

Press release, 14 January 2019

Hemsö owners provide SEK 1 billion in equity

Hemsö Fastighets AB (Hemsö) increased its equity in January 2019 by SEK 1 billion through shareholder contributions from the company's owners, the Third Swedish National Pension Fund and AB Sagax. Participating interests in Hemsö were not impacted by the new capital.

Demand is substantial for new social infrastructure in the markets in which Hemsö operates, predominantly new schools and nursing homes. In the next 10 years, there is a need to build 700 new nursing homes and 700 new primary and secondary schools in Sweden. Sweden's municipalities are facing major challenges in meeting this demand, which provides favourable market conditions for Hemsö's continued growth.

The new capital will be used to deepen collaboration with the public sector, primarily through new construction projects with Sweden's municipalities but also with private school and care providers.

"Investments in social infrastructure are capital-intensive, which is why new capital from our owners will improve the possibilities to help Sweden's municipalities provide new schools and nursing homes. We have a number of acquisitions and planned development projects that we will undertake in 2019, which is why we have discussed the company's financing with our owners. The new capital will enable us to continue to grow while ensuring a stable capital structure," says Nils Styf, CEO of Hemsö.

"Hemsö is a long-term investment for the Third Swedish National Pension Fund, and makes a valuable contribution to the diversification of our portfolio. It is therefore natural that we contribute to Hemsö's continued development. There is a substantial and strongly growing need for new social infrastructure and we view this as a first capital injection and we are prepared to provide further capital in the future if required," says Kerstin Hessius, CEO of the Third Swedish National Pension Fund.

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This information is information that Hemsö Fastighets AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 12:00 CET on 14 January 2019.