

## Press release

Nacka 20 November, 2014

### Hemfosa announces preference share issue of SEK 975m

The Board of Directors of Hemfosa Fastigheter AB (publ) ("Hemfosa" or "the Company") has resolved, with authorization granted by Hemfosa's Extraordinary General Meeting on 12 November, 2014, to carry out an issue of preference shares.

#### The offer in brief:

- The offer is directed to the general public in Sweden and to institutional investors in Sweden and internationally, including Hemfosa's existing shareholders ("the Offer")
- The subscription price has been set to SEK 325 per preference share and the yearly dividend amounts to SEK 20 per preference share, implying an annual yield for the preference shares of 6.2 per cent
- The Offer amounts up to a total of SEK 975m before issue expenses. If there is a strong demand, the Offer may be increased by an additional amount of up to SEK 650m
- The subscription period runs from 21 November, 2014 until 2 December, 2014 for the general public in Sweden and from 21 November, 2014 until 3 December, 2014 for institutional investors
- Expected first day of trading on Nasdaq Stockholm is 12 December, 2014

#### Jens Engwall, CEO, comments:

*"Hemfosa's clear ambition is continued growth, in particular within the segment community service properties. In line with this we seek to have access to expansion capital for potential acquisitions. We view preference shares as an attractive complement to our existing sources of financing and deem that our property portfolio with stable cash flows is well suited to be partly financed by preference shares."*

#### Background and reasons

Hemfosa is a Swedish real estate company which combines long-term property management with an active role on the property transaction market. The Company's ambition is to capture the opportunities of a changing property market, to create stable revenue streams and to generate high returns. At the same time, Hemfosa shall be a responsible and receptive landlord which provides excellent service to its customers.

The Company was founded in June 2009 by the CEO Jens Engwall, with a background from transaction intensive and value creating property companies. Hemfosa has since then established a balanced portfolio of commercial properties in Sweden, of which a large share is comprised of community service properties with government and municipal bodies as the largest tenants. The total property value amounted to approximately SEK 20.6 billion as of 30 September, 2014, including the Company's share of the property value in joint ventures.

Hemfosa's strategy is to focus on long-term growth of the Company's cash flows by actively managing and improving the existing property portfolio. The Company creates and maintains long-

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term relationships with its tenants by assuming a market oriented and adept property management. In addition, Hemfosa intends to participate actively on the transaction market to create growth by focusing on community service properties, to risk optimise its property portfolio in terms of e.g. geography, property segment and tenant structure as well as to generate profits from the transaction business.

In connection to the listing of Hemfosa's shares in March 2014, Hemfosa communicated its intention to evaluate the possibility to raise additional expansion capital through, for example, the issue of preference shares or the issue of bonds. During the spring, Hemfosa successfully completed a three year SEK 1,200m unsecured bond issue.

Hemfosa's Board of Directors deems that a preference share issue implies improved financial possibilities for continued growth while still maintaining an appropriate proportion of equity. From the proceeds of SEK 975m, approximately SEK 700m is intended for Hemfosa's, signed but not closed, property acquisitions from Castellum and Hemsö with a total property value of approximately SEK 2bn and SEK 3.3bn respectively, that was announced by Hemfosa on 17 November, 2014 and on 18 November, 2014. The remaining part of the proceeds, including any additional proceeds if the Offer is increased, is to be used for investments in the existing property portfolio as well as further property acquisitions which are continuously evaluated by the Company in its day-to-day operations. Greater access to capital will expand the Company's opportunities for financing the Company's growth, and facilitates an active and opportunistic role in the transaction market.

## **The Offer**

The Offer includes up to 3,000,000 preference shares with a subscription price of SEK 325 per preference share, corresponding to total proceeds of up to SEK 975m before issue expenses. Minimum subscription is set to 50 preference shares, further subscription can be made in even lots of 10 preference shares. The subscription period runs from 21 November, 2014 until 2 December, 2014 for the general public in Sweden and from 21 November, 2014 until 3 December, 2014 for institutional investors.

Assuming that the Offer is fully subscribed the number of shares in the Company will increase by 3,000,000 preference shares and the number of votes will increase by 300,000, corresponding to a dilution of approximately 4.6 per cent of the shares and approximately 0.5 per cent of the votes.

The Board of Directors may decide, until and including the announcement date estimated to 4 December, 2014, to increase the Offer by up to 2,000,000 additional preference shares up to 5,000,000 preference shares in total. Hereby, as a part of the Offer, Hemfosa could receive additional proceeds of up to SEK 650m.

The Offer shall be directed, with deviation from the shareholders' preferential rights, to the general public in Sweden and institutional investors in Sweden and internationally, including Hemfosa's existing shareholders. The reason for the deviation from the shareholders' preferential rights is that the Board of Directors of Hemfosa believes that the terms of a preference share issue directed to the general public in Sweden and institutional investors, including Hemfosa's existing shareholders, are more favorable compared to other alternatives.

Please see the prospectus that is to be published for complete terms and conditions in the Offer.

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## Prospectus and information brochure

Hemfosa has with regard to the Offer prepared a prospectus and an information brochure that are to be published as soon as approval is obtained from the Swedish Financial Supervisory Authority, which is expected to occur during today. The prospectus, the information brochure and the application form can be obtained from Hemfosa and Swedbank. The prospectus, the information brochure and the application form will also be available on Hemfosa's website ([www.hemfosa.se](http://www.hemfosa.se)) and Swedbank's website ([www.swedbank.se/prospectus](http://www.swedbank.se/prospectus)). Applications can also be made through Avanza or Nordnet. The information brochure will be distributed to Hemfosa's shareholders.

## Preliminary timetable

Subscription period (general public in Sweden)	21 November – 2 December, 2014
Subscription period (institutional investors)	21 November – 3 December, 2014
Announcement date	4 December, 2014
Settlement date	8 December, 2014
Paid subscription shares (BTA) on VP-account/depositary account (institutional investors)	8 December, 2014
Paid subscription shares (BTA) on VP-account/depositary account (general public in Sweden)	9 December, 2014
First day of trading on Nasdaq Stockholm	12 December, 2014

## Advisors

Swedbank Corporate Finance is acting as financial advisor and Advokatfirman Cederquist as legal advisor to Hemfosa in connection to the Offer.

Nacka 20 November, 2014

## Hemfosa Fastigheter AB (publ)

The Board of Directors

## For more information, please contact:

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*This constitutes information that Hemfosa Fastigheter AB (publ) may be legally obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was issued for publication on 20 November, 2014 at 8.45 a.m. CET.*

## About Hemfosa Fastigheter

Hemfosa is a Swedish property company with a property portfolio characterized by a balanced geographic spread and a high proportion of community service properties with the government and municipalities as the largest tenants. This generates stable revenue flows and a healthy yield. Hemfosa also aims to create value by actively participating in the transaction market. As of 30 September, 2014, Hemfosa owns commercial properties in Sweden with a total property value of approximately SEK 20.6 billion, including the Company's share of the property value in joint ventures. The Company's share is listed on the Nasdaq Stockholm Mid Cap exchange as of 21 March, 2014.

## Important notice

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Hemfosa Fastigheter AB in any jurisdiction where such offer or sale would be unlawful and the announcement and the information contained herein are not for distribution or release, directly or indirectly, in or into such jurisdictions.

In any EEA member state, other than Sweden, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member state, the "Prospectus Directive"), this communication is only addressed to and is only directed at qualified investors in that member state within the meaning of the Prospectus Directive.

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This announcement does not constitute a prospectus and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in the Company, except on the basis of information in any prospectus published by the Company in connection with the potential offering and admission of such securities to trading and official listing on NASDAQ OMX Stockholm. Copies of any such prospectus will, following publication, be available on the website of the Company.

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this release speak only as at its date, and are subject to change without notice.

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