

New share issue in Hemfosa Samfunnsbygg AS on July 4, 2016

Background

Hemfosa Fastigheter AB (publ), 556917-4377 ("**Hemfosa**") established operations in Norway in 2015.

In conjunction with the establishment, Hemfosa acquired (through purchases and a new share issue) a total of approximately 97.23 percent of the shares and votes in Hemfosa Samfunnsbygg AS ("**Samfunnsbygg**"). The seller was Immob Holding AS, 990 609 500, ("**Immob**") which thereafter owned about 2.77 percent of shares and votes in Samfunnsbygg.

Immob is 100-percent owned by Simon Venemyr Ottersland ("**SVO**").

In connection with the establishment, Hemfosa and Immob entered into a shareholder agreement pertaining to ownership in Samfunnsbygg, and also a service and consultancy contract covering Hemfosa's operations in Norway. SVO has, through the service and consultancy contract, pledged to work all of its active hours on the Hemfosa assignment. SVO is responsible for Hemfosa's operations in Norway but is not employed by Hemfosa. SVO is CEO at Samfunnsbygg.

According to the service and consultancy contract, Immob only receives compensation in the form of a fee paid as a percentage of the transaction value on completed transactions. The fee varies depending on whether the deal is an acquisition or a divestment.

The service and consultancy contract also states that Immob has a right and, if Immob has received fees in conjunction with an acquisition, an obligation to subscribe for a certain number of shares in Samfunnsbygg at market value in conjunction with new share issues in the company. Immob's ownership in Samfunnsbygg shall however in no event exceed 5 percent.

New share issue

On July 4, 2016, an extraordinary shareholders' meeting in Samfunnsbygg decided to implement a new issue of shares in accordance with the principles in the service and consultancy contract. Immob subscribed for and was allotted shares equivalent to approximately 5 percent of the 1,704,377 shares issued. The remaining shares were subscribed for and allotted to Hemfosa. The subscription price was NOK 214 per share and through the issue the share capital in Samfunnsbygg increased from NOK 976,471 to NOK 2,680,848. The remaining issue proceeds of NOK 363,032,301 accounted for the share premium. Following the issue, Immob owns about 4.2 percent of shares in Samfunnsbygg.

Leo regulations in Chapter 16 of the Swedish Companies Act

Regulations in Chapter 16 of the Swedish Companies Act ("**Leo Act**") mean a new issue of shares in Samfunnsbygg directed at Immob, in addition to Immob's existing ownership share (2.77 percent), must be approved by a shareholders' meeting in Hemfosa. Approval can be given both before and after the subsidiary's decision on an issue.

Regulations in the Leo Act are to be applied irrespective of whether a new share issue takes place at market value or not (i.e. regardless of whether the transaction constitutes a value transfer to the subscriber/acquirer or not) nor is the applicability of the regulations dependent on whether the new share issue is significant. The decision of the shareholders' meeting is only valid if it is supported by shareholders with at least nine-tenths of both the votes cast and the shares represented at the meeting.

Annual General Meeting of Hemfosa April 25, 2017

Even if approval can be given both before and after the subsidiary's decision to carry out a new share issue, Hemfosa should already have taken into account the Leo regulations at the time of issue.

At the Annual General Meeting on April 25, 2017, Hemfosa intends to call for the approval of the new share issue.

Hemfosa and Immob have entered into binding agreements concerning a certain level of compensation. If the Annual General Meeting does not obtain the required majority to approve the share issue, then Hemfosa must fulfil its commitments to Immob by compensating Immob in some equivalent financial manner for the forgone holding.