

## The Y-Foundation considers the issuance of new sustainability notes and announces a voluntary tender offer of its outstanding notes issued in 2018

Y-Foundation

Press release

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Y-Säätiö sr (the “**Y-Foundation**”) is considering the issuance of new euro-denominated sustainability fixed rate notes in the amount of EUR 75-100 million (the “**New Notes**”). The potential issue of the New Notes is expected to take place in the near future, subject to market conditions.

At the same time, the Y-Foundation announces that it invites the holders of its outstanding EUR 75 million 3.125 per cent. notes due 2023 (ISIN: FI4000349162) (the “**2018 Notes**”) (the “**Noteholders**”) to tender their 2018 Notes for cash on the terms and conditions set out in the Tender Offer Memorandum dated 20 September 2021 (the “**Tender Offer Memorandum**”) (the “**Tender Offer**”).

Pursuant to the Tender Offer, the Y-Foundation proposes to accept for purchase up to EUR 40,000,000 of the 2018 Notes validly tendered in the Tender Offer. The Y-Foundation reserves the right, in its sole discretion, to accept or reject any 2018 Notes offered for purchase. If the Y-Foundation decides to accept for purchase valid tenders of the 2018 Notes, and the aggregate principal amount validly tendered is more than the final acceptance amount, the Y-Foundation intends to accept such 2018 Notes for purchase on a pro rata basis. Whether the Y-Foundation will accept for purchase any 2018 Notes validly tendered is subject to, without limitation, the completion, and the pricing of the issue of the New Notes (the “**New Issue Condition**”).

The purchase price of the 2018 Notes is EUR 1,063.55 per note with a nominal amount of EUR 1,000. Accrued and unpaid interest will be paid in respect of all 2018 Notes validly tendered and delivered and accepted for purchase.

The offer period for the Tender Offer commences on 20 September 2021 and closes at 4.00 p.m. Finnish time (EEST) on 24 September 2021. The indicative Tender Offer results will be published on or about 27 September 2021, and the final Tender Offer results will be announced as soon as feasible after the expiry of the offer period, and no later than 6 October 2021. Subject to satisfaction of the New Issue Condition, the latest settlement date for the Tender Offer and the New Notes is no later than 18 October 2021.

A Noteholder that wishes to subscribe for New Notes in addition to tendering the 2018 Notes for purchase pursuant to the Tender Offer may receive priority in the allocation of the New

Notes, subject to the terms and conditions of the Tender Offer Memorandum (the “**Priority New Issue Allocation**”). The Priority New Issue Allocation may be given for an aggregate nominal amount of the New Notes up to the aggregate nominal amount of 2018 Notes subject to a Noteholder’s valid tender instruction, where an allocation of the New Notes is also requested. To be eligible to receive a Priority New Issue Allocation, a Noteholder must request a personal allocation code from the dealer manager of the Tender Offer, i.e. Danske Bank A/S. A Noteholder that wishes to subscribe for New Notes must make an application to subscribe for such New Notes to a lead manager of the issue of the New Notes, i.e. Danske Bank A/S or Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ).

The Y-Foundation intends to use the proceeds of the New Notes to finance or refinance eligible projects in accordance with its Sustainability Bond Framework, including refinancing of the 2018 Notes and financing of acquisitions of real estate.

Danske Bank A/S, Finland Branch acts as the tender agent for the Tender Offer (the “**Tender Agent**”). Danske Bank A/S acts as the dealer manager for the Tender Offer (the “**Dealer Manager**”). Information in respect of the Tender Offer may be obtained from the Dealer Manager.

Danske Bank A/S acts as joint lead manager and the coordinator for the issue of the New Notes. Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ) acts as joint lead manager for the issue of the New Notes and as an advisor for the establishment of the Y-Foundation’s Sustainability Bond Framework, which includes an ISS ESG second opinion assessment (Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ) together with Danske Bank A/S, the “**Joint Lead Managers**”).

Borenus Attorneys Ltd acts as legal advisor to the Y-Foundation for the Tender Offer and in the issue of the New Notes.

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*The Y-Foundation Group is one of the key national developers of the Housing First principle in Finland. The Y-Foundation Group offers affordable housing and encourages public discussion on themes related to homelessness. The Y-Foundation Group owns 18,000 apartments and operates in 57 cities and municipalities in Finland. The Y-Foundation Group is the fourth largest residential property owner and landlord in Finland. The Y-Foundation Group’s key task is to enhance social justice by providing affordable rental apartments and decreasing homelessness. The Y-Foundation Group does this by developing social housing to the largest Finnish cities*

*lacking affordable housing in a sufficient degree. The Y-Foundation Group also builds new homes around Finland and acquires rental dwellings by purchasing individual apartments from housing companies on the free market. In addition, the Y-Foundation Group provides research and information on themes related to homelessness.*

## **IMPORTANT NOTICE**

This announcement must be read in conjunction with the Tender Offer Memorandum, which may be obtained from Danske Bank A/S by, and is only available to, qualifying holders of the 2018 Notes. Neither this release nor the Tender Offer Memorandum constitutes a recommendation by the Y-Foundation, the Dealer Manager, the Tender Agent, the Joint Lead Managers, or any of their respective directors, officers, employees, agents or affiliates regarding the Tender Offer or a recommendation as to whether the Noteholders should tender any 2018 Notes in the Tender Offer or a recommendation to purchase any notes potentially issued by the Y-Foundation. The Noteholders should consult their own tax, accounting, financial and legal advisers and make an independent decision as to whether to tender any 2018 Notes held by them for purchase pursuant to the Tender Offer or to invest in any notes potentially issued by the Y-Foundation.

### ***Distribution restrictions***

The distribution of this release and the invitation to tender the outstanding 2018 Notes is prohibited by law in certain countries. The Tender Offer is not made to the public either inside or outside of Finland. Persons resident outside of Finland may receive this release, the Tender Offer Memorandum and any other information and materials relating to the Tender Offer only in compliance with applicable exemptions or restrictions. Persons into whose possession this release, the Tender Offer Memorandum and any other such information and materials may come are required to inform themselves about and comply with such restrictions. This release, the Tender Offer Memorandum and any other such information or materials may not be distributed or published in any country or jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction or would require actions under the laws of a state or jurisdiction other than Finland, including the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore and South Africa. The information contained in this release shall not constitute an offer to sell or tender, or a solicitation of an offer to buy or sell the 2018 Notes to any persons in any jurisdiction in which such offer, solicitation or sale or tender would be unlawful. None of the Y-Foundation, the Dealer Manager or the Tender Agent or any of their respective affiliates and representatives assume any legal responsibility for such violations, regardless of whether the parties contemplating investing in or divesting the 2018 Notes are aware of these restrictions or not.

### **United States**

The Tender Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended) (the “**U.S.**

**Securities Act**") (each, a **"U.S. Person"**). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The 2018 Notes may not be tendered in the Tender Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Accordingly, copies of this release, the Tender Offer Memorandum and any other documents or materials relating to the Tender Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States or to any U.S. Person. Any purported tender of the 2018 Notes in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of 2018 Notes made by, or by any person acting for the account or benefit of, a U.S. Person or by a person located in the United States or any agent, fiduciary or other intermediary acting on a nondiscretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each Noteholder participating in the Tender Offer will represent that it is not a U.S. Person, it is not located in the United States and it is not participating in the Tender Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Tender Offer from the United States and is not a U.S. Person.

#### United Kingdom

The communication of this release, the Tender Offer Memorandum and any other documents or materials relating to the Tender Offer is not being made and such documents and/or materials have not been, and will not be, approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. This release, the Tender Offer Memorandum and any such other offer material relating to the Tender Offer may only be distributed to and is only directed at (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **"Order"**) or (iii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, (all such persons in (i), (ii) and (iii) above together being referred to as **"relevant persons"**). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this release, the Tender Offer Memorandum or any of its contents.

#### **Disclaimer**

This release is for information purposes only and is not to be construed as an offer to purchase or sell or a solicitation of an offer to purchase or sell with respect to any securities of the Y-Foundation. The distribution of this release and the related material concerning the issuance of the New Notes may, in certain jurisdictions, be restricted by law. No actions have been taken to register or qualify the New Notes, or otherwise to permit a public offering of the New Notes, in any jurisdiction. If the Y-Foundation decides to proceed with the issue of the New Notes, any

offering material or documentation related to the New Notes may be received only in compliance with applicable exemptions or restrictions. Persons into whose possession this release or any such offering material or documentation may come are required to inform themselves of and observe all such restrictions. This release and any such offering material or documentation may not be distributed or published in any country or jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction or would require actions under the laws of a state or jurisdiction other than Finland. In particular, this release and any such offering material or documentation may not be distributed in the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa or any other jurisdiction in which it would not be permissible to offer the New Notes and this release and any related material concerning the issuance of the New Notes may not be sent to any person in the before mentioned jurisdictions. The information contained herein shall not constitute an offer to sell or tender, or a solicitation of an offer to buy or sell any of the Y-Foundation's securities, including the New Notes, to any person in any jurisdiction in which such offer, solicitation or sale or tender would be unlawful. None of Y-Foundation, the Dealer Manager, the Tender Agent nor the Joint Lead Managers or their representatives accept any legal responsibility for any violation by any person, whether or not the persons contemplating investing in or divesting the Y-Foundation's securities, including the New Notes, are aware of such restrictions.

This announcement does not constitute an offer of securities for sale in the United States. The New Notes have not been and will not be registered under the Securities Act or under the applicable securities laws of any state of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Y-Foundation has not authorised the offering of the New Notes to the public in any member state of the European Economic Area (the “**EEA**”) or in the United Kingdom (each a “**relevant state**”). All offers of the New Notes in that relevant state will be made pursuant to an exemption under Regulation 2017/1129 of the European Parliament and of the Council (as amended, the “**Prospectus Regulation**”) (as the Prospectus Regulation forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) from the requirement to produce a prospectus under the Prospectus Regulation for offers of securities. Accordingly, any person making or intending to make any offer of the New Notes within that relevant state should only do so in circumstances in which no obligation arises for the Y-Foundation or the Joint Lead Managers to publish a prospectus under the Prospectus Regulation for such offer. Neither the Y-Foundation nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. In relation to each relevant state an offer to the public of any New Notes may not be made in a relevant state, except that an offer of the New Notes to the public in a relevant state may be made as part of the Offering pursuant to the following exemptions from the Prospectus Regulation: (i) an offer is addressed solely to qualified investors as defined in the Prospectus Regulation, (ii) an offer is addressed to fewer than 150 natural or legal persons per relevant state (other than qualified investors as defined in the Prospectus Regulation) or (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of New Notes shall

require the Y-Foundation or any Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to any of the New Notes in any relevant state means the communication in any form and by any means of sufficient information on the terms of the offer and any New Notes to be offered so as to enable an investor to decide to purchase any New Notes.