

Press release

Nacka, March 21, 2017

Hemfosa's Board proposes warrant programme for employees

The Board of Directors of Hemfosa Fastigheter AB (publ) ("Hemfosa") has resolved to propose that the Annual General Meeting resolves on a warrant programme for employees within the Hemfosa Group.

The Board's proposal involves in brief that the Annual General Meeting shall resolve on a directed issue of a maximum of 1,450,000 warrants. The warrants shall be transferred to the employees within the Group divided in different categories at a price (warrant premium) that will be determined based on an estimated market value of the warrants. The company will by means of a cash bonus subsidize up to 100 per cent of the participants premium. The bonus consists of two payments, each of 50 per cent, during the term of the warrant program, one after two years and one after four years. The total cost for the subsidy, based on assumptions of the value of the warrants as set out above, is calculated to amount to not more than SEK 6.4 million including social security contributions, for the entire term of the warrant program of five years.

Each warrant shall entitle the holder to subscribe for one ordinary share in Hemfosa during the period from 1 May 2022 up to and including 31 May 2022 and from 1 August 2022 up to and including 31 August 2022. The subscription price for each share shall be equal to 115 per cent of the volume weighted average price according to Nasdaq Stockholm's official price list for the ordinary share during the period 2 May 2017 up to and including 15 May 2017.

The proposed issue of warrants entails a total dilution of a maximum of approximately 0.85 per cent of the total number of shares and 0.90 per cent of the total number of votes in the company after full subscription of all warrants.

The reasons for the deviation from the shareholders' preferential rights are to, through the warrant programme, establish a reward system that is competitive within all markets that the company operates within, that can function as a guideline for the company's management in the work with the company's strategy and that, in addition to function as focus-enhancing for the company's employees, also provides the company's employees with increased opportunity to participate in the successes of the company.

The Board's proposed warrant programme will be presented in the notice to the Annual General Meeting which will be published today, on 21 March 2017, and complete terms and conditions of the warrant programme will at the same time be available at the company's website. Hemfosa's Annual General Meeting will take place at 15.00 on 24 April 2017 at Hotel Rival, Mariatorget 3 in Stockholm

For further information, please contact:

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About Hemfosa Fastigheter AB

Hemfosa is a Swedish property company focusing on community service properties in the Nordic region with its largest tenants being the Swedish state and municipalities. This provides stable cash flows and a healthy yield. In order to create value, Hemfosa also aims to actively participate in the transaction market. As per December 31, 2016, Hemfosa owned properties with a total property value of approximately SEK 38.9 billion, including the company's share of the property value in joint ventures. Hemfosa's common share has been listed since March 2014 and Hemfosa's preference share since December 2014, both on Nasdaq Stockholm. Read more at www.hemfosa.se.

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