

Press release

25 oktober 2019

## Heimstaden Bostad grows with increased financial strength

Heimstaden Bostad AB strengthens its equity base with a total of 9.5 billion SEK through a private placement towards the main owners Heimstaden AB and Alecta.

Simultaneously, the company acquires 10,447 residential- and 83 commercial units, corresponding to 866,171 sqm in the Netherlands with a property value of 18 billion SEK from Heimstaden AB. The acquisition is financed with bank loans and part of the new equity issue and will be finalised today.

Following this transaction Heimstaden Bostad owns 51,755 residential units with a market value of 108 bn SEK and annualised rental income of 5.2 bn SEK.

Furthermore Heimstaden Bostad has signed a letter of intent to acquire the remaining properties in Heimstaden AB, as well as Alecta's residential portfolio in Helsingborg. The agreed property values in these two transactions sum up to 2.6 billion SEK. Following a satisfactory due diligence, these acquisitions are finalised in December.

Heimstaden Bostad has decided to expand its core market from the Nordics to also include the main part of Europe. To clarify the strategies of Heimstaden AB and Heimstaden Bostad, the ambition is that future real estate investments in the core markets, are made in Heimstaden Bostad.

In addition to earlier committed capital and the equity issued to the transactions described above, Alecta has committed to make equity contributions of 7.5 billion SEK in Heimstaden Bostad to support the future development of the company.

*"We enjoy our close cooperation with Alecta in developing Heimstaden Bostad, and with a substantial amount of new equity we can grow our company in markets that we know well, which is exiting and motivating for all of us", says Patrik Hall, CEO of Heimstaden.*

*"Heimstaden Bostad is a great platform for European growth. Our increased commitment reflects our positive view on real assets in general and residential assets in*

*particular. We believe this investment will create attractive long term return for our savers”,* says Frans Heijbel, Head of International Real Assets at Alecta and Chairman of Heimstaden Bostad.

The company has earlier communicated an ambition to improve its rating to BBB within June 2020.

*“We are confident that we will reach our BBB rating target soon, and have set a new target of BBB+ by summer 2021”,* says Magnus Nordholm, acting CFO Heimstaden.

The financial policy is as of today adjusted with a net debt/net debt+equity ratio of 45-55 percent.

**For further information, please contact:**

Patrik Hall, CEO	+46 705-85 99 56	<a href="mailto:Patrik.hall@heimstaden.com">Patrik.hall@heimstaden.com</a>
Frans Heijbel, Chairman of the Board	+46 725-71 96 26	<a href="mailto:Frans.heijbel@alecta.se">Frans.heijbel@alecta.se</a>
Magnus Nordholm, CEO Fredensborg AS and Acting CFO Heimstaden	+46 705-29 31 44	<a href="mailto:magnus.nordholm@fredensborg.no">magnus.nordholm@fredensborg.no</a>

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Heimstaden Bostad is a leading real estate company in the Nordics, with a focus on acquiring, refining, developing and managing housing and premises. Through our values, thoughtfulness, innovation and authenticity, we create values for our owners and caring homes for our tenants. Heimstaden Bostad has about 41,300 apartments and a property value of approximately SEK 90 billion. The head office is located in Malmö, Sweden. For more information, see [www.heimstadenbostad.com](http://www.heimstadenbostad.com).

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