

**SUPPLEMENT NO. 2 DATED 3 NOVEMBER 2020
TO THE BASE PROSPECTUS DATED 4 AUGUST 2020**

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)

€8,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Heimstaden Bostad AB (publ)

(incorporated with limited liability in Sweden)

This supplement no. 2 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 4 August 2020 (as supplemented, the "**Base Prospectus**") and supplement no.1 dated 24 August 2020 prepared by Heimstaden Bostad AB (publ) ("**Heimstaden Bostad**" and, in its capacity as guarantor of Notes issued by HBT (as defined below), the "**Guarantor**") and Heimstaden Bostad Treasury B.V. ("**HBT**" and, together with Heimstaden Bostad, the "**Issuers**", and each an "**Issuer**") with respect to their €8,000,000,000 Euro Medium Term Note Programme (the "**Programme**") and constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

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

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

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference the Q3 2020 Results Announcement (as defined below);

- (b) following the publication of the Q3 2020 Results Announcement, update the statement of no significant change for Heimstaden Bostad;
- (c) update the "*Description of Heimstaden Bostad – Recent Developments*" section of the Base Prospectus to reflect updated operational information;
- (d) update the "*Description of Heimstaden Bostad – Shareholders*" section of the Base Prospectus to provide additional information on historic equity investments in Heimstaden Bostad by institutional investors;
- (e) update the "*Description of Heimstaden Bostad – Goals and Strategy*" section of the Base Prospectus to provide further detail on the Group's investment and property management strategy and specific information on the Group's environmental, social and governance performance; and
- (f) update the "*Description of Heimstaden Bostad – Selected Key Performance Indicators*" section of the Base Prospectus following the publication of the Q3 2020 Results Announcement.

Incorporation of information by reference

By virtue of this Supplement, Heimstaden Bostad's interim results announcement, including the unaudited and reviewed consolidated financial statements as at and for the nine months ended 30 September 2020, but excluding the section entitled "*Stable foundation in an uncertain world*" on pages 4 to 5, (the "**Q3 2020 Results Announcement**") (which is available for viewing at <https://vp289.alertir.com/afw/files/press/heimstadenbostad/202010279096-1.pdf>), which was filed with the Central Bank, shall be incorporated in, and form part of, the Base Prospectus.

It should be noted that, except as set forth above, no other portion of the above document is incorporated by reference into the Base Prospectus. In addition, where sections of the above document which are incorporated by reference into the Base Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of the Base Prospectus, unless otherwise incorporated by reference in the Base Prospectus. Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus.

Significant Change

There has been no significant change in the financial performance or position of the Group since 30 September 2020.

Recent Developments

On page 114 of the Base Prospectus the following section shall be inserted at the end of the section entitled "*Recent Developments*":

"Issuance of hybrid capital

On 15 October 2020, Heimstaden Bostad issued EUR 500,000,000 Subordinated Fixed to Reset Rate 5.5 Year Non-Call Undated Capital Securities, which can be called at the option of the Issuer following 15 January 2026.

Differences in leasing systems between the countries in which the Group operates

The table below shows the shares of total regulated/unregulated rental income of the residential portfolio of the Group as at 30 September 2020 (unaudited). In Sweden, 100 per cent. of the rental income is regulated, in Denmark, 15.8 per cent. of the rental income is regulated, in Norway, 0 per cent. of the rental income is regulated, in the Netherlands, 60 per cent. of the rental income is regulated, in Germany, 97 per cent. of the rental income is regulated and in the Czech Republic, 38 per cent. of the rental income is regulated.

Share of regulated/unregulated total rental income of Group's residential portfolio, as at 30 September 2020 (unaudited)

Rental System	Market	Share of total rental income (per cent.)
Residential – unregulated	NO / DK / NL / DE / CZ	46
Residential – regulated	SE / DK / NL / DE / CZ	54
Total		100

Real Estate Portfolio

The table below shows the Group's property portfolio as at 30 September 2020 (unaudited).

Country	No. of Apartments	Apartments	Commercial	Total	Average size per Apartment	Real Occupancy rate	Fair Value of Investment Properties	Average market value
								(SEK thousands per square metre)
			(square metres)		(square metres)	(per cent.)	(SEK millions)	
Sweden.....	30,076	1,822,214	236,044	2,058,258	60.6	99.3	45,466	22.1
Denmark.....	9,728	831,414	40,603	872,017	85.5	96.9	37,068	42.5
Norway.....	4,589	159,306	62,143	221,449	34.7	94.2	16,510	72.6
Germany.....	1,298	83,270	6,478	89,749	64.2	95.3	3,034	33.8
The Netherlands	12,635	1,001,759	15,436	1,017,195	79.3	99.1	23,303	22.9
Czech Republic	42,544	2,510,835	117,832	2,628,667	59.0	94.5	13,555	5.2
Total	100,870	6,408,798	478,537	6,887,334	63.5	96.7	138,936	20.3

The chart below shows an unaudited historical distribution of the Group's surplus ratio in the line value and gross asset values in the columns.

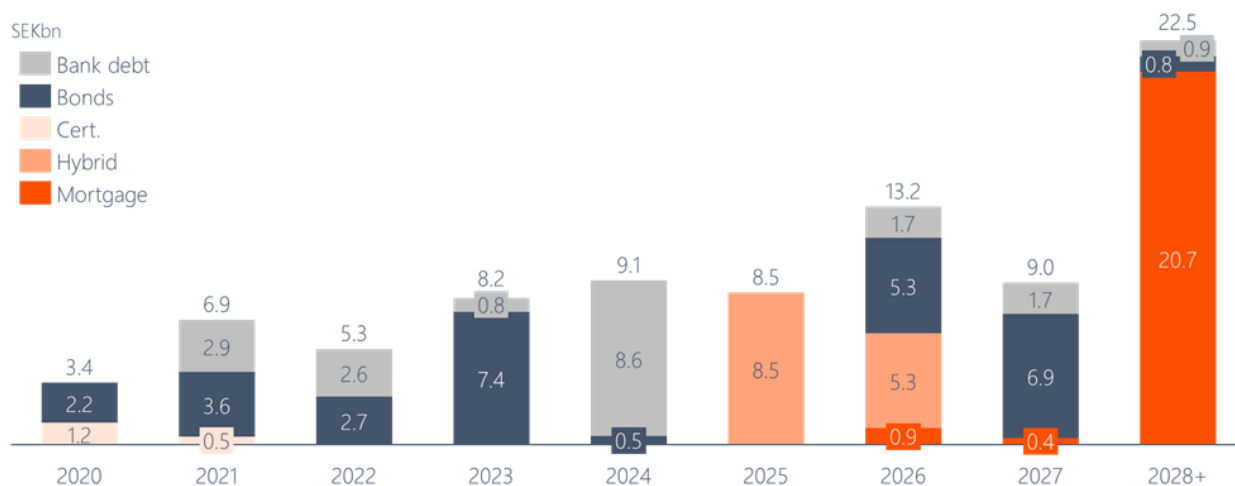
Historical surplus ratio and gross asset value (from 2015 until as at 30 September 2020, unaudited)



Funding

The chart below shows an overview of the Group's loan tenors from the unaudited figures as at 30 September 2020.

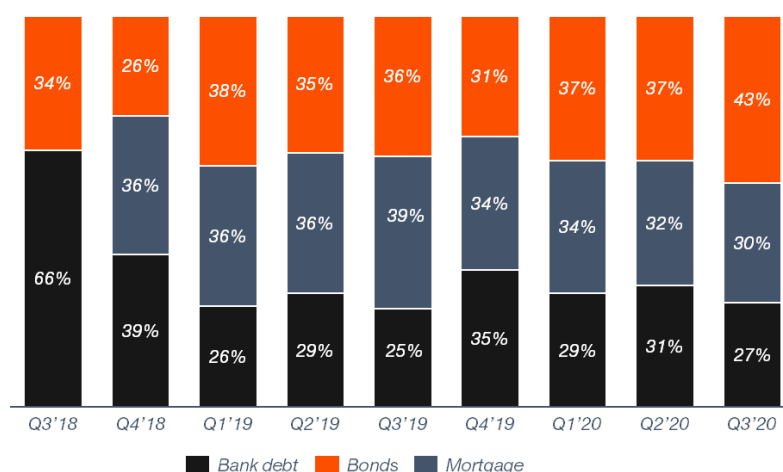
Loan tenors (as at 30 September 2020, unaudited)*



*Includes the issuance of hybrid capital on 15 October 2020.

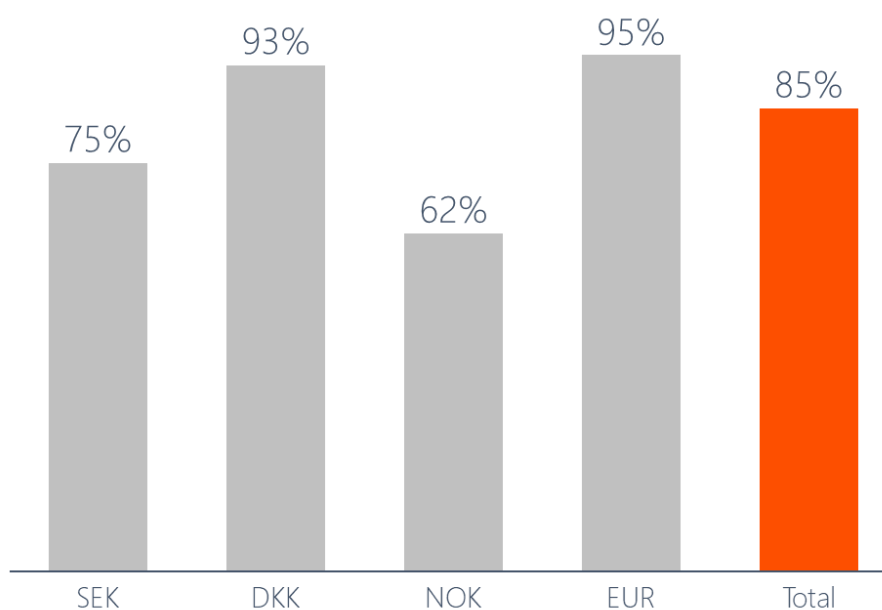
The chart below shows an unaudited historical overview of the split of total debt sources reported quarterly from as at 30 September 2018 until as at 30 September 2020. Hybrid capital is not included in the split of debt sources.

Split of total debt sources (as at 30 September 2020, unaudited)



The chart below shows an unaudited distribution of the hedge ratio per currency, including the Group's consolidated hedge ratio as at 30 September 2020.

Hedge Ratio per currency (as at 30 September 2020, unaudited)

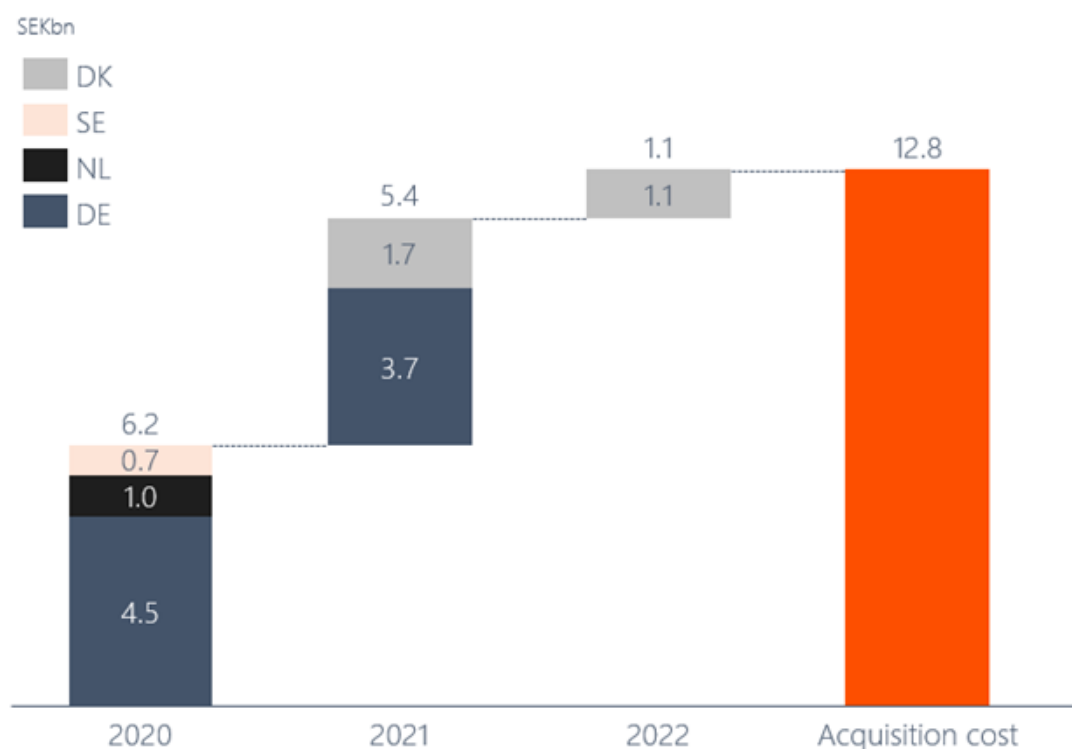


The table below shows the Group's unencumbered assets by country as at 30 September 2020.

Country	Unencumbered Assets (per cent.)
Sweden	34.7
Denmark	0.0
Norway	94.1
the Netherlands	7.2
Germany	73.1
Czech Republic	100.0
Total	35.1

Signed acquisitions

The waterfall chart below shows the Group's signed acquisitions as at 30 September 2020 (unaudited) along with the anticipated timing for completion. These acquisitions are subject to conditions, including regulatory approvals, and so the timing for completion may change or they may not complete at all.



The chart above shows the Group's expansion through signed acquisitions, with 64 per cent. and 23 per cent. relating to Germany and Denmark respectively. Some of the transactions in Denmark have been acquired on a "forward funding" basis and so the properties are currently in the process of being developed.

Acquisition of Berlin property portfolio

On 18 September 2020, the Issuer signed a purchase agreement for the acquisition of 130 properties comprising a total of 3,902 residential units, 208 commercial units and 321 parking spaces in Berlin, Germany. This portfolio amounts to a total of 282,000 square metres of lettable area.

The agreed purchase price for the portfolio is approximately EUR 830 million, which will be financed with a combination of debt and equity. The transaction is expected to close in two portions during the fourth quarter of 2020 or first quarter of 2021, subject to merger clearance as well as pre-emption rights held by the municipality of Berlin for a number of properties.

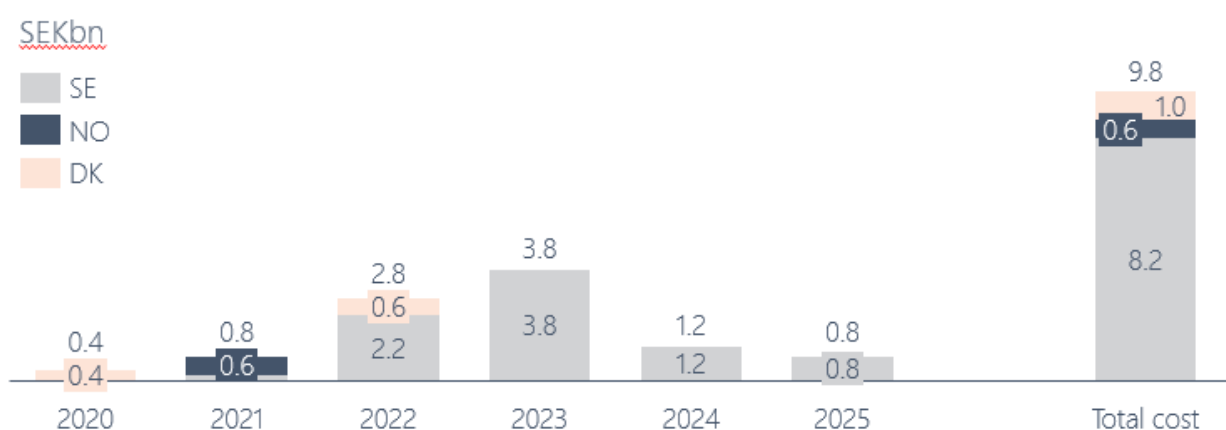
Property Development and Refurbishment

The Group is an active developer in the Swedish and Danish residential property markets. The development portfolio has been located in growth areas within the respective markets.

The table below shows the capital expenditure by the Group on maintenance and upgrades to its existing properties during the nine months ending 30 September 2020 (excluding development projects).

	Sweden	Denmark	Norway	The Netherlands (SEK, millions)	Germany	Czech Republic	Total
Upgrades/development on existing properties.....	275	75	71	18	1	48	488
Maintenance on existing properties.....	440	44	38	36	29	21	609

The graph below shows a split of the development cost for the Group's signed development projects that, as at 30 September 2020, are currently planned from 2020 until the end of the year 2025.



The Group has a framework agreement with Magnolia Bostad in Sweden with a total frame of SEK 9.6 billion. The geographical areas of the portfolio are mainly concentrated in the Greater Stockholm area and in the Östersund region. Development projects in Norway are located on standing properties.

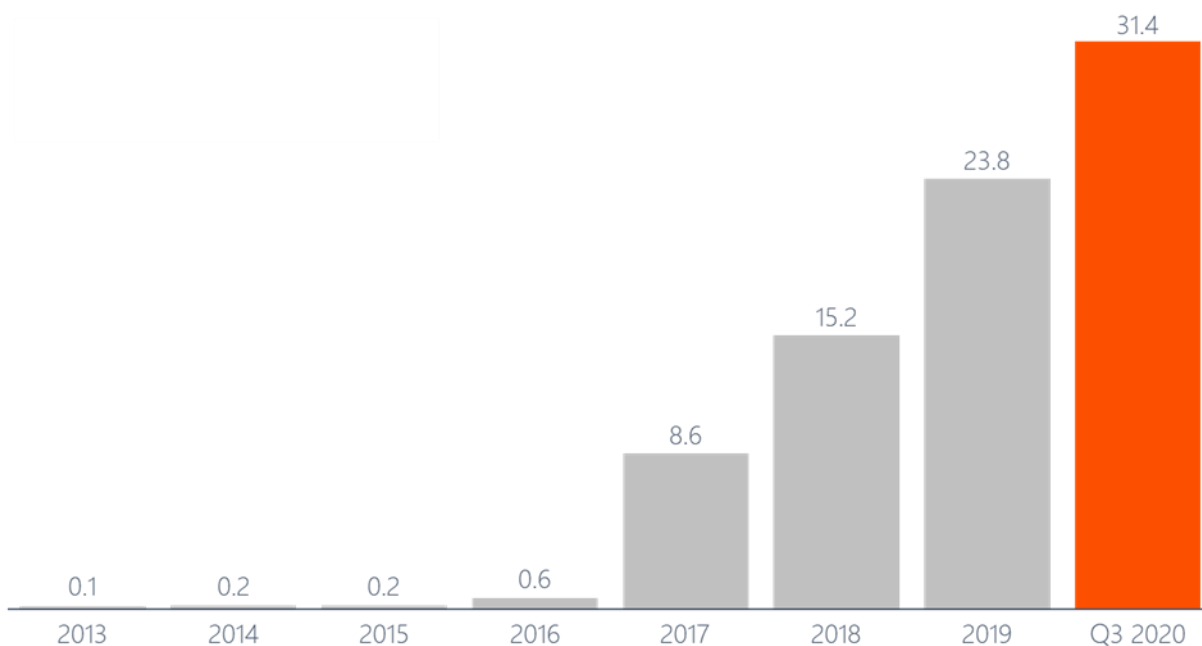
As at the date of this Supplement, the Group has no current plans for development projects in the Netherlands, Germany or the Czech Republic. In connection with the acquisition of Norwegian investment properties, building rights and ongoing construction projects were also acquired. The above item amounting to SEK 1,022 million concerns the development of condominium apartments in Oslo that are to be divested upon completion."

Shareholders

The section entitled "*Shareholders*" commencing on page 96 of the Base Prospectus shall be amended by including the following paragraph on page 97 at the end of the section:

"Institutional investors

The graph below shows the unaudited historical equity investment (in SEK, billions) made by the Group's institutional investors during the period from 2013 until 30 September 2020 (on a cumulative basis).



The amount invested as at 30 September 2020 (unaudited) per institutional investor is presented in the table below.

Investor	Year of initial investment	Amount invested (SEK billions)
Alecta.....	2013	25.8
Folksam	2020	4.0
Ericsson	2013	1.2
Sandvik	2013	0.4

".

Goals and Strategy

The section entitled "*Goals and Strategy*" commencing on page 97 of the Base Prospectus shall be amended by including:

- (a) the following paragraph on page 98 of the Base Prospectus at the end of section entitled "*Analysis and transaction*":

"The Group is solely focusing on acquisitions of residential portfolios and commercial assets are acquired only if part of a larger acquisition. The Group's investment strategy considers among other factors:

- attractive locations with focus on affordability and entry level homes;
- favourable geography, in capital cities, urban growth areas and well-connected infrastructure;
- both larger platform transactions as well as add-on portfolios; and
- development of properties with low construction risk.

The Group is exploring potential new markets aligned with its investment strategy. As at 30 September 2020, allocation to Central-Eastern Europe is planned to be limited to less than 15 per cent. of gross asset value. Geographies for potential investment allocation reviewed as at 30

September 2020 are Germany, United Kingdom, Sweden, Denmark, Netherlands, Czech Republic, Poland, Finland and Ireland.";

- (b) the following paragraph on page 98 of the Base Prospectus at the end of section entitled "*Property management*":

"The key aim across all of the Group's current markets is to digitalise the tenant journey, create friendly homes for tenants and society, improve building organisation, offer in-house services, and improve margins. In addition, the Group is aiming to lower its operating expenses as well as increase its occupancy ratio."; and

- (c) the following paragraph on page 98 of the Base Prospectus at the end of section entitled "*Sustainability strategy*":

"Environmental, social and governance actions and achievements"

A selection of the Group's environmental actions and achievements are set out below:

- the Group has completed mapping of its greenhouse gas emissions (scope 1 to 3);
- in August 2020, the Group submitted its first report to CDP, a not-for-profit charity running a global disclosure system for companies to manage their environmental impacts;
- the Group has switched to 100 per cent. renewable (origin certified) electricity in Denmark in respect of all buildings owned by the Group and 100 per cent. renewable electricity in Sweden and Norway;
- the Group has started construction of three solar photovoltaic projects in Sweden; and
- the Group has hired Environmental Manager Emma Bauer to lead sustainability work regarding newbuilds, major renovations, supply chain and environmental management systems.

A selection of the Group's future plans with respect to environmental actions are set out below:

- the Group aims to switch to 100 per cent. renewable (origin certified) or recycled heat by 2030 for all buildings owned by the Group within its Scandinavian portfolio; and
- the Group is planning a sustainability task force within its business.

A selection of the Group's social actions and achievements:

- the Group has offered support to tenants affected by Covid-19, for example:
 - the "You are not alone" scheme in the Czech Republic pursuant to which the Group has contacted 5,000 elderly and isolated tenants, offering assistance with shopping, collecting medication or simply a chat and some social interaction; and
 - a project to offer accommodation for up to 30 volunteers who have moved to Ostrava from other parts of the Czech Republic to assist with healthcare;
- the Group has put in place social screening of new suppliers around their labour conditions, human rights and social impact; and

- social lease contracts currently make up approximately 1.6 per cent. of total tenancies in Sweden and approximately 2 per cent. of total tenancies in the Czech Republic.

The Group defines "social lease contracts" as leases under which local authorities lease apartments from the Group to rent them, in turn, to those in a situation of social exclusion, for example, homeless people, recently arrived migrants and people with various disabilities.

A selection of the Group's future plans with respect to social actions are set out below:

- a pilot project where the Group is recruiting sustainability coaches is due to begin to help build a sense of community, bringing a sense of social belonging and reducing the ecological impact of the Group's activities;
- the Group's target is to have at least 3 per cent. of apartments held via social lease contracts by 2023 and it has begun dialogue with local authorities in Norway and Denmark in respect of starting social lease contracts; and
- the Group has begun a community manager programme to address involuntary loneliness in Sweden.

A selection of the Group's governance actions and achievements are set out below:

- the Group has implemented a sustainability governance and reporting process in the Czech Republic;
- the Group has increased its reporting capacity in respect of scope 3 emissions to CDP;
- the Group has developed and is ready to launch digital onboarding and employee training, including on sustainability and its code of conduct; and
- the Code of Conduct for Group employees has been updated.

A selection of the Group's future plans with respect to governance actions are set out below:

- the Group has the aim of 3 to 4 per cent. of its employees being apprentices; and
- the Group has the aim of improving gender equality in the Group's management team, with an aim of approximately 40 to 60 per cent. per gender."

Selected Key Performance Indicators

The paragraphs entitled "*Interest coverage ratio (ICR) (rolling 12 months), multiple †*" and "*Net debt to capitalisation (per cent.) †*" on page 115 of the Base Prospectus in the section entitled "*Selected Key Performance Indicators*" shall be deleted and replaced by the following:

"Interest coverage ratio (ICR) (rolling 12 months), multiple †

Profit before financial items plus financial income divided by financial costs attributable to interest-bearing liabilities. Interest coverage ratio is a key performance measure that Heimstaden Bostad considers to be relevant for assessing Heimstaden Bostad's ability to pay interest on interest-bearing liabilities, make strategic investments and to fulfil its commitments under financing agreements. Due to seasonality in profit from property management this key performance indicator is calculated using the last 12 months' rolling data.

Interest coverage ratio (ICR) including 50 per cent. hybrid dividend as interest costs (rolling 12 months), multiple †

Profit before financial items (excluding profit from participations in associated companies) divided by financial costs attributable to interest-bearing liabilities including 50 per cent. of the scheduled dividend payments in respect of Heimstaden Bostad's outstanding hybrid capital as financial costs. This adjustment to interest coverage ratio reflects the S&P classification of Heimstaden Bostad's outstanding hybrid capital as being 50 per cent. debt and 50 per cent. equity rather than the IFRS classification of the same instrument being 100 per cent. equity.

Net debt to capitalisation (per cent.) †

Net debt plus right-of-use liabilities divided by capitalisation (net debt plus right-of-use liabilities plus equity) adjusted to reflect the S&P classification of Heimstaden Bostad's outstanding hybrid capital as being 50 per cent. debt and 50 per cent. equity rather than the IFRS classification of the same instrument being 100 per cent. equity."

The table entitled "Derivation of key data considered alternative according to the ESMA guidelines" on pages 118 to 120 of the Base Prospectus in the section entitled "Selected Key Performance Indicators" shall be amended to delete the figures in the columns marked "As at 31 December" (where there is a row in the table below correlating to such figures) and to insert the following rows as a continuation of the table:

	As at 30 September		As at 31 December	
	2020 (unaudited)	2019 (unaudited)	2019	2018
(SEK millions, unless otherwise stated)				
Occupancy ratio, residential properties (per cent.)				
Number of available/vacant homes as per the balance sheet date.....	5,512	972	1,336	985
Number of leased homes as per the balance sheet date	95,358	40,336	53,527	36,352
Total number of homes as per balance sheet date.....	100,870	41,308	54,863	37,337
Occupancy ratio, residential properties (per cent.).....	94.5	97.6	97.6	97.4
Proportion living area on balance sheet date (per cent.)				
Living area as per balance sheet date (square metres).....	6,408,798	2,633,187	3,660,839	2,328,840
Premises area as per balance sheet date (square metres).....	478,536	320,014	352,431	299,091
Total area as per balance sheet date (square metres).....	6,887,334	2,953,201	4,013,270	2,627,931
Proportion living area on balance sheet date (per cent.).....	93.1	89.2	91.2	88.6
Real occupancy ratio, housing (number) (per cent.)				
Number of non-market vacancies as per the balance sheet date	2,219	652	859	369
Number of leased homes as per the balance sheet date	95,358	40,336	53,527	36,352
Total number of homes as per balance sheet date.....	100,870	41,308	54,863	37,337
Real occupancy ratio, housing (number) (per cent.)	96.7	99.2	99.1	98.5
Surplus ratio (per cent.)				
Net operating income	2,934	1,739	2,403	1,751
Rental income	5,044	3,030	4,321	3,231
Surplus ratio (per cent.)	58.2	57.4	55.6	54.2
Interest coverage ratio (ICR) (multiple)				
Profit before financial items.....	3,307	2,021	2,263	1,611
Financial income.....	84	21	35	26
Financial costs – Interest-bearing liabilities	1,190	957	923	698
Interest coverage ratio (ICR) (multiple)	2.9	2.4	2.5	2.6
Interest coverage ratio including 50 per cent. hybrid dividend as interest costs (ICR adj.) (per cent.)				
Profit before financial items.....	3,307	2,021	2,263	1,611
Profit from participations in associated companies	67	-	88	-
Financial costs, including 50 per cent. hybrid dividend.....	1,293	957	958	698
50 per cent. hybrid dividend.....	103	-	35	-

	As at 30 September		As at 31 December	
	2020 (unaudited)	2019 (unaudited)	2019	2018
Financial costs – Interest-bearing liabilities.....	1,190	957	923	698
Interest coverage ratio including 50 per cent. hybrid dividend as interest costs (ICR adj.) (per cent.).....	2.5	2.4	2.3	2.6
Equity/assets ratio (per cent.)				
Equity.....	71,786	38,776	57,548	31,925
Interest-bearing subordinated shareholder loans	-	-	-	-
Equity including interest-bearing shareholder loans.....	71,786	38,776	57,548	31,925
Total assets.....	151,090	94,514	121,564	76,283
Equity/assets ratio (per cent.)	47.5	41.0	47.3	41.9
Net debt				
Interest-bearing liabilities.....	72,211	51,326	58,747	41,593
Cash and cash equivalents.....	-7,524	-2,381	-4,345	-2,313
Net debt.....	64,688	48,944	54,402	39,279
Loan-to-value ratio (LTV) (per cent.)				
Net debt.....	64,688	48,944	54,401	39,279
Total assets.....	151,090	94,514	121,564	76,283
Loan-to-value ratio (LTV) (per cent.)	42.8	51.8	44.8	51.5
Loan-to-value ratio, secured loans (LTV) (per cent.)				
Non-current interest-bearing secured liabilities.....	41,000	32,266	39,543	26,079
Current interest-bearing secured liabilities.....	141	685	1,137	957
Total assets.....	151,090	94,514	121,564	76,283
Loan-to-value ratio, secured loans (LTV) (per cent.).....	27.2	34.9	33.5	35.4
Loan-to-value ratio including 50 per cent. debt for hybrid capital (LTV adj.) (per cent.)				
Net debt.....	64,688	48,944	54,401	39,279
Hybrid capital (50 per cent. debt).....	8,500	-	8,514	-
Net debt including 50 per cent. debt for hybrid capital.....	68,937	48,944	58,580	39,279
Total assets.....	151,090	94,514	121,564	76,283
Loan-to-value ratio including 50 per cent. debt for hybrid capital (LTV adj.) (per cent.)	45.6	51.8	48.2	51.5
Net debt to capitalisation (per cent.)				
Net debt including 50 per cent. debt for hybrid capital.....	68,937	48,944	58,580	39,279
Net debt.....	64,688	48,944	54,401	39,279
Right-of-use liabilities.....	623	655	818	-
Equity.....	71,786	38,776	57,548	31,925
Net debt to capitalisation (per cent.).....	50.7	56.1	52.7	55.2
Net asset value on the balance sheet date				
Equity.....	71,786	38,776	57,548	31,925
Deferred tax liability	3,854	2,096	2,526	1,356
Net asset value on the balance sheet date	75,639	40,872	60,074	33,281
Long-term asset value (EPRA NAV) on the balance sheet date				
Net asset value	75,639	40,872	60,074	33,281
Interest rate derivatives	-	127	65	-
Long-term asset value (EPRA NAV) on the balance sheet date	75,639	40,999	60,139	33,281
Debt				
Time weighted interest-bearing liabilities (SEK).....	66,945,790	41,038,210	50,281,306	33,703,542
EBITDA				
Profit before financial items (last 12 months) (SEK).....	3,306,886	2,021,262	2,262,643	1,611,444
Depreciation (last 12 months) (SEK).....	2,973	-	-	-
EBITDA (last 12 months) (SEK)	3,309,859	2,021,262	2,262,643	1,611,444
Debt/EBITDA (multiple)				
Debt (SEK).....	66,945,790	41,038,210	50,281,306	33,703,542
EBITDA (SEK)	3,309,859	2,021,262	2,262,643	1,611,444
Debt/EBITDA (multiple)	20.2	23.3	22.2	20.9

Other Information

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

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