

Press release

Nacka, 6 March 2014

Hemfosa to the stock exchange – offer price range set

The Board of Directors and the owners of Hemfosa Fastigheter AB (publ) (“Hemfosa” or the “company”) have, for the purpose of facilitating the continued development and growth of the company, decided to implement a distribution of ownership of shares in the company through a combined new issue and sale of existing shares. The Board of Directors of Hemfosa has obtained approval from NASDAQ OMX Stockholm’s listing committee for a listing of the company’s shares, subject to inter alia the distribution requirement for the shares being fulfilled.

The offer in brief:

- The offer is made to the general public in Sweden and to institutional investors in Sweden and internationally
- The offer comprises a total of 34,508,879 shares in Hemfosa, of which 5,434,782 are newly issued shares and 29,074,097 are existing shares
- The offer may include up to an additional 4,347,826 newly issued shares to cover possible oversubscription (the “over-allotment option”)
- The selling price is expected to be set within the price range SEK 88-96 per share and the final selling price will be announced on 21 March 2014
- Assuming full subscription of the offer, the value of the offer amounts to approximately SEK 3.0-3.3 billion and will provide the company with proceeds of approximately SEK 478-522 million
- If the over-allotment option is fully exercised, the value of the offer amounts to approximately SEK 3.4-3.7 billion and will provide the company with proceeds of approximately SEK 861-939 million
- The subscription period for the general public is 10-19 March 2014 and the book-building process for institutional investors 10-20 March 2014
- Expected first day of trading on NASDAQ OMX Stockholm is 21 March 2014

Jens Engwall, CEO, comments:

“Thanks to our strength in capitalising on attractive business opportunities and implementing complex transactions, we have, since our formation five years ago, created a well-balanced property portfolio worth approximately SEK 18.5 billion, which generates high and stable returns. Hemfosa’s combined business strategy of management, development and transactions provides us with excellent potential to continue to create added value in the future. I am fully committed to Hemfosa and proud that we are now taking the next step in the company’s development.”

Bengt Kjell, Chairman of the Board, comments:

“Our aim is to generate the highest total return in the industry and to continue to increase the company’s shareholders’ equity to SEK 10 billion within five years. We believe that Hemfosa, with its balanced property portfolio with an emphasis on community service properties, its experienced management team and its high yield strategy, is well suited on the stock exchange. As a listed company, we will have access to superior and cheaper financing and we see excellent opportunities for exciting business deals going forward.”

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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 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 18.5 billion¹ on 31 December 2013. Hemfosa's strategy is to focus on long-term growth of company cash flows by actively managing and improving the existing property portfolio. The company creates and maintains long-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.

The Board of Directors of Hemfosa believes that the future development of the company is positively impacted by an IPO. The new issue means improved financial opportunities to grow and the IPO strengthens the company's position on the capital markets. The proceeds from the new issue will be used to finance additional property acquisitions and the improved access to capital markets provides the company with better possibilities to finance the company's growth and facilitates an active and opportunistic role on the transaction market. The Board of Directors also intends to create a liquid share for Hemfosa's current owners and to open up the company to the general public, by implementing an ownership distribution and stock exchange listing. A liquid share priced in the market also increases the possibility to use the company's shares as payment in connection with future acquisition of properties and property companies.

The offer

In accordance with the conditions of the offer, which are described in the company's prospectus, the Board of Directors of Hemfosa intends to increase the share capital by a maximum of SEK 5,434,782, from SEK 55,937,496 to SEK 61,372,278, by issue of a maximum of 5,434,782 new shares. Depending on the selling price, which is determined within the price range SEK 88-96 per share through a book-building process, the new issue will provide Hemfosa with a minimum of SEK 478 million and a maximum of SEK 522 million, before costs associated with the offer. Moreover, the selling shareholders² have decided to sell 29,074,097 existing shares. Consequently, the offer comprises a total of 34,508,879 shares, which corresponds to 56 percent of the shares and votes in the company, assuming that the offer is fully subscribed.

In addition, the company has undertaken, at the request of SEB and Swedbank, to issue an additional maximum of 4,347,826 shares at the selling price to cover possible oversubscription in conjunction with the offer. Assuming full subscription of the offer and that the over-allotment option is fully exercised, Hemfosa will be provided with a minimum of SEK 861 million and a maximum of SEK 939 million, before costs associated with the offer. If the over-allotment option is fully exercised, the offer comprises 38,856,705 shares corresponding to 59 percent of the shares and votes in the company, if the offer is fully subscribed.

¹ Hemfosa's directly owned property portfolio amounts to SEK 16.3 billion. The company's share of the property value in joint ventures amounts to approximately SEK 2.2 billion.

² The current shareholders are Alecta Pensionsförsäkring, ömsesidigt, Fjärde AP-fonden, Folksam ömsesidigt livförsäkring, If Skadeförsäkring AB (publ), IKANO Invest Aktieföretag, KPA Pensionsförsäkring AB (publ) and Kåpan Pensioner Försäkringsförening.

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If the offer is fully subscribed and if the over-allotment option is fully exercised, the number of shares and votes in the company will increase from 55,937,496 shares to 65,720,104 shares. Assuming that the offer is fully subscribed, the value of the offer amounts to approximately SEK 3.0-3.3 billion (and approximately SEK 3.4-3.7 billion if the over-allotment option is fully exercised).

The offer is made to the general public in Sweden and to institutional investors in Sweden and internationally. The selling price in the offer to the general public will not exceed SEK 96 per share. No brokerage commission will be charged.

Prospectus

Prospectuses and application forms will be made available on Hemfosa's website (www.hemfosa.se), SEB's website (www.sebgroup.com/prospectuses) and Swedbank's website (www.swedbank.se/prospekt). Application can also be made through Avanza and Nordnet. The prospectus and application forms can also be obtained from SEB, Swedbank or Hemfosa.

Timetable

Publication of the prospectus:	7 March 2014
Subscription period for the general public in Sweden:	10-19 March 2014
Book-building for institutional investors:	10-20 March 2014
Expected date for announcement of the final selling price:	21 March 2014
Expected first day of trading:	21 March 2014

Advisors

Skandinaviska Enskilda Banken (SEB) and Swedbank are acting as Joint Global Coordinators and Joint Bookrunners. Cederquist is acting as legal advisor to the company and Hammarskiöld & Co is acting as legal advisor to the Joint Global Coordinators and Joint Bookrunners.

For more information, please visit www.hemfosa.se or contact:

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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. Hemfosa owns commercial properties in Sweden with a total property value of approximately SEK 18.5 billion including the company's share of the property value in joint ventures. Hemfosa is currently owned by institutional investors and the company's employees.

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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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