance with, Norwegian law.

**General**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or Euronext VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails or is unable to do so within 60 days, and the failure or inability shall be continuing.

The relevant Issuer and the Guarantor (as applicable) may agree with any Dealer and the Trustee, as applicable, that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

## APPLICABLE FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act (2000) ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[Singapore Securities and Futures Act Product Classification –** Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

[*Date*]

**[Heimstaden Bostad AB (publ)][Heimstaden Bostad Treasury B.V.]**
(*incorporated with limited liability in* [*Sweden][the Netherlands*])

**Legal Entity Identifier (LEI): [549300TJR3PR8EXILG79/549300ORG6UYMJBCV938]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**
**[Guaranteed by Heimstaden Bostad AB (publ)]**
**under the €12,000,000,000**
**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 16 March 2022 [and the supplement[s] to it dated [*date*] [and [*date*]]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")]/[the Prospectus Regulation] (the "**Base Prospectus**"). [This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") at https://live.euronext.com/.][1]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [14 November 2018][21 November 2019][4 August 2020][26 August 2021] [and the supplement to it dated [*date*]] which are incorporated by reference in the Base Prospectus dated 16 March 2022. [This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")]/[the Prospectus Regulation] and must be read in conjunction with the Base Prospectus dated 16 March 2022 and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") at https://live.euronext.com/.][2]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

| | | |
|---|---|---|
| 1. | [(a)] Issuer: | [Heimstaden Bostad AB (publ)][Heimstaden Bostad Treasury B.V.] |
| | [(b) Guarantor: | Heimstaden Bostad AB (publ)] |

[1] Delete where the Notes are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation.

[2] Delete where the Notes are neither admitted to trading on a regulated market in EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation.

| | | | |
|---|---|---|---|
| | | | *(Delete in the case of Notes issued by Heimstaden Bostad AB (publ))* |
| 2. | (a) | Series Number: | [ ] |
| | (b) | Tranche Number: | [ ] |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [*date*]][Not Applicable] |
| 3. | Specified Currency or Currencies: | | [ ] |
| 4. | Aggregate Nominal Amount: | | |
| | (a) | Series: | [ ] |
| | (b) | Tranche: | [ ] |
| 5. | Issue Price: | | [ ]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 6. | (a) | Specified Denominations: | [ ]<br><br>*(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*<br><br>*(Note – where Bearer multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*<br><br>*"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."*) |
| | (b) | Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions): | [ ]<br><br>(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.) |
| 7. | (a) | Issue Date: | [ ] |
| | (b) | Interest Commencement Date: | [*specify*/Issue Date/Not Applicable]<br><br>(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*) |

| | | | |
|---|---|---|---|
| 8. | Maturity Date: | | *Specify date or for Floating Rate Notes* – Interest Payment Date falling in or nearest to [*specify month and year*] |
| 9. | Interest Basis: | | [[ ]% Fixed Rate]<br><br>[[[ ] month [EURIBOR/CIBOR/STIBOR/ NIBOR]] +/- [ ]% Floating Rate]<br><br>[Zero coupon]<br><br>(see paragraph [15]/[16]/[17]below) |
| 10. | Redemption Basis: | | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount |
| 11. | Change of Interest Basis: | | [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 16 below and identify there*][Not Applicable] |
| 12. | Put/Call Options: | | [Issuer Call]<br>[Issuer Par Call]<br>[Special Redemption Event Call]<br>[Investor Put]<br>[Change of Control Put]<br>[Clean-Up Call]<br>[(see paragraphs [17 to 25] below)]<br>[Not Applicable] |
| 13. | (a) | Status of the Notes: | Senior |
| | (b) | Status of the Guarantee: | Senior<br><br>*(Delete in the case of Notes issued by Heimstaden Bostad AB (publ))* |
| | (c) | [Date [Board] approval for issuance of Notes [and Guarantee] obtained: | [ ] and [ ], respectively]<br>(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*) |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 14. | Fixed Rate Note Provisions | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Rate(s) of Interest: | [ ]% per annum payable in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | [ ] in each year up to and including the Maturity Date |
| | (c) | Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | [[ ] per Calculation Amount] |
| | (d) | Broken Amount(s) for Notes in definitive form (and in relation to Notes in | [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable] |

| | | |
|---|---|---|
| | global form see Conditions): | |
| (e) | Day Count Fraction: | [30/360] [Actual/Actual (ICMA)] |
| (f) | Determination Date(s): | [[ ] in each year][Not Applicable]<br>(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)* |
| (g) | Step Up Rating Change and/or Step Down Rating Change: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| (h) | Step Up Margin: | [[ ]% per annum] |
| 15. | Floating Rate Note Provisions | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| (a) | Specified Period(s)/Specified Interest Payment Dates: | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable] |
| (b) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable] |
| (c) | Additional Business Centre(s): | [ ] |
| (d) | Manner in which the Rate of Interest and Interest Amount is to be determined: | [Screen Rate Determination] |
| (e) | Party responsible for calculating the Rate of Interest and Interest Amount / Calculation Agent (if not the Agent): | [ ] |
| (f) | Screen Rate Determination: | |
| | • Reference Rate: | [ ] month [EURIBOR/CIBOR/STIBOR/ NIBOR] |
| | • Interest Determination Date(s): | [ ]<br>*(The second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, second Copenhagen business day prior to the start of each Interest Period if CIBOR, second Stockholm business day prior to the start of each* |

| | | | |
|---|---|---|---|
| | | | *Interest Period if STIBOR and second Oslo business day prior to the start of each Interest Period if NIBOR)* |
| | | • Relevant Screen Page: | [ ]<br>(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*) |
| | (h) | Linear Interpolation: | [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| | (i) | Margin(s): | [+/-][ ]% per annum |
| | (j) | Minimum Rate of Interest: | [ ]% per annum |
| | (k) | Maximum Rate of Interest: | [ ]% per annum |
| | (l) | Day Count Fraction: | [Actual/Actual (ISDA)][Actual/Actual (ICMA)]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond Basis]<br>[30E/360 (ISDA)] |
| | (m) | Step Up Rating Change and/or Step Down Rating Change: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (n) | Step Up Margin: | [[ ]% per annum] |
| 16. | Zero Coupon Note Provisions | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Accrual Yield: | [ ]% per annum |
| | (b) | Reference Price: | [ ] |
| | (c) | Day Count Fraction in relation to Early Redemption Amounts: | [30/360]<br>[Actual/360]<br>[Actual/365] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 17. | Notice periods for Condition 7.2: | | Minimum period: [30] days<br>Maximum period: [60] days |
| 18. | Issuer Call: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Optional Redemption Date(s): | [ ] |

| | | | |
|---|---|---|---|
| | (b) | Optional Redemption Amount: | [[ ] per Calculation Amount][Spens Amount][Make-whole Amount] |
| | | (A) Reference Bond | [ ] |
| | | (B) Redemption Margin | [ ] |
| | | (C) Quotation Time | [ ] |
| | (c) | If redeemable in part: | |
| | | (i) Minimum Redemption Amount: | [ ] |
| | | (ii) Maximum Redemption Amount: | [ ] |
| | (d) | Notice periods: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.*) |
| 19. | Issuer Par Call: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Par Call Period: | From (and including) [ ] (the "**Par Call Period Commencement Date**") to (but excluding) the Maturity Date |
| | (b) | Notice Periods: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.*) |
| 20. | Special Redemption Event Call: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*)<br><br>*(Consideration should be given by the Issuer as to whether a supplement to the Base Prospectus is required prior to the inclusion of the Special Redemption Event Call)* |

| | | | |
|---|---|---|---|
| | (a) | Basis of the Call: | [Mandatory]/[Optional] |
| | (b) | Acquisition Target: | [ ] |
| | (c) | Special Redemption Longstop Date: | [ ] |
| | (d) | Special Redemption Amount: | [ ] |
| | (e) | Special Optional Redemption Period: | [ ] / [The period from [[ ]/ [the Issue Date]] to [ ]/the Special Redemption Longstop Date] |
| | (f) | Notice Periods: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.*) |
| 21. | Investor Put: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Optional Redemption Date(s): | [ ] |
| | (b) | Optional Redemption Amount: | [ ] per Calculation Amount |
| | (c) | Notice Periods: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*N.B. Clearing systems require a minimum of 15 clearing system business days' notice to process a put option*) |
| 22. | Change of Control Put | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | Change of Control Redemption Amount: | | [ ] per Calculation Amount |
| 23. | Final Redemption Amount: | | [ ] per Calculation Amount<br>(*The Final Redemption Amount is to be no less than at par value*) |
| 24. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | | [ ] per Calculation Amount |
| 25. | Clean-Up Call | | [Applicable/Not Applicable] |

| | |
|---|---|
| Notice Periods: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.*) |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

26. Form of Notes:

| | | |
|---|---|---|
| (a) | Form: | [Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]<br><br>[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]<br><br>[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]<br><br>[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005[3]]<br><br>(*N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 7 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].".*)]<br><br>[Registered Notes:<br><br>Global Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg][a common safekeeper for Euroclear and Clearstream, Luxembourg]]<br><br>[VPS Notes:<br><br>VPS Notes issued in uncertificated and dematerialised book entry form] |
| (b) | New Global Note: | [Yes][No] |
| (c) | New Safekeeping Structure: | [Yes][No] |

[3] Include for Notes that are to be offered in Belgium.

| | | |
|---|---|---|
| 27. | Additional Financial Centre(s): | [Not Applicable/*give details*]<br><br>(*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 16(c) relates*) |
| 28. | Talons for future Coupons to be attached to Definitive Notes: | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |

[**THIRD PARTY INFORMATION**

[*Relevant third party information*] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

| | |
|---|---|
| Signed on behalf of [**Heimstaden Bostad AB (publ) / Heimstaden Bostad Treasury B.V.**]: | [Signed on behalf of **Heimstaden Bostad AB (publ)**: |
| By: ..... | By: ..... |
| *Duly authorised* | *Duly authorised*]<br><br>*(Delete in the case of Notes issued by Heimstaden Bostad AB (publ))* |

## PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

| | | |
|---|---|---|
| (i) | Listing and Admission to trading | [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market of Euronext Dublin] / [the Oslo Stock Exchange's Regulated Market (*Oslo Børs*)] and listing on the [official list of the Euronext Dublin] / [the Oslo Stock Exchange's Regulated Market (*Oslo Børs*)] with effect from [ ].]<br><br>[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Regulated Market of Euronext Dublin] / [the Oslo Stock Exchange's Regulated Market (*Oslo Børs*)] and listing on the [official list of Euronext Dublin] / [the Oslo Stock Exchange's Regulated Market (*Oslo Børs*)] with effect from [ ].]<br><br>(*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading*.)<br><br>[Not Applicable] |
| (ii) | Estimate of total expenses related to admission to trading: | [ ] |

2. **RATINGS**

| | |
|---|---|
| Ratings: | [The Notes to be issued [[have been]/[have not been]/[are expected to be]] rated]:<br><br>[*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].<br><br>Each of [*defined terms*] is established in the European Union/United Kingdom and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**")<br><br>[*add details of any endorsement under the UK CRA Regulation*]<br><br>[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.]<br><br>*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*.) |

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer [and the Guarantor] [is/are] aware, no person involved in the issue of the Notes has

an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation*.)]

| | | |
|---|---|---|
| 4. | **USE OF PROCEEDS** | [The Issuer intends to apply the net proceeds from this offer of Notes for general corporate purposes.] / [ ] / [The Issuer intends to apply an amount equal to the net proceeds from this offer of Notes specifically for Green Projects as described in "*Use of Proceeds*" in the Base Prospectus.] / [The Issuer intends to apply an amount equal to the net proceeds from this offer of Notes for acquisition consideration, directly or indirectly, in whole or in part, and related fees in respect of the acquisition of the Acquisition Target[.][, although if the Special Redemption Event occurs but the Issuer elects not to exercise the Special Redemption Event Call, the Issuer intends to apply the net proceeds from this offer of Notes for general corporate purposes. *(only if the Basis of the Call is specified as Optional)*] |
| 5. | **ESTIMATED NET PROCEEDS** | |
| | Estimated net proceeds: | [ ] |
| 6. | **YIELD** (Fixed Rate Notes only) | |
| | Indication of yield: | [ ]<br><br>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
| 7. | **OPERATIONAL INFORMATION** | |
| | (i) ISIN: | [ ] |
| | (ii) Common Code: | [ ] |
| | (iii) Any clearing system(s) other than [Euroclear and Clearstream, Luxembourg / Euronext VPS] and the relevant identification number(s): | [Not Applicable/*give name(s) and number(s)*] |
| | (iv) Delivery: | Delivery [against/free of] payment |
| | (v) Names and addresses of additional Paying Agent(s) (if any) or, in the case of VPS Notes, the VPS Agent: | [ ] |
| | (vi) Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a |

nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8. **DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/*give names*] |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (iv) | If non-syndicated, name of relevant Dealer: | [Not Applicable/*give name*] |
| (v) | U.S. Selling Restrictions: | Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br>(*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*) |
| (vii) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br>(*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.*) |
| (viii) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable] |

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

*The following are also the terms and conditions which will be applicable to each VPS Note. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by Euronext VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by Euronext VPS. The applicable Final Terms (or the relevant provisions thereof) will be, in the case of VPS Notes, deemed to apply to any such Notes.*

This Note is one of a Series (as defined below) of Notes issued by Heimstaden Bostad AB (publ) ("**Heimstaden Bostad**") or Heimstaden Bostad Treasury B.V. ("**HBT**" and, together with Heimstaden Bostad, the "**Issuers**" and each an "**Issuer**") constituted by a Fourth Supplemental Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 16 March 2022 made between the Issuers, Heimstaden Bostad in its capacity as guarantor of the Notes issued by HBT only (the "**Guarantor**") and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include any successor as Trustee).

References herein to the "**relevant Issuer**" shall be references to whichever of Heimstaden Bostad or HBT is specified as the Issuer in the applicable Final Terms (as defined below). If the relevant Issuer of a Series of Notes is Heimstaden Bostad, references herein to the "**Guarantor**" and the "**Guarantee**", and related expressions, are not applicable and shall be disregarded in respect of such Series.

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form;

(d) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form); and

(e) Notes cleared through the Norwegian Central Securities Depository, *Verdipapirsentralen ASA* (trading as Euronext Securities Oslo) ("**VPS Notes**" and "**Euronext VPS**", respectively).

The Notes (other than the VPS Notes) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 16 March 2022 made between the Issuers, the Guarantor, the Trustee, Nordea Bank Abp, filial i Norge, Issuer Service as VPS Agent (the "**VPS Agent**"), Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and transfer agent (the "**Transfer Agent**", which expression shall include any additional or successor transfer agents), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**", which expression shall include any successor registrar). The Principal Paying Agent, the Registrar, the Paying Agents and the Transfer Agents are together referred to as the "**Agents**".

The VPS Notes have the benefit of an agreement (such agreement as modified and/or supplemented and/or restated from time to time, the "**VPS Agency Agreement**") dated 21 November 2019 made between Heimstaden Bostad and the VPS Agent. Each Tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with Euronext VPS. The VPS Agent will act as agent of the

relevant Issuer and/or the Guarantor (as applicable) in respect of all dealings with Euronext VPS in respect of VPS Notes as detailed in the VPS Agency Agreement and will also act as calculation agent in respect of the VPS Notes. References to the "**Calculation Agent**" shall be to the VPS Agent in respect of VPS Notes, the Principal Paying Agent in respect of Notes (other than VPS Notes) or as may be separately specified in the relevant Final Terms (such expression shall include any successor or alternative Calculation Agent that may be appointed).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (except in the case of VPS Notes) attached to or endorsed on this Note which supplement these Terms and Conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, and in relation to VPS Notes, be construed as provided below) and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed. Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered in the register and shall, in relation to any VPS Notes or Notes represented by a global Note, be construed as provided below. VPS Notes are in dematerialised form: any references in these Conditions to Coupons and Talons shall not apply to VPS Notes and no global or definitive Notes will be issued in respect thereof. These Conditions shall be construed accordingly.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed (i) are available for inspection or collection during normal business hours at the principal office for the time being of the Trustee being at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee, any Paying Agents, the relevant Issuer or the Guarantor and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Paying Agent, the relevant Issuer or the Guarantor, as the case may be) and subject to the Paying Agents being supplied by the Issuer with electronic copies. If the Notes are to be admitted to trading on the regulated market of Euronext Dublin the applicable Final Terms will be published on the website of Euronext Dublin. Copies of the VPS Agency Agreement are available for inspection during normal business hours at the specified office for the time being of the VPS Agent at Essendrops gate 7, N-0368, Oslo, Norway. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the VPS Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement and the VPS Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement, the VPS Agency Agreement, or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between (i) the Trust Deed and the Agency Agreement, the Trust Deed will prevail, (ii) the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail, (iii) VPS Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, "**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form or, in the case of VPS Notes, in uncertificated book entry form, as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes and *vice versa*. VPS Notes may not be exchanged for Bearer Notes or Registered Notes and *vice versa*. This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The relevant Issuer, the Guarantor, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of Euronext VPS.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note and VPS Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, and/or Euronext VPS, as the case may be. References to Euroclear and/or Clearstream, Luxembourg and/or Euronext VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

Title to the VPS Notes will pass by registration in Euronext VPS between the direct or indirect accountholders at Euronext VPS in accordance with applicable law and the rules and procedures of Euronext VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the relevant Issuer, the Guarantor, the Trustee, any Agent and the VPS Agent as the holder of the relevant VPS Note. Each person who is for the time being shown in the records of Euronext VPS as the holder of a particular nominal amount of VPS Notes (in which regard any certificate or other document issued by Euronext VPS as to the nominal amount of such VPS Notes standing to the account of any person shall be conclusive and binding for all purposes save in the

case of manifest error) shall be treated by the relevant Issuer, the Guarantor, the Trustee, and the VPS Agent as the holder of such nominal amount of such VPS Notes for all purposes.

VPS Notes will be transferable only in accordance with applicable law and the rules and procedures for the time being of Euronext VPS. The registration of VPS Notes in Euronext VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes will be governed by, and construed in accordance with, Norwegian law.

## 2. TRANSFERS OF REGISTERED NOTES AND VPS NOTES

### 2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

### 2.2 Transfers of Interests in VPS Notes

Settlement of sale and purchase transactions in respect of VPS Notes will take place two Oslo business days after the date of the relevant transaction. VPS Notes may be transferred between accountholders at Euronext VPS in accordance with the procedures and regulations of Euronext VPS from time to time. A transfer of VPS Notes which is held through Euroclear or Clearstream, Luxembourg is only possible by using an account operator linked to Euronext VPS.

### 2.3 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.4 (*Registration of transfer upon partial redemption*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the relevant Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.4 **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the relevant Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

In the event of partial redemption of VPS Notes under Condition 7 (*Redemption and Purchase*), the relevant Issuer shall not be required to register the transfer of any VPS Note, or part of a VPS Note, called for partial redemption.

2.5 **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the relevant Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## 3. STATUS OF THE NOTES AND THE GUARANTEE

### 3.1 Status of the Notes

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

### 3.2 Status of the Guarantee

The Guarantor has in the Trust Deed guaranteed (the "**Guarantee**") the payment by HBT of all sums in respect of the Notes and under the Trust Deed and the performance by HBT of all its obligations under the Notes and the Trust Deed. The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

## 4. COVENANTS

### 4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), neither the relevant Issuer nor the Guarantor will, and the relevant Issuer and the Guarantor will procure that none of their respective Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") (in each case other than a Permitted Security Interest), upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the relevant Issuer, the Guarantor and/or any of their respective Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the relevant Issuer or the Guarantor (as the case may be), in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes, the Coupons and the Trust Deed or, as the case may be, the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4.2 **Financial Covenants**

(a) ***Limitations on the Incurrence of Financial Indebtedness***: So long as any Note remains outstanding Heimstaden Bostad will not, and will not permit any Subsidiary to, incur directly or indirectly any Financial Indebtedness or any guarantee and/or indemnity in respect of any Financial Indebtedness (excluding for the purposes of this Condition 4.2(a) any Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds), the Consolidated Solvency Ratio would exceed 65%;

(b) ***Maintenance of Consolidated Coverage Ratio***: So long as any Note remains outstanding Heimstaden Bostad undertakes that on each Testing Date the Consolidated Coverage Ratio is not less than 1.5:1; and

(c) ***Limitations on the Incurrence of Secured Indebtedness***: So long as any Note remains outstanding Heimstaden Bostad will not, and will not permit any Subsidiary to incur directly or indirectly, any Secured Indebtedness (excluding for the purposes of this Condition 4.2(b) any Permitted Refinancing Indebtedness relating to the same previously secured assets) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds) the total value of Secured Indebtedness of the Group (on a consolidated basis) would exceed 45% of Consolidated Total Assets.

Heimstaden Bostad will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the undertakings in this Condition 4.2 is breached at any time.

For so long as the Notes remain outstanding, Heimstaden Bostad will deliver a certificate to the Trustee on each Reporting Date signed by any Authorised Signatory (as defined in the Trust Deed) of Heimstaden Bostad, certifying that Heimstaden Bostad is in compliance with, and there has been no breach of, the undertakings set out in this Condition 4.2.

A certificate by any Authorised Signatory of Heimstaden Bostad as to any of the amounts referred to in this Condition 4.2, or any of the terms defined for the purposes of this Condition 4.2, shall be conclusive and binding on all parties.

4.3 **Interpretation**

For the purposes of these Conditions:

"**Consolidated Coverage Ratio**" means, in respect of any Testing Date, the ratio of (i) the aggregate amount of Consolidated Profit Before Financial Items for the period of the most recent four consecutive financial quarters ending on such Testing Date, to (ii) the aggregate amount of Net Interest Charges, for the period of the most recent four consecutive financial quarters ending on such Testing Date;

"**Consolidated Profit Before Financial Items**" means, in respect of any Testing Date, the number set out under the heading "Profit before financial items" (or any equivalent line item) in the consolidated financial statements of the Group;

"**Consolidated Solvency Ratio**" means (i) the aggregate of the total Financial Indebtedness (on a consolidated basis) of the Group (less cash and cash equivalents and listed shares) and any guarantee and/or indemnity in respect of any Financial Indebtedness (except for any guarantee and/or indemnity in respect of any Financial Indebtedness that Heimstaden Bostad has directly or indirectly accounted for in its consolidated financial statements) divided by (ii) Consolidated Total Assets, in each case as set out in the most recent annual or interim, as the case may be, consolidated financial statements of the Group;

"**Consolidated Total Assets**" means the value of the consolidated total assets of the Group as shown in the most recent annual or interim, as the case may be, consolidated financial statements of the Group;

"**Financial Indebtedness**" means, with respect to any Person at any date of determination (without duplication) any indebtedness of such Person, including:

(i) all indebtedness of such Person for borrowed money in whatever form;

(ii) any amounts raised by such Person evidenced by bonds, debentures, notes, loan stock or other similar instruments;

(iii) any amounts raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(iv) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(v) the amount of any liability in respect of leases or hire purchase contracts (excluding the amount of any liability in respect of leasehold properties) which would, in accordance with applicable law and generally accepted accounting principles applicable to the Group, be treated as finance or capital leases;

(vi) the amount of any liability in respect of any purchase price of property, assets or services the payment of which is deferred for a period in excess of 90 days.

For the avoidance of doubt 'indebtedness' will be determined by reference to IFRS (or such accounting standards as are applicable to the Issuer at the relevant time) and deferred tax liabilities shall not be considered Financial Indebtedness;

"**Group**" means Heimstaden Bostad and its consolidated Subsidiaries;

"**Net Interest Charges**" means the net amount calculated as the number set out under the heading "Financial income" (or equivalent line item) in the consolidated financial statements of the Group from which is deducted the numbers set out under the heading "Financial costs" (or equivalent line items) in the consolidated financial statements of the Group;

"**Permitted Refinancing Indebtedness**" means any Financial Indebtedness of the relevant Issuer, the Guarantor or any of Heimstaden Bostad's Subsidiaries raised or issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange or discharge other Financial Indebtedness of the relevant Issuer, the Guarantor or any member of the Group (other than intra-group Financial Indebtedness); **provided that**:

(a) the aggregate principal amount (or accretable value) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Financial Indebtedness renewed, refunded, refinanced, replaced, exchanged or discharged (plus all accrued interest on the Financial Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date, or may only be redeemed or repaid at the option of the relevant Issuer and the Guarantor, either (i) no earlier than the final maturity date of the Financial Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged or (ii) after the final maturity date of the Notes;

(c) if the Financial Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged is expressly, contractually subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes; and

(d) if the relevant Issuer and/or the Guarantor was the obligor on the Financial Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged, such Financial Indebtedness is incurred by the relevant Issuer and/or the Guarantor;

"**Permitted Security Interest**" means any Security Interest securing any Relevant Indebtedness of any Subsidiary of the relevant Issuer or the Guarantor (as the case may be) acquired, so long as

such Security Interest was outstanding on the date on which the relevant entity became a Subsidiary of the relevant Issuer or the Guarantor (as the case may be), was not created in contemplation of such entity becoming a Subsidiary of the relevant Issuer or the Guarantor (as the case may be), and the principal amount of Relevant Indebtedness so secured was not increased in contemplation of such entity becoming a Subsidiary of the relevant Issuer or the Guarantor (as the case may be) or since such entity became a Subsidiary of the relevant Issuer or the Guarantor (as the case may be);

"**Person**" means any individual, company, corporation, firm, unincorporated association or body, partnership, trust, fund, joint venture or consortium, association, organisation, government, state or agency of a state or other entity, whether or not having separate legal personality;

"**Relevant Indebtedness**" means (i) any Financial Indebtedness (whether being principal, premium, interest or other amounts) which is in the form of or represented by any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

"**Reporting Date**" means a date falling no later than 30 days after (i) the publication of the relevant Issuer's and the Guarantor's annual consolidated financial statements, or (ii) the publication of the relevant Issuer's and the Guarantor's quarterly consolidated financial statements;

"**Secured Indebtedness**" means any Financial Indebtedness or any guarantee and/or indemnity in respect of any Financial Indebtedness that is secured in whole or in part by a Security Interest granted over any assets of any member of the Group;

"**Subsidiary**" means in relation to any person (the "**first person**") at any particular time, any other person (the "**second person**"):

(i) which is a subsidiary (*Sw. dotterföretag*) to the first Person, directly or indirectly, as defined in the Swedish Companies Act (*Sw. (aktiebolagslagen 2005:551)*); or

(ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person, and includes any Person that is a Subsidiary of a Subsidiary; and

"**Testing Date**" means each day which is: (i) the last day of the relevant Issuer's and the Guarantor's financial year in any year; or (ii) the last day of each of the first three quarters of the relevant Issuer's and the Guarantor's financial year in any year.

## 5. INTEREST

### 5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first

Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 **Interest on Floating Rate Notes**

(a) ***Interest Payment Dates***

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) ***Rate of Interest***

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be, subject as provided below, either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either EURIBOR, CIBOR, STIBOR or NIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR, Copenhagen time, in the case of CIBOR or Stockholm time, in the case of STIBOR) or 12.00 noon (Oslo time, in the case of NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or, in the case of VPS Notes, the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Principal Paying Agent, in the case of Floating Rate Notes which are not VPS Notes, and the Calculation Agent, in the case of Floating Rate Notes which are VPS Notes, will

at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or, in the case of Floating Rate Notes which are VPS Notes, the Calculation Agent, will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or

(ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if "**Actual/Actual (ISDA)**" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case $D_2$ will be 30;

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30.

(e) ***Linear Interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or, in the case of VPS Notes, the Calculation Agent, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period **provided however that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or, in the case of VPS Notes, the Calculation Agent, shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, the period of time designated in the Reference Rate.

(f) ***Benchmark Replacement***

Notwithstanding the operation of the provisions above in this Condition 5.2, if the relevant Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event has occurred in relation to the Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) *Independent Advisor*

The relevant Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith) a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than 5 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "IA Determination Cut-off Date") for the purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 5.2(f) during any other future Interest Period(s)).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser (acting in good faith) determines that:

(A) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(f)(iii)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 5.2(f)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as

provided in Condition 5.2(f)(iii)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 5.2(f)).

(iii) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 5.2(f)(ii), the Independent Adviser acting in good faith shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable)), subject to the subsequent further operation and adjustment as provided in this Condition 5.2(f).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.2(f) and the Independent Adviser (acting in good faith) determines (i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (provided that such amendments do not, without the consent of the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it) (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 5.2(f)(v), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the request and expense of the relevant Issuer, agree to use their reasonable endeavours to effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions, including, inter alia, by execution of a deed supplemental to the Trust Deed, as the relevant Issuer determines and certifies to the Trustee and the Principal Paying Agent may be required in order to give effect to this Condition 5.2(f) and neither the Trustee nor the Principal Paying Agent shall be liable to any party for any consequence thereof provided, however, that neither the Trustee nor the Principal Paying Agent (as applicable) shall be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee or the Principal Paying Agent (as applicable), expose it to any additional liabilities or increase the obligations or duties or reduce or amend its rights and/or the protective provisions afforded to it in the Trust Deed and/or these Conditions and/or the Agency Agreement (as applicable).

In connection with any such variation in accordance with this Condition 5.2(f)(iv), the relevant Issuer shall comply with the rules of any stock exchange or other

relevant authority on or by which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

The relevant Issuer shall no later than the IA Determination Cut-off Date notify the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Trustee, the Principal Paying Agent, the Paying Agents and promptly thereafter notify, in accordance with Condition 14 (*Notices*), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.2(f). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. No later than notifying the Trustee and the Principal Paying Agent of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the relevant Issuer confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or Alternative Rate (as applicable), (iii) any Adjustment Spread and (iv) where applicable, the terms of any changes pursuant to sub-paragraph (iv) above and certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread. The Trustee and the Principal Paying Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the relevant Issuer, the Trustee, the Principal Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the relevant Issuer under this Condition 5.2(f), the Original Reference Rate and the fallback provisions provided for in Condition 5.2(b) will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 5.2(f)(v).

(vii) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, the relevant Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this Condition 5.2(f) prior to the IA Determination Cut-off Date and the Relevant Screen Page is no longer available for use, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period,

in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

For the avoidance of doubt, this Condition 5.2(f) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(f).

For the purposes of this Condition 5.2(f):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (acting in good faith) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

(B) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser (acting in good faith) determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

(C) (if no such determination has been made) the Independent Adviser (acting in good faith) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if no such industry standard is recognised or acknowledged) the Independent Adviser (acting in good faith) determines to be appropriate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative to the Original Reference Rate which the Independent Adviser (acting in good faith) determines in accordance with Condition 5.2(f)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser (acting in good faith) determines is most comparable to the Original Reference Rate;

"**Benchmark Amendments**" has the meaning given to it in Condition 5.2(f)(iv);

"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing permanently to be calculated, administered and published;

(B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date,

cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i) above;

(C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i) above;

(E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (i) above;

(F) it has or will prior to the next Interest Determination Date become unlawful for the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or

(G) the later of (i) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is or will, on or before a specified date, be no longer representative and (ii) the date falling six months prior to the specified date referred to in (i) above;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the relevant Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 5.2(f) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the relevant Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5.2(f);

"**Original Reference Rate**" means the originally-specified Reference Rate used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Periods(s) (provided that if, following one or more Benchmark Events, such originally-specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

"**Relevant Nominating Body**" means, in respect of an Original Reference Rate:

(A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 5.2(f)(ii), such Successor Rate or Alternative Rate, as applicable, which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

(g) ***Notification of Rate of Interest and Interest Amounts***

The Principal Paying Agent or, in the case of VPS Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Issuer, the Guarantor, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in the case of VPS Notes, Euronext VPS and the VPS Agent and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this Condition 5.2(g), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London. The notification of any rate or amount, if applicable, shall be made to Euronext VPS in accordance with and subject to Euronext VPS rules and regulations for the time being in effect.

(h) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or gross negligence) no liability to the relevant Issuer, the Guarantor, the Trustee, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed.

5.4 **Adjustment of Rate of Interest for Fixed Rate Notes and Floating Rate Notes**

If a Step Up Rating Change and/or Step Down Rating Change is specified as being applicable in the applicable Final Terms, the following terms relating to the Rate of Interest for the Notes shall apply:

(a) The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change and/or a Step Down Rating Change, as the case may be.

(b) Subject to Condition 5.4(d) and 5.4(h) below, from and including the first Interest Payment Date falling on or after the date of a Step Up Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes shall be increased by the Step Up Margin.

(c) Subject to Condition 5.4(d) and 5.4(h) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date falling on or after the date of such Step Down Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes shall be decreased by the Step Up Margin back to the initial Rate of Interest (in the case of Fixed Rate Notes) or the initial Margin (in the case of Floating Rate Notes).

(d) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period (in the case of Fixed Rate Notes) or the same Interest Period (in the case of Floating Rate Notes), the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) on the Notes shall be neither increased nor decreased as a result of either such event.

(e) Heimstaden Bostad shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from a Rating Agency. If, notwithstanding such reasonable efforts, any Rating Agency fails or ceases to assign a credit rating to Heimstaden Bostad's senior unsecured long-term debt, Heimstaden Bostad shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a Substitute Rating Agency approved (other than in the case of Moody's or Fitch) by the Trustee in writing (such approval not to be unreasonably withheld or delayed), and references herein to such Rating Agency or the credit ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent credit ratings thereof as specified in or determined in accordance with the remainder of this Condition 5.4.

(f) Heimstaden Bostad will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change giving rise to an adjustment to the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes pursuant to this Condition 5.4 to be notified to the Trustee and the Principal Paying Agent and, in the case of VPS Notes, Euronext VPS and the VPS Agent and (in accordance with Condition 14 (*Notices*)) the Noteholders as soon as reasonably practicable after the occurrence of such Step Up Rating Change or Step Down Rating Change, but in no event later than the fifth London Business Day thereafter. Such notification, if applicable, shall be made to Euronext VPS in accordance with and subject to Euronext VPS rules and regulations for the time being in effect.

(g) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition 5.4 or if a rating is procured from a Substitute Rating Agency other than Moody's or Fitch, Heimstaden Bostad shall determine, with the prior approval of the Trustee (such approval not to be unreasonably withheld or delayed), the rating designations of such Rating Agency or Substitute Rating Agency (as the case may be) as are most equivalent to the prior rating designations of the existing Rating Agency (or Rating Agencies, as the case may be).

(h) Notwithstanding any other provision contained herein, there shall be no limit on the number of times that the Rate of Interest may be adjusted pursuant hereto during the term

of the Notes **provided that** at no time during the term of the Notes will the Rate of Interest be (i) less than the initial Rate of Interest or (ii) more than the initial Rate of Interest plus the Step Up Margin specified hereon.

Where:

"**Rating Agency**", "**Fitch**", "**Moody's**", "**S&P**" and "**Substitute Rating Agency**" have the meanings given to such terms in Condition 7.7 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put*));

"**Step Down Rating Change**" means the first public announcement by S&P and, if applicable, each other Rating Agency appointed by or with the consent of Heimstaden Bostad, after a Step Up Rating Change, that the credit rating of Heimstaden Bostad's senior unsecured long-term debt is at least BBB- in the case of S&P and, if applicable, at least Baa3 in the case of Moody's and at least BBB- in the case of Fitch with the result that, following such public announcement, no Rating Agency assigns a credit rating below the aforementioned levels or any equivalent rating. For the avoidance of doubt, any further increase in the credit rating of Heimstaden Bostad's senior unsecured long-term debt above BBB- in the case of S&P and, if applicable, at least Baa3 in the case of Moody's and at least BBB- in the case of Fitch and in respect of any other Substitute Rating Agency, an equivalent rating or above shall not constitute a further Step Down Rating Change;

"**Step Up Margin**" means the rate per annum specified in the applicable Final Terms; and

"**Step Up Rating Change**" means the first public announcement by S&P or, if applicable, any other Rating Agency appointed by or with the consent of Heimstaden Bostad, of a decrease in the credit rating of Heimstaden Bostad's senior unsecured long-term debt to below BBB- (in the case of S&P) or below Baa3 (in the case of Moody's) or below BBB- (in the case of Fitch). For the avoidance of doubt, any further decrease in the credit rating of Heimstaden Bostad's senior unsecured long-term debt below BBB- in the case of S&P or, if applicable, below Baa3 in the case of Moody's or below BBB- in the case of Fitch and in respect of any other Substitute Rating Agency, an equivalent rating or below shall not constitute a further Step Up Rating Change.

### 5.5 Calculation Agent

The relevant Issuer and the Guarantor shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of any Notes and for so long as such Note is outstanding. Where more than one Calculation Agent is appointed in respect of any Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest payable from time to time or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the relevant Issuer and the Guarantor, shall (with prior notification to the Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6. PAYMENTS

### 6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

6.2 **Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

6.3 **Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either

on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 **Payments in respect of Registered Notes**

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the relevant Issuer, the Guarantor, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 **Payments in respect of VPS Notes**

Payments of principal and interest in respect of VPS Notes will be made to the Noteholders shown in the records of Euronext VPS in accordance with and subject to the rules and regulations from time to time governing Euronext VPS.

The VPS Agent and any Calculation Agent act solely as agents of the relevant Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any holder of VPS Notes. The relevant Issuer and the Guarantor reserve the right at any time, with prior notification to the Trustee, to vary or terminate the appointment of the VPS Agent or the Calculation Agent and to appoint additional or other agents, **provided that** the relevant Issuer and the Guarantor shall at all times maintain (i) a VPS Agent authorised to act as an account operating institution with Euronext VPS, (ii) one or more Calculation Agent(s) where the Conditions so require, and (iii) such other agents as may be required by any stock exchange on which the VPS Notes may be listed. Notice of any such change or of any change of any specified office shall promptly be given to the holders of VPS Notes in accordance with Condition 14 (*Notices*).

6.6 **General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the relevant Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the relevant Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 6.6, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the relevant Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the relevant Issuer and the Guarantor, adverse tax consequences to the relevant Issuer or the Guarantor.

6.7 **Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.8 **Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) the Change of Control Redemption Amount (if any) of the Notes; and

(f) any premium and any other amounts (other than interest) which may be payable by the relevant Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. **REDEMPTION AND PURCHASE**

7.1 **Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the relevant Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 **Redemption for tax reasons**

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice each as specified in the applicable Final Terms to the Trustee and the Principal Paying Agent (or, in the case of VPS Notes, the Trustee and the VPS Agent) and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if the relevant Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or the Guarantor is unable to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it.

**provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor, would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the relevant Issuer shall deliver to the Trustee and, in the case of VPS Notes, the VPS Agent, to make available at their specified office to the Noteholders (i) a certificate signed by an Authorised Signatory of the relevant Issuer or, as the case may be, an Authorised Signatory of the Guarantor stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.9 (*Early Redemption Amounts*) below together with any interest accrued to (but excluding) the date of redemption.

7.3 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the relevant Issuer may, having given not less than the minimum period nor more than the maximum period of notice each as specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Where the Optional Redemption Amount is Spens Amount or Make-whole Amount, any such notice of redemption may, at the relevant Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the relevant Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the relevant Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the relevant Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if either Spens Amount or Make-whole Amount is specified in the applicable Final Terms, will be:

(a) if Spens Amount is specified as being applicable in the applicable Final Terms, the higher of (i) 100% of the nominal amount outstanding of the Notes to be redeemed and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the relevant Issuer and the Trustee by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin; or

(b) if Make-whole Amount is specified as applicable in the applicable Final Terms, the higher of (i) 100% of the nominal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming the Day Count Fraction specified in the applicable Final Terms or such other day count basis as the Determination Agent may consider to be appropriate having regard to customary market practice at such time) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent.

In this Condition 7.3:

"**DA Selected Bond**" means a government security or securities (which if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

"**Determination Agent**" means an investment bank, financial institution of international standing or an independent financial adviser with appropriate expertise selected by the relevant Issuer;

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts"; "Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

"**Quotation Time**" shall be as set out in the applicable Final Terms;

"**Redemption Margin**" shall be as set out in the applicable Final Terms;

"**Reference Bond**" shall be as set out in the applicable Final Terms or the DA Selected Bond;

"**Reference Bond Price**" means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"**Reference Date**" will be set out in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of five banks selected by the relevant Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

"**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to maturity of such Note (or, if Issuer Par Call is specified as being applicable in the applicable Final Terms, the remaining term up to the Par Call Period Commencement Date as specified in the applicable Final Terms) determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the relevant Issuer pursuant to this Condition 7.3.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot,

not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

7.4 **Redemption at the option of the Issuer (Issuer Par Call)**

If Issuer Par Call is specified as being applicable in the applicable Final Terms, the relevant Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the Par Call Period specified as being applicable in the applicable Final Terms, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

7.5 **Redemption upon the occurrence of a Special Redemption Event (Special Redemption Event Call)**

If Special Redemption Event Call is specified as being applicable in the applicable Final Terms, upon the occurrence of a Special Redemption Event, the Issuer (if the Basis of the Call is specified as being Mandatory in the applicable Final Terms) shall or (if the Basis of the Call is specified as being Optional in the applicable Final Terms) may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms at any time during the Special Optional Redemption Period to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at the Special Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

For the purposes of this Condition a "**Special Redemption Event**" shall be deemed to have occurred if Heimstaden Bostad (i) has not completed and closed the acquisition of the Acquisition Target specified in the applicable Final Terms by the Special Redemption Longstop Date specified in the applicable Final Terms; or (ii) has published an announcement that it no longer intends to pursue the acquisition of the Acquisition Target.

7.6 **Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the relevant Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the relevant Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition 7.6 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.3 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or

evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear, Clearstream, Luxembourg, or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

If this Note is a VPS Note, to exercise the right to require redemption of the VPS Notes, the holder of the VPS Notes, must, within the notice period, give notice to the VPS Agent of such exercise in accordance with the standard procedures of Euronext VPS from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to this Condition 7.6 and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events of Default and Enforcement*).

7.7 **Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)**

If a Change of Control Put is specified in the applicable Final Terms, upon the occurrence of a Change of Control Put Event (as defined below), each Noteholder will have the option (the "**Change of Control Put Option**") to require the relevant Issuer to redeem or, at the relevant Issuer's option, purchase (or procure the purchase of) that Noteholder's Notes on the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount together with interest accrued to but excluding the date of redemption or purchase.

Promptly upon the relevant Issuer or the Guarantor becoming aware that a Change of Control Put Event has occurred and, in any event, within 5 days of the relevant Issuer and/or the Guarantor becoming aware that such Change of Control Put Event has occurred, the relevant Issuer and/or the Guarantor shall, and at any time upon the Trustee becoming so aware (the relevant Issuer and/or the Guarantor having failed to do so) the Trustee may, and, if so requested by the holders of at least one-fifth in principal amount of the Notes then outstanding, shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 14 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, on any Payment Day (as defined in Condition 6.7 (*Payment Day*)) at the place of such specified office falling within the Change of Control Put Period (as defined below), a duly signed and completed notice of exercise in the form for the time being current obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Change of Control Put Exercise Notice**") and in which the holder must specify a bank account (or, if payment is to be made by cheque, an address) to which payment is to be made under this Condition 7.7 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.3 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Change of Control Put Exercise Notice must be

accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following the delivery of the Change of Control Put Exercise Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of this Note under this Condition 7.7 the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg from time to time.

If this Note is a VPS Note, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7.7, the holder of the VPS Note must, within the Change of Control Put Period, give notice to the VPS Agent of such exercise in accordance with the standard procedures of Euronext VPS from time to time.

A Change of Control Put Exercise Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption or purchase, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the Change of Control Put Exercise Notice given pursuant to this Condition 7.7 and instead treat its Notes as being forthwith due and payable pursuant to Condition 10 (*Events of Default and Enforcement*).

Any Note which is the subject of a Change of Control Put Exercise Notice which has been delivered as described above prior to the expiry of the Change of Control Put Period shall be redeemed or, as the case may be, purchased by (or on behalf of) the relevant Issuer on the date which is the seventh Business Day as defined in Condition 5.2(a) (*Interest Payment Dates*) immediately following the last day of the Change of Control Put Period (the "**Change of Control Put Date**").

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of, or could constitute, a Change of Control Put Event or Change of Control has occurred and, until it shall have received notice thereof pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

In these Conditions:

a "**Change of Control Put Event**" will be deemed to occur if:

(a) any Person or any Persons acting in concert (other than Heimstaden AB (publ) or Alecta Tjänstepension Ömsesidigt) shall acquire: (A) shares in the issued or allotted share capital of Heimstaden Bostad carrying more than 50% of the voting rights normally exercisable at a general meeting of Heimstaden Bostad; or (B) the power to appoint or remove all or the majority of the members of the board of directors of Heimstaden Bostad (each such event being, a "**Change of Control**"); and

(b) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the earliest Potential Change of Control Announcement (as defined below) (if any) and (2) the date of the first public announcement of the relevant Change of Control, the Notes carry:

(i) an investment grade credit rating (*Baa3/BBB-/BBB-, or equivalent, or better*) (an "**Investment Grade Rating**") from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of Heimstaden Bostad) and, within the Change of Control Period, any such Rating Agency downgrades its rating of the Notes to a non-investment grade credit rating (*Ba1/BB+/BB+ or equivalent,*

*or worse*) or withdraws its rating of the Notes and such rating is not within the Change of Control Period (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade Rating by such Rating Agency; or

(ii) a non-investment grade credit rating *(Ba1/BB+/BB+ or equivalent or worse)* from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of Heimstaden Bostad) and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches *(for illustration, Ba1/BB+/BB+ to Ba2/BB/BB being one notch)* or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

(iii) no credit rating from any Rating Agency and a Negative Rating Event also occurs within the Change of Control Period,

and

(c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the relevant Issuer, the Guarantor or the Trustee that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn). Upon receipt by the relevant Issuer, the Guarantor or the Trustee of any such written confirmation, the relevant Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14 (*Notices*).

If the rating designations employed by S&P, Moody's or Fitch are changed from those which are described in paragraph (b) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency, Heimstaden Bostad shall determine the rating designations of S&P, Moody's or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P, Moody's or Fitch and this Condition 7.7 shall be construed accordingly.

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 120 days after the occurrence of the Change of Control or, where a Rating Agency has publicly announced that the Notes are under consideration for rating review or, as the case may be, rating (such public announcement being within the period ending 120 days after the Change of Control), the later of (i) such 120th day after the Change of Control and (ii) the date falling 60 days after such public announcement;

"**Change of Control Put Period**" means the period from, and including, the date of a Change of Control Put Event Notice to, but excluding, the 45th day following the date of the Change of Control Put Event Notice or, if earlier, the eighth day immediately preceding the Maturity Date;

"**Fitch**" means Fitch Ratings Limited;

"**Moody's**" means Moody's Investors Service Limited;

"**Negative Rating Event**" shall be deemed to have occurred if (i) Heimstaden Bostad does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes or (ii) if Heimstaden Bostad does so seek and use all such reasonable endeavours, it is unable to obtain such rating of at least investment grade *(Baa3/BBB-/BBB- or equivalent or better)* by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the relevant Issuer, the Guarantor or the Trustee that the failure to issue a rating of at least investment grade *(Baa3/BBB-/BBB- or equivalent or better)* was as a result, directly or indirectly, of the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control had occurred at such time);

"**Potential Change of Control Announcement**" means any public announcement or statement by or on behalf of Heimstaden Bostad, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

"**Rating Agency**" means S&P, Moody's or Fitch or any of their respective successors or any other rating agency (a "**Substitute Rating Agency**") of equivalent international standing specified by Heimstaden Bostad from time to time and approved by the Trustee in writing; and

"**S&P**" and "**Standard & Poor's**" means S&P Global Ratings Europe Limited.

7.8 **Clean-up Call**

If Clean-up Call is specified as being applicable in the applicable Final Terms, in the event that 75% or more in principal amount of the Notes then outstanding have been redeemed pursuant to Conditions 7.6 (*Redemption at the option of the Noteholders (Investor Put)*) and/or 7.7 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) or purchased and cancelled pursuant to Condition 7.10 (*Purchases*), the relevant Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 14 (*Notices*), redeem or, at the relevant Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.

7.9 **Early Redemption Amounts**

For the purpose of Condition 7.2 (*Redemption for tax reasons*) and Condition 10 (*Events of Default and Enforcement*):

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount as specified in the applicable Final Terms; or

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount being an amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield (as specified in the applicable Final Terms) expressed as a decimal; and

"**y**" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.10 **Purchases**

The relevant Issuer, the Guarantor, or any Subsidiary of the relevant Issuer or the Guarantor may at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the relevant Issuer or the Guarantor (in the case of Notes other than VPS Notes), surrendered to any Paying Agent and/or the Registrar for cancellation or, in the case of VPS Notes, cancelled by causing such VPS Notes to be deleted from the records of Euronext VPS.

7.11 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.10 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or, in the case of VPS Notes, shall be deleted from the records of Euronext VPS, and in each case cannot be reissued or resold.

7.12 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (*Redemption at maturity*), 7.2 (*Redemption for tax reasons*), 7.3 (*Redemption at the option of the relevant Issuer (Issuer Call)*), 7.4 (*Redemption at the option of the relevant Issuer (Issuer Par Call)*) or 7.5 (*Redemption upon the occurrence of a Special Redemption Event (Special Redemption Event Call)*) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.9(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Trustee or the Principal Paying Agent or the Registrar or, in the case of VPS Notes, Euronext VPS and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

8. **TAXATION**

8.1 **Taxation provisions applicable to Notes other than VPS Notes**

All payments of principal and interest in respect of the Notes (other than VPS Notes) and Coupons by or on behalf of the relevant Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes (other than VPS Notes) or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes (other than VPS Notes) or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note (other than a VPS Note) or Coupon:

(a) presented for payment in the Kingdom of Sweden or the Netherlands; or

(b) the holder of which is liable for such taxes or duties in respect of such Note (other than a VPS Note) or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note (other than a VPS Note) or Coupon;

(c) where such withholding or deduction is imposed pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), as amended, on payments due to a holder of a Note (other than a VPS Note) or Coupon affiliated (*gelieerd*) to HBT (within the meaning of the Dutch Withholding Tax Act 2021 as published in the Official Gazette (*Staatsblad*) Stb. 2019, 513 of 27 December 2019); or

(d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7 (*Payment Day*)).

8.2 **Taxation provisions applicable to VPS Notes**

All payments of principal and interest in respect of the VPS Notes by the relevant Issuer or the Guarantor shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the VPS Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the VPS Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any VPS Note the holder of which is liable for such taxes or duties in respect of such VPS Note by reason of them having some connection with a Tax Jurisdiction other than the mere holding of such VPS Note.

8.3 **Definitions**

As used in these Conditions:

(i) "**Tax Jurisdiction**" means the Kingdom of Sweden (in the case of payments by HBT or Heimstaden Bostad) and/or the Netherlands (in the case of payments by HBT or by Heimstaden Bostad in respect of Notes issued by HBT) (or, in either case, any political subdivision or any authority thereof or therein having power to tax) or any other jurisdiction (or any political subdivision or any authority thereof or therein having power to tax) to which payments made by the relevant Issuer or, as the case may be, the Guarantor of principal and interest on the Notes become generally subject; and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar (or, in the case of VPS Notes, the VPS Agent), as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

9. **PRESCRIPTION**

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*).

10. **EVENTS OF DEFAULT AND ENFORCEMENT**

10.1 **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution

shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs 10.1(b) to 10.1(e) (other than the winding up or dissolution of the relevant Issuer or the Guarantor) and 10.1(f) to (h) inclusive below, only if the Trustee shall have certified in writing to the relevant Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the relevant Issuer and the Guarantor that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an "**Event of Default**") occurs and is continuing:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) if Heimstaden Bostad fails to comply with Condition 4.2(b) (*Financial Covenants – Maintenance of Consolidated Coverage Ratio*) and such breach continues for 90 days; or

(c) if the relevant Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues unremedied for the period of 30 days or such longer period as the Trustee may agree after the service by the Trustee on the relevant Issuer or the Guarantor (as the case may be) of written notice requiring the same to be remedied; or

(d) if (i) any Financial Indebtedness of the relevant Issuer or the Guarantor or any of their respective Subsidiaries becomes due and repayable prior to its stated maturity by reason of an event of default (however described); (ii) the relevant Issuer or the Guarantor or any of their respective Subsidiaries fails to make any payment in respect of any Financial Indebtedness on the due date for payment (as extended by any originally applicable grace period); (iii) any security given by the relevant Issuer or the Guarantor or any of their Subsidiaries for any Financial Indebtedness becomes enforceable and steps are taken to enforce the same; or (iv) default is made by the relevant Issuer or the Guarantor or any of their respective Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Financial Indebtedness of any other person; **provided that** no event described in this subparagraph 10.1(d) shall constitute an Event of Default unless the relevant amount of Financial Indebtedness or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least 1% of the Consolidated Total Assets; or

(e) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the relevant Issuer or the Guarantor or any Material Subsidiary, save for (i) the purposes of reorganisation, amalgamation, adjustment or restructuring of the Group whilst solvent; (ii) in respect of a Material Subsidiary, where such winding up or dissolution is in connection with the sale for full consideration received by the Group on an arm's length basis of the assets or the business of such Material Subsidiary, all of the proceeds of which are reinvested in the Group; or (iii) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(f) if (a) the relevant Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for: (i) the purposes of any reorganisation, amalgamation, adjustment or restructuring of the Group whilst solvent; (ii) in respect of a Material Subsidiary, in connection with the sale for full consideration received by the Group on an arm's length basis of the assets or business of such Material Subsidiary, all of the proceeds of which are reinvested in the Group; or (iii) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or (b) the Issuer, Guarantor or any Material Subsidiary becomes insolvent or is unable to (or admits inability to) pay its debts (or any class of its debts) as they fall due, or is deemed

unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(g) if: (i) proceedings are initiated against the relevant Issuer, the Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the relevant Issuer, the Guarantor or any Material Subsidiary or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them; and (ii) in the case of each of the foregoing (other than the appointment of an administrator), is not discharged within 60 days; or

(h) if the relevant Issuer, the Guarantor or any Material Subsidiary (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(i) if, in the case of Notes issued by HBT, HBT ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by Heimstaden Bostad; or

(j) if the Guarantee ceases to be, or is claimed by HBT or the Guarantor not to be, in full force and effect; or

(k) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (h) to (j) above.

"**continuing**" for the purposes of this Condition 10 is an Event of Default that has not been waived or remedied;

10.2 **Enforcement**

The Trustee may at any time, at its discretion and without notice, take such proceedings against the relevant Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes or the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed fails or is unable to do within 60 days, and the failure or inability shall be continuing.

10.3 **Definitions**

For the purposes of the Conditions:

"**Material Subsidiary**" means, at any particular time, a Subsidiary of Heimstaden Bostad:

(a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose rental income (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case not less than 5% of the consolidated total assets or, as the case may be, consolidated rental income of the Group, all as calculated respectively

by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated financial statements of the Group, ***provided that*** in the case of a Subsidiary of Heimstaden Bostad acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Group relate, the reference to the then latest audited consolidated financial statements of the Group for the purposes of the calculation above shall, until consolidated financial statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned financial statements as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited financial statements, adjusted as deemed appropriate by Heimstaden Bostad;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of Heimstaden Bostad which immediately prior to such transfer is a Material Subsidiary pursuant to (a) above, **provided that** the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated financial statements of the Group for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated financial statements have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Group relate, generate rental income equal to) not less than 5% of the consolidated rental income, or represent (or, in the case aforesaid, are equal to) not less than 5% of the consolidated total assets, of the Group, all as calculated as referred to in subparagraph (a) above, **provided that** the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate rental income equal to) not less than 5% of the consolidated rental income, or its assets represent (or, in the case aforesaid, are equal to) not less than 5% of the consolidated total assets, of the Group, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated financial statements of the Group for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

A report by an Authorised Signatory of Heimstaden Bostad (whether or not addressed to the Trustee) that in their opinion a Subsidiary of Heimstaden Bostad is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

## 11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The relevant Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that**:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the relevant Issuer or the Guarantor is incorporated.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*Payments in respect of VPS Notes*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the relevant Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the relevant Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

## 14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the

relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

In the case of VPS Notes, notices shall be given in accordance with the procedures of Euronext VPS. Notices to holders of VPS Notes shall be valid if given to Euronext VPS for communication by it to the holders and, so long as the VPS Notes are listed on a stock exchange, the relevant Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given to the holders of the VPS Notes one day after delivery of such notice to Euronext VPS.

Notices to be given by any holder of Notes (other than VPS Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## 15. SUBSTITUTION

The Trustee shall, without the consent of the Noteholders or Couponholders, agree with the relevant Issuer and the Guarantor to the substitution in place of the relevant Issuer (or of any previous substitute under this Condition 15) as the principal debtor under the Notes, the Coupons and the Trust Deed of any company being a Subsidiary of Heimstaden Bostad, subject to:

(a) the Notes being unconditionally and irrevocably guaranteed by Heimstaden Bostad;

(b) certain other conditions set out in the Trust Deed being complied with; and

(c) in connection with VPS Notes, the substitute becoming party to the VPS Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it.

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the relevant Issuer and the Guarantor to the substitution in place of the relevant Issuer (or of any previous substitute under this Condition 15) as the principal debtor under the Notes, the Coupons and the Trust Deed of any company being a Subsidiary of Heimstaden Bostad, subject to:

(a) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders;

(b) certain other conditions set out in the Trust Deed being complied with; and

(c) in connection with VPS Notes, the substitute becoming party to the VPS Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it.

## 16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

### 16.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the relevant Issuer or the Guarantor or the Trustee and shall be convened by the relevant Issuer if required in writing by Noteholders holding not less than 5% in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any such meeting and whether or not they voted on the resolution, and on all Couponholders.

### 16.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (**provided that**, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven.

Additionally, the relevant Issuer may, subject to Condition 5.2(f), vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders of the relevant Notes or Coupons, as described in Condition 5.2(f) and the Trustee shall agree to such variations or amendments on the basis set out in Condition 5.2(f).

### 16.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or

resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

### 16.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the relevant Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

## 17. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUERS AND/OR THE GUARANTOR

### 17.1 Indemnification and protection of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the relevant Issuer and the Guarantor, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security. The Trustee may rely without liability to the Noteholders or Couponholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the relevant Issuer and the Guarantor, the Trustee, the Noteholders and the Couponholders.

### 17.2 Trustee Contracting with the Issuers and/or the Guarantor

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuers, the Guarantor and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuers, the Guarantor or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

### 17.3 Trustee Actions

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

## 18. FURTHER ISSUES

The relevant Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 20.1 Governing law

(a) The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law, except that the registration of VPS Notes in Euronext VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes are governed by, and construed in accordance with, Norwegian law.

(b) VPS Notes must comply with the Norwegian Central Securities Depositories Act of 15 March 2019 no. 6 which implements Regulation (EU) No. 909/2014 into Norwegian law, and, to the extent applicable, the Norwegian Securities Register Act of 5 July 2002 no. 64, as amended from time to time and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under this Act and any related regulations and legislation.

(c) The VPS Agency Agreement (and any non-contractual obligations arising out of or in connection with the VPS Agency Agreement) are governed by, and shall be construed in accordance with, Norwegian law.

### 20.2 Submission to jurisdiction

(a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a "**Dispute**") and accordingly each of the relevant Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 20.2, the relevant Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### 20.3 Appointment of Process Agent

Each of the Issuers and the Guarantor irrevocably appoints Heimstaden Holding U.K. Ltd at One Fleet Place, London, England, EC4M 7WS as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Heimstaden Holding U.K. Ltd being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of

any Dispute. Each of the Issuers and the Guarantor agrees that failure by a process agent to notify any of it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 **Other documents and the Guarantor**

The relevant Issuer and, where applicable, the Guarantor have in the Trust Deed and Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the relevant Issuer for general corporate purposes, unless otherwise specified in the relevant Final Terms.

In particular, if so specified in the use of proceeds section of the applicable Final Terms, the relevant Issuer intends to apply an amount equal to the net proceeds from an offer of Notes specifically for green or sustainable projects, in line with Heimstaden Bostad's Green Bond Framework (as defined below) ("**Green Projects**"). Such Notes may also be referred to as "**Green Bonds**".

Heimstaden Bostad intends that Green Projects financed or refinanced by Green Bonds will belong to the following categories:

(i) construction, modification or acquisition of buildings that have, or are designed and intended to receive, certification in any of the following building certification schemes, at the defined level or better:

- LEED "Gold";
- BREEAM "Very Good";
- Miljöbyggnad "Silver";
- The Nordic Swan Ecolabel;
- DGNB "Gold"; or
- An energy class A or B Energy Performance Certificate;

(ii) renovations of buildings leading to a substantial reduction in energy use per square metre, per year;

(iii) direct costs of installing energy efficient technologies, for example, heat pumps, smart control systems, new windows, improved thermal installation, energy efficient lighting, ventilation systems;

(iv) investment in renewable energy installations (solar, wind and/or geothermal) and related infrastructure, either in existing buildings or as standalone investments;

(v) investment in low carbon vehicles (fully electrified, biofuel, plug-in electric hybrid and hydrogen vehicles) and related infrastructure (charging stations for electric vehicles);

(vi) the establishment, expansion or upgrade of waste management, waste reduction or waste reuse solutions; and

(vii) climate change adaptation and resilience measures in or in relation to buildings, such as improved drainage and flood barrier systems.

Heimstaden Bostad's Green Bond Framework (the "**Green Bond Framework**") is available at:

https://s28.q4cdn.com/551253430/files/doc_downloads/green_financing/Heimstaden-Bostad-Green-Bond-Framework.pdf

The Second-Party Opinion from CICERO dated 5 November 2019 (the "**Second-Party Opinion**") is available at:

https://s28.q4cdn.com/551253430/files/doc_downloads/green_financing/Heimstaden-Bostad-CICERO-GREEN-SPO.pdf

Heimstaden Bostad may amend or update the Green Bond Framework in the future. Any change to the Green Bond Framework would be publicly announced. The Green Bond Framework, including any changes thereto, will be available on Heimstaden Bostad's website at https://www.heimstadenbostad.com/green-bond-framework.

For the avoidance of doubt, neither the Green Bond Framework nor the Second-Party Opinion are, nor shall either of them be deemed to be, incorporated in, and/or form part of, this Base Prospectus.

Heimstaden Bostad intends to provide a Green Bond Report annually and until the maturity of the Green Bonds issued. Any Green Bond Report will include reporting on allocation of proceeds and environmental impact of the Green Projects. Any Green Bond Report will be provided to investors on Heimstaden Bostad's website: www.heimstadenbostad.com/. For the avoidance of doubt, any such reports will not be incorporated by reference in, or form part of, this Base Prospectus.

If Special Redemption Event Call is specified in the applicable Final Terms as "Applicable", the use of proceeds will be specified in the Final Terms as being acquisition consideration, directly or indirectly, in whole or in part, and related fees in respect of the acquisition of the Acquisition Target. The Final Terms may also state the potential use for general corporate purposes or other purposes if the Special Redemption Event occurs but the relevant Issuer elects not to exercise the Special Redemption Event Call (if the Basis of the Call is specified as Optional).

## DESCRIPTION OF HBT

### General Information

HBT's legal and commercial name is Heimstaden Bostad Treasury B.V. ("**HBT**"). HBT was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under and subject to the laws of the Netherlands on 17 July 2020. HBT is a wholly owned subsidiary of Heimstaden Bostad.

HBT's corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands and it is registered with the Dutch Chamber of Commerce under number 78619610. HBT's registered office is situated at Herikerbergweg 328-330, 6th floor, 1101 CT Amsterdam, the Netherlands and its telephone number is +31 20 2379603.

The authorised share capital of HBT is EUR 1.00 and is represented by 100 shares having a nominal value of EUR 0.01 each. The share capital of HBT is fully subscribed and is fully paid up in cash by Heimstaden Bostad, as the sole shareholder.

HBT is a special purpose financing vehicle that was formed for the purpose of raising debt for the Group. The principal activities of HBT are the issuance of euro-denominated financial instruments and intra-group arrangements with other members of the Group to on-lend the proceeds of the issuance of financial instruments.

Heimstaden Bostad is the sole shareholder of HBT. The rights of Heimstaden Bostad in HBT are contained in the articles of association of HBT and HBT is managed in accordance with those articles and with the provisions of Dutch law.

### Management and Auditors

#### *Board of Managing Directors*

The board of managing directors of HBT is made up of Arve Regland as managing director A and Eduard Gerardus Antonius Rats and Suzanne Petronella Maria Bliemer both as managing director B. For further information, see "*Description of Heimstaden Bostad – Board of Directors, Management and Auditors*".

The business address of the directors is Herikerbergweg 328-330, 6th floor, 1101 CT Amsterdam, the Netherlands.

#### *Conflicts of Interest*

There are no potential conflicts of interest between the duties of the board members in respect of HBT and their private interests or other duties.

#### *Auditors*

Ernst & Young Accountants LLP have been appointed by general meeting as HBT's auditors and is registered with the Dutch Financial Markets Authority (*Autoriteit Financiële Markten*).

The auditor who signed the auditor's report on behalf of Ernst & Young Accountants LLP is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

Ernst & Young Accountants LLP's address is Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands.

## DESCRIPTION OF HEIMSTADEN BOSTAD

### General Information

Heimstaden Bostad's legal and commercial name is Heimstaden Bostad AB (publ), its corporate registration number is 556864-0873 and it was incorporated on 12 September 2011.

Heimstaden Bostad is incorporated in Sweden and registered with the Swedish Companies Registration Office (*Bolagsverket*). Heimstaden Bostad is a public limited liability company (*publikt aktiebolag)* subject to the Swedish Companies Act (*aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (*årsredovisningslagen (1995:1554)*). Heimstaden Bostad's registered office is Östra Promenaden 7A, SE-211 28 Malmö, Sweden. The telephone number of Heimstaden Bostad is +46 (0)77-011 10 50.

Heimstaden Bostad is a property company whose principal business is to invest in residential properties. The Group is mandated to invest in growth areas in the EU, Norway, the UK and Switzerland.

In 2013, Heimstaden Bostad was formed by Heimstaden AB (publ) ("**Heimstaden**") in partnership with Alecta mutual pension insurance (*Alecta Tjänstepension Ömsesidigt*) ("**Alecta**") and the pension funds of the two Swedish companies: Sandvik AB (publ) (the "**Sandvik Pension Fund**") and Ericsson AB (publ) (the "**Ericsson Pension Fund**"). In 2020, a consortium consisting of the Folksam group, Folksam Liv, Folksam Sak and KPA Pension (together, the "**Folksam Group**") became an equity investor in Heimstaden Bostad, and in 2021 the Swedish Pensions Agency (*Pensionsmyndigheten*), Försäkringsbranschens Pensionskassa ("**FPK**") and a Swiss pension fund entered as new investors in Heimstaden Bostad. In 2022, Allianz Real Estate ("**Allianz**") (*Pensionsmyndigheten*) became an equity investor through a joint venture – see further "*– Investments in Associates and Joint Ventures – Allianz and Heimstaden Bostad joint venture*".

The Group's success is, to a large extent, dependent on Heimstaden AB (publ) and certain of its subsidiaries continuing to provide services at an acceptable cost and with a satisfactory level of quality. Poor customer service and property and facility management can potentially result in dissatisfied tenants, reduced occupancy and/or increased tenant turnover. Proactive communication with customers and availability on site has never been more important than during the Covid-19 pandemic and, to remain relevant, it is important for the Group to continue to personalise offers, services, and interactions and it is largely reliant on Heimstaden AB (publ) to ensure that these actions are taken so that the Group can maintain its competitiveness.

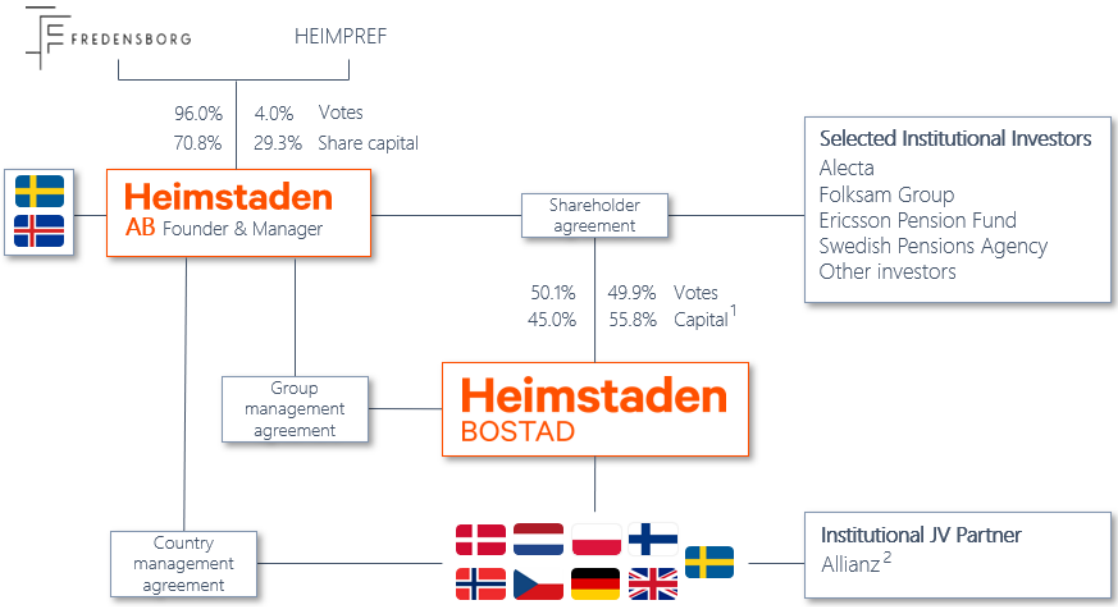
### Group Structure

The below provides an overview of the investors in Heimstaden Bostad (based on voting rights) as of 31 December 2021:

- Heimstaden (through subsidiary): 50.1%;
- Alecta: 34.7%;
- Ericsson Pension Fund: 1.2%;
- Folksam Group: 11.4%;
- Swedish Pensions Agency: 1.3%;
- Other Investors: 1.3%.

Heimstaden's majority owner is Fredensborg AS, a Norwegian investment company indirectly owned by Ivar Tollefsen. The rights of the shareholders in Heimstaden Bostad are contained in the articles of association of Heimstaden Bostad and Heimstaden Bostad is managed in accordance with those articles and with the provisions of Swedish law.

The illustration below provides an overview of the ownership structure of Heimstaden Bostad based on voting rights and capital as of 31 December 2021.




**Note:**
(1) Capital means Heimstaden Bostad's net asset value excluding non-controlling interest and hybrid bonds with accrued interest. The calculation is based on figures as of 31 December 2021.
(2) Allianz, through a joint venture, see section "*Allianz and Heimstaden Bostad joint venture*".

## The History of Heimstaden Bostad

*2013 – 2017*

Heimstaden Bostad was established in 2013 and properties were acquired in Sweden, Denmark and Norway during the period 2013 to 2017. In October 2017, the shareholder loans of Heimstaden Bostad were converted into equity. At the end of 2017, Heimstaden Bostad had a fair value of investment properties of SEK 43.7 billion.

*2018*

In the fourth quarter of 2018, Heimstaden Bostad secured an investment grade 'BBB-' rating from S&P and issued its first multi-tranche bond under its newly established Euro Medium-Term Note Programme. Furthermore, Heimstaden Bostad acquired complementary residential properties in primarily Denmark and Sweden.

Fair value of investment properties: SEK 72.3 billion.

*2019*

On 25 October 2019, Heimstaden Bostad transitioned from a Nordic focused platform to a European platform through its first acquisitions in the Netherlands and Germany. The geographical mandate has since comprised of the EU, Norway, Switzerland and the UK.

Fair value of investment properties: SEK 113.3 billion.

*2020*

On 9 January 2020, Heimstaden Bostad acquired RESIDOMO, a residential property company in the Czech Republic.

On 18 September 2020, Heimstaden Bostad acquired 130 properties comprising a total of 3,902 residential units, 208 commercial units and 321 parking spaces in Berlin, Germany. The transaction was closed during the first quarter of 2021.

On 8 December 2020, Heimstaden Bostad acquired 650 residential units under construction (on a forward funding basis) in Warsaw, Poland which are due to be completed between 2022 and 2023.

On 14 December 2020, S&P upgraded Heimstaden Bostad's credit rating to 'BBB'. The rating agency cited Heimstaden Bostad's strengthened residential portfolio, enhanced earnings base and strong financial discipline as key reasons for the upgrade.

On 16 December 2020, Heimstaden Bostad signed a purchase agreement for the acquisition of 6,237 residential units (including 357 residential units under construction with turnkey delivery within 12 months), 35 commercial properties and 9 land plots for future residential exploitation (with planning already in place) in Denmark. The transaction closed in January 2021.

Fair value of investment properties: SEK 144.4 billion.

*2021*

On 21 May 2021, Heimstaden Bostad acquired the "Soho Wharf" newbuild project in Birmingham for GBP 160 million (SEK 1.9 billion as of 21 May 2021) from Apsley House Capital and Galliard Homes. This was Heimstaden Bostad's first UK investment. The project is estimated to complete throughout the period between the first quarter of 2023 and the first quarter of 2024.

On 27 September, Fitch Ratings initiated coverage of Heimstaden Bostad and assigned an investment grade rating of ‘BBB’ with stable outlook.

During the year, Heimstaden acquired in total 1,074 units in 15 cities and municipalities, located in the capital region and in/or around major cities in Finland. These were Heimstaden Bostad’s first investments in Finland.

On 1 December 2021, Heimstaden Bostad acquired from Akelius Residential Property AB (publ) ("**Akelius**") property portfolios in Germany, Sweden, and Denmark (together, the "**Akelius Portfolio**"). The Akelius Portfolio comprises 599 properties with 28,776 homes centrally located in Berlin (14,050), Hamburg (3,592), Stockholm (5,934), Malmö (4,107), and Copenhagen (1,093). The transaction had a value of SEK 92.5 billion (EUR 9.1 billion) with SEK 2.8 billion in annual rental income.

Fair value of investment properties: SEK 300.6 billion.

*2022*

For events after 31 December 2021, see "– *Recent Developments*" below.

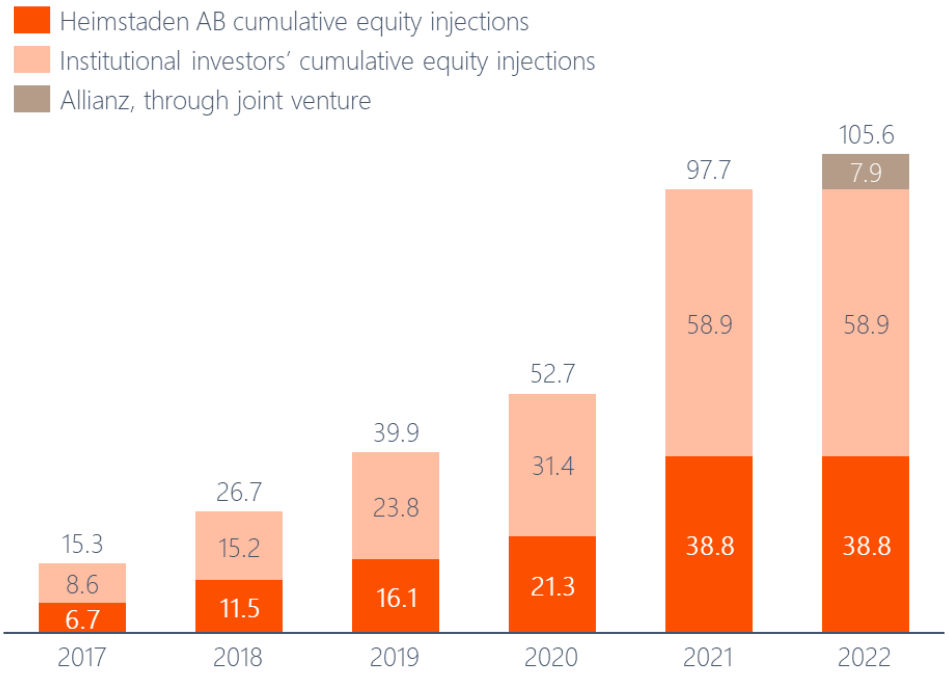
**Shareholders**

***Equity***

Heimstaden Bostad's shares are privately held and comprise of four classes of shares (class A preference shares, class B preferences shares, class C preference shares and common shares). All shareholders (except management) have holdings in both common shares and class B preference shares. Heimstaden (through its subsidiaries) is the only holder of the class A and class C preference shares.

The graph below shows the cumulative historical equity investment (in SEK, billion) made by the Group's institutional investors and Heimstaden from 2017 to the date of this Base Prospectus.

**Cumulative equity injections (2017 – the date of this Base Prospectus)**




### *Capital Distribution*

The total capital of Heimstaden Bostad as of 31 December 2021 and its distribution between its shareholders is presented in the table below:

| Shareholders | Total capital[1] | Proportion of total capital[1] | Proportion of voting rights |
|---|---|---|---|
| | *(SEK billion)* | *(%)* | *(%)* |
| Heimstaden AB (through subsidiary) | 60.6 | 45.0 | 50.1 |
| Alecta | 51.3 | 38.1 | 34.7 |
| Ericsson Pension Fund | 1.9 | 1.4 | 1.2 |
| Folksam Group | 17 | 12.6 | 11.4 |
| Swedish Pensions Agency | 1.9 | 1.4 | 1.3 |
| Other Investors | 2.1 | 1.5 | 1.3 |
| **Total** | **134.8** | **100.0** | **100.0** |

**Note:**
[1] Capital means Heimstaden Bostad's net asset value excluding non-controlling interest and hybrid bonds with accrued interest.

## Group Strategy

### *Investment and Transaction Strategy*

- *Stability and quality are key*: Heimstaden Bostad invests in European markets where the Group sees macroeconomic fundamentals and residential trends as attractive. Heimstaden Bostad carefully analyses each market and sub-market, including demographics, socio-economic situations and political risk. Heimstaden Bostad does not define growth targets in specific markets but takes an opportunity-driven investment approach. Heimstaden Bostad wants to focus on affordable and entry-level homes where there is mass-market appeal. Affordable housing is important for two reasons. Firstly, Heimstaden Bostad believes affordability leads to lower churn rates and decreases affordability risk. Secondly, Heimstaden Bostad believes that being able to afford your home is a key ingredient of well-being and promotes social sustainability. Some rental markets are highly regulated, others are predominantly market rent based. Heimstaden Bostad's strategy is to strike a balance between regulated and unregulated assets across all of the Group's markets, thus ensuring a stable and attractive income stream where varying regulation characteristics can work to the Group's benefit.

- *Scale is crucial*: Heimstaden Bostad's operating model results in significant scale advantages as the Group grows its presence in existing markets, and Heimstaden Bostad only enters new markets with the intention of building a large platform over time. Heimstaden Bostad believes scale improves operational efficiency, for example, the implementation of common digital platforms, group-wide operating models for facility management, asset management, letting, and increased operational insight through the utilisation of big data. However, the Group does not want to take undue risk in growth; Heimstaden Bostad champions responsible, controlled growth. Scale is only advantageous if Heimstaden Bostad continues to deliver consistently on the Group's promise of Friendly Homes and is able to show strong commercial performance.

- *Newbuild investments*: in certain of the Group's target markets and sub-markets, Heimstaden Bostad views newbuilds as the preferred investment opportunity. For example, in the United Kingdom and Poland, the Group chose this investment strategy as there was little existing rental stock in those markets that matched Heimstaden Bostad's strategic requirements. The Group avoids development risk and partners with developers who retain risks related to zoning, planning and construction. To mitigate counterparty risk, Heimstaden Bostad performs thorough due diligence and only partners with robust and experienced developers. The contracts are structured either as forward purchase contracts, in which the Group pays upon delivery, or as forward funding contracts, where the Group pays at certain construction milestones up to delivery. Heimstaden Bostad's policy is for newbuild investments to make up no more than 10% of the fair value of investment properties at any time.

***Property and Asset Management Strategy***

- *Long-term horizon*: the Group's philosophy is to build and scale Heimstaden Bostad as a profitable market leader that contributes positively to society. Heimstaden Bostad's evergreen perspective means that the Group has a long-term horizon on its investments and is more value-focused than most competitors. A low-cost approach to renovation and repairs leads to correspondingly low asset lifetime. Therefore, Heimstaden Bostad is willing to spend more upfront to refurbish to a higher standard if the long-term value creation potential is deemed substantial. The Group aims to choose the most durable materials, which increase the lifetime value and are assumed to yield higher returns in the long-term. Moreover, caretakers with in-depth knowledge of each building serve to strengthen long-term maintenance planning and development.

- *Reducing the Group's footprint*: Heimstaden Bostad views sustainable asset management as key to optimising return on environmental investments. In 2021, the Group continued to build a strong energy function, embracing centralised competence and people on the ground working on optimisation and emissions reduction. This can involve anything from installing solar panels or clean energy heating solutions to selecting the best energy-saving windows when renovating facades. For the Group's standing assets, Heimstaden Bostad invests in long-term solutions that reduce water and electricity consumption. Where possible Heimstaden Bostad tries to influence developer partners in terms of lifecycle emissions reduction and encourage sustainable behaviours among its tenants by communicating advice on energy saving, water consumption, and eco-friendly gardening and cleaning. In terms of transport, the Group continues investments in electric vehicles. Heimstaden Bostad views its portfolio in the Czech Republic to have the largest potential for energy improvement, where the Group in 2021 added insulation in around 3,000 units, as well as reinsulated facades to mitigate energy loss and improve building aesthetics.

- *High-quality data for high-level governance:* the Group views high-quality reporting rooted in high-quality data as a tool to reduce risk and provide knowledge to further develop services and products. Consequently, Heimstaden Bostad has been working to hone reporting at a very granular level. On the asset management side, the focus has been on improving information flow. Activities included the introduction of digital dashboards to increase transparency through the lifetime of every project. Crunching data also helps with trend spotting, especially outliers that the Group can use to sharpen performance. Tracking rents well, and focusing on why, also informs the approach to apartment fitouts, layouts, and the flow of buildings generally.

***Business strategy***

Heimstaden Bostad is a leading European residential real estate company with an evergreen perspective. Guided by the Group's values and Scandinavian heritage, Heimstaden Bostad aims for excellence in

happiness and life quality for customers and employees as well as sustainable and commercially outstanding operations.

To achieve these ambitions and fulfil this vision, Heimstaden Bostad has adapted Heimstaden's strategy:

- *Efficient and innovative operations*: Heimstaden's competent in-house management and fully integrated platform across the property life cycle is key to achieving efficient and innovative operations. Its top-performing, agile operations and continuous focus on building a modern digital ecosystem are key enablers for scalability, fast decision-making, quality reporting, and excellent customer service.

- *Customer Centred*: Customers are always at the centre of Heimstaden Bostad's attention, delivering customer experience beyond expectations by being there for customers to support their everyday needs. Heimstaden Bostad empowers customers with smart physical and digital solutions for a better and more sustainable everyday life and, with regular measurements of customer satisfaction, it continuously improves services in its markets.

- *Friendly Workplace*: Through dedication, long-term thinking, and collaboration, Heimstaden Bostad creates happiness and life quality at work. Heimstaden Bostad has an honest and passionate culture, where caring and driven people have the freedom and resources to apply their skills and ideas, in addition to encouraging a diverse work environment and having zero tolerance for discrimination.

- *Sustainable Mindset*: Heimstaden Bostad's sustainable mindset is an integrated part of its operations and it constantly improves its social and environmental impact across the entire value chain. Heimstaden Bostad contributes solutions to face the many challenges in society, and by sharing knowledge and expertise, Heimstaden Bostad seeks to inspire others to contribute and make a positive difference for the enrichment of the industry and society.

- *Financial Strength*: Together with institutional partners, Heimstaden Bostad is operating an evergreen and sustainable platform with a robust balance sheet and liquidity position. Heimstaden Bostad's competent and experienced in-house management provides great advantages and opportunities for sustainable and responsible growth.

***Environment, Social and Governance ("ESG") strategy***

***Environment and Sustainability Targets***

Sustainability is a core strategic pillar, integrated in the Group's operations. Heimstaden Bostad's sustainable mindset goes beyond creating sustainable homes and neighbourhoods, by also addressing society's challenges like climate change, segregation, and housing shortages.

Heimstaden Bostad's sustainability strategy includes environmental, social and governance measures, and guides the Group in the daily sustainability work, caring and creating value for people – customers, employees, and society in general.

Heimstaden Bostad focuses on five areas of sustainability improvements to reach its targets:

1. Origin-certified renewable electricity (of which there are three sub-components)
    - Ensure origin-certified renewable electricity for all properties
    - Include renewable energy production in all newbuilds
    - Substantially increase renewable energy production capacity for existing properties
2. Fuel shifts (of which there are two sub-components)
    - Local heating and energy production (for example, changing coal boilers in apartments to efficient central gas boilers)
    - Install heat pumps or electric boilers with origin-certified renewable electricity rather than fossil-based heating (for example, disconnecting from district heating which has a higher proportion of fossil fuels)

3. Energy provider improvements (of which there is one sub-component)

- Actively engage energy providers to reduce their use of fossil fuels

4. Energy efficiency improvements (of which there are two sub-components)

- Insulation, ventilation improvements
- Smart control systems & optimisation of heating systems

5. Tenant energy reduction (of which there are three sub-components)

- Customer Engagement Programme
- Nudging projects (for example, offer cost attractive renewable energy contracts in cooperation with energy suppliers, supplier engagement programmes including tips on energy saving and water saving measures)
- Create awareness through smart technical solutions

Heimstaden Bostad has set new sustainability targets and intends to invest SEK 6.2 billion to reduce the Group's greenhouse gas emissions by at least 46% by 2030, in line with the Science Based Targets initiative ("**SBTi**") requirements which in turn are in line with the 2015 Paris Agreement ambition to limit global warming to 1.5 degrees Celsius, as well as the EU target of climate neutrality by 2050. Heimstaden Bostad is committed to the SBTi and will send the new targets to SBTi for verification. The new targets include:

- Reduce absolute scope 1 and 2 greenhouse gas emissions by at least 46% by 2030 (2019 baseline).
- Reduce the amount of purchased energy by, on average, 2 % per year and square meter by 2025 (like for like basis, 2019 baseline).
- Require that suppliers covering 66% of total scope 3 emissions, and that 70% of suppliers by number, set scope 3 emissions science-based targets by 2025.

***Social***

**A Home for a Home**

For every home that Heimstaden Bostad owns or acquires, €100 is donated annually to SOS Children's Villages. In 2021, Home for a Home delivered 31 programmes in 22 countries and reached more than 20,000 children. Out of the 31 programmes in 2021, 12 programmes were co-creations with Heimstaden, meaning the use of Heimstaden's personnel and assets, which has contributed beyond the donation and increased the positive impact.

**Social Leases**

In 2021, the target set-aside for social leases out of total contracts was increased to 3% from 1%. Social leases are defined as 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. Examples of ultimate tenants include recently arrived migrants, under-privileged people, and individuals with disabilities.

Heimstaden Bostad actively works with social leases across various geographies to include socially excluded people, for example, homeless people, recently arrived migrants and people with various disabilities. Heimstaden Bostad's aim is to promote inclusion. In some regions, Heimstaden Bostad has hired "Community Coordinators" with a mandate to deal with matters of a social nature in its neighbourhoods, take part in meetings and dialogues with local authorities, emergency services and other property owners in order to create safe and secure living environments.

Heimstaden Bostad is currently re-evaluating the target and will propose a new one to the Board of Directors. The aim of the re-evaluation is to enable the inclusion of other initiatives than just social lease contracts.

***Governance***

In 2021, Heimstaden implemented changes to its corporate infrastructure and governance model to improve corporate governance, risk management and compliance. Both Heimstaden Bostad and Heimstaden have committed to the Swedish Corporate Governance Code ("**Swedish Code**"), which establishes a clear and well-balanced division of roles and responsibilities between owners, the board, and the executive management team.

In addition, the Swedish Code establishes strong practices of transparency and equity into the governance framework. Heimstaden has embraced these foundations and installed them into the governance model and governance procedures.

Specific changes made based on the Swedish Code:

- Seated new independent board members with selected competencies as a replacement to executive management members who previously also held board positions.
- Clarified responsibilities and separation between ownership, management, and the Board of Directors to ensure board members are independent from management not just on paper but in practice.
- Further clarified decision making via revisions to the reserved matters in the Heimstaden Bostad Shareholder Agreement ("**SHA**").
- The SHA:
    - Sets the frame for management agreements and operations
    - Aligns the incentives between Heimstaden and the institutional investors
    - Clearly defines the fora upon which topics are decided, either among all ownership following pre-requisite voting requirements or the Board of Directors which consists of representatives from ownership
    - This last item includes oversight of the financial policy which was moved to the Board (whereas it was previously governed by institutional shareholders)
    - Established an Audit & Risk Committee ("**ARC**") to formalise and better effectuate oversight of financial reporting and risk management. All ARC committee members are independent as defined by the Code.

Throughout 2021, Heimstaden also invested into risk management with the addition of a new Chief Risk Officer, installation of a formalised risk management program, adoption of a formal Risk Management Policy, and the hiring of several risk professionals throughout the organization. Heimstaden will continue to make similar investments into the Compliance function which include the addition of a Head of Compliance along with a fully staffed standalone department.

***Establishment of Executive Sustainability Committee***

The Chief Sustainability Officer is chairing the committee and is responsible for developing the sustainability strategy and ensuring implementation in all areas within the Company. The committee decides on the following matters in the corporate sustainability area in order to promote Heimstaden Bostad's best interests:

- Matters that are to be presented to the Board
- Matters of major importance or of importance as to principles
- Matters of common concern to several departments
- Sustainability-related policies and position statements
- KPIs and targets for Heimstaden Bostad

***Overview of Heimstaden Bostad's ESG targets***

The overview below describes Heimstaden Bostad's ESG targets:

| ESG | Focus | Current target |
|---|---|---|
| E | Sustainable Operations | Reduce absolute scope 1 & 2 greenhouse gas emissions with at least 46% by 2030 (2019 base year) |
| | | Reduce the amount of purchased energy by, on average, 2% per sqm and 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 |
| S | Workplace & employees | Employee survey by 2023: 8.5 for leadership, job satisfaction, and temperature (1-10) |
| | | 65 on eNPS by 2023 (-100 to100) |
| | | 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) |
| G | 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 66% of total scope 3 emissions and 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.

## Property Portfolio

The Group's property portfolio is diversified across European markets with strong economies and favourable demographics. The portfolio is exposed to both regulated and unregulated rental markets, which provides Heimstaden Bostad with generally stable cash flows as well as potential upside from positive market developments.

*2021*

As of 31 December 2021:

- Heimstaden Bostad was present in Sweden, Germany, Denmark, the Netherlands, Norway, the Czech Republic, Finland, UK and Poland.
- Fair value of investment properties was SEK 300,584 million, split between SEK 97,056 million in Sweden, SEK 70,651 million in Germany, SEK 66,636 million in Denmark, SEK 27,324 million in the Netherlands, SEK 18,951 million in Norway, SEK 17,932 million in the Czech Republic, SEK 1,014 million in Finland and SEK 1,019 million in the UK.
- Fair value of investment property portfolio comprised 92.5% residential value.
- Real economic occupancy ratio for residential units was 97.9%.

Several projects in the UK and Poland were acquired during 2021, consisting of units under construction with expected completion between 2023 and early 2025.

During the year ending 31 December 2021, Heimstaden Bostad completed acquisitions totalling SEK 126 billion.

*2020*

As of 31 December 2020:

- The Group's property portfolio had a fair value of investment properties of SEK 144,404 million, split between SEK 49,757 million in Sweden, SEK 3,716 million in Germany, SEK 36,199 million in

Denmark, SEK 23,366 million in the Netherlands, SEK 17,538 million in Norway and SEK 13,827 million in the Czech Republic.

- 93.0% of the Group's fair value of investment properties was comprised of residential units.
- The real economic occupancy ratio for existing residential premises amounted to 97.5%.

During the year ending 31 December 2020, properties were acquired at a cost of SEK 25,445 million.

*2019*

As of 31 December 2019:

- The Group's property portfolio had a fair value of investment properties of SEK 113,331 million, split between Sweden SEK 41,241 million, Denmark SEK 34,645 million and Norway SEK 17,372 million, Germany SEK 2,292 million and the Netherlands SEK 17,781 million.
- Real economic occupancy ratio for existing residential premises amounted to 98.9%.

During the year ending 31 December 2019, properties were acquired at a cost of SEK 33,261 million.

**Investment Property Portfolio**

The table below shows the Group's property portfolio as of 31 December 2021.

| Country | Fair Value of investment properties | | Homes | Residential | Regulated income | Rental income, earnings capacity[1,2] | Net operating income, earnings capacity[1,3] |
|---|---|---|---|---|---|---|---|
| | *(SEK million)* | *(SEK per square metre)* | *(No. of residential units)* | *(%)* | | *(SEK million)* | |
| Sweden | 97,056 | 31,565 | 43,196 | 91.7 | 100.0 | 4,072 | 2,240 |
| Germany | 70,651 | 41,634 | 25,415 | 90.0 | 100.0 | 1,931 | 1,541 |
| Denmark | 66,636 | 36,819 | 18,247 | 95.0 | 12.0 | 2,889 | 1,970 |
| Netherlands | 27,324 | 25,989 | 13,315 | 98.2 | 67.2 | 1,188 | 744 |
| Norway[(4)] | 18,951 | 87,319 | 4,412 | 84.5 | 0.0 | 458 | 458 |
| Czech Republic | 17,932 | 6,863 | 42,644 | 95.6 | 33.7 | 1,230 | 835 |
| Finland | 1,014 | 18,674 | 1,006 | 97.0 | 0.0 | 85 | 44 |
| UK | 1,019 | 70,126 | 60 | 82.6 | 0.0 | 15 | 7 |
| Poland | - | - | - | - | - | 8 | 2 |
| **Total** | 300,584 | 28,574 | 148,295 | 92.5 | 62.2 | 11,876 | 7,838 |

**Note:**
(1) This information is an earning capacity based on the Group's properties as of 31 December 2021 with 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 Group's income statement, have not been taken into account either.

(2) Rental income capacity for the twelve months from 31 December 2021, excluding service income charges.

(3) Net operating income capacity for the twelve months from 31 December 2021.

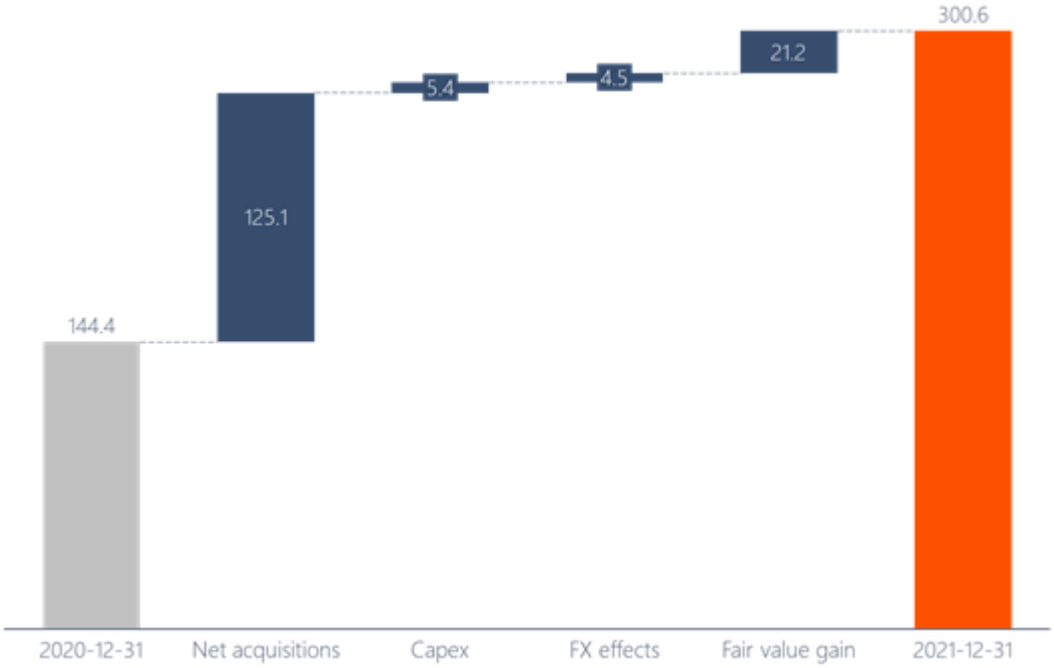
(4) Rental income for the property portfolio in Norway is generated through a lease agreement with Heimstaden AS, a subsidiary of Heimstaden AB. Under the arrangement, Heimstaden Bostad receives lease payments, calculated as the net of rental income generated by the property less its property expenses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

The table below shows a breakdown by category of the fair value of investment properties as of 31 December 2021.

| Category | Sweden | Germany | Denmark | Netherlands | Norway | Czech Rep. | Finland | UK | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (*SEK million*) | | | | |
| Completed investment properties | 91,788 | 70,647 | 65,600 | 27,324 | 18,378 | 17,750 | 1,014 | 172 | **292,673** |
| Investment properties under construction[1] | 5,106 | 0 | 895 | 0 | 0 | 0 | 0 | 847 | **6,848** |
| Land and building rights | 25 | 0 | 141 | 0 | 0 | 181 | 0 | 0 | **347** |
| Land leases | 137 | 4 | - | - | 574 | - | - | - | **716** |
| **Total** | **97,057** | **70,651** | **66,635** | **27,324** | **18,951** | **17,932** | **1,014** | **1,019** | **300,584** |

**Note:**
(1) Investment properties under construction are not valued by external valuers, please see the section "*Valuation of Development Properties*".

The chart shows the fair value of investment properties development from the year ending 31 December 2020 to the year ending 31 December 2021 in SEK billion.



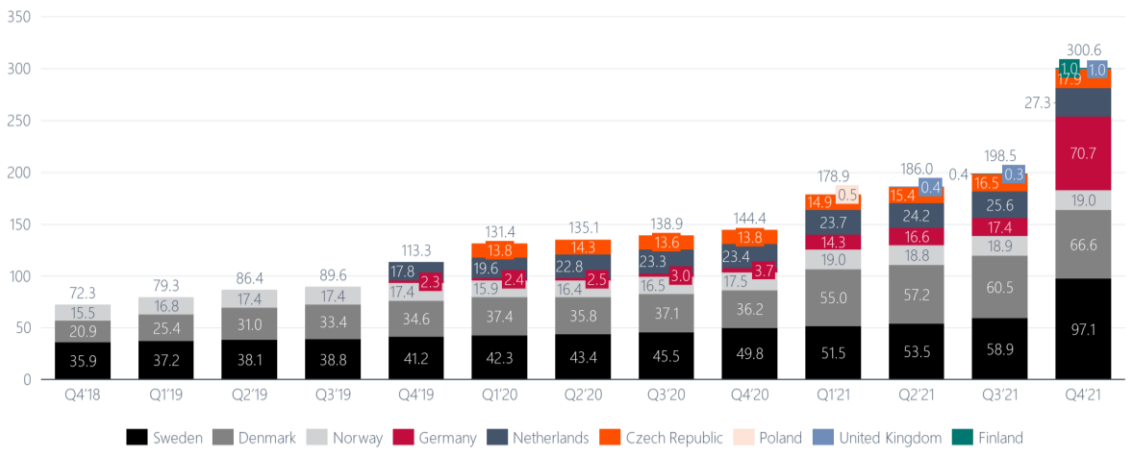

The table below shows the unrealised and realised changes in fair value of investment properties as of 31 December 2021 (compared to as of 31 December 2020). Unrealised value changes show the increase in market valuation as determined by external property valuation firms (see "*Valuation of Investment Properties*" below).

| Country | Change in fair value of investment properties | |
|---|---|---|
| | *(%)* | *(SEK million)* |
| Sweden | 9.0 | 8,038 |
| Germany | 2.5 | 1,754 |
| Denmark | 10.0 | 6,033 |
| Netherlands | 11.6 | 2,831 |
| Norway | 1.6 | 294 |
| Czech Republic | 13.9 | 2,182 |
| Finland | 7.6 | 72 |
| UK | 1.5 | 15 |
| **Total** | **7.6** | **21,219** |

The table below shows a comparison of the income measures of the Group's property portfolio across the geographic segments in which the Group operates for the year ending 31 December 2021.

| | Year ending 31 December 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Sweden** | **Germany** | **Denmark** | **Netherlands** | **Norway** | **Czech Republic** | **Other countries** | **Total** |
| Rental income (*SEK million*) | 2,784 | 550 | 2,523 | 1,137 | 677 | 1,127 | 17 | 8,608 |
| Net operating income (*SEK million*) | 1,344 | 380 | 1,738 | 683 | 446 | 773 | 5 | 5,386 |
| Net operating income margin (%) | 48.3 | 69.1 | 68.9 | 60.1 | 65.9 | 68.6 | - | 62.6 |

The stacked column chart below shows the development in the fair value of investment properties (SEK billion) over time from as of 31 December 2018 until as of 31 December 2021.




## Income

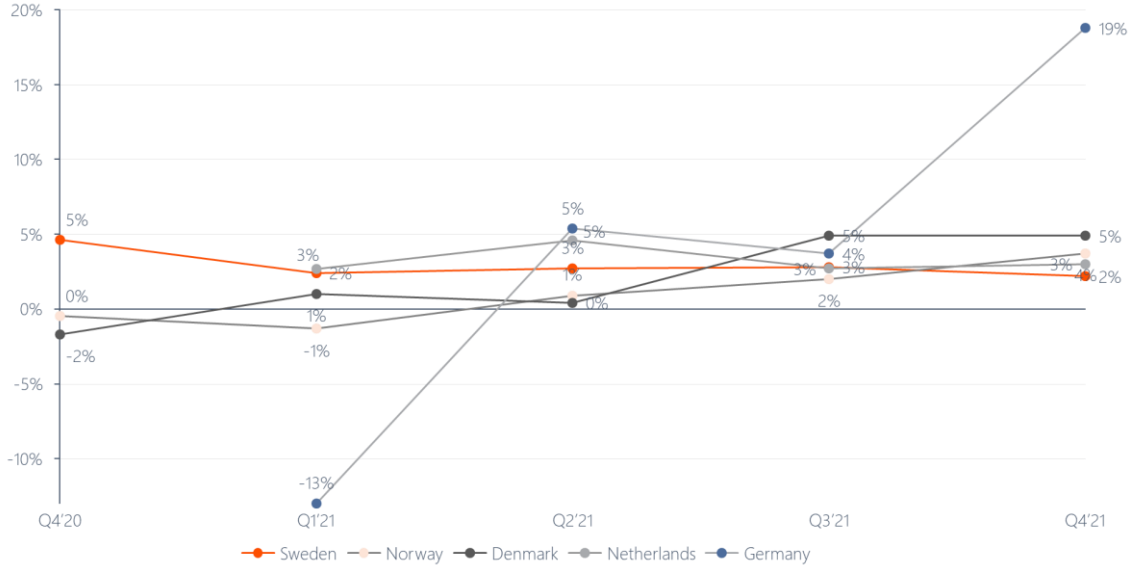
The table below shows the Group's rental income by property type for the years ending 31 December 2020 and 31 December 2021.

| **Rental income** | **Year ending 31 December** | |
|---|---|---|
| | **2021** | **2020** |
| | *(SEK million)* | |
| Residential | 7,991 | 5,930 |
| Commercial | 520 | 326 |
| Parking | 98 | 76 |
| **Total** | 8,608 | 6,332 |

| **Service income** | **Year ending 31 December** | |
|---|---|---|
| | **2021** | **2020** |
| | *(SEK million)* | |
| Residential | 600 | 370 |
| Commercial | 38 | 20 |
| **Total** | 639 | 389 |

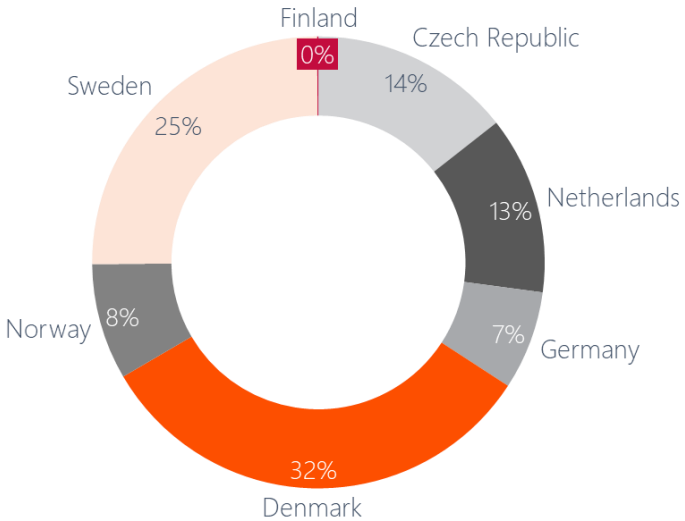
The line chart below shows the historical quarterly like-for-like rental growth by geographic segment for the period between the fourth quarter of 2020 and the fourth quarter of 2021.

**Like-for-like rental growth by geographic segment (%)**

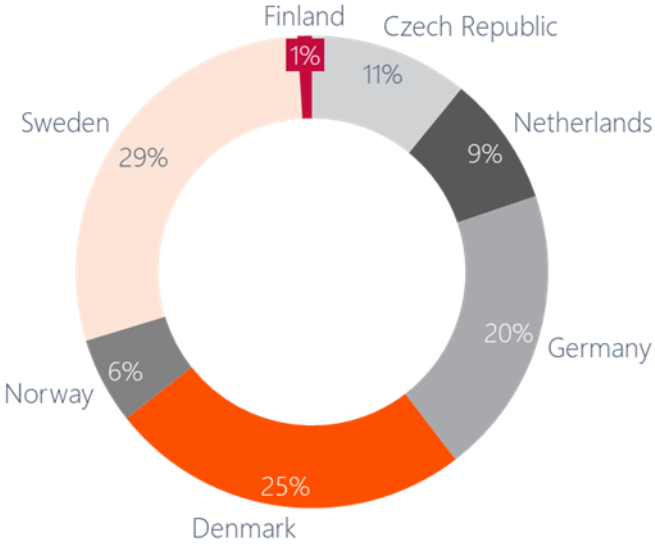



The first chart below shows the Group's actual net operating income by geographic segment as a share of total actual net operating income for the year ending 31 December 2021. The second chart below shows the Group's earning capacity net operating income by geographic segment as a share of net operating income (according to total earnings capacity) as of 31 December 2021.

**Net operating income distribution, actual (SEK 5,386 million) for the year ending 31 December 2021**

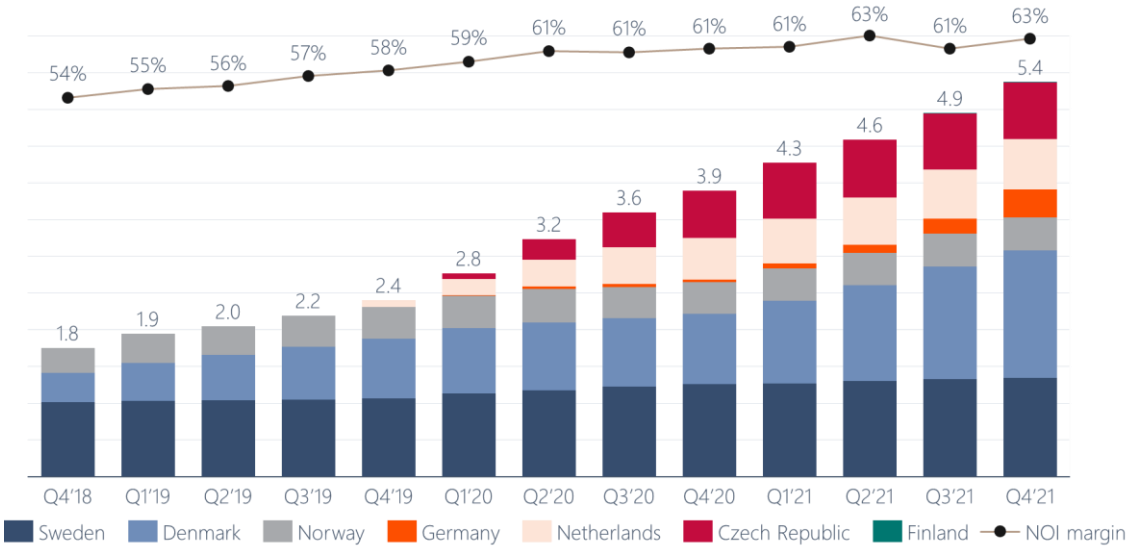


**Net operating income distribution, earnings capacity (SEK 7,838 million) as at 31 December 2021**




***Net operating income***

The column chart below shows the twelve months rolling net operating income over the period from the twelve months ending 31 December 2018 until the twelve months ending 31 December 2021. In addition, the line value shows Heimstaden Bostad's total twelve months rolling net operating income margin from the twelve months ending 31 December 2018 until the twelve months ending 31 December 2021.




## Operational Data

***Potential Earnings Capacity***

The earnings capacity represents annualised earnings calculated on the basis of the contracted rental income, current property expenses and administrative expenses of the property portfolio as of 31 December 2021. Announced property acquisitions or divestments that closed after the balance sheet date are not included in the calculation (for example, the Group entered into a joint venture arrangement with Allianz with respect to part of its Swedish property portfolio which is not included (for further information on such joint venture, see "*Description of Heimstaden Bostad – Investments in Associates and Joint Ventures – Allianz and Heimstaden Bostad joint venture*")). The earnings capacity does not include any adjustment for development trends in rent levels, vacancy rates, property expenses or interest rates, nor does the earnings capacity provide any adjustment for expected changes in the fair value of properties, foreign exchange rates, acquisitions or disposals. The earnings capacity should not be considered a forecast for the current year or

for the next 12-month period. There can be no assurance that such figures will not change in the future and therefore it is not a forecast of actual future earnings.

The following table sets out the unaudited earnings capacity as of 31 December 2021.

| Earnings capacity | As of 31 December 2021 |
|---|---|
| | (unaudited) |
| | *(SEK million, unless otherwise stated)* |
| **Current earning capacity** | |
| Rental income | 11,876 |
| Service income | 1,041 |
| Property expenses | -5,079 |
| **Net operating income** | 7,838 |
| Corporate administrative expenses | -751 |
| **Profit before financial items** | 7,086 |
| Financial costs – interest-bearing liabilities | -1,688 |
| **Profit** | 5,399 |
| **Key data** | |
| Net operating income margin (%) | 66.0 |
| Interest coverage ratio (ICR) (*multiple*) | 4.2 |

### *Property Expenses*

The following table sets out the property expenses for the Group's portfolio in the year ending 31 December 2020 and the year ending 31 December 2021.

| | Year ending 31 December | |
|---|---|---|
| | 2021 | 2020 |
| | *(SEK million)* | |
| **Property expenses** | | |
| Utilities | 1,113 | 764 |
| Repairs and maintenance | 673 | 519 |
| Property tax | 346 | 278 |
| Property management | 1,315 | 298 |
| Other | 414 | 969 |
| **Total property expenses** | 3,861 | 2,828 |

## Valuation of Investment Properties

Heimstaden Bostad's investment properties in Denmark, Sweden, the Netherlands, Germany, the Czech Republic, Finland, and the UK are valued by external valuers on a quarterly basis, with the last valuation taking place as of 31 December 2021. For all of these valuations the Group instructs a real estate advisory company with professional qualifications, experience and the capacity to carry out the valuation in accordance with the required international standards.

Heimstaden Bostad's investment properties in Norway, are valued by external valuers on an annual basis for the residential part of the portfolio and on a quarterly basis for the commercial, parking and development potential part of the portfolio, with the last annual valuation taking place as of 31 December 2021.

In addition, Heimstaden Bostad uses a dedicated competent in-house valuation team provided by Heimstaden ensuring quality control of all external valuations and setting up standardised structures and processes across markets.

The adopted valuation methodologies are based on best market practice in each respective country. In general, valuations are based on a "highest-and-best-use" principle, adopting the highest value given by a re-letting scenario (assuming a re-letting of units at market terms upon tenant fluctuation) and a divestment scenario (assuming a sale of each unit upon tenant fluctuation).

In most markets, properties are valued using either an explicit income approach, discounted cash flow, or implicit income approach.

When using an explicit income approach, future cash flows are projected for a certain period, usually 10 years, with an assumed sale/exit of either: 1) part of the property (individual units) during the cashflow period and the remainder at the end of the cashflow period; or 2) the whole property at the end of the cash flow period. The projected cash flows are then discounted back to a present value using an appropriate discount rate. The inputs into the projected cash flows and the discount rate take into consideration the characteristics, market position and risk profile of the property and, where possible, are informed by market data. The resulting value is benchmarked with capital values on other similar transactions in the market.

When using an implicit income approach an estimate of market net operating income is made, and this is then capitalised using an appropriate yield to arrive at a value. The market net operating income and yield take into consideration the characteristics, market position and risk profile of the property and, where possible, are informed by market data. The resulting value is benchmarked with capital values on other similar transactions in the market. In addition, further valuation checks are performed including a comparison with an explicit income approach value, and the aggregate sales value of the individual units on the special assumption of vacant possession (break-up/sum-of-all-parts value).

In Norway, the residential units are valued individually on a vacant possession value basis using a sales comparison approach. The units are compared to market transaction data of similar units taking into consideration the key attributes of each unit. Values are assigned to each unit by Aktiv Eiendomsmegling, Nyverdi AS, Eie Eiendomsmegling and Heimstaden. The average of those four values is then adopted. The commercial units, parking units and development potential are valued each quarter by Cushman & Wakefield.

**Valuation of Development Properties**

The fair value of Heimstaden Bostad's development properties comprises the market value on the special assumption the proposed development works have been completed and occupancy is stabilised, which is provided by an external valuer, and deductions are made for remaining development costs, construction risk, investor profit and other project specific adjustments, which are calculated internally.

In order to determine the market value on the special assumption the proposed development works have been completed and occupancy is stabilised the external valuers generally adopt a similar valuation methodology as they do for the investment properties.

**Tenants**

The Group has a diversified tenant group. The Group’s properties are mainly for non-commercial use and most of the commercial tenants are businesses (such as restaurants, offices and related) located on the ground floor of residential buildings. The Group's ten largest tenants account for less than 1% of the Group's total rental income.

**Lease Activities**

*Denmark*

Denmark has two different rental regimes depending on the construction year of the property.

Properties built before 31 December 1991 have regulated rent but increases in respect to modernisation are permitted. The rent for residential units not modernised will increase according to the increase in the operating costs while the rent for modernised units is increased annually by the CPI.

Properties built after 31 December 1991 fall under a regime with market-based rents, which are increased annually by the CPI.

Through investments, the rent can be increased as follows:

- Small investment: Increase by a theoretical financing cost for funding the investment
- Large investment: Increase to a utility value-based rent

Residential contracts run without a fixed maturity.

*Sweden*

In Sweden the rent of each apartment is negotiated between the property owner and the Swedish Union of Tenants on an annual basis based on the Swedish rental system of utility value.

The utility value principle implies that apartments in the same micro location with the same characteristics such as standard, size, appliances and certain property specific characteristics such as quality of common areas shall have the same rent.

Since 2006, for new developments, there is an option to deviate from the utility value principle and to charge "*presumtionshyra*". This is a negotiated rent between the property owner and the Swedish Union of Tenants but taking the construction costs into account which allows for rent levels above the general utility value.

Residential contracts run without a fixed maturity.

*The Netherlands*

In the Netherlands all rental properties fall under the "housing evaluation system", which determines if a unit is classified as "liberalised" (free market rent) or "regulated" (rent control).

Whether a unit is classified as liberalised or regulated depends on the number of WWS points (Dutch: *Woningwaarderingsstelsel*) the unit has scored. Each unit gets points based on various factors such as size, energy label, public valuation, appliances and standard.

The number of WWS points determines the maximum amount of rent that can be charged. If a unit has 143 or more points, it is classified as a liberalised unit, meaning the landlord can let out the unit at market rents. If a unit has below 143 points the maximum rent is pre-determined by the points system.

Regulated contracts can be indexed with an indexation rate annually communicated by the authorities, generally linked to CPI and with a catch up for rents that can be utilised if the rent is below the maximum allowed point system rent, while liberalised contracts can be increased in accordance with rental contract provisions. In the Netherlands, a customary rent increase clause in a residential rental agreement is CPI plus 5% but for the years 2021, 2022 and 2023 the Dutch government has introduced legislation that caps this at CPI plus 1%.

*Norway*

Norway has free market rent.

The market practice in Norway comprises residential contracts with a three-year lease duration, where the contracts can be renewed at market rent after three years.

In 2021, Heimstaden Bostad implemented open-ended contracts as a standard. The objective is to enable its customers to plan long-term when renting a Heimstaden Bostad home, lower the churn in the portfolio and contribute to a more predictable and stable rental market.

*Germany*

Germany first introduced a rent regulation system, the so-called "rental break" in 2015. Though initially set to expire after five years, the law has been prolonged until 2025 and Heimstaden Bostad expects it to be potentially prolonged for another five years.

As a federal law, the "rental break" has nationwide applicability. However, it is up to the 16 state governments to decide which municipalities the law is triggered for. As at the date of this Base Prospectus, it is in force in most of the larger German cities of 200,000 inhabitants upwards.

Similar to Sweden and Denmark, re-letting rents are anchored to different attributes, such as the year of construction, standard, equipment, and location. Most municipalities publish a biennial rental survey with a lookback period of six years to create transparency around this process and to slow the pace of rent inflation.

The "rental break" allows for two important exceptions:

- Buildings completed after October 2014 are generally exempt
- The first re-letting upon extensive refurbishment (> 650 EUR/square metre) is exempt

In general, residential contracts must have an indefinite lease term and CPI indexation can be contractually agreed upon.

*Czech Republic*

In the Czech Republic the rent regulation system in most municipalities ended on 31 December 2010. The market has been fully liberalised and landlords have contractual freedom to negotiate with tenants on the length of tenancy and rental rate.

The new civil code in 2014 contained rules for rent increases driven by market trends in case that no rental uplift is agreed in the contract (in such cases the rent increase cannot exceed 20% over three consecutive years).

There are still legacy tenancy agreements that were signed prior to deregulation (before 2010) with typically indefinite terms and lower rental rates. In such cases, the landlord and the tenant have to agree on a new rental rate or ask a court to set a new rental rate for them based on a location benchmark.

Market rent increases (usually annual) are based on market pricing developments in the relevant location in addition to the % amount equal to rent prices according to market pricing map for each location.

Most tenants are generally required to provide a deposit amounting to 1 month rent plus services related to apartment.

*Finland*

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.

*United Kingdom*

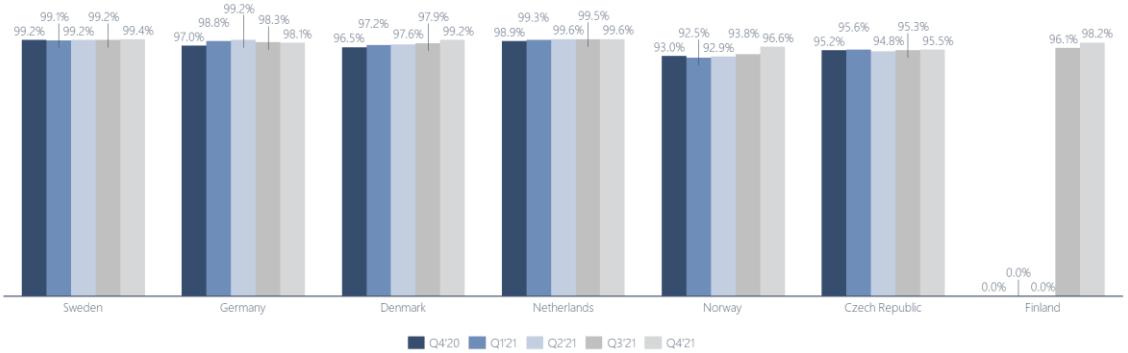
The most common form of lease for private, non-owner-occupied residential properties in the UK is an Assured Shorthold Tenancy ("**AST**"). The term of such a lease is typically 12 months and can only be otherwise terminated by either mutual agreement between tenant and landlord or tenant breach of contract. Assuming both parties seek to renew the lease upon expiry, the rent level and contract length will be subject to negotiation. Rents are therefore generally reassessed on an annual basis. Deposits of between one and three-months' rent are normally required.

The two most common rental regimes within AST leases are Open Market Rent ("**OMR**") and Discounted Market Rent ("**DMR**"). The OMR segment, which comprises a vast majority of the sector, is entirely free market while the DMR segment is focused specifically on affordability.

DMR units typically must be offered to people earning below a certain income threshold and at a percentage discount to OMR rents.

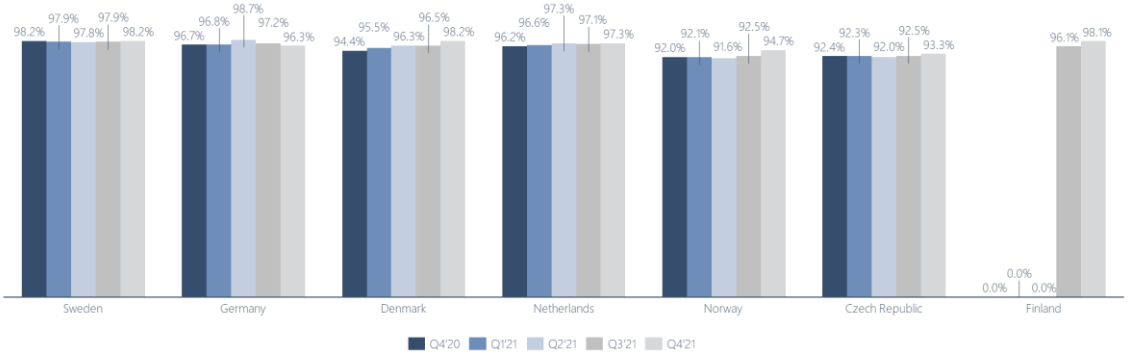
*Real economic occupancy, residential*

The chart below shows the Group's real economic occupancy, expressed as a percentage, for the period between the three months ending 31 December 2020 and the three months ending 31 December 2021.




*Economic occupancy, residential*

The chart below shows the Group's economic occupancy, expressed as a percentage, for the period between the three months ending 31 December 2020 and the three months ending 31 December 2021.




**Signed Acquisitions**

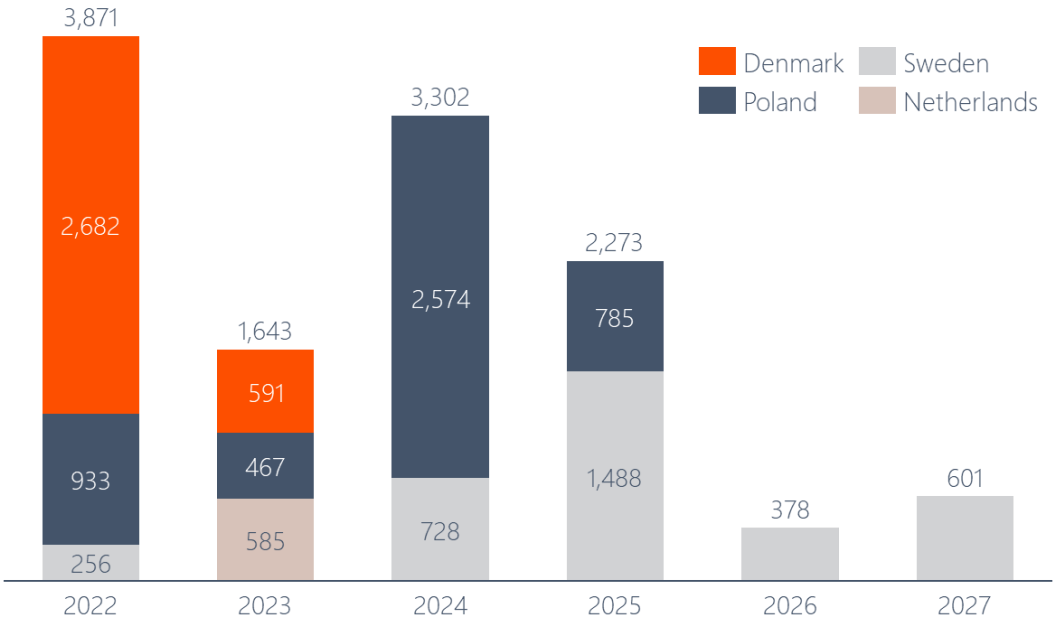
Heimstaden Bostad expands and improves its portfolio through acquisitions of standing assets and newbuilds. As of 31 December 2021, the pipeline of signed acquisitions consisted of both standing assets and newbuilds, totalling SEK 12,069 million and 6,918 residential units. Newbuild investments are structured either as forward purchase or forward funding.

Heimstaden Bostad had forward funding contracts with a total committed future capital expenditure of SEK 5,040 million as of 31 December 2021.

Signed acquisitions have not yet closed and are subject to conditions precedent, for example, developers meeting development targets. Therefore, such acquisitions are not guaranteed to complete on schedule or at all if conditions precedent are not met.

The graph below shows the signed acquisitions by the Group by scheduled closing date in SEK million as of 31 December 2021.

**Signed acquisitions (SEK 12,069 million) as of 31 December 2021 (*SEK million*)**




## Portfolio Growth and Optimisation

*Acquisitions*

Heimstaden Bostad constantly looks for opportunities for potential acquisitions of residential properties and portfolios that fit with its existing business activities. Such acquisitions may in the future be purchased using a combination of available cash, equity injections from shareholders and future debt financing. Heimstaden Bostad is also considering viable investment opportunities in countries outside of its current portfolio and may in the future place bids to acquire properties and portfolios that fit with its existing business activities. Such bids are typically competitive in nature and there can be no assurance that Heimstaden Bostad's bids will be accepted, or that acquisitions will be available at a price that is attractive to Heimstaden Bostad. Furthermore, any bids or acquisitions are the subject of due diligence and may not be completed on time or at all. In order to continue to grow through acquisitions Heimstaden Bostad will need to fund its activities through a combination of equity injections and debt raising. The ability of Heimstaden Bostad to complete any acquisitions will therefore be dependent on the ability to attract and raise additional finance at commercially attractive rates, that maintain compliance with Heimstaden Bostad's financial covenants.

*Divestments*

Heimstaden Bostad has in general an evergreen horizon when acquiring properties, however, optimisation of the property portfolio could lead to divestments of non-core assets from time to time.

## Capital expenditure, repair, and maintenance

Heimstaden Bostad invests in refurbishments and the construction of new investment properties. The table below provides a breakdown of capital expenditure, repair and maintenance for the year ending 31 December 2021 and the year ending 31 December 2020.

| Capital expenditure, repair, and maintenance | Year ending 31 December | |
|---|---|---|
| | 2021 | 2020 |
| | *(SEK million)* | |
| **Income statement items** | | |
| Expenses for repair and maintenance [1] | 828 | 671 |
| **Balance sheet items** | | |
| Capitalised repair and maintenance | 1,823 | 1,005 |

| Capital expenditure, repair, and maintenance | Year ending 31 December | |
|---|---|---|
| | 2021 | 2020 |
| Tenant improvements | 1,013 | 652 |
| Investment properties under construction | 2,520 | 1,088 |
| Capital expenditures | 5,356 | 2,745 |

**Note:**
(1) Excluding group eliminations, see note 2.3 to the financial statements in the annual report of Heimstaden Bostad for the year ending 31 December 2021.

## Investments in Associates and Joint Ventures

The table below shows investment in associates and joint ventures by the Group as at and for the year ending 31 December 2021.

| Investment in Associates and Joint Ventures | Share | Rental income | Property expenses | Financial items, net | Profit for the year | Profit for Heimstaden Bostad's holding for the period |
|---|---|---|---|---|---|---|
| | *(%)* | | | (*SEK million*) | | |
| Fastighets AB Rosengård | 25% | 150 | -108 | -10 | 330 | 83 |
| Gamlebro AB | 50% | 17 | -16 | -5 | -4 | -2 |
| Upplands Bro Brogårds Etapp 2 AB | 50% | 0 | -1 | -25 | 10 | 5 |
| A Place To A/S | 50% | 7 | -7 | -2 | -1 | -1 |
| Magnolia Projekt 5222 AB | 50% | 0 | 0 | 0 | 471 | 236 |
| Byggrätt Norr AB | 19% | - | - | - | - | - |
| Kiinteistö OY Hiihtomäentie 14 | 53% | 3 | -1 | 0 | 19 | 9 |
| **Total** | | **177** | **-132** | **-42** | **825** | **330** |

**Note:**
(1) Amounts shown for joint ventures reflect the total estimated cost for the joint venture and the element the Group is responsible for is up to 50% of the committed amount.

### *Allianz and Heimstaden Bostad joint venture*

On 22 December 2021, Heimstaden Bostad announced that Allianz, on behalf of Allianz companies, will invest SEK 7.9 billion in part of the portfolio of properties Heimstaden Bostad recently acquired from Akelius in Sweden, forming a joint venture on the SEK 30.4 billion portfolio located in Malmö and Stockholm. 3,377 residential units are located in Malmö and 5,932 residential units are located in Stockholm. All residential properties have regulated rent with an economic occupancy rate of approximately 99%. The transaction was completed in January 2022. The joint venture is funded with equity, including Allianz's SEK 7.9 billion investment, and a debt facility from Heimstaden Bostad. The joint venture adopts Heimstaden Bostad's sustainability programme and has committed SEK 1.2 billion towards energy-optimising measures to reduce the Group's greenhouse gas emissions in line with the Paris Agreement.

The shareholders hold a combination of preference and common shares with different rights to dividends and voting. Heimstaden Bostad holds a higher ratio of common shares, and the joint venture will be fully consolidated into the Group. The joint venture involved a sale by Heimstaden Bostad of some of its shares in the joint venture entity, the Group subsidiary that holds the Akelius Swedish property portfolio, in exchange for the payment by Allianz of SEK 7.9 billion. The ownership of the joint venture is described in the table below:

| | Capital(1) | Voting share |
|---|---|---|
| | *(%)* | *(%)* |
| Heimstaden Bostad | 43.75% | 50.15% |
| Allianz | 56.25% | 49.85% |
| **Total** | **100.00%** | **100.00%** |

**Note:**
(1) Capital means the joint venture's net asset value.

### Other Investments

On 1 March 2022, Heimstaden Bostad announced that the Group had acquired additional shares in Kojamo Oyj, a listed Finnish residential real estate company, bringing the Group's ownership to just above 15%.

### Finance and Capital Structure

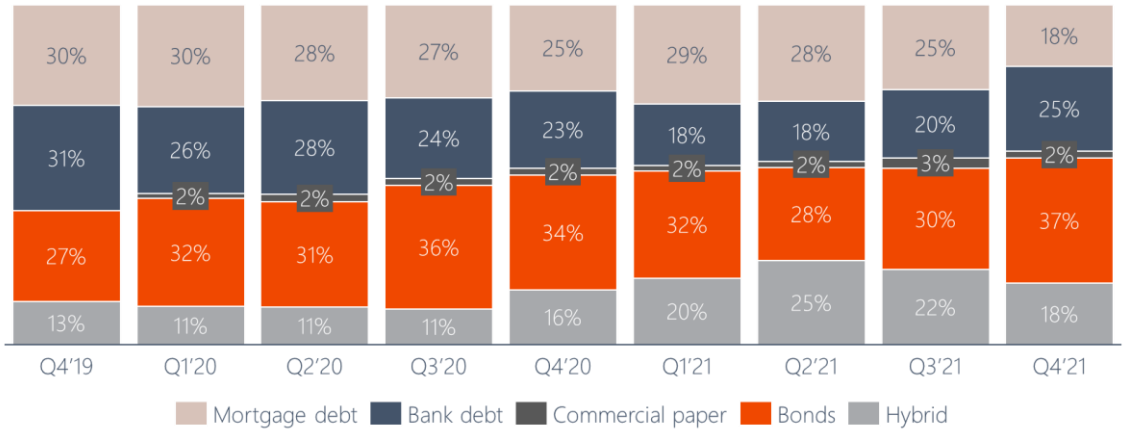
#### *Funding Strategy*

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.

#### *Funding*

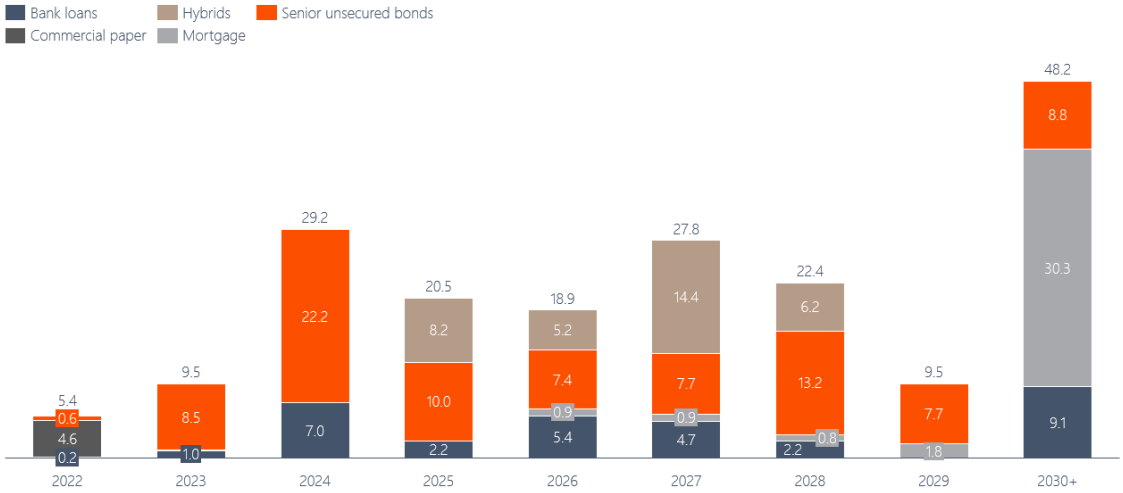
The chart below shows an overview of the Group's funding distribution, expressed as a percentage, from the three months ending 31 December 2019 to the three months ending 31 December 2021.

**Funding distribution, % (three months ending 31 December 2019 – three months ending 31 December 2021)**



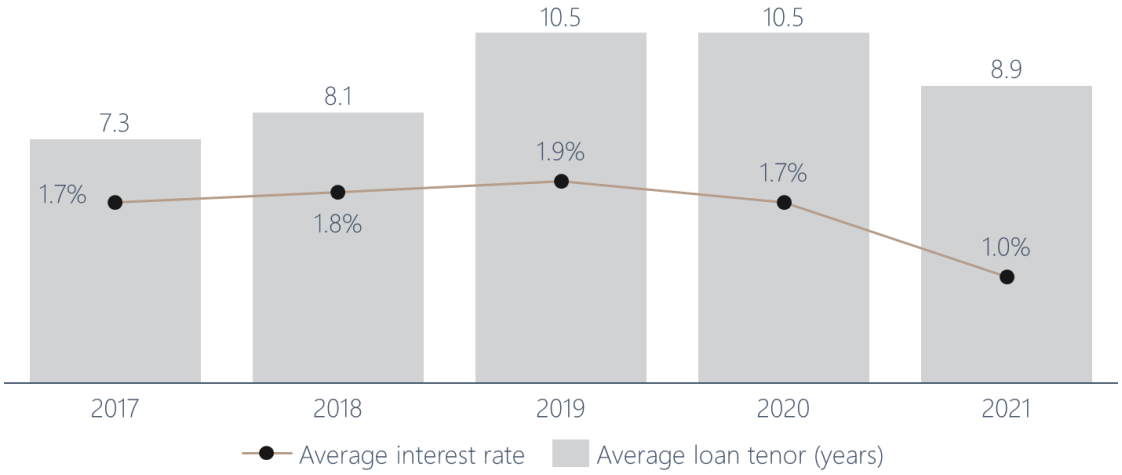

The chart below shows an overview of the Group's funding maturity profile (in SEK billion) as at the date of this Base Prospectus. Note hybrid instruments are perpetual and therefore the first reset date is shown as the maturity in the chart below.

**Group's funding maturity profile (SEK billion)**



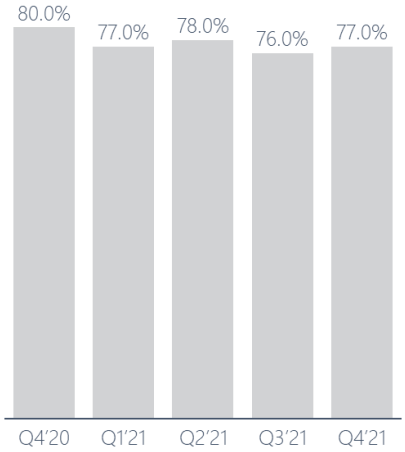

The chart below shows an overview of the Group's average interest rate, expressed as a percentage, and average loan tenor (years) from the figures from the year ending 31 December 2017 to the year ending 31 December 2021.

**Average interest rate and average loan tenor (2017-2021)**




The chart below shows an overview of the Group's interest rate hedge ("**hedge ratio**") from the figures from the three months ending 31 December 2020 to the three months ending 31 December 2021.

**Hedge ratio (three months ending 31 December 2020 – three months ending 31 December 2021)**




The table below shows the Group's interest-bearing liabilities and whether the financing is secured by the Group's assets as of 31 December 2021.

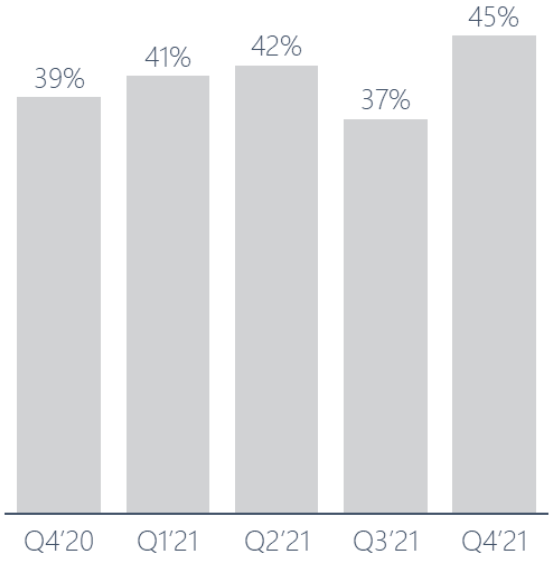
| Interest-bearing liabilities | Interest-bearing liabilities | Secured loans | Share | Unutilised credit commitments |
|---|---|---|---|---|
| | (*SEK million*) | (%) | (%) | (*SEK million*) |
| Corporate bonds | 75,282 | 0 | 47 | - |
| Mortgages | 34,599 | 100 | 22 | - |
| Bank loans | 49,052 | 62 | 31 | 24,474 |
| **Total** | **158,933** | **41** | **100** | **24,474** |
| Deferred charges | | | | -553 |
| **Total including deferred charges** | | | | **158,380** |

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 of 31 December 2021.

| Country | Unencumbered properties ratio |
|---|---|
| | (%) |
| Czech Republic | 100.0 |
| Denmark | 4.7 |
| Finland | 100.0 |
| Germany | 21.5 |
| Netherlands | 23.6 |
| Norway | 91.3 |
| Sweden | 75.0 |
| UK | 100.0 |
| **Total** | 44.8 |

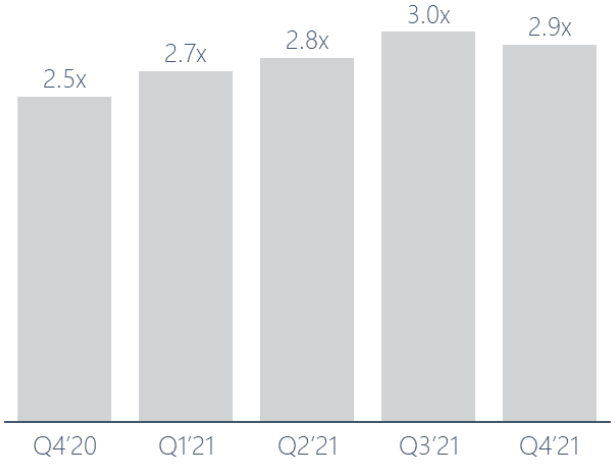
The chart below shows the Group's unencumbered properties ratio, expressed as a percentage, from the three months ending 31 December 2020 to the three months ending 31 December 2021.

**Unencumbered properties ratio (three months ending 31 December 2020 – three months ending 31 December 2021)**



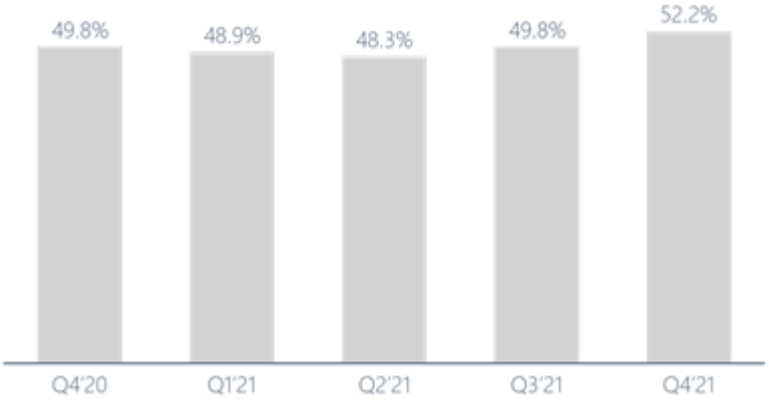

The chart below shows the Group's interest coverage ratio (S&P method) from the three months ending 31 December 2020 to the three months ending 31 December 2021.

**Interest coverage ratio (S&P method) (three months ending 31 December 2020 – three months ending 31 December 2021)**




The chart below shows the Group's net debt / net debt + equity (S&P method) in relation to the Group's financial policy from the three months ending 31 December 2020 to the three months ending 31 December 2021.

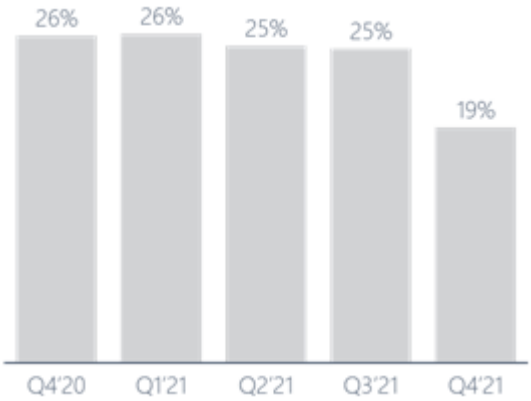
**Net debt / Net debt + Equity (S&P method), % (three months ending 31 December 2020 – three months ending 31 December 2021)**




**Note:**
The definition was changed in Q4 2021 to remove the cash adjustment of 10%, this has been reflected for all periods.

The chart below shows the Group's secured loan-to-value ratio, expressed as a percentage, from the three months ending 31 December 2020 to the three months ending 31 December 2021.

**Secured loan-to-value ratio (three months ending 31 December 2020 – three months ending 31 December 2021)**




## Board of Directors, Management and Auditors

### *Board of Directors*

Brief biographies of the members of the board of directors of Heimstaden Bostad, as at the date of this Base Prospectus, are set out below. The business address of the board of directors of Heimstaden Bostad is Östra Promenaden 7A, SE-211 28 Malmö, Sweden.

*Casper von Koskull, Chairman of the Board*

Mr von Koskull is the former Nordea Group Chief Executive Officer. Mr von Koskull has a MSc in Economics and Business Administration from Helsinki School of Economics. He has broad international working experience from the financial sector, including serving as the former President and CEO of Nordea, partner and head of Nordic Investment Banking at Goldman Sachs, London, and holding key positions in the financial sector in Europe and the US.

*Ivar Tollefsen*

Mr Tollefsen is the founder, owner, and Chairman of Fredensborg AS and largest owner and Chairman of Heimstaden, Heimstaden Bostad's majority shareholder.

*Vibeke Krag*

Ms Krag has experience of international leadership, portfolio management, law, and insurance from an operational career in financial services. She previously served as CEO of Codan Forsikring A/S and has board experience from companies such as Gjensidige Forsikring ASA, Nykredit A/S and the Danish Competition and Consumer Authority. The Ministry of Finance has appointed her to the board of ATP, Denmark's largest institutional investor.

*Axel Brändström*

Mr Brändström is the Head of Real Assets Investments at Alecta, and holds positions as Chairman of the Board of Alecta and Board member of Swedish Airport Infrastructure AB and Skandia Fastigheter. He has previously been Chief Investment Officer ("CIO") at Skandia Investment Management and Head of Risk Allocation at Skandia Liv.

*Birgitta Stenmark*

Ms Stenmark is the Head of Alternative Investment at the Folksam Group (representing the Folksam Group). She has held this role since 2009 and joined the Folksam Group in 1997 as a portfolio manager. She is also a board member of several other real estate companies.

*Christer Franzén*

Mr Franzén is the CIO at Ericsson Pensionsstiftelse, which has a broad investment portfolio with a capital preservation approach and focus on cash generating investments. Mr Franzén has held this role for more than fifteen years. He is also a board member of several other real estate companies with Nordic focus.

*Bente A. Landsnes*

Ms Landsnes has experience within financial services and licenced financial operations from, among others, Oslo Børs. She has relationships with large international investors and experience within digital transformation, change and reputation management, financial reporting, investor relations, corporate governance and environmental, social and governance. She has board experience from companies such as Danske Bank, Norbit ASA, Infront ASA and Oslo Clearing.

*John Giverholt*

Mr Giverholt has been on the board of Heimstaden Bostad's majority shareholder, Heimstaden, since 2018. He has experience of capital markets having served as CFO for DNB, CEO of Ferd and as a former board member of Telenor, Kongsberg Gruppen, Gjensidige Forsikring, and Scatec Solar as well as Board assignments in family-owned businesses.

*Frans Heijbel*

Mr Heijbel is the Head of International Real Assets at Alecta where he previously was responsible for transactions. Mr Heijbel has more than 20 years of experience in the property and finance industry in Stockholm and London in senior roles at Trinova Real Estate LLP, Bank of Ireland REIM and JLL.

*Eldbjørg Sture*

Ms Sture has experience from senior positions within DNB Group and investment banking, large companies, and Group functions. She has held board positions in several companies, including DNB Markets Inc. NYC, DNB Bank Polska S.A, Marine Harvest ASA and Aktiv Kapital ASA.

*Stefan Attefall*

Mr Attefall is a former member of the Riksbank's General Council and was the minister for Construction and Housing and a Civil minister of the Swedish government from 2010 to 2014. Today, he is an active senior advisor and board member of several companies in the Nordic construction and residential property segment.

***Senior Management***

Heimstaden Bostad has entered a group-wide management agreement (the "**Management Agreement**") with Heimstaden and has no direct contracts with senior management. Brief biographies of Heimstaden Bostad's senior management team (acting under the Management Agreement) as at the date of this Base Prospectus, are set out below.

*Patrik Hall, Chief Executive Officer*

Patrik has served as CEO of Heimstaden since 2003. Patrik started out his career as an Officer in the military, followed by a position as Chief Negotiator with the Swedish National Tenants' Association.

*Magnus Nordholm, Deputy Chief Executive Officer*

Magnus has been employed by Heimstaden since 2008. Previously, Magnus held positions as the Deputy Head of Nordic Real Estate Products & Head of Structured Real Estate Financing in HSH Nordbank AG and as Business Manager at HSH N Nordic Finance AB. Magnus announced his resignation from Heimstaden in January 2022, but will retain his position for a period of time from the date of this Base Prospctus to ensure a smooth handover process.

*Arve Regland, Chief Financial Officer*

Arve has extensive experience within finance and real estate with a background as CEO and CFO at Entra ASA, Partner Corporate Finance at ABG Sundal Collier and Manager at EY.

*Helge Krogsbøl, Deputy Chief Executive Officer*

Helge has extensive experience holding executive positions as SVP in Pandox AB, GM at Benelux Thon Hotels, MP Room2Room and as CEO at First Hotels.

*Eddo Rats, Co-Chief Operating Officer*

Eddo Rats has more than 20 years of management experience, built up in both the residential real estate and as the hotel industries.

*Jordan Milewicz, Co-Chief Operating Officer*

Jordan has previously served as Head of Europe at Akelius, where he was responsible for operations in the company.

*Karmen Mandic, Chief Brand and Marketing Communications Officer*

Karmen has a substantial background in marketing with experience as Global Director of Marketing and Communication at OctoFrost Group, Head of Global Brand Licensing Partnerships and Global Marketing Activation Manager at Sony Mobile, and Head of Marketing at Western Union.

*Christian Vammervold Dreyer, Chief Communications Officer*

Christian holds substantial experience in the real estate sector, he has previously been CEO, Real Estate Norway, CEO, Eie Eiendomsmegling, Chairman of the Board, NEF. He currently holds the position as Chairman of the Board in The National Federation of House Owners in Norway (Huseierne).

*Suzanna Malmgren, Chief Human Resources Officer*

Suzana is Hemstaden's Chief People and Culture Officer and has extensive experience within Management Consulting and HR with 11 years experience in the role of executive search consultant and Partner at Alumni.

*Katarina Skalare, Chief Sustainability Officer*

Katarina holds considerable experience within sustainability work, and in addition to an entrepreneurial background, has worked as Sustainability Strategist at Kraftringen, Manager of Sustainable Business Solutions at PwC, and Manager for Corporate Responsibility at E.ON Nordic.

*Christian Fladeland, co-Chief Investment Officer*

Christian has extensive experience within real estate investment management from his position as Partner at Colliers International Denmark.

*Søren Vendelbo Jacobsen, co-Chief Investment Officer*

Søren has extensive experience within real estate investment management as Head of Real Estate and Infrastructure at Sampension.

*Roger Reksten Stølsnes, Chief Risk Officer*

Roger's background consists of several leadership positions in Telenor, Equinor, Realkapital Partners and Holte Consulting.

*Rodin Lie, Chief Technology Officer*

Rodin brings with him a strong background in technology and innovation and has previously held the positions as CDO in Selmer, CDO in Innovation Norway and CTO in NOS Clearing.

*Anders Thorsson, Chief Procurement Officer*

Anders has vast experience in procurement and has previously held the positions Strategic Sourcing Director and Commodity Manager Traded Goods at Lindab, Manager of NCC Supply and of NCC Purchasing Group Shanghai.

*Paul Spina, Chief Asset Management & Development Officer*

Paul has his real estate experience from WeWork where he held the position as Head of Project Delivery at WeWork International as well as Development Director, Tri-State at WeWork.

*Erik Gullestad Glæsel*

Erik, previously Managing Director of Fredensborg's Investment Team, has previous experience as a Management Consultant at Arkwright and the Corporate Finance M&A Department at Arctic Securities.

**Conflicts of Interest**

Other than as set out below, to Heimstaden Bostad's knowledge, there are no potential conflicts of interest between any duties owed to Heimstaden Bostad by members of the board or the management of Heimstaden Bostad and their private interests and/or other duties. There are no family ties or the like between any board members and the senior management. There are no agreements between Heimstaden Bostad and major shareholders, customers, suppliers or other parties according to which any board member is elected to the board of directors or senior management are added as senior managers. Although Heimstaden Bostad is not currently aware of any potential conflicts of interest, it cannot be excluded that conflicts of interest may come to arise between companies in which members of the board and members of the management have duties, and Heimstaden Bostad.

As at the date of this Base Prospectus:

- Magnus Nordholm and Patrik Hall are direct shareholders in Heimstaden Bostad (each own 5,080 shares in Heimstaden Bostad) and are employed by one of the majority shareholders.
- Frans Heijbel, Axel Brändström, Christer Franzén and Birgitta Stenmark are employed by one of the shareholders.
- Ivar Tollefsen, John Giverholt and Vibeke Krag are board members of Heimstaden.
- Ivar Tollefsen and John Giverholt hold board positions in Heimstaden Bostad's parent company, Fredensborg AS and/or subsidiaries of Fredensborg AS.

- Several members of management participate in a share-based incentive programme offered by Heimstaden Bostad's indirect parent company Fredensborg AS or hold directly or indirectly shares in Heimstaden Bostad.

- Christian Fladeland indirectly holds a minority stake (less than 10%) in Keystone Investment Management A/S which provides advice and management to major international investors regarding real estate investment in Denmark.

***Auditors***

At Heimstaden Bostad's annual general meeting, held on 18 March 2021, Ernst & Young AB was appointed as Heimstaden Bostad's auditor and Peter von Knorring from Ernst & Young AB, an authorised auditor, was appointed as the auditor in charge, each to serve until the end of the next annual general meeting.

Peter von Knorring has been the auditor in charge of Heimstaden Bostad since 2015. Peter von Knorring is member of FAR (*Föreningen Auktoriserade Revisorer*), which is the professional institute for the accountancy sector in Sweden.

Ernst & Young AB's address is Drottninggatan 24, Norrköping 602 24, Sweden.

***Employees***

Heimstaden Bostad's properties and property-owning companies are managed by subsidiaries of Heimstaden in each relevant country in which the Group operates, except for the Czech Republic and properties forming part of the Akelius Portfolio. All employees are employed by Heimstaden AB and its subsidiaries, with the exception of employees in the Czech Republic and those managing the Akelius Portfolio in Germany, Sweden and Denmark, which are indirectly employed by Heimstaden Bostad.

**Recent Developments**

*Allianz and Heimstaden Bostad joint venture*

On 22 December 2021, Heimstaden Bostad announced that Allianz, on behalf of Allianz companies, will invest SEK 7.9 billion in part of the portfolio of properties Heimstaden Bostad recently acquired from Akelius in Sweden, forming a joint venture on the SEK 30.4 billion portfolio located in Malmö and Stockholm. The transaction closed in January 2022. See the section "*Allianz and Heimstaden Bostad joint venture*" for more information.

*HBT has issued a EUR 500 million senior unsecured bond*

On 5 January 2022, HBT issued EUR 500 million floating rate notes under its Euro Medium Term Note programme. The notes have a maturity of two years with a call option at par after approximately one year and carry a floating rate to maturity of three months EURIBOR plus 55 basis points.

*HBT has issued EUR 1.2 billion of senior unsecured bonds*

On 24 January 2022, HBT issued EUR 1,200 million senior unsecured fixed rate notes with 3.5- and 6.5-year tenors under its EMTN programme. The EUR 700 million notes have a 3.5-year tenor with an annual coupon of 0.625% and the EUR 500 million notes have a 6.5-year tenor with an annual coupon of 1.375%.

## SELECTED KEY PERFORMANCE INDICATORS

### Alternative Performance Measures

Heimstaden Bostad applies the European Securities and Markets Authority ("**ESMA**") Guidelines on the Alternative Performance Measures (issued on 5 October 2015) (the "**ESMA guidelines**"). Heimstaden Bostad presents certain financial measures that are not defined in accordance with International Financial Reporting Standards as adopted in the European Union ("**IFRS**"). Heimstaden Bostad believes that these measures provide valuable additional information to investors and management as they enable assessment of the Group's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be considered as a replacement for measures defined in accordance with IFRS. Further details are provided below in respect of alternative performance measures used in this Base Prospectus.

*) These specific key performance indicators are operational and are not considered to be key data in accordance with the ESMA guidelines.

***Net operating income margin (%)***

Net operating income for the period as a percentage of rental income for the period. This key performance indicator shows the profitability of the properties.

***Interest coverage ratio (rolling 12 months) (multiple)***

Profit before inventory properties and fair value adjustments plus financial income divided by financial costs attributable to interest-bearing liabilities. The interest coverage ratio is an industry standard ratio used to determine the extent to which Heimstaden Bostad's interest and debt servicing expenses are covered by operating profits. In addition, this ratio provides additional transparency on cash flow that is available after servicing debt obligations.

**Interest coverage ratio, (S&P method) (rolling 12 months) (multiple)**

EBITDA (adjusted) divided by Interest Expense (adjusted). EBITDA (adjusted) means profit before inventory properties and fair value adjustments, plus depreciation and amortisation, the SOS partnership fee, transaction costs from business combination and less share of net profits of associates and joint ventures. Interest Expense (adjusted) means interest expenses on interest-bearing liabilities and 50% of the accrued (scheduled) dividend payments in respect of Heimstaden Bostad's outstanding hybrid capital as financial costs. The inclusion of 50% of the hybrid dividend payments reflects S&P's classification of Heimstaden Bostad's outstanding hybrid capital as being 50% debt and 50% equity (rather than the IFRS classification of the same instrument being 100% equity).

***Net loan-to-value ratio (%)***

Net loan-to-value ratio is interest-bearing secured liabilities and interest-bearing unsecured liabilities minus cash and cash equivalents as a percentage of fair value of investment properties. Loan-to-value is an acknowledged measure of leverage and risk in the real estate industry. This ratio highlights Heimstaden Bostad's ability to manage financial liabilities given its fair value real estate portfolio.

***Secured loan-to-value ratio (%)***

Interest-bearing secured liabilities as a percentage of total assets.

***Net interest-bearing liabilities (SEK million)***

Total interest-bearing liabilities less cash and cash equivalents.

***Net debt to total assets (%)***

Net interest-bearing liabilities as a percentage of total assets.

***Net debt / Net debt + Equity (S&P method) (%)***

Equity (adjusted) is computed as equity less 50% of the amount of hybrid liabilities. Net interest-bearing liabilities adjusted ("**Net debt**") is computed as the sum of total interest-bearing liabilities plus 50% of principal amount of hybrid liabilities and right-of-use liabilities less cash and cash equivalents. Net debt / (Net debt + Equity) is computed as net debt divided by net debt plus equity (adjusted). This metric is calculated according to S&P's rating methodology, with 50% of the principal amount of hybrid bonds classified as debt and 50% classified as equity (rather than the IFRS classification of the same instrument being 100% equity).

***Equity ratio (%)***

Equity as a percentage of total assets.

***Average interest rate (%)****

Average interest on the balance sheet date for interest-bearing liabilities with interest rate derivatives taken into account.

***The average remaining term of fixed interest in the loan portfolio, including derivatives (years)****

Average remaining maturity on the interest settlement date of all credits and derivatives in the debt portfolio.

***Average loan tenor (years)****

Average remaining period until final maturity of all credits in the debt portfolio**.**

***Net asset value on the balance sheet date (SEK million)***

Equity plus deferred tax liability not attributable to goodwill.

***EBITDA (rolling 12 months)***

Profit before inventory properties and fair value adjustments plus transaction costs from business combination and amortisation and depreciation.

***Debt / EBITDA (rolling 12 months) (multiple)***

Time-weighted interest-bearing liabilities divided by profit before inventory properties and fair value adjustments plus transactions costs from business combination with reversal of amortisation and depreciation. Due to seasonality in EBITDA, this key performance indicator is calculated using the last 12 months' rolling data.

***Economic occupancy ratio, residential (%)***

Theoretical rental income from residential units divided by theoretical rental income on residential units including estimated rent for vacant apartments. Rent is estimated for a vacant apartment based on the most recent contracted rent for such apartment.

***Real economic occupancy ratio, residential (%)***

Theoretical rental income from residential units divided by theoretical rental income including estimated rent for vacant apartments adjusted for voluntary vacancies due to standard improvements. Rent is estimated for a vacant apartment based on the most recent contracted rent for such apartment.

***Proportion residential fair value on balance sheet date (%)****

Fair value of residential units as share of total fair value of standing assets of investment properties.

The table below lists each of the above Key Performance Indicators for Heimstaden Bostad as at and for the years ending 31 December 2020 and 31 December 2021.

## Key Performance Indicators

| | Year ending 31 December | |
|---|---|---|
| | 2021 | 2020 |
| | *(SEK million unless otherwise stated)* | |
| **Property-related key data** | | |
| Net operating income margin (%) | 62.6 | 61.5 |
| Economic occupancy ratio, residential (%) | 96.4 | 95.8 |
| Real economic occupancy ratio, residential (%) | 97.9 | 97.5 |
| Proportion residential fair value on balance sheet date (%) | 92.5 | 93.0 |
| Cash generated from operations | 6,042 | 3,117 |
| **Financial key data** | | |
| Interest coverage ratio (rolling 12 months) (*multiple*) | 2.3 | 2.9 |
| Interest coverage ratio, (S&P method) (rolling 12 months) (*multiple*) | 2.9 | 2.5 |
| Net loan-to-value ratio (%) | 46.2 | 43.7 |
| Secured loan-to-value ratio (%) | 18.6 | 25.8 |
| Net debt / Net debt + Equity (S&P method) (%) | 52.2 | 49.8 |
| Net debt to total assets (%) | 39.8 | 40.2 |
| Equity ratio (%) | 45.9 | 49.5 |
| Average interest rate (%) | 1.0 | 1.7 |
| The average remaining term of fixed interest in the loan portfolio, including derivatives (*years*) | 2.19 | 3.06 |
| Average loan tenor (*years*) | 8.9 | 10.5 |
| Net asset value on the balance sheet date | 169,271 | 81,953 |
| Debt / EBITDA (rolling 12 month) (*multiple*) | 21.1 | 19.4 |
| Profit before inventory properties and fair value adjustments [1] | 2,834 | 3,589 |

**Notes:**

(1) Prior to 31 March 2021, reported as profit from property management. In 2021, this metric was impacted by transaction costs from business combination with the Akelius Portfolio of SEK 2,232 million.

| Financial Policy | Financial Policy Targets | As at 31 December | |
|---|---|---|---|
| | | 2021 | 2020 |
| Interest coverage ratio, rolling 12 months, S&P method | ≥ 2.4 | 2.9 | 2.5 |
| Net Debt / Net Debt + Equity, S&P Method (%)[1] | < 55 | 52.2 | 49.8 |
| Average loan tenor (*years)* | ≥ 4 | 8.9 | 10.5 |
| Loan maturity in individual year (%) | ≤ 25 | 14 | 13 |
| Share of loans from individual lender (%) | ≤ 20 | 11 | 12 |
| Interest rate hedge (%) | ≥ 75 | 77 | 80 |
| Quick ratio[2] | ≥ 1.25 | 2.90 | 1.49 |

**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.

The table above sets out the financial guidelines that are relevant to Heimstaden Bostad, as contained in internal guidelines and financial agreements with third parties.

The table below sets out the ways in which certain key data, which is considered "alternative" according to the ESMA guidelines, is derived.

**Derivation of key data considered alternative according to the ESMA guidelines**

| | As for the year ending 31 December | |
|---|---|---|
| | **2021** | **2020** |
| | *(SEK million unless otherwise stated)* | |
| **Economic occupancy, residential (%)** | | |
| Theoretical rental income on residential units | 8,425 | 6,322 |
| Economic vacancy | -305 | -269 |
| Rental income on residential units | 8,120 | 6,053 |
| **Economic occupancy (%)** | **96.4** | **95.8** |
| **Real economic occupancy ratio, residential (%)** | | |
| Theoretical rental income on residential units | 8,425 | 6,322 |
| Adjusted for non-market vacancy | -175 | -161 |
| Adjusted theoretical rental income | 8,250 | 6,161 |
| **Real economic occupancy ratio, residential (%)** | **97.9** | **97.5** |
| **Net operating income margin *(%)*** | | |
| Rental income | 8,608 | 6,332 |
| Net operating income | 5,386 | 3,893 |
| **Net operating income margin *(%)*** | **62.6** | **61.5** |

| | As at / for the year ending 31 December | |
|---|---|---|
| | **2021** | **2020** |
| | *(SEK million unless otherwise stated)* | |
| **Profit before financial items plus financial income (rolling 12 months)** | | |
| Profit before inventory properties and fair value adjustments | 2,834 | 3,589 |
| Financial income | 152 | 81 |
| **Profit before financial items plus financial income (rolling 12 months)** | **2,986** | **3,670** |
| **Interest coverage ratio (rolling 12 months) (*multiple*)** | | |
| Profit before financial items plus financial income | 2,986 | 3,670 |
| Financial costs – Interest-bearing liabilities | 1,288 | 1,269 |
| **Interest coverage ratio (rolling 12 months) (*multiple*)** | **2.3** | **2.9** |
| **Interest coverage ratio, (S&P method) (rolling 12 months) (*multiple*)** | | |
| Profit before inventory properties and fair value adjustments | 2,834 | 3,589 |
| Depreciation and amortisation | 2 | 11 |
| SOS partnership fee | 49 | - |
| Transaction costs from business combination | 2,232 | - |
| Share of net profits of associates and joint ventures | -329 | -32 |
| **EBITDA, adjusted** | **4,789** | **3,567** |
| Interest expenses on interest-bearing liabilities | 1,288 | 1,269 |
| 50% hybrid dividend (reflecting S&P methodology) | 389 | 157 |
| **Interest expense, adjusted** | **1,677** | **1,425** |
| **Interest coverage ratio, (S&P method) (rolling 12 months) (*multiple*)** | **2.9** | **2.5** |
| **Equity ratio (%)** | | |

| | As at / for the year ending 31 December | |
|---|---|---|
| | **2021** | **2020** |
| | *(SEK million unless otherwise stated)* | |
| Total equity | 160,338 | 77,741 |
| Total assets | 349,066 | 156,926 |
| **Equity ratio (%)** | **45.9** | **49.5** |
| | | |
| **Net interest-bearing liabilities** | | |
| Interest-bearing secured liabilities | 65,072 | 40,463 |
| Interest-bearing unsecured liabilities | 93,307 | 30,317 |
| Cash and cash equivalents | -19,508 | -7,636 |
| **Net interest-bearing liabilities** | **138,872** | **63,143** |
| | | |
| **Net debt to total assets (%)** | | |
| Net interest-bearing liabilities | 138,872 | 63,143 |
| Total assets | 349,066 | 156,926 |
| **Net debt to total assets (%)** | **39.8** | **40.2** |
| | | |
| **Net loan-to-value (LTV) (%)** | | |
| Net interest-bearing liabilities | 138,872 | 63,143 |
| Fair value of investment properties | 300,584 | 144,404 |
| **Net loan-to-value (LTV) (%)** | **46.2** | **43.7** |
| | | |
| **Secured loan-to-value (%)** | | |
| Interest-bearing secured liabilities | 65,072 | 40,463 |
| Total assets | 349,066 | 156,926 |
| **Secured loan-to-value (%)** | **18.6** | **25.8** |
| | | |
| **Net debt / Net debt + Equity (S&P method) (%)** | | |
| Equity | 160,338 | 77,741 |
| 50% of hybrid equity as debt (S&P adjusted) | 16,833 | 6,818 |
| **Equity adjusted** | **143,505** | **70,923** |
| Total interest-bearing liabilities | 158,380 | 70,780 |
| Right-of-use-liabilities | 734 | 531 |
| Cash and cash equivalents. | -19,508 | -7,636 |
| 50% of hybrid equity as debt (S&P adjusted) | 16,833 | 6,818 |
| **Net interest-bearing liabilities, adjusted (Net debt)** | **156,439** | **70,492** |
| **Net debt + Equity** | **299,944** | **141,415** |
| **Net debt / Net debt + Equity (S&P method) (%)** | **52.2** | **49.8** |
| | | |
| **Net asset value on the balance sheet date** | | |
| Equity | 160,338 | 77,741 |
| Deferred tax liability not attributable to goodwill | 8,934 | 4,212 |
| **Net asset value on the balance sheet date** | **169,271** | **81,953** |
| | | |
| **Debt (rolling 12 months)** | | |
| Interest-bearing liabilities (*rolling 12 months*) | 106,976 | 69,954 |
| **Debt (rolling 12 months)** | **106,976** | **69,954** |
| | | |
| **EBITDA (rolling 12 months)** | | |
| Profit before inventory properties and fair value adjustments | 2,834 | 3,589 |
| Transaction cost from business combination | 2,232 | - |
| Amortisation and depreciation | 2 | 11 |
| **EBITDA (rolling 12 months)** | **5,068** | **3,599** |
| | | |
| **Debt/EBITDA (rolling 12 months) (*multiple*)** | | |
| Interest-bearing liabilities (*rolling 12 months*) | 106,976 | 69,954 |
| EBITDA (*rolling 12 months*) | 5,068 | 3,599 |
| **Debt/EBITDA (rolling 12 months) (*multiple*)** | **21.1** | **19.4** |

## Derivation of certain key data by geographic segment

| | 3 months ending 31 December 2021 | | | | | |
|---|---|---|---|---|---|---|
| | **Sweden** | **Germany** | **Denmark** | **Netherlands** | **Norway** | **Total** |
| Rental income, 2020 (comparative portfolio) (*SEK million*) | 626 | 5 | 355 | 219 | 179 | 1,383 |
| Rental income, 2021 (comparative portfolio) (*SEK million*) | 640 | 6 | 372 | 226 | 186 | 1,429 |
| **Like-for-like rental income growth (%)** | **2.2%** | **18.8%** | **4.9%** | **3.0%** | **3.7%** | **3.3%** |

| | 3 months ending 31 December 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Sweden** | **Germany** | **Denmark** | **Netherlands** | **Norway** | **Czech rep.** | **Finland** | **Total** |
| Theoretical rental income on residential units (*SEK million*) | 723 | 255 | 622 | 287 | 162 | 306 | 12 | 2,338 |
| Economic vacancy (*SEK million*) | -13 | -8 | -11 | -8 | -9 | -20 | -0.2 | -69 |
| Rental income on residential units (*SEK million*) | 710 | 217 | 611 | 279 | 153 | 286 | 11 | 2,269 |
| **Economic occupancy ratio (%)** | **98.2%** | **96.3%** | **98.2%** | **97.3%** | **94.7%** | **93.3%** | **98.1%** | **97.1%** |

| | 3 months ending 31 December 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Sweden** | **Germany** | **Denmark** | **Netherlands** | **Norway** | **Czech rep.** | **Finland** | **Total** |
| Theoretical rental income on residential units (*SEK million*) | 723 | 225 | 622 | 287 | 162 | 306 | 12 | 2,338 |
| Adjusted for non-market vacancy (*SEK million*) | -6 | -5 | -6 | -2 | -6 | -14 | 0.0 | -40 |
| Adjusted theoretical rental income (*SEK million*) | 718 | 220 | 617 | 285 | 156 | 292 | 11 | 2,298 |
| **Real economic occupancy ratio (%)** | **99.4%** | **98.1%** | **99.2%** | **99.6%** | **96.6%** | **95.5%** | **98.2%** | **98.3%** |

## PRO FORMA FINANCIAL INFORMATION OF HEIMSTADEN BOSTAD

Following the closing of the acquisitions on 6 December 2021 of the Akelius Portfolio (the "**Acquisitions**"), the pro forma income statement has been created as an illustration of how the results for Heimstaden Bostad for the period 1 January 2021 to 31 December 2021 could have looked if the Acquisitions were carried out on 1 January 2021. The balance sheet for the same period has not been provided because the Acquisitions closed prior to 31 December 2021 and the assets and liabilities are therefore included in the audited financial statements of the Group for the year ended 31 December 2021, which are incorporated by reference into this Base Prospectus.

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 has been prepared in a manner consistent with the accounting policies adopted by Heimstaden Bostad in preparing its financial statements for the twelve months ended 31 December 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 auditor's 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)

Stockholm, 16 March 2022

**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 of the Company. The pro forma financial information consists of the unaudited pro forma income statement for the financial year ended 31 December 2021 and related notes as set out on pages 131 and 132 of the base prospectus issued by the Company on 16 March 2022. 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 Company's 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**"), had taken place at 1 January 2021.

As part of this process, information about the Company's income statement has been extracted by the Board of Directors from the audited consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) for the financial year ended 31 December 2021 on which an auditors' report has been published and information about the Akelius Portfolio's income statement has been extracted from management accounts provided by Akelius for the eleven month period ended 30 November 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 of the Company 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 of the Company 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 of the Company 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 31 December 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 of the Company 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**

*Jonas Svensson*
*Authorised public accountant*

## Income Statement

| Twelve months ending 31 December 2021 | Heimstaden Bostad[1] | Akelius Portfolio[2] | Pro forma Adjustments: Acquisition related adjustments | Pro forma Adjustments: Footnotes | Pro forma |
|---|---|---|---|---|---|
| | | | (*SEK millions*) | | |
| Rental income | 8,608 | 2,442 | | | 11,050 |
| Service income | 639 | 345 | | | 984 |
| Property costs | -3,861 | -1,107 | | | -4,968 |
| **Net operating income** | **5,386** | **1,680** | | | **7,066** |
| Corporate administrative expenses | -546 | -146 | -29 | B, C | -721 |
| Other operating income | 5 | 8 | | | 14 |
| Other operating expenses | -2,340 | 4 | -10 | B | -2,346 |
| Share of net profits of associates and joint ventures | 329 | -295 | | - | 34 |
| **Profit before inventory properties and fair value adjustments** | **2,834** | **1,252** | **-40** | **-** | **4,047** |
| Fair value adjustment of investment properties | 21,363 | 15,538 | - | - | 36,901 |
| Gains/losses from sale of inventory properties | -2 | 54 | - | - | 52 |
| **Operating profit** | **24,195** | **16,845** | **-40** | | **41,000** |
| Interest expenses on interest-bearing liabilities | -1,288 | -128 | -341 | A | -1,756 |
| Financial income | 152 | - | | - | 152 |
| Net foreign exchange gains/losses | 76 | -5 | | | 71 |
| Fair value adjustment of derivative financial instruments | 819 | 2 | | - | 821 |
| Other financial items | 70 | -301 | 294 | B | 62 |
| **Profit before tax** | **24,024** | **16,413** | **-87** | **-** | **40,350** |
| Current tax expense | -492 | -88 | - | - | -580 |
| Deferred tax expense | -4,580 | -3,641 | - | - | -8,221 |
| **Profit for the period** | **18,952** | **12,685** | **-87** | **-** | **31,549** |
| Other comprehensive income/loss | 3,627 | - | - | - | 3,627 |
| Comprehensive income for the period | **22,579** | **12,685** | **-** | **-** | **35,177** |

**Notes to the Income Statement:**

(1) The financial information in respect of Heimstaden Bostad is sourced from its audited consolidated financial statements in respect of the twelve months ended 31 December 2021, incorporated by reference into the Base Prospectus. The financial information includes one month of data in respect of the Akelius portfolio from the closing date of 1 December 2021.

(2) The financial information in respect of the Akelius Portfolio is sourced from management accounts prepared by Akelius in respect of the period during 2021 in which the portfolio was owned by Akelius, the eleven month period ended 30 November 2021.

**Adjustments (without a continuing impact on Heimstaden Bostad):**

A. Interest expenses on interest-bearing liabilities is increased by SEK 341 million to reflect committed bridge financing in Heimstaden Bostad.
B. 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, decreasing Corporate administration expenses of SEK 121 million. Akelius inter-company items are removed to mirror Heimstaden Bostad ownership, increasing other operating cost of SEK 10 million. Akelius inter-company items are removed to mirror Heimstaden Bostad ownership, increasing Other financial items of SEK 294 million. Net effect of removal of Akelius inter-company items, increases Comprehensive income of SEK 405 million.
C. Corporate administrative expenses costs are increased SEK 151 million to reflect Heimstaden Bostad ownership.

## TAXATION

### SWEDEN

*The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of Sweden as in effect as of the date of this Base Prospectus and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies, not described below. In addition, the summary does not address Notes that are held on an "investment savings account" (investeringssparkonto) or through a "capital insurance" (kapitalförsäkring). Investors should consult their professional tax advisers regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.*

#### Non-resident holders of Notes

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no and has not had any connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden and which does not carry out any business activities from a permanent establishment in Sweden.

Payments of any principal amount under a Note or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes should not be subject to Swedish income tax **provided that** such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are attributable. Under Swedish tax law, no withholding tax is imposed on payments of principal amounts under Notes or interest to a non-resident holder of Notes.

Notwithstanding the above, a private individual may be liable to pay taxes in Sweden on a limited basis even if he/she is not resident in Sweden, providing that he/she has been resident in Sweden or has lived permanently in Sweden at any time during the calendar year of, or the ten calendar years preceding, a disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes. This liability may, however, be limited by tax treaties between Sweden and other countries.

#### Resident holders of Notes

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes and thereby liable to pay taxes on an unlimited basis, i.e. on all income regardless of source, or (b) an entity organized under the laws of Sweden.

Generally, for Swedish corporations and individuals (and estates of deceased individuals) that are resident holders of any Notes, all income derived from capital assets (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable.

Amortisation of principal amounts under Notes is not otherwise subject to Swedish income tax. Any currency exchange gains or losses resulting from amortisations in other currencies than SEK may however be taxable or deductible according to the capital tax rules. Swedish tax law does not impose withholding tax on payments of principal amounts under Notes or interest. However, if amounts that are considered to be interest for Swedish tax purposes are paid to an individual (or an estate of a deceased person) that is a resident holder of Notes, Swedish preliminary tax (*preliminärskatt*) is normally withheld on such payments at a rate of 30%.

### THE NETHERLANDS

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold*

*or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

*For the purpose of the paragraph "Taxes on Income and Capital Gains" below, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.*

*For the purpose of the paragraph "Taxes on Income and Capital Gains" below, it is assumed that a holder of Notes, being an individual or a non-resident entity, does not have nor will have a substantial interest (aanmerkelijk belang), or - in the case of such holder being an entity - a deemed substantial interest, in HBT and that no connected person (verbonden persoon) to the holder of a Note has or will have a substantial interest in HBT.*

*Generally speaking, an individual has a substantial interest in an entity if (a) such individual, either alone or together with their partner, directly or indirectly has, or is deemed to have, or (b) certain relatives of such individual or their partner directly or indirectly have or are deemed to have, (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such entity or the issued and outstanding capital of any class of shares of such entity, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5% or more of either the annual profit or the liquidation proceeds of such entity.*

*Generally speaking, a non-resident entity has a substantial interest in an entity if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such entity or the issued and outstanding capital of any class of shares of such entity, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5% or more of either the annual profit or the liquidation proceeds of such entity. Generally, a non-resident entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.*

*Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.*

*Where this summary refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.*

*Where this summary refers to Notes, such reference includes Coupons and Talons.*

***Investors should consult their professional advisers as to the tax consequences of acquiring, holding and disposing of Notes.***

***Withholding Tax***

All payments of principal and interest by HBT under the Notes can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, save that:

Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of HBT if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation for another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (a hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a participant that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that participant would have been taxable based on

one (or more) of the items in (i)-(v) above had the interest been due to him directly, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

***Taxes on Income and Capital Gains***

*Residents*

*Resident entities*

An entity holding Notes which is or is deemed to be resident in the Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 25.8% in 2022).

*Resident individuals*

An individual holding Notes who is or is deemed to be resident in the Netherlands for Dutch income tax purposes will generally be subject to Dutch income tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 49.50% in 2022) if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain otherwise qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, the individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. For 2022, the deemed return ranges from 1.82% to 5.53% of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Notes). The applicable percentages will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (31% in 2022). Based on a decision of the Dutch Supreme Court (Hoge Raad) of 24 December 2021 (ECLI:NL:HR:2021:1963), the current system of taxation based on a deemed return may under specific circumstances contravene with Section 1 of the First Protocol to the European Convention on Human Rights in combination with Section 14 of the European Convention on Human Rights. At the date of this Base Prospectus, no legislative changes have been proposed, however, the Dutch State Secretary for Tax Affairs and Tax Administration has announced that the system of taxation based on a deemed return will be amended.

*Non-residents*

A holder of Notes which is not and is not deemed to be resident in the Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Notes unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in the Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or

(ii) the holder is an individual and the income or capital gain otherwise qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

***Gift and Inheritance Taxes***

Dutch gift or inheritance tax will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

(i) the holder is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

***Value Added Tax***

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the issue or acquisition of Notes, payments of principal and interest under the Notes, or payments in consideration for a disposal of Notes.

***Other Taxes and Duties***

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the acquisition, holding or disposal of Notes, the execution, delivery or enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Notes or the performance of HBT's obligations under the Notes.

***Residence***

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of the Notes.

**FATCA DISCLOSURE**

**Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. Each Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Sweden and the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of any Issuer). However, if additional Notes (as described under Condition 18 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

**The proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 16 March 2022, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the relevant Issuer (failing which, the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### SELLING RESTRICTIONS

#### United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area ("**EEA**"). For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression "**an offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

**United Kingdom**

*Prohibition of sales to UK Retail Investors*

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the

Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression "**an offer of Notes to the public**" in relation to any Notes in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

*Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer or the Guarantor;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**The Netherlands**

Zero Coupon Notes (as defined below) in definitive form of the relevant Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

**Norway**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Issuer has confirmed in writing to each Dealer that this Base Prospectus has been filed with and approved by the Financial Supervisory Authority of Norway, it has not, directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than:

(a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor, or in respect of Notes whose denomination per unit amounts to at least €100,000; or

(b) to "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007 no. 75; or

(c) to, when aggregated with such offer or sale of any Notes in the same offering by any other Dealer, fewer than 150 natural or legal persons (other than "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007 no. 75), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or

(d) in any other circumstances **provided that** no such offer of Notes shall result in a requirement for the registration or the publication by either of the Issuers, the Guarantor or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007 no. 75.

The Notes shall be registered with Euronext VPS in dematerialised form or in another central securities depository which is properly authorised and recognised by the NFSA as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, unless (i) the Notes are denominated in NOK, issued outside of Norway and reserved for and only sold and offered to non-Norwegian residents and entities, or (ii) denominated in a currency other than NOK and issued outside of Norway.

**Belgium**

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

**Sweden**

This Base Prospectus has not been approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not market or offer the Notes in Sweden in circumstances that are deemed to be an offer to the public in Sweden which would require that a prospectus is approved by the Swedish Financial Supervisory Authority.

**Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified or amended from time to time the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The update of the Programme, the issue of Notes and, in the case of Heimstaden Bostad only, the giving of the Guarantee have been duly authorised, as applicable, by (a) resolutions of the Board of Directors of Heimstaden Bostad dated 28 February 2022; and (b) resolutions of the Board of Managing Directors of HBT dated 3 February 2022.

### Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market and/or admitted to trading on the Oslo Stock Exchange's regulated market (*Oslo Børs*) will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to (i) Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market and (ii) the Oslo Stock Exchange for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to trading on its regulated market (*Oslo Børs*). The approval of the Programme in respect of the Notes was granted on or about 16 March 2022.

### Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

### Documents Available

Copies of the following documents will be available for inspection (in electronic format) at https://www.heimstadenbostad.com:

(a) the constitutional documents of Heimstaden Bostad and the articles of association of HBT, in each case with an English translation thereof;

(b) the Trust Deed;

(c) the Agency Agreement;

(d) the VPS Agency Agreement;

(e) a copy of this Base Prospectus; and

(f) any future base prospectuses, prospectuses, information memoranda, Final Terms and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and Euronext VPS. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear, Clearstream, Luxembourg and/or Euronext VPS, as applicable, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euronext VPS is Fred. Olsens gate 1, N-0152 Oslo.

### Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

**Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Group since 31 December 2021 and there has been no material adverse change in the financial position or prospects of the Issuers since 31 December 2021. There has been no significant change in the financial performance or position of HBT since 31 December 2020.

**Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which any of the Issuers or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of either of the Issuers, the Guarantor or the Group.

**Auditors**

The consolidated financial statements of Heimstaden Bostad have been audited without qualification for the financial years ended 31 December 2021 and 31 December 2020 by Ernst & Young AB of Hamngatan 26, SE-111 47 Stockholm, Sweden, who are authorised and regulated by the Swedish Inspectorate of Auditors – Revisorsinspektionen, and who have given, and have not withdrawn, their consent to the inclusion of their audit reports in this Base Prospectus in the form and context in which they are included. Ernst & Young AB of Hamngatan 26, SE-111 47 Stockholm, Sweden have also given, and have not withdrawn, their consent to the inclusion of their report on pro forma financial information in this Base Prospectus in the form and context in which it is included.

The financial statements of HBT have been audited without qualification for the financial period ended 31 December 2020 by Ernst & Young Accountants LLP, who are authorised and regulated by Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

**Dealers transacting with the Issuers and the Guarantor**

Certain of the Dealers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuers, the Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers, the Guarantor or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers, the Guarantor or their affiliates routinely hedge their credit exposure to the Issuers, the Guarantor or their affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Language of this Base Prospectus**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**Legal Identity Identifier**

The Legal Entity Identifier (LEI) of Heimstaden Bostad is 549300TJR3PR8EXILG79 and the LEI of HBT is 549300ORG6UYMJBCV938.

**Issuer Website**

Heimstaden Bostad's website is https://www.heimstadenbostad.com/. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

**Validity of prospectus and prospectus supplements**

For the avoidance of doubt, the relevant Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

**ISSUER**

**Heimstaden Bostad Treasury B.V.**
Herikerbergweg 328-330
6th floor
1101 CT Amsterdam
The Netherlands

**ISSUER AND GUARANTOR**

**Heimstaden Bostad AB (publ)**
Ö Promenaden 7 A
SE-211 28 Malmö
Sweden

**TRUSTEE**

**Deutsche Trustee Company Limited**
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

**PRINCIPAL PAYING AGENT AND TRANSFER AGENT**

**Deutsche Bank AG, London Branch**
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

**REGISTRAR**

**Deutsche Bank Luxembourg S.A.**
2 Boulevard Konrad Adenauer
L-1115 Luxembourg

**VPS AGENT**

**Nordea Bank Abp, filial i Norge, Issuer Service**
Essendrops gate 7
N-0368 Oslo
Norway

**LEGAL ADVISERS**

*To the Issuers and Guarantor as to English law*
**Clifford Chance LLP**
10 Upper Bank Street
London E14 5JJ
United Kingdom

*To the Issuers and Guarantor as to Swedish law*
**Mannheimer Swartling Advokatbyrå AB**
Östra Hamngatan 16
Box 2235
403 14 Gothenburg
Sweden

*To the Issuers and Guarantor as to Norwegian law*
**Advokatfirmaet BAHR AS**
Tjuvholmen Allé 16
NO-0252 Oslo
Norway

*To the Issuers and Guarantor as to Dutch law*
**Clifford Chance LLP**
Droogbak 1a
1013 GE Amsterdam
PO Box 251, 1000 AG Amsterdam
The Netherlands

*To the Dealers and the Trustee as to English law*
**Allen & Overy LLP**
One Bishops Square
London E1 6AD
United Kingdom

## AUDITORS

**Ernst & Young AB**
Hamngatan 26
SE-111 47 Stockholm
Kingdom of Sweden

**Ernst & Young Accountants LLP**
Cross Towers
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

## DEALERS

**BNP Paribas**
16, boulevard des Italiens
75009 Paris
France

**Danske Bank A/S**
2-12 Holmens Kanal
DK-1092 Copenhagen K
Denmark

**Deutsche Bank Aktiengesellschaft**
Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

**DNB Bank ASA**
Dronning Eufemias gate 30
0191 Oslo
Norway

**ING Bank N.V.**
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

**J.P. Morgan SE**
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

**Nordea Bank Abp**
Satamaradankatu 5
Helsinki
FI-00020 Nordea
Finland

## LISTING AGENT

**Arthur Cox Listing Services Limited**
Ten Earlsfort Terrace
Dublin 2
Ireland