

7 October 2021

Heimstaden Bostad issues EUR 2.75bn senior unsecured bonds and EUR 600m hybrid bond

Heimstaden Bostad yesterday successfully issued EUR 2.75 billion in fixed rate senior unsecured bonds under its EMTN programme with maturities of 3, 6.5 and 10 years. The bonds carry annual coupons of 0.25%, 1.00% and 1.625%, respectively, and are expected to be rated 'BBB' by S&P and Fitch.

Heimstaden Bostad also issued a EUR 600 million subordinated perpetual hybrid bond with an annual fixed rate coupon of 3.625% and a next reset period of 5.25 years. The bond will be accounted for as 100% equity by Heimstaden Bostad in accordance with IFRS. S&P and Fitch will classify the bond as having intermediate (50%) equity content and have assigned a 'BB+' rating to the issue.

The proceeds will be used to fund the recently announced acquisition of Akelius' residential properties in Germany, Sweden, and Denmark and will reduce the commitments under the Bridge as defined in the supplement dated 30 September 2021 to the EMTN Base Prospectus.

The offering attracted strong interest from a broad institutional base and showcased investors' support for the acquisition.

An application will be made for the bonds 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, Citi, Danske Bank, Deutsche Bank, ING, J.P. Morgan, Nordea, Nykredit, Svenska Handelsbanken, Swedbank, Unicredit acted as Joint Bookrunners.

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