

Press release

June 12, 2017

Hemfosa Fastigheter acquires community service properties in Karlskrona for a value of MSEK 750

Hemfosa has signed an agreement to acquire a portfolio of 19 properties in Karlskrona for an underlying property value of MSEK 750, with the majority of rental income generated from tenants in the community services sector. The three largest tenants are the Police Authority, the National Board of Housing, Building and Planning and the Swedish Coast Guard. As part of the acquisition, Hemfosa will assume a bond loan of MSEK 473 with a term extending until April 1, 2018. The completion of the acquisition is conditional upon 75 percent of the bondholders approving amendments to the terms and conditions for the bond related to the transaction and also decision by the Hemfosa board of directors on June 13, 2017.

Hemfosa is acquiring Galliaden Holding AB with 19 properties comprising a total of about 62,300 sqm. 17 of the properties are located in central Karlskrona, and the majority are offices with tenants in the community services sector, including the Police Authority, the National Board of Housing, Building and Planning and the Swedish Coast Guard as the largest tenants. One hotel is included in the portfolio as well as seven property sites. The seller is Nordlys AB. The total property value amounts to MSEK 750 and the annual rental income amounts to about MSEK 71, of which about 72 percent is generated from tenants in the community services segment.

As part of the acquisition, Hemfosa will assume a bond loan of MSEK 473 with a term extending until 1 April 2018 and a fixed interest rate of 5.75 percent. Taking into account interest rate compensation provided by the seller, the interest rate is 3.6 percent until refinancing in April 2018.

The average lease is 2.6 years and the leasing rate is 90 percent. The five largest tenants account for 50 percent of the total rental value. Transfer of the properties is scheduled for June 30, 2017.

“We are now further strengthening Hemfosa’s position in community service properties in Sweden. We are delighted to have acquired a high-quality property portfolio in the growing Karlskrona region and we look forward to a fruitful cooperation with both tenants and the surrounding locality. Hemfosa already has its own property management personnel in the area and thus believes that there is good potential to both add value to existing properties and enhance operational efficiency,” says Stina Lindh Hök, Head of Transactions at Hemfosa.

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About Hemfosa Fastigheter

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 March 31, 2017, Hemfosa owned properties with a total property value of approximately SEK 35.8 billion. The company’s ordinary share has been listed since March 2014, and the preference share since December 2014, both on Nasdaq Stockholm. Read more at www.hemfosa.se.

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