

## Offer to acquire ordinary shares in Hemfosa Fastigheter AB (publ)



**PLEASE NOTE THAT SUBSCRIPTION RIGHTS ARE EXPECTED TO HAVE AN ECONOMIC VALUE.**

In order not to lose the value of the subscription rights, the holder must either:

- Exercise the subscription rights to subscribe for new shares no later than May 10, 2016, or
- Sell the subscription rights which the holder does not intend to exercise no later than May 6, 2016.

Please note that investors with nominee-registered shareholdings subscribe for new shares through the respective nominee.

**DISTRIBUTION OF THE PROSPECTUS AND SUBSCRIPTION OF NEW SHARES ARE SUBJECT TO LIMITATIONS IN CERTAIN JURISDICTIONS, PLEASE SEE THE SECTION "RESTRICTIONS ON SALE AND TRANSFER ET CETERA".**

## IMPORTANT INFORMATION

### Notice to investors

This Prospectus (the “Prospectus”) has been approved and registered by the Swedish Financial Supervisory Authority (the “SFSA”) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act. The approval and registration does not imply that the SFSA guarantees that the factual information provided in the Prospectus is correct and complete. For definitions of certain terms used in the Prospectus, see under the heading “Definitions”.

The Prospectus and the Offer here under are governed by Swedish law. Disputes arising in connection with the Prospectus, the Offer and related legal matters shall be settled exclusively by Swedish courts.

The Prospectus has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the Swedish version shall prevail.

SEB and Swedbank are acting as Hemfosa’s financial advisors in connection with the Offer. SEB and Swedbank are acting solely on behalf of Hemfosa in connection with the Offer and will not be responsible in relation to other party than Hemfosa for providing the protection afforded to their clients or for providing advice in connection with the Offer.

Certain risks apply when investments in shares are made, see the section entitled “Risk factors”. When an investor makes an investment decision, the investor must rely on its own assessment of Hemfosa and the Offer under the Prospectus, including the merits and risks involved. Investors must rely solely on the information in the Prospectus and any supplements to the Prospectus. No person is or has been authorised to give any information or make any representations regarding this Offer other than those contained in the Prospectus and, if nevertheless given or made, such information or representations must not be relied upon as having been authorised by Hemfosa. The distribution of the Prospectus does not mean that the information contained herein is current as of any date other than the date of the Prospectus, or that the business, earnings or financial position of Hemfosa have remained unchanged since this date.

As a condition for exercising the offer or sale of the subscription rights or new shares pursuant to the Offer in the Prospectus, each exercising holder or purchaser will be deemed to have made, or, in some cases, be required to make, certain representations and warranties that will be relied upon by Hemfosa, SEB and Swedbank, see the section “Restrictions on sale and transfer et cetera”. Hemfosa reserves the right, in its sole and absolute discretion, to reject or revoke any exercise or purchase of subscription rights, BTA’s and new ordinary shares (the “**Securities**”) that Hemfosa or its agents believe may give rise to a breach or violation of any law, rule or regulation.

The Securities have not been and will not be registered under the United States Securities Act 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may only be offered or sold, directly or indirectly, within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or jurisdiction in the United States. No public offerings of Securities are being made in the United States.

The offer to subscribe for the new shares does not include persons resident in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or, subject to certain exceptions, the United States, or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the Prospectus may not be distributed or published in any country or any jurisdiction where the distribution or publishing of the Prospectus or the Offer requires such measures or would conflict with regulations in such country or jurisdiction. Persons into whose possession the Prospectus may come are required to inform themselves about and abide by such restrictions, in particular not to publish or distribute the Prospectus in violation of applicable securities regulations. Any failure to abide by such restrictions may result in a violation of applicable securities regulations. Furthermore, acquisitions of Securities in violation of the restrictions described above may be void. For further information, please see the section “Restrictions on sale and transfer et cetera”.

### Information for investors in the United States

All investors in the United States receiving the Prospectus are advised to carefully review the information included in the section “Restrictions on sale and transfer et cetera” under the heading “Information for investors in the United States”.

### Forward-looking information and risk factors

The Prospectus contains certain forward-looking information that reflects Hemfosa’s present view of future events as well as financial and operational development. Word such as “intend”, “assess”, “expect”, “may”, “plan”, “believe” “estimate” and other expressions indicating or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

Factors that may cause Hemfosa’s future results and development to differ from the forward-looking information include, but are not limited to, those described in the section “Risk factors”. The forward-looking information included in the Prospectus applies only as of the date of the Prospectus and are subject to change without notice. Hemfosa does not undertake any obligation to publicly announce any update or change in the forward-looking information as a result of new information, future events or similar circumstances, other than as required by applicable laws and regulations.

### Market data

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which Hemfosa participates. Although Hemfosa regards these sources as reliable, the information contained in them has not been independently verified. Certain data is also derived from estimates made by Hemfosa. Certain financial and other numerical information presented in the Prospectus have been subject to rounding adjustments for the purpose of making the Prospectus more easily accessible for the reader. As a result, the figures in tables may not sum up to the stated totals.

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## THE OFFER IN BRIEF

### Preferential right

Persons who are registered as holders of ordinary shares in Hemfosa on the record date April 21, 2016 have preferential right to subscribe for new ordinary shares in the rights issue and are entitled to one (1) subscription right for each existing ordinary share. Five (5) subscription rights entitles to subscription for one (1) new ordinary share. In addition, investors will be offered to subscribe for new ordinary shares without subscription rights.

### Subscription price

SEK 69.00 per share. No brokerage commission will be charged.

### Important dates

Record date for participation in the Offer	April 21, 2016
Subscription period	April 26 – May 10, 2016
Trading in subscription rights	April 26 – May 6, 2016
Trading in BTA	April 26 – May 19, 2016

## DEFINITIONS

“**BTA**” refers to paid subscribed ordinary shares.

The “**Offer**” refers to the invitation to subscribe for issued ordinary shares in Hemfosa, with or without subscription rights, in accordance with the terms and conditions in the Prospectus.

“**Euroclear**” refers to Euroclear Sweden AB.

“**Hemfosa**” or the “**Company**” refers to, depending on the context, Hemfosa Fastigheter AB (publ), corporate identification number 556917-4377, or the group in which Hemfosa is the parent company. The “**Group**” refers to the group in which Hemfosa is the parent company.

### Subscription and payment

Subscription by exercise of subscription rights may be made during the subscription period through cash payment. Note that the subscription rights that the holder does not intend to exercise must be sold no later than May 6, 2016 in order not to lose the value.

### Other

#### Tickers

Ordinary shares	HEMF
Subscription rights	HEMFTR
BTA	HEMFBTA

### Other

Ordinary shares	SE0007126115
Subscription rights	SE0008241889
BTA	SE0008241897

### Financial calendar

Interim report 1 Jan – 30 Jun 2016	July 21, 2016
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“**Nasdaq Stockholm**” refers to Nasdaq Stockholm AB's main market.

The “**Prospectus**” refers to this prospectus.

“**SEB**” refers to Skandinaviska Enskilda Banken AB (publ).

“**SEK**” refers to Swedish krona, “**EUR**” refers to euro and “**NOK**” refers to Norwegian krona. “**T**” refers to thousands and “**M**” refers to millions.

“**Swedbank**” refers to Swedbank AB (publ).

# Summary

This summary contains specific disclosure requirements arranged in key elements. The elements are numbered under the sections a–e (a.1–e.7). The summary contains the elements required for a prospectus summary for this type of issuer and securities offer. Since some elements are not applicable for all types of prospectuses, there may be gaps between the numbering of the elements. Although the inclusion of an element may be required in this type of prospectus summary, the equivalent information may not always be available. In this case, the element is marked “N/A” followed by a brief description of the disclosure requirement.

## SECTION A – INTRODUCTION AND WARNINGS

<b>A.1</b>	<i>Introduction and warnings</i>	<ul style="list-style-type: none"> <li>• This summary should be read as an introduction to the Prospectus.</li> <li>• Any decision to invest in the securities offered should be based on consideration of the Prospectus as a whole by the investor.</li> <li>• Where a claim relating to the information contained in the Prospectus is brought before a court, a plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</li> <li>• Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities offered.</li> </ul>
<b>A.2</b>	<i>Consent and financial intermediaries</i>	N/A. The Offer does not include financial intermediaries.

## SECTION B – ISSUER AND ANY GUARANTOR

<b>B.1</b>	<i>The legal and commercial name of the issuer</i>	The Company’s legal and commercial name is Hemfosa Fastigheter AB (publ), corporate registration number 556917-4377. The Company’s ordinary share is traded on Nasdaq Stockholm under the ticker HEMF.
<b>B.2</b>	<i>Domicile and legal form of the issuer; etc.</i>	The Company is domiciled in Nacka, Sweden, and its legal form is a limited liability company. The Company was formed in Sweden and operates under Swedish legislation.
<b>B.3</b>	<i>Nature of the operations and principal activities</i>	<p>Hemfosa is a property company with the business concept of owning, developing and managing community service properties on a long-term basis and create value through active participation in a changing property market in order to generate long-term, high and stable profitability.</p> <p>Hemfosa’s property portfolio is dominated by community service properties but also contains other properties. Within community service properties, the principal property categories are offices, schools, judicial institutions and health and care services, while other properties primarily consist of office, logistic and warehouse properties. The Norwegian and Finnish property portfolios are more streamlined than the Swedish portfolio and exclusively comprised community service properties as per March 31, 2016. Hemfosa’s strategy is to continue to expand in community service properties, increasing the share to at least 75 per cent of the total property value.</p>

B.3

Nature of the operations and principal activities, cont.

Community service properties

Key figures per property category, March 31, 2016	Schools	Offices	Judicial	Healthcare/Personal care	Other	Total
Rental value, MSEK	497	535	332	276	9	1,648
Leasable area <sup>1)</sup> , tsqm	378	421	243	245	10	1,297
Fair value, MSEK	5,960	5,828	3,918	3,325	138	19,170
No. of properties	57	50	40	105	7	259

1) Excluding garages.

Source: Hemfosa's interim report January - March 2016 (unaudited figures)

Other properties

Key figures per property category, March 31, 2016	Offices	Logistics/Warehouse	Other	Total
Rental value, MSEK	675	305	220	1,200
Leasable area <sup>1)</sup> , Tsqm	571	521	253	1,345
Fair value, MSEK	6,636	3,545	1,990	12,171
No. of properties	66	35	56	157

1) Excluding garages.

Source: Hemfosa's interim report January - March 2016 (unaudited figures)

Segment Sweden

Property type/category/as per March 31, 2016	Leasable area <sup>1)</sup> , 000s of sqm	Rental value, MSEK	Fair value, MSEK	Number of properties
Community services				
Offices	333	403	4,050	39
Schools	297	373	4,183	53
Judicial	209	277	3,153	34
Health & personal care services	235	257	3,028	92
Others	9	8	103	6
Other properties				
Offices	571	675	6,636	66
Logistics and warehouses	521	305	3,545	35
Others	253	220	1,990	56
Sweden total	2,429	2,518	26,688	381

1) Excluding garages.

Source: Hemfosa's internal business system (unaudited figures)



		<div>Segment Norway</div> <table><tr><th>Property type/category/ as per March 31, 2016</th><th>Leasable area<sup>1)</sup>, 000s of sqm</th><th>Rental value, MSEK</th><th>Fair value, MSEK</th><th>Number of properties</th></tr><tr><td colspan="5">Community services</td></tr><tr><td>Offices</td><td>55</td><td>86</td><td>1,249</td><td>9</td></tr><tr><td>Schools</td><td>56</td><td>93</td><td>1,338</td><td>2</td></tr><tr><td>Judicial</td><td>27</td><td>46</td><td>662</td><td>5</td></tr><tr><td>Health &amp; personal care services</td><td>10</td><td>19</td><td>297</td><td>13</td></tr><tr><td>Other properties</td><td>1</td><td>0</td><td>35</td><td>1</td></tr><tr><td>Norway total</td><td>149</td><td>244</td><td>3,581</td><td>30</td></tr></table> <div><div>1) Excluding garages.</div><div>Source: Hemfosa's internal business system (unaudited figures)</div></div>	Property type/category/ as per March 31, 2016	Leasable area <sup>1)</sup> , 000s of sqm	Rental value, MSEK	Fair value, MSEK	Number of properties	Community services					Offices	55	86	1,249	9	Schools	56	93	1,338	2	Judicial	27	46	662	5	Health & personal care services	10	19	297	13	Other properties	1	0	35	1	Norway total	149	244	3,581	30																																																												
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B.4a	Trends	Although the future is difficult to assess, the market rents and occupancy rates prevailing in the segments served by Hemfosa are expected to remain favourable in the short term. The investor appetite for properties is also expected to remain buoyant, in part because of stable macroeconomic development in combination with favourable Swedish interest rates. This creates a solid foundation for continued liquidity in the Swedish property transaction market.																																																																																																				

<b>B.5</b>	<i>Description of the Group and the issuer's position within the Group</i>	The Company is a parent company in the Group which comprises the directly owned subsidiaries Hemfosa Norden AB, Hemfosa Vuskt AB, Hemfosa Sverige AB, Hemfosa Tetis AB, Hemfosa Kronfastigheter Holding AB, Hemfosa Finland AB and Hemfosa Samfunnsbygg AS (of which, Hemfosa holds just over 97 per cent of the shares).																																																												
<b>B.6</b>	<i>Major shareholders, individuals required to notify their interest in the Company</i>	<p>In Sweden, the lowest threshold for disclosure of holdings (so-called flagging) is five per cent of all shares or votes in a company. The table below shows the largest shareholders of the Company, holding at least five per cent of all shares or votes in the Company based on information from Euroclear as of March 31, 2016.</p> <table><tr><th></th><th colspan="3">Number of shares</th><th colspan="2">Percentage</th></tr><tr><th></th><th>Ordinary shares</th><th>Preference shares</th><th>Total</th><th>Capital</th><th>Votes</th></tr><tr><td><b>MSEK</b></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td><b>Shareholders</b></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Fjärde AP-fonden</td><td>13,218,166</td><td>-</td><td>13,218,166</td><td>9.3</td><td>10.0</td></tr><tr><td>Länsförsäkringar fondförvaltning AB</td><td>10,132,533</td><td>-</td><td>10,132,533</td><td>7.1</td><td>7.6</td></tr><tr><td>Kåpan Pensioner</td><td>6,863,562</td><td>-</td><td>6,863,562</td><td>4.8</td><td>5.2</td></tr><tr><td>AMF - Försäkring och Fonder</td><td>6,767,901</td><td>-</td><td>6,767,901</td><td>4.8</td><td>5.1</td></tr><tr><td>Other shareholders</td><td>94,458,046</td><td>10,999,999</td><td>105,458,045</td><td>74</td><td>72.1</td></tr><tr><td><b>Total</b></td><td><b>131,440,208</b></td><td><b>10,999,999</b></td><td><b>142,440,207</b></td><td><b>100</b></td><td><b>100</b></td></tr></table>		Number of shares			Percentage			Ordinary shares	Preference shares	Total	Capital	Votes	<b>MSEK</b>						<b>Shareholders</b>						Fjärde AP-fonden	13,218,166	-	13,218,166	9.3	10.0	Länsförsäkringar fondförvaltning AB	10,132,533	-	10,132,533	7.1	7.6	Kåpan Pensioner	6,863,562	-	6,863,562	4.8	5.2	AMF - Försäkring och Fonder	6,767,901	-	6,767,901	4.8	5.1	Other shareholders	94,458,046	10,999,999	105,458,045	74	72.1	<b>Total</b>	<b>131,440,208</b>	<b>10,999,999</b>	<b>142,440,207</b>	<b>100</b>	<b>100</b>
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Other shareholders	94,458,046	10,999,999	105,458,045	74	72.1																																																									
<b>Total</b>	<b>131,440,208</b>	<b>10,999,999</b>	<b>142,440,207</b>	<b>100</b>	<b>100</b>																																																									
<b>B.7</b>	<i>Selected key financial information and a narrative description</i>	<p>The selected financial information presented below has been derived from the Company's audited annual reports for the years 2013, 2014 and 2015 and from the unaudited interim report regarding the period January 1 – March 31, 2016, all of which are incorporated by reference in the Prospectus. The annual reports for the financial years 2013, 2014 and 2015 are prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS"). The interim report for the period January 1 – March 31, 2016 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.</p> <p>In December 2015, Hemfosa decided to amend the accounting policy concerning the recognition for accounting purposes of acquired deferred tax liabilities when making asset purchases; i.e. the deferred tax liabilities that are assumed when property assets are acquired through purchases of limited liability companies that solely comprise investment properties. Under the previously applied policy, the value of the acquired deferred tax liabilities was recognised as a deductible item on the asset side, within the balance sheet item "Investment properties" in the consolidated statement of financial position, and these deductible items were retained as long as the acquired legal entity was retained in the Group. The policy that is now being applied entails that property assets acquired through asset purchases are remeasured at fair value the day after the acquisition, meaning that they are measured to reflect the value change corresponding to the deferred tax liability. The remeasurement is recognised in the consolidated statement of profit and other comprehensive income as an unrealised change in value, together with the deferred tax expense attributable to the increase in the temporary difference arising from the remeasurement. The reason for changing the accounting policy is that the new policy provides more relevant information on the transactions in the consolidated statement of financial position. The change in accounting policy has been implemented in accordance with IAS 8, which means that the policy is being applied retroactively and that the comparison periods January 1 – December 31, 2014 and January 1 – March 31, 2015 have been restated. In the tables below, the period January 1 – December 31, 2014 is presented restated according to the new accounting policy and also according to the previously applied accounting policy. The period January 1 – December 31, 2013 has not been restated.</p>																																																												

B.7

Selected key financial information and a narrative description, cont.

The Prospectus contains certain alternative performance measures (APMs) that have not been defined in accordance with IFRS. Hemfosa is of the opinion that these APMs provide better understanding of the Company’s financial trend. Unless stated otherwise, these financial APMs have not been audited and are not to be considered either individually or as an alternative to the key ratios that have been prepared in accordance with IFRS. Nor should such APMs, as defined by Hemfosa, be compared with other performance measures with similar designations that are used by other companies. This is because the above APMs have not always been defined in the same way and because other companies may not calculate them in the same way as Hemfosa.

**Consolidated statement of profit/loss and other comprehensive income**

	Quarter		Full-year			
	Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014	Jan 1 – Dec 31, 2014 <sup>2)</sup>	Jan 1 – Dec 31, 2013 <sup>2)</sup>
<b>MSEK</b>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
Rental income	650	589	2,443	1,612	1,612	1,584
Property expenses						
Operating expenses	-134	-129	-413	-306	-306	-298
Maintenance costs	-46	-43	-194	-104	-104	-110
Property tax	-23	-22	-86	-67	-67	-68
Property administration	-20	-27	-81	-61	-61	-61
<b>Net operating income</b>	<b>428</b>	<b>367</b>	<b>1,670</b>	<b>1,074</b>	<b>1,074</b>	<b>1,047</b>
Central administration	-26	-28	-112	-74	-74	-79
Other operating income and costs	9	-3	0	62	62	-
Share in profit of joint ventures	39	36	255	239	239	125
Financial income	1	3	5	10	10	9
Financial expenses	-111	-109	-455	-490	-490	-779
<b>Profit from property management</b>	<b>340</b>	<b>265</b>	<b>1,363</b>	<b>821</b>	<b>821</b>	<b>323</b>
Changes in value of properties, realised	20	71	91	147	147	-21
Changes in value of properties, unrealised	478	323	1,409	548	340	-193
Changes in value of financial instruments, realised	-	-	3	-75	-75	-
Changes in value of financial instruments, unrealised	-31	-52	-45	-202	-202	23
<b>Profit before tax for the period</b>	<b>808</b>	<b>606</b>	<b>2,821</b>	<b>1,239</b>	<b>1,031</b>	<b>132</b>
Current tax	-3	-2	-5	-2	-2	-
Deferred tax	-150	-99	-478	-113	-67	99
<b>Profit for the period</b>	<b>654</b>	<b>506</b>	<b>2,339</b>	<b>1,124</b>	<b>962</b>	<b>231</b>

1) Comparative year derived from the annual report for the period January 1 – December 31, 2015.

2) Derived from each period’s annual report and prepared in accordance with the previously applied accounting policies, hence not restated.



<b>B.7</b>	<i>Selected key financial information and a narrative description, cont.</i>	<b>Consolidated statement of financial position</b>					
		<b>Quarter</b>		<b>Full-year</b>			
		<b>Mar 31, 2016</b>	<b>Mar 31, 2015</b>	<b>Dec 31, 2015</b>	<b>Dec 31, 2014<sup>1)</sup></b>	<b>Dec 31, 2014<sup>2)</sup></b>	<b>Dec 31, 2013<sup>2)</sup></b>
	<b>MSEK</b>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
	<b>ASSETS</b>						
	Investment properties	31,340	27,583	29,553	24,718	24,400	16,284
	Tangible assets	2	4	1	2	2	1
	Shares in joint ventures	1,211	641	1,075	609	609	455
	Derivatives	2	1	2	3	3	6
	Other financial assets	3	9	3	6	6	26
	<b>Total fixed assets</b>	<b>32,558</b>	<b>28,237</b>	<b>30,635</b>	<b>25,337</b>	<b>25,019</b>	<b>16,772</b>
	Rents receivables	13	10	34	20	20	26
	Current receivables	324	292	48	74	74	39
	Cash and cash equivalents	517	551	732	594	594	284
	<b>Total current assets</b>	<b>854</b>	<b>854</b>	<b>814</b>	<b>688</b>	<b>688</b>	<b>349</b>
	<b>TOTAL ASSETS</b>	<b>33,412</b>	<b>29,091</b>	<b>31,449</b>	<b>26,025</b>	<b>25,707</b>	<b>17,121</b>
	<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
	<b>Equity</b>						
	Share capital	72	71	72	71	71	25
	Other contributed capital	5,713	5,549	5,713	5,549	5,549	225
	Provisions	-107	-32	-132	-	-	-
	Retained earnings including profit of the year	5,735	3,779	5,084	3,317	3,069	2,118
	<b>Shareholders' equity attributable to parent company shareholders</b>	<b>11,415</b>	<b>9,367</b>	<b>10,737</b>	<b>8,938</b>	<b>8,689</b>	<b>2,368</b>
	<b>Non-controlling interests</b>	<b>14</b>	<b>4</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>1</b>
	<b>Total shareholders' equity</b>	<b>11,429</b>	<b>9,372</b>	<b>10,749</b>	<b>8,949</b>	<b>8,701</b>	<b>2,369</b>
	<b>Liabilities</b>						
	Non-current interest-bearing liabilities	18,005	17,697	17,228	15,531	15,531	11,829
	Other non-current liabilities	3	2	3	1	1	-
	Derivatives	134	155	103	105	105	114
	Deferred tax liabilities	861	533	701	492	423	430
	<b>Total non-current liabilities</b>	<b>19,003</b>	<b>18,387</b>	<b>18,035</b>	<b>16,129</b>	<b>16,060</b>	<b>12,373</b>
	Current interest-bearing liabilities	1,880	183	1,670	229	229	1,831
	Other current liabilities	1,100	1,149	994	717	717	548
	<b>Total current liabilities</b>	<b>2,980</b>	<b>1,332</b>	<b>2,664</b>	<b>946</b>	<b>946</b>	<b>2,379</b>
	<b>Total liabilities</b>	<b>21,983</b>	<b>19,719</b>	<b>20,699</b>	<b>17,076</b>	<b>17,007</b>	<b>14,752</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,412</b>	<b>29,091</b>	<b>31,449</b>	<b>26,025</b>	<b>25,707</b>	<b>17,121</b>
	1) Comparative year derived from the annual report for the period January 1 – December 31, 2015.						
	2) Derived from each period's annual report and prepared in accordance with the previously applied accounting policies, hence not restated.						

B.7	Selected key financial information and a narrative description, cont.	Consolidated statement of cash flows						
		Quarter		Full-year				
		Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014 <sup>1)</sup>	Jan 1 – Dec 31, 2014 <sup>2)</sup>	Jan 1 – Dec 31, 2013 <sup>2)</sup>	
		Unaudited	Unaudited	Audited	Unaudited	Audited	Audited	
		MSEK						
		Operating activities						
		Profit from property management						
		340	265	1,363	821	821	323	
		Adjustments for items not included in cash flow						
		-40	-36	-264	-239	-239	-130	
		Income tax paid						
		0	-8	0	-1	-1	3	
		Cash flow from operating activities before changes in working capital						
		300	223	1,100	581	581	196	
		Cash flow from changes in working capital						
		Changes in operating receivables						
		-255	-208	22	91	91	60	
		Changes in operating liabilities						
		249	405	98	-45	-45	5	
		Cash flow from operating activities						
		294	420	1,220	627	627	261	
		Investing activities						
		Acquisition of investment properties						
		-10	-17	-103	-25	-25	-65	
		Divestment of investment properties						
		7	4	45	60	60	303	
		Acquisition of joint ventures						
		-	-	-221	-	-	-	
		Investments in existing properties						
		-146	-94	-566	-485	-485	-667	
		Acquisition/divestment of financial assets						
		-	-3	4	19	19	-26	
		Shareholders' contribution paid/repaid to/from joint ventures and dividends received from joint ventures						
		-92	-11	10	14	14	-48	
		Acquisitions of subsidiaries						
		-1,373	-3,321	-4,491	-8,300	-2,386	-	
		Divestments of subsidiaries						
		293	886	1,378	1,214	304	-	
		Cash flow from investing activities						
		-1,320	-2,557	-3,943	-7,504	-2,499	-503	



B.7	Selected key financial information and a narrative description, cont.	Key performance indicators for the Group					
		Quarter		Full-year			
		Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014 <sup>1)</sup>	Jan 1 – Dec 31, 2014 <sup>2)</sup>	Jan 1 – Dec 31, 2013 <sup>2)</sup>
		<b>Key financial data</b>					
		Return on equity, % <sup>7)</sup>	23.9	21.4	23.7	19.7	12.6
		Equity/assets ratio, % <sup>3),7)</sup>	34.2	32.2	34.2	34.4	33.7
		Loan-to-value ratio properties, % <sup>3),7)</sup>	63.4	64.8	63.9	63.8	64.6
		Debt/equity ratio, multiple <sup>3),7)</sup>	1.7	1.9	1.8	1.8	1.8
		Interest coverage ratio, multiple <sup>4),7)</sup>	3.7	3.2	3.5	2.2	2.2
		<b>Share-related key figures, ordinary shares</b>					
		Profit from property management, SEK per ordinary share <sup>7)</sup>	2.40	1.84	9.55	7.36 <sup>5)</sup>	14.71
		Profit after tax, SEK per ordinary share <sup>6)</sup>	4.78	3.72	16.87	10.13 <sup>5)</sup>	17.31
		Equity, SEK per ordinary share <sup>3),7)</sup>	73.22	58.90	68.06	55.63 <sup>5)</sup>	107.67
		Net asset value (EPRA NAV), SEK per ordinary share <sup>3),7)</sup>	83.50	66.46	76.63	74.49 <sup>5)</sup>	119.96
		Cash flow from operating activities, SEK per ordinary share <sup>7)</sup>	2.04	3.01	8.47	5.59 <sup>5)</sup>	11.18
		Dividend, SEK per ordinary share <sup>6),8)</sup>	0.75	-	3.00	-	-
		Weighted average number of ordinary shares, thousands <sup>6)</sup>	131,440	131,440	131,440	109,954	54,977
		Number of ordinary shares outstanding, thousands <sup>3),6)</sup>	131,440	131,440	131,440	131,440	65,720
		<b>Share-related key figures, preference shares</b>					
		Dividend, SEK per preference share <sup>6),8)</sup>	2.50	2.50	10.00	1.25 <sup>5)</sup>	2.50
		Equity, SEK per preference share <sup>3),7)</sup>	162.85	162.50	162.85	162.50 <sup>5)</sup>	325.00
		Number of preference shares outstanding, thousands <sup>3),6)</sup>	11,000	10,000	11,000	10,000	5,000
		<b>Property-related key figures</b>					
		Number of properties <sup>7)</sup>	416	361	411	353	353
		Rental value, MSEK <sup>7)</sup>	2,848	2,688	2,768	2,520	2,520
		Leasable area, thousands of sqm <sup>7)</sup>	2,642	2,545	2,607	2,516	2,516
		Fair value of properties, MSEK <sup>6)</sup>	31,340	27,583	29,553	24,718	24,718
		Property value, SEK per sqm <sup>7)</sup>	11,862	10,838	11,336	9,824	9,824
		Economic leasing rate, % <sup>7)</sup>	90.8	90.7	90.4	90.7	90.7
		Surplus ratio, % <sup>7)</sup>	65.8	62.5	68.4	66.6	66.6
		Yield, % <sup>7)</sup>	5.9	6.1	5.8	6.1	6.1
		1) Included as comparative period.					
		2) Prepared in accordance with the previously applied accounting principles, hence not restated.					
		3) At the end of the period.					
		4) Interest expenses for the period Jan 1 – Dec 31, 2014 include interest on shareholders' loans of MSEK 60.					
		Interest expenses for the period Jan 1 – Dec 31, 2013 include interest on shareholders' loans of MSEK 312.					
		5) Key figures have been retroactively restated due to the share split (2:1) which was implemented in May 2015.					
		6) IFRS measures. Note that key figures for the periods 1 Jan – 31 Mar, 2016, 1 Jan – 31 Mar, 2015 and the comparative year 1 Jan – 31 Dec, 2014 are unaudited.					
		7) Unaudited.					
		8) The Annual General Meeting in 2015 approved a dividend of SEK 3.00 per ordinary share and SEK 10.00 per preference share, with quarterly payments.					

B.7	Selected key financial information and a narrative description, cont.	<p><b>SIGNIFICANT CHANGES DURING THE PERIOD COVERED BY THE HISTORICAL FINANCIAL INFORMATION</b></p> <p><b>Comparison between January 1 – March 31, 2016 and January 1 – March 31, 2015</b></p> <p>Hemfosa's rental income for the period January 1 – March 31, 2016 amounted to MSEK 650, up MSEK 61 compared with the corresponding period of 2015, when it amounted to MSEK 589. The increase in rental income is partly a result of the larger property portfolio. During the period January 1 – March 31, 2016, ten properties were divested and 15 properties were acquired, which can be compared with 12 divested and 20 acquired properties during the corresponding period of 2015.</p> <p>Profit from property management, meaning earnings excluding realised and unrealised changes in the value of properties, realised and unrealised changes in the value of financial instruments and tax expenses, for the period January 1 – March 31, 2016 amounted to MSEK 340, up MSEK 75 compared with the corresponding period of 2015, when it amounted to MSEK 265. The higher profit from property management was mainly due to a larger property portfolio</p> <p>As per March 31, 2016, Hemfosa's property portfolio comprised 416 properties, an increase of 55 properties compared with December 31, 2015, when the property portfolio contained 361 properties. As per March 31, 2016, the properties had a combined fair value of SEK 31.3 billion</p> <p><b>Comparison between the 2015 and 2014 financial years</b></p> <p>Rental income for 2015 amounted to MSEK 2,443, corresponding to an increase of MSEK 831 compared with 2014, when rental income amounted to MSEK 1,612. The year-on-year change was due primarily to tenants moving into and vacating properties, which changed the portfolio in terms of the geographic breakdown of properties and the breakdown into property categories. During 2015, 24 properties were divested and 82 properties were acquired, compared with eight divested and 140 acquired properties in 2014</p> <p>Profit from property management in 2015 amounted to MSEK 1,363, up MSEK 542 compared with 2014, when profit from property management amounted to MSEK 821. The increased profit from property management was mainly due to growth in the property portfolio during 2015.</p> <p>On December 31, 2015, Hemfosa's property portfolio comprised 411 properties, an increase of 58 properties compared with December 31, 2014 when the property portfolio contained 353 properties. As per December 31, 2015, the fair value of the properties totalled SEK 29.6 billion.</p> <p><b>Comparison between the 2014 and 2013 financial years</b></p> <p>Rental income for 2014 amounted to MSEK 1,612, corresponding to an increase of MSEK 28 compared with 2013, when rental income amounted to MSEK 1,584. During 2014, eight properties were divested and 140 properties were acquired, compared with eleven divested and two acquired properties in 2013.</p> <p>Profit from property management in 2014 amounted to MSEK 821, up MSEK 498 compared with 2013, when profit from property management amounted to MSEK 323. The higher year-on-year earnings derived mainly from higher profit from the Company's shares in joint ventures and from lower financial expenses.</p> <p>On 31 December 2014, Hemfosa's property portfolio comprised 353 properties, an increase of 158 properties compared with December 31, 2013 when the property portfolio contained 195 properties. As per December 31, 2014, the fair value of the properties totalled SEK 24.7 billion.</p> <p><b>SIGNIFICANT EVENTS AFTER MARCH 31, 2016</b></p> <p>There have been no material changes in Hemfosa's financial position or market position since March 31, 2016.</p>
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<b>B.7</b>	<i>Selected key financial information and a narrative description, cont.</i>	<p><b>DEFINITION OF KEY RATIOS</b></p> <p><b>Return on equity</b> Profit/loss for a rolling 12-month period in relation to average shareholders' equity during the period.</p> <p><b>Loan-to-value ratio properties</b> Interest-bearing liabilities at the end of the period in relation to the fair value of the properties in the statement of financial position.</p> <p><b>Yield</b> Net operating income for a rolling 12-month period in relation to the carrying amounts of the properties, adjusted for the holding period of the properties during the period.</p> <p><b>Equity per ordinary share</b> Equity in relation to the number of ordinary shares at the end of the period after taking into account the preference share capital.</p> <p><b>Equity per preference share</b> Equity per preference share corresponds to the average issue price for the preference shares.</p> <p><b>Economic leasing rate</b> Rental income in relation to the rental value at the end of the period.</p> <p><b>Profit from property management per ordinary share</b> Profit from property management for the period, less the pre-emptive rights of preference shares to a dividend, in relation to the weighted average number of ordinary shares.</p> <p><b>Cash flow from operating activities per ordinary share</b> Cash flow from operating activities, less the pre-emptive rights of preference shares to a dividend for the period, in relation to the weighted average number of ordinary shares.</p> <p><b>Market value properties</b> The properties' market value according to an external appraisal.</p> <p><b>Earnings per ordinary share</b> Earnings for the period, less the pre-emptive rights of preference shares to a dividend for the period, in relation to the weighted average number of ordinary shares.</p> <p><b>Interest-coverage ratio</b> Profit from property management, including reversal of financial income and expenses, as well as depreciation/amortisation and share in income in joint ventures in relation to financial income and expenses.</p> <p><b>Working capital</b> The sum of operating receivables less the sum of operating liabilities.</p> <p><b>Debt/equity ratio</b> Interest-bearing liabilities in relation to equity.</p> <p><b>Equity/assets ratio</b> Equity in relation to total assets.</p> <p><b>Net asset value per ordinary share (EPRA NAV)</b> Recognised equity, after taking into account the preferential capital, with the reversal of derivatives and deferred tax according to the statement of financial position, in relation to the number of ordinary shares at the end of the interim period.</p> <p><b>Dividend per share</b> Resolved dividend in relation to the number of shares outstanding on the balance-sheet date.</p> <p><b>Fair value of properties</b> On the basis of the market value of properties, Hemfosa performs an internal property valuation in which on-going new production projects for which the tenants have not moved in are recognised at the lower of costs incurred and the market value.</p> <p><b>Surplus ratio</b> Net operating income for the period in relation to the rental income.</p>
<b>B.8</b>	<i>Selected pro forma financial information</i>	N/A. The Prospectus contains no pro forma accounts.



<b>B.9</b>	<i>Profit forecast</i>	<p>Below is the Company’s current earnings capacity on a 12-month basis as per March 31, 2016. The earnings capacity is only to be considered as a hypothetical instantaneous impression and is presented only for illustrative purposes, with the purpose of presenting income and expenses on an annual basis given the property portfolio, borrowing costs, capital structure and organisation at a specific point in time. The current earnings capacity does not include any effects of possible property acquisitions.</p> <p><b>Current earnings capacity as per March 31, 2016</b></p> <table><tr><th><b>MSEK</b></th><th><b>Mar 31, 2016</b></th></tr><tr><td>Rental income</td><td>2,596</td></tr><tr><td>Property expenses</td><td></td></tr><tr><td>    Operating expenses</td><td>-417</td></tr><tr><td>    Maintenance costs</td><td>-160</td></tr><tr><td>    Property tax</td><td>-94</td></tr><tr><td>Property administration</td><td>-70</td></tr><tr><td><b>Net operating income</b></td><td><b>1,855</b></td></tr><tr><td>Central administration</td><td>-114</td></tr><tr><td>Other operating income and expenses</td><td>0</td></tr><tr><td>Share of profit of joint ventures</td><td>126</td></tr><tr><td>Financial income and expenses</td><td>-445</td></tr><tr><td><b>Profit from property management</b></td><td><b>1,422</b></td></tr></table>	<b>MSEK</b>	<b>Mar 31, 2016</b>	Rental income	2,596	Property expenses		Operating expenses	-417	Maintenance costs	-160	Property tax	-94	Property administration	-70	<b>Net operating income</b>	<b>1,855</b>	Central administration	-114	Other operating income and expenses	0	Share of profit of joint ventures	126	Financial income and expenses	-445	<b>Profit from property management</b>	<b>1,422</b>
<b>MSEK</b>	<b>Mar 31, 2016</b>																											
Rental income	2,596																											
Property expenses																												
Operating expenses	-417																											
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Other operating income and expenses	0																											
Share of profit of joint ventures	126																											
Financial income and expenses	-445																											
<b>Profit from property management</b>	<b>1,422</b>																											
<b>B.10</b>	<i>Remark from the auditors</i>	N/A. There are no remarks from the auditors.																										
<b>B.11</b>	<i>Insufficient working capital</i>	N/A. In the opinion of the board of directors of Hemfosa, the working capital is sufficient for Hemfosa’s current needs for the coming 12-month period. Here, working capital refers to Hemfosa’s possibility of obtaining access to cash and cash equivalents to meet its payment obligations as they fall due for payment. Hemfosa’s operating activities tie up limited working capital since Hemfosa receives most of its rental income in advance while expenses are primarily paid in arrears.																										

### ASECTION C – SECURITIES

<b>C.1</b>	<i>Securities offered</i>	The Offer pertains to Hemfosa's ordinary shares (ISIN-kod SE0007126115).
<b>C.2</b>	<i>Currency</i>	The currency of the ordinary shares is SEK.
<b>C.3</b>	<i>Total number of shares issued</i>	Prior to the implementation of the Offer, the Company's registered share capital amounts to SEK 71,220,103.50, represented by 131,440,208 ordinary shares and 10,999,999 preference shares. The quota value of each share will be SEK 0,50. All shares are fully paid.
<b>C.4</b>	<i>Rights attached to the securities</i>	Each new ordinary share carries one voting right at general meetings. At general meetings shareholders may vote for the total number of shares they own and represent, with no limitations on voting rights. The ordinary shares carry a right to dividend and to any surplus in the event of liquidation. The new ordinary shares entitle their holders to participate in the distribution of dividends for the first time on the record date for dividend that occurs immediately following the registration of the new ordinary shares with the Swedish Companies Registration Office.
<b>C.5</b>	<i>Transferability restrictions</i>	N/A. The ordinary shares are not subject to any restrictions on the right to be transferred.
<b>C.6</b>	<i>Admission to trading</i>	The Company's ordinary shares are traded on Nasdaq Stockholm. The new ordinary shares will be traded on Nasdaq Stockholm following the Swedish Companies Registration Office's registration.

<b>C.7</b>	<i>Dividend policy</i>	The dividend shall amount to 60 per cent of profit from property management long term, excluding share of profit/loss in joint ventures and after tax. Dividends paid on preference shares are deducted from this amount first; the remaining amount can be distributed to holders of ordinary shares.
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**SECTION D – RISKS**

<b>D.1</b>	<i>Key risks that are specific to the issuer or its industry</i>	<p>The Company has identified a number of risk factors which are considered to potentially have a substantial negative effect on the Company's operations, financial position and earnings, impact on the Company's future prospects, and/or entail that the value of the Company's shares declines. The risk factors are not ranked in terms of their significance or potential financial impact on the Company and there may be additional risk factors of which the Company is not currently aware.</p> <p>Key risks related to the Company and/or the industry are:</p> <ul style="list-style-type: none"> <li>● the risk of macroeconomic factors, such as economic growth and inflation rate developing in an unfavorable manner for the Company, which could have a negative impact on the Company's operations, financial position and earnings;</li> <li>● the risk of changes in the market rents entailing declining rental income for the Company, which could have a negative impact on the Company's operations, financial position and earnings;</li> <li>● the risk of the Company being impacted by unforeseen and extensive costs due to maintenance and operation of its property portfolio, which could have a negative impact on the Company's operations, financial position and earnings;</li> <li>● the risk of the Company not being able to implement future property transactions on favorable terms and/or the risk of acquired operations being inadequate in one or more respects or, of sellers in property transactions not fulfilling their obligations towards the Company, which could have a negative impact on the Company's operations, financial position and earnings;</li> <li>● the risk of the Company being obligated to finance soil remediation or clean-ups of contaminated properties, which could have a negative impact on the Company's operations, financial position and earnings; and</li> <li>● the risk of changing tax rates and other state levies changing in an unfavorable manner for the Company, which could have a negative impact on the Company's operations, financial position and earnings.</li> </ul> <p>In addition, the Company is exposed to a number of financial risks relating to, inter alia, the Company's liquidity and refinancing possibilities as well as changing interest rates, which could have a negative impact on the Company's operations, financial position and earnings.</p>
<b>D.3</b>	<i>Key risks that are specific to the securities</i>	<p>The main risk related to the Offer and the Company's ordinary shares are that the share price of the ordinary shares does not develop favorably which could entail that investors may not regain their invested capital, that significant divestments of ordinary shares or issues of additional ordinary shares in a negative way influence the price of existing shares and/or the earnings per share, that distributable funds are unavailable preventing dividends, that the Offer is not fully subscribed for which could entail that the expected rights issue proceeds do not reach the Company as well as that those shareholders who choose not to participate in future share issues have their interest in the Company diluted.</p>

## SECTION E - THE OFFER

<b>E.1</b>	<i>Total net proceeds and expenses of the issue</i>	The subscription price has been set at SEK 69.00 per ordinary share, which means that the Company will receive approximately MSEK 1,814 before deduction of transaction costs, if the Offer is fully subscribed. Costs in the form of remuneration to SEB and Swedbank and other transaction costs related to the Offer, which are charged to the Company, are estimated to amount to approximately MSEK 32.
<b>E.2a</b>	<i>Reasons for the offer and use of proceeds</i>	The proceeds will be used to finance property acquisitions, which are continuously evaluated by the Company in its day-to-day operations, as well as investments in existing properties.
<b>E.3</b>	<i>Terms and conditions of the Offer</i>	<p><b>General</b> – Hemfosa’s board of directors resolved on March 14, 2016, subject to approval by the annual general meeting, to launch a rights issue of ordinary shares with preferential rights for holders of the Company’s ordinary shares. The board of directors’ resolution concerning a rights issue was approved at the annual general meeting on April 19, 2016. Provided that the Offer is subscribed for in full, the Company’s share capital will increase by a total of SEK 131,144,020.50 from SEK 71,220,103.50 to SEK 84,364,124 and the total number of ordinary shares by 26,288,041 from 131,440,208 to 157,728,249. The new ordinary shares correspond to approximately 16 per cent of the share capital and 17 of the voting rights in the Company on completion of the Offer. The holders of the Company’s ordinary shares have primary preferential rights to subscribe for new ordinary shares in relation to the number of ordinary shares held.</p> <p><b>Subscription price</b> – SEK 69.00 per ordinary share.</p> <p><b>Record date</b> – The record date at Euroclear for determining which persons are entitled to receive primary preferential rights and therefore the right to receive subscription rights, as well as persons that have secondary preferential rights to participate in the Offer, is April 21, 2016.</p> <p><b>Subscription period</b> – Subscription of the new ordinary shares takes place during the period from and including April 26, 2016 up to and including May 10, 2016. Hemfosa’s board of directors is entitled to extend the subscription period. Any such extension will be published by the Company on May 10, 2016 at the latest.</p> <p><b>Trading in subscription rights</b> – Subscription rights will be traded at Nasdaq Stockholm during the period from and including April 26, 2016 up to and including May 6, 2016 under the symbol “HEMF TR”. SEB, Swedbank and other securities institutions with required licenses will provide brokerage services in connection with the purchase and sale of subscription rights. The ISIN code for the subscription rights is SE0008241889.</p>

<b>E.3</b>	<i>Terms and conditions of the Offer, cont.</i>	<b>Allotment</b> – If not all new ordinary shares have been subscribed for with subscription rights (primary preferential rights), the board of directors will decide on allotment of new ordinary shares subscribed for without subscription rights. Allotment will then be made in the following order. Firstly, ordinary shares not subscribed for with primary preferential rights will be offered for subscription to all shareholders (subsidiary preferential right). If these shares are insufficient for subscription based on subsidiary preferential rights, the shares will be distributed among the subscribers based on the total number of ordinary shares subscribed for with subscription rights in the Offer as well as the number of preference shares held on the record date April 21, 2016. At sale of subscription rights the subsidiary preferential right is transferred to the holder of the subscription right. Insofar as this is not possible as regards to certain share/shares, allotment will be determined by drawing lots. Secondly, allotment will be made to persons who have subscribed for ordinary shares without preferential rights and, in case of oversubscription, <i>pro rata</i> to the number of shares subscribed for and, insofar as this is not possible, by drawing lots. In addition to subscription through subscription rights, it is possible to apply for subscription of new shares without subscription rights by the use of a special application form.
<b>E.4</b>	<i>Material and conflicting interests</i>	There are no family ties between the individuals on Hemfosa's board of directors or the members of the group management. All directors are independent in relation to the Company and the group management, with the exception of Jens Engwall who is the Company's CEO. All directors are also independent in relation to the Company's major shareholders. The director Jens Engwall is also a director of IKANO S.A. and Bonnier Fastigheter AB and the board member Per-Ingemar Persson is also a director of Wihlborgs Fastigheter AB. These companies are, directly or indirectly, active players in the Swedish property market and there may be occasions when the interests of these companies will differ from those of the Company.
<b>E.5</b>	<i>Selling shareholders and lock-up agreements</i>	N/A. No selling shareholders and lock-up agreements exist in the Offer.
<b>E.6</b>	<i>Dilution effect</i>	Through the Offer, the number of shares in the Company will increase by a maximum of 26,288,041 ordinary shares and the number of votes will increase by a maximum of 26,288,041 votes, equivalent to a dilution effect of approximately 16 per cent of the number of shares and approximately 17 per cent of the number of votes.
<b>E.7</b>	<i>Expenses charged to investors</i>	N/A. The Company will not charge any expenses to investors.

# Risk factors

RISK FACTORS

This section addresses a number of risk factors which are considered to potentially have a substantial negative effect on the Company's operations, financial position and earnings, impact on the Company's future prospects, and/or entail that the value of the Company's shares declines, which could result in investors losing all or part of their invested capital. The risk factors are not ranked in terms of their significance or potential financial impact on the Company. This summary is not exhaustive, and there may be additional risk factors of which the Company is not currently aware. Descriptions of the Company's operations and market conditions, as well their effect on the Company's financial outlook, are based on the Company's own assessments as well as external sources. The Company is able to influence or counteract certain factors as part of its continuing operations, while others may occur randomly or may lie partly or wholly beyond the Company's control. Accordingly, it is important to take these risk factors into consideration and to assess them when assessing the Company's future development. Furthermore, because holding shares is always associated with risk, holders of the Company's shares are encouraged to perform their own assessment of the described and potential risk factors and their significance for the Company's future prospects, in addition to the information provided in the Prospectus.

## **RISKS INVOLVING THE COMPANY, THE INDUSTRY AND THE MARKET**

### **Macroeconomic factors**

The property industry in general, and thus the Company, is affected to a considerable degree by macroeconomic factors such as the economic climate, inflation and possibly deflation, growth, the rate of construction of new housing and commercial premises and changes to infrastructure and demographics. Because economic growth affects the employment rate, this is an important factor for consideration of factors such as demand for properties and tenant solvency. Hemfosa's property portfolio has a strong focus on properties with publicly financed tenants, and income are primarily affected by the long-term demand for premises for social services such as the judicial system, schools, healthcare and elderly care, although other activities that are directly or indirectly publicly financed may be present as well. Hemfosa's prospects for securing competitive rent levels that are sustainably dependable and high rental rates depend on its ability to customise the properties according to the tenants' changing requirements in respect of such considerations as quality, functionality and size. These circumstances have a significant impact on the Company's income, rental rates and the rent levels that Hemfosa is able to charge.

An economic downturn leading to lower employment, a sharp rise in inflation or deflation could have a negative impact on the Company's operations, financial position and earnings.

### **Rental income**

The Company's property portfolio is geographically diversified and houses a large number of tenants. Rental income derives largely from tenants performing publicly financed activities on behalf of the Swedish government, county councils or municipalities. The ten largest tenants as per March 31, 2016 accounted for 27.2 per cent of total contracted rental income, with the largest tenant, the Swedish Police Authority (Sw. *Polismyndigheten*), accounting for 5.6 per cent. The total number of lease agreements with the ten largest tenants amounted to 301 agreements as per March 31, 2016.

Leases with the Company's ten largest tenants have staggered durations. The average residuary term for these leases were 8.0 years as per March 31, 2016. If circumstance whereby one or more of Hemfosa's more important tenants does not renew or extend a lease once it has expired, it could result in reduced rental income and/or a higher vacancy rate should Hemfosa be unable to obtain equivalent income from new tenants.

The general rent-level risk is attributable to the trend in current market rents. A long-term downturn in current market rents could have a negative impact on the Company. Since Hemfosa is also dependent on the Company's tenants paying their contractually agreed rents on time, the Company is exposed to the risk that these tenants do not rightfully fulfil their obligations, which could result in lower rental income. This could in turn have a negative impact on Hemfosa's operations, financial position and earnings.

**Higher operating and maintenance costs**

Operating costs consist primarily of tariff bound charges for services such as electricity, refuse collection, water and heat. Several of these costs are for goods and services that can only be purchased from one or a small number of entities, which could affect the price. Hemfosa's operations, financial position and earnings could be negatively affected should it not be possible to offset such higher costs by addressing them in the terms of the lease or renegotiating the lease to raise the rent.

Maintenance costs are attributable to measures aimed at upholding a property's standard in the long term or maintaining and/or modernising it. Certain types of publicly financed operations such as schools may require special adjustments or result in increased wear and tear on the property, which could entail increased maintenance costs. In order to meet demands from the market or government authorities or other legal requirements, such costs may be considerable and unforeseen, and may, to the extent they are not compensated for by the tenant, have a negative impact on Hemfosa's operations, financial position and earnings.

**Acquisition risk, sales risk and other transaction-related risks**

Property acquisitions constitute part of Hemfosa's operating activities. In order to complete an acquisition, suitable investment objects must be for sale at reasonable price levels. Should the demand for the investment objects specialised in by Hemfosa be high, the number of property portfolios for sale may be limited or only available at terms that are unfavourable to Hemfosa. Competitors with similar investment strategies may, compared to Hemfosa, also have access to greater financial resources and may have lower capital costs.

Acquisitions entail risks associated with the operations that are acquired. For example, tenants may vacate, the acquired operation's accounts may be deficient, and/or the operation may be the object of unforeseen environmental or tax requirements or other circumstances that have a negative impact on the value of the acquisition object. There is a risk that future operations or properties obtained through acquisitions could have a negative impact on Hemfosa's operations, financial position and earnings.

Acquisitions may also be associated with risks pertaining to the seller, for instance that the seller is experiencing financial difficulties and therefore lack the will or capability to pay compensation in the event of warranty claims.

The property agents or other parties involved in some of Hemfosa's property acquisitions are acting on someone else's behalf. There are risks of disputes arising concerning: the commissions paid to such middlemen; that they may act beyond the scope of their mandate; or that they may provide incorrect information, which could have negative consequences for the Company.

As part of its property acquisition activity, Hemfosa may also enter into property acquisition agreements without ensuring beforehand that the Company will have sufficient financing for the acquisition.

Hemfosa's ability to sell parts of its property portfolio on favourable terms depends on the health of the property and transaction market. If Hemfosa were forced to sell parts of its property portfolio in order to finance its business, there are no guarantees that the Company will succeed in completing these sales on favourable terms or at all. Should Hemfosa be forced to sell all or parts of its property portfolio, for example if the Company's creditors were to realise pledged collateral, it is probable that the selling price would be lower than the price Hemfosa would be able to obtain in a future voluntary sale.

When engaging in sales, Hemfosa may grant respite for part of the purchase price according to promissory notes. If a buyer against whom Hemfosa has a claim is experiencing or will experience financial difficulties, Hemfosa's chances of being paid may be reduced. Such an event could have a negative impact on Hemfosa's operations, financial position and earnings.

During 2015 and the first quarter of 2016, the Group has sold properties totalling MSEK 1,765. Under several of these sales agreements, it is still possible for each buyer to invoke warranty claims. There is a risk that such claims arise in the future, which could have a negative impact on Hemfosa's financial position and earnings.

**Geographic expansion**

Hemfosa has established presence in Norway and Finland after completing acquisition of properties in these markets during 2015. Geographic expansion is tied to various risks. Hemfosa has limited local presence in the Norwegian and Finnish property market. The operators and those involved primarily in the Finnish market, where Hemfosa so far has no organization, have limited knowledge of Hemfosa which may result in difficulties for Hemfosa to conduct a successful operation in the Finnish market. The lack of a separate organization in Finland may also consume time and resources from the Company's organization in Sweden and result in an increased dependence of external advisors. The property



regulation in Norway and Finland differs with regard to certain aspects from its Swedish counterpart, which may lead to difficulties for Hemfosa in conducting the right analysis and making the right decisions. Furthermore, the supply and demand for properties differs among various countries and thereby the return on property investments. For that reason, the return on property investments in Finland and Norway may develop in a way that differs from the Swedish market. If such geographical risks arise, it could have a negative impact on the Company's operations, financial position and earnings.

### Project development

Hemfosa continuously works with tenant adaptations and project development as well as carrying out larger projects, during 2015 Hemfosa for example announced investment commitments of approximately SEK 1.2 billion in the development of a new health campus and construction of a heart and lung hospital by the airport of Gardermoen near Oslo. Larger, customized projects include considerable investments, which may lead to an increased credit risk in cases where tenants are unable to fulfil their obligations to pay rent and Hemfosa are unable to find other tenants for the premises in question. Furthermore, larger constructions, refurbishments and renovations may be delayed and/or be more expensive than initially anticipated wherein the tenants may be unable to use the facilities from the expected date, which also may result in increased costs and/or reduced income. To the extent Hemfosa not receiving compensation for such increased costs or loss of income, it could have a negative impact on Hemfosa's operations, financial position and earnings.

### Technical risks

Technical risk pertains to the risk associated with the technical operation of properties, such as the risk of construction defects, other hidden defects or deficiencies, damages and contamination. If such unforeseen technical problems arise, these costs could have a negative impact on Hemfosa's operations, financial position and earnings.

### Change in the value of properties

Hemfosa's properties are recognised in the balance sheet at fair value, and the change in value is recognised in the income statement. The value of the properties is affected by multiple factors, some of them property-specific such as occupancy, rent levels and operating costs, and other market-specific such as yield requirements and cost of capital derived from comparable transactions in the

property market. Deterioration in either a property or the market could cause the value of the Company's properties to decline, which could have a negative impact on the Company's operations, financial position and earnings.

### Jointly owned companies cannot be solely controlled

In addition to the Group's wholly-owned property portfolio, the Group holds shares in several property owning companies through which properties are owned jointly with other investors. These companies consist of the joint ventures Söderport Holding AB, Gästgivaregatan Holding AB, Culmen Strängnäs II AB and Gardermoen Campus Utvikling AS. The ownership in these jointly owned companies is regulated by shareholder agreements and consequently, Hemfosa has not full competence to decide upon, and cannot solely control, the investments or sales of properties in these companies. If the companies were to develop in a way that is disadvantageous to Hemfosa, this could have a negative impact on Hemfosa's operations, financial position and earnings.

### Competition

Hemfosa operates in a competitive industry. The Company's future competitive outlook depends on factors including its ability to be on the cutting edge and to react swiftly to existing and future market needs, which is why costly investments, restructurings and/or price cuts may need to take place in order to adapt to a new competitive situation. Stiffer competition could have a negative impact on Hemfosa's operations, financial position and earnings.

### Operational risk

All operations are connected with risk of incurring losses due to deficient procedures and/or fraud or internal or external events that cause disruptions or damages to the business. As Hemfosa has chosen to have a comparatively small and efficient finance department that mainly analyses, quality assures and compiles financial information, the performance of the services provided by ISS Facility Services AB are of special significance for Hemfosa, especially in terms of information disclosure to the market. Shortcomings in operational safety, including services from essential external service providers to Hemfosa, could have a negative impact on Hemfosa's operations, financial position and earnings.

### Environmental risk

Property investments entail the risk of acquiring contaminated properties. The Group does not currently operate

any business that requires a permit according to the Swedish Environmental Act. However, businesses requiring permits have previously been operated at a number of the Group's properties and some of Hemfosa's tenants could currently be operating businesses that require a permit. A few properties owned by the Group are entered in registers over potentially polluted areas kept by the county administrations, the so-called EBH-support.

Claims could, under certain conditions, be made against Hemfosa for soil remediation or reclamation relating to the presence or suspicion of contamination in soil, catchment areas or groundwater. There is a risk that existing or previously operated businesses at the properties could cause certain environmental risks that could have a material negative impact on the Group. Should the Group be charged for the cost for soil remediation or reclamation, this could have a negative impact on Hemfosa's operations, financial position and earnings.

#### **Ability to recruit and retain personnel**

Hemfosa's organisation is limited in size, and several key employees have founded the Company and have a private ownership share. Hemfosa's future development is highly dependent on the group management's and other key employee's knowledge, experience and commitment. It is therefore essential for Hemfosa to retain and continue to motivate these influential employees, as well as being able to recruit, retain and develop other qualified senior executives and key employees. If key employees leave the Group and suitable successors cannot be recruited, this could have a negative impact on Hemfosa's operations, financial position and earnings.

#### **Disputes**

The Group is involved in a dispute with a tenant concerning a property in Gothenburg. Hemfosa has filed a lawsuit against the tenant regarding deposited and unpaid rent. The tenant has contested the Group's action and also filed a counterclaim. There is a risk that the outcome of current and potential disputes could have a negative impact on Hemfosa. There is also a risk that Hemfosa could be subject to future additional disputes, which could have a negative impact on Hemfosa's operations, financial position and earnings.

#### **Tax risks**

Tax may constitute a significant cost item for property companies. Changes to the property tax and other taxes such as corporation tax, VAT and other state levies could have a negative impact on the Group.

The Group's loss carry-forwards from previous years

taken together with depreciation for tax purposes and deductions for certain property investments entail that taxes in Sweden are only due for the few subsidiaries for which the conditions were not suitable for group contributions with the group member companies which has losses. This situation occurs mainly during the year that a company is acquired from an external party in so far as the acquiring company not carry losses from previous taxation years. There are two companies within the Group which had significant loss carry-forwards from previous years when they were acquired. These loss carry-forwards are blocked from set-off against Group contributions from the other Group companies until 2020 and 2021 respectively. The loss carry-forwards in the Group which, as per December 31, 2015, are assessed to be available during the next five years and thereby constitute a base for deferred tax assets, are amounted to MSEK 1,823.

Changes to tax rules and in ownership could restrict the opportunity to take advantage of loss carry-forwards.

There is a risk that the tax authorities in the countries in which the Company operates in the course of any future inspections will not share Hemfosa's opinion concerning topics such as deductibility for costs, opportunities for depreciation for tax purposes or the use of loss carry-forwards. The Swedish Ministry of Finance is currently working on a proposition regarding new limitations to interest rate deductions since the proposition presented in June 2014 (SOU 2014:40) was met with extensive criticism from the consultative bodies. Any new legalisation may limit the Groups tax deductions for interest rate costs. New rules may take effect as early as 2017.

On June 11, 2015 the Swedish government announced that it had appointed a commission to review certain questions in the property and stamp duty areas. The commission will review the regulations regarding tax-free packaging of properties and analyse if acquisition through land parcelling measures are misused to avoid stamp duty. The commission's report will be presented no later than March 31, 2017. An altered tax legislation could have a negative impact on the Company's operations, financial position and earnings.

Since Hemfosa have investments in Finland and Norway, potential changes to the tax legislation in these countries could affect the Group's tax situation.

#### **Altered legal conditions**

Most of Hemfosa's tenants perform tax-funded activities on behalf of the Swedish government, municipalities or county councils, and the Company's operations are to a

considerable extent dependent on decisions and requirements from authorities concerning property ownership, rentals, rental amounts, maintenance, operations et cetera. New, amended or terminated laws or regulations, or the application of the aforementioned, which are applicable to Hemfosa's or its customers' operations, could have a negative impact on Hemfosa's operations, financial position and earnings. This is also the case if government authorities were to reach opinions that differ from Hemfosa or its customers concerning licensing requirements, the necessity to obtain permits or other business law requirements.

## FINANCIAL RISKS

### Credit risk

Hemfosa's existing and potential customers could end up in situations, for example due to economic conditions, where they are unable to pay the agreed rent on time and on a continual basis or otherwise refrain from fulfilling their obligations. Furthermore, new development/renovation projects may be delayed due to suppliers being unable to deliver on time or contractors being unable to complete projects as planned. In case Hemfosa's counterparties are unable to, or intend not to, fulfil their obligations in relation to Hemfosa it could have a negative impact on Hemfosa's financial position and earnings. In addition to the Hemfosa's tenants, such counterparties exist when investing excess liquidity, when signing interest-rate swap agreements, when issuing promissory notes and when receiving long- and short-term credit agreements. Should these counterparties be unable to fulfil their financial obligations towards Hemfosa, this could have a negative impact on the Company's operations, financial position and earnings.

### Liquidity risk

Liquidity risk is the risk that the Company cannot meet its payment obligations at the due date without the cost of obtaining means of payment increasing substantially. As per March 31, 2016, Hemfosa's available liquidity amounted to MSEK 517 in the form of bank deposits. Hemfosa also has overdraft facilities totalling MSEK 475, of which MSEK 19.7 were utilised as per March 31, 2016 as well as a revolving credit facility totalling MSEK 1,300, of which MSEK 11 was unutilised as per March 31, 2016. If the Company's sources of funding are not deemed sufficient, this may have a negative impact on the Company's operations, financial position and earnings.

### Refinancing risk

Refinancing risk is defined as the risk that financing cannot be obtained or renewed at the end of its maturity, or only at substantially higher costs.

Property companies often have a significant level of indebtedness. The Company finances its business primarily through borrowing and its own cash flows. As per March 31, 2016, the Group's net indebtedness amounted to MSEK 19,368, of which MSEK 1,566 will be due for renegotiation or repayment within a year, and MSEK 6,687 will be due within one to two years. There is a risk that additional capital cannot be obtained, or that this can be achieved only at terms that are disadvantageous to Hemfosa. Should the Company fail to obtain necessary capital in the future, this could have a negative impact on the Company's operations, financial position and earnings.

### Financial covenants in loan agreements and bond loans

As per March 31, 2016, the Group's liabilities consisted of a total of MSEK 18,717 borrowed from credit institutions. On May 8, 2014 the Company also issued a non-guaranteed bond loan with a three-year term totalling SEK 1.2 billion. Borrowing from credit institutions is primarily divided among seven different institutions. A large proportion of the loan agreements entail financial covenants. Such financial covenants are also entailed for the bond loan. All of these covenants were fulfilled as per March 31, 2016. If any company within the Group were to violate one or more of these covenants in any loan agreements or in the bond terms, this could result in the loan (or other loans through crossdefault provisions) being terminated for immediate payment, or seizure of collateral by the relevant credit institution. This could have a negative impact on Hemfosa's operations, financial position and earnings.

### Interest-rate risk

Interest-rate risk refers to the risk that changes in interest rates could affect Hemfosa's interest costs, which are the Company's single largest cost item. In the longer term, changes in interest rates have a material effect on Hemfosa's results and cash flow. The Group's total interest costs for the financial year 2015 amounted to MSEK 414 and as per March 31, 2016, the Company's average interest rate level was 2.06 per cent. Based on Hemfosa's annual earnings capacity as per March 31, 2016, a change in the average interest rate level of the Company (excluding derivative agreements) of +/- one per cent would,

theoretically, affect the Company's earnings before tax with +/- MSEK -200. Hemfosa has in some instances entered into loan agreements containing provisions regarding interest-rate floor, which means that STIBOR 3-months cannot be negative. These provisions result in Hemfosa not being fully able to assimilate a negative STIBOR 3-months interest rate.

If prevailing interest-rate levels were to change and/or the Company were to fail to pay interest in the future, this could hence have a negative impact on the Company's operations, financial position and earnings.

#### Currency risk

Hemfosa is exposed to currency risk as a result of the acquisitions in Norway and Finland during 2015. Currency risk refers to investments, income and costs in foreign currency where the change of the exchange rates affect the result. Hemfosa's currency risk arises partly with regard to equity capital in foreign subsidiaries, partly with regard to the net flows in foreign currency as well as in relation to acquisitions and sales of foreign companies and properties. Since a deal generally is negotiated and agreed upon a time before entry or leave, Hemfosa is exposed to currency fluctuations during the time between. Hemfosa has currently not entered into any hedging agreements. The aforementioned currency risks may affect Hemfosa's operations, financial position and earnings.

**Risk related to the value of derivative instruments**  
A large portion of Hemfosa's loans have a short fixed-rate period. As part of its management of interest-rate risk, the Company utilises interest-rate derivative instruments, currently primarily interest-rate swaps and interest-rate ceilings. If the variable market interest-rate would deviate from the agreed fixed interest-rate during the term of the derivatives, a theoretical over- or under-value would arise from the financial instrument. Interest-rate derivative instruments and interest-rate ceilings are recognised continuously at fair value in the balance sheet, while changes in value are recognised in the income statement. The market value of the derivative instruments changes as market interest rates change. This could in turn have a negative impact on Hemfosa's operations, financial position and earnings.

## **RISKS RELATED TO THE OFFER AND THE COMPANY'S ORDINARY SHARES**

### **Development of the ordinary share**

Risk and risk-taking is an inevitable part of shareholding. Since the value of a share can both increase and decrease, it is not certain that an investor will regain its invested capital. Both the stock market's general development and specific companies' share price are dependent on a number of factors. The price of Hemfosa's ordinary share may also be affected entirely or partly, by factors beyond the Company's control, such as the activities and market position of competitors. Hemfosa cannot predict how the investors' interest in Hemfosa will develop or that an active and liquid market for trading in Hemfosa's ordinary shares will be available. It is impossible for the Company to control all the factors that may affect its share price, each investment decision regarding shares should therefore be preceded by a careful analysis.

### **Subscription rights and BTA**

The person who on the record date is registered as a holder of ordinary shares in Hemfosa will receive subscriptions rights in relation to his or hers existing holding of ordinary shares. The subscriptions rights are expected to have an economic value that the holder may benefit only if he or she either exercise them to subscribe for new ordinary shares no later than May 10, 2016, or sells them no later than May 6, 2016. After May 10, 2016, unexercised subscription rights will be removed from the holder's securities account, without prior notification, wherein the holder is deprived of the expected economic value of the subscription rights. Both subscription rights and BTA that, after payment, are going to be booked into the securities accounts belonging to those who subscribed for new ordinary shares will be subject to time-limit trading on Nasdaq Stockholm. Trading in those instruments may be limited, which could cause problems for individual holders to sell their subscription rights and/or BTA. Limited liquidity may also add to the fluctuations in the market price of the subscription rights and/or BTA. Accordingly, the displayed prices of these instruments may be inaccurate or misleading.

### **Future sales of large blocks of ordinary shares, and additional rights issues**

Substantial sales of ordinary shares undertaken by major shareholders, as well as general market expectation that further issues will be carried out, may adversely affect the price of the Company's ordinary share. Furthermore, additional rights issues of ordinary shares will also – as the present Offer – lead to a dilution of the ownership of share-

holders who do not participate in such issue or choose not to exercise his or her right to subscribe for shares. The same applies if a new issue of shares is directed to other persons than the Company's shareholders.

#### **Future dividends**

Dividends may only be resolved on in case Hemfosa has any distributable funds and only with such an amount which appears to be justifiable with regard to the requirements that the nature of Hemfosa's operations, volume and risks sets on the amount of equity capital as well as to Hemfosa's consolidation needs, liquidity and position in general of a certain financial year. Furthermore, holders of preference shares are entitled to dividends in accordance with the articles of association, which in turn reduces the distributable funds in Hemfosa available for distribution to holders of ordinary shares. The newly issued ordinary shares entitle to dividends as of the record date for dividends occurring after the ordinary shares have been registered by the Swedish Companies Registration Office. There is a risk that distributable funds are unavailable during any fiscal year.

#### **Non-secured rights issue**

Fjärde AP-fonden and Andra AP-fonden, holding 10.1 and 1.7 per cent of the ordinary shares respectively, has undertaken to subscribe for shares in the Offer in relation to their shareholding in Hemfosa. The chairman of the board of Hemfosa Bengt Kjell and the CEO Jens Engwall, holding 1.6 and 2.2 per cent of the ordinary shares respectively, has undertaken to subscribe for shares in the Offer corresponding to at least two-thirds of their holdings. The subscription commitments are not secured through a bank guarantee, collateral or otherwise. Furthermore, Hemfosa has not obtained rights issue guarantees in relation to the Offer. Rights issue guarantees are associated with guarantee fees and the Company's board of directors does not find such guarantees necessary for the implementation of the Offer. Against this background, there is a risk that the Offer will not be fully subscribed for, which would lead to the expected rights issue proceeds not reaching the Company.

#### **Specific risks for foreign shareholders**

Hemfosa's ordinary share is only listed in SEK and any dividends will be paid in SEK. This means that holders of ordinary shares outside Sweden may have a negative effect on the value of shareholdings and dividends at the time these are converted into other currencies, in case of a decrease in value of SEK against the currency in question. In case Hemfosa issues new ordinary shares in the future with preferential rights for the Company's holders of ordinary shares, holders of ordinary shares in certain countries may become subject to restrictions which result in not being able to participate in such issuing of new shares or that their participation otherwise is made difficult or restricted. To the extent shareholders in jurisdictions other than Sweden not being able to subscribe for new ordinary shares in any rights issues, their proportional ownership in Hemfosa will decrease.

#### **The Company believes it is likely to be considered a passive foreign investment company ("PFIC") for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to the Company's U.S. investors**

The Company believes it is likely to be a PFIC for the current taxable year and for the foreseeable future. If the Company is a PFIC, U.S. investors could be subject to material adverse U.S. federal income tax consequences, such as being subject to greater or accelerated U.S. federal income tax liability.







# Invitation to subscribe for ordinary shares

Hemfosa's board of directors resolved on March 14, 2016, subject to approval by the annual general meeting, to launch a rights issue of ordinary shares with preferential rights for holders of the Company's ordinary shares. The board of directors' resolution concerning a rights issue was approved at the general meeting on April 19, 2016.

The resolution to issue shares will result in Hemfosa's share capital rising by a total of not more than SEK 13,144,020.50 from SEK 71,220,103.50 to a total of not more than SEK 84,364,124 and the total number of ordinary shares rising by not more than 26,288,041 from 131,440,208 to not more than 157,728,249. The new ordinary shares correspond to approximately 16 per cent of the share capital and 17 per cent of the voting rights in the Company on completion of the Offer.

The holders of the Company's ordinary shares have primary preferential rights to subscribe for new ordinary shares in relation to the number of ordinary shares held on the record date. Persons who on the record date are registered as holders of ordinary Hemfosa shares will receive one (1) subscription right for every ordinary share held. Five (5) subscription rights entitle to subscription of one (1) new ordinary share. Subscription is to take place during the period from and including April 26, 2016 up to and including May 10, 2016 or such other date determined by the board of directors. The new ordinary shares carry the same rights as the existing ordinary shares in the Company.

Holders of ordinary shares not participating in the Offer will have their shareholdings diluted but will be entitled to sell their subscription rights on Nasdaq Stockholm. In the event that all new ordinary shares are not subscribed for with subscription rights, the board of directors will decide on allotment of new ordinary shares to be subscribed for without subscription rights. Allotment will primarily be based on the shares not subscribed for with primary preferential rights being offered for subscription to all shareholders (subsidiary preferential right). If these shares are insufficient for subscription based on subsidiary preferential rights, the shares will be distributed among the subscribers based on the total number of ordinary shares subscribed for with subscription rights in the Offer as well as the number of preference shares held on the record date April 21, 2016. At sale of subscription rights the subsidiary preferential right is transferred to the holder of the subscription right. Insofar as this is not possible as regards to a certain share/shares, allotment will be determined by drawing lots. Secondly, the allocation shall be made to persons who have subscribed for shares without preferential rights and, in case of oversubscription, *pro rata* to the number of shares subscribed for and, insofar as this is not possible, by drawing lots.

The subscription price has been set at SEK 69.00 per share, which entails that the Offer, if subscribed for in full, will provide Hemfosa with a total of approximately MSEK 1,814 before issue costs, assuming full subscription of the Offer.

The Fourth Swedish National Pension Fund and The Second Swedish National Pension Fund, representing 10.1 per cent and 1.7 per cent of the ordinary shares, respectively, have committed to subscribe for their *pro rata* shares of the Offer. Hemfosa's chairman Bengt Kjell and CEO Jens Engwall, representing 1.6 per cent and 2.2 per cent of the ordinary shares, respectively, have committed to subscribe for at least two thirds of their *pro rata* share of the Offer. In addition, Kåpan Pensioner, AMF, Lannebo Fonder, Handelsbanken Fonder and Swedbank Robur, whom together hold 20.8 per cent of the ordinary shares, have expressed their support for the Offer and their intention to subscribe for their *pro rata* share of the Offer. Hemfosa's CFO Karin Osslind, Head of Business Development Mikael Weiland and one of the founders Lars Thagesson, who jointly hold 2.7 per cent of the ordinary shares, have expressed their intention to subscribe for at least two thirds of their *pro rata* share of the Offer. In total, subscription undertakings and statements of intent thus correspond to 36.9 per cent of the new share issue. No compensation has been or will be paid for these subscription undertakings or statements of intent.

*Otherwise, reference is to the content of the Prospectus, which has been prepared by the board of directors of Hemfosa due to the Offer.*

*The board of directors of Hemfosa is responsible for the contents of the Prospectus. Assurance is hereby given that the board has taken all reasonable measures to ensure that, to the board's knowledge, the information in the Prospectus complies with the actual circumstances and that no information has been omitted that could affect its content.*

Stockholm, April 19, 2016

**Hemfosa Fastigheter AB (publ)**  
*Board of directors*

# Background and reasons

Hemfosa is a property company which combines long-term property management and development of mainly community service properties with an active role in the property transaction market. The Company has in recent years focused to transform its property portfolio towards community service properties and to increasing the value of its current properties through value adding investments. Hemfosa is currently the only listed company in Sweden focused on community service properties. The Company's board of directors has concluded that the new issue will enhance the Company's continued development and growth.

## HEMFOSA'S BACKGROUND

The Company was founded in June 2009 by an experienced team with a solid background from value-creating property companies. The founders saw potential for a dynamic player on the Swedish property market due to the turbulence that had marked the property market, both nationally and internationally. Since that time, Hemfosa has established a balanced portfolio of commercial properties with a stable and high yield.

With the aim of continuing to grow primarily within community service properties, the Company has expanded into additional markets. During 2015, Hemfosa took the leap from a Swedish to a Nordic property company through acquisitions in Norway and Finland while simultaneously strengthening its organisation to meet the demands of a growing business. Hemfosa sees the geographical expansion as a strategically important step and both the Norwegian and the Finnish markets have many similarities, in terms of both function and development, with Hemfosa's main market in Sweden. Hemfosa sees favourable potential for a large and specialised listed company within primarily community service properties and, during spring 2016, the board of directors of Hemfosa decided to additionally underscore the Company's focus on community service properties by adopting a strategy aimed at expanding the share of community service properties to represent at least 75 per cent of the total property value.

By combining long-term management and development with successful acquisitions, Hemfosa has generated strong growth and high return for its shareholders since its inception seven years ago. During this period, the Company has built a property portfolio that as per March 31, 2016 had a fair value of SEK 31.3 billion<sup>1)</sup> and an earnings capacity, based on the estimated profit from property management, of MSEK 1,422 as per March 31, 2016<sup>2)</sup>. Following the listing of the Company's ordinary shares on Nasdaq Stockholm in March 2014 up to and including March 31, 2016, the fair value of the property portfolio (excluding shares in joint ventures) has increased by 92 per cent and its earnings capacity, based on the estimated profit from property management, has risen by 145 per cent<sup>3)</sup>.

## REASONS FOR THE OFFER AND USE OF THE PROCEEDS

Hemfosa sees continued interesting business opportunities, despite the currently strong transaction market. The Company's clear focus on community service properties with stable cash flows and a reputable position as a knowledgeable counterparty within the community sector enables a strong platform for future acquisitions and continued growth.

The board of directors of Hemfosa deems that a rights issue of ordinary shares with preferential rights for holders of ordinary shares implies improved financial possibilities for continued growth while maintaining an appropriate portion of equity. The proceeds are intended to be used for property acquisitions which are continuously evaluated by the Company in its day-to-day operations as well as for investments in the existing property portfolio.

Stockholm, April 19, 2016

**Hemfosa Fastigheter AB (publ)**  
*The board of directors*

1) As per March 31, 2016, Hemfosa's directly owned property portfolio had a value of SEK 31.3 billion, and the Company's share of the property value of joint ventures on the same date was SEK 6.3 billion.

2) For further information about the current earnings capacity, please see the section "Current earnings capacity".

3) The estimated change in Hemfosa's earning capacity is based on the current earnings capacity as per 31 December 2013, presented in the Company's prospectus dated March 7, 2014 as well as the current earnings capacity as per March 31, 2016, presented in the section "Current earnings capacity" on page 77 of the Prospectus.

# Terms and conditions

## PREFERENTIAL RIGHT AND SUBSCRIPTION RIGHTS

The Offer comprises a maximum of 26,288,041 new ordinary shares. Persons who on the record date April 21, 2016 are registered as holders of ordinary shares in Hemfosa have primary preferential rights to subscribe for new ordinary shares in the Offer. Persons who on the record date are registered as holders of ordinary shares in Hemfosa will receive one (1) subscription right for every ordinary share held. Five (5) subscription rights entitle to subscription of one (1) new ordinary share.

Provided that the Offer is subscribed for in full, the number of ordinary shares will increase from 131,440,208 ordinary shares to 157,728,249 ordinary shares, corresponding to an increase of approximately 20 per cent. Current shareholders not participating in the Offer will be subject to dilution of up to 26,288,041 shares and votes, corresponding to approximately 16 per cent of the total number of shares and 17 per cent of the total number of votes in the Company after the Offer. Holders of ordinary shares who choose not to participate in the Offer will be able to compensate for this dilution through the sale of their subscription rights.

## SUBSCRIPTION PRICE

The new ordinary shares in Hemfosa will be issued at a subscription price of SEK 69.00 per new ordinary share. No brokerage will be charged.

## RECORD DATE

The record date at Euroclear for determining which persons are entitled to receive primary preferential rights and therefore the right to receive subscription rights, as well as persons that have secondary preferential rights to participate in the Offer, is April 21, 2016. Hemfosa's ordinary shares have been traded ex rights to participate in the Offer since April 20, 2016. The final day for trading including rights to participate in the Offer was April 19, 2016.

## SUBSCRIPTION PERIOD

Subscription of the new ordinary shares takes place during the period from and including April 26, 2016 up to and including May 10, 2016. Hemfosa's board of directors is entitled to extend the subscription period, which - when applicable - will be announced through a press release as soon as such a decision has been made, but no later than May 10, 2016. Subscription of new ordinary shares on the basis of subscription rights is irrevocable and a shareholder may not cancel or modify such subscription of new ordinary shares.

## ISSUE STATEMENTS

### Directly registered holders of ordinary shares

The Prospectus and a pre-printed issue statement with an attached payment form will be sent to directly registered holders of ordinary shares and representatives of holders of ordinary shares, who on the record date are registered in the share register maintained by Euroclear on behalf of Hemfosa. The issue statement sets forth, inter alia, the number of subscription rights received and the number of new ordinary shares that may be subscribed for by virtue of the subscription rights. Securities notification will not be issued regarding the registration of subscription rights in securities accounts.

Persons included in the special list of pledge holders and trustees maintained in connection with the share register will not receive any issue statement and will be informed separately.

### Nominee registered holdings

Holders of ordinary shares whose holdings are nominee-registered at a bank or other nominee will not receive the Prospectus or an issue statement.

Subscription and payment for ordinary shares subscribed for with subscription rights (subscription with primary preferential right) should instead be made to the respective nominee and in accordance with instructions from the nominee or, if the holding is registered with several nominees, from each of these nominees.

### Shareholders resident in certain unauthorised jurisdictions

The allotment of subscription rights and the issue of new ordinary shares by exercise of subscription rights to persons who are resident in countries other than Sweden may be affected by securities legislation in such countries; please see section "Selling restrictions". Consequently, subject to certain exceptions, shareholders whose existing shares in Hemfosa are directly registered in a securities account and whose registered address is in Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, or any other jurisdiction in which offering subscription rights or new shares would not be permissible, may not receive any subscription rights or be allowed to subscribe for new shares. Subscription rights that would have been delivered to such shareholders will be sold and the sales proceeds, less a deduction for costs, will be paid to such shareholders. Amounts of less than SEK 100 will not be paid out.

### TRADING IN SUBSCRIPTION RIGHTS

Subscription rights will be traded at Nasdaq Stockholm during the period from and including April 26, 2016 up to and including May 6, 2016 under the symbol "HEMF TR". SEB, Swedbank and other securities institutions with required licenses will provide brokerage services in connection with the purchase and sale of subscription rights. The ISIN code for the subscription rights is SE0008241889.

### SUBSCRIPTION OF NEW ORDINARY SHARES WITH SUBSCRIPTION RIGHTS

Subscription of new ordinary shares with subscription rights will take place during the period from and including April 26, 2016 up to and including May 10, 2016. Upon expiry of the subscription period, unexercised subscription rights will lapse and become worthless. After May 10, 2016, unexercised subscription rights will be deleted from the holder's securities account, without notice from Euroclear.

To ensure that the value of the subscription rights is not lost, the holder must either:

- exercise the subscription rights to subscribe for new ordinary shares no later than May 10, 2016 or in accordance with instructions from the subscriber's nominee, or
- sell the subscription rights not to be exercised no later than May 6, 2016.

### Subscription by directly registered holders of ordinary shares

Subscription of new ordinary shares with subscription rights will be effected by means of simultaneous payment in cash, either by use of the pre-printed payment form or a special application form in accordance with one of the following options:

- The payment form is to be used if all subscription rights in the issue statement from Euroclear are to be exercised. No additions or changes may be made to the payment form.
- The application form named "Subscription of shares with subscription rights" is to be used if subscription rights have been purchased, sold or transferred from another securities account, or if, for some other reason, the number of subscription rights to be exercised for subscription differs from the number on the pre-printed issue statement. When the duly filled in subscription form is submitted, payment is to be made for the subscribed new ordinary shares, which can be made in the same way as for other payments using bank giro, for example by way of Internet bank, by giro transfer or at a bank branch office.

Subscription forms in accordance with the above may be ordered from SEB during office hours on telephone: +46 8 639 27 50. Subscription forms must be received by SEB no later than May 10, 2016.

### Directly registered holders of ordinary shares not resident in Sweden eligible for subscription of new shares with subscription rights

Directly registered holders of ordinary shares eligible to subscribe for new ordinary shares with subscription rights who are not resident in Sweden, are not subject to the restrictions described above under "Shareholders resident in certain unauthorised jurisdictions" and "Restrictions on sale and transfer et cetera" and who cannot use the pre-printed payment form, can pay in SEK through a foreign bank in accordance with the instructions below:

SEB  
Emissioner R B6  
SE-106 40 Stockholm, Sweden  
IBAN: SE665000000058651004265  
Bank account number: 5865-10 042 65  
BIC: ESSESESS

Upon payment, the subscriber's name, address, securities account number and the payment identity stated on the issue statement must be quoted. The last day for payment is May 10, 2016. Payment is to be made in accordance with the instructions above; however, the payment identity from the subscription form is to be quoted. The subscription form must be received by SEB at the address stated above no later than May 10, 2016.

Persons resident in the United States are advised to carefully review the information included in the section "Restrictions on sale and transfer et cetera" under the heading "Information for Investors in the United States".

### Nominee-registered holders of ordinary shares

Subscription of ordinary shares subscribed for with subscription rights is to be made to the respective nominee and in accordance with instructions from the nominee, or if the holding is registered with several nominees, from each of these.

### PAID SUBSCRIBED SHARES (BTA)

After payment and subscription, Euroclear will distribute a securities notification confirming the registration of the paid subscribed shares (Sw. *betalda tecknade aktier*, "BTAs") in the securities account. The newly subscribed ordinary shares are entered as BTAs in the securities account until the new ordinary shares have been regis-

tered with the Swedish Companies Registration Office. The new ordinary shares subscribed for with subscription rights are expected to be registered with the Swedish Companies Registration Office around May 18, 2016. After this date, BTAs will be re-registered as ordinary shares. No securities notification will be issued in connection with this re-classification which is expected to occur around May 25, 2016.

### Trading in BTAs

Trading in BTAs is expected to take place on Nasdaq Stockholm during the period from and including April 26, 2016 up to and including May 19, 2016 under the symbol "HEMF BTA". SEB, Swedbank and other securities institutions with required licenses will provide brokerage services in connection with the purchase and sale of BTAs. The ISIN code for the BTAs is SE0008241897.

### SUBSCRIPTION OF NEW ORDINARY SHARES WITHOUT SUBSCRIPTION RIGHTS

Subscription of new ordinary shares may also be made without subscription rights (subscription without primary preferential right).

### Directly registered holders of ordinary shares, holders of preference shares and others

Application for subscription of new ordinary shares without subscription rights must be made on the special application form "Subscription of shares without subscription rights". More than one application may be submitted; however only the most recently dated form will be considered. Subscription forms may be obtained at SEB's offices in Sweden or on SEB's website ([www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses)), Swedbank's website ([www.swedbank.se/prospekt](http://www.swedbank.se/prospekt)), as well as on Hemfosa's website ([www.hemfosa.se](http://www.hemfosa.se)). The subscription form may either be sent to SEB, Emissioner R B6, SE-106 40 Stockholm or be handed in at one of SEB's branch offices in Sweden. The subscription form must be received by SEB no later than May 10, 2016.

### Nominee-registered holders of ordinary shares

Subscription of ordinary shares subscribed for without subscription rights is to be made to the respective nominee and in accordance with instructions from the nominee, or if the holding is registered with several nominees, from each of these.

### Allotment of new ordinary shares subscribed for without subscription rights

If not all new ordinary shares have been subscribed for with subscription rights (primary preferential rights), the board of directors will decide on allotment of new ordinary shares subscribed for without subscription rights. Allotment will then be made in the following order:

- Firstly, ordinary shares not subscribed for with primary preferential rights will be offered for subscription to all shareholders (subsidiary preferential right). If these shares are insufficient for subscription based on subsidiary preferential rights, the shares will be distributed among the subscribers based on the total number of ordinary shares subscribed for with subscription rights in the Offer as well as the number of preference shares held on the record date April 21, 2016. In case subscription rights are sold, the subsidiary preferential right is transferred to the holder of the subscription right. To the extent this is not possible to certain share/shares, allotment will be determined by drawing lots.
- Secondly, allotment will be made to persons who have subscribed for ordinary shares without preferential rights and, in case of oversubscription, *pro rata* to the number of shares subscribed for and, to the extent this is not possible, by drawing lots.

A settlement note will be sent to the subscriber or nominee as confirmation of the allotment of new ordinary shares subscribed for without subscription rights. New ordinary shares subscribed for and allotted must be paid for in cash on the settlement date in accordance with the instruction on the settlement note, on or around May 17, 2016. Shareholders whose holdings are nominee-registered will receive confirmation of the allotment in accordance with the procedure of the respective nominee. No confirmation will be sent to those who have not been allotted new ordinary shares. The subscription of new ordinary shares is binding. If payment is not completed when due, the new ordinary shares will be allotted to others. If the sale price of the shares is below the subscription price, the person who was initially allotted the new ordinary shares is responsible for paying the entire or part of the difference.

New ordinary shares subscribed for without subscription rights will be delivered as soon as the required registration has taken place at the Swedish Companies Registration Office. This is expected to take place around May 24, 2016. A securities notification will be sent to the

directly registered holders of ordinary shares or nominees as confirmation that the ordinary shares have been registered on the securities account.

#### **RIGHT TO DIVIDENDS**

The new ordinary shares entitle their holders to participate in the distribution of dividends for the first time on the record date for dividend that occurs immediately following the registration of the new ordinary shares with the Swedish Companies Registration Office.

#### **ANNOUNCEMENT OF OUTCOME OF THE OFFER**

The outcome of the Offer is expected to be announced around May 13, 2016 through a press release from Hemfosa.

#### **TRADING IN NEW ORDINARY SHARES**

Hemfosa's ordinary shares are traded on Nasdaq Stockholm. The new ordinary shares will also be traded on Nasdaq Stockholm following the registration of the new ordinary shares by the Swedish Companies Registration Office. The first day of trading in new ordinary shares subscribed for with subscription rights is expected to be May 23, 2016. The first day of trading in new ordinary shares subscribed for without subscription rights is expected to be May 25, 2016.

#### **OTHER INFORMATION**

Hemfosa is not entitled to revoke the Offer. Subscription of new ordinary shares, with or without subscription rights, is irrevocable and the subscriber cannot withdraw or change the subscription of the new ordinary shares, unless otherwise stated in the Prospectus or in accordance with applicable law.

In the event that a larger amount than necessary has been paid by a subscriber of new ordinary shares, Hemfosa will arrange for the excess amount to be refunded. No interest will be paid on surplus amounts.

Incomplete or incorrectly completed subscription forms may be rejected. Furthermore, if the subscription payment is made late or is insufficient, the subscription application may be rejected. In such case, the subscription payment will be refunded. No interest will be paid for such payment.

Questions regarding the Offer will be answered by SEB during office hours on telephone: +46 8 639 27 50.

#### **EXPECTED TIMETABLE**

First day of trading for shares excluding subscription rights	April 20, 2016
Record date for participation in the Offer	April 21, 2016
Subscription period commences	April 26, 2016
Trading in subscription rights commences	April 26, 2016
Trading in BTAs commences	April 26, 2016
Trading in subscription rights ends	May 6, 2016
Subscription period ends	May 10, 2016
Announcement of subscription outcome of the Offer	May 13, 2016
Trading in BTAs ends	May 19, 2016



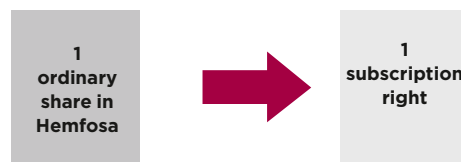
## HOW TO PROCEED

<b>Terms</b>	For each ordinary share in Hemfosa you will receive one (1) subscription right. Five (5) subscription rights entitle the holder to subscribe for one new ordinary share in Hemfosa.
<b>Subscription price</b>	SEK 69.00 per share
<b>Record date for participation in the Offer</b>	April 21, 2016
<b>Subscription period</b>	April 26, 2016 – May 10, 2016
<b>Trading in subscription rights</b>	April 26, 2016 – May 6, 2016

### SUBSCRIPTION OF ORDINARY SHARES SUPPORTED BY SUBSCRIPTION RIGHTS

#### 1. You will be allotted subscription rights

For each share of Hemfosa you hold on April 21, 2016, you will receive one subscription right



#### 2. How to exercise your subscription rights

5 subscription rights + 69.00 SEK entitle the holder to one new ordinary share in Hemfosa



#### 3. Are you a directly registered holder of ordinary shares or are your holdings nominee-registered?

You have a securities account (i.e. directly registered) and are resident in Sweden	→	If you want to exercise all subscription rights, use the pre-printed bank giro form from Euroclear.
	→	If you have purchased, sold or transferred subscription rights to/from your securities account, use the special subscription form that is distributed together with the Prospectus. The special subscription form may also be ordered from SEB Emissioner by phone on +46 8 639 27 50. Payment is to be made in accordance with the instructions on the subscription form.
You have a securities account (i.e. directly registered) and are not resident in Sweden <sup>1)</sup>	→	Contact SEB Emissioner for information about subscription and payment and restrictions for certain jurisdictions.
You have a custody account (i.e. nominee-registered)	→	If your Hemfosa ordinary shares are held in one or more custody accounts at a bank or other securities institution, your nominee(s) will inform you of the number of subscription rights that you have received. <b>Follow the instructions you receive from your nominee/nominees.</b>

### SUBSCRIPTION OF ORDINARY SHARES WITHOUT PREFERENTIAL RIGHTS (BY SHAREHOLDERS AND OTHERS)<sup>2)</sup>

You are a directly registered holder of ordinary shares	→	Use the special application form. The special application form may be ordered from SEB Emissioner by phone on +46 8 639 27 50.
Your holdings are nominee registered	→	Subscription and payment should be made to the respective nominee. <b>Follow the instructions you receive from your nominee/nominees.</b>

**Please note that certain nominees may have a shorter subscription period. Please read the instructions from each nominee.**

1) Please note that shareholders who are residents of the US and certain other jurisdictions are subject to special rules. Please see "Shareholders resident in certain unauthorised jurisdictions" in the section "Terms and conditions".

2) Allotment will be made as described under "Allotment of new ordinary shares without subscription rights" in the section "Terms and conditions".



The Örn 4 in Karlstad property interpreted by the artist JAG.



# Market overview

The following is an outline of the markets in which Hemfosa operates. Some information has been obtained from third-party sources, and Hemfosa has cited this information correctly in the Prospectus. Even if the Company considers these sources to be trustworthy, no independent verification has been performed and thus neither the accuracy nor the completeness of the information can be guaranteed. As far as the Company is aware and can ascertain by comparison with other information published by such sources, no information has been omitted that could render the reproduced information inaccurate or misleading.

## THE SWEDISH PROPERTY MARKET

### Sweden's economy

Sweden's GDP grew by 4.1 per cent in 2015, an increase compared with the 2.3 per cent upswing in 2014. The upturn was broad based, including consumption and investments, while exports also rose relatively rapidly. The strong economic growth was largely fuelled by the Riksbank's expansionary monetary policy; whereby low interest rates are driving domestic demand while contributing to a relatively weak krona.<sup>1)</sup>

The weak krona, along with a stronger investment climate in several OECD countries is expected to contribute to export growth in Sweden in the years ahead. Industrial output volumes have recovered, while construction activity has slackened somewhat due to a labour shortage.<sup>2)</sup>

Unemployment declined from 7.9 per cent in 2014 to 7.4 per cent in 2015. The rate of wage increases is expected

to grow in the next few years due to the strong labour market, which is exerting greater cost pressure on companies. Disposable real income is expected to grow in 2016 despite higher tax pressure, driven primarily by higher employment. Higher disposable income combined with low interest rates are expected to stimulate household consumption. A continued expansionary financial policy is expected to help reduce unemployment even further in 2016 to an estimated 6.7 per cent.<sup>3)</sup>

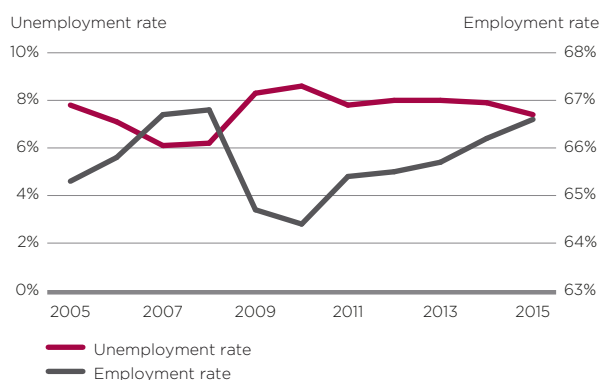
At its monetary policy meeting on February 10, 2016, the Swedish Riksbank cut the repo rate an additional 0.15 percentage points to minus 0.50 per cent in order to raise inflation to 2 per cent in 2017.<sup>4)</sup>

### GDP growth



Source: Eurostat

### Unemployment & Employment rate



Source: Statistics Sweden & Swedish National Institute of Economic Research

1) National Institute of Economic Research – General Economic Conditions March 2016.

2) National Institute of Economic Research – General Economic Conditions March 2016.

3) National Institute of Economic Research – General Economic Conditions March 2016.

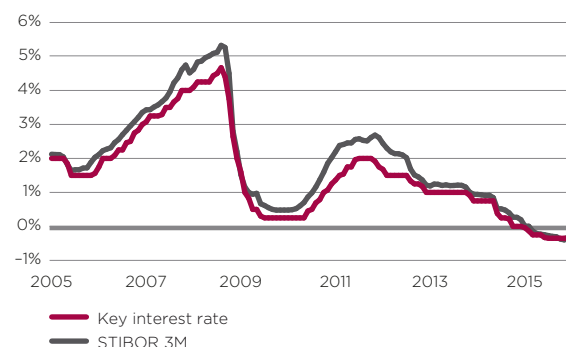
4) The Riksbank.

## CPI



Source: Statistics Sweden

## Interest rates



Source: The Riksbank

## Sweden's property market in brief<sup>1)</sup>

Low interest rates in Sweden are contributing to a high level of activity in the Swedish property market. Given continued favourable growth in GDP, favourable growth in real rents is also expected, while the scenario of low interest rates will lead to lower yield requirements. Growth in rents and declining yield requirements are expected to affect the total yield in inner-city locations in large cities. B locations in large cities as well as properties in cities experiencing high growth are believed to be affected by declining yield requirements and lower vacancies. Due to the declining yield requirements, investors and property owners are increasingly searching for new production and development projects as a complement to property acquisitions.

In 2015, the total volume of transactions in Sweden slightly exceeded SEK 134 billion (for transactions exceeding MSEK 100). Activity in the transaction market declined in the last two months of 2015 whereby the 2014 transaction volume of SEK 149 billion was not surpassed. In 2015, office properties were the largest segment of the transaction market, accounting for 31 per cent of total

transaction volume, followed by residential properties at 22 per cent, retail properties at 18 per cent, warehouses and industrial properties at 13 per cent and community service properties at six per cent.

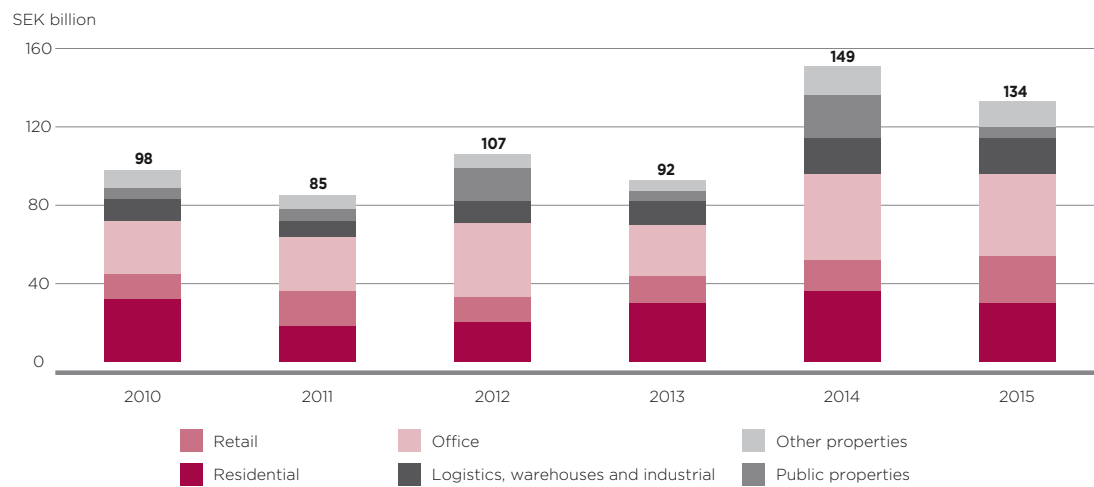
Domestic investors continue to dominate the transaction market, but there are clear signs of growing interest from foreign capital, especially pension capital, in the Swedish property market. In 2015, overseas buyers accounted for 28 per cent of the total property transaction volume in Sweden, which is ten percentage points higher than in 2014. Major net purchasers of properties in 2015 were Blackstone, Rikshem, Kungsleden and Castellum, while the largest net sellers were Obligo, RBS, Magnolia, NREP and Akelius.

1) Newsec.



Söderbymalm 3:462, Handen Sketch by Nyréns arkitektkontor

**Total transaction volume in the Swedish property market in SEK billion during 2010–2015 (per segment)**



Source: Newsec

## NORWAY'S PROPERTY MARKET

### Norway's economy

Norway's GDP grew by 1.6 per cent in 2015 and by 2.2 per cent in 2014. Weak economic growth contributed to low employment growth, as well as unemployment rising to 4.4 per cent for 2015 compared with 3.5 per cent in 2014. Unemployment is expected to increase to 4.7 per cent in 2016.<sup>1)</sup>

Reduced activity in the oil industry is counteracted by an expansionary monetary policy, which has helped to weaken the Norwegian krona. The weaker Norwegian krona has in turn contributed to an improvement in the country's competitiveness, with the resulting increase in

exports and slower imports. Real disposable household income grew by 2.3 per cent, driven by lower interest rates and higher growth in housing prices, which contributed to household consumption rising by 2.0 per cent in 2015.<sup>2)</sup>

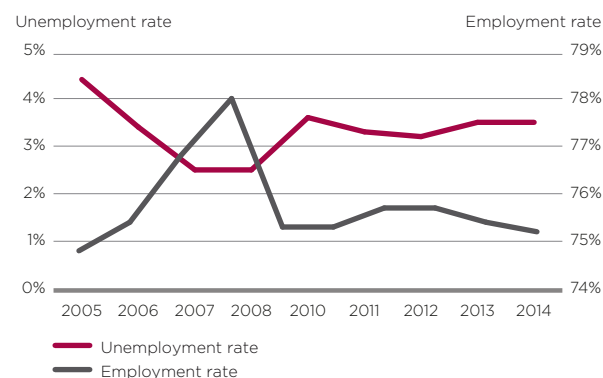
The Norwegian central bank decided to lower the policy interest rate by 0.15 percentage points to 0.50 per cent in March 2016, and indicated that there could be further cuts in 2016.<sup>3)</sup> Inflation was 2.1 per cent in 2015, which was slightly lower than the Norwegian central bank's target of 2.5 per cent. Continued low interest rates are expected to result in a rate of inflation of 2.4 per cent in 2016.<sup>4)</sup>

### GDP growth



Source: Eurostat

### Unemployment & Employment rate



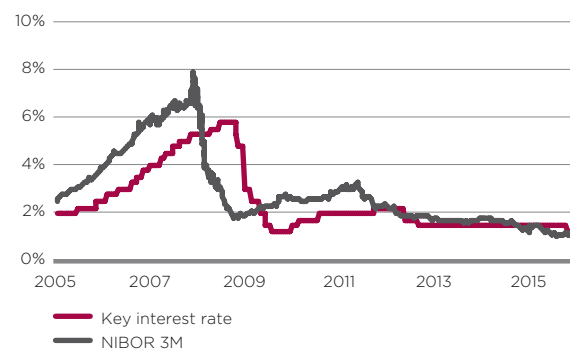
Source: Eurostat

### CPI



Source: Statistics Norway

### Interest rates



Source: Bloomberg, Norges Bank

1) Statistics Norway - Financial analyses 1/2016.

2) Statistics Norway - Financial analyses 1/2016.

3) Norges Bank.

4) Statistics Norway - Financial analyses 1/2016.

### Norway's property market in brief<sup>1)</sup>

Office market rents have shown steady growth in Norway in recent years. However, office rents in Oslo declined by approximately 2 per cent in 2015 compared with 2014.

Yield requirements for office properties in central locations and logistics properties in Oslo fell in 2015.

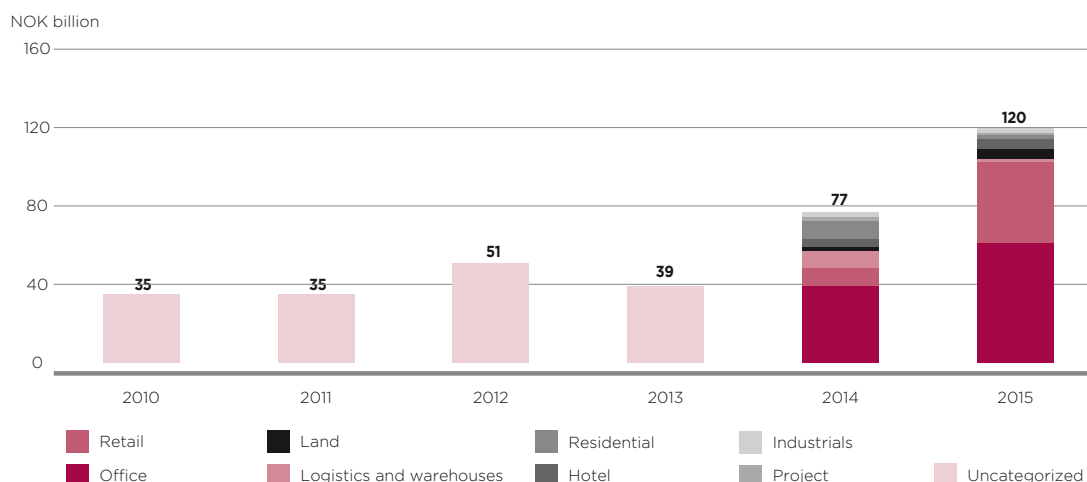
The Norwegian transaction market showed a high level of activity in 2015, with a total transaction volume of EUR 120 billion, compared with EUR 77 billion in the previous record year, 2014.

The share of foreign capital rose and represented 43 per cent of transaction volume in 2015; the corresponding figure during 2014 was 26 per cent, which contributed to high transaction volumes in 2014 and 2015 compared with previous years. Office properties in Oslo accounted for the largest share of completed transactions at 43 per cent. Office properties were the largest segment of the transaction market, accounting for 45 per cent of total

transaction volume, followed by retail at 41 per cent.

Properties in B locations are expected to account for a larger share of the transaction market in 2016, driven by investors looking for higher yield. Activity in the Norwegian transaction market is expected to diminish slightly in 2016, with an expected transaction volume equivalent to approximately NOK 75 billion. Factors that could have a negative effect on the Norwegian property market are falling oil prices, higher vacancy rates and investors choosing to sell properties in order to take profits.

**Total transaction volume in the Norwegian property market in NOK billion during 2010–2015 (per segment)**



1) Newsec.

Source: Newsec



## FINLAND'S PROPERTY MARKET

### Finland's economy

Finland's GDP grew by 0.5 per cent in 2015, compared with a contraction of 0.7 per cent in 2014.<sup>1)</sup> The Finnish economy depends on exports, and Finland's trading partners have weakened while the country's international competitiveness has deteriorated. Lower export volumes have resulted in rising unemployment, weak wage growth, a negative view of the future and a rise in private savings, thus reducing domestic demand.<sup>2)</sup>

Finland's labour market is one of the least competitive in the EU, and the unemployment rate was 9.4 per cent in 2015.<sup>3)</sup> In 2016, unemployment is expected to

decline to approximately 9.2 per cent.<sup>4)</sup> The government's budget deficit rose to approximately 3 per cent of the country's GDP in 2015. Fiscal austerity measures are expected to reduce the government deficit, albeit only gradually due to the weak Finnish economy.<sup>5)</sup>

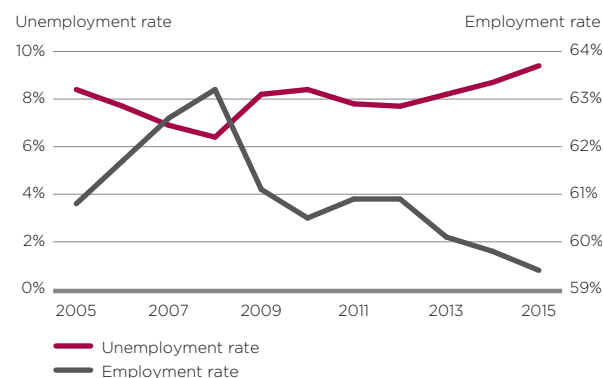
The low rate of inflation is in line with the rest of Europe, which led to the ECB deciding to cut the policy interest rate again to minus 0.4 per cent in March 2016.<sup>6)</sup> The rate of inflation was minus 0.2 per cent in 2015, compared with plus 1.0 per cent in 2014.<sup>7)</sup> Inflation is expected to increase in 2016 to approximately 0.3 per cent.<sup>8)</sup>

### GDP growth



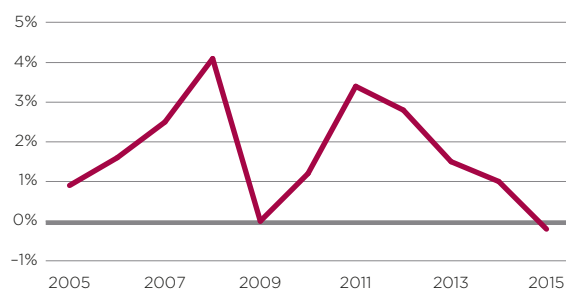
Source: Eurostat

### Unemployment & Employment



Source: Statistics Finland

### CPI



Source: Statistics Finland

### Interest rates



Source: European Central Bank

1) Statistics Finland - National accounts 2015.

2) Bank of Finland Bulletin 5/2015.

3) Statistics Finland - National accounts 2015.

4) Bank of Finland Bulletin 5/2015.

5) Statistics Finland - National accounts 2015.

6) Bank of Finland Bulletin 1/2016.

7) Statistics Finland - National accounts 2015.

8) Bank of Finland Bulletin 5/2015.

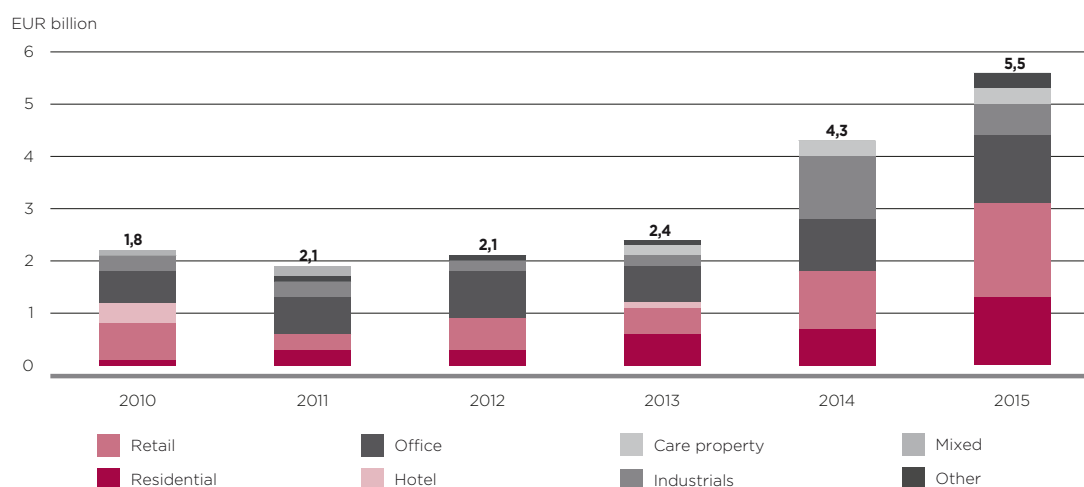
### Finland's property market in brief<sup>1)</sup>

The Finnish property market showed an increase in demand in 2015, which affected prices and yield levels. The yield requirements for office properties declined in Helsinki, driven by low interest rates and stiff competition for investment objects. However, vacancy rates for office properties in Helsinki remain high, resulting in declining rent levels. Vacancy rates for retail properties in Helsinki have also risen.

In 2015, the total transaction volume in Finland was EUR 5.5 billion (pertains to transactions exceeding MEUR 5.5), which is on par with the transaction volumes in the previous record years of 2006–2007. The total transaction volume in 2014 was EUR 4.3 billion. Properties in Helsinki represented the largest share of completed transactions accounting for 55 per cent of the total number of completed property transactions during 2015. In 2015, retail properties represented the largest segment of the transaction market, accounting for 32 per cent of total transaction volume, followed by residential

properties and office properties, which each accounted for 23 per cent of the total volume of transactions. Domestic capital, primarily pension capital, demonstrated weak interest in the property market in 2015 but has been replaced by foreign capital. The Finnish transaction market is expected to remain strong in 2016 despite weak underlying economic conditions in Finland, since yield levels remain attractive to foreign capital. However, weak growth and greater caution on the part of banks could result in lower activity in the property market in 2016.

**Total transaction volume in the Finnish property market in EUR billion during 2010–2015 (per segment)**



1) Newsec.

Source: Newsec

### THE COMMUNITY SERVICE PROPERTY MARKET<sup>1)</sup>

Community service properties is the term used for properties that are predominantly used by tax-funded activities and that are customised for the specific needs of community services, with operations such as education, health and care services and judicial services as well as other public services. Community service properties represent a relatively new segment in the private property market. In the past, such properties were owned by the central government, county councils and municipalities. The segment is characterised by stable yield in relation to risk. With the central government, county councils or municipalities as principals, the tenants are highly creditworthy. Leases in the segment of community service properties often have longer terms than in other commercial property segments. The leasing rate also tends to be higher than for other property segments, which is partly due to these properties generally being more customised than, for example, office premises. A larger degree of customisation usually results in higher rent levels and longer lease terms compared with other segments. Total operation and maintenance costs for the majority of the community service properties are usually somewhat higher than costs in other segments, since they require more maintenance per square meter than, for example, offices.

#### Sweden

Swedish municipalities are showing greater interest in selling community service properties. Three out of four municipalities say that they will probably sell parts of their property portfolio in the next five years, partly in order to maintain the remainder of their property portfolio, build new housing and invest in important infrastructure. The majority of municipalities are positive to having private players account for some parts of new production and investments in community service properties, since the need to build new schools and retirement homes in the years to come will be considerable.

Today, private property owners own approximately 30 per cent of total community service property assets. Specialised property companies such as Hemfosa, Rikshem and Hemsö have emerged in response to this growing market. Pension funds have also invested in community service properties, usually through ownership of property companies, since this is an asset class that is extremely suitable in terms of investment horizon

and yield requirements. In 2008–2013, the market generated annual sales of approximately SEK 10 billion, with a large share of the volume coming from sales of privately owned properties. The transaction volume for community service properties in Sweden slightly exceeded SEK 22 billion in 2014, and then dropped sharply to just over SEK 8 billion in 2015. Fewer structural transactions, exchange transactions and portfolio transactions were completed in the community service property market in 2015 than in previous years. A lack of supply and high demand had a negative impact on the volume of transactions for community service properties in 2015.

#### Norway

The Norwegian market for community service properties is following the same trend as the Swedish market but is at a less mature stage, which means less competition for objects and higher yields. This growing market has attracted investors such as Arctic Securities, Ness, Risan & Partners AS, Pareto Securities AS and Hemfosa to invest in community service properties in Norway. The weaker state of the underlying Norwegian economy is driving investments to community service properties, which is considered to be a lower-risk investment since the Norwegian public sector is not considered to be as seriously affected as the underlying economy. At the end of 2015, competition for objects in the Norwegian community service property market intensified, resulting in declining yields.

#### Finland

The Finnish market for community service properties has not developed to the same extent as in Sweden and is at a less mature stage than the Norwegian market. Ownership of community service properties in Finland by Finnish municipalities is facing challenges due to the country's weak underlying economy, which is expected to result in municipalities eventually selling off parts of their property portfolios. Given the above, the market for community service properties in Finland can be viewed as less mature than the other Nordic markets but as having considerable potential.

It is estimated that the Finnish state, through the company Senatfastigheter, owns community service properties at a value of EUR 4.5 billion. Finnish municipalities are ordinarily important players in regional markets for community service properties, where they

1) Newsec.

own the majority of these properties. The value of the municipal property portfolio is estimated at EUR 20 billion. In recent years, municipalities have started to employ a variety of strategies for ownership of their property portfolios. Some municipalities, such as Helsinki, have a significant number of community service properties that are leased to private operators, including private care providers. For example in 2014, Turku sold a portfolio of community service properties to Turku Technology Properties, in order to outsource health and social services from the municipality.



The Kungsängen 12 property in Västerås interpreted by the artist HUGO.



# Business overview

Hemfosa was founded in June 2009 by an experienced team with a solid background from value-creating property companies. The aim was to create an efficient organisation with short decision-making paths that focuses on transaction-intensive and high-yield property operations. The founders saw potential for a dynamic player on the Swedish property market due to the turbulence that had marked the property market, both nationally and internationally. Since that time, Hemfosa has established an alert organisation and built up a Nordic property portfolio with the emphasis on community service properties. Hemfosa's expansion has been swift since its formation; after approximately seven years, the Company had a property portfolio with a fair value of SEK 31.3 billion as per March 31, 2016 (SEK 37.6 billion including shares in joint ventures).

## BUSINESS HISTORY

### 2016

Hemfosa takes possession of community service properties with a fair value of MSEK 1,383 and exits other properties with a fair value of MSEK 324 during the period January 1 to March 31, 2016.

### 2015

Hemfosa undergoes geographical expansion by acquiring 21 properties in Norway and two properties in Finland and thus becomes a property company with a Nordic focus, owning properties in Sweden, Norway and Finland.

### 2014

Hemfosa broadens its ownership base and lists the Company's ordinary shares on Nasdaq Stockholm. The Company issues a three-year non-covered bond loan and issues preference shares. Hemfosa's acquisitions include two major property portfolios from Fastighets AB Corallen and Hemsö Fastighets AB as well as Crown Nordic Management's interest in the joint venture.

### 2013

Hemfosa enters into a joint venture with Crown Nordic Management, with a property portfolio in growth municipalities in southern and central Sweden. During the year, 132 Bilprovning properties that had been owned through the Söderport Holding AB joint venture are divested.

### 2012

In March, 43 industrial and retail properties were divested from the portfolio acquired from Däckia and Lantmännen Fastigheter. The interest in the Saab factory and parts of the Landic VIII portfolio are also divested during the year. Late in the year, the Söderport Holding AB joint venture acquires 142 business properties from Svensk Bilprovning.

### 2011

Hemfosa acquires Landic VIII comprising 57 office properties spread over 42 cities, with the judicial system accounting for nearly half of the tenants. The Company acquires 42 properties located in a number of towns from the bankruptcy estate of Kefren Properties IX and Hemfosa also participates in a consortium that acquires Saab Automotive's plant premises in Trollhättan.

### 2010

The Company acquires Landic VI, with a total of 44 properties. 42 retail and industrial properties in 40 locations are acquired from Lantmännen Fastigheter.

### 2009

Hemfosa is formed and completes its first property transaction in August. The first acquisition comprises three industrial properties, one office property and three warehouse properties in central Sweden. Several minor property transactions were carried out in the autumn. Among other assets, Hemfosa acquires community service properties in Gävle comprising three healthcare and school properties.





The Samuel 2 property, Västerås

### BUSINESS CONCEPT

Hemfosa shall own, develop and manage community service properties on a long-term basis and create value through active participation in a changing property market in order to generate long-term, high and stable profitability.

### POSITIONING

Hemfosa is a Swedish property company with a Nordic orientation focusing on community service properties. In addition, the Company owns a smaller share of office, logistic and warehouse properties Hemfosa is currently the only listed company in Sweden focusing on community service properties. By combining long-term management and development with successful acquisitions, Hemfosa intends to generate strong growth and a high return to its shareholders.

### OBJECTIVES AND STRATEGIES

#### Financial objectives

- Hemfosa aims to deliver the highest return among listed Swedish property companies over a five-year period,
- Over the long-term, the equity ratio is to be at least 30 per cent,
- Over the long-term, the interest-coverage ratio is to amount to a multiple of at least two

#### Dividend policy

The dividend shall amount to 60 per cent of profit from property management long term, excluding share of profit/loss in joint ventures and after tax. Dividends paid on preference shares are deducted from this amount first; the remaining amount can be distributed to holders of ordinary shares.

### Strategy

Hemfosa shall generate long-term, high and stable growth combined with a strong cash flow by:

- Developing and adding value to its property portfolio,
- Creating and maintaining long-term relationships with tenants by means of market-oriented and professional property management,
- Developing long-term relationships with government authorities, county councils and municipalities, as well as with private operators of community service properties,
- Increasing the share of community service properties to at least 75 per cent of the total property value

Hemfosa shall be active in the Nordic transaction market in order to:

- Create growth,
- Maximise yield in relation to risks,
- Generate transaction gains

### MANAGEMENT AND DEVELOPMENT OF THE PROPERTY PORTFOLIO

Hemfosa's property management is focused on developing the existing property portfolio through active property management with a focus on letting vacant premises

and actively renegotiating existing leases. The goal of the property management organisation is to maintain a high level of service, identify effective solutions for premises and technical solutions that benefit the property's net operating income and the environment, while simultaneously ensuring customer satisfaction. In its property management, Hemfosa works with well-defined areas of responsibility, clear targets and formulated earnings requirements.

In its property management and development, the Company intends to find efficient solutions that meet new tenant requirements. An example could be when a tenant wants to switch from separate office rooms to an open office landscape, or when a business is growing and needs larger, customised premises. In such cases, Hemfosa endeavours to offer remodelling and extension of existing premises or relocation to other premises in the property portfolio. Another solution is to build new premises on land close to the property or in another location. In certain cases, the acquired properties are subject to a pent-up need for renovation and refurbishment. Implementing these investments usually results in leases with longer terms and a higher rent level. An investment of this type can also be implemented with the aim of attracting new types of tenants to the property.



The Åkroken 1 property, Sundsvall

Hemfosa's largest operating expense items comprise heating, water, electricity and property upkeep. Among other activities, the Company continuously conducts energy-saving operations and maintenance measures in the property portfolio in an effort to both reduce the Company's costs and restrict the impact that Hemfosa's operations have on the environment.

### TRANSACTION OPERATION

One of Hemfosa's original driving forces is capitalising on attractive business opportunities arising in the property market. During the seven years since the Company was formed, it has engaged in a substantial number of transactions involving individual properties and it has also acquired property portfolios. Hemfosa continuously evaluates and restructures existing property portfolio through acquisitions and divestments aimed at developing the composition of the property portfolio in terms of geography and property category, as well as risk and yield levels. Hemfosa's overall objective for this work is to expand the Company's property portfolio, primarily in the area of community service properties. In recent years,

this has entailed that Hemfosa has increasingly focused its property holdings on community service properties.

Hemfosa's transaction operation follows an established work model aimed at implementing property transactions in a business-like and efficient manner. The Company analyses every single acquisition on the basis of its unique prerequisites and considerable emphasis is placed on identifying, evaluating and managing the risks and opportunities represented by the transactions. When evaluating a prospective acquisition, the tenant and the operations conducted on the premises are very important, particularly for community service properties on long-term leases. Hemfosa also evaluates how the premises or the zoning plan can be further developed to establish other types of operations in the property.

Property sales are assessed based on Hemfosa's business concept and objectives, whereby the intention is that properties generating a yield that does not reach the Company's objectives, and that are also deemed to continue to underperform in the long-term, should be divested. The same assessment can be made of properties that do not fit in terms of geography or category.



The Akroken 1 property, Sundsvall

## SUSTAINABILITY EFFORT

Hemfosa has a stated ambition to progressively strengthen sustainability efforts in relevant areas. During 2015, a more systematic sustainability effort was launched. The Company's aim is to increasingly include sustainability aspects as a natural feature of decisions and work processes in all parts of Hemfosa's property management, projects and corporate development.

During 2015, Hemfosa implemented a materiality analysis by establishing the questions and the areas that are most important to Hemfosa and the parties with which the Company interacts. On the basis of a dialog with stakeholders combined with in-house appraisals, the Company is focusing its sustainability programs on a number of essential, priority areas within the categories of Financial Responsibility, Environmental Responsibility and Social Responsibility. For further information about Hemfosa's sustainability efforts, see the Company's published Annual Report for 2015.

### Financial responsibility

Hemfosa regards the ability to sustainably generate positive financial results as the basis for sustainable enterprise. At the same time, a sustainable operation can also contribute to the Company's profitability. In the opinion of Hemfosa, its creation of financial value also benefits the Company's stakeholders – tenants, employees, shareholders, suppliers, credit providers and society.

### Environmental responsibility

Hemfosa regards environmental work as a key control parameter in both property management and transaction operations, whereby a focus on sustainability and a long-term approach are prioritised objectives. Examples of this could be identifying and evaluating the environmental risks associated with property acquisitions and also managing the potential environmental liabilities in the existing property portfolio.

#### Hemfosa's environmental policy

To guide the Company's environmental and sustainability efforts, Hemfosa has adopted an environmental policy stating that Hemfosa should strive to:

- Focus actively on the energy efficiency of its buildings and premises,
- Be aware of the environmental risks and environmental liabilities associated with the properties and, when actions are required, draw up long-term sustainable solutions,

- Work with the tenants to achieve a healthy indoor environment,
- Implement environmentally compatible conversions and new builds,
- Subject suppliers to environmental and sustainability requirements,
- Raise the employees' level of expertise and awareness about the environment and sustainability

#### Environmental work in the operations

In connection with project development, such as renovation and refurbishment, Hemfosa endeavours to leverage opportunities to conduct comprehensive environmental analyses and to implement energy-saving measures. In the new-build projects in which Hemfosa is involved, the environmental aspect is generally a key feature of planning, which is partly due to the more stringent regulations governing new builds and also to tenants increasingly demanding environmentally compatible premises, not least for community service properties.

While managing and developing its properties, Hemfosa endeavours to primarily select local suppliers of, for example, labour, raw materials and products. In its ongoing property management, Hemfosa takes actions designed to reduce electricity consumption in the existing property portfolio, such as by reviewing operating times for ventilation and installing more energy-efficient heating systems when older systems are replaced. In January 2015, as a feature of efforts to increase the focus on sustainability in property management, Hemfosa switched to 100 per cent renewable energy in its property portfolio, in the form of hydropower-generated electricity.

As per March 31, 2016, Hemfosa had a total of eight environmentally certified properties in its property portfolio. Hemfosa is pursuing an objective of continuing to environmentally certify additional relevant properties. In connection with all major new builds and conversions, the Company also studies the potential for some form of environmental certification.

In its transaction operation, Hemfosa has developed an acquisition and sales process in which the environmental aspect is an important component. In connection with the acquisition of properties, the Company also performs environmental analyses of both land and buildings, to identify potential environmental risks and to assess the measures that could be required to reduce the environmental impact.





### Social responsibility

Hemfosa is striving for a corporate culture characterised by entrepreneurship, humanity and inclusion, which are supported by its flat and alert organisation. The Company regards good business ethics and long-term, trusting relations as important starting points both within the organisation and in contacts with external parties.

### ORGANISATION AND EMPLOYEES

Hemfosa has a decentralised organisation, which facilitates market familiarity and proximity to the Company's customers. The Company's operational structure takes the form of Group Management, Property Management and the Group-wide functions described below:

#### Group Management

Hemfosa's Group Management, which has extensive knowledge of the property market and long experience of successfully carrying out property transactions, consists of the following eight members: CEO, CFO, Head of Finance, Head of Financial Control, Head of Property Operations, Head of Transactions and Head of Legal.<sup>1)</sup>

Group management has overall responsibility for, inter alia, strategy issues, business development, investments and sales, earnings follow-up and HR and IR issues. For more information on Group Management, please see the section "Board of directors, senior executives and auditors".

### Property Management

The Company's property portfolio is divided into three segments, Sweden, Norway and Finland, which match the Company's geographic presence. Each segment is headed by a manager with operational responsibility for properties in the segment. As per the date of the Prospectus, Hemfosa has in-house property managers in Sweden and Norway, and is working to establish a property management organisation in Finland.

### Group-wide functions

Hemfosa's Group-wide functions are Marketing/Communication, Analysis and Transactions, Property Management, Business Development, Accounting, Financing and Legal Affairs.

### Employees

Hemfosa endeavours to offer a creative and stimulating environment with a focus on participation and personal development. The Company therefore aims to have a flat organisation facilitating short decision paths and decentralised responsibility.

As per March 31, 2016, the number of employees in Hemfosa was 60, of whom 16 were based at Hemfosa's head office. Of the total number of employees at March 31, 2016, 26 were women and 34 were men. Of the Company's Group Management, 75 per cent are women.

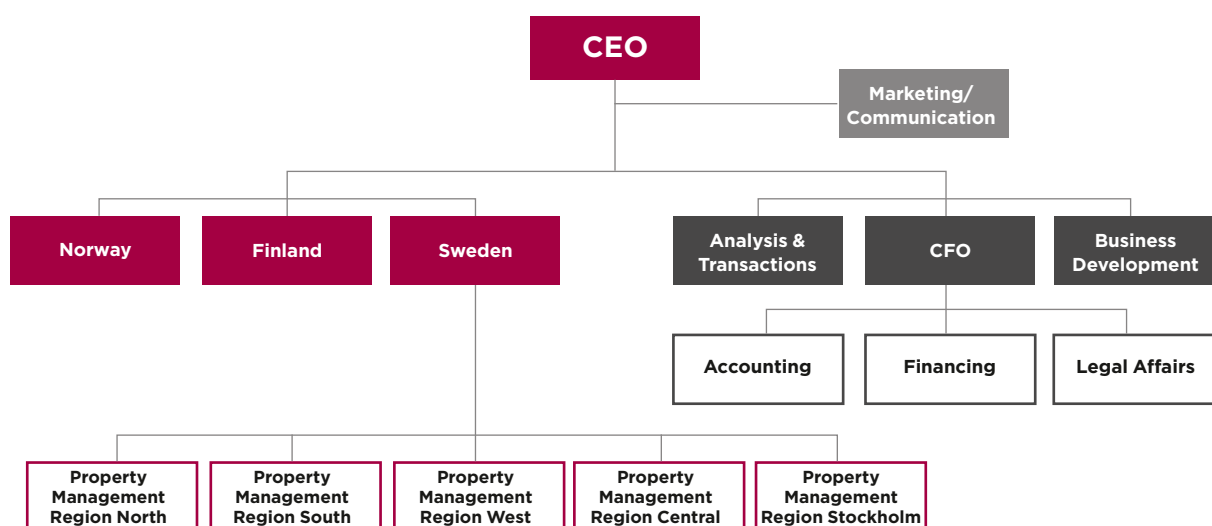
<sup>1)</sup> Simon Venemyr Ottersland, COO of Norway, is currently a co-opted member of Group Management.

In order to create a flexible organisation that can be adapted to the Company's development, Hemfosa has decided to have a flat organisational structure, in which the most vital functions for the Company are provided in-house. Other more standardised functions are insourced from service providers who are renowned for their expertise.

#### Average number of employees

	Jan 1 – Mar 31, 2016	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014	Jan 1 – Dec 31, 2013
<b>Total</b>	<b>60</b>	<b>59</b>	<b>35</b>	<b>32</b>

## ORGANISATION







The Hålsås 1:18 property in Landvetter, interpreted by the artist Gouge.

# Property portfolio

Hemfosa's property portfolio consists primarily of community service properties. In recent years, the Company has endeavoured to additionally streamline the property portfolio towards community service properties, which accounted for 60 per cent of rental income during the period January 1 to March 31, 2016. Hemfosa is aiming to further increase this share. During 2015, Hemfosa established community service properties in Norway and Finland and thus developed into a Nordic operator. As a result of this development, Hemfosa has chosen a segment structure based on the different markets of Sweden, Norway and Finland. Hemfosa aims to continue to grow in the Swedish market, which is the Company's core market, and also in Norway and Finland.

## TYPES AND CATEGORIES OF PROPERTIES

Hemfosa's property portfolio is dominated by community service properties but also contains other properties. Within community service properties, the principal property categories are offices, schools, judicial institutions and health and care services, while other properties primarily consist of office, logistic and warehouse properties. The Norwegian and Finnish property portfolios are more streamlined than the Swedish portfolio and exclusively comprised community service properties as per March 31, 2016. Hemfosa's strategy is to continue to expand in community service properties, increasing the share to at least 75 per cent of the total property value.

### Community service properties

Although the lease terms for community service properties are generally long, resulting in stable revenue streams, this presupposes long-term relationships in which Hemfosa satisfies the tenants' long-term requirements through customisation and refurbishment of the premises. Many of the properties acquired by Hemfosa have a considerable need for renovation and refurbishment, which gives rise to an opportunity to renegotiate leases, assuming that the Company can meet the tenants' long-term needs and develop the premises in line with their requirements.

In the opinion of the Company, the aging population in Sweden is contributing to increasing the interest of investors in community service properties customised for retirement homes, health and care services. In February 2015, for example, Hemfosa acquired 13 properties mainly located in western Sweden, with major tenants and operations in this specific field of healthcare and retirement homes. In November 2015, Hemfosa acquired 43 health and personal care properties in central Sweden.

### Office

This property type comprises office premises in which the tenants conduct publicly funded operations, but where the operations do not require customisation of the premises in terms of, for example, security. The Company's largest tenants as per March 31, 2016 within this category included the Swedish Municipality of Haninge, the Norwegian Labour and Welfare Administration (NAV), and the Swedish Insurance Agency. Rental income from office properties represented 19.0 per cent of Hemfosa's total rental income and 31.4 per cent of rental income from the community services type of properties during the period January 1 to March 31, 2016.

## Community service properties

Key figures per property category, March 31, 2016	Schools	Offices	Judicial	Healthcare/ Personal care	Other	Total
Rental value, MSEK	497	535	332	276	9	1,648
Leasable area <sup>1)</sup> , Tsqm	378	421	243	245	10	1,297
Fair value, MSEK	5,960	5,828	3,918	3,325	138	19,170
No. of properties	57	50	40	105	7	259

1) Excluding garages.

Source: Hemfosa's interim report January - March 2016 (unaudited figures)





**The Hatanpään valtiatie 36** property, Tampere



**The Åland 22:1** property, Härnösand



**The Nannylund 1** property, Eksjö

### Schools

School properties generally include a large proportion of customised premises and outdoor space. Hemfosa's largest tenants as per March 31, 2016 within this category included the Swedish Municipality of Härnösand, Oslo University College and Mid Sweden University. Rental income from school properties represented 17.7 per cent of Hemfosa's total rental income and 29.3 per cent of rental income from the community services type of properties during the period January 1 to March 31, 2016.

### Judicial

This category of properties for judicial institutions usually comprises properties customised on the basis of special requirements such as the need for security. The Company's largest tenants as per March 31, 2016 within this category included the Swedish National Courts Administration, the Swedish Police Authority and the Norwegian Police Service. Rental income from properties for judicial institutions represented 13.8 per cent of Hemfosa's total rental income and 22.8 per cent of rental income from the community services type of properties during the period January 1 to March 31, 2016.

### Health and care services

The operations in the category of properties for health and care services primarily include retirement homes, elderly care facilities, healthcare centres, hospitals and child care, which generally require some form of customisation. Hemfosa's largest tenants as per March 31, 2016 within this category included the Swedish Municipalities of Härnösand, Strängnäs and Finspång. Rental income from healthcare and personal care properties represented 9.6 per cent of Hemfosa's total rental income and 16.0 per cent of rental income from the community services type of properties during the period January 1 to March 31, 2016.

### Others

Other community service properties could be land, garages or warehouses. The Company's largest tenants within this category include the Swedish Municipality of Härnösand and the Swedish County Council of Västmanland. Rental income from the other properties represented 0.3 per cent of Hemfosa's total rental income and 0.6 per cent of rental income from the community services type of properties during the period January 1 to March 31, 2016.



Architect's sketch of Gardermoen Campus

### Other properties

Other properties accounted for 40 per cent of Hemfosa's rental income during the period January 1 to March 31, 2016 and mainly comprised offices and logistic and warehouse properties. They also include properties in other categories such as residential units, hotels and retail properties.

#### Office

Hemfosa's office properties are located centrally in primarily the metropolitan regions of Stockholm and Gothenburg, and also in such growth municipalities as Växjö, Mölndal, Västerås, Uppsala and Sundsvall. Hemfosa is of the opinion that good-quality office properties in central locations are usually highly marketable, since the interest from other players in acquiring these properties is generally considerable, particularly among local property owners. Hemfosa sees solid potential for adding value to the property portfolio and increasing the leasing rate.

#### Logistics and warehouses

Hemfosa's logistic properties include a considerable share of modern logistic buildings with a highly flexible range of applications. Modern logistic properties are optimised for logistics operations and the factors distinguishing them from older properties include high ceilings, pillar systems that do not restrict operations and flexible loading docks and cargo ports where the height can be adjusted to accommodate different types of goods vehicles. The Company's tenants comprise either Swedish or international companies. Hemfosa is of the opinion that portfolios of logistics properties are attractive in the property market, where a large number of parties have contacted the Company to show an interest in acquiring logistic properties.

### Other properties

Key figures per property category, March 31, 2016	Offices	Logistics/ Warehouse	Other	Total
Rental value, MSEK	675	305	220	1,200
Leasable area <sup>1)</sup> , Tsqm	571	521	253	1,345
Fair value, MSEK	6,636	3,545	1,990	12,171
No. of properties	66	35	56	157

1) Excluding garages.

Source: Hemfosa's interim report January - March 2016  
(unaudited figures)

## SWEDEN SEGMENT

Sweden is Hemfosa's core market. The property portfolio in Sweden is mixed but the emphasis is on community service properties. Although the Company conducts active transaction work to additionally streamline the portfolio towards community service properties, Hemfosa aims to retain a portfolio that is more varied than in other countries. The geographical emphasis is on the Stockholm, Gothenburg and Öresund regions, as well as growth municipalities in central Sweden and along the

cost of Norrland. The metropolitan regions of Stockholm and Gothenburg accounted for 34.9 per cent of the total property value as per March 31, 2016. In total, the fair value of the Swedish portfolio property as per March 31, 2016 was SEK 26.7 billion (excluding participations in joint ventures) and it accounted for 88 per cent of the Company's rental income during the period January 1 to March 31, 2016.

### Sweden

Property type/category/ as per March 31, 2016	Leasable area <sup>1)</sup> , 000s of sqm	Rental value, MSEK	Fair value, MSEK	Number of properties
<b>Community services</b>				
Offices	333	403	4,050	39
Schools	297	373	4,183	53
Judicial	209	277	3,153	34
Health & personal care services	235	257	3,028	92
Others	9	8	103	6
<b>Other properties</b>				
Offices	571	675	6,636	66
Logistics and warehouses	521	305	3,545	35
Others	253	220	1,990	56
<b>Sweden total</b>	<b>2,429</b>	<b>2,518</b>	<b>26,688</b>	<b>381</b>

1) Excluding garages.

Source: Hemfosa's internal business system (unaudited figures)



The Missionen 2 property, Örebro



## NORWAY SEGMENT

Hemfosa established a presence in the Norwegian market in early 2015. In total, Hemfosa owned 30 community service properties as per March 31, 2016, with the Company's largest tenants in Norway on the same date being Oslo University College, the Norwegian Labour and Welfare Administration (NAV) and Østfold University College. The Company's property portfolio is focused on

the Oslo region. Viewed as a whole, the fair value of the Norwegian portfolio property as per March 31, 2016 was SEK 3.6 billion (excluding participations in joint ventures) and it accounted for 9 per cent of the Company's rental income during the period January 1 to March 31, 2016.

### Norway

Property type/category/ as per March 31, 2016	Leasable area <sup>1)</sup> , 000s of sqm	Rental value, MSEK	Fair value, MSEK	Number of properties
<b>Community services</b>				
Offices	55	86	1,249	9
Schools	56	93	1,338	2
Judicial	27	46	662	5
Health & personal care services	10	19	297	13
Other properties	1	0	35	1
<b>Norway total</b>	<b>149</b>	<b>244</b>	<b>3,581</b>	<b>30</b>

1) Excluding garages.

Source: Hemfosa's internal business system (unaudited figures)



The Skedsmo 24/89 property, Oslo



## FINLAND SEGMENT

In December 2015, Hemfosa implemented its first transaction in Finland, through the acquisition of two community service properties in Helsinki. During the first quarter of 2016, Hemfosa completed its second transaction: three community service properties in Tampere, the country's third largest city, and in Raah. The Company's tenants as per March 31, 2016 included Tampereen yliopisto (the University of Tampere), Verohillinto (the Finnish Swedish Tax Agency and Soumen Punainen (the Finnish Red Cross). Viewed as a whole, the fair value of the Finnish portfolio property as per March 31, 2016 was SEK 1.1 billion (excluding participations in joint ventures) and it accounted for 3 per cent of the Company's rental income during the period January 1 to March 31, 2016.



The Kivihaantie 7 property, Helsinki

## Finland

Property type/category/ as per March 31, 2016	Leasable area <sup>1)</sup> , 000s of sqm	Rental value, MSEK	Fair value, MSEK	Number of properties
<b>Community services</b>				
Offices	32	45	529	2
Schools	25	30	439	2
Judicial	7	9	103	1
Health & personal care services	-	-	-	-
Other properties	-	-	-	-
<b>Finland, total</b>	<b>64</b>	<b>85</b>	<b>1,071</b>	<b>5</b>

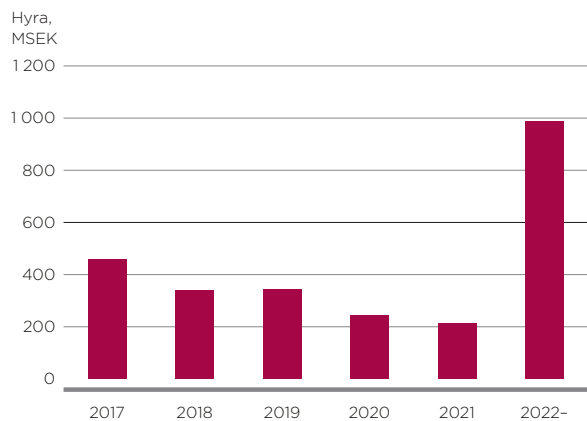
1) Excluding garages.

Source: Hemfosa's internal business system (unaudited figures)

### TENANTS AND LEASE STRUCTURE

Hemfosa has a number of public authorities and companies as tenants. Hemfosa's business focus entails that commercial leases account for essentially all rental income. As per March 31, 2016, Hemfosa had approximately 3,577 leases and the average remaining lease term was 6.0 years. The ten largest tenants' share of Hemfosa's rental income during the first quarter of 2016 was 27.2 per cent.

#### Lease maturity structure as of March 31, 2016



Source: Hemfosa's internal business system (unaudited figures)

### RENTAL VALUE, RENTAL INCOME AND LEASING RATE

The total rental value of Hemfosa's property portfolio is estimated to have amounted to approximately MSEK 2,848 as per March 31, 2016. The estimated rental value of vacant premises corresponds to approximately MSEK 260.6. Annual contractual rental income including supplements, such as property tax, heating and electricity costs, as per March 31, 2016 was MSEK 2,596. As per March 31, 2016, 2,642,000 square metres of the properties' total area of 2,316,000 square metres was leased, corresponding to approximately 87.6 per cent. The economic leasing rate on the same date was 94.9 per cent in the Community service properties category and 85.3 per cent in the Other properties category.

#### Hemfosa's ten largest tenants as per March 31, 2016<sup>1)</sup>

Operation	Rental income, MSEK	Percentage of total rental income, %	Number of leases	Average remaining term, years
The Swedish Police Authority	144	5.6	47	6.6
Härnösands municipality	103	4.0	80	12.7
Domstolsverket	100	3.9	25	6.3
The TeliaSonera group	86	3.3	65	5.9
Haninge municipality	50	1.9	30	10.6
NAV - Arbeids- og velferds- forvaltningen	49	1.9	12	8.0
Høgskolen i Oslo og Akershus	47	1.8	1	8.9
Mittuniversitetet	44	1.7	15	8.1
The Swedish Insurance Agency	40	1.5	18	4.7
The DVS group	38	1.5	8	8.7
<b>Total</b>	<b>703</b>	<b>27.2</b>	<b>301</b>	<b>8.0</b>

1) Rental income is a calculated annual value based on current leases as of March 31, 2016. Rental income includes supplements such as property taxes, heating and electricity costs.

Source: Hemfosa's internal business system (unaudited figures)

## PROPERTY EXPENSES

### Operating and maintenance costs

Hemfosa's largest operating expense item comprises heating, water, electricity and property upkeep. Other operating expenses mainly pertain to insurance, guard services and garbage collection. The Company works continuously on energy-saving operations and maintenance measures in the property portfolio to both reduce the Company's costs and restrict the impact of its operations on the environment. Another category of property expenses that are charged against Hemfosa's operations is maintenance costs.

### Property administration

Hemfosa's expenses for property administration consist primarily of expenses for charging rent, letting, project management and marketing.

### Property tax

The property tax imposed by the government of Sweden currently amounts to 1.0 per cent of the taxable value for local properties and 0.5 per cent for industrial properties. Properties classified as special properties, such as certain types of community service properties including school properties and care properties, are exempted from property tax. In Finland, property tax is based on the taxable value of each individual property. The tax rate for commercial properties, which encompass community service properties, generally varies between 0.86 per cent and 1.80 per cent. The Finnish municipalities decide annually on the said interval, whereby the stated percentage is to be used in each specific municipality.

In Norway, each individual municipality can choose to introduce property tax but they must adhere to the rules established nationally. The property tax is based on the taxable value of the property. The property tax can vary between 0.2 per cent and 0.7 per cent of the property's taxable value. The exact percentage is decided by the individual municipality. Certain properties representing

specific public value are exempted from tax, such as schools and properties of particular historical value. The taxable value of the property portfolio as per March 31, 2016 was approximately MSEK 12,072. Of Hemfosa's 416 properties, 138 are taxed as special properties and are thus exempted from property taxes.

### Leaseholds

As per March 31, 2016, Hemfosa had 16 properties with site leaseholds. Owners of leasehold properties pay annual fees, ground rent, for land conceded on the basis of a usufruct by the landowner, usually the government and municipality. This also applies to Norway and Finland, although the freedom of contract is greater in Finland. Accordingly, leaseholders do not own the land, only the buildings erected of the land.

## INVESTMENTS

Hemfosa implements continuous investments in the existing property portfolio in the form of modifications or improvements. The purpose of these investments is to improve the cash flow from Hemfosa's property portfolio and thereby increase the value of the property portfolio. Examples of investments include tenant-specific modifications and project development. For more detailed information about Hemfosa's investments, see section "Capital structure and other financial information" under heading "Investments."

## VALUATION CERTIFICATE

The valuation certificates below pertaining to Hemfosa's properties were issued by independent expert appraisers on behalf of Hemfosa. No material changes have occurred since the issuance of the valuation certificates. The valuation certificates were prepared by Newsec Advice AB and Cushman & Wakefield, which have consented to the valuation certificates being included in the Prospectus. Information from third parties has been accurately reproduced in the Prospectus and no information has otherwise been omitted that could render the reproduced information inaccurate or misleading.

According to the valuation opinion of Newsec Advice AB, MSEK 29,201.5; see valuation certificate on page 60 – 69,  
According to the valuation opinion of Cushman & Wakefield, MSEK 1,476.5; see valuation certificate on page 70- 72,  
According to the valuation opinion of Cushman & Wakefield, MSEK 504; see valuation certificate on page 73 - 75,  
According to agreed property value in concluded, legally binding transfer agreements in respect of non-vacated properties, MSEK 325.<sup>1)</sup>

Total according to valuation certificate, plus non-vacated properties, amounts to MSEK 31,507.

Hemfosa's internal valuation as per March 31 2016 amounts to MSEK 31,340. Total according to valuation certificate plus value of non-vacated properties amounts to MSEK 31,507. The difference is mainly due to the assessment of major ongoing projects and properties that were acquired during the first quarter of 2016, which are measured at the lower of the total acquisition price and the external valuation.

1) The value of non-vacated properties is based on the agreed property value after a deduction of transaction costs in signed binding transfer agreements. Signed binding transfer agreements regarding non-vacated properties effects the properties: Litografen 8, Eskilstuna; Kryssaren 8, Södertälje; Isbrytaren 1, Södertälje and Märsta 24:4, Sigtuna.



## Valuation of the Properties

### Client and Instruction

Mr Mikael Weiland, Hemfosa Fastigheter AB (Hemfosa), has instructed Newsec Advice AB (Newsec) to estimate the Market Values of part of Hemfosa's property portfolio. The purpose of the valuations were financial reporting. The instruction includes:

- **Sweden.** 351 assets. Valuation date 31 March 2016. A list of all properties can be found in Appendix 1.
- **Norway.** 22 assets. Valuation date 31 March 2016. A list of all properties can be found in Appendix 2.
- **Finland.** 2 assets. Valuation date 31 December 2015. A list of all properties can be found in Appendix 3.

The assignment has been undertaken in accordance with International Valuation Standard (IVS).

The basis for the valuation is Market Value, defined in accordance with IVS 2013 as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We confirm that all valuations have been undertaken by valuers who are qualified and have the relevant knowledge of the particular markets.

### Tenure

- **Sweden.** Of the 351 assets 341 are hold by freehold interest and 10 by leasehold interest. A list of freehold and leasehold properties can be found in Appendix 1.
- **Norway.** Of the 22 assets 19 are hold by freehold interest and 3 by leasehold interest. A list of freehold and leasehold properties can be found in Appendix 2.
- **Finland.** All assets are hold by leasehold interest. A list of leasehold properties can be found in Appendix 3.

### Inspection and investigation

- **Sweden.** Of the 351 assets 298 have been inspected during the last three years by Newsec. The reason for not inspecting the rest of the assets during the last three years is that they either have minor values (10) or that the ongoing activities at the properties do not allow site visits by a valuer (43).
- **Norway.** Of the 22 assets 9 have been inspected during the last three years by Newsec. The reason for not inspecting the rest of the assets during the last three years is that that the ongoing activities at the properties do not allow site visits by a valuer.
- **Finland.** All assets have been inspected by Newsec during the last three years.

Based on given information from property managers, we have assumed that the assets that have not been inspected during the last three years are in normal condition.

We have relied upon provided information from Hemfosa including rent-roll with terms of existing rental agreements, information regarding operating and maintenance costs.

### Valuation approach and method

The valuations are based on an income approach, where the market values are estimated by converting future estimated cash flows to a capital value. We have used a discounted cash flow model where future net operating income for a calculation period of 10 years or longer have, based on our knowledge regarding market expectations of the individual assets.





If current rents differ from market rents we have adjusted rents at the end of the lease periods accordingly. Long term vacancy rates have been applied with regard to the individual asset's size, location and quality. Estimation of operating and maintenance costs have based on statistics, provided information from Hemfosa as well as our experience regarding costs for similar properties.

Applied discount rates and yields have been based market analysis, analyzed sales comparables and our knowledge of potential investors' view of the individual assets, including potential rental growth, condition, needs of capital expenditures and potential upgrading.

#### Currency exchange rates

The exchange rates used at currency conversions are as of 31 March 2016 the following:

NOK/SEK 0.980164

EUR/SEK 9.2323

#### Summary of the valuation - Sweden

According to the estimated market values for the individual assets, Newsec estimates the aggregated market values, as of the valuation date 31 March 2016 to **SEK 25,015,000,000 SEK (twenty five billion fifteen million)**.

- Market Value, freehold properties: **SEK 24,105,000,000**
- Market Value, leasehold properties: **SEK 910,000,000**

#### Summary of valuation - Norway

According to the estimated market values for the individual assets, Newsec estimates the aggregated market values, as of the valuation date 31 March 2016 to **NOK 3,688,000 000 (three billion six hundred eighty-eight million)**.

Converted to SEK the amount equals

**SEK 3,615,000,000 (three billion six hundred fifteen million)**.

- Market Value, freehold properties: **NOK 3,600,000,000**
- Market Value, leasehold properties: **NOK 88,000,000**

#### Summary of valuation - Finland

According to the estimated market values for the individual assets, Newsec estimates the aggregated market values, as of the valuation date 31 December 2015 to **EUR 61,900,000 EUR (sixty-one million nine hundred thousand)**.

Converted to SEK the amount equals

**SEK 571,500,000 (five hundred seventy-one million five hundred thousand)**.

- Market Value, freehold properties: **EUR 0**
- Market Value, leasehold properties: **EUR 61,900,000**

Stockholm 2016-04-11

Newsec Advice AB

Anders Elvinsson, MRICS

**AUKTORISERAD  
FASTIGHETSVÄRDERARE**



## Appendix 1 – List of properties – Sweden

Property	Municipality	Tenure
Abborren 13	Avesta	Freehold
Adjunkten 1	Härnösand	Freehold
Akvilejan 4	Härnösand	Freehold
Alkan 1	Gällivare	Freehold
Almby 13:772	Örebro	Freehold
Almen 9	Värnamo	Freehold
Anisen 2	Mölnådal	Freehold
Arendal 1:17	Göteborg	Freehold
Armaturen 1	Värnamo	Freehold
Backen 10	Tranås	Freehold
Bagaren 10	Växjö	Freehold
Baggatomten 6:1	Härnösand	Freehold
Bakareboda 1:162	Karlskrona	Freehold
Barrebacken 6:1	Gullspång	Freehold
Bastionen 28	Uddevalla	Freehold
Batteriet 6	Huddinge	Freehold
Beckasinen 11	Gällivare	Freehold
Berga 6:489	Österåker	Freehold
Betaren 4	Finspång	Freehold
Biotiten 1	Norrtälje	Freehold
Björnsjö 42:1	Gävle	Freehold
Bleckslagaren 1	Värnamo	Freehold
Blyet 2	Karlstad	Leasehold
Blåbäret 4	Oskarshamn	Freehold
Boberg 4:10	Säter	Freehold
Bodarna 2	Värnamo	Freehold
Bokbindaren 20	Värnamo	Freehold
Boken 12	Eksjö	Freehold
Bondsö 2:312	Härnösand	Freehold
Bondsö 2:338	Härnösand	Freehold
Borgmästaren 4	Hagfors	Freehold
Botulf 4	Köping	Freehold
Bredmosstorpet 5	Sandviken	Freehold
Bremen 3	Stockholm	Freehold
Brotschen 10, 11	Hässleholm	Freehold
Brotschen 9, 12	Hässleholm	Freehold
Brudabäck 6	Vetlanda	Freehold
Brunne 12:18	Härnösand	Freehold
Brunne 12:21	Härnösand	Freehold
Brunnsgården 6	Skellefteå	Freehold
Bryggaren 12	Karlstad	Freehold
Buskåker 24:2	Borlänge	Freehold
Byrådirektören 3	Malmö	Leasehold
Båken 1	Växjö	Freehold
Danmarks-Säby 10:2	Uppsala	Freehold
Drabanten 1	Värnamo	Freehold
Drivhjulet 3	Trollhättan	Freehold
Duvan 2	Härnösand	Freehold
Elefanten 3	Växjö	Freehold
Eleven 1	Härnösand	Freehold
Enen 8	Södertälje	Freehold
Fastlandet 2:84	Härnösand	Freehold
Fastlandet 2:90	Härnösand	Freehold
Filen 2	Värnamo	Freehold
Filen 5	Gislaved	Freehold
Finkan 7	Kiruna	Freehold
Flogsta 47:1	Uppsala	Freehold
Flundran 4	Värnamo	Freehold



Property	Municipality	Tenure
Fläkten 13	Vaxjö	Freehold
Fläkten 7	Vaxjö	Freehold
Folkskolan 3	Härnösand	Freehold
Forellen 19	Tyresö	Freehold
Formen 1	Umeå	Freehold
Fängelset 5	Kristianstad	Freehold
Färnebo prästgård 1:28	Sala	Freehold
Försäljaren 9	Kungälv	Freehold
Gamla Gåsen 4	Värnamo	Freehold
Gamla Uppsala 94:6	Uppsala	Freehold
Gamelestaden 2:5	Göteborg	Freehold
Gamelestaden 2:8	Göteborg	Freehold
Garvaren 4	Vaxjö	Freehold
Gaslyset 2	Västerås	Freehold
Gasmätaren 2	Mölnådal	Freehold
Geresta 1	Härnösand	Freehold
Gillet 1	Värnamo	Freehold
Gimo 11:97	Östhammar	Freehold
Gjutaren 6	Hudiksvall	Freehold
Glasmästaren 1	Vaxjö	Freehold
Golvläggaren 2	Värnamo	Freehold
Granlo 3:220	Sundsvall	Freehold
Gropen 1:2	Borlänge	Freehold
Grottan 7	Hudiksvall	Freehold
Gränome 1:13	Uppsala	Freehold
Grävmaskinen 1	Kiruna	Freehold
Grönsta 2:52	Eskilstuna	Freehold
Guldheden 8:11	Göteborg	Freehold
Gunnarp 5:42, 5:10	Höör	Freehold
Gänget 14	Ljungby	Freehold
Görväln 1	Stockholm	Leasehold
Hansgårdarna 8:9	Borlänge	Freehold
Hantverkaren 1	Karlskoga	Freehold
Haren 15	Luleå	Freehold
Hedenstorp 2:1	Jönköping	Freehold
Hermelinen 15	Luleå	Freehold
Hjorten 1	Katrineholm	Freehold
Hjulet 6	Trollhättan	Freehold
Hopparen 1	Härnösand	Freehold
Hoppet 6	Alingsås	Freehold
Hov 4:2, 5:2	Uppsala	Freehold
Hovsjorden 7, 9	Härnösand	Freehold
Hultåsa 1:18	Hultsfred	Freehold
Hunden 12	Kristianstad	Freehold
Husby 4:23	Österåker	Freehold
Husby 4:24	Österåker	Freehold
Husby 4:25	Österåker	Freehold
Husby 4:27	Österåker	Freehold
Husby 4:28	Österåker	Freehold
Husby 4:32	Österåker	Freehold
Hvitfeldt 22	Uddevalla	Freehold
Håltås 1:18	Härryda	Freehold
Härstorp 3:366	Finspång	Freehold
Häcken 13	Härnösand	Freehold
Häftklammern 9	Stockholm	Freehold
Hägern 4	Älvsbyn	Freehold
Höder 7	Umeå	Freehold
Högom 3:178	Sundsvall	Freehold
Högsjö-Dal 2:90	Härnösand	Freehold
Höjden 2	Hallsberg	Freehold

# PROPERTY PORTFOLIO

NEWSEC

Property	Municipality	Tenure
Hörnan 2	Härnösand	Freehold
Idre 5:114	Älvdalen	Freehold
Illern 4	Bräcke	Freehold
Illern 5	Växjö	Freehold
Ingenjören 6	Motala	Freehold
Inspektorn 11	Härnösand	Freehold
Isbjörnen 4	Växjö	Freehold
Jungfrun 11	Värnamo	Freehold
Juristen 6	Härnösand	Freehold
Jälkarbyn 132:68	Hedemora	Freehold
Jälkarbyn 132:77	Hedemora	Freehold
Jälkarbyn 132:80, 132:81	Hedemora	Freehold
Karlskrona 3:3	Karlskrona	Freehold
Karolinen 2	Karlstad	Freehold
Karpen 3	Värnamo	Freehold
Kattastrand 3:2	Härnösand	Freehold
Kläringe 4:2	Tierp	Freehold
Kornet 2	Hässleholm	Freehold
Kristianstad 4:45	Kristianstad	Freehold
Kristianstad 4:7	Kristianstad	Freehold
Kuggghjulet 2	Trollhättan	Freehold
Kullbäckstorp 2:268	Härbyda	Freehold
Kullbäckstorp 2:470	Härbyda	Freehold
Kungsängen 12	Västerås	Freehold
Kungsängen 15:1	Uppsala	Freehold
Kungsängen 24:13	Uppsala	Leasehold
Kyrkokvarteret 11	Lindesberg	Freehold
Källsta 1:5	Eskilstuna	Freehold
Källtorp 2:63, 2:93	Gullspång	Freehold
Köpstaden 24	Sundsvall	Freehold
Köpstaden 25	Sundsvall	Freehold
Köpstaden 26	Sundsvall	Freehold
Lea 15	Västerås	Freehold
Lejonet 11	Värnamo	Freehold
Linden 1	Värnamo	Freehold
Ljusbadet 1	Hässleholm	Freehold
Ljuset 8	Värnamo	Freehold
Ljusta 7:2	Sundsvall	Freehold
Lunna 1:22	Lidköping	Freehold
Lyrestads Klockarbol 5:39	Mariestad	Freehold
Länsmannen 1	Falköping	Freehold
Läraren 1	Härnösand	Freehold
Lärkan 10	Skellefteå	Freehold
Lärkan 8	Sollefteå	Freehold
Löddeköpinge 23:26	Kävlinge	Freehold
Löten 6:6	Uppsala	Freehold
Markheden 4:45, 4:46	Gävle	Freehold
Marschen 1	Sollentuna	Freehold
Marås 1:12	Gnosjö	Freehold
Mattläggaren 1	Värnamo	Freehold
Mattläggaren 2	Värnamo	Freehold
Mekanikern 1	Mark	Freehold
Missionen 2	Örebro	Freehold
Mon 13	Värnamo	Freehold
Mården 11	Luleå	Freehold
Måsen 21	Skellefteå	Freehold
Mätaren 3	Karlstad	Freehold
Möllarp 3:2	Svalöv	Freehold
Nannylund 1	Eksjö	Freehold
Nedre Gruvriset 33:278	Falun	Freehold
Niklasberg 15	Värnersborg	Freehold



Property	Municipality	Tenure
Niklasberg 2	Vänersborg	Freehold
Niklasberg 3	Vänersborg	Freehold
Norbergsby 14:101	Norberg	Freehold
Norbergsby 7:60	Norberg	Freehold
Nordstjärnan 1	Växjö	Freehold
Norr 12:5	Gävle	Freehold
Norra Ljungkullen 7	Ljungby	Freehold
Norrmannen 11	Stockholm	Leasehold
Norrvisjö 1:24	Uppsala	Freehold
Norränge 3:72	Bollnäs	Freehold
Nälsöгат 6	Eskilstuna	Freehold
Nävern 1	Umeå	Freehold
Orren 12	Härnösand	Freehold
Othem Stenhuggaren 2	Gotland	Freehold
Oxen 1	Härnösand	Freehold
Pan 5	Sundsvall	Freehold
Plattläggaren 1	Värnamo	Freehold
Plogen 4	Luleå	Freehold
Plåtslagaren 1	Vimmerby	Freehold
Plåtslagaren 4	Växjö	Freehold
Posten 4	Värnamo	Freehold
Postiljonen 2	Växjö	Freehold
Presidenten 1	Norrköping	Freehold
Prylen 1	Härnösand	Freehold
Puman 5	Solna	Freehold
Pusselbo 2:19	Borlänge	Freehold
Riksdalern 3	Karlstad	Freehold
Rimfrosten 1	Växjö	Freehold
Risingsbo Herrgård 1	Smedjebacken	Freehold
Rosenfinken 2	Västerås	Leasehold
Roten 6	Sundsvall	Freehold
Roten 9	Sundsvall	Freehold
Runö 7:162	Österåker	Freehold
Runö 7:163	Österåker	Freehold
Råane 1:16	Uddevalla	Freehold
Rådhuset 6	Härnösand	Freehold
Rågen 1	Värnamo	Freehold
Rödspättan 1	Värnamo	Freehold
Rödspättan 4	Värnamo	Freehold
Röne 1:9, Hässjö 1:3	Falköping	Freehold
Salbohed 1:3	Sala	Freehold
Samuel 1	Västerås	Freehold
Samuel 2	Västerås	Freehold
Sandskåddan 4	Värnamo	Freehold
Saturnus 7	Sundsvall	Freehold
Segestad 4	Växjö	Freehold
Seminarieriet 6	Strängnäs	Freehold
Sexdalern 1	Borås	Freehold
Sicklaön 358:1	Nacka	Freehold
Signalisten 11	Västerås	Leasehold
Signalisten 12	Västerås	Freehold
Sigurd 5	Västerås	Freehold
Sigurd 6	Västerås	Freehold
Sigvald 5	Västerås	Freehold
Sigvald 6	Västerås	Freehold
Sjömärket 3	Växjö	Freehold
Sjötungan 3	Värnamo	Freehold
Skeberga 4:3	Uppsala	Freehold
Skedom 21:1, 21:4	Sollefteå	Freehold
Skjutsstallslyckan 22	Malmö	Freehold
Skolan 1	Härnösand	Freehold



# PROPERTY PORTFOLIO



Property	Municipality	Tenure
Skruben 3	Kungälv	Freehold
Sköle 1:17	Sundsvall	Freehold
Slottsträdgården 2	Västerås	Freehold
Sländan 12	Härnösand	Freehold
Snickaren 12	Växjö	Freehold
Snödroppen 2	Mölnadal	Freehold
Solbacken 1:5	Gullspång	Freehold
Solbacken 10	Uddevalla	Freehold
Solen 15	Härnösand	Freehold
Solen 7	Södertälje	Freehold
Sotaren 4	Växjö	Freehold
Sparven 1	Boden	Freehold
Spiggen 4	Luleå	Leasehold
Spännarhyttan 2:7	Norberg	Freehold
Stenhammar 1:223	Härnösand	Freehold
Stenhammar 1:224	Härnösand	Freehold
Stensholm 1:755	Jönköping	Freehold
Stenung 3:84, 106:7	Stenungsund	Freehold
Stjärnebo 1	Kinda	Freehold
Svarven 4, 5	Hässleholm	Freehold
Svea 8	Växjö	Freehold
Sågen 10	Härnösand	Freehold
Sågen 2	Västerås	Freehold
Sågen 6	Västerås	Freehold
Sågklingan 10	Västerås	Freehold
Såtra 108:21	Gävle	Freehold
Såtra 108:23	Gävle	Freehold
Sävsjö 12:4	Sävsjö	Freehold
Söder 66:9	Gävle	Freehold
Söderbymalm 3:462	Haninge	Freehold
Söderbymalm 3:481	Haninge	Freehold
Söderbymalm 3:482	Haninge	Freehold
Söderbymalm 3:486	Haninge	Freehold
Södra Kasem 2	Kristianstad	Freehold
Sörby 1:34	Töreboda	Freehold
Tackan 9	Sollentuna	Freehold
Takläggaren 4	Värnamo	Freehold
Takläggaren 8	Värnamo	Freehold
Teatern 5	Umeå	Freehold
Teatern 6	Umeå	Freehold
Teatern 7	Umeå	Freehold
Teatern 8	Umeå	Freehold
Tegelbruket 3	Finspång	Freehold
Terminalen 1	Växjö	Freehold
Tigern 4	Alingsås	Freehold
Tom 2:28	Kungsbacka	Freehold
Torbomahögen 3	Helsingborg	Freehold
Tordyveln 1	Mariestad	Freehold
Torget 1	Härnösand	Freehold
Torlunda 1:278	Eskilstuna	Leasehold
Tormestorp 31:1	Hässleholm	Freehold
Transistorn 1	Skellefteå	Freehold
Transporten 2	Sollentuna	Freehold
Trasten 12	Filipstad	Freehold
Trasten 7	Filipstad	Freehold
Tulpanen 3	Mölnadal	Freehold
Tuna 2:70	Hallstahammar	Freehold
Tunnan 1	Trollhättan	Freehold
Tuve 15:90	Göteborg	Freehold
Tyr 8	Umeå	Freehold
Tyringemölla 1:11	Hässleholm	Freehold

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Property	Municipality	Tenure
Ullervad 14:19	Marierstad	Freehold
Unaman 8	Växjö	Freehold
Ungern 6	Örnsköldsvik	Freehold
Uroxen 15	Kristinehamn	Freehold
Vakten 1	Nässjö	Freehold
Valhalla 1:6	Eskilstuna	Freehold
Vangsta 1:102	Härnösand	Freehold
Vattenfallet 16	Stockholm	Freehold
Vendelsö 3:1986	Haninge	Freehold
Venus 11	Oskarshamn	Freehold
Venus 7	Härnösand	Freehold
Verkstaden 8	Västerås	Freehold
Vik 1:36	Vingåker	Freehold
Vikmanshyttan 3:2	Hedemora	Freehold
Viljan 2	Eskilstuna	Freehold
Vilunda 6:59	Upplands Väsby	Freehold
Vindruvan 15	Värnamo	Freehold
Vindruvan 22	Värnamo	Freehold
Vindruvan 4	Värnamo	Freehold
Vinstocken 2	Härnösand	Freehold
Vipan 14	Eskilstuna	Freehold
Von Conow 57	Malmö	Freehold
Väljaren 10	Mjölby	Freehold
Värnamo 14:11	Värnamo	Freehold
Värnamo 14:86	Värnamo	Freehold
Västansjö 1:41	Härnösand	Freehold
Västansjö 1:86	Härnösand	Freehold
Västerås 1:199	Västerås	Leasehold
Västhagen 1	Sundsvall	Freehold
Yxan 4	Värnamo	Freehold
Yxan 6	Värnamo	Freehold
Åkroken 1	Sundsvall	Freehold
Ånsta 20:262	Örebro	Freehold
Årsta 68:4	Uppsala	Freehold
Årstad 9:40	Falkenberg	Freehold
Åland 1:91	Härnösand	Freehold
Åland 22:1	Härnösand	Freehold
Älgen 17	Nynäshamn	Freehold
Älvkarleby 2:2	Älvkarleby	Freehold
Äsphult 24:1, 24:3	Kristianstad	Freehold
Ödman 15	Växjö	Freehold
Ön 2:58	Härnösand	Freehold
Ön 2:63	Härnösand	Freehold
Örja 1:21	Landskrona	Freehold
Örnen 4	Karlstad	Freehold
Öskaret 10	Sundsvall	Freehold
Österböle 2:13	Bollnäs	Freehold
Östermalm 1:12	Finspång	Freehold
Övernäs 2:17	Uppsala	Freehold
Resecentrum 3	Skövde	Freehold



## Appendix 2 – List of properties – Norway

Property	Municipality	Tenure
Brochs Gate 3	Fredrikstad	Freehold
Gunnar Nilsens Gate 25	Fredrikstad	Freehold
Jonas Lies Gate 20-28	Skedsmo	Freehold
Kunnskapsveien 55	Skedsmo	Freehold
Prins Christian Augusts Plass 3	Moss	Freehold
Sannergata 2	Oslo	Freehold
Stadion 1-2	Fredrikstad	Freehold
Vogts Gate 17	Moss	Freehold
Statens Park	Tønsberg	Freehold
Bjørgeveien Espira Eventyrskogen AS	Bergen	Leasehold
Daleveien Årkjær Barn i Vekst AS	Mandal	Freehold
Elvengveien Espira Kunnskapsbyen AS	Skedsmo	Leasehold
Fredlundsveien Grønnestølen Barnehage AS	Bergen	Freehold
Færavågen Espira Moster AS	Bømlo	Leasehold
Hovsmarkveien Hovsmarka Barnehage AS	Ringerike	Freehold
Industriveien Ulvenvatnet Barnehage AS	Os	Freehold
Kvednanesvegen Tau Barnehage AS	Tau	Freehold
Laustøheia Holum Barn i Vekst AS	Mandal	Freehold
Motorsportvegen Finnås Espira Barnehager AS	Bømlo	Freehold
Slettatunet Sletten Barnehage AS	Karmøy	Freehold
Steinsvikvegen Steinsviken Barnehage AS	Bergen	Freehold
Trygstadveien Trygstad Barnehage AS	Ringerike	Freehold



### Appendix 3 – List of properties – Finland

Property	Address	Municipality	Tenure
Koy Helsingin Pajuniityntie 11	Pajuniityntie 11	Helsinki	Leasehold
Koy Helsingin Kivihaantie 7	Kivihaantie 7	Helsinki	Leasehold



Kungsbron 2  
111 22 Stockholm, Sweden  
Tel +46 (0)8 671 34 00  
cushmanwakefield.com

## VALUATION REPORT

Cushman & Wakefield has been instructed by Hemfosa Fastigheter AB to estimate the market value of 26 properties. 22 properties are held freehold and 4 properties are held leasehold. All properties are located in Sweden. Most of the properties are used for storage and light industrial purposes but there are also office premises, healthcare premises and residential premises in the portfolio. The date for the valuations are set at 31 March år 2016. Total lettable area is 131,987 sq.m., 2,737 sq.m. consists of residential premises and 129,250 sq.m. of commercial premises.

The valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Professional Standards (January 2014) (the Red Book). We understand that our valuation report is required for inclusion in a Prospectus which is to be published by Hemfosa for a public offering of shares. In accordance with the RICS Valuation – Professional Standards, we have made certain disclosures in connection with this valuation instruction and our relationship with Hemfosa.

All assets have been inspected by representatives from Cushman & Wakefield between October 2013 och December 2015.

We confirm that we have sufficient current local and national knowledge of the particular property markets involved, and have the skills and understanding to undertake the valuation competently. The valuations have been carried out by valuers qualified for the purpose and acting as external valuers.

We have made various assumptions as to tenure, letting, town planning etc. If any of the information or assumptions on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

The market value at the valuation date 31 March 2016 has been estimated at:

**Market Value: SEK 1,476,500,000**  
**(One Billion Four Hundred Seventy Six Million Five Hundred Thousands)**

Properties held leasehold: SEK 195 700 000  
Properties held freehold: SEK 1 280 800 000

Stockholm 2016-03-21  
DTZ Sweden AB

Sven-Erik Hugosson, MRICS  
Av Samhällsbyggarna Auktoriserad fastighetsvärderare

DTZ Sweden AB, Corp. id. no. 556311-3017





- For the Purposes of the European Commission Regulation No. 809/2004 implementing the Prospectus Directive, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all considerable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. The Valuation Report complies with paragraph 128 to 130 of the ESMA update of CESR's recommendations for consistent implementation the European Commission Regulation No. 809/2004 implementing the Prospectus Directive.
- This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents saves as set out above. No reliance may be placed upon the contents of the Valuation Report by any party for any purpose other than in connection with the purpose of the valuation.



Property	Municipality
Orkestern 2	Norrköping
Norrmalm 4:6	Sundsvall
Marieberg 5	Sundsvall
Söder 18:19	Gävle
Vallentuna-Mörby 1:118	Vallentuna
Dynamon 5	Linköping
Centrum 18:1	Enköping
Centrum 20:1	Enköping
Centrum 12:1	Enköping
Centrum 16:5	Enköping
Västberga Gård 2	Stockholm
Gyldenlöve 16	Uddevalla
Koch 7	Uddevalla
Görväln 2	Stockholm
Mimer 7	Stockholm
Tjockö 1	Stockholm
Misteln 13	Essunga
Nödinge 38:25	Åle
Läkaren 5	Falköping
Njord 32	Falköping
Flugsvampen 7	Herrljunga
Dyrtoft 1:129	Färgelanda
Foss 12:24	Munkedal
Moga 1:116	Svenljunga
Rosenhäll 1	Uddevalla
Fjällräven 15	Uddevalla



Itämerenkatu 1  
00180 Helsinki, Finland  
Tel +365 (0) 10 836 8400  
cushmanwakefield.com

## VALUATION REPORT

Cushman & Wakefield Wakefield has been instructed by Hemfosa Fastigheter AB to estimate the market value of 3 properties. All properties are located in Finland and are all held freehold. One property is used for offices, one for education and one is for public use. The date for the valuations are set at 31 March år 2016. Total lettable area is 26,778 sq.m of commercial premises.

The valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Professional Standards (January 2014) (the Red Book). We understand that our valuation report is required for inclusion in a Prospectus which is to be published by Hemfosa for a public offering of shares. In accordance with the RICS Valuation – Professional Standards, we have made certain disclosures in connection with this valuation instruction and our relationship with Hemfosa.

All assets have been inspected by representatives from Cushman & Wakefield in December 2015.

We confirm that we have sufficient current local and national knowledge of the particular property markets involved, and have the skills and understanding to undertake the valuation competently. The valuations have been carried out by valuers qualified for the purpose and acting as external valuers.

We have made various assumptions as to tenure, letting, town planning etc. If any of the information or assumptions on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

The market value at the valuation date 31 March 2016 has been estimated at:

**Market Value:** EUR 54,600,000 (SEK 504,083,580)  
(Fifty Four Million Six Hundred Thousands)

Properties held freehold: EUR 54,600,000 (SEK 504,083,580)

Helsinki 2016-03-31

DTZ Finland Oy

Janne Eriksson, MRICS  
Auktoriserad Fastighetsvärderare (AKA) certified by Centralhandelskammaren Finland



- For the Purposes of the European Commission Regulation No. 809/2004 implementing the Prospectus Directive, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all considerable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. The Valuation Report complies with paragraph 128 to 130 of the ESMA update of CESR's recommendations for consistent implementation the European Commission Regulation No. 809/2004 implementing the Prospectus Directive.
- This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents saves as set out above. No reliance may be placed upon the contents of the Valuation Report by any party for any purpose other than in connection with the purpose of the valuation.



Property	Municipality	Tenure
Kiinteistö Oy Tamteva	Tampere	Freehold
Kiinteistö Oy Tampereen Sähkökortteli	Tampere	Freehold
Kiinteistö Oy Virastotalo Brahe	Raahe	Freehold



# Joint ventures

As per March 31, 2016, Hemfosa was a partner in four joint ventures. Hemfosa's share of the profit of joint ventures is recognised in the Group's profit from property management, but is not included in Hemfosa's distributable profit. As per March 31, 2016, Hemfosa's property owning joint ventures jointly owned 58 properties with a combined carrying amount, for Hemfosa's share, of SEK 6.3 billion.

## SÖDERPORT HOLDING AB

Hemfosa owned as per March 31, 2016 50 per cent of Söderport Holding AB ("Söderport") with AB Sagax (publ) owning the remaining 50 per cent. As per March 31, 2016, Söderport owned properties valued at SEK 5.7 billion, with the emphasis on Stockholm and Gothenburg. As per March 31, 2016, Söderport owned 55 properties.

### Key figures for Söderport Holding AB<sup>1)</sup>

Property portfolio	Söderport Holding AB Mar 31	
	2016	2015
No. of properties	55	45
Leasable area, 000s of sqm	667	613

### Financial items

Rental income, Jan - Mar, MSEK	136	128
Market value of the properties, MSEK	5,706	5,068
Equity, MSEK	1,726	1,216
Interest-bearing liabilities, MSEK	3,206	3,210
Derivatives, negative value, MSEK	464	496
Deferred tax liability, MSEK	251	116

Source: Hemfosa's interim report January - March 2016 (unaudited figures)

## GARDERMOEN CAMPUS UTVIKLING AS (GCU)

In June 2015, Hemfosa entered into an agreement concerning the formation of a joint venture, Gardermoen Campus Utvikling AS (GCU). The other partner in GCU is Aspelin Ramm Eiendom AS, a Norwegian property development company. GCU shall own and develop an area at Gardermoen Airport, near Oslo, into an important national hub for expertise in health and social care. The project comprises a specialist hospital in which the operations of two existing cardiovascular hospitals will be co-located, as well as a local medical centre that will provide care and other services for the residents of four nearby municipalities. Despite Hemfosa holding the majority of the shares in GCU, the Company does not have controlling influence over significant shareholder issues, which is why the shares of GCU have been classified as a joint venture in accordance with IAS 28. For

additional information regarding GCU, see section "Legal considerations and supplementary information", under heading "About Gardermoen Campus".

### Key figures for GCU<sup>2)</sup>

Market value of the properties, MSEK	GCU Mar 31	
	2016	2015
Interest-bearing loans, MSEK	425	-
Equity, MSEK	-	-
Interest-bearing liabilities, MSEK	478	-
<i>Hemfosa's share</i>	311	-
Number of properties	2	-

Source: Hemfosa's interim report January - March 2016 (unaudited figures)

## OTHER SHARES IN JOINT VENTURES

As per March 31, 2016 Hemfosa and Smebab Kommer-siellt Holding AB each owned 50 per cent of a company in the Skanska Group, Gästgivaregatan Holding AB. Gäst-givaregatan is a project development company formed to develop and add value to the Tellus 4 commercial prop-erty in Södertälje. Plans have been drawn up for the reno-vation and refurbishment of the commercial premises, on a total area of approximately 10,000 square meters.

As per March 31, 2016 Hemfosa and Culmen AB each owned 50 per cent of Culmen Strängnäs II AB. Culmen Strängnäs II AB is a project development company formed to develop and add value to properties. During the fourth quarter of 2015, Culmen Strängnäs II AB sold the remaining land, including associated development rights.

1) Figures correspond to 100 per cent of Söderport Holding AB.

2) Figures correspond to 100 per cent of GCU unless otherwise stated.

# Current earnings capacity

Below is the Company's current earnings capacity on a 12-month basis as per March 31, 2016. The current earnings capacity is only to be considered as a hypothetical instantaneous impression and is presented only for illustrative purposes, with the purpose of presenting income and expenses on an annual basis given the property portfolio, borrowing costs, capital structure and organisation at a specific point in time. The current earnings capacity does not include any effects of possible property acquisitions.

The earnings capacity must be considered together with other information in the Prospectus. Information about the assessed earnings capacity has been examined by the Company's auditors; see the section "Auditor's report on current earnings capacity".

## Current earnings capacity as per March 31, 2016

MSEK	Mar 31, 2016
Rental income	2,596
Property expenses	
Operating expenses	-417
Maintenance costs	-160
Property tax	-94
Property administration	-70
<b>Net operating income</b>	<b>1,855</b>
Central administration	-114
Other operating income and expenses	0
Share in profit of joint ventures	126
Financial income and expenses	-445
<b>Profit from property management</b>	<b>1,422</b>

The following information constituted the basis for the assessed earnings capacity:

- Annual contractual rental income (including supplements and rent discounts), as well as other assessed property-related income as per March 31, 2016 based on current leases.
- Operating and maintenance costs consist of an assessment of operating expenses and maintenance measures for a standard year.
- Property tax has been calculated on the basis of the taxable value of the properties as per March 31, 2016, and ground rents have been calculated using rent levels for the year 2016.
- Costs for central administration and marketing have been calculated on the basis of the existing organisation and the current size of the property portfolio.
- Hemfosa's share of profit from joint ventures is calculated based on the same assumptions as for Hemfosa with regards to the size of the share of profit.
- The assessment of earnings capacity assumes no return on cash and cash equivalents.
- Financial expenses have been calculated on the basis of the Company's actual average interest rate on March 31, 2016, which was 2.06 per cent.
- The earnings capacity for the foreign operations has been translated at the exchange rate prevailing as per March 31, 2016.<sup>1)</sup>

1) The following exchange rates have been applied: NOK/SEK of 0.9802 and EUR/SEK of 9.2323.

# The auditor's report on current earnings capacity

To the board of directors in Hemfosa Fastigheter AB (publ)  
Corporate Id No 556917-4377

## **The auditor's report on current earnings capacity**

We have audited how the current earnings capacity set out on page 77 in Hemfosa Fastigheter AB's (publ) prospectus dated 19 April 2016 has been prepared.

### *The board of directors' and the managing director's responsibility*

It is the board of directors' and the managing director's responsibility to prepare the current earnings capacity, together with the material assumptions upon which it is based, in accordance with the requirements of the Commission Regulation (EC) No 809/2004.

### *The auditor's responsibility*

It is our responsibility to provide an opinion required by Annex 1 item 13.2 of the Commission Regulation (EC) No 809/2004. We are not required to, nor do we express an opinion on the possibility of achievement of result for Hemfosa Fastigheter AB (publ) or on the assumptions on which the preparation of the current earnings capacity is based. We do not accept any responsibility for any financial information previously reported on and used in the compilation of the current earnings capacity beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

### *Work performed*

We performed our work in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work included an evaluation of the procedures undertaken by the board of directors and the managing director in compiling the current earnings capacity and the accounting policies used when compiling the current earnings capacity compared to those policies adopted by the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the current earnings capacity has been compiled based on the basis stated on page 77.

Since the current earnings capacity and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the current earnings capacity. Differences may prove to be material.

### *Opinion*

In our opinion the current earnings capacity has been compiled on the basis stated on page 77 and in accordance with the accounting principles applied by the company.

Stockholm 19 April 2016

**KPMG AB**

*Björn Flink*

Authorised Public Accountant

# Selected financial information

The selected financial information presented below has been derived from the Company's audited annual reports for the years 2013, 2014 and 2015 and from the unaudited interim report regarding the period January 1 – March 31, 2016, all of which are incorporated by reference in the Prospectus. The annual reports for the financial years 2013, 2014 and 2015 are prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS"). The interim report for the period January 1 – March 31, 2016 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

In December 2015, Hemfosa decided to amend the accounting policy concerning the recognition for accounting purposes of acquired deferred tax liabilities when making asset purchases; i.e. the deferred tax liabilities that are assumed when property assets are acquired through purchases of limited liability companies that solely comprise investment properties.<sup>1)</sup> The change in accounting policy has been implemented in accordance with IAS 8, which means that the policy is being applied retroactively and that the comparison periods January 1 – December 31, 2014 and January 1 – March 31, 2015 have been restated. In the tables below, the period January 1 – December 31, 2014 is presented restated according to the new accounting policy and also according to the previously applied accounting policy. The period January 1 – December 31, 2013 has not been restated. For additional information regarding accounting procedures, please refer to "Significant accounting policies" on pages 70–75 of Hemfosa's annual report for 2015.

This section contains certain alternative performance measures (APMs) that have not been defined in accordance with IFRS, including but not restricted to key performance indicators such as "Return on equity", "Equity/assets ratio", "Loan-to-value ratio properties", "Debt/equity ratio" and "Interest coverage ratio". Hemfosa is of the opinion that these APMs provide better understanding of the Company's financial trend. Unless stated otherwise, these financial APMs have not been audited and are not to be considered either individually or as an alternative to the key ratios that have been prepared in accordance with IFRS. Nor should such APMs, as defined by Hemfosa, be compared with other performance measures with similar designations that are used by other companies. This is because the above APMs have not always been defined in the same way and because other companies may not calculate them in the same way as Hemfosa.

The information in this section should be read in conjunction with the information in the section "Commentary on financial development" and "Capital structure and other financial information", as well as the information available through Hemfosa's financial reports for the financial years 2013, 2014 and 2015 and the interim report for the period January 1 – March 31, 2016, which have been incorporated by reference in the Prospectus (please see "Documents incorporated by reference" under the heading "Legal considerations and supplementary information"). All financial reports are also available on Hemfosa's website, [www.hemfosa.se](http://www.hemfosa.se).

1) Under the previously applied policy, the value of the acquired deferred tax liabilities was recognised as a deductible item on the asset side, within the balance sheet item "Investment properties" in the consolidated statement of financial position, and these deductible items were retained as long as the acquired legal entity was retained in the Group. The policy that is now being applied entails that property assets acquired through asset purchases are remeasured at fair value the day after the acquisition, meaning that they are measured to reflect the value change corresponding to the deferred tax liability. The remeasurement is recognised in the consolidated statement of profit and other comprehensive income as an unrealised change in value, together with the deferred tax expense attributable to the increase in the temporary difference arising from the remeasurement. The reason for changing the accounting policy is that the new policy provides more relevant information on the transactions in the consolidated statement of financial position.

## CONSOLIDATED STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter		Full-year			
	Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014 <sup>1)</sup>	Jan 1 – Dec 31, 2014 <sup>2)</sup>	Jan 1 – Dec 31, 2013 <sup>2)</sup>
MSEK	Unaudited	Unaudited	Audited	Unaudited	Audited	Audited
Rental income	650	589	2,443	1,612	1,612	1,584
Property expenses						
Operating expenses	-134	-129	-413	-306	-306	-298
Maintenance costs	-46	-43	-194	-104	-104	-110
Property tax	-23	-22	-86	-67	-67	-68
Property administration	-20	-27	-81	-61	-61	-61
<b>Net operating income</b>	<b>428</b>	<b>367</b>	<b>1,670</b>	<b>1,074</b>	<b>1,074</b>	<b>1,047</b>
Central administration	-26	-28	-112	-74	-74	-79
Other operating income and costs	9	-3	0	62	62	-
Share in profit of joint ventures	39	36	255	239	239	125
Financial income	1	3	5	10	10	9
Financial expenses	-111	-109	-455	-490	-490	-779
<b>Profit from property management</b>	<b>340</b>	<b>265</b>	<b>1,363</b>	<b>821</b>	<b>821</b>	<b>323</b>
Changes in value of properties, realised	20	71	91	147	147	-21
Changes in value of properties, unrealised	478	323	1,409	548	340	-193
Changes in value of financial instruments, realised	-	-	3	-75	-75	-
Changes in value of financial instruments, unrealised	-31	-52	-45	-202	-202	23
<b>Profit before tax for the period</b>	<b>808</b>	<b>606</b>	<b>2,821</b>	<b>1,239</b>	<b>1,031</b>	<b>132</b>
Current tax	-3	-2	-5	-2	-2	-
Deferred tax	-150	-99	-478	-113	-67	99
<b>Profit for the period</b>	<b>654</b>	<b>506</b>	<b>2,339</b>	<b>1,124</b>	<b>962</b>	<b>231</b>

1) Comparative year derived from the annual report for the period January 1–December 31, 2015.

2) Derived from each period's annual report and prepared in accordance with the previously applied accounting policies, hence not restated. For additional information regarding the amended accounting policy, please refer to "Significant accounting policies" on pages 70–75 of Hemfosa's annual report for 2015.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Quarter		Full-year			
	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015	Dec 31, 2014 <sup>1)</sup>	Dec 31, 2014 <sup>2)</sup>	Dec 31, 2013 <sup>2)</sup>
MSEK	Unaudited	Unaudited	Audited	Unaudited	Audited	Audited
<b>ASSETS</b>						
Investment properties	31,340	27,583	29,553	24,718	24,400	16,284
Tangible assets	2	4	1	2	2	1
Shares in joint ventures	1,211	641	1,075	609	609	455
Derivatives	2	1	2	3	3	6
Other financial assets	3	9	3	6	6	26
<b>Total fixed assets</b>	<b>32,558</b>	<b>28,237</b>	<b>30,635</b>	<b>25,337</b>	<b>25,019</b>	<b>16,772</b>
Rents receivables	13	10	34	20	20	26
Current receivables	324	292	48	74	74	39
Cash and cash equivalents	517	551	732	594	594	284
<b>Total current assets</b>	<b>854</b>	<b>854</b>	<b>814</b>	<b>688</b>	<b>688</b>	<b>349</b>
<b>TOTAL ASSETS</b>	<b>33,412</b>	<b>29,091</b>	<b>31,449</b>	<b>26,025</b>	<b>25,707</b>	<b>17,121</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	72	71	72	71	71	25
Other contributed capital	5,713	5,549	5,713	5,549	5,549	225
Provisions	-107	-32	-132	-	-	-
Retained earnings including profit of the year	5,735	3,779	5,084	3,317	3,069	2,118
<b>Shareholders' equity attributable to parent company shareholders</b>	<b>11,415</b>	<b>9,367</b>	<b>10,737</b>	<b>8,938</b>	<b>8,689</b>	<b>2,368</b>
<b>Non-controlling interests</b>	<b>14</b>	<b>4</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>1</b>
<b>Total shareholders' equity</b>	<b>11,429</b>	<b>9,372</b>	<b>10,749</b>	<b>8,949</b>	<b>8,701</b>	<b>2,369</b>
<b>Liabilities</b>						
Non-current interest-bearing liabilities	18,005	17,697	17,228	15,531	15,531	11,829
Other non-current liabilities	3	2	3	1	1	-
Derivatives	134	155	103	105	105	114
Deferred tax liabilities	861	533	701	492	423	430
<b>Total non-current liabilities</b>	<b>19,003</b>	<b>18,387</b>	<b>18,035</b>	<b>16,129</b>	<b>16,060</b>	<b>12,373</b>
Current interest-bearing liabilities	1,880	183	1,670	229	229	1,831
Other current liabilities	1,100	1,149	994	717	717	548
<b>Total current liabilities</b>	<b>2,980</b>	<b>1,332</b>	<b>2,664</b>	<b>946</b>	<b>946</b>	<b>2,379</b>
<b>Total liabilities</b>	<b>21,983</b>	<b>19,719</b>	<b>20,699</b>	<b>17,076</b>	<b>17,007</b>	<b>14,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,412</b>	<b>29,091</b>	<b>31,449</b>	<b>26,025</b>	<b>25,707</b>	<b>17,121</b>

1) Comparative year derived from the annual report for the period January 1 - December 31, 2015.

2) Derived from each period's annual report and prepared in accordance with the previously applied accounting policies, hence not restated. For additional information regarding the amended accounting policy, please refer to "Significant accounting policies" on pages 70-75 of Hemfosa's annual report for 2015.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Quarter		Full-year			
	Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014 <sup>1)</sup>	Jan 1 – Dec 31, 2014 <sup>2)</sup>	Jan 1 – Dec 31, 2013 <sup>2)</sup>
<b>MSEK</b>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
<b>Operating activities</b>						
Profit from property management	340	265	1,363	821	821	323
Adjustments for items not included in cash flow	-40	-36	-264	-239	-239	-130
Income tax paid	0	-8	0	-1	-1	3
<b>Cash flow from operating activities before changes in working capital</b>	<b>300</b>	<b>223</b>	<b>1,100</b>	<b>581</b>	<b>581</b>	<b>196</b>
<b>Cash flow from changes in working capital</b>						
Changes in operating receivables	-255	-208	22	91	91	60
Changes in operating liabilities	249	405	98	-45	-45	5
<b>Cash flow from operating activities</b>	<b>294</b>	<b>420</b>	<b>1,220</b>	<b>627</b>	<b>627</b>	<b>261</b>
<b>Investing activities</b>						
Acquisition of investment properties	-10	-17	-103	-25	-25	-65
Divestment of investment properties	7	4	45	60	60	303
Acquisition of joint ventures	-	-	-221	-	-	-
Investments in existing properties	-146	-94	-566	-485	-485	-667
Acquisition/divestment of financial assets	-	-3	4	19	19	-26
Shareholders' contribution paid/repaid to/from joint ventures and dividends received from joint ventures	-92	-11	10	14	14	-48
Acquisitions of subsidiaries	1,373	-3,321	-4,491	-8,300	-2,386	-
Divestments of subsidiaries	293	886	1,378	1,214	304	-
<b>Cash flow from investing activities</b>	<b>-1,320</b>	<b>-2,557</b>	<b>-3,943</b>	<b>-7,504</b>	<b>-2,499</b>	<b>-503</b>
<b>Financing activities</b>						
New issue	-	-	165	2,434	2,434	-
Issue of bond loans	-	-	-	1,188	1,188	-
Shareholders' contribution received	-	-	-	0	0	9
Loans raised	990	2,637	4,240	6,803	904	412
Repayment of loans	-54	-517	-1,101	-2,949	-2,055	-90
Redemption of existing swap agreements	-	-	-43	-289	-289	-
Dividend paid	-127	-25	-399	0	0	-47
<b>Cash flow from financing activities</b>	<b>810</b>	<b>2,095</b>	<b>2,862</b>	<b>7,187</b>	<b>2,182</b>	<b>284</b>
Cash flow for the period	-216	-43	138	310	310	42
Exchange-rate difference in cash and cash equivalents	2	-	0	-	-	-
Cash and cash equivalents at the beginning of the year	732	594	594	284	284	242
<b>Cash and cash equivalents at end of the period</b>	<b>517</b>	<b>551</b>	<b>732</b>	<b>594</b>	<b>594</b>	<b>284</b>

1) Comparative year derived from the annual report for the period January 1 – December 31, 2015. Loans raised and repayment of loans relating to acquisitions were previously reported within investing activities, in the line items "Acquisitions of subsidiaries" and "Divestments of subsidiaries". From December 31, 2015, loans raised and repayment of loans relating to acquisition are reported within financing activities. Hence, the cash flow statement for the comparative year has been restated in order to make the years comparable.

2) Derived from each period's annual report and prepared in accordance with the previously applied accounting policies, hence not restated. For additional information regarding the amended accounting policy, please refer to "Significant accounting policies" on pages 70–75 of Hemfosa's annual report for 2015.

**KEY PERFORMANCE INDICATORS FOR THE GROUP**

Note that the table below and the calculations have not been audited, unless otherwise stated.

	Quarter		Full-year			
	Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014 <sup>1)</sup>	Jan 1 – Dec 31, 2014 <sup>2)</sup>	Jan 1 – Dec 31, 2013 <sup>2)</sup>
<b>MSEK</b>						
<b>Key financial data</b>						
Return on equity, % <sup>7)</sup>	23.9	21.4	23.7	19.7	12.6	13.6
Equity/assets ratio, % <sup>3), 7)</sup>	34.2	32.2	34.2	34.4	33.7	13.8
Loan-to-value ratio properties, % <sup>3), 7)</sup>	63.4	64.8	63.9	63.8	64.6	83.9
Debt/equity ratio, multiple <sup>3), 7)</sup>	1.7	1.9	1.8	1.8	1.8	5.8
Interest coverage ratio, multiple <sup>4), 7)</sup>	3.7	3.2	3.5	2.2	2.2	1.3
<b>Share-related key figures, ordinary shares</b>						
Profit from property management, SEK per ordinary share <sup>7)</sup>	2.40	1.84	9.55	7.36 <sup>5)</sup>	14.71	12.92
Profit after tax, SEK per ordinary share <sup>6)</sup>	4.78	3.72	16.87	10.13 <sup>5)</sup>	17.31	7.40
Equity, SEK per ordinary share <sup>3), 7)</sup>	73.22	58.90	68.06	55.63 <sup>5)</sup>	107.67	94.76
Net asset value (EPRA NAV), SEK per ordinary share <sup>3), 7)</sup>	83.50	66.46	76.63	74.49 <sup>5)</sup>	119.96	116.40
Cash flow from operating activities, SEK per ordinary share <sup>7)</sup>	2.04	3.01	8.47	5.59 <sup>5)</sup>	11.18	10.44
Dividend, SEK per ordinary share <sup>6), 8)</sup>	0.75	-	3.00	-	-	-
Weighted average number of ordinary shares, millions <sup>6)</sup>	131,440	131,400	131,400	109,954	54,977	25,000
Number of ordinary shares outstanding, millions <sup>3), 6)</sup>	131,440	131,400	131,400	131,440	65,720	25,000
<b>Share-related key figures, preference shares</b>						
Dividend, SEK per preference share <sup>6), 8)</sup>	2.50	2.50	10.00	1.25 <sup>5)</sup>	2.50	-
Equity, SEK per preference share <sup>3), 7)</sup>	162.85	162.50	162.85	162.50 <sup>5)</sup>	325.00	-
Number of preference shares outstanding, millions <sup>3), 6)</sup>	11,000	10,000	11,000	10,000	5,000	-
<b>Property-related key figures</b>						
Number of properties <sup>7)</sup>	416	361	411	353	353	195
Rental value, MSEK <sup>7)</sup>	2,848	2,688	2,768	2,520	2,520	1,755
Leasable area, 000s of sqm <sup>7)</sup>	2,642	2,545	2,607	2,516	2,516	1,713
Fair value of properties, MSEK <sup>6)</sup>	31,340	27,583	29,553	24,718	24,718	16,394
Property value, SEK per sqm <sup>7)</sup>	11,862	10,838	11,336	9,824	9,824	9,570
Economic leasing rate, % <sup>7)</sup>	90.8	90.7	90.4	90.7	90.7	90.0
Surplus ratio, % <sup>7)</sup>	65.8	62.5	68.4	66.6	66.6	66.1
Yield, % <sup>7)</sup>	5.9	6.1	5.8	6.1	6.1	6.4

1) Included as comparative year.

2) Prepared in accordance with the previously applied accounting principles, hence not restated. For additional information regarding the amended accounting policy, please refer to "Significant accounting policies" on pages 70–75 of Hemfosa's annual report for 2015.

3) At the end of the period.

4) Interest expenses for the period Jan 1 – Dec 31, 2014 include interest on shareholders' loans of MSEK 60. Interest expenses for the period Jan 1 – Dec 31, 2013 include interest on shareholders' loans of MSEK 312.

5) Key figures have been retroactively restated due to the share split (2:1), which was implemented in May 2015.

6) IFRS measures. Note that key figures for the periods Jan 1 – Mar 31, 2016, 1 Jan – 31 Mar 2015 and the comparative period Jan 1 – Dec 31, 2014 are unaudited.

7) Unaudited.

8) The Annual General Meeting in 2015 approved a dividend of SEK 3.00 per ordinary share and SEK 10.00 per preference share, with quarterly payments.

## DEFINITIONS OF KEY RATIOS

### Return on equity

Profit/loss for a rolling 12-month period in relation to average shareholders' equity during the period.

### Loan-to-value ratio properties

Interest-bearing liabilities at the end of the period in relation to the fair value of the properties in the statement of financial position.

### Yield

Net operating income for a rolling 12-month period in relation to the carrying amounts of the properties, adjusted for the holding period of the properties during the period.

### Equity per ordinary share

Equity in relation to the number of ordinary shares at the end of the period after taking into account the preference share capital.

### Equity per preference share

Equity per preference share corresponds to the average issue price for the preference shares.

### Economic leasing rate

Rental income in relation to the rental value at the end of the period.

### Profit from property management per ordinary share

Profit from property management for the period, less the pre-emptive rights of preference shares to a dividend, in relation to the weighted average number of ordinary shares.

### Cash flow from operating activities per ordinary share

Cash flow from operating activities, less the pre-emptive rights of preference shares to a dividend for the period, in relation to the weighted average number of ordinary shares.

### Market value properties

The properties' market value according to an external appraisal.

### Earnings per ordinary share

Earnings for the period, less the pre-emptive rights of preference shares to a dividend for the period, in relation to the weighted average number of ordinary shares.

### Interest-coverage ratio

Profit from property management, including reversal of financial income and expenses, as well as depreciation/amortisation and share in income in joint ventures in relation to financial income and expenses.

### Working capital

The sum of operating receivables less the sum of operating liabilities.

### Debt/equity ratio

Interest-bearing liabilities in relation to equity.

### Equity/assets ratio

Equity in relation to total assets.

### Net asset value per ordinary share (EPRA NAV)

Recognised equity, after taking into account the preferential capital, with the reversal of derivatives and deferred tax according to the statement of financial position, in relation to the number of ordinary shares at the end of the interim period.

### Dividend per share

Resolved dividend in relation to the number of shares outstanding on the balance-sheet date.

### Fair value of properties

On the basis of the market value of properties, Hemfosa performs an internal property valuation in which on-going new production projects for which the tenants have not moved in are recognised at the lower of costs incurred and the market value.

### Surplus ratio

Net operating income for the period in relation to the rental income.

# Commentary on financial development

The comments below on the Company's financial development pertain to the periods January 1 – March 31, 2016 and January 1 – March 31, 2015, as well as to the financial years 2015, 2014 and 2013. The information below should be considered together with the section "Selected financial information."

In December 2015, Hemfosa decided to amend the accounting policy concerning the recognition for accounting purposes of acquired deferred tax liabilities when making asset purchases; i.e. the deferred tax liabilities that are assumed when property assets are acquired through purchases of limited liability companies that solely comprise investment properties.<sup>1)</sup> The change in accounting policy has been implemented in accordance with IAS 8, which means that the policy is being applied retroactively and that the comparison periods January 1 – December 31, 2014 and January 1 – March 31, 2015 have been restated.

For additional information regarding accounting procedures, please refer to "Significant accounting policies" on pages 70 – 75 in Hemfosa's annual report for 2015.

## COMPARISON BETWEEN JANUARY 1 – MARCH 31, 2016 AND JANUARY 1 – MARCH 31, 2015

Hemfosa's profit from property management, meaning earnings excluding changes in value and tax, for the period January 1 – March 31, 2016 amounted to MSEK 340, up MSEK 75 compared with the corresponding period of 2015, when it amounted to MSEK 265. Profit after tax for the period increased from MSEK 506 in January – March 31, 2015 to MSEK 654 for the period January 1 – March 31, 2016. A description of what impacted the change between the two years in the various subcomponents in the statement of profit/loss for the Group is stated below. The section also contains a description of the factors that impacted the cash flows and specific items in the statement of financial position.

### Rental income

Rental income for the period January 1 – March 31, 2016 amounted to MSEK 650, up MSEK 61 compared with the corresponding period of 2015, when it amounted to MSEK 589. The increase in rental income is partly a result of the larger property portfolio. During the period January 1 – March 31, 2016, ten properties were divested and 15 properties were acquired, which can be compared with 12 divested and 20 acquired properties during the corre-

sponding period of 2015. Purchases and sales of properties increased rental income for the periods January 1 – March 31, 2016, and January 1 – March 31, 2015, by MSEK 22 and MSEK 30, respectively. The economic leasing rate for Hemfosa's property portfolio was 90.8 per cent during the period January 1 – March 31, 2016, compared with 90.7 per cent during the corresponding period of 2015.

### Property expenses

Operating expenses for the period January 1 – March 31, 2016 amounted to MSEK 134, up MSEK 5 compared with the corresponding period of 2015, when they amounted to MSEK 129. Maintenance costs for the period January 1 – March 31, 2016 amounted to MSEK 46, up by MSEK 3 compared with the corresponding period of 2015, when they amounted to MSEK 43. Property tax for the period January 1 – March 31, 2016 amounted to MSEK 23, up MSEK 1 compared with the corresponding period of 2015, when it amounted to MSEK 22. In total, operating expenses for the period January 1 – March 31, 2016 amounted to MSEK 222<sup>2)</sup>, up MSEK 1 compared with the corresponding period of 2015, when they amounted to MSEK 221.<sup>3)</sup>

1) Under the previously applied policy, the value of the acquired deferred tax liabilities was recognized as a deductible item on the asset side, within the balance sheet item "Investment properties" in the Group's statement of financial position, and these deductible items were retained as long as the acquired legal entity was retained in the Group. The policy that is now being applied entails that property assets acquired through asset purchases are remeasured at fair value the day after the acquisition, meaning that they are measured to reflect the value change corresponding to the deferred tax liability. The remeasurement is recognized in the consolidated statement of profit and other comprehensive income as an unrealized change in value, together with the deferred tax expense attributable to the increase in the temporary difference arising from the remeasurement. The reason for changing the accounting policy is that the new policy provides more relevant information on the transactions in the Consolidated balance sheet.

2) Including operating expenses of MSEK 134, maintenance costs of MSEK 46, property tax of MSEK 23 and property administration expenses of MSEK 20.

3) Including operating expenses of MSEK 129, maintenance costs of MSEK 43, property tax of MSEK 22 and property administration expenses of MSEK 27.



**Central administration**

Costs for central administration for January 1 – March 31, 2016 amounted to MSEK 26, which is a decrease of MSEK 2 compared with the corresponding period of 2015, when costs for central administration amounted to MSEK 28.

**Share in profit/loss of joint ventures**

Profit from joint ventures for January 1 – March 31, 2016 amounted to MSEK 39, compared with MSEK 36 in the corresponding period of 2015.

**Financial income and expenses**

Financial income and expenses impacted the results by MSEK 110 during the period January 1 – March 31, 2016, which was an increase by MSEK 4 compared with the corresponding period of 2015, when net financial items impacted the results by MSEK 106. The higher financial expense was primarily due to a larger loan portfolio. Hemfosa's total interest-bearing liabilities vary from year to year depending on acquisitions, divestments, investments, scheduled repayments and refinancing. All of these changes occur at various points in time over the year, which is why it is difficult to compare the amounts from year to year.

**Profit from property management**

Profit from property management, meaning earnings excluding realised and unrealised changes in the value of properties, realised and unrealised changes in the value of financial instruments and tax expenses, for the period January 1 – March 31, 2016 amounted to MSEK 340, up MSEK 75 compared with the corresponding period of 2015, when it amounted to MSEK 265. The higher profit from property management was mainly due to a larger property portfolio.

**Unrealised changes in value**

Profit for January 1 – March 31, 2016 was positively impacted by a total of MSEK 478 by unrealised changes in the value of properties. During the corresponding period of 2015, unrealised changes in the value of properties amounted to MSEK 323. Profit for January 1 – March 31, 2016 was affected by revaluations of financial instruments in an amount of MSEK –31. The corresponding amount for January 1 – March 31, 2015 was MSEK –52.

**Tax**

For the period January 1 – March 31, 2016, Hemfosa reported current tax expenses of MSEK –3 and deferred tax expenses of MSEK –150. The corresponding amounts

for the comparative period in 2015 were MSEK –2 and MSEK –99, respectively. Deferred tax was mainly due to investment properties. The difference in deferred tax between January 1 – March 31, 2016 and 2015 was primarily due to the value development of properties.

**Profit for the period**

Profit for the period January 1 – March 31, 2016 amounted to MSEK 654, which is an increase compared to the corresponding period in 2015, when it amounted to MSEK 506. Profit after tax per ordinary share during the period January 1 – March 31, 2016 amounted to SEK 4.78, an increase compared with the corresponding period in 2015, when it amounted to SEK 3.72.

**Cash flow**

Cash flow from operating activities before changes in working capital amounted to MSEK 300 during the period January 1 – March 31, 2016. During the corresponding period of 2015, cash flow from operating activities before changes in working capital amounted to MSEK 223. The higher cash flow was primarily due to the larger property portfolio.

Cash flow from investing activities during the period January 1 – March 31, 2016 affected cash flow by MSEK –1,320. The corresponding amount for January 1 – March 31, 2015 was MSEK –2,557. The difference was primarily due to a larger acquisition that took place in the first quarter of 2015.

Cash flow from financing activities had a positive effect on cash flow of MSEK 810 during the period January 1 – March 31, 2016. During the corresponding period of 2015, the corresponding amount was MSEK 2,095. The change in cash flow from financing activities was mainly due to new financing in conjunction with a larger acquisition in the first quarter of 2015.

In total, cash and cash equivalents for the period January 1 – March 31, 2016 decreased by MSEK 216, compared with a decrease of MSEK 43 in January 1 – March 31, 2015.

**Acquisitions and investments**

Hemfosa invested MSEK 1,529 during the period January 1 – March 31, 2016, of which MSEK 1,383 pertained to acquisitions of properties and MSEK 146 to investments in the existing portfolio. The corresponding amount for January 1 – March 31, 2015 was MSEK 3,410, of which MSEK 3,316 pertained to acquisitions of properties and MSEK 94 pertained to investments in the existing portfolio.

## Sales

During the period January 1 – March 31, 2016, ten properties totalling MSEK 324 were divested, resulting in a realised gain of MSEK 20. The divestments related to non-priority properties, primarily a residential portfolio in Gävle. During the corresponding period of 2015, twelve properties were divested for MSEK 939, resulting in a realised gain of MSEK 71.

## Property portfolio

As per March 31, 2016, the property portfolio comprised 416 properties, an increase of 55 properties compared with December 31, 2015, when the property portfolio contained 361 properties. As per March 31, 2016, the properties had a combined fair value of SEK 31.3 billion.

As per March 31, 2016, the lettable area was 2,642,000 sqm, corresponding to an increase of approximately 97,000 sqm compared with March 31, 2015 when the lettable area totalled 2,545,000 sqm.

The average remaining lease term as per December 31, 2016 was 6.0 years, compared with 5.8 years as per March 31, 2015.

## COMPARISON BETWEEN THE 2015 AND 2014 FINANCIAL YEARS

Hemfosa's profit from property management, meaning earnings excluding changes in value and tax, for 2015 amounted to MSEK 1,363, up MSEK 542 compared with 2014, when it amounted to MSEK 821. Profit after tax for the year rose from MSEK 1,124 in 2014 to MSEK 2,339 in 2015. A description of what impacted the change between the two years in the various subcomponents in the statement of profit/loss for the Group is stated below. The section also contains a description of the factors that impacted the cash flows and specific items in the statement of financial position.

## Rental income

Rental income for 2015 amounted to MSEK 2,443, corresponding to an increase of MSEK 831 compared with 2014, when rental income amounted to MSEK 1,612. The year-on-year change was due primarily to tenants moving into and vacating properties, which changed the portfolio in terms of the geographic breakdown of properties and the breakdown into property categories. During 2015, 24 properties were divested and 82 properties were acquired, compared with eight divested and 140 acquired properties in 2014. The economic leasing rate for Hemfosa's property portfolio was 90.4 per cent in 2015,

compared with 90.7 per cent in 2014.

## Property expenses

Operating expenses totalled MSEK 413 in 2015, an increase of MSEK 107 compared with 2014, when they amounted to MSEK 306. Maintenance costs totalled MSEK 194 in 2015, an increase of MSEK 90 compared with 2014, when they amounted to MSEK 104. Property tax totalled MSEK 86 in 2015, an increase of MSEK 19 compared with 2014, when it amounted to MSEK 67. Property expenses totalled MSEK 773<sup>1)</sup> in 2015, an increase of MSEK 235 compared with 2014, when they amounted to MSEK 538<sup>2)</sup>. Due to the rectification of undersized flooring in one of the properties, maintenance costs of MSEK 26 are included in property expenses for 2015. Profit was charged with approximately MSEK 17 for the cost of major maintenance work on a property in Gävle.

## Central administration

Costs for central administration in 2015 amounted to MSEK 112, an increase of MSEK 38 compared with 2014 when costs for central administration amounted to MSEK 74. The increase was due to the larger property portfolio, which requires an expanded property management organisation.

## Share in profit/loss of joint ventures

Profit from joint ventures in 2015 amounted to MSEK 255, compared with MSEK 239 in 2014. Profit from shares in joint ventures during 2015 was generated primarily from the holding in Söderport Holding AB.

## Financial income and expenses

During 2015, financial income and expenses impacted the results by MSEK 450, a decrease of MSEK 30 compared with 2014, when financial expense impacted the results by MSEK 480. The lower financial expense was primarily due to lower interest rates and reduced margins in connection with new borrowing.

## Profit from property management

Profit from property management, meaning earnings excluding realised and unrealised changes in the value of properties, realised and unrealised changes in the value of financial instruments and tax in 2015 amounted to MSEK 1,363, up MSEK 542 compared with 2014, when profit from property management amounted to MSEK 821. The increased profit from property manage-

1) Including operating expenses of MSEK 413, maintenance costs of MSEK 194, property tax of MSEK 86 and property administration expenses of MSEK 81.

2) Including operating expenses of MSEK 306, maintenance costs of MSEK 104, property tax of MSEK 67 and property administration expenses of MSEK 61.

ment was mainly due to growth in the property portfolio during 2015.

### Unrealised changes in value

Rising demand in the property market reduced the required yield during the year. This also affected the valuation of the property portfolio, resulting in a positive value trend. In 2015, Hemfosa's property portfolio experienced an unrealised change in value of MSEK 1,409. During 2014, unrealised changes in the value of properties amounted to MSEK 548. MSEK 164 of the change in value during 2015 was attributable to an amended accounting policy.

Profit during 2015 was affected by revaluations of financial instruments in an amount of MSEK -42. The corresponding amount for 2014 was MSEK -277.

### Tax

During 2015, Hemfosa reported current tax expense of MSEK -5 and a deferred tax expense of MSEK -478. The corresponding amounts for the 2014 were MSEK -2 and MSEK -113, respectively. The difference in deferred tax expense between 2015 and 2014 was primarily due to positive value growth for the properties, which gave rise to a higher temporary difference.

### Profit for the period

Profit for 2015 amounted to MSEK 2,339, an increase compared with 2014, when profit amounted to MSEK 1,124. Profit after tax per ordinary share during 2015 amounted to SEK 16.87, an increase compared with 2014, when profit after tax per ordinary share amounted to SEK 10.13.

### Cash flow

Cash flow from operating activities before changes in working capital amounted to MSEK 1,100 in 2015. During 2014, cash flow from operating activities before changes in working capital was MSEK 581. The higher cash flow was primarily due to growth in the property portfolio during 2015.

Loans raised and repayment of loans relating to acquisitions were previously reported within investing activities, in the line items "Acquisitions of subsidiaries" and "Divestments of subsidiaries". From December 31, 2015, loans raised and repayment of loans relating to acquisition are reported within financing activities. Hence, the cash flow statement for the comparative year has been restated in order to make the years comparable. Cash flow from investing activities during 2015 affected

cash flow by MSEK -3,943. The corresponding amount for 2014 was MSEK -7,504, according to the current accounting policy.

Cash flow from financing activities had an impact of MSEK 2,862 on cash flow for 2015. During 2014, the corresponding figure was MSEK 7,187, according to the current accounting policy. During 2015, a private placement of preference shares contributed capital of MSEK 165 after issuance costs.

In total, cash and cash equivalents rose by MSEK 138 in 2015, compared with an increase of MSEK 310 in 2014.

### Acquisitions and investments

In 2015, total investment in properties amounted to MSEK 4,789, of which MSEK 4,223 pertained to acquisitions of properties and MSEK 566 pertained to investments in the existing portfolio. The corresponding amount for 2014 was MSEK 8,932, of which MSEK 8,448 pertained to acquisitions of properties and MSEK 484 pertained to investments in the existing portfolio.

### Sales

During 2015, 24 properties totalling MSEK 1,441 were divested, resulting in a realised gain of MSEK 91. The largest divestment was the sale of nine logistics properties during the first quarter of 2015 at a value of SEK 0.8 billion and with an area of 116,000 sqm. During 2014, properties totalling MSEK 1,303 were divested, resulting in a realised gain of MSEK 147.

### Property portfolio

On December 31, 2015, the property portfolio comprised 411 properties, an increase of 58 properties compared with December 31, 2014 when the property portfolio contained 353 properties. As per December 31, 2015, the fair value of the properties totalled SEK 29.6 billion.

As per December 31, 2015, the lettable area was 2,607,000 sqm, corresponding to an increase of approximately 91,000 sqm compared with December 31, 2014 when the lettable area totalled 2,516,000 sqm.

The average remaining lease term as per December 31, 2015 was 5.9 years, compared with 5.4 years as per December 31, 2014.

## COMPARISON BETWEEN THE 2014 AND 2013 FINANCIAL YEARS

Hemfosa's profit from property management, meaning earnings excluding changes in value and tax expenses, for 2014 amounted to MSEK 821, up MSEK 498 compared with 2013, when it amounted to MSEK 323. Profit after tax for the year rose from MSEK 231 in 2013 to MSEK 1,124 in 2014. MSEK 161 of profit for 2014 was a consequence of a change in accounting policy in December 2015. A description of what impacted the change between the two years in the various subcomponents in the consolidated statement of profit/loss is stated below. The section also contains a description of the factors that impacted the cash flows and specific items in the statement of financial position.

### Rental income

Rental income for 2014 amounted to MSEK 1,612, corresponding to an increase of MSEK 28 compared with 2013, when rental income amounted to MSEK 1,584. During 2014, eight properties were divested and 140 properties were acquired, compared with eleven divested and two acquired properties in 2013. The economic leasing rate for Hemfosa's property portfolio was 90.7 per cent in 2014, compared with 90.0 per cent in 2013.

### Central administration

Costs for central administration in 2014 amounted to MSEK 74, a decrease of MSEK 5 compared with 2013 when costs for central administration amounted to MSEK 79.

### Share in profit/loss of joint ventures

Profit from joint ventures in 2014 amounted to MSEK 239, compared with MSEK 125 in 2013. Profit from shares in joint ventures during 2014 was generated primarily from the holding in Söderport Holding AB. At the end of 2014, the remaining shares of the previously half-owned company Kronfastigheter Holding AB were acquired, whereby the holding switched from previously being a joint venture to becoming a wholly owned subsidiary to be consolidated.

### Financial income and expenses

Financial income and expenses impacted the results by MSEK 480 during 2014, a decrease of MSEK 290 in the expense compared with 2013, when net financial expenses impacted the results by MSEK 770. The lower year-on-year expenses were attributable to a lower average interest rate on the loan portfolio, and to the conver-

sion of MSEK 2,970 of the interest-bearing shareholders' loan to equity during the first quarter of 2014. The average interest rate for Hemfosa's loan portfolio was 2.37 per cent as per December 31, 2014, compared with 4.48 per cent as per December 31, 2013.

### Profit from property management

Profit from property management, meaning earnings excluding realised and unrealised changes in the value of properties, realised and unrealised changes in the value of financial instruments and tax in 2014 amounted to MSEK 821, up MSEK 498 compared with 2013, when profit from property management amounted to MSEK 323. The higher year-on-year earnings derived mainly from higher profit from the Company's shares in joint ventures and from lower financial expenses.

### Unrealised changes in value

In 2014, Hemfosa's property portfolio recognised an unrealised change in value of MSEK 548, of which MSEK 207 was a consequence of a change in accounting policy in December 2015. During 2013, unrealised changes in the value of properties amounted to MSEK -193. The acquisition of the remaining 50 per cent of the shares of Hemfosa Kronfastigheter during 2014 yielded an unrealised change in value of MSEK 35. The purchase consideration for the shares was less than half of the acquired equity. The difference has been recognised in the accounts as an asset purchase. Revaluations of financial instruments totalled MSEK -277 in 2014, of which realised changes in value that arose in connection with the termination of interest-rate swaps in June and December 2014 accounted for MSEK -75. Revaluation of financial instruments in 2013 amounted to MSEK 23.

### Tax

During 2014, Hemfosa reported current tax expense of MSEK -2 and negative deferred tax expense of MSEK -113, of which MSEK -46 was a consequence of a change in accounting policy in December 2015. The corresponding amounts for 2013 were MSEK 0 and MSEK 99, respectively. Of the total deferred tax during 2014, MSEK -169 was attributable to investment properties, MSEK 57 to tax loss carryforwards and MSEK -1 to financial instruments.

### Profit for the period

Profit for 2014 amounted to MSEK 1,124, which is an increase compared with 2013, when profit amounted to MSEK 231. MSEK 161 of the profit for 2014 was a conse-

quence of a change in accounting policy in December 2015. Profit after tax per ordinary share during 2014 was SEK 10.13, an increase compared with 2013, when profit after tax per ordinary share amounted to SEK 7.40.

### Cash flow<sup>1)</sup>

Cash flow from operating activities before changes in working capital amounted to MSEK 581 in 2014. During 2013, cash flow from operating activities before changes in working capital was MSEK 196. The higher cash flow was primarily due to growth in the property portfolio during 2014.

Cash flow from investing activities during 2014 affected cash flow by MSEK -2,499, of which investments in existing properties accounted for MSEK -484, acquisitions of subsidiaries and properties for MSEK -2,411, divestment of subsidiaries and properties for MSEK 364 and dividends received from and shareholders' contributions provided to Söderberg Holding AB for MSEK 63 and MSEK -49, respectively. Restated according to the current accounting policy, the cash flow from investing activities amounted to MSEK -7,504 during 2014. Investing activities during 2013 affected cash flow by MSEK -503.

Cash flow from financing activities had a positive impact of MSEK 2,182 on cash flow for 2014. Restated according to the current accounting policy, the cash flow from financing activities amounted to MSEK 7,187 during 2014. During 2013, the cash flow from financing activities amounted to MSEK 284. In connection with the listing of the Company's shares on Nasdaq Stockholm in March 2014, MSEK 809 was contributed to the Company. Bond loans of MSEK 1,200 were raised during 2014, which, after issuance costs, contributed MSEK 1,188 to the Company. During the fourth quarter of 2014, an issue of preference shares contributed MSEK 1,592 after issuance costs. In addition to acquiring properties, the capital contribution was used to repay existing loans and to strengthen liquidity.

In total, cash and cash equivalents rose by MSEK 310 in 2014, compared with an increase of MSEK 42 in 2013.

### Acquisitions and investments

Hemfosa invested MSEK 9,140 during 2014, of which MSEK 8,656 pertained to acquisitions of properties and MSEK 484 pertained to investments in the existing portfolio. The corresponding expenditure for 2013 was MSEK 732, of which MSEK 65 pertained to acquisitions of properties and MSEK 667 to investments in the existing portfolio.

### Sales

During 2014, eight properties were divested for MSEK 1,303 in total, resulting in a realised gain of MSEK 147. The largest divestment pertained to a site leasehold, at a total value SEK 1.1 billion, as part of the transaction with Hemsö. During 2013, properties totalling MSEK 320 were divested, resulting in a realised loss of MSEK 21.

### Property portfolio

On December 31, 2014, the property portfolio comprised 353 properties, an increase of 158 properties compared with December 31, 2013 when the property portfolio contained 195 properties. As per December 31, 2014, the fair value of the properties totalled SEK 24.7 billion.

As per March 31, 2014, the lettable area was 2,516,000 sqm, corresponding to an increase of approximately 803,000 sqm compared with December 31, 2013 when the lettable area totalled 1,713,000 sqm.

The average remaining lease term as per December 31, 2014 was 5.4 years, compared with 4.3 years as per December 31, 2013.

1) The comparison is based on information derived from each period's annual report and prepared in accordance with the previously applied accounting policies, hence not restated. For additional information regarding the amended accounting policy, please refer to "Significant accounting policies" on pages 70-75 of Hemfosa's annual report for 2015.



# Capital structure and other financial information

## EQUITY AND LIABILITIES

Hemfosa is financed with equity and liabilities, with most of the liabilities comprising interest-bearing liabilities to credit institutions and a bond. As per March 31, 2016, shareholders' equity amounted to MSEK 11,429. At the same date, Hemfosa had current interest-bearing liabilities of MSEK 1,880 and non-current interest-bearing liabilities of MSEK 18,005. Of the total liabilities of MSEK 21,983, MSEK 19,885 was interest-bearing. All amounts relating to interest-bearing liabilities are stated net of capitalised arrangement fees, as reported in the Company's statement of financial position. The non-interest-bearing liabilities totalling MSEK 2,098 consisted of derivatives, deferred tax and other current liabilities.

Hemfosa's capital structure as per March 31, 2016 is presented below, i.e. before the Offer, the intention of which is to raise approximately MSEK 1,814 for the Company (before issuance costs).

## EQUITY AND LIABILITIES

	Mar 31, 2016
<b>Equity and liabilities</b>	
<b>Total current interest-bearing liabilities</b>	<b>1,880</b>
As guarantee <sup>1)</sup>	1,496
As security <sup>1)</sup>	1,860
Unguaranteed/Unsecured	20
<b>Total non-current interest-bearing liabilities</b>	<b>18,005</b>
As guarantee <sup>1)</sup>	12,968
As security <sup>1)</sup>	16,802
Unguaranteed/Unsecured	1,203
<b>Equity</b>	<b>11,429</b>
Share capital	72
Other contributed capital	5,713
Other reserves	5,644

1) Both guarantees and other securities are generally provided to creditors as security for financing the Company's property portfolio. Other securities consist of property mortgages that have been pledged as security for bank loans.

## NET DEBT

Hemfosa's net indebtedness as per March 31, 2016 is presented below, i.e. before the Offer, the intention of which is to raise approximately MSEK 1,814 for the Company (before issuance costs).

## Net indebtedness<sup>1)</sup>

	Mar 31, 2016
<b>Net indebtedness</b>	
(A) Cash	517
(B) Cash equivalents	-
(C) Trading securities	-
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>517</b>
<b>(E) Current receivables</b>	<b>-</b>
(F) Current bank loans	1,880
(G) Current share of non-current liabilities	-
(H) Other current financial liabilities	-
<b>(I) Current interest-bearing liabilities (F)+(G)+(H)</b>	<b>1,880</b>
<b>(J) Net current financial indebtedness (I)-(E)-(D)</b>	<b>1,363</b>
(K) Non-current bank loans	16,788
(L) Issued bonds	1,200
(M) Other non-current loans	17
<b>(N) Non-current interest-bearing liabilities (K)+(L)+(M)</b>	<b>18,005</b>
<b>(O) Net financial indebtedness (J)+(N)</b>	<b>19,368</b>

1) Non-current interest-bearing receivables of MSEK 3 are not included in the table above.

## INTEREST-BEARING LIABILITIES

As per March 31, 2016, Hemfosa had MSEK 19,949 in nominal interest-bearing liabilities. In the consolidated statement of financial position, interest-bearing liabilities amounts to MSEK 19 885, the difference of MSEK 64 consists of capitalised arrangement fees, in accordance with IFRS. The loan-to-value ratio was approximately 63.4 per cent and the average interest rate on the credit facilities was 2.06 per cent.

As per March 31, 2016, the average fixed-rate period, including effects of concluded derivative agreements, amounted to 1.2 years. The average fixed-term maturity was 2.5 years. The maturity structure of the borrowing agreements is presented in the table below.

Derivative instruments are continuously recognised at fair value in the balance sheet with value changes recognised in the item "Changes in value of financial

instruments” in profit or loss, without applying hedge accounting. Changes in the value of derivative instruments arise upon changes in interest rates and do not affect cash flow. The market value of the swap agreements decreases with falling reference interest rates and increases with rising reference interest rates. If the aforementioned derivative instruments are not divested during their duration, the sum of the market value changes is always SEK 0 at the maturity date, but they have affected earnings with higher or lower interest expenses during the term of the agreement.

Hemfosa's loan facilities contain customary guarantees and covenants, including covenants for Hemfosa and its subsidiaries to achieve certain financial key indicators, such as a loan-to-value ratio and interest-coverage ratio. If Hemfosa does not achieve these covenants and guarantees, the banks can cancel the loan facilities and demand repayment. Other loans may be terminated for immediate payment, or collateral seizure by the relevant credit institution through cross default provisions.

### BOND LOAN

As per March 31, 2016, the Company's bond loan amounted to MSEK 1,200. During spring 2014, Hemfosa issued a non-guaranteed bond loan of MSEK 1,200, which contributed MSEK 1,188 to the Company after transaction expenses. The bond, which is listed on the Nasdaq Stockholm, has a term of three years. Of the total bond loan of MSEK 1,200, MSEK 1,100 carries a floating rate of STIBOR 3M plus 2.25 per cent and MSEK 100 carries a fixed rate of 3.38 per cent.

#### Interest and loan maturity structure as per March 31, 2016<sup>1)</sup>

Year	Fixed-rate period		Fixed-term loans	
	MSEK	Proportion, per cent	MSEK	Proportion, per cent
Within one year	10,731	54	1,566	8
1-2 years	2,535	13	6,687	34
2-3 years	5,422	27	6,488	33
3-4 years	812	4	1,098	6
4-5 years	409	2	3,343	17
>5 years	39	0	767	4
<b>Total</b>	<b>19,949</b>	<b>100</b>	<b>19,949</b>	<b>100</b>

1) The average interest rate for Hemfosa's loan portfolio is 2.06 per cent as per March 31, 2016. Interest-rate swap agreements and interest-rate caps entered into with a total volume of MSEK 8,495 have been taken into account in respect of interest rates and maturities. The underlying loans carry interest at a variable rate that is mainly based on three months STIBOR.

### FINANCE POLICY

The overall objectives of Hemfosa's financing activities are to:

- Ensure that the financing activities are conducted under sound control and orderly financing conditions
- Ensure that Hemfosa is perceived as a professional business partner
- Secure the Company's loan financing
- Formulate financial strategies and risk management that match operating conditions
- Achieve the best possible net financial items within given risk mandates

Hemfosa aims to be a professional borrower and works to ensure that the Company is always offered financing on the best market terms for comparable borrowers and comparable securities. In financing activities where the financing constitutes a part of the property acquisition, the terms of the financing will be assessed in consideration of the entire business arrangement. In order to minimise interest rate and funding risks, the bullet points below act as guidelines for Hemfosa's finance policy:

- The Company's total loan-to-value ratio may not exceed 75 per cent (based on market value)
- The Company will have at least four primary creditors
- A maximum of 25 per cent of the outstanding loans may mature for renegotiation during a 12-month period
- The average duration for the loans may not be less than 1.5 years

The basis for the Company's choice of strategy for interest-risk management comprises the choice of fixed-interest strategy for the loans together with the selection of derivative instruments in order to manage the interest risk.

### PROPERTY MORTGAGES

Hemfosa's properties are generally subject to mortgages and the deeds are pledged to the banks and credit institutions that provided the financing to companies within the Group. As per March 31, 2016, total property mortgages on Hemfosa's property portfolio amounted to MSEK 30,765.

### REPORT ON WORKING CAPITAL MANAGEMENT AND CAPITAL REQUIREMENT

In the opinion of the board of directors of Hemfosa, the working capital is sufficient for Hemfosa's current needs for the coming 12-month period. Here, working capital refers to Hemfosa's possibility of obtaining access to cash

and cash equivalents to meet its payment obligations as they fall due for payment. Hemfosa's operating activities tie up limited working capital since Hemfosa receives most of its rental income in advance while expenses are primarily paid in arrears.

## FINANCIAL POSITION

At the present time, Hemfosa is not aware of any issues regarding public, economic, tax political, monetary or other political actions which, direct or indirect, could have a significant effect on Hemfosa's operations, in addition to what is stated in the section entitled "Risk Factors".

## INVESTMENTS

The table below presents Hemfosa's total property investments for the periods January 1 – March 31, 2016 and January 1 – March 31, 2015, as well as for the fiscal years 2015, 2014 and 2013. The investments may comprise new builds, expansions or renovations of existing properties, as well as investments in equipment.

### Investments

MSEK	Jan 1 – Mar 31, 2016	Jan 1 – Mar 31, 2015	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014	Jan 1 – Dec 31, 2013
Investments in equipment	0	0	1	1	0
Investments in new builds, expansions or renovations	146	94	566	485	667

### Ongoing and approved investments

Hemfosa has no significant commitments to carry out repairs and maintenance other than what is pursuant to good property management. However, there are commitments to finish commenced investments in the investment properties. As per March 31, 2016, material project investments and renovations took place in 13 properties. Future commitments totalled MSEK 1,420 and are intended to be financed with bank financing, and cash and cash equivalents.

## DEFERRED TAX LIABILITY

As per March 31, 2016, the properties' residual value for tax purposes amounted to SEK 16.2 billion. As per the same date, the recognised deferred tax liability attributable to properties was MSEK 1,152.

## INVESTMENT PROPERTIES

Hemfosa's investment properties totalled MSEK 31,340 as per March 31, 2016. Mortgages amounting to MSEK

25,519 were charged to Hemfosa's investment properties as per March 31, 2016. As per March 31, 2016, there were no decisions on future material investments in equipment, and investments in new builds, expansions or renovations, except for what is stated under the heading "Ongoing and approved investments".

### Property, plant and equipment

MSEK	Mar 31, 2016
Investment properties	31 340
Machinery and equipment	2
<b>Total</b>	<b>31 342</b>

## SENSITIVITY ANALYSIS

The table below presents the theoretical earnings effect before tax on Hemfosa's annual earnings capacity, with regards to cash-flow impacting items.

### Sensitivity analysis – cash flow as per March 31, 2016

	Change	Earnings effect, MSEK
Contractual rental income	+/-1 per cent	+/-26
Economic leasing rate	+/-1 per cent	+/-26
Property expenses	+/-1 per cent	-/+7
Net operating income	+/-5 per cent	+/-93
Change in SEK/NOK exchange rate	+/-10 per cent	+/- 113
Change in SEK/EUR exchange rate	+/-10 per cent	+/- 39
Interest expenses based on current fixed-rate periods and changed interest rates <sup>1)</sup>	+/-1 per cent	-/+81
Interest expenses due to change in the average interest rate <sup>2)</sup>	+/-1 per cent	+/-200
Revaluation of interest-rate derivatives due to shift in interest-rate yield curves	+/-1 per cent	+/-131

1) Including derivative agreements.

2) Excluding derivative agreements.

## FINANCIAL RISK MANAGEMENT

The Group is exposed to various kinds of financial risks through its operations. Financial risks refer to market, liquidity and credit risks related to financial instruments. The board of directors of Hemfosa has adopted a finance policy which governs how these risks are to be managed and controlled. All financial risks are managed, reported and analysed by Hemfosa's accounting and finance department whose task is to identify and, to the extent possible, to minimise these risks. This is to take place in accordance with the Company's current procedures, which are intended to limit the Company's financial risks.

**Liquidity risk management**

Liquidity risk is the risk of not having sufficient payment capacity in the short and the long term to be able to honour the Group's payment obligations. The Finance Department provides short-term liquidity forecasts that establish payment obligations on a week-by-week basis and also long-term rolling 12-month liquidity forecasts. The forecasts are updated continuously on a weekly and quarterly basis.

In accordance with the financial policy, continuous work is conducted to refinance the long-term loans concerned. The financial policy also addresses the matter of the investment of surplus liquidity. In addition, the Group has overdraft facilities to ensure more flexible cash management and to effectively deal with peaks and troughs in payment streams.

**Refinancing risk management**

Refinancing risk is the risk that financing or refinancing of the Company's liabilities or operations cannot be obtained to the same extent or can only be obtained at a significantly higher cost.

Hemfosa works in accordance with a financial policy established by the board of directors, which stipulates, inter alia, general rules for the Company's financing work and how the risks associated with financing operations are to be limited. The Company engages in continuous discussions with existing and prospective financiers to ensure that the necessary financing can be obtained in all situations.

In the period January 1 - March 31, 2016, no refinancing took place, which can be compared with MSEK 16 in the period January 1 - March 31, 2015. In 2015, SEK 3.2 billion was refinanced, an increase compared with 2014, when SEK 3.1 billion was refinanced.

Hemfosa's loan-to-value ratio as per 31 March 2016 was 63.4 per cent, which can be compared with 64.8 per cent as per March 31, 2015. The Company's loan-to-value ratio as per December 31, 2015 was 63.9 per cent, an increase compared with December 31, 2014, when the loan-to-value was 63.8 per cent.

**Market risk management**

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest-rate risk and other price risks. For Hemfosa, the interest rate risk is the significant one.

**Interest-rate risk management**

The market risk that mainly affects Hemfosa is the interest-rate risk. Interest-rate risk could result in a change in fair value, changes in cash flow and fluctuations in the Company's profit. The Company is exposed to interest-rate risks due to its loan liabilities. In order to limit the interest-rate risk, meaning the risk that changes in interest rates will have an excessive impact on Hemfosa's borrowing costs, the Group has entered into and regularly enters into derivative agreements mainly in the form of interest-rate swaps with various maturities, whereby Hemfosa pays a contractual fixed interest rate in exchange for a variable market interest rate and also interest-rate caps.

Interest-rate caps function as an interest-rate ceiling whereby Hemfosa pays variable interest up to a predetermined interest rate. The interest-rate ceilings for the agreed interest-rate caps are located within a range of 1.5–2.0 per cent.

If, during the term of the derivatives, the variable market interest rate deviates from the contractual fixed interest rate for the derivatives, this gives rise to a theoretical surplus or deficit value for the financial instrument. The derivatives are recognised continuously at fair value in the Statement of financial position and the change in value, which has no impact on cash flow, is recognised in profit or loss. Hemfosa does not apply hedge accounting on financial instruments. In accordance with the Group's financial policy, an even distribution between variable and fixed interest rates and between short-term and long-term maturities is sought after.

**Credit risk management**

Credit risk is the risk that a counterparty is unable to fulfil its commitments, thus resulting in a loss for the Group. The most significant counterparty risk faced by the Group is that its tenants are unable to honour their rental payments according to the lease.

In accordance with the Group's financial policy, the counterparties in all financial transactions, including deposits in bank accounts, are banks and credit institutions with a credit rating of at least A- (S&P) or A3 (Moody's) for Swedish Banks and at least A- (S&P) or Aa3 (Moody's) for overseas banks.

**Loss of rent and vacancies**

Hemfosa has a stable and well-diversified property portfolio with a focus on large and midsize cities and growth municipalities, with an established business community that has a need for premises.

Directly or indirectly tax-financed tenants account for approximately 50 per cent of the lease portfolio, which limits the risk of rent losses. These tenants are less liable to relocate, resulting in a lease portfolio with a low tenant turnover. The risk of bad debts is also managed by conducting credit assessments of tenants for all new leases and continuously during the lease term.

The ten largest tenants as per March 31, 2016 accounted for 27.2 per cent of the total contracted rental income of which the largest, the Swedish Police Authority, accounted for 5.6 per cent. The number of lease agreements with the ten largest tenants amounted to 301 agreements as per March 31, 2016.

The average remaining term for all Hemfosa's leases is 6.0 years and short-term changes in market rents will have no impact on rental income except through new leasing. However, the re-negotiation of leases occurs continuously. Leases with terms exceeding three years are normally completely or partly tied to the Consumer Price Index (CPI).

### Capital management

The Company's financial policy includes a specified risk mandate governing the activities that may be conducted to achieve the best possible net financial items within the given risk mandate. The Company's total loan-to-value ratio may not exceed 75 per cent (calculated on market value) and the Company's interest payment capacity may not be lower than an interest coverage ratio of 1.5. When calculating the loan-to-value ratio, the shareholders loans are regarded as shareholders' equity.

The loan-to-value ratio as per December 31, 2015 was 63.9 per cent, which is an increase compared with December 31, 2014, when the loan-to-value was 63.8 per cent. Neither the parent company nor any of the subsidiaries is subject to any external capital requirements.

The policy is to pay a long-term dividend corresponding to 60 per cent of profit from property management, excluding the share of profit from joint ventures and less tax paid. From this amount, the dividend for preference shares is to be deducted first and the remaining amount can be paid to the holders of ordinary shares.

### TRENDS

Although the future is difficult to assess, the market rents and occupancy rates prevailing in the segments served by Hemfosa are expected to remain favourable in the short term. The investor appetite for properties is also expected to remain buoyant, in part because of stable macroeconomic development in combination with favourable Swedish interest rates. This creates a solid foundation for continued liquidity in the Swedish property transaction market.

### SIGNIFICANT EVENTS AFTER MARCH 31, 2016

There have been no material changes in Hemfosa's financial position or market position since March 31, 2016.

# Board of directors, senior executives and auditor

## BOARD OF DIRECTORS

*After the annual general meeting on April 19, 2016 the board of directors had the following composition*



**Bengt Kjell**, born in 1954  
Chairman of the board of the Company since 2013, and chairman of the remuneration committee.  
Chairman of the Group since 2009.

**Education:** Graduate in business administration, Stockholm School of Economics.

**Other assignments:** Chairman of the board of SSAB AB and Expandum Invest AB as well as other assignments

within the Expandum-group. Deputy chairman of the board of Indutrade Aktiebolag. Director of Aktiebolaget Industrivärden, ICA Gruppen Aktiebolag, Pandox Aktiebolag, Långebro Förvaltning Aktiebolag and others.

**Assignments concluded in the past five years:** Chairman of the board of Indutrade Aktiebolag and Skånska Byggsvaror Group AB as well as other companies within the Skånska Byggsvaror-group. Acting CEO of Aktiebolaget Industrivärden as well as other assignments within the Industrivärden-group. Director and CEO of Aktiebolaget Handel och Industri. Director of Helsingborgs Dagblad Aktiebolag, Höganäs Aktiebolag, Swegon Aktiebolag, Nordic Tankers Holding AB, SHB Regionbanken Malmö and others.

**Shareholding in the Company (including any affiliated holdings):** 2,053,000 ordinary shares and 27,179 preference shares.

*Independent in relation to the Company, the group management and the Company's major shareholders.*



**Jens Engwall**, born in 1956  
Director and CEO of the Company since 2013. Board assignments within the Group since 2009.

**Education:** Master of engineering, the Royal Institute of Technology, Stockholm.

**Other assignments:** Chairman of the board of the joint venture-company Söderport Holding AB and other companies within the Söderport-

group. Director of Bonnier Fastigheter AB, IKANO S.A., Nordic Service Partners Holding AB, Quantafuel AS, Chengde Intressenter AB, the joint venture-companies Gästgivaregatan Holding AB, Gästgivaregatan Fastighets AB, Culmen Strängnäs II AB, Villa Culmen Strängnäs 2 Ekonomisk förening and Hemfosa Gård AB. Partner of Haninge Islandshästar Handelsbolag.

**Assignments concluded in the past five years:** Chairman of the board of Runsvengruppen Aktiebolag, Automobile Property AB

and Angel & Engwall AB. Director of Tengan Intressenter AB, Vetian Kvarngården 56:4 AB, Bocksten AB, Stenvalvet 212 Rönninge Rosstorp AB, Russian Real Estate Investment Company AB and other companies within the Russian Real Estate-group, NS Bredden AB, Relation Hälsofastigheter AB, Vidblicken Fastigheter Växjö AB, Bygg-Fast i Falköping AB and other companies within the Bygg-Fast-group, Fastighet-saktiebolaget Perium Hjulet Hus nr 1 and other companies within the Perium-group, Visionsgruppen Daléngatan AB, SP Skölden 1 AB, Planfast Piteå AB, Tulia Postiljonen AB, Hemsö Medicinaren AB, Savana Hanveden AB, Fastighets AB Västerås Skepparbacken, Sagax Skapnäck AB, LSDÅ Fastigheter AB, Wilson Energin Fastighets AB and other companies within the Wilson-group, Kuststaden Fastigheter i Flanaden AB, Klövern Kortedala AB and other companies within the Klövern-group, Fastighets AB Skultorp, Tingsbacken Fastigheter AB, Farstuviksten Tjädern 18 AB, Trefaldighet Fastighets AB, Säljfast Centrumfastigheter AB, BraBo Fastigheter i Tyringe AB, Dottern i Växjö AB, Bostäder i VGR och Växjö AB, Dotter 7 Bostäder i VGR och Växjö AB, Dotter 5 Bostäder i VGR och Växjö AB, Trollhättan Property Investors AB and K-Fast Torget AB.

**Shareholding in the Company (including any affiliated holdings):** 2,855,079 ordinary shares and 4,000 preference shares.

*Not independent in relation to the Company and the group management, independent in relation to the Company's major shareholders.*



**Anneli Lindblom**, born in 1967  
Director of the Company since 2013 and chairman of the audit committee. No previous assignments within the Group.

**Education:** Economics degree, Frans Schartau's Business Institute, Stockholm.

**Assignments concluded in the past five years:** CFO of Acando AB and other assignments within the

Acando-group. Director and CEO of NoClds AB as well as owner of the firm NoClds.

**Assignments concluded in the past five years:** Director of Titan IT AB.

**Shareholding in the Company (including any affiliated holdings):** 2,000 ordinary shares.

*Independent in relation to the Company, the group management and the Company's major shareholders.*





**Caroline Sundewall**, born in 1958  
Director of the Company since 2013 and member of the audit committee. No previous assignments within the Group.

**Education:** Graduate in business administration, Stockholm School of Economics.

**Other assignments:** Chairman of the board and CEO of Caroline Sundewall AB as well as director of Elanders AB,

Mertzig Asset Management AB and Cramo Oy. Chairman of the Streber Cup foundation.

**Assignments concluded in the past five years:** Chairman of the board of Svolder Aktiebolag and Cloetta AB as well as director of SJ AB, Lifco AB, Aktiebolaget Electrolux, Haldex Aktiebolag, TradeDoubler Aktiebolag, Pångengruppen Aktiebolag, Ahlsell AB, Södra Cell Aktiebolag and Södra Skogsägarna ekonomisk förening.

**Shareholding in the Company (including any affiliated holdings):** 5,000 ordinary shares and 2,000 preference shares.

*Independent in relation to the Company, the group management and the Company's major shareholders.*



**Per-Ingemar Persson**, born in 1956

Director of the Company since 2016 and member of the remuneration committee. No previous assignments within the Group.

**Education:** Master of engineering, Lund Institute of Technology.

**Other assignments:** Chairman of the board of Northern Environmental and Water Solutions AB, director and vice

chairman of the board of Wihlborgs Fastigheter AB, director of Veidekke Industri AS and Hoffman AS as well as other assignments within the Veidekke-group, director of ELU Konsult Aktiebolag and owner and director of PEKE Konsult AB.

**Assignments concluded in the past five years:** Chairman of the board of Arcona Aktiebolag and Skandinavisk Kommunalteknik Aktiebolag. Director and CEO of Veidekke Sverige AB as well as other assignments within the Veidekke-group.

**Shareholding in the Company (including any affiliated holdings):** -

*Independent in relation to the Company, the group management and the Company's major shareholders.*



**Ulrika Valassi**, born in 1967  
Director of the Company since 2013 and member of the audit committee. No previous assignments within the Group.

**Education:** Graduate in business administration, Uppsala University.

**Other assignments:** Director, owner and CEO of au management AB as well as director of A Bit of Sweden AB, Qliro AB and Ålandsbanken Abp.

Nominated as director of Intrum Justitia AB at the annual general meeting 20 April 2016.

**Assignments concluded in the past five years:** Director and CEO of Landshypotek Jordbrukskredit Aktiebolag.

**Shareholding in the Company (including any affiliated holdings):** 4,000 ordinary shares.

*Independent in relation to the Company, the group management and the Company's major shareholders.*

## SENIOR EXECUTIVES<sup>1)</sup>



**Jens Engwall**, born in 1956  
VD

For further information about Jens Engwall, see the section "Board of directors" above.



**Annika Ekström**, born in 1965  
Head of Property Management  
**Education:** Master of engineering, the Royal Institute of Technology, Stockholm.

**Other assignments:** -

**Assignments concluded in the past five years:** -

**Shareholding in the Company (including any affiliated holdings):** 19,922 ordinary shares.



**Karin Osslind**, born in 1955  
CFO  
**Education:** Graduate in business administration, Stockholm School of Economics.

**Other assignments:** Director of the joint venture-companies Söderport Holding AB, Söderport Fastigheter AB and Gardermoen Campus Utvikling AS.

**Assignments concluded in the past five years:** Chairman of the board of Sysslomännen AB. Director of Hemfosa as well as other assignments within the Group.

**Shareholding in the Company (including any affiliated holdings):** 288,024 ordinary shares and 4,000 preference shares.



**Stina Lindh Hök**, born in 1973  
Head of Transactions  
**Education:** Master of engineering, the Royal Institute of Technology, Stockholm.

**Other assignments:** Director of the joint venture-companies Gästgivar-egatan Fastighets AB and Gästgivar-egatan Holding AB.

**Assignments concluded in the past five years:** -

**Shareholding in the Company (including any affiliated holdings):** 11,842 ordinary shares.



**Mikael Weiland**, born in 1958  
Head of Business Development  
**Education:** Industrial engineering and management, Linköping Institute of Technology.

**Other assignments:** Owner and director of Emendare AB.

**Assignments concluded in the past five years:** -

**Shareholding in the Company (including any affiliated holdings):** 1,441,720 ordinary shares.



**Ann-Sofie Lindroth**, born in 1976  
Accounts Manager  
**Education:** Master's degree in economics, Lund University.

**Other assignments:** -

**Assignments concluded in the past five years:** -

**Shareholding in the Company (including any affiliated holdings):** 5,400 ordinary shares.

1) Simon Venemyr Ottersland, COO Norge, is presently a co-opted member of the group management.



**Linda Eriksson**, born in 1975  
Head of Financing

**Education:** Master of engineering, the Royal Institute of Technology, Stockholm.

**Other assignments:** -

**Assignments concluded in the past five years:** -

**Shareholding in the Company (including any affiliated holdings):** -



**Ylva Hult Palmryd**, born in 1976  
Head of Legal

**Education:** Master of laws degree, Uppsala University.

**Other assignments:** -

**Assignments concluded in the past five years:** Director of the joint venture-companies Gästgivaregatan Fastighets AB and Gästgivaregatan Holding AB.

**Shareholding in the Company (including any affiliated holdings):** 6,122 ordinary shares.

## OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

All directors and all of the senior executives can be contacted through the Company's postal address. The Company is of the opinion that Hemfosa's board of directors fulfils the requirements of the Swedish Code of Corporate Governance with respect to independence in relation to the Company, the group management and the Company's major shareholders. In the past five years, none of the directors or senior executives has been charged in fraud-related cases, been a member of the board of directors or management of a company that has been declared bankrupt, been liquidated (due to insolvency) or involved in any other bankruptcy administration, been the object of charges and/or sanctions by authorities (including authorised professional societies) or been imposed with a ban on engaging in company business.

There are no family ties between the individuals on Hemfosa's board of directors or the members of the group management. In addition to what is stated in the next paragraph, there are no potential conflicts of interest in relation to any of the directors or the senior executives, meaning their private interests cannot be considered to conflict with Hemfosa's interests. Members of the board and the group management hold shares in Hemfosa, as stated in the presentation of the directors and the senior executives, respectively. No company in the Group has entered into any agreement that would entitle directors or senior executives to postemployment benefits.

Director and CEO Jens Engwall is also a director of IKANO S.A. and Bonnier Fastigheter AB and the director Per-Ingemar Persson is also a director of Wihlborgs Fastigheter AB. These companies are, directly or indirectly, active players in the Swedish property market and there may be occasions when the interests of these companies will differ from those of the Company. In addition to the regulations on bias in Chapter 8, Section 23 of the Swedish Companies Act and in accordance with the rules of procedure for the board of directors of the Company, a director/the CEO is not permitted to participate in procedures or decisions on issues that could contain facts that might suggest that the director/CEO has an interest in the issue that could conflict with that of the Company. It is the duty of every individual director, as well as the CEO, to independently examine whether bias-related circumstances may exist and if so, such director/CEO must immediately inform the board of directors of such circumstances.

No specific agreements have been made with major shareholders, customers, suppliers or other parties that

have resulted in any director or senior executive having been elected to the board of directors or employed as a senior executive.

Remuneration of directors and senior executives is stated in the section "Corporate governance". There are no restrictions prohibiting the board of directors or members of the group management from selling their shares in Hemfosa after the implementation of the Offer.

The chairman of the board of Hemfosa Bengt Kjell and the CEO Jens Engwall have undertaken to subscribe for at least two thirds of their *pro rata* shares in the Offer. The CFO of Hemfosa Karin Osslind and the Head of Business Development Mikael Weiland have pronounced their intention to subscribe for at least two thirds of their *pro rata* shares in the Offer.

## AUDITOR

An auditor is elected on a yearly basis at the annual general meeting in Hemfosa. At the annual general meeting of the Company on April 19, 2016, it was resolved to re-elect the registered audit firm KPMG AB as auditor. KPMG AB appointed the authorised public accountant Björn Flink to auditor-in-charge. Björn Flink was appointed as auditor-in-charge at the annual general meeting on May 7, 2015 when he succeeded the authorised public accountant Mattias Johansson, KPMG AB. Björn Flink was born in 1959 and is a member of the Swedish Institute of Authorised Public Accountants. During 2015 KPMG were engaged to provide additional services, mostly related to tax and accounting but also related to the Offer as well as issue of preference shares, in addition to the audit assignment. Such services have always and only been provided to the extent compatible with the rules of the Public Accountants Act and the ethics code of the Swedish Institute of Authorised Public Accountants regarding auditors' impartialness and independence.

# Corporate governance

Hemfosa is a Swedish public limited liability company which was listed on Nasdaq Stockholm in March 2014. Governance in Hemfosa is based on laws, the articles of association, Nasdaq Stockholm's Rulebook for issuers and the Swedish Code of Corporate Governance (the "Code"), as well as the rules and recommendations issued by relevant organisations. The Code is based on the "comply or explain" principle. This means that a company applying the Code may choose to deviate from specific rules, but must then provide an explanation for the deviation as well as a description of the solution chosen instead. During 2015 Hemfosa followed the Code without any deviations. Possible future deviations from the Code will be outlined in the Company's annual corporate governance report.

## GENERAL MEETING OF SHAREHOLDERS

Under the Swedish Companies Act, a general meeting of shareholders is the Company's supreme decision-making body and, at this meeting, shareholders are entitled to make decisions concerning the Company. Provisions regulating the general meeting of shareholders are contained in the Swedish Companies Act, the Code and in sections 12 and 13 of the articles of association.

At the 2016 annual general meeting it was, inter alia, resolved to approve the board's resolution on a rights issue with pre-emptive rights conditional upon the approval of the annual general meeting. It was also resolved to authorise the board of directors to, on one or several occasions for the period until the end of the next annual general meeting, with or without deviation from the shareholders' pre-emption right, resolve upon a new issue of ordinary shares to the extent that such new issue can be made without amending the articles of association. The total number of ordinary shares that may be issued pursuant to the authorisation may not exceed ten per cent of the total ordinary shares in Hemfosa, at the time of exercising the authorisation. Such new ordinary shares shall be issued at a subscription price corresponding to market terms and payment can be made, except for payment in cash, by assets contributed in kind or by set-off.

## NOMINATION COMMITTEE

Hemfosa's nomination committee for the 2016 annual general meeting comprised Mats Andersson (Fjärde AP-fonden), Eva Gottfridsdotter-Nilsson (Länsförsäkringsgar Fondförvaltning AB), Lennart Francke (Swedbank Robur fonder), Maria Nordqvist (Lannebo Fonder) as well as Bengt Kjell (chairman of the board of directors). Mats Andersson is the chairman of the nomination committee.

## COMMITTEES

The board currently has two committees: an audit committee and a remuneration committee. The members of these committees are appointed by the board.

After the 2016 annual general meeting the audit committee comprises the directors Anneli Lindblom (chairman), Caroline Sundewall and Ulrika Valassi who are all deemed to be independent in relation to the Company, the group management and the Company's major shareholders. The committee works according to an annually established agenda and is tasked with monitoring the Company's financial statements and the efficiency of the Company's internal control and risk management activities. The audit committee is also to keep itself informed about the audit of the annual report and consolidated financial statements. The committee is also to review and monitor the auditor's independence and objectivity, paying particular attention to whether the auditor provides services outside the scope of its audit. The committee also assists by making a recommendation to the annual general meeting on the appointment of auditor.

After the 2016 annual general meeting the remuneration committee comprises the directors Bengt Kjell (chairman) and Per-Ingemar Persson who are both deemed to be independent in relation to the Company the group management. The remuneration committee is tasked with preparing matters concerning remuneration policies for the CEO and other senior executives, as well as individual remuneration for the CEO in accordance with the remuneration policies. The committee is also to assist the board in monitoring the system by which the Company complies with laws, stock exchange rules and the Code pertaining to the rules governing the disclosure of information related to remuneration of the CEO and other senior executives, and to monitor and evaluate any schemes that are ongoing or were concluded during the year for variable remuneration to the CEO and other senior executives, the application of guidelines for remuneration of the CEO and other senior executives that the annual general meeting is legally obliged to resolve on and current remuneration structures and levels.

## REMUNERATION TO THE BOARD OF DIRECTORS

At the annual general meeting on April 19, 2016, it was resolved that until the next annual general meeting, annual remuneration of SEK 180,000 is to be paid to each of the directors elected at a general meeting who are not employed by the Company and SEK 400,000 to the chairman of the board. It was also resolved that fees for committee work amounting to SEK 60,000 are to be paid to the chairman of the audit committee and SEK 35,000 to each of the other members of the audit committee.

At the annual general meeting it was further resolved that, provided that it is cost neutral for the Company and subject to a written agreement between the Company and the director, the Company may approve the remuneration to be invoiced through a company, wholly-owned by the director. In such case, the invoiced fee shall be increased by an amount corresponding to social security contributions under law and VAT under law.

### REMUNERATION TO SENIOR EXECUTIVES

Remuneration to senior executives comprise a fixed and a variable part. Variable remuneration of senior executives must not exceed four months' salary and must not be pensionable. The variable salary may not exceed a total of MSEK 3 for senior executives in the Group. Regarding the right and the possibility to receive variable remuneration the Group's CEO and CFO are excluded.

Pension conditions for senior executives will be based on defined contribution pension plans and comply with or correspond to general pension plans, the ITP1-plan in Sweden. Termination salary and severance pay for a senior executive is not to exceed a total of 18 months' salary if the Company terminates employment and six months if the senior executive resigns.

During the 2015 financial year, remuneration was paid to the CEO and other senior executives in accordance with the following table.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

According to the Swedish Companies Act and the Code, the board is responsible for internal control over the Company's financial reporting. Hemfosa has adopted the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework for evaluating a company's internal control over financial reporting – Internal Control-Integrated Framework – containing the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

#### Control environment

The distribution and delegation of responsibilities has been documented and communicated in internal governing documents for the board of directors and the Company including:

- The board of director's rules of procedure,
- CEO instructions,
- Delegation of authority,
- Authorisation instructions, and
- Other internal governing documents (such as the accounting manual and business policy).

All internal governing documents are regularly updated to include amendments to, for example, legislation, accounting standards or stock exchange requirements and otherwise when necessary.

### Remuneration paid during 2015 from the Company to the CEO and other senior executives, TSEK

Name/ position	Salary, directors' fees	Variable remuneration	Pensions	Share based remuneration	Other remuneration	Total
<b>Jens Engwall (CEO)</b>						
Remuneration from the Company	3,567	-	788		255	4,610
<b>Other senior executives (7 persons)</b>						
Remuneration from the Company and subsidiaries	10,363	1,455	2,257	-	737	14,812



# Articles of association

*Adopted at the annual general meeting on May 7, 2015*

## **§ 1 Company name**

The company's name shall be Hemfosa Fastigheter AB. The company shall be a public (publ) company.

## **§ 2 Operations**

The object of the company's operations shall be to, directly or indirectly, own and manage properties and property-related assets and engage in other activities related therewith.

## **§ 3 Registered office**

The registered office of the company's board of directors shall be in the municipality of Nacka.

## **§ 4 Share Capital**

The share capital of the company shall be no less than SEK 50,000,000 and no more than SEK 200,000,000.

## **§ 5 Number of shares etcetera**

The number of shares of the company shall be no less than 100,000,000 shares and no more than 400,000,000 shares.

It shall be possible to issue two classes of shares, ordinary shares and preference shares. Each ordinary share entitles the holder to one (1) vote. Each preference share entitles the holder to one-tenth (1/10) of a vote. Ordinary shares and preference shares may be issued up to an amount corresponding to no more than 100 per cent of the share capital.

## **§ 6 Dividend**

*Preference shares have priority to dividend*

If the general meeting resolves on a dividend, preference shares shall carry preferential rights before ordinary shares to a dividend set out below.

*Calculation of the Preference Dividend*

The preference shares shall confer a preferential right over the ordinary shares to an annual dividend of SEK ten (10) per preference share with quarterly payment of SEK two and fifty (2.50) per preference share (the "Preference Dividend"), with record days as set out below.

*Payment of dividend*

Payment of dividend on preference shares shall, the first time following the registration of the preference shares with the Swedish Companies Registration Office (Sw. *Bolagsverket*), be made quarterly in cash. The record days for the payments of dividend on preference shares shall be 10 January, 10 April, 10 July and 10 October. In the

event that such day is not a banking day, the record date shall be the immediately preceding banking day. Dividend payments on preference shares shall be distributed on the third banking day after the record date. With "banking day" is meant a day that is not a Sunday, a public holiday or a day that in relation to the payment of debt instruments is equal to a public holiday (such equal days are at the time of the adoption of these articles of association: Saturday, Midsummer Eve, Christmas Eve and New Year's Eve).

*Calculation of Outstanding Amount*

If no dividend is paid on preference shares, or if only a dividend of less than the Preference Dividend has been paid, the preference shares shall carry entitlement to, in addition to future Preference Dividend, receive an amount evenly distributed on each preference share, corresponding to the difference between what should have been paid according to the above and the amount that was paid ("Outstanding Amount") before dividend to holders of ordinary shares can be made. The Outstanding Amount shall be adjusted upwards by a factor corresponding to an annual interest rate of ten (10) per cent, whereby upward adjustment shall start from the quarterly date when payment of part of the dividend was made (or should have been made, in the event that no dividend was paid at all). Dividend of the Outstanding Amount is also conditional upon the general meeting resolving to pay dividend.

*Recalculation at certain events of the company*

In the case of a change in the number of preference shares through a reverse share split, a share split or other company events that have a similar effect, the amount that the preference share is entitled to according to §§ 6-8 in these articles of association shall be recalculated to reflect this change.

*Miscellaneous*

The preference shares shall not otherwise carry entitlement to dividend.

## **§ 7 Redemption of preference shares**

A reduction of the share capital, although not below the minimum capital, may be effected through redemption of a certain number of, or all, preference shares following a decision by the general meeting.

The allocation of which preference shares that shall be redeemed shall be made *pro rata* in relation to the number of preference shares that each preference shareholder owns at the time of the general meeting's resolution on redemption. If the allocation as set out above does not amount to an even number of shares, the board of directors shall decide on allocation of the additional preference shares to be redeemed. If the resolution is

approved by all holders of preference shares the general meeting can however decide which preference shares are to be redeemed.

The redemption amount for each redeemed preference share shall be an amount calculated as follows:

- i. Up to the fifth anniversary of the first new issue of preference shares (the "Initial Issue"), an amount of SEK 211.25 plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.
- ii. As from, and including, the fifth anniversary of the Initial Issue up to the tenth anniversary of the Initial Issue, an amount of SEK 195.00 plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.
- iii. As from, and including, the tenth anniversary of the Initial Issue and for the time thereafter, an amount of SEK 178.75 plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above. The redemption amount for each redeemed preference share shall however never be lower than the share's quota value.

All interest calculation shall cease on the day on which the redemption amount falls due for payment according to above.

## **§ 8 Dissolution of the company**

If the company is dissolved, preference shares shall carry preferential rights before ordinary shares to receive from the company's assets an amount per preference share of SEK 211.25 plus any Outstanding Amount adjusted upwards by an annual interest rate as set out in § 6 above, prior to any distribution to owners of ordinary shares. Preference shares shall otherwise not carry any entitlement to a share of distribution.

## **§ 9 Preferential rights of shareholders**

Should the company decide to issue new shares of more than one class through a cash issue or a set-off issue, holders of ordinary shares and preference shares shall have preferential right to subscribe for new shares of the same class in proportion to their existing shareholding in that class (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through

subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings, regardless of whether the shares in the company already held by them are ordinary shares or preference shares. To the extent this is not possible as regards a certain share or certain shares, the distribution shall be made by lottery.

Should the company decide to issue new shares of only one class through a cash issue or a set-off issue, the existing shareholders of the class of shares that is the subject of the new issue shall carry preferential right to such new shares in proportion to their existing shareholding in that class (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). Should the number of shares offered in this way not be enough for subscription through subsidiary preferential right, said shares shall be apportioned among subscribers in proportion to their existing shareholdings, regardless of whether the shares in the company already held by them are ordinary shares or preference shares. To the extent this is not possible as regards a certain share or certain shares, the distribution shall be made by lottery.

Should the company decide through a cash issue or a set-off issue to issue subscription warrants or convertibles, shareholders shall have preferential right to subscribe for subscription warrants as if the issue was in respect of the shares that may be subscribed for by exercising the subscription warrants and to subscribe for convertibles as if the issue was in respect of the shares that the convertibles may be exchanged for.

The aforesaid shall not imply any limitation in the possibility of a decision on cash issue or set-off issue with divergence from shareholders' preferential rights.

An increase of the share capital by a bonus issue, where new shares are issued, may only occur by an issue of new ordinary shares. In such case, only holders of ordinary shares have preferential right to such new ordinary shares in proportion to their existing shareholding of ordinary shares. What has just been said shall not imply any limitation in the possibility to issue new classes of shares through a bonus issue, after necessary amendments to the articles of association.

## **§ 10 Board of directors**

The board of directors shall comprise no less than four and no more than ten members. The members of the board of directors shall be elected annually at the company's annual general meeting for the period until the end of the next annual general meeting.

**§ 11 Auditor**

The company shall have one or two auditors, with or without deputy auditors. The auditors shall examine the company's annual report and accounting records, and examine the management performed by board of director and the chief executive officer. If the company is a parent company, the auditors shall also examine the consolidated financial statements and the mutual relationships between group companies.

**§ 12 Notice**

Notice to attend a general meeting of shareholders shall be issued by publishing a notice in Post- och Inrikes Tidningar (the Official Swedish Gazette) and on the company's website. An announcement confirming that notice to attend has been issued shall be published in Svenska Dagbladet. Should the nationwide distribution of Svenska Dagbladet be discontinued, the announcement shall be published in Dagens Nyheter instead. The notice to attend shall be issued within such time stipulated by the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*).

Shareholders wishing to participate in the general meeting must be registered in a transcript or some other presentation of the entire share register pertaining to the conditions prevailing five weekdays prior to the meeting and notify the company of their intention to attend no later than the day stated in the notice to attend the meeting. This day must not be a Sunday or another public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not occur earlier than the fifth weekday prior to the meeting.

**§ 13 General meeting of shareholders**

The general meeting of shareholders shall be held in the municipality where the board of directors has its registered office or in Stockholm.

The annual general meeting shall be held annually within six months from the end of the preceding financial year. The following items of business shall be addressed at the annual general meeting:

1. Election of chairman of the meeting.
2. Preparation and approval of the voting register.
3. Election of one or two persons to check and verify the minutes.
4. Determination of whether the meeting has been duly convened.

5. Approval of the agenda.
6. Presentation of the annual report and the auditors' report and, where appropriate, the consolidated financial statements and the auditor's report for the group.
7. Resolutions concerning
  - a) adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet,
  - b) disposition of the company's earnings in accordance with the adopted balance sheet, and
  - c) whether the board members and the chief executive officer should be discharged from liability.
8. Determination of remuneration to be paid to the board members and the auditor.
9. Election of board members and, where applicable, auditors and any deputy auditors.
10. Other business to be addressed by the meeting in accordance with the Swedish Companies Act (2005:551) or the articles of association.

**§ 14 Financial year**

The company's financial year shall be 1 January to 31 December.

**§ 15 CSD clause**

The company's shares shall be recorded in a central securities depository register pursuant to the Financial Instruments Accounts Act (1998:1479) (Sw. *Lag om kontoföring av finansiella instrument*).

Shareholders or nominees who, on the record date, are entered in the share register and noted in a central securities depository register in accordance with Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or those listed in a central securities depository account in accordance with Chapter 4, Section 18, Paragraph 1, Items 6-8 of the aforementioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Swedish Companies Act (2005:551).

# Shares, share capital and ownership structure

## SHARES AND SHARE CAPITAL, ET CETERA

According to Hemfosa's Articles of Association, which were adopted at the annual general meeting on May 7, 2015, the share capital may not be less than SEK 50,000,000 and not more than SEK 200,000,000, represented by less than 100,000,000 and no more than 400,000,000 shares. The Company's shares may be issued in two classes, ordinary shares and preference shares. Ordinary shares and preference shares may be issued in a number corresponding to not more than 100 per cent of the share capital. Prior to completion of the Offer, the Company's registered share capital amounts to SEK 71,220,103.50 distributed among 142,440,207 shares, represented by 131,440,208 ordinary shares and 10,999,999 preference shares.

Assuming that the Offer is fully subscribed, the Company's share capital will increase by SEK 13,144,020.50 to SEK 84,364,124 and the number of ordinary shares will increase by 26,288,041 ordinary shares whereupon the number of shares in the Company will amount to 168,728,248 represented by 157,728,249 ordinary shares and 10,999,999 preference shares. The dilution effect for holders of ordinary shares who do not subscribe for new shares in the Offer will amount to a total of 26,288,041 ordinary shares, equivalent to approximately 16 per cent of the share capital of the Company after the Offer. However, these shareholders will have the opportunity to sell their subscriptions rights as financial compensation for this dilution effect.

Each share has a quota value of SEK 0.50 and each ordinary share carries one voting right at general meetings while each preference share carries one tenth of a voting right. At general meetings, shareholders may vote for the total number of shares they own and represent, with no limitations on voting rights. Hemfosa's ordinary shares and preference shares are issued according to and governed by Swedish law and the rights associated with the shares can only be amended in accordance with the stipulations of the Companies Act. Hemfosa's Articles of Association contains a CSD-clause and the existing ordinary shares and preference shares are registered with Euroclear and the ordinary shares that will be issued under the Offer will be registered with Euroclear, which means that Euroclear will administer the shareholder register and register the Company's shares in an owner-registered account. No share certificates have been issued

for the Company's shares.

Hemfosa's ordinary shares have the ISIN code SE0007126115 and are traded on Nasdaq Stockholm under the ticker HEMF and the new ordinary shares will be traded under the same ticker on Nasdaq Stockholm after they have been registered with the Swedish Companies Registration Office. Hemfosa's preference shares have the ISIN code SE0007126123 and are traded on Nasdaq Stockholm under the ticker HEMF PREF. The ordinary shares and preference shares are not subject to any transfer restrictions (although investors should carefully read the information in the section ("Restrictions on sale and transfer et cetera"). The ordinary shares and preference shares are denominated in SEK. All issued shares are fully paid.

The shares are not subject to any offer pursuant to a mandatory take over bid and/or squeeze-out or sell-out. Nor have any public takeover bid been made during the current or preceding financial years.

## RIGHT TO DIVIDENDS

The annual general meeting (AGM) on April 19, 2016 resolved to pay a dividend to holders of ordinary shares, up to the following AGM, totalling SEK 4.20 per ordinary share with quarterly payment of SEK 1.05 per ordinary share. April 21, 2016, July 10, 2016, October 10, 2016 and January 10, 2017 were resolved as the record days for receipt of dividends on ordinary shares. The AGM also resolved to pay a dividend to holders of preference shares, up to the following AGM, totalling SEK 10.00 per preference share with quarterly payment of SEK 2.50 per preference share. July 10, 2016, October 10, 2016, January 10, 2017 and April 10, 2017 were resolved as the record days for receipt of dividends on preference shares. In the event such day is not a banking day, the record date shall be the closest preceding banking day.

Preference shares provide preferential rights, in precedence to ordinary shares, to an annual dividend of SEK 20 per preference share, divided into quarterly payments of SEK 2.50 per preference share ("Dividend on preference shares"). A precondition for the dividend is an AGM resolution to this effect. If no dividend is paid on preference shares, or if a dividend that is less than the Preference dividend is paid, the preference shares shall provide entitlement, in addition to future Preference dividend, to an amount, equally distributed to each preference share,

corresponding to the difference between what should have been paid, pursuant to the aforementioned, and the amount paid (“Outstanding Amount”) before any payment to holders of ordinary shares may be made. The Outstanding Amount shall be indexed by a factor corresponding to an annual interest rate of ten (10) per cent. The dividend payment of the Outstanding Amount also requires that the AGM resolve on a dividend payment. Otherwise, the preference shares shall not confer entitlement to any additional dividend. For a more detailed description of the terms and conditions applying to preference shares in conjunction with the distribution of profit, see the section “Articles of Association”.

Entitlement to a distribution of profit accrues to a party that, on the record date determined by the AGM, is registered in the share register maintained by Euroclear. If a shareholder cannot be reached through Euroclear, the shareholder's claim on the Company remains in respect of the dividend amount and is limited solely through regulations governing the statute of limitations.

After the period of limitation, the dividend amount accrues to the Company. Neither the Swedish Companies Act nor the Company's Articles of Association include any restrictions regarding dividends to shareholders domiciled outside Sweden. Apart from the restrictions pursuant to banking and clearing systems, payment to such shareholders are made in the same manner as those made to shareholders domiciled in Sweden.

#### RIGHTS ACCRUING TO SHARES IN CONNECTION WITH DISSOLUTION OF THE COMPANY

In the event of the dissolution of the Company, preference shares shall confer a priority claim ahead of ordinary shares to receive from the Company an amount per preference share totalling SEK 211.25 plus any outstanding amount indexed based on an annual interest rate of ten (10) per cent, before any distribution is made to holders of ordinary shares. Otherwise, the preference shares shall not confer entitlement to any additional dividend.

#### The Company's share capital trend<sup>1)</sup>

Date	Event	Change in share capital, SEK	Change in number of ordinary shares	Change in number of preference shares	Share capital after the change, SEK	Number of ordinary shares after the change	Number of preference shares after the change
January 2013	New formation	50,000	50,000	-	50,000	50,000	-
June 2013	New share issue	2,792,897	2,792,897	-	2,842,897	2,842,897	-
June 2013	New share issue	22,207,103	22,207,103	-	25,050,000	25,050,000	-
June 2013	Reduction <sup>1)</sup>	-50,000	-50,000	-	25,000,000	25,000,000	-
March 2014	Offset share issue	30,937,496	30,937,496	-	55,937,496	55,937,496	-
March 2014	New share issue in connection with listing on Nasdaq Stockholm	5,434,782	5,434,782	-	61,372,278	61,372,278	-
April 2014	New issue in connection with over-allotment option	4,347,826	4,347,826	-	65,720,104	65,720,104	-
November 2014	New issue of preference shares	5,000,000	-	5,000,000	70,720,104	65,720,104	5,000,000
May 2015	Share split 2-for-1	-	65,720,104	5,000,000	70,720,104	131,440,208	10,000,000
September 2015	Private placement of preference shares	499,999.5	-	999,999	71,220,103.5	131,440,208	10,999,999
May 2016	Rights issue of ordinary shares (the Offer) <sup>3)</sup>	13,144,020.5	26,288,041	-	84,364,124	157,728,249	10,999,999

1) The reduction was due to the restructuring of ownership in connection with the Company's acquisition of Hemfosa Sverige AB and Hemfosa Tetis AB.

2) Prior to exercising the over-allotment option of a maximum 4,347,826 shares.

3) Assuming full subscription of the Offer.

### OWNERSHIP STRUCTURE

The table below shows the Company's ten largest shareholders based on information from Euroclear as of March 31, 2016.

### SHAREHOLDER AGREEMENTS

To the best of the board's knowledge, there are no shareholder agreements or arrangements between the Company's shareholders pertaining to joint control over the Company. Insofar as the board is aware, nor are there any agreements or the equivalent that could lead to any change in control over the Company.

### PERSONS WITH AN INSIDER POSITION

With the exception of the directors, the senior executives, the auditor-in-charge Björn Flink, a number of employees/service providers in Hemfosa and certain individuals within the Group who, through their position in the Company, are considered likely to access non-public price-sensitive information, no persons are obligated to report their holdings under the Swedish Act on Reporting Duty for Certain Holdings of Financial Instruments (2008:1087).

### INCENTIVE SCHEMES

On the date of the Prospectus, no decisions have been made concerning the establishment of any long-term share-based incentive schemes in the Company.

### RESTRICTIONS TO FOREIGN OWNERSHIP

Shareholders resident outside of Sweden or individuals lacking Swedish citizenship are not subject to any restrictions pursuant to Swedish law or the Company's Articles of Association pertaining to entitlement to own or vote for shares.

### SHARE PERFORMANCE

The following diagram shows the development for the ordinary share on Nasdaq Stockholm since March 2014.



Shareholders	Number of shares			Percentage share	
	Ordinary shares	Preference shares	Total number of shares issued	Capital	Votes
Fjärde AP-fonden	13,218,166	-	13,218,166	9,3	10,0
Länsförsäkringar fondförvaltning AB	10,132,533	-	10,132,533	7,1	7,6
Kåpan Pensioner	6,863,562	-	6,863,562	4,8	5,2
AMF - Försäkring och Fonder	6,767,901	-	6,767,901	4,8	5,1
Lannebo fonder	5,575,328	-	5,575,328	3,9	4,2
Handelsbanken fonder	5,212,211	-	5,212,211	3,7	3,9
Swedbank Robur fonder	4,728,721	300,000	4,728,721	3,5	3,6
JPM Chase NA	3,475,900	87,129	3,475,900	2,5	2,6
IKANO Invest AB	3,134,562	-	3,134,562	2,2	2,4
Jens Engwall <sup>1)</sup>	2,506,940	-	2,506,940	1,8	1,9
Other shareholders	80,824,383	10,612,870	91,437,253	56,0	53,5
<b>Total</b>	<b>131,440,208</b>	<b>10,999,999</b>	<b>142,440,207</b>	<b>100</b>	<b>100</b>

1) Excluding shares held through companies



# Legal considerations and supplementary information

## GROUP STRUCTURE

Hemfosa is the parent company of the Group comprising the directly owned subsidiaries Hemfosa Norden AB, Hemfosa Vuskt AB, Hemfosa Sverige AB, Hemfosa Tetis AB, Hemfosa Kronfastigheter Holding AB, and, after Hemfosa's establishment in the Norwegian and the Finnish markets during 2015, also Hemfosa Samfunnsbygg AS ("Samfunnsbygg") (of which, Hemfosa holds just over 97 per cent of the shares, see further under heading "Significant agreements", "Shareholder agreements") and Hemfosa Finland AB, as well as the subsidiaries owned by the subsidiaries. There are also a number of joint ventures, which Hemfosa owns together with other companies; see section "Joint ventures".

For a more in-depth description of the companies in the Group, please see Note 26 under the heading "Shares in Group companies" on pages 90–94 of the Company's 2015 Annual Report, which has been incorporated by reference.

## SIGNIFICANT AGREEMENTS

### Agreement on property and corporate acquisitions

Hemfosa has completed several acquisitions of considerable size, primarily in Sweden but also in Norway and Finland, since the Company was founded; see further section "Business overview" under the heading "Operational history".

The Swedish acquisition agreements generally follow accepted market practices in respect of the scope and duration of guarantees and limitation of amounts and liabilities for the seller. The Norwegian and Finnish acquisition agreements generally have the same structure as the Swedish acquisition agreements. The guarantees and their scope, and the limitation of amounts and liabilities for the seller largely conform to accepted practices in the Swedish market, although there are somewhat fewer technical guarantees (such as guarantees pertaining to completed technical inspections) in the Norwegian acquisition agreements.

Hemfosa has also conducted a number of property sales (through companies) in the Swedish market. Under several of these sales agreements, it is still possible for the respective buyer to invoke warranty claims against Hemfosa. Under certain sales agreements, Hemfosa has also issued a rental guarantee, according to which Hemfosa has agreed to pay an amount corresponding to

the baseline rent, including charges, for any unoccupied floor space in the properties owned by the Company. Under certain sales agreements, Hemfosa has also agreed to perform/complete certain types of work on the properties sold. No claims have been invoked against Hemfosa concerning deficiencies in the guarantees issued.

### Construction contracts

Either when acquiring properties or as part of its negotiations with existing tenants, Hemfosa has agreed to construct new buildings on property it has acquired or to refurbish/develop existing buildings. The majority of the construction contracts were signed under customary terms and conditions in the market, and standard industry terms (AB 04/ABT 06) were applied.

### Leases

A major portion of Hemfosa's property portfolio comprises public properties, where most of the rental income comes from tenants conducting activities financed by public funds. The leases have generally been entered into on terms of between nine months and 30 years, where most of the leases having terms exceeding three years. The leases on longer terms are normally associated with certain investments that Hemfosa has agreed to perform on a tenant's premises. The average remaining lease term as per March 31, 2016 was 6.0 years. Under some leases, the tenant is entitled to discounts or has an unilateral right to early termination of the lease.

In Norway and Finland, freedom of contract in respect of leases is more extensive than the situation prevailing in Sweden. The Norwegian leases are normally signed with terms of between three and 25 years. Most Finnish leases are signed for longer terms, several in excess of 20 years.

### Service provision agreements

The Group has four principal service providers for financial and commercial management – ISS Facility Services AB ("ISS"), Nordic PM AB ("Nordic PM"), Mrec Asset Management Oy ("Mrec") for its Finnish operations and OBOS Basale AS ("OBOS") for its operations in Norway. ISS and Mrec provide the Company with day-to-day financial administration such as administering rental payment, accounting, financial statements and reporting, as well as tax administration, reporting to regulatory authorities and certain transaction services. The agree-

ment with ISS has been terminated for renegotiation. Nordic PM provides compilations of leased and unleased premises, and quarterly property-management reports. OBOS provides financial and administrative services such as administering rental payment, quarterly reports, accounting and contacts with tenants.

### Financing agreements

Loan agreements for credit facilities have been concluded for Hemfosa Sverige AB (and its directly and indirectly owned subsidiaries) and for Hemfosa Tetis AB (and its directly and indirectly owned subsidiaries), mainly with the aim of being able to finance property acquisitions and construction loans for various contracting projects, as well as various forms of business financing. Hemfosa has also issued a bond in the capital market. As per March 31, 2016, facilities provided under loan agreements, including the issued bond, totalled SEK 19.9 billion, of which SEK 1.2 billion is attributable to the bond.

Under concluded agreements, creditors to companies in the Group include both Swedish creditors (including SEB, Swedbank, Svenska Handelsbanken AB (publ)/Stadshypotek AB (publ), Danske Bank A/S, Denmark, Sverige Filial ("Danske") and Nordea Bank AB (publ) ("Nordea")), and foreign creditors (including Danske Bank A/S, DNB BANK ASA, HSH Nordbank AG, Luxembourg Branch AS, Aareal Bank AG, Deutsche Pfandbriefbank AG and Husbanken AS). Certain Group companies have also concluded inter-creditor or other subordination agreements in connection with the loan facilities specified above under which, inter alia, internal loans are subordinated and relevant companies make certain commitments regarding how and when internal liabilities should be paid.

### Syndicated loans

#### *Hemfosa Adrian HoldCo AB*

A significant loan agreement for approximately SEK 3 billion has been concluded with SEB and Nordea. The facilities may be utilised by Hemfosa Adrian HoldCo AB ("Hemfosa Adrian") for the purpose of granting loans to the property-owning subsidiaries (downstream loans) for refinancing existing liabilities in the companies, for their general corporate needs and to finance/refinance approved investments/capital expenditure. Interest rates under the loan agreement are based on STIBOR plus a reset margin. The credit facilities granted hereunder fall due for payment on 25 September 2018. The loan agreement contains customary terms and conditions, guarantees and obligations, and the terms and conditions are linked to a number of agreed financial covenants regard-

ing, inter alia, obligations pertaining to loan-to-value ratio, interest coverage ratio, minimum value of the property portfolio and equity/assets ratio. The agreement also contains obligations for the borrower to repay a specific amount of the credit facilities in advance should a property or property-owning subsidiary be sold and, following the listing, to repay all credit facilities should someone (or a Group acting together) take control of more than 30 per cent of the shares and/or votes in Hemfosa, or should Hemfosa be delisted or no longer own all shares in Hemfosa Sverige AB, or should Hemfosa Sverige AB no longer own all shares in Hemfosa Adrian, which is the formal borrower (known as "change of control"). There are also customary provisions regarding defaults. Under the agreement, such circumstances exist should a default on another credit facility taken up by Hemfosa, Hemfosa Sverige AB, Hemfosa Adrian or any other of Hemfosa Adrian's subsidiaries be at hand (referred to as "cross default").

#### *Hemfosa Tetis AB*

Hemfosa Input AB ("Hemfosa IPUT") and its subsidiaries have concluded a significant loan agreement with SEB and Swedbank for a credit facility of slightly more than SEK 2.1 billion in December 2015. The facilities may be utilised by Hemfosa IPUT for the purpose of functioning as downstream loans to the property-owning subsidiaries for refinancing existing liabilities in the subsidiaries and for their general corporate needs. Interest rates under the loan agreement are based on STIBOR plus a pre-set margin. The loan terms and conditions, including financial covenants, are very similar to those applicable under Hemfosa Adrian's loan agreement with SEB and Nordea, as described above, albeit in relation to Hemfosa Tetis AB and its subsidiaries rather than Hemfosa Sverige AB and its relevant subsidiaries. The loans under the loan agreement become due for payment on December 11, 2018.

#### *Hemfosa Alexander AB*

In addition, Danske, Nordea and Swedbank have provided a substantial loan of approximately SEK 2.2 billion, which may be utilised by Hemfosa Alexander AB for downstream loans to the property-holding companies. Like the above, the terms and conditions of the loans are essentially those described above for Hemfosa Adrian and Hemfosa Tetis AB. Pursuant to the loan agreement, the facility falls due for payment on December 15, 2018.

#### *Hemfosa Solen AB*

Aareal Bank AG and Deutsche Pfandbriefbank AG have provided a considerable loan of approximately

SEK 1.9 billion to Hemfosa Solen AB. The loan agreement is based on commercial provisions that may be compared with the terms and conditions presented above and the loan agreement is subject to Swedish law. However, the loan agreement only contains financial covenants regarding interest coverage and LTV ratios. The loans under the agreement become due for payment on June 28, 2016.

In conjunction with the credit facility specified above, Hemfosa Sverige AB, Hemfosa Adrian, Hemfosa Tetis AB, Hemfosa Iput, Hemfosa Solen AB's subsidiaries and Hemfosa Alexander AB and their property-owning subsidiaries have entered into suretyship, as if the loans were for their own debt, by pledging collateral including properties and shares in the relevant subsidiaries and their property-owning subsidiaries. In addition, hedging agreements have been concluded in relation to the raised loans of approximately 8,495 as per March 31, 2016.

#### **Bilateral loans**

Apart from the aforementioned syndicated credits, subsidiaries of Hemfosa Sverige AB have concluded a number of bilateral loans to primarily finance property acquisitions and construction credits for various construction projects, as well as for operational financing. Credit providers under these bilateral loans consist, in part, of Swedish creditors such as Danske, Nordea, SEB, Svenska Handelsbanken AB (publ)/Stadshypotek AB (publ) and Swedbank, and, in part of non-Swedish lenders such as Danske Bank A/S, DNB BANK ASA, HSH Nordbank AG, Luxembourg Branch AS and Husbanken AS. The total principal under these loans amounts to approximately SEK 9.5 billion as per March 31, 2016.

A number of these loan agreements contain customary terms and agreements, guarantees and obligations for property loans of this type, including cross-default and change of control provisions, as well as financial covenants similar to those for the aforementioned loan agreement with Hemfosa Adrian. Limitations also apply to the payment of dividends by certain subsidiaries. Since these subsidiaries have only had a marginal impact on Hemfosa's earnings historically, the limitations are not considered to have any significant impact on Hemfosa's ability to pay dividends in accordance with the Company's dividend policy. In conjunction with raising the loans, certain sureties have also been provided. Furthermore, customary collateral has been provided in favour of certain credit providers pursuant to certain loan agreements. Hedging contracts have also been concluded by certain companies under certain loan agreements.

#### **Bond loan**

On May 8, 2014, Hemfosa issued a three-year uncovered bond amounting to SEK 1.2 billion on the capital market. The bond is listed on Nasdaq Stockholm. The terms and conditions of the bond include certain financial covenants involving, inter alia, undertakings regarding interest coverage and equity/asset ratios. The terms and conditions also include rights, under certain circumstances, to request early redemption of outstanding bonds should a party (or a group acting in consortium) assume control of more than 50 per cent of the shares and/or voting rights in Hemfosa or if Hemfosa is delisted (referred to as change of control). There are also the customary provisions regarding the bases for notice of termination, such as if, under certain circumstances, a loan under another facility, and which has been raised by certain Hemfosa subsidiaries, has not been paid on the scheduled date or has fallen due for early payment pursuant to a basis for termination (referred to as cross default).

#### **Shareholder agreements**

For information about shareholder agreements concerning equity ownership in Hemfosa, see the section "Shares, share capital and ownership structure" under the heading "Shareholder agreements."

Hemfosa regularly signs shareholder agreements with other owners of joint ventures and other co-owned companies. The shareholder agreements normally include customary stipulations about the composition of the board of directors, consensus pertaining to certain resolutions, financing, redemption in the event of breach of contract and exit stipulations.

Hemfosa and Immob Holding AS, ("Immob") have concluded a shareholder agreement concerning equity ownership in Samfunnsbygg. Hemfosa exercises complete control over the Company in its capacity as the holder of 97.23 per cent of the shares. Immob is 100 per cent owned by Simon Venemyr Ottersland who, via Immob, has concluded consultancy contract under which he is to function as the exclusive purchasing and sales advisor for all of Hemfosa's activities in Norway.

#### **ABOUT GARDERMOEN CAMPUS**

On June 15, 2015, Hemfosa, through Samfunnsbygg, acquired 65 per cent of the shares of Gardermoen Campus Utvikling AS ("GCU") from the Norwegian property development company Aspelin Ramm Eiendom AS ("Ramm"), with the intention of working with Ramm to jointly own and develop a site at Gardermoen Airport, near Oslo, into an important national hub for expertise in

health and social care. The joint venture company GCU has acquired land in the municipality of Ullensaker. In conjunction with GCU's acquisition of the land, a purchase option was secured concerning additional land. The purchase option has to be exercised by October 16, 2020.

Other agreements concluded in connection with Samfunnsbygg's acquisition of the shares of GCU are: (i) shareholder agreements between Ramm and Samfunnsbygg; (ii) a 25-year lease between GCU and LHL-klinikkene AS ("LHL"); and (iii) a project agreement between GCU and Ramm.

In the fourth quarter of 2015, GCU signed, inter alia, a 30-year lease with the Municipality of Ullensaker for a new local medical centre that is to be constructed adjacent to LHL's hospital.

## ENVIRONMENT

Environmentally hazardous activities, which could lead to soil contamination and which in turn could result in rectification costs (such as costs for remediation), have previously been conducted on a number of properties owned by Hemfosa. For example, Hemfosa owns a number of properties on which industrial operations were previously conducted and on which it has been established that pollutants or contamination may exist for which remediation measures may be required. In connection with the acquisition of properties, Hemfosa performs environmental analyses of both land and buildings to identify potential environmental risks and assess the measures that could be required to reduce the environmental impact. Hemfosa is not currently subject to any demands for environmental remediation or claims due to environmental contamination.

## INSURANCE COVER

Hemfosa has insurance policies with If Skadeförsäkring and AIG Försäkringar. These include customary business-related and property insurance policies as well as liability policies for directors, and cover all of the Group's properties, directors and the CEO. Acquired properties are included in existing insurance coverage upon notification by the Company. The policies cover a 24-month period of rent losses.

## DISPUTES

### Göteborg Arendal 1:17

In 2010, Hemfosa acquired all shares in Hemfosa Arendal AB, which owns the Göteborg Arendal 1:17 property, along with a lease for a logistics facility, which had been constructed on a turnkey basis prior to being acquired by Hemfosa. Following the acquisition, it was discovered

that the load-bearing capacity of the facility's floor is less than promised and that it will eventually have to be rectified. The tenant has withheld certain rent payments by depositing the amount with the County Administrative Board, and has refrained from making certain other rent payments. The tenancy has expired and the tenant has moved away from the premises. Hemfosa Arendal AB has taken out a summons against the tenant for the deposited and unpaid amounts. The tenant has disputed Arendal's action and referred to counterclaims, and has also filed a countersuit. After the tenant moved out of the premises, Hemfosa rectified the faults in the floor. The related costs of approximately MSEK 26 have been charged to Hemfosa Arendal AB's profit.

Hemfosa has submitted a claim for defects and shortcomings in the floor, and discussions have been held with the turnkey contractor, who disputes the fact that there are any defects or shortcomings.

## ADVISORS' INTERESTS

In their role as financial advisors, SEB and Swedbank are paid predetermined remuneration for services provided in connection with the Offer. SEB and Swedbank occasionally provide services within the framework of their operating activities and are also lenders to the Company (see the heading "Financing agreements").

## RELATED-PARTY TRANSACTIONS

Costs for services and other transactions between Group companies and between the Group and joint ventures and other jointly owned companies are charged according to customary business principles. The Group had guarantee undertakings for debts in joint venture companies amounting to MSEK 127 (-) as per March 31, 2016.

Board members and senior executives are also remunerated for their respective duties (see the section "Corporate governance").

Apart from that which follows from the above, neither Hemfosa nor its subsidiaries have granted loans, guarantees or sureties to, or for the benefit of, any directors or senior executives in the Group. None of these individuals has had any direct or indirect involvement in any business transaction with any Group company or jointly owned company that is, or was, unusual in nature with regard to the terms and conditions.

## INFORMATION FROM THIRD PARTIES

The Prospectus contains certain market and industry information from third parties. Certificates on the valuation of Hemfosa's properties have furthermore been obtained from Newsec Advice AB and Cushman & Wakefield. Newsec Advice AB and Cushman & Wakefield have

consented to the reproduction of these valuations in the Prospectus. Information from third parties has been accurately reproduced in the Prospectus and, as far as Hemfosa is aware and can ascertain by comparisons with other information published by the relevant third parties, no information has otherwise been omitted that could render the reproduced information inaccurate or misleading. None of the individuals who have participated in this work have, as far as Hemfosa is aware, any material interest in the Company. Hemfosa have not verified figures, market data or any other information obtained from third parties and, accordingly, the Company's board of directors does not accept any responsibility for the accuracy of such information in the Prospectus. The information should therefore be read bearing this in mind. Some financial information in the Prospectus has been rounded off, which means some of the totals in tables and graphs may not tally.

#### **COSTS IN CONNECTION WITH THE OFFER**

Hemfosa's costs in connection with the Offer, including remuneration of Swedbank, SEB and other advisors as well as other estimated costs, are expected to amount to approximately MSEK 32 for the 2016 financial year.

#### **ADDITIONAL COMPANY INFORMATION**

The Company's legal and commercial name is Hemfosa Fastigheter AB (publ). The Company's corporate registration number is 556917-4377 and it is a public limited-liability company with its registered office in Nacka. The Company was founded in Sweden on December 4, 2012 and registered with the Swedish Companies Registration Office on January 2, 2013. The Company has been operating since that date. The Company's legal status is regulated by, and the rights of shareholders can only be changed in accordance with, the Swedish Companies Act (2005:551). The Articles of Association were adopted at the annual general meeting held on May 7, 2015.

#### **DOCUMENTATION INCORPORATED THROUGH REFERENCE**

Hemfosa's financial statements for the 2015, 2014 and 2013 financial years as well for January–March 2016 are incorporated through reference and are part of the Prospectus. These financial statements may be found in Hemfosa's annual reports for 2015, 2014 and 2013, where references are made as follows:

- 2015 annual report: pp. 62–65 and 70–97, where the income statement is on p. 62, the consolidated statement of financial position on p. 63, the cash-flow statement on p. 65 and the auditors' report on p. 97.

- 2014 annual report: pp. 56–59 and 64–90, where the income statement is on p. 56, the consolidated statement of financial position on p. 57, the cash-flow statement on p. 59 and the auditors' report on p. 90.
- 2013 annual report: pp. 6–9 and 13–45, where the income statement is on p. 6, the consolidated statement of financial position on p. 7, the cash-flow statement on p. 9 and the auditors' report on pp. 44–45.
- Reference is made to the interim report for January–March 2016 in its entirety, where the income statement is on p. 25, the consolidated statement of financial position on p. 26, the cash-flow statement on p. 28 and the auditors' report on p. 32.

Hemfosa's annual reports for the 2015, 2014 and 2013 fiscal years have been audited by the Company's auditors and the auditors' reports are included in the annual reports. The interim report for January–March 2016 has been reviewed by the Company's auditor, and the auditors' review is attached to the interim report.

Apart from Hemfosa's audited annual reports for the 2015, 2014 and 2013 financial years and the reviewed interim report for January–March 2016, which are incorporated through reference, and the audited current earnings capacity on page 77, no information in the Prospectus has been examined by the Company's auditors.

Those parts of the financial information that have not been incorporated by reference are either not relevant to investors or can be found in another location in the Prospectus.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

During the validity period of the Prospectus, copies of the following documents can be obtained from Hemfosa by email at [info@hemfosa.se](mailto:info@hemfosa.se), from the Company's head office weekdays during office hours, or by phoning +46 (0)8-448 04 80, and are also available on Hemfosa's website, [www.hemfosa.se](http://www.hemfosa.se).

- Hemfosa's Articles of Association;
- Annual reports for 2015, 2014 and 2013;
- Annual reports for 2015 and 2014 for all of the Company's subsidiaries;<sup>1)</sup>
- Hemfosa's reviewed interim report January–March 2016;
- Valuation certificate for Hemfosa's properties; as well as
- The Prospectus.

The Prospectus can also be downloaded electronically from the Swedish Financial Supervisory Authority's website, [www.fi.se](http://www.fi.se).

<sup>1)</sup> The subsidiaries' annual reports will only be available at the Company's office address.



# Certain tax issues in Sweden

The following is a summary of certain Swedish tax rules that may become relevant in relation to the Offer. The summary is intended for shareholders subject to unrestricted taxation in Sweden, unless otherwise stated. The summary does not claim to be exhaustive and does not cover situations where the shares are held by partnerships or as current assets in a business operation. Nor does the summary deal with particular regulations governing tax-exempt capital gains (including non-deductible capital losses) or dividends paid in the corporate sector that may become applicable for investors holding preference shares that are considered to be held for business purposes. Nor does it deal with particular regulations that apply to what are termed qualified shares in closely held companies. Special tax consequences may also arise for other categories of shareholders, such as investment companies and funds and persons who are not exclusively liable for taxes in Sweden. Holders of shares are recommended to consult a tax adviser regarding the tax consequences that may arise in each particular case, including the applicability and impact of foreign regulations and tax agreements.

## **TAXATION ON DIVESTMENT OF SHARES**

### **Individuals**

For individuals and estates, capital gains on listed shares are taxed in the capital income category. The tax rate is normally 30 per cent.

Capital gains and capital losses on the disposal of shares are normally calculated as the difference between the sales proceeds, less selling expenses, and the acquisition cost. The acquisition cost of all shares of the same class and type is calculated through application of the average cost method. For the acquisition cost of listed shares, the standard method may be used as an alternative, at a rate of 20 per cent of the sales proceeds after deduction of selling expenses.

A capital loss on the disposal of listed shares is fully deductible from taxable capital gains arising during the same year from other market-listed shares and ownership rights, except for shares in such investment funds that consist solely of Swedish receivables (fixed-income funds). Capital losses that cannot be offset in this manner are deductible at a rate of 70 per cent against other income in the capital income category. If a net loss arises in the capital income category, a tax reduction is granted against municipal and national income tax, as well as against property tax and municipal property charges. A tax reduction of 30 per cent is allowed on the portion of such net loss that does not exceed SEK 100,000 and 21 per cent on the remaining portion. Net losses incurred in one year cannot be carried forward to subsequent years.

### **Limited liability companies**

Limited liability companies are taxed for all income in the income from business activities class at a tax rate of 22 per cent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductions for capital losses on shares are normally granted solely against capital gains on shares and other ownership rights. If certain conditions are satisfied, a capital loss may also be offset against capital gains arising in companies within the same group, subject to the condition that rights to make group contributions are permissible between the companies and that both companies request this for the same fiscal year. Capital losses that could not be used in a given tax year may be saved and deducted from capital gains on shares and ownership rights in subsequent tax years without any time limitations. Shares held by the owner for business purposes are subject to specific rules.

## **TAXATION OF DIVIDENDS**

For individuals and estates, dividends on listed shares are taxed in the income from capital category at a tax rate of 30 per cent. For limited liability companies, dividends are taxed at the corporate tax rate of 22 per cent. Shares held by the owner for business purposes are subject to specific rules.

Preliminary tax on dividends is withheld by Euroclear Sweden or, regarding nominee-registered shares, by the nominee. The Company is not responsible in the event of any tax being withheld.



### SHAREHOLDERS NOT EXCLUSIVELY LIABLE FOR TAXATION IN SWEDEN

For shareholders not exclusively liable for taxation in Sweden, Swedish coupon tax is generally payable at a tax rate of 30 per cent on dividends from limited liability companies. However, this tax rate is generally reduced through tax agreements that Sweden has entered into with other countries to avoid double taxation. The withholding tax is deducted by Euroclear on payment of the dividend or, in the case of nominee-registered holdings, by the nominee. In the event that 30 per cent coupon tax is withheld when the dividend is paid to a person who is entitled to taxation at a lower tax rate or if coupon tax is otherwise withheld in an excessive amount, a refund may be requested in writing from the Swedish Tax Agency before the end of the fifth calendar year after the time when the dividend is paid.

The holders of shares with limited tax liability in Sweden, and that do not operate a business from a permanent establishment in Sweden, are normally not subject to tax in Sweden for capital gains realised upon the disposal of shares and other ownership rights. However, shareholders may become liable to taxation in the country in which they are domiciled for the purpose of taxation. According to a special rule, individuals with limited tax liability in Sweden may become liable to taxation in Sweden on the sale of certain securities, if they have been resident or lived permanently in Sweden at any time during the calendar year when such disposal occurred or during the previous ten calendar years. In a number of cases, however, the application of this rule is reduced through tax agreements that Sweden has entered into with other countries to avoid double taxation.

# Restrictions on sale and transfer et cetera

The grant of subscription rights and the offer to subscribe for new shares in Hemfosa by exercise of subscription rights as well as without subscription rights may be affected by the laws of the relevant jurisdiction. Investors should consult professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise subscription rights or to acquire BTAs or new shares without subscription rights.

## GENERAL

Hemfosa has not taken and will not take any action to permit a public offering of the new shares being offered in the Offer (through the exercise of the subscription rights or otherwise) in any jurisdiction other than Sweden. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for informational purposes only and must not be copied or redistributed.

Except as otherwise disclosed in the Prospectus, if an investor receives a copy of the Prospectus in any jurisdiction other than Sweden, the investor may not treat the Prospectus as constituting an invitation or offer. The investor may not under any circumstances trade with Securities (see the section “Important information” for definition), unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Securities could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements.

Accordingly, if an investor receives a copy of the Prospectus, the investor should not distribute or send the same, or transfer the Securities to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If any investor forwards the Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), such person should draw the recipient’s attention to the contents of this section. Except as otherwise expressly noted in the Prospectus the following applies:

- I. the Securities being granted or offered, respectively, in the Offer may not be offered, subscribed for, sold, or transferred, directly or indirectly, to or in, Relevant Member States (as defined below) unless pursuant to applicable exemptions under the Prospectus Directive, Canada, Australia, Hong Kong, Japan, New Zealand, Singapore, South Africa and, subject to certain exceptions, the United States, or any other jurisdiction in which it would not be permissible to offer the Securities or where such action would require additional prospectuses, other offer documentation, registration or actions in addition to what follows from

Swedish law (each an “Ineligible Jurisdiction” and, together, the “Ineligible Jurisdictions”);

- II. the Prospectus may not be sent to any person in any Ineligible Jurisdiction; and
- III. the transfer of subscription rights to an account of a shareholder or other person in an Ineligible Jurisdiction or a citizen or resident of an Ineligible Jurisdiction (referred to as “Ineligible Persons”) does not constitute an offer to such persons of new shares, and Ineligible Persons may not exercise subscription rights. If an investor subscribes for, receives, transfers, trades or otherwise deals in the Securities that investor will be deemed to have made, or, in some cases, be required to make, the following representations and warranties to Hemfosa and any person acting on Hemfosa’s behalf (unless such requirement is waived by Hemfosa):
  - the investor is not located in an Ineligible Jurisdiction;
  - the investor is not an Ineligible Person;
  - the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;
  - the investor understands that neither the Securities have not been or will not be registered under the Securities Act and may not be offered, subscribed for, sold, resold, allotted, delivered or otherwise transferred within the United States, or for the account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act; and
  - the investor may lawfully be offered, exercise, subscribe for and receive Securities in the jurisdiction in which it resides or is currently located.

Hemfosa and any persons acting on behalf of Hemfosa will rely upon the investor’s representations and warranties. Any potential provision or false information or subsequent breach of these representations and warranties may void a transaction and subject the investor to liability.

If a person is acting on behalf of a holder of subscription rights, (including, without limitation, as a nominee, custodian or trustee), that person will be required to

provide the foregoing representations and warranties to Hemfosa with respect to the exercise of subscription rights on behalf of the holder. If such person does not or is unable to provide the foregoing representations and warranties, Hemfosa will not be bound to authorise the allocation of any Securities to that person or the person on whose behalf the other is acting. Notwithstanding the foregoing the Company reserves the right to offer and deliver Securities to a limited number of shareholders in the United States deemed to be QIBs (as defined below), in offers exempted from the registration requirements under the Securities Act.

Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees, custodians and trustees) who is located outside of Sweden wishes to exercise, deal in or subscribe for the Securities, the investor must satisfy itself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its subscription rights or subscribe Securities, such investor should consult a professional adviser without delay.

Subscription rights will initially be credited to financial intermediaries for the shareholders account that hold ordinary shares in Hemfosa through such intermediaries as at the record date, 21 April 2016. A financial intermediary may not exercise any subscription rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of subscription rights to certify the same.

Subject to certain exceptions, financial intermediaries are not permitted to send the Prospectus or any other information about the Offer into any Ineligible Jurisdiction or to any Ineligible Person. The crediting of subscription rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of Securities to such persons. Financial intermediaries, which include banks, brokers, custodians and nominees, holding for Ineligible Persons may consider selling any or all subscription rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions or certifications regarding subscriptions sent from or post-marked in any Ineligible Jurisdiction will be deemed to be invalid, and the Securities will not be delivered to an addressee in any Ineligible Jurisdiction. Hemfosa

reserves the right to reject any exercise or revoke any accepted exercise made in the name of any person who provides an address in an Ineligible Jurisdiction for exercise or delivery of Securities, who does not or is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to Hemfosa or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction.

Furthermore, Hemfosa reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of subscription rights which appear to it to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of the Prospectus, Hemfosa reserves the right to permit a holder to exercise its subscription rights if Hemfosa in its absolute discretion is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, Hemfosa does not accept any liability for any actions that a holder takes or for any consequences that such holder may suffer by Hemfosa's acceptance of the holder's exercise of subscription rights.

## UNITED STATES

The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may only be offered or sold, directly or indirectly, within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or jurisdiction in the United States. No public offerings of Securities are being made in the United States.

The Securities are being offered and sold outside the United States in compliance with Regulation S ("Regulation S") under the Securities Act. Additionally, the Securities may only be offered or sold within the United States to existing shareholders who are reasonably believed to be so-called qualified institutional buyers (according to the definition in Rule 144A of the Securities Act) ("QIBs").

Each holder of subscription rights, BTAs or new ordinary shares, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that, among other things (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. it is, and at the time of any exercise by it of subscription rights will be, a QIB;
2. it understands and acknowledges that none of the subscription rights, any BTAs or new ordinary shares issuable upon exercise of the subscription rights have been or will be registered under the U.S. Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below;
3. it understands that the subscription rights may only be transferred, assigned or resold outside the United States in reliance on Regulation S under the U.S. Securities Act;
4. as a purchaser in a private placement of securities that have not been registered under the U.S. Securities Act, it may only acquire subscription rights, or BTAs or new ordinary shares upon the exercise of such subscription rights, for its own account, or for the account of one or more other QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution of any such subscription rights or of any BTAs or new ordinary shares issuable upon exercise of the subscription rights;
5. it understands and agrees that, although offers and sales in the United States of the subscription rights are being made only to QIBs, and that the subscription rights may be exercised only by QIBs in the United States, neither such offers and sales nor such exercises are being made under Rule 144A, and that if in the future it or any such other QIB for which it is acting, as described in paragraph 4 above, or any other fiduciary or agent representing such investor decide to offer, sell, deliver, hypothecate or otherwise transfer any subscription rights or any BTAs or new ordinary shares issued upon the exercise of subscription rights, it and such other persons will do so only (i) pursuant to an effective registration statement under the U.S. Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States pursuant to Rule 904 under Regulation S under the U.S. Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such subscription rights, BTAs or new ordinary shares into the United States) or (iv) in the case of new ordinary shares issued upon the exercise of subscription rights, in accordance with Rule 144 under the U.S. Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for the resale of new ordinary shares;
6. it understands that for so long as new ordinary shares issued upon the exercise of subscription rights are "restricted securities" within the meaning of U.S. federal securities laws, no such new ordinary shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such new ordinary shares will not settle or trade through the facilities of The Depository Trust Company or any other U.S. exchange or clearing system;
7. it acknowledges that neither the Company nor the financial advisors nor any person representing the Company or the managers has made any representation to it with respect to the Company or the offering or sale or exercise of any subscription rights (or BTAs or new ordinary shares issuable upon the exercise of subscription rights) other than as set forth in the Prospectus, upon which it will rely solely in making its investment decision with respect to the subscription rights and such BTAs and new ordinary shares. It will hold any offering materials, including the Prospectus, it receives directly or indirectly from the Company or the financial advisors in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it. It acknowledges that it will read and will agree to the matters stated in the section "Restrictions on sale and transfer et cetera";
8. it, and each other QIB, if any, for whose account it may acquire subscription rights, BTAs or new ordinary shares, in the normal course of business, invests in or purchases securities similar to the subscription rights and the BTAs or new ordinary shares issuable upon the exercise of subscription rights, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing any of the subscription rights and such BTAs and new ordinary shares and is aware that it must bear the economic risk of an investment in each subscription right and any BTA or new ordinary share into which such subscription right may be exercised for an indefinite period of time and is able to bear such risk for an indefinite period;
9. it understands that these representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company and the financial advisors to produce a QIB Investment Letter to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered therein;

10. it represents that if, in the future, it offers, resells, pledges or otherwise transfers the subscription rights, BTAs or new ordinary shares, it shall notify such subsequent transferee of the transfer restrictions set out herein;
11. it is not an affiliate (as defined in Rule 501(b) under the U.S. Securities Act) of the Company, and is not acting on behalf of an affiliate of the Company;
12. it acknowledges and understands that (i) the Company had indicated in the prospectus for the initial public offering that the Company was likely a passive foreign investment company ("PFIC") for US federal income tax purposes (ii) the Company has not taken any actions to determine its PFIC status since its initial public offering and is likely a PFIC (as described in the section "Risk Factors") and (iii) it should seek professional advice from its own tax advisers as to any adverse US federal income tax consequences associated with an investment in a PFIC, to the extent it thinks appropriate; and
13. it understands and acknowledges that the Company, the financial advisors and each of their respective affiliates and agents, and others, will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Each QIB exercising subscription rights in the United States will be required to have signed and delivered an investment letter (a "QIB Investment Letter") containing, among other things, representations and warranties substantially similar to those outlined in (1)-(13) above. Existing shareholders who hold shares through a nominee, custodian or other financial intermediary may be required to adhere to subscription deadlines that are shorter than the end of the subscription period.

Persons receiving the Prospectus are hereby notified that the sellers of Securities may be relying on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. Until 40 days after the commencement of the rights issue, an offer, sale or transfer of the Securities within the United States by a dealer (whether or not participating in the rights issue) may violate the registration requirements of the Securities Act. The Securities have not been approved or disapproved by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offer or confirmed the accuracy or determined the adequacy of the disclosure in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

### EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive

(each, a "Relevant Member State"), an offer to the public of any Securities may not be made in that Relevant Member State (other than the offers contemplated in the Prospectus in Sweden once the Prospectus has been approved by the competent authority and published in accordance with the Prospectus Directive as implemented in Sweden), except that an offer to the public in that Relevant Member State of any Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- a. to any legal entity that is a "qualified investor" (as defined in the Prospectus Directive);
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of SEB or Swedbank for any such offer; or
- c. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

This provides that no such offer of Securities results in a requirement for the publication by Hemfosa, SEB or Swedbank of a prospectus pursuant to Article 3 of the Prospectus Directive. Neither Hemfosa, nor SEB or Swedbank have authorised, nor will they authorise, the making of any offer of Securities through any financial intermediary, other than offers made by SEB and Swedbank which constitute the final placement of Securities contemplated in the Prospectus. Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in the Prospectus in Sweden who receives any communication in respect of, or who acquires the Securities under, the Offer will be deemed to have represented, warranted and agreed to and with Hemfosa, SEB and Swedbank that:

- a. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- b. in the case of any Securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Securities acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State, other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of SEB or Swedbank has been given to the offer or resale; or (ii) where Securities have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Securities to it is not treated under the Prospectus Directive as having been made to such persons.



For the purposes of this provision, the expression an “offer to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to acquire any Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and, the expression “Prospectus Directive” means Directive 2003/71/EC together with any applicable implementing measures, including the 2010 PD Amending Directive, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU, in each Relevant Member State.

#### **UNITED KINGDOM**

In the United Kingdom, the Prospectus is being distributed only to and is directed only at: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), (ii) persons falling within Article 49(2)(a) to (high net worth companies, unincorporated associations, et cetera) of the Financial Promotion Order, or (iii) other persons to whom the Prospectus may otherwise be lawfully communicated (all such persons together being referred to as “relevant persons”). This Prospectus is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person.

#### **CANADA, AUSTRALIA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE AND SOUTH AFRICA**

The Offer is not directed to persons domiciled in Canada, Australia, Hong Kong, Japan, New Zealand, Singapore and South Africa or in any other jurisdiction where participation would require additional prospectuses, other offer documentation, registrations or other actions in addition to what follows from Swedish law.

#### **INFORMATION FOR INVESTORS IN THE UNITED STATES**

##### **Important notice**

The Securities offered within the framework of the Offer have not been approved or disapproved or recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offer, the Securities or confirmed the accuracy or completeness or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offense in the United States.

#### **Enforcement of liabilities and service of process**

Hemfosa is a public limited liability company incorporated under the laws of Sweden, with its registered office in Nacka, Sweden. None of the members of the board of directors of Hemfosa or management are residents of the United States and all or a substantial portion of the assets of such persons and of Hemfosa are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Hemfosa or such other persons or to enforce against them in United States courts judgments obtained in such courts based on the civil liability provisions of the United States securities laws. The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes. As a result, a final judgment for the payment of damages based on civil liability rendered by a United States court, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in Sweden. If the party in whose favour the final judgment is rendered brings a new suit in a competent Swedish court, the party may submit to the Swedish court the final judgment that has been rendered in the United States. Such judgment will only be regarded by a Swedish court as evidence of the outcome of the dispute to which the judgment relates, and a Swedish court may choose to rehear the dispute ab initio.

#### **Presentation of information**

This Prospectus has been prepared in accordance with Swedish format and style, which differs from U.S. format and style. In particular, unless otherwise indicated, the financial information contained in the Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and thus may not be comparable to financial statements of U.S. companies prepared in accordance with U.S. generally accepted accounting principles.

Investors must not construe the contents of the Prospectus as legal, investment or tax advice. Each investor should consult such investor’s own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Offer. You are strongly urged to consult your tax advisors regarding the risk of having a taxable distribution as a result of the receipt of the Securities.

#### **Sale and transfer restrictions**

The distribution of the Prospectus and the offer, sale or exercise of the Securities is subject to restrictions, see above.



# Property specification

## Segment Sverige

### COMMUNITY SERVICE PROPERTIES

#### School

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Äkroken 1	School	Holmgatan 10	Sundsvall	1870, 1920, 1933, 1997, 2001, 2005, 2009	2009	26,416	
Akvilejan 4	School	Brännavägen 29	Härnösand	1972	2002	1,339	
Åland 22:1	School	Åland 650	Härnösand	1989	2015	3,463	
Almby 13:772	School	Braxenvägen 3	Örebro	2012	-	2,476	
Batteriet 6	School	Regulatorvägen 11	Huddinge	1993, 2003, 2014	-	3,819	
Björnsjö 42:1	School	Pukslagarvägen 20	Gävle	1983, 1994	-	3,391	
Blyet 2	School	Gruvgången 4	Karlstad	2015	-	7,620	
Bondsjö 2:312	School	Slåttervägen 3	Härnösand	1954	2009	2,807	
Bondsjö 2:338	School	Daghemsvägen 2	Härnösand	1976	2011	653	
Brunne 12:18	School	Brunne 135	Härnösand	1989	1989	2,906	
Eleven 1	School	Gymnastikgatan 4	Härnösand	1966	2010	3,671	
Flogsta 47:1	School	Ekeby Bruk 35	Uppsala	1960	1990	16,522	
Fläkten 13	School	Alegatan 15	Växjö	1979/1989	2010/2011	2,880	
Geresta 1	School	Rosenbäcksgatan 39	Härnösand	1998	2011	10,392	
Guldheden 8:11	School	Reutersgatan 2C	Göteborg	1992	1995	10,500	
Häftklammern 9	School	Alnötorget 1-3	Stockholm	1960	2015	1,649	
Hopparen 1	School	Murbergsvägen 25	Härnösand	1950	1979	884	
Hörnan 2	School	Sehlstedtsvägen 1	Härnösand	1985	1991	753	
Hunden 12	School	Götgatan 4	Kristianstad	1955, 2013		6,001	
Husby 4:32	School	Företagsallén 14B	Österåker	1992	1992	2,828	
Inspektorn 11	School	Brunnshusgatan 18	Härnösand	1903	2010	24,087	
Karlskrona 3:3	School	Arenavägen 1-11	Karlskrona	1972	2004	30,846	
Kullbäckstorp 2:268	School	Kvarnbacken 2	Härryda	1988, 1992	-	9,759	
Läraren 1	School	Kastellgatan 35	Härnösand	1955	1979	3,953	
Löddeköpinge 23:26	School	Kunskapsvägen 1	Kävlinge	2011		3,000	
Mimer 7	School	Hagagatan 23A	Stockholm	1967	2015	6,805	
Missionen 2	School	Åstadalsvägen 4	Örebro	2010	-	2,861	
Nävern 1	School	Uppgift saknas	Umeå	2016		1,600	T
Niklasberg 2	School	Repslagarvägen 9	Vänersborg	1916, 1970, 2008, 2011	2012	8,764	
Niklasberg 3	School	Regementsgatan 13	Vänersborg	1916	2010	4,943	
Njord 32	School	Parkgatan 49	Falköping	1980	2012	613	
Oxen 1	School	Sköldgatan 1	Härnösand	1968	2005	805	
Prylen 1	School	Skolgränd 2	Härnösand	1968	2003	829	
Roten 6	School	Tallrotsgatan 2	Sundsvall	1952	2004	3,000	
Runö 7:162	School	Näsvägen 15	Österåker	1998	1998	6,080	
Runö 7:163	School	Näsvägen 17	Österåker	1988	1988	4,573	
Sätra 108:23	School	Uppgift saknas	Gävle	2009	-	498	
Segerstad 4	School	Segerstadsvägen 7	Växjö	1990	2015	1,375	
Söderbymalm 3:481	School	Marinens Väg 30	Haninge	1991	1991	14,772	
Söderbymalm 3:482	School	Marinens Väg 30	Haninge	1999	1999	12,364	
Solen 15	School	Södra Vägen 22	Härnösand	1895, 1979	1979	10,869	
Stenhammar 1:223	School	Tjädersvägen 114	Härnösand	1994	1994	1,139	
Stenhammar 1:224	School	Koltrastvägen 171	Härnösand	1981	1981	242	
Teatern 5	School	Aktörgränd 28	Umeå	1930	1998	3,455	
Teatern 6	School	Aktörgränd 29-31	Umeå	1930	1996	4,789	
Teatern 8	School	Aktrisgränd 14	Umeå	1998	1998	1,765	
Vangsta 1:102	School	Trumpetgatan 50	Härnösand	1976	1993	830	
Västansjö 1:41	School	Folketshusv. 7	Härnösand	1963	2014	327	
Västansjö 1:86	School	Folketshusvägen 9	Härnösand	1971	2008	3,742	
Västhagen 1	School	Universitetsallén 26	Sundsvall	1916, 1986	2012	6,296	
Vattenfallet 16	School	Östersundsgatan 3	Stockholm	1960	2015	3,559	
Vendelsö 3:1986	School	Norrbyvägen 104	Haninge	2012	-	4,857	T
Biotiten 1	School	Balders Bäge 2	Norrtälje	2012	-	3,087	
<b>Total</b>						<b>297,454</b>	

## PROPERTY SPECIFICATION

### COMMUNITY SERVICE PROPERTIES CONT.

#### Office

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Adjunkten 1	Office	Backgränd 18	Härnösand	1962	1998	5,452	
Bastionen 28	Office	Bastiongatan 40	Uddevalla	1950	2007	6,980	
Berga 6:489	Office	Luffarbacken 5	Österåker	1985	1985	2,048	
Borgmästaren 4	Office	Dalavägen 8	Hagfors	1962	1980	4,917	
Botulf 4	Office	Hultgrensgatan 4	Köping	1969	1969	3,118	
Bryggaren 12	Office	Våxnäsgatan 5A	Karlstad	1955	1967	9,468	
FolkSchooln 3	Office	Brunnshusgatan 4	Härnösand	1912	2010	5,971	
Forellen 19	Office	Bollmora Torg 1-3	Tyresö	1965	1967	7,995	
Gaslyset 2	Office	Lysgränd 1	Västerås	1990	1990	2,573	
Granlo 3:220	Office	Kalmarvägen 48	Sundsvall	1960	1993	539	
Grottan 7	Office	Kullgatan 5	Hudiksvall	1978	1990	7,816	
Hovsjorden 7, 9	Office	Rosenbäckshallén 18E	Härnösand	1919	1994	9,561	
Hvitfeldt 22	Office	Bagges Gränd 1	Uddevalla	1980	2013	10,071	
Juristen 6	Office	Nybrogatan 15B	Härnösand	1865	1994	7,119	
Karolinen 2	Office	Våxnäsgatan 10	Karlstad	1978	1978	50,047	
Köpstaden 24	Office	Bultgatan 14	Sundsvall	1986	2011	1,420	
Kristianstad 4:7	Office	Kockumsgatan 6	Kristianstad	1904, 1906, 1940	1929, 1940	14,348	
Kungsängen 12	Office	Pilgatan 8A	Västerås	1947	1991	9,750	
Lea 15	Office	Stora Gatan 58	Västerås	1972	1972	16,034	
Mon 13	Office	Karlsdalsgatan 2	Värnamo	1983	2003	1,976	
Nordstjärnan 1	Office	Kronobergsgatan 18-20	Växjö	1971/2000	2010	6,130	
Othem Stenhuggaren 2	Office	Kronbrunnsgatan 8	Gotland	1983	-	531	
Presidenten 1	Office	Slottsgatan 78	Norrköping	1975	1975	35,515	
Rådhuset 6	Office	Norra Kyrkogatan 3	Härnösand	1959	1970	2,821	
Rosenfinken 2	Office	Lövhagsgatan 2	Västerås	1973	2015	1,598	T
Skedom 21:1, 21:4	Office	Skedom 107-109	Sollefteå	1957	1990	2,500	
Slottsträdgården 2	Office	Slottsstigen 2	Västerås	1961	1961	9,725	
Söderbymalm 3:486	Office	Rudsjöterrassen 2	Haninge	1988	1988	22,826	
Södra Kasern 2	Office	Västra Storgatan 51L	Kristianstad	1790		25,973	
Spiggen 4	Office	Kungsgatan 5	Luleå	1981	2008	6,506	T
Stenung 3:84, 106:7	Office	Kyrkvägen 1	Stenungsund	1954	-	2,000	
Tackan 9	Office	Bygdevägen 18	Sollentuna	1971, 2013	2015	5,938	
Trasten 7	Office	Viktoriagatan 6	Filipstad	1985	1985	2,528	
Uroxen 15	Office	Kungsgatan 30	Kristinehamn	1975	1975	6,950	
Väljaren 10	Office	Kungsvägen 69	Mjölby	1984	1984	4,354	
Vallentuna-Mörby 1:118	Office	Fabriksvägen 1A	Vallentuna	1981	1981	2,668	
Viljan 2	Office	Kungsgatan 13	Eskilstuna	1976	1976	9,162	
Vilunda 6:59	Office	Drabantvägen 11, Dragonvägen 86-90	Upplands Väsby	1972	1972	5,658	
Vinstocken 2	Office	Norra Kyrkogatan 2	Härnösand	1955	2000	2,904	
<b>Total</b>						<b>333,490</b>	

## COMMUNITY SERVICE PROPERTIES CONT.

## Judicial system

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Abborren 13	Judicial system	Kungsgatan 42	Avesta	1974	1974	5,581	
Alkan 1	Judicial system	Kvarngatan 2	Gällivare	1993	1993	4,530	
Beckasinen 11	Judicial system	Kvarngatan 3	Gällivare	1983	2013	3,548	
Boken 12	Judicial system	Björkvägen 2	Eksjö	1958	1960	2,350	
Bremen 3	Judicial system	Tegeluddsvägen 1	Stockholm	1963/ 2006	2006	21,183	
Brunnsgården 6	Judicial system	Brännavägen 9	Skellefteå	1955	2012	1,999	
Duvan 2	Judicial system	Storgatan 2	Härnösand	1971	1993	6,535	
Fängelset 5	Judicial system	Götgatan 1	Kristianstad	1952	1952	5,777	
Finkan 7	Judicial system	Konduktörsgatan 2	Kiruna	1974	1974	5,598	
Gjutaren 6	Judicial system	Norra Kyrkogatan 17A	Hudiksvall	1975	2014	6,226	
Hantverkaren 1	Judicial system	Värmlandsvägen 25	Karlskoga	1983	1983	6,890	
Hjorten 1	Judicial system	Djulögatan 26	Katrineholm	1984	1984	4,917	
Hoppet 6	Judicial system	Solgatan 1	Alingsås	1957, 1974, 1992	1978	7,354	
Idre 5:114	Judicial system	Byvägen 34	Älvdalen	1988	1988	256	
Illern 4	Judicial system	Riksvägen 19	Bräcke	1984	1984	435	
Ingenjören 6	Judicial system	Järnvägsparken 1	Motala	1974	1974	6,985	
Kristianstad 4:45	Judicial system	Östra Kaserngatan 1	Kristianstad	1976	1976	11,041	
Kyrkokvarteret 11	Judicial system	Prästgatan 6	Lindesberg	1981	1981	5,869	
Länsmannen 1	Judicial system	Trädgårdsgatan 41	Falköping	1973	1973	3,998	
Lärkan 8	Judicial system	Hågestavägen 2	Sollefteå	1975	1975	5,250	
Måsen 21	Judicial system	Strandgatan 47	Skellefteå	1975	1990	8,795	
Mekanikern 1	Judicial system	Boråsvägen 50	Mark	1957	1957	2,314	
Nannylund 1	Judicial system	Mosstegsgatan 2	Eksjö	2009	2009	6,222	
Norra Ljungkullen 7	Judicial system	Södra Torggatan 1	Ljungby	1979	-	5,338	
Örnen 4	Judicial system	Kungsgatan 11	Karlstad	1869	1997	6,194	
Samuel 2	Judicial system	Sigurdsgatan 22	Västerås	2008	2008	7,141	
Sparven 1	Judicial system	Garnisonsgatan 6B	Boden	1930	2014	7,953	
Tigern 4	Judicial system	Oscarsgatan 6	Alingsås	1899	1958	2,843	
Transporten 2	Judicial system	Tingsvägen 7	Sollentuna	1980	2000	16,815	
Ungern 6	Judicial system	Nytorgsgatan 1A	Örnsköldsvik	1972	1986	6,009	
Vakten 1	Judicial system	Södergatan 1	Nässjö	1985, 1996, 2008	1985	2,634	
Venus 11	Judicial system	Slottsgatan 5	Oskarshamn	1955	1955	4,535	
Vipan 14	Judicial system	Nygatan 4	Eskilstuna	1958	1958	8,541	
Von Conow 57	Judicial system	Själbodgatan 6-8	Malmö	1984	1984	6,910	
<b>Total</b>						<b>208,566</b>	

## PROPERTY SPECIFICATION

### COMMUNITY SERVICE PROPERTIES CONT.

#### Care services

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Fjällräven 15	Care service	Myråsvägen 6	Uddevalla	1972	2015	4,386	T
Flugsvampen 7	Care service	Horsbyvägen 16a	Herrljunga	1978/1999	1999	2,866	
Foss 12:24	Care service	Centrumvägen 34	Munkedal	1980/2007	2007	1,917	
Görvåln 1	Care service	Bränningevägen 2	Stockholm	1966	2007	3,618	T
Kattastrand 3:2	Care service	Solumsvägen 6	Härnösand	1960	1983	565	
Kungsängen 24:13	Care service	Kungsgatan 91	Uppsala	2016	-	5,249	T
Läkaren 5	Care service	Sankt Olofsgatan 8	Falköping	1948/2003	2003	3,320	
Markheden 4:45, 4:46	Care service	Bäckvägen 5	Gävle	2009	-	1,986	
Misteln 13	Care service	Ängsgatan 3	Essunga	1985	1985	1,778	
Moga 1:116	Care service	Klockaregatan 3	Svenljunga	1950, 1965	1995, 2016	6,837	
Niklasberg 15	Care service	Regementsgatan 19	Vänersborg	1979	2010	305	
Nödinge 38:25	Care service	Klockarevägen 14	Ale	1985	-	1,094	
Norrmannen 11	Care service	Vinjegatan 8	Stockholm	1974	1974	3,775	T
Rosenhäll 1	Care service	Österled 2	Uddevalla	1972	2012	16,160	
Sätra 108:21	Care service	Folkparksvägen 5	Gävle	2009	-	1,784	
Solbacken 10	Care service	Silentzvägen 6	Uddevalla	1980	2000	1,790	
Stjärnebo 1	Care service	Danboms Väg 2A	Kinda	1953	-	7,600	
Söder 66:9	Care service	Södra Centralgatan 19	Gävle	2016	-	6,785	
Tordyveln 1	Care service	Bråtenvägen 4	Mariestad	1984	2014	810	
Åland 1:91	Care service	Nämndemansvägen 4A	Härnösand	1948	2008	2,765	
Älgen 17	Care service	Höjdgatan 3	Nynäshamn	1993	-	1,137	
Älvkarleby 2:2	Care service	Älvkarleövägen 4a	Älvkarleby	1930	-	700	
Årstad 9:40	Care service	Smeagårdsvägen 5	Falkenberg	1963/1980	-	1,311	
Äsphult 24:1, 24:3	Care service	Oravägen 197	Kristianstad	1981/2000	-	2,172	
Bakareboda 1:162	Care service	Servicevägen 1	Karlskrona	1960	2006	2,125	
Barrebacken 6:1	Care service	Barrebacken 3	Gullspång	1969	-	400	
Betaren 4	Care service	Profilvägen 8	Finspång	1973	1973	1,991	
Boberg 4:10	Care service	Boberg 9	Säter	1900/2001	-	500	
Brotschen 10, 11	Care service	P A Perssons Gata 6	Hässleholm	1900/1955	-	380	
Brotschen 9, 12	Care service	P A Perssons Gata	Hässleholm	1910/1973	-	2,100	
Brunne 12:21	Care service	Brunne 157	Härnösand	1993	2011	2,923	
Buskåker 24:2	Care service	Tunavägen 246	Borlänge	1927	-	540	
Dyrtorp 1:129	Care service	Håvestensvägen 5a	Färgelanda	1977	2013	6,979	
Färnebo Prästgård 1:28	Care service	Gårdsbovägen 18a	Sala	1955	-	288	
Fastlandet 2:84	Care service	Hospitalsgatan 12	Härnösand	1845/1862/1950/1971 1980/1988	2015	12,367	
Gamla Uppsala 94:6	Care service	Topeliusgatan 18	Uppsala	2011	-	5,677	
Gimo 11:97	Care service	Vattmyren 321	Östhammar	1983	-	172	
Gränome 1:13	Care service	Gränome 61	Uppsala	1993/1997	-	813	
Gropen 1:2	Care service	Tunavägen 240	Borlänge	1849	-	530	
Gunnarp 5:42, 5:10	Care service	Gunnarp Jeppatorpet 125	Höör	1982	-	330	
Häcken 13	Care service	Källvägen 10	Härnösand	1996	1996	787	
Hägern 4	Care service	Gammelvägen 12	Älvsbyn	1950	-	196	
Hansgårdarna 8:9	Care service	Hansgårdarna 50a	Borlänge	1940/2014	-	784	
Hårstorp 3:366	Care service	Hårstorp vägen 13	Finspång	1972	1995	2,880	
Högsjö-Dal 2:90	Care service	Hälledalsvägen 53	Härnösand	1970	1970	3,510	
Hov 4:2, 5:2	Care service	Hov 57	Uppsala	1972, 2013	-	1,147	
Jälkarbyn 132:68	Care service	Vintervägen 37	Hedemora	1976	-	175	
Jälkarbyn 132:77	Care service	Vintervägen 39	Hedemora	1991	-	250	
Jälkarbyn 132:80, 132:81	Care service	Angersteinvägen 54	Hedemora	1991	-	250	
Källtorp 2:63, 2:93	Care service	Stiftelsen Källtorp 2	Gullspång	1954/2009	-	220	
Kläringe 4:2	Care service	Kläringe 214	Tierp	1922	2013	310	
Ljusbadet 1	Care service	Terapivägen 3	Hässleholm	1973/1980	-	415	

## COMMUNITY SERVICE PROPERTIES CONT.

## Care service/Care service

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Löten 6:6	Care service	Ferlinsgatan 31B	Uppsala	2011	-	1,568	
Lunna 1:22	Care service	Gösslunda Lunna Gård 1	Lidköping	1856, 1974, 2003		250	
Lyrestads Klockarbol 5:39	Care service	Sjötorpsvägen 2	Mariestad	1958	1992	4,284	
Marschen 1	Care service	Rådanvägen 27	Sollentuna	2006	-	4,308	
Norbergsby 14:101	Care service	Linnévägen 29	Norberg	1965	-	315	
Norbergsby 7:60	Care service	Linnévägen 2a	Norberg	1750/1800-1826/2010	-	606	
Norränge 3:72	Care service	Norrängsvägen 114	Bollnäs	1965	-	3,300	
Norrvisjö 1:24	Care service	Norrvisjö 154	Uppsala	1960	-	480	
Ön 2:58	Care service	Volontärvägen 39	Härnösand	1992	1992	5,727	
Ön 2:63	Care service	Rosenbäcksalen 15 A	Härnösand	1963	1963	5,141	
Orren 12	Care service	Institutgatan 16 B	Härnösand	1980	1991	238	
Österböle 2:13	Care service	Österböle 9031	Bollnäs	1964	-	1,000	
Östermalm 1:12	Care service	Södra Storängsvägen 50	Finspång	1950/1960/1994	-	8,510	
Övernäs 2:17	Care service	Övernäs 32	Uppsala	1954, 1980, 1990	-	1,600	
Pusselbo 2:19	Care service	Heduddsvägen 20	Borlänge	1900	-	600	
Råane 1:16	Care service	Råane 250	Uddevalla	1990	-	251	
Risingsbo Herrgård 1	Care service	Herrgårdsvägen 4	Smedje- backen	1750/2000	-	1,320	
Röne 1:9, Hässjö 1:3	Care service	Grolanda Hagalund 1	Falköping	1930	-	150	
Roten 9	Care service	Tomtegränd 5 A-C	Sundsvall	1993	1993	4,369	
Sågen 10	Care service	Kiörningsgatan 20	Härnösand	1955	1998	755	
Salbohed 1:3	Care service	Kopparbergsvägen 31	Sala	1980	-	3,716	
Seminariet 6	Care service	Seminarievägen 10A	Strängnäs	1904, 1980	208-2010	13,999	
Skeberga 4:3	Care service	Skeberga 55	Uppsala	1969	-	530	
Schooln 1	Care service	Norra Ringvägen 23	Härnösand	1947	1968	7,291	
Sköle 1:17	Care service	Skölevägen 15	Sundsvall	1985	1985	6,006	
Sländan 12	Care service	Brännvägen 67	Härnösand	1970	1985	5,634	
Solbacken 1:5	Care service	Solbacken 5	Gullspång	1981	-	150	
Sörby 1:34	Care service	Sörby Sörgården 17	Töreboda	1930/1980	-	150	
Spännarhyttan 2:7	Care service	Spännarhyttan 12	Norberg	1883	-	415	
Svarven 4, 5	Care service	Chuckvägen 3	Hässleholm	1987	-	572	
Teatern 7	Care service	Rampljusallén 20	Umeå	1930, 1996	1998	5,765	
Tegelbruket 3	Care service	Östermalmsvägen 55	Finspång	2003	2003	3,275	
Tom 2:28	Care service	Tomvägen 49	Kungsbacka	1930	-	272	
Tormestorp 31:1	Care service	Garnvägen 5	Hässleholm	1996	-	250	
Tuna 2:70	Care service	Bryggargatan 8	Hallsta- hammar	1977	-	571	
Tuve 15:90	Care service	Kärrdalsvägen 42	Göteborg	1925	-	299	
Tyringemölla 1:11	Care service	Möllegatan 3	Hässleholm	1999	-	337	
Ullervad 14:19	Care service	Ullervadsvägen 4A	Mariestad	1963/2011	2011	7,315	
Venus 7	Care service	Lönegrengsgatan 2 & 8 Vårstagan 9, Vårstaga- tan 7	Härnösand	1950	1991	2,055	
Vikmanshyttan 3:2	Care service	Björkallén 1	Hedemora	1741/1973	-	1,900	
<b>Total</b>						<b>235,023</b>	

## PROPERTY SPECIFICATION

### Other categories

Property	Category	Address	Municipality	Year of construction	Refurbishment	Lettable area, sqm	Leasehold
Torget 1	Other	Stora Torget 2	Härnösand	1863	1984	798	
Kullbäckstorp 2:470	Mark	Uppgift saknas	Härnösand	-	-	0	
Signalisten 11	Mark	Signalistgatan 4	Västerås	-	-	0	T
Signalisten 12	Logistics/Storage	Signalistgatan 4	Västerås	1990	1990	6,658	
Västerås 1:199	Garage	Uppgift saknas	Västerås	-	-	0	T
Fastlandet 2:90	Fritid	Murbergsvägen 1	Härnösand	1960	1960	1,575	
<b>Total</b>						<b>9,031</b>	

## OTHER PROPERTIES

### Office

Property	Category	Address	Municipality	Year of construction	Refurbishment	Lettable area, sqm	Leasehold
Bagaren 10	Office	Ljungadalsgatan 2	Växjö	1987	2009-2015	29,913	
Båken 1	Office	Systratorpsvägen 16	Växjö	1983	1983	1,496	
Bodarna 2	Office	Myntgatan 10	Värnamo	1934, 1991		1,781	
Bokbindaren 20	Office	Västbovägen 56	Värnamo	1975	1991	2,561	
Byrådirektören 3	Office	Von Troils Väg 1	Malmö	1974, 2013	1974	13,894	T
Centrum 20:1	Office	Källgatan 6	Enköping	1981	1981	3,947	
Enen 8	Office	Nygatan 5	Södertälje	1937	1937	3,378	
Formen 1	Office	Formvägen 5	Umeå	1986	2004	7,513	
Gamla Gåsen 4	Office	Myntgatan	Värnamo	1907		200	
Gamlestaden 2:5	Office	Kullagergatan 18	Göteborg	1910	1929	24,829	
Gamlestaden 2:8	Office	Hornsgatan 1	Göteborg	1963	1966	20,882	
Garvaren 4	Office	Hjalmar Petris Väg 32	Växjö	1981	2010	2,570	
Gillet 1	Office	Flanaden 3 A	Värnamo	1974	2003	5,228	
Glasmästaren 1	Office	Arabygatan 80	Växjö	1966	2005	6,199	
Grävmaskinen 1	Office	Lastvägen 18	Kiruna	1991	1998	3,419	
Haren 15	Office	Kungsgatan 35B	Luleå	1970	2004	7,728	
Hermelinen 15	Office	Kungsgatan 27	Luleå	1952	2004	7,562	
Höder 7	Office	Storgatan 59	Umeå	1890	2000	10,195	
Högom 3:178	Office	Mejselvägen 9	Sundsvall	1970	2002	5,148	
Höjden 2	Office	Bergöös Väg 6	Hallsberg	1984	1984	3,187	
Husby 4:25	Office	Företagsallén 4	Österåker	1988	1988	1,103	
Husby 4:27	Office	Företagsallén 10	Österåker	1988	1988	1,261	
Illern 5	Office	Isbjörnsvägen 11	Växjö	1987	2014	2,146	
Köpstaden 25	Office	Bultgatan 10B	Sundsvall	1975	2002	9,314	
Köpstaden 26	Office	Bultgatan 8	Sundsvall	1965	1998	1,855	
Kornet 2	Office	Järnvägsgatan 1	Hässleholm	1966	1966	3,698	
Kungsängen 15:1	Office	Muningatan 3	Uppsala	1993	2003	24,541	
Lärkan 10	Office	Storgatan 50	Skellefteå	1930	2015	5,407	
Lejonet 11	Office	Lasarettsgatan 1 B	Värnamo	1961, 1987	2005	5,086	
Ljusta 7:2	Office	Antennvägen 2	Sundsvall	1980	2013	9,035	
Marås 1:12	Office	Maråsliden	Gnosjö	1930, 1964		1,140	
Mården 11	Office	Magasinsgatan 6	Luleå	1950	1985	9,735	
Marieberg 5	Office	Skönsbergsvägen 3	Sundsvall	1979	2014	7,298	
Mätaren 3	Office	Bryggaregatan 11	Karlstad	1986	1986	5,641	
Norr 12:5	Office	Nygatan 13	Gävle	1978	1978	15,738	
Norrmalm 4:6	Office	Heffnersvägen 22	Sundsvall	1970	1991	1,974	T
Ödman 15	Office	Storgatan 29	Växjö	1972	2015	4,321	
Orkestern 2	Office	Folkborgsvägen 23	Norrköping	1977, 1986	1989	3,931	
Öskaret 10	Office	Skepparegatan 3	Sundsvall	1989	2004	10,440	
Pan 5	Office	Bankgatan 10	Sundsvall	1889	2014	5,145	
Plåtslagaren 4	Office	Verkstadsgränd 5	Växjö	1967/1988	2013	5,602	
Plattläggaren 1	Office	Silkesvägen 18	Värnamo	1989, 2013		1,798	
Plogen 4	Office	Depåvägen 6Ba	Luleå	1966	2008	3,456	



## OTHER PROPERTIES CONT.

## Office

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Puman 5	Office	Bangatan 11-19, Storgatan 22-26	Solna	1985	1985	4,097	
Rågen 1	Office	Expovägen 6	Värnamo	1965, 1990	2011	5,197	
Sågen 2	Office	Ängsgårdsgatan 4	Västerås	1992	1992	3,333	
Sågen 6	Office	Ängsgårdsgatan 12	Västerås	1987	1987	6,007	
Sågklingan 10	Office	Ängsgårdsgatan 13	Västerås	1990	1990	1,709	
Samuel 1	Office	Sigurdsgatan 20	Västerås	1920	1985	6,735	
Saturnus 7	Office	Bankgatan 13	Sundsvall	1912	2014	9,202	
Sexdalern 1	Office	Trandaredsgatan 200D	Borås	1967	1967	9,698	
Sicklaön 358:1	Office	Hästholmsvägen 26	Nacka	1987	1987	16,621	
Sigurd 5	Office	Sigurdsgatan 21	Västerås	1991	1991	13,264	
Sigvald 6	Office	Sigurdsgatan 9	Västerås	1875, 1936	1937	3,643	
Skruben 3	Office	Bultgatan 40B	Kungälv	1990	1991	8,026	
Snödroppen 2	Office	Flöjelbergsgatan 1C	Mölnadal	1961	1993	25,939	
Söder 18:19	Office	Källgränd 4	Gävle	1964,	1996	4,899	
Söderbymalm 3:462	Office	Rudsjöterrassen 1	Haninge	1983	1983	52,038	
Sotaren 4	Office	Arabygatan 82	Växjö	1992	1992	2,979	
Svea 8	Office	Lineborgsplan 3	Växjö	1982	2014	2,160	
Tulpanen 3	Office	Bergfotsgatan 2	Mölnadal	1960	1998	53,671	
Tyr 8	Office	Storgatan 69	Umeå	1997, 2013	2014	8,411	
Unaman 8	Office	Kungsgatan 3	Växjö	1969	2009	5,609	
Värnamo 14:11	Office	Jönköpingsvägen 41	Värnamo	1917, 1940, 1966	2012	4,058	
Verkstaden 8	Office	Östra Ringvägen 2	Västerås	1936	1951, 1977	20,275	
Vindruvan 15	Office	Storgatsbacken 12	Värnamo	1989		1,990	
<b>Total</b>						<b>570,856</b>	

## PROPERTY SPECIFICATION

### OTHER PROPERTIES CONT.

#### Logistics/Storage

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Ånsta 20:262	Logistics/Storage	Lastgatan 2	Örebro	2006	2006	15,976	
Arendal 1:17	Logistics/Storage	Synnerödsvägen 2	Göteborg	2011	2011	20,548	
Armaturen 1	Logistics/Storage	Armaturgatan 2	Värnamo	1987		18,370	
Blåbäret 4	Logistics/Storage	Sörviksvägen 11	Oskarshamn	1964	1964	15,234	
Danmarks-Säby 10:2	Logistics/Storage	Åkaregatan 8	Uppsala	2013	2013	9,793	T
Elefanten 3	Logistics/Storage	Rådjursvägen 6	Växjö	1988	1990	2,318	
Försäljaren 9	Logistics/Storage	Filaregatan 19B	Kungälv	1974	1974	8,525	
Gasmätaren 2	Logistics/Storage	Argongatan 9	Mölndal	1984	1992	14,183	
Grönsta 2:52	Logistics/Storage	Svista Lager väg 8	Eskilstuna	2006	2006	13,780	
Håltås 1:18	Logistics/Storage	Kurirvägen 1	Härryda	2010	2010	13,316	
Hedenstorp 2:1	Logistics/Storage	Mogölsvägen 14	Jönköping	2011	2011	9,000	
Isbrytaren 1	Logistics/Storage	Hansavägen 8	Södertälje	1960	1976	17,577	
Källsta 1:5	Logistics/Storage	Bolindervägen 12	Eskilstuna	1999	1999	34,258	
Kryssaren 8	Logistics/Storage	Hansavägen 7	Södertälje	1960	1960	29,653	
Litografen 8	Logistics/Storage	Sättargatan 1	Eskilstuna	1960	1961	30,333	
Märsta 24:4	Logistics/Storage	Industrygatan 7	Sigtuna	1967	1967	8,995	
Möllarp 3:2	Logistics/Storage	Stenhuggaregatan 34	Svalöv	1960	1980	6,112	
Nedre Gruvriset 33:278	Logistics/Storage	Tunavägen 90	Falun	2011	-	44,312	
Örja 1:21	Logistics/Storage	Österleden	Landskrona	2012		53,663	
Plåtslagaren 1	Logistics/Storage	Ålåkragatan 4	Vimmerby	2008	2009	10,259	
Rödspättan 1	Logistics/Storage	Runemovägen 10	Värnamo	1973		4,705	
Rödspättan 4	Logistics/Storage	Runemovägen 4	Värnamo	1980	2000	2,960	
Sandskäddan 4	Logistics/Storage	Margretelundsvägen 9	Värnamo	1982		2,780	
Sjötungan 3	Logistics/Storage	Margretelundsvägen 6	Värnamo	1989		2,570	
Skjutsstallslyckan 22	Logistics/Storage	Lundavägen 54	Malmö	1955	1955	7,650	
Snickaren 12	Logistics/Storage	Smedjegatan 10	Växjö	1976/1989	2001	24,010	
Stensholm 1:755	Logistics/Storage	Stensholmsvägen 20	Jönköping	2015		3,100	
Takläggaren 4	Logistics/Storage	Rörläggarevägen 8	Värnamo	1991	2000	9,067	
Terminalen 1	Logistics/Storage	Öjaby Nylanda 1	Växjö	2010	2010	21,662	
Torbornahögen 3	Logistics/Storage	Stenbrovägen 15	Helsingborg	1981		16,831	
Torlunda 1:278	Logistics/Storage	Abramsons Väg 2	Eskilstuna	1990/2007	-	15,814	
Tunnan 1	Logistics/Storage	Turbovägen 11	Trollhättan	2002	2002	17,533	
Valhalla 1:6	Logistics/Storage	Bredängsgatan 55	Eskilstuna	1976, 1984, 1991, 2009	1976, 1984, 1991, 2009	9,016	
Yxan 4	Logistics/Storage	Fabriksgatan 10-12	Värnamo	1975, 2006, 2008		5,595	
Yxan 6	Logistics/Storage	Fabriksgatan 4	Värnamo	1978, 1990, 2009		1,477	
<b>Total</b>						<b>520,975</b>	

## OTHER PROPERTIES CONT.

## Retail

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Almen 9	Retail	Malmövägen 12	Värnamo	1957	2009	12,018	
Backen 10	Retail	Verkstadsgatan 1	Tranås	1945	1988	3,397	
Centrum 12:1	Retail	Källgatan 9	Enköping	1929	1947	587	
Centrum 16:5	Retail	Källgatan 14	Enköping	1969	1969	2,026	
Centrum 18:1	Retail	Eriksgatan 24	Enköping	1971	1971	7,406	
Drabanten 1	Retail	Nydalavägen 16	Värnamo	1940, 1986		1,258	
Dynamon 5	Retail	Nygatan 19	Linköping	1969	1969	4,159	
Filen 2	Retail	Fabriksgratan 3	Värnamo	1966, 1997, 2000	1989, 2003	4,915	
Filen 5	Retail	Mårtensgratan 23A	Gislaved	1973	1973	1,643	
Gänget 14	Retail	Fabriksgratan 7	Ljungby	1974	1974	2,639	
Golvläggaren 2	Retail	Silkesvägen 30	Värnamo	1991, 2008, 2010		11,164	
Gyldenlöve 16	Retail	Kilbäcksgatan 11	Uddevalla	1953	1985	8,458	
Jungfrun 11	Retail	Köpmansgratan 3	Värnamo	1950, 2000	2000	4,970	
Karpen 3	Retail	Jönköpingsvägen 105	Värnamo	1956, 1990		2,670	
Koch 7	Retail	Kungsgatan 8	Uddevalla	1977	1984	8,980	
Linden 1	Retail	Växjövägen 24 A	Värnamo	1960, 1989, 2012		6,319	
Ljuset 8	Retail	Nydalavägen 1	Värnamo	2003		2,600	
Mattläggaren 2	Retail	Silkesvägen 26	Värnamo	1991, 2008	2012	3,133	
Nålsögat 6	Retail	Tivoliallén 2	Eskilstuna	1996	1996	3,571	
Riksdalern 3	Retail	Ullebergsleden 10	Karlstad	2001	2001	6,692	
Rimfrostén 1	Retail	Solängsvägen 2	Växjö	1972	2008	8,650	
Sävsjö 12:4	Retail	Västra Järnvägsgratan 8	Sävsjö	1996	1996	1,793	
Trasten 12	Retail	Stora Torget 4B	Filipstad	1980	1980	1,891	
Västberga Gård 2	Retail	Västberga Gårdsväg 36	Stockholm	1970	1970	4,178	
Vindruvan 22	Retail	Storgatsbacken 20	Värnamo	1955	2001	7,267	
Vindruvan 4	Retail	Storgatsbacken 16 A	Värnamo	1982	2001	4,001	
<b>Total</b>						<b>126,385</b>	

## PROPERTY SPECIFICATION

### OTHER PROPERTIES CONT.

#### Other

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Husby 4:28	School	Företagsallén 8	Österåker	1988	1988	1,432	
Bredmosstorpet 5	Judicial system	Jansasgatan 8	Sandviken	1977	1983	8,300	
Solen 7	Judicial system	Storgatan 17	Södertälje	1964	1964	10,214	
Bleckslagaren 1	Land	Repslagarevägen 5A	Värnamo	-	-	0	T
Hultåsa 1:18	Land	Lindenvägen 1	Hultsfred	-	-	0	
Husby 4:23	Land	Företagsallén 1	Österåker	-	-	0	
Husby 4:24	Land	Företagsallén 6	Österåker	-	-	50	
Postiljonen 2	Land	Uppgift saknas	Växjö	-	-	0	
Resecentrum 3	Land	Stationsgatan 7	Skövde	-	-	0	
Sigurd 6	Land	Sigurdsgatan 21	Västerås	-	-	0	
Sigvald 5	Land	Sigurdsgatan 21	Västerås	-	-	0	
Värnamo 14:86	Land	Myntgatan	Värnamo	-	-	0	
Vik 1:36	Land	Uppgift saknas	Vingåker	-	-	0	
Anisen 2	Industry	Johannefredsgatan 9	Mölnadal	1989	1991	5,500	
Brudabäck 6	Industry	Nydalavägen 2	Vetlanda	1978	1978	6,658	
Drivhjulet 3	Industry	Kardanvägen 65	Trollhättan	1989	1999	1,680	
Fläkten 7	Industry	Lantmannavägen 3	Växjö	1963	1993	8,483	
Flundran 4	Industry	Runemovägen 1A	Värnamo	1963, 1992, 2008		11,606	
Görvåln 2	Industry	Bränningevägen 20	Stockholm	1963	1963	7,279	T
Hjulet 6	Industry	Kardanvägen 12B	Trollhättan	1980	2009	1,710	
Isbjörnen 4	Industry	Isbjörnsvägen 6	Växjö	1993	2014	10,933	
Kugghjulet 2	Industry	Kardanvägen 66	Trollhättan	1980	1991	1,500	
Mattläggaren 1	Industry	Silkesvägen 24	Värnamo	1997	2000	2,700	
Posten 4	Industry	Postgatan 3	Värnamo	1929, 1940, 1968	1989, 2015	4,174	
Sjömärket 3	Industry	Annavägen 3	Växjö	1989	2000	9,495	
Takläggaren 8	Industry	Silkesvägen 43	Värnamo	1999	2008	6,995	
Tjockö 1	Industry	Fryksdalsbacken 40	Stockholm	1980	1980	11,491	T
Transistorn 1	Industry	Svedjevägen 12	Skellefteå	1968	1985	9,320	
Årsta 68:4	Hotel	Fyrislundsgatan 81	Uppsala	1985	1985	3,014	
Baggatomten 6:1	Hotel	Hotellvägen 1	Härryda	1937	-	4,559	
<b>Total</b>						<b>127,093</b>	

## Segment Norge

### COMMUNITY SERVICE PROPERTIES

#### School

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Fredrikstad-423/159-160, 164-165, 171-173	School	Stadion 2	Fredrikstad	*1948, 1995, 1999, 2003, 2007, 2009 2011	1989, 1995, 2011	30,408	
Skedsmo-24/89	School	Kunnskapsveien 55	Skedsmo	1972, 1977, 1986, 1992, 2003		25,256	
<b>Total</b>						<b>55,664</b>	

#### Office

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Farmannsveien 50 K	Office	Anton Jenssens Gate 1	Tønsberg	1990 till 2006	-	3,394	
Farmannsveien 50 I	Office	Anton Jenssens Gate 4	Tønsberg	1990 till 2006	-	4,598	
Farmannsveien 50 F	Office	Anton Jenssens Gate 3, 5, 8, 11	Tønsberg	1990 till 2006	-	5,137	
Farmannsveien 50 D	Office	Anton Jenssens Gate 3, 5, 8, 11	Tønsberg	1990 till 2006	-	6,550	
Farmannsveien 50 E	Office	Anton Jenssens Gate 3, 5, 8, 11	Tønsberg	1990 till 2006	-	1,436	
Farmannsveien 50 B	Office	Anton Jenssens Gate 7	Tønsberg	1990 till 2006	-	2,302	
Farmannsveien 50 A	Office	Anton Jenssens Gate 3, 5, 8, 11	Tønsberg	1990 till 2006	-	3,662	
Moss-2/1431, 1482, 1484, 1486, 1489, 2261	Office	Vogts gate 17	Moss	1993		9,462	
Oslo-225/261	Office	Sannergata 2	Oslo	2003		18,818	
<b>Total</b>						<b>55,360</b>	

#### Judicial system

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Farmannsveien 50 C	Judicial system	Anton Jenssens Gate 1	Tønsberg	1990 till 2006	-	2,051	
Fredrikstad-300/1542	Judicial system	Gunnar Nielsens Gate 25	Fredrikstad	1992		4,370	
Fredrikstad-300/210	Judicial system	Brochs Gate 3	Fredrikstad	1976	1994-96	3,785	
Moss-2/2837	Judicial system	Prins Christian Augusts Plass 3-7	Moss	2004		4,695	
Skedsmo-83/748	Judicial system	Jonas Lies Gate 20-28	Skedsmo	1990, 2009		12,254	
<b>Total</b>						<b>54 749</b>	

#### Care service/Care service

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Bergen-122/610	Care service	Bjørgeveien 316	Bergen	2004		603	
Bergen-18/348	Care service	Fredlundsveien 45	Bergen	2013		735	
Bergen-38/140	Care service	Steinsvikvegen 89	Bergen	1967, 1983, 1987	1987	495	
Bømlo-12/17, 12/20	Care service	Færavågen 2	Bømlo	2005		825	
Bømlo-123/72	Care service	Motorsportvegen 7	Bømlo	1992		592	
Karmøy-5/34	Care service	Slettatunet 10	Karmøy	2008		1,022	
Mandal-123/5, 123/16	Care service	Daleveien 274	Mandal	1957		650	
Mandal-99/229	Care service	Laustøheia	Mandal	2003		590	
Os-54/765	Care service	Industryvegen 111	Os	2009		1,044	
Ringerike-38/217	Care service	Trygstadveien 1	Ringerike	2000		712	
Ringerike-87/571	Care service	Hovsmarkveien	Ringerike	2010		782	
Skedsmo-31/314	Care service	Elvengveien 14	Skedsmo	2006		1,167	
Strand-16/344	Care service	Kvednanesvegen 74	Strand	2008		1,128	
<b>Total</b>						<b>10,345</b>	

#### Other

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Farmannsveien 50 Sam	Garage	Anton Jenssens Gate 13	Utland	1990 till 2006	-	514	
<b>Total</b>						<b>514</b>	

## Segment Finland

### COMMUNITY SERVICE PROPERTIES

#### Office

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Hatanpään valtatie 36	Office	Hatanpään valtatie 36	Tampere	1992/1993	2000	12,919	
Kivihaantie 7	Office	Kivihaantie 7	Helsingfors	1972	2006	19,431	
<b>Total</b>						<b>32,350</b>	

#### Judicial system

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Kummatinkatu 6	Judicial system	Kummatinkatu 6	Raahe	2004	-	6,855	
<b>Total</b>						<b>6,855</b>	

#### School

Property	Category	Address	Municipality	Year of construction	Refurbish- ment	Lettable area, sqm	Lease- hold
Åkerlundinkatu 5	School	Åkerlundinkatu 5	Tampere	1972	2007/2012	7,437	
Pajuniityntie 11	School	Pajuniityntie 11	Helsingfors	1969	2002	17,730	
<b>Total</b>						<b>25,167</b>	



# Addresses

## **HEMFOSA FASTIGHETER AB (PUBL)**

Street address, head office  
Hästholmsvägen 28, Nacka

Postal address, head office  
Box 2020  
SE-131 02 Nacka  
Telephone: +46 8 448 04 80  
[www.hemfosa.se](http://www.hemfosa.se)

## **FINANCIAL ADVISORS**

### **Skandinaviska Enskilda Banken AB (publ)**

Street address, head office  
Kungsträdgårdsgatan 8, Stockholm

Postal address, head office  
SE-106 40 Stockholm  
Telephone: +46 8 763 50 00  
[www.seb.se/mb](http://www.seb.se/mb)

### **Swedbank AB (publ)**

Street address, head office  
Landsvägen 40, Sundbyberg

Postal address, head office  
SE-105 34 Stockholm  
Telephone: +46 8 585 900 00  
[www.swedbank.se](http://www.swedbank.se)

## **LEGAL ADVISOR TO THE COMPANY**

### **Advokatfirman Cederquist KB**

Street address, head office  
Hovslagargatan 3, Stockholm

Postal address, head office  
Box 1670  
SE-111 96 Stockholm  
Telephone: +46 8 522 065 00  
[www.cederquist.se](http://www.cederquist.se)

## **AUDITOR**

### **KPMG AB**

Street address, head office  
Tegelbacken 4A, Stockholm

Postal address, head office  
Box 16106  
SE-103 23 Stockholm  
Telephone: +46 8 723 91 00  
[www.kpmg.se](http://www.kpmg.se)

## **CENTRAL SECURITIES DEPOSITORY**

### **Euroclear Sweden AB**

Box 191  
SE-101 23 Stockholm



**Hemfosa Fastigheter AB (publ)**

Telephone: +46 8 448 04 80

Visiting address: Hästholmsvägen 28

Postal address: Box 2020, SE-131 02 Nacka