

**SUPPLEMENT NO. 4 DATED 13 MAY 2020
TO THE BASE PROSPECTUS DATED 21 NOVEMBER 2019**

Heimstaden Bostad AB (publ)

(incorporated with limited liability in Sweden)

€4,000,000,000

Euro Medium Term Note Programme

This supplement no. 4 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 21 November 2019 (as supplemented, the "**Base Prospectus**") and supplement no. 1 to the Base Prospectus dated 13 January 2020, supplement no. 2 to the Base Prospectus dated 21 February 2020 and supplement no. 3 to the Base Prospectus dated 6 April 2020, each prepared by Heimstaden Bostad AB (publ) (the "**Issuer**") with respect to its €4,000,000,000 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 Issuer or of the quality of the Notes that are the subject of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer 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 2019 Audited Financial Statements (as defined below);
- (b) incorporate by reference the Q1 2020 Results Announcement (as defined below);
- (c) following the publication of the 2019 Audited Financial Statements and the Q1 2020 Results Announcement, update the statements of no significant change and material adverse change;
- (d) update the risk factors included in the Base Prospectus on account of the Covid-19 pandemic; and
- (e) update the "*Description of the Issuer – Recent Developments*" section of the Base Prospectus to reflect updated operational information.

Incorporation of information by reference

By virtue of this Supplement:

- (a) the independent auditors' report and audited consolidated annual financial statements of the Issuer (the "**2019 Audited Financial Statements**"), which are contained in the annual report of the Issuer in respect of the financial year ended 31 December 2019 (which is available for viewing at <https://vp289.alertir.com/en/reports/heimstaden-bostads-annual-report-is-available-on-the-company%27s-website-1798552>); and
- (b) the Issuer's Q1 2020 results announcement, including the unaudited and unreviewed consolidated financial statements as at and for the three months ended 31 March 2020 and the current earnings capacity (the "**Q1 2020 Results Announcement**") (which is available for viewing at <https://vp289.alertir.com/afw/files/press/heimstadenbostad/202004292575-1.pdf>),

in each case, which were filed with the Central Bank, shall be incorporated in, and form part of, 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 or Material Change

There has been no significant change in the financial performance or position of the Issuer and its subsidiaries since 31 March 2020 and there has been no material adverse change in the prospects of the Issuer and its subsidiaries since 31 December 2019.

Risk Factors

With effect from the date of this Supplement, the following risk factor shall replace the risk factor entitled "*Risks relating to Covid-19 or other similar health epidemics*" that was included in the Base Prospectus pursuant to supplement no. 3 to the Base Prospectus dated 6 April 2020 and the following risk factor shall be included as the last risk factor within the category of risk factors entitled "*Risks Relating to Macroeconomic Conditions*" below the risk factor titled "*Negative economic developments and conditions in Scandinavia and the Netherlands and the Czech Republic may affect the Issuer's operations and customers, as well as the prices of the Issuer's real property and tenant-owned apartments.*" on page 14 of the Base Prospectus:

"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, has 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 first emerged in China in December 2019, is considered a pandemic and has led to a major slowdown in economic growth during the first quarter of 2020, partly due to the spread of Covid-19 itself, but even more so due to the political decisions enacted across different nations in order to try to contain Covid-19, such as quarantines, shut downs and restrictions on mobility. Whilst the direct and indirect impact of the Covid-19 outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. 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 Issuer. 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. The longer the Covid-19 crisis goes on it may become more difficult to raise capital, obtain loans or other financings or service existing debt.

Moreover, due to Covid-19, there is a risk that the Issuer'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 Issuer'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 Issuer's current and future tenants could lead to increased vacancies and a decrease in rental income for the Issuer, which would have a negative impact on the Issuer's operations, financial position and earnings."

Recent Developments

Impact of Covid-19

The management of the Issuer estimates that the Covid-19 pandemic may have an impact on rental income of approximately up to SEK 15-17 million during the three months ended 30 June 2020. This figure is based on actual rent payments and discussions with tenants, especially commercial tenants where there is increased uncertainty. However, there can be no assurance that this estimated impact will be accurate or realised, and the real impact on rental income may be higher.

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

The tables below shows the shares of regulated/unregulated net operating income and number of units of the total portfolio of the Group as at 31 March 2020 (unaudited).

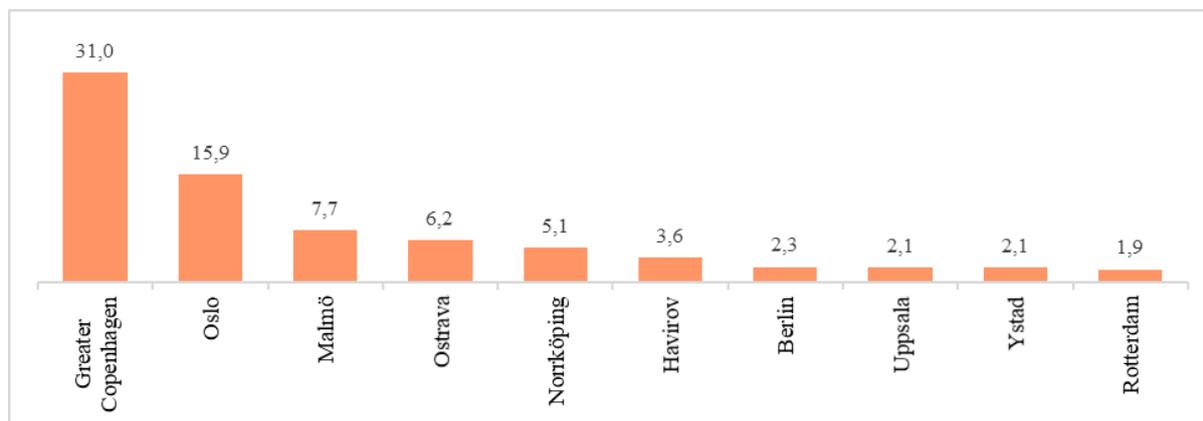
Share of regulated/unregulated net operating income of Group's total portfolio, as at 31 March 2020 (unaudited)

| <u>Rental System</u> | <u>Market</u> | <u>Share of total net operating income (per cent.)</u> |
|---------------------------------|--|--|
| Residential – market rent | Norway Denmark the Netherlands Czech Republic | 44 |
| Residential – regulated..... | Sweden Denmark the Netherlands Czech Republic | 56 |
| Total..... | | 100 |

Property value

The chart below shows the unaudited fair value of investment properties distribution across the ten cities that have the largest market value of investment properties in which the Group holds property as at 31 March 2020 (unaudited).

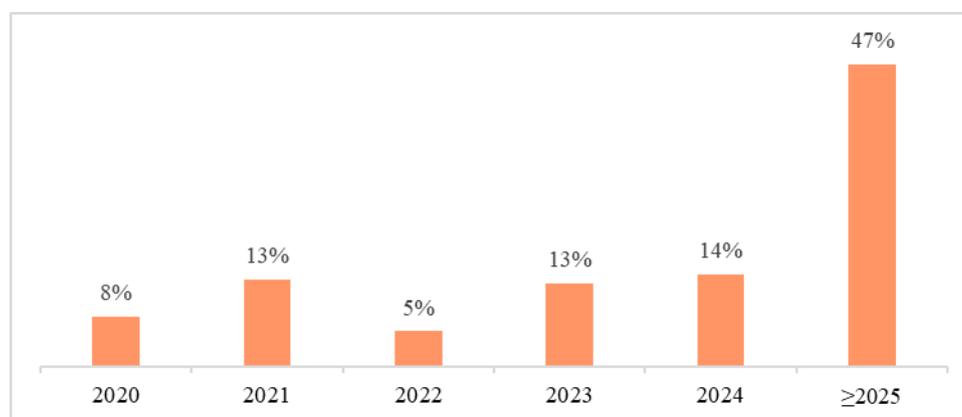
Property value (SEK, million)



Funding

The chart below shows an overview of the Group's loan tenors from the unaudited figures as at 31 March 2020.

Loan tenors (as at 31 March 2020, unaudited)



The table below shows the Group's unencumbered assets by country as at 31 March 2020.

| <u>Country</u> | <u>Unencumbered Assets</u> (per cent.) |
|-----------------------|---|
| Sweden | 36 |
| Denmark | 0 |
| Norway | 93 |
| the Netherlands | 3 |
| Germany | 66 |
| Czech Republic | 100 |
| Total | 35 |

Property development and refurbishment

The table below shows the capital expenditure by the Group on maintenance and upgrades to its existing properties during the three months ending 31 March 2020 (excluding development projects).

| | <u>Sweden</u> | <u>Denmark</u> | <u>Norway</u> | <u>The Netherlands</u> | <u>Total</u> |
|---|-----------------|----------------|---------------|------------------------|--------------|
| | (SEK, millions) | | | | |
| Upgrades/development on existing properties | 239 | 86 | 9 | 8 | 312 |
| Maintenance on existing properties .. | 81 | 13 | 4 | 15 | 113 |

The table below shows the estimated cost of completion for the Group's development projects that, as at the date of this Supplement, are currently planned between 2020 and 2022.

| <u>2020</u> | <u>Turnkey</u> | <u>Joint Venture⁽¹⁾</u> | <u>Forward Funding</u> | <u>Own Development</u> |
|---------------|-----------------|------------------------------------|------------------------|------------------------|
| | (SEK, millions) | | | |
| Sweden | - | - | 924 | 453 |
| Denmark | 781 | 651 | 398 | 215 |

| 2021 | Turnkey | Joint Venture⁽¹⁾ | Forward Funding | Own Development |
|---------------|----------------|------------------------------------|------------------------|------------------------|
| | | <i>(SEK, millions)</i> | | |
| Sweden | - | 181 | 886 | 893 |
| Denmark | 1,013 | 460 | - | - |
| 2022 | Turnkey | Joint Venture⁽¹⁾ | Forward Funding | Own Development |
| | | <i>(SEK, millions)</i> | | |
| Sweden | - | - | 1,842 | 1,062 |
| Denmark | - | - | - | - |

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 per cent. of the committed amount.

As at the date of this Supplement, the Group has no current plans for development projects in Norway, the Netherlands, Germany or the Czech Republic.

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.