

Press release

October 31, 2016

Hemfosa Fastigheter acquires community service property and small industrial property in Finland for approximately MSEK 420

Hemfosa has signed an agreement to acquire, and has taken possession of, two properties in Espoo, Finland. The police authority and the office of the public prosecutor are the largest tenants. This acquisition, with a corresponding value of about SEK 420, will strengthen Hemfosa's position in Finland, where its property portfolio is now worth approximately SEK 1.5 billion. The sellers are LocalTapiola Mutual Life Insurance Company and Elo Mutual Pension Insurance Company.

The larger of the two properties is strategically located with the police authority and the office of the public prosecutor as the primary tenants and a leasing rate of 80 percent. The other property is located on an adjacent site and currently contains industrial premises and offices that show considerable development potential. Both properties are located in Espoo, near Helsinki, and have a combined leasable area of just over 40,000 sqm, an average lease of about 3.2 years and an annual rental value of approximately MSEK 60. Possession of the properties was taken, October 28, 2016.

“We are very pleased to acquire an additional strategic community service property in a prime location in Finland, with law-enforcement and other agencies of the legal system as tenants. Community service properties are our specialty and we want to continue to grow in this segment in all three of our markets – Sweden, Norway and Finland,” 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 June 30, 2016, Hemfosa owned properties with a total property value of approximately SEK 33.2 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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