Heimstaden

18 June 2021

Heimstaden Bostad issues EUR 600m hybrid capital

Heimstaden Bostad AB yesterday successfully issued a EUR 600 million subordinated perpetual hybrid bond with an annual fixed rate coupon of 3% and a non-call period of 6.6 years. The issue attracted strong interest and the book peaked at more than two times the nominal amount

S&P will classify the hybrid as having intermediate equity content and has assigned a 'BB+' rating to the issue. The proceeds will be accounted for as 100% equity by Heimstaden Bostad in accordance with IFRS and will be used for general corporate purposes and to finance the ongoing tender offer to buy back up to EUR 250 million of the EUR 700 million 2.125% senior unsecured bond due September 2023.

An application will be made for the bond to be listed on Euronext Dublin. The final listing particulars, once published, will be made available on Euronext Dublin and www.heimstadenbostad.com.

BNP Paribas, Deutsche Bank, ING Bank, JP Morgan and Nordea acted as Joint Bookrunners for the issue.

Contact:

Arve Regland, CFO	+47 47 90 77 00	arve.regland@heimstaden.com
Adam Lindh, Head of Finance	+46 708 83 96 74	adam.lindh@heimstaden.com

Heimstaden Bostad is a leading residential real estate company in Europe, which buys, develops, and manages homes. Through our values Care, Dare and Share, we create value for owners and Friendly Homes for customers. We own about 114,000 homes with a property value of SEK 180 billion. Read more at www.heimstadenbostad.com.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The securities described in this announcement (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 or 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 (11) of Article 4(1) of Directive 2014/65/EU ("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. 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of 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 MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' 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 manufacturers' 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 (Chapter 289) of Singapore (as modified or amended from time to time, the "SFA"), Heimstaden Bostad AB (publ) has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the "SF (CMP) Regulations") that the Capital Securities are "prescribed capital markets products" (as defined in the SF (CMP) Regulations).

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any relevant securities laws of any state or other jurisdiction and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. Accordingly, the Notes are being offered only outside the US to non-US persons in reliance on Regulation S under the Securities Act. There will be no public offer of the Notes in the United States.

This press release does not constitute an offer to sell or the solicitation of an offer to buy debt securities in the US or any other jurisdiction.

The distribution of this announcement and other information in connection with the offer in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.