



Heimstaden

Bondholders Presentation — May 2021



Heimstaden

Summary

In very broad terms, the main difference between the structure of these two arrangements is a new MidCo layer and guarantee

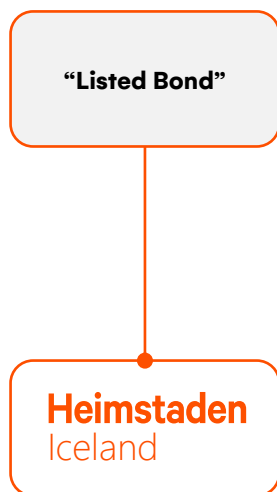
Summary

- The series of transactions are intended to result in the Bondholders holding Listed Bonds, issued by A/F HEIM, which are intended to reflect the terms of the Old Bonds, as closely as reasonably practicable, and which are secured with the same assets as the Old Bonds, albeit indirectly.
- LEX law offices, which currently acts as the Bondholders agent in respect of the Old Bonds, has prepared a memo listing the main differences from a bondholder perspective.

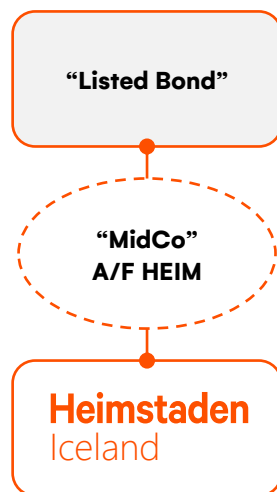
The Offer

- A/F HEIM offers to acquire the Old Bonds for:
 - New listed bonds which are equal to the outstanding principal amount of the Old Bonds (adjusted for indexation in accordance with their terms); plus accrued but unpaid interests up until the settlement date.
 - Guarantee from Heimstaden AB
 - One-off cash sweetener of 25 bps of the total debt under the Old Bonds as of 20. May 2021.
- Heimstaden will offer Bondholders a Zoom meeting at 10:00 on 6 May to discuss the offer in more detail.
 - **Zoom Registration Link**

Old Arrangement



New Arrangement



Old Bonds Series:	Percentage (%) paid in commission:
HEIMA071225	0,25%
HEIMA071248	0,25%
HEIMA100646	0,25%

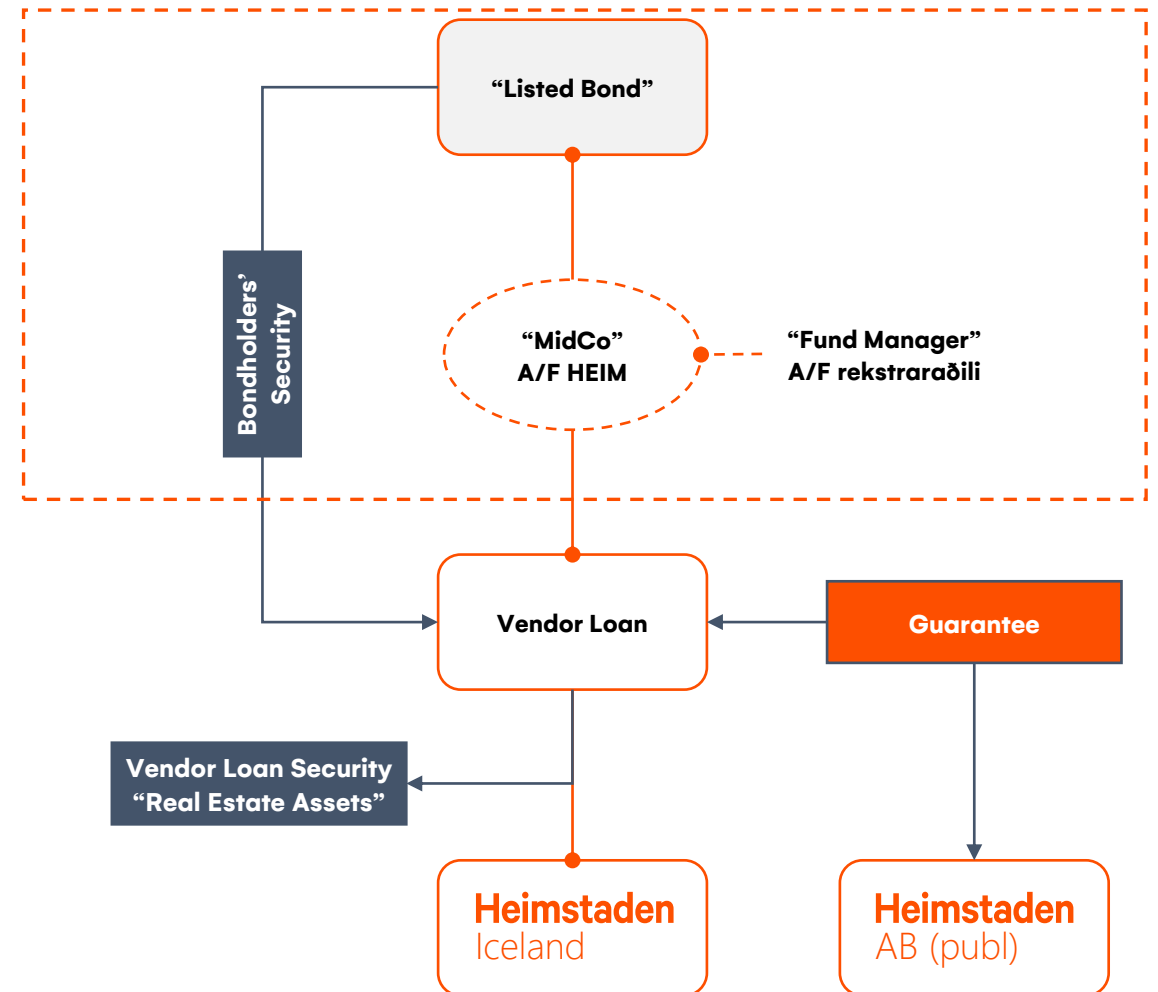
The New Listed Bonds

The Listed Bonds, will be secured by a pledge over the claims under the respective Vendor Loans

Listed Bonds

- A/F HEIM will issue three bond classes, each corresponding to one class of the Old Bonds.
- The Listed Bonds will have the exact same payment profile, interest rate and other financial terms as their corresponding Old Bonds (except a longer maturity of HEIMA071225).
 - Any new CPI linked bonds must legally have a minimum of 5-year term. Therefore, the Listed Bonds to be issued in payment of HEIMA071225 must be issued for a minimum period of 5 years from the date of issuance. The pre-payment date (7.1.2024) will however remain the same as in the original bond.
- The only direct security interests granted by A/F HEIM to the Bondholders will be a pledge over the claims under the Vendor Loans (the **“Bondholders’ Security”**).
- The Vendor Loans, however, will be secured by the same assets as currently secure the Old Bonds (the **“Vendor Loan Security”**).
- It is worth noting that some of the covenants and undertakings in the Old Bonds are not reflected in the relevant Listed Bonds but rather are only stated in the relevant Vendor Loans, e.g. the financial covenants applicable to Heimstaden, the information undertakings applicable to Heimstaden and general undertakings concerning the real estate of Heimstaden (payment of insurance premiums, negative pledge concerning the lease income etc.).
- A breach of these covenants and undertakings will however translate into a breach of the Listed Bonds, as one of the Events of Default defined under the Listed Bonds is an “enforcement event” under the pledge agreements which grant security over the Vendor Loans (the **“Heimstaden Pledge Agreements”**), and an “Event of Default” as defined in the Vendor Loans constitutes as an enforcement event in the Heimstaden Pledge Agreements.

New Bond Arrangement



The Vendor Loans

The Vendor Loans, will be secured by the same assets as currently secure the Old Bonds

Vendor Loans

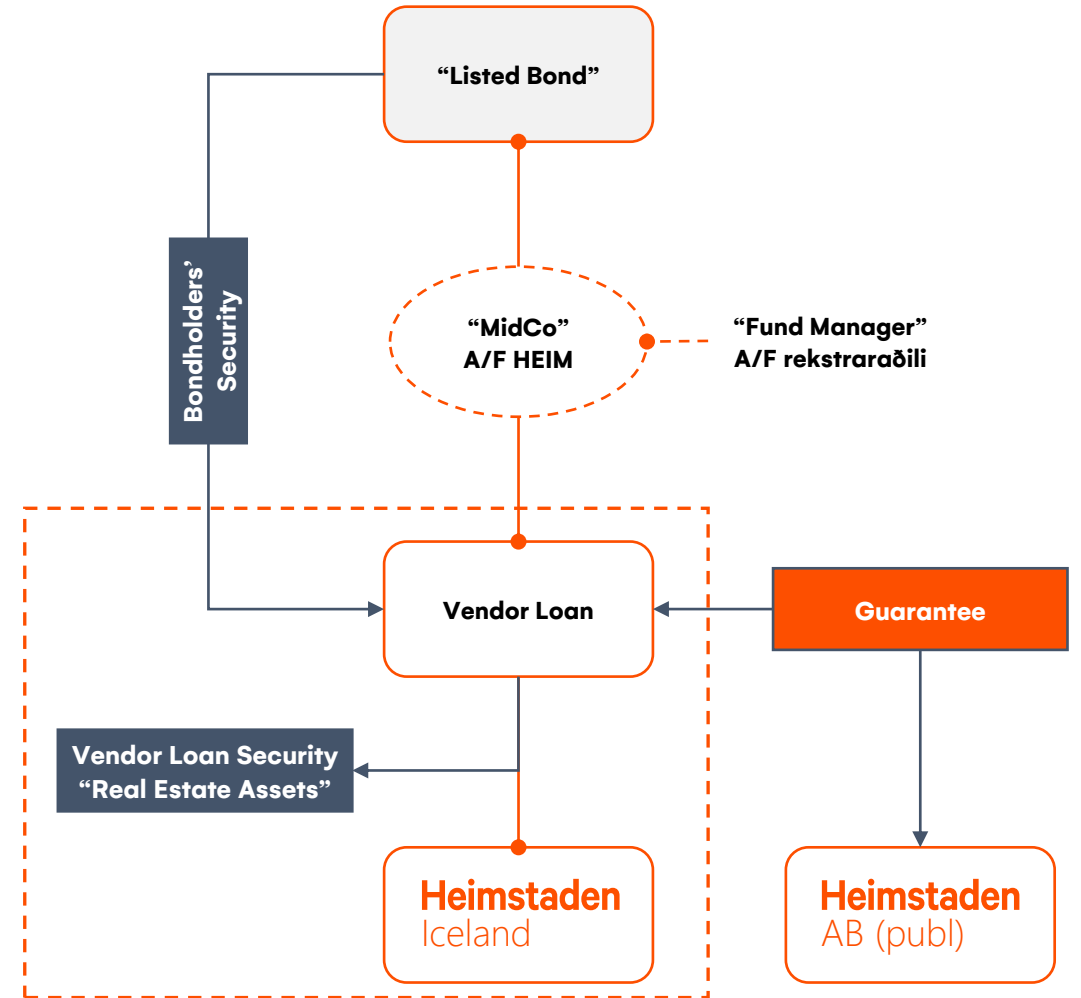
The Vendor Loans

- Heimstaden (as borrower) and A/F HEIM (as lender) will enter into three separate vendor loan agreements, each corresponding to one class of Listed Bonds (the “Vendor Loans”).
- The Vendor Loans will be entered into prior to the settlement of the Offer and will take effect immediately upon delivery to A/F HEIM of the Old Bonds, i.e. the loans will, upon delivery of Old Bonds by the Bondholders, be considered as having been advanced.
- Each Vendor Loan will correspond to a class of Listed Bonds and is intended to follow that respective class as closely as reasonably practicable.

The Vendor Loan Security

- The Vendor Loan Security, in respect of each of the three Vendor Loans, is basically the same as the security which now secures the Old Bonds, with the exception that A/F HEIM is the pledgee instead of the Bondholders.
- The Vendor Loan Security will not be enforced unless the Listed Bonds have been accelerated and the Bondholders’ Security has been enforced.
- The Security Agent, acting as agent on behalf of A/F HEIM (or any subsequent lawful owner of the Vendor Loans), will be a party to documents concerning the Vendor Loan Security.

New Bond Arrangement



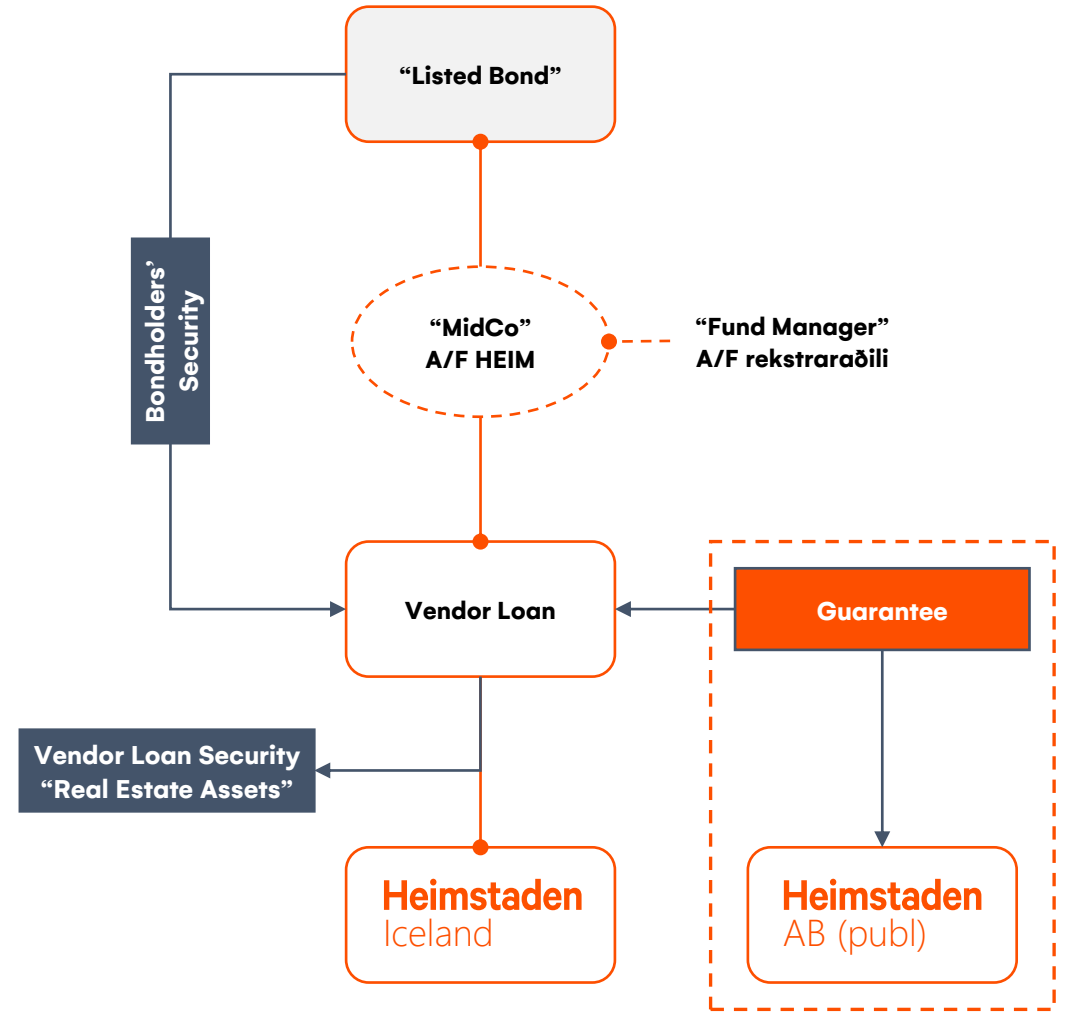
The Guarantee

Heimstaden AB (publ) will guarantee the Vendor loans, subject to delisting of all Old Bonds and transfer of ownership of Heimstaden

Guarantee

- Heimstaden AB (publ) will enter into a guarantee (the “**Guarantee**”) with A/F HEIM, pursuant to which Heimstaden AB (publ) (or Heimstaden Bostad AB which can replace Heimstaden AB (publ)) guarantees all payment obligations of Heimstaden under the Vendor Loans for the benefit of the “Beneficiaries”, which term is defined as meaning A/F HEIM or any subsequent owner of claims under the Vendor Loans.
- The Guarantee will only become effective upon Heimstaden AB (publ), directly or indirectly, having acquired the entire share capital of Heimstaden, which in turn will not transpire until after all the Old Bonds have been removed from trading in the stock exchange.
- The Heimstaden Pledge Agreement contains provisions which have the intention of preventing any claims being made under the Guarantee unless and until the Listed Bonds have been accelerated and the Bondholders’ Security has been enforced. If such enforcement has occurred, the Security Agent can make a claim under the Guarantee on behalf of the Bondholders’.
- In addition to containing the same Events of Default, as defined in the Old Bonds, the Listed Bonds also include, as Event of Default, the situation where the Guarantee has not become effective within 75 days of all the Old Bonds having been removed from trading.

New Bond Arrangement



Heimstaden

Timeline and Key Dates

Subscription Period — 3. — 17. May

May						
Mo.	Tu.	We.	Th.	Fr.	Sa.	Su.
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Key dates

- | 3 May — Tender Offer Published
- | 6 May — Teams Meeting with Bond Holders
- | 3 - 17 May — Subscription period

- | 20 May — Settlement
- | Listing of Bonds on Nasdaq Main Market within 6 months



ARCTICA FINANCE

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