

PRESS RELEASE

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Offentliga Hus intends to list on Nasdaq First North Premier

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Offentliga Hus i Norden AB (publ) (“Offentliga Hus” or “Company”), a growth-oriented property company that owns, manages and develops community service properties in Sweden with focus on long-term ownership, active property management and sustainability, today announces its intention to launch an initial public offering of its shares and to list its shares on Nasdaq First North Premier Growth Market (“the Offering”).

Björn Rosengren, Chairman of the Board of Directors of Offentliga Hus, comments:

“Offentliga Hus has in recent years established itself as a leading player in community service properties. The competence within the Company is high and expectations for both growth and quality have been exceeded. With high ambitions for strong future growth, the Board of Directors considers that a future listing of the Company’s shares is a logical and important next step in Offentliga Hus’ continued development.”

Fredrik Brodin, CEO of Offentliga Hus, comments:

As CEO of Offentliga Hus, I am extremely proud of our strong growth journey. The year 2020 has been characterized by high activity and we have improved our results at all levels. The upcoming listing and the capital injection it will entail will allow for continued expansion with a focus on community service properties with strong and stable cash flows. After listing on First North Premier, we intend to initiate a list change to the Nasdaq Stockholm main market.”

About Offentliga Hus and background to the Offering

Offentliga Hus is a growth-oriented property company that owns, manages and develops community service properties with a long-term ownership perspective. In the role as property owners, Offentliga Hus contributes to the development of world-class welfare services. Offentliga Hus has the vision of being a leading partner for players in Swedish welfare services and to provide long-term, sustainable property solutions.

The state, regions and municipalities are facing a growing need for welfare premises and community services properties. At the same time, many municipalities are struggling financially. For public authorities, the property portfolio is often an untapped resource. By transferring the ownership and management of public properties to a knowledgeable property partner, the state, regions and municipalities can free up funds for its core business – such as education and healthcare.

Since start in 2011, Offentliga Hus has been a transaction-driven company with a focus on long-term management of community service properties. The Company focuses mainly on three segments; education, healthcare & care and public offices. The property portfolio consists of large and medium-sized properties in growth areas, regional cities and larger urban areas all over Sweden. As of 31 August 2020, the market value of the property portfolio amounted to SEK 8.6 billion, which implies an annual growth rate of 73 percent since the end of 2017. At the same time, the community service properties accounted for 83 percent of the total market value of the property portfolio.

With high ambitions for strong future growth, the Board of Directors has decided that the Company would benefit from a listing of Offentliga Hus shares, which would both expand the ownership base and improve access to capital and to use the Company's shares as a means of payment for future acquisitions. The Company intends to use the net proceeds to finance continued long-term growth in the Company and for other business-related purposes.

Key strengths and competitive advantages

- Broad exposure to strong and attractive Swedish market with highly favourable market fundamentals within community service properties.
- Diversified portfolio mix enables high yield vs. risk.
- Trusted counterparty to 'AAA' tenants with strong contract base and long relations.
- Business model with focus on strong future growth and with a clear sustainability agenda:
 - Organic growth through tenant driven investments, new development and active management.
 - Proven track record of growth through acquisitions with a significant M&A pipeline of attractive community service properties.
- Market-tested management team with proven track record to execute on growth agenda, supported by committed Board of Directors and owners.

The offering in brief

The Offering consists of an offering to qualified institutional investors in Sweden and internationally, as well as an offering to the general public in Sweden.

The Offering is expected to comprise newly issued ordinary shares to an amount of c. SEK 750 million and existing shares to an amount of c. SEK 750 million. Out of the existing shares which are offered by the owners, c. SEK 415 million will cover the promissory note attributable to the unification of the Company's property portfolio which includes the divestment of 88 small properties and the minority interest in Studentbostäder i Sverige AB, made public by the Company in a press release 28 July 2020.

In order to cover a potential overallotment in the Offering, the owners have undertaken to offer existing shares corresponding to a maximum of 15 per cent of the total number of shares encompassed by the Offering.

Full terms, conditions and instructions for the Offering will be included in the prospectus that will be prepared by the Company in connection with the Offering and the listing. The prospectus will be published on the Company's website, www.offentligahus.se.

Further announcements relating to the process will be made in due course.

Not directly connected to the Offering and the listing, the Company's equity has strengthened with SEK 300 million through an unconditioned shareholder contribution from the owners following the strong growth Offentliga Hus has had since the turn of the half-year, made public by the Company in a press release 24 September 2020. Note that this shareholder contribution is not reflected in the interim report released by the Company on 17 September 2020 for the period 1 January 2020 to 31 August 2020. Following the equity injection, the company has repaid debt which carried a higher interest rate than the average debt portfolio.

Financial development*

SEKt	2020 Jan-Aug	2019	2018
Rental income	308,706	320,063	207,553
Net operating income	200,863	212,433	153,460
Income from property management	61,555	59,470	48,764
Total assets	9,541,849	7,718,730	4,265,625
Equity ratio, %	28.0%	34.0%	32.2%
Secured loan-to-value, %	52.9%	43.7%	46.6%
Property value	8,562,977	7,192,802	3,915,104
Economic occupancy rate, %	93.3%	94.4%	97.0%
EPRA NAV	2,386,473	2,367,718	1,639,359

**Unconditioned shareholder contribution of SEK 300 million has not been reflected in the above figures for the period 2020 Jan-Aug.*

Financial targets

- Growth: Grow EPRA NAV with an average growth rate of 20% per year.
- ROE: At least 12% return on average equity per year (excl. hybrid and eventual D-share capital).

- LTV: Short-term target of a loan-to-value ratio equal to or less than 60% and a mid-term target less than 60% as required to meet the requirements for an investment grade rating.
- Equity ratio: In the mid-term period, the equity ratio shall exceed 35%.
- Interest coverage ratio: In the mid-term period, the interest coverage ratio shall exceed 2.2x and shall commensurate within an investment grade rating.

Dividend policy

Profits will primarily be reinvested to leverage business opportunities and achieve the financial and operational targets. Thereafter, the goal is to pay out up to 50% of income from property management after standard tax to shareholders in the form of a dividend.

Other operational targets

- Within a three-year period, Offentliga Hus' goal is to achieve investment grade rating.
- Increased focus on sustainability, for example through acquisition of environmentally certified properties and investments in energy efficiency improvements in existing properties.

Advisors

Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) are acting as Joint Global Coordinators and Joint Bookrunners. The law firm Vinge KB is acting as legal advisor to the Company and White & Case Advokat AB is acting as legal advisor to the Joint Global Coordinators and Joint Bookrunners. Priority Group AB is acting as communication advisor.

Important information

This announcement is not and does not form a part of any offer for sale of securities.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017 /1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated

market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the “Prospectus Regulation”). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

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Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue”, “should” and similar expressions. The forward-looking statements in this 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 announcement speak only as at its date, and are subject to change without notice.

In connection with the offer or sale of securities referred to herein, a financial advisor engaged by the company may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the engaged financial advisor in accordance with all applicable laws and rules.

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About Offentliga Hus i Norden AB (publ)

Offentliga Hus is a growth-oriented property company with a focus on community service properties, where the tenants are predominantly, directly or indirectly, made up of public sector. The Company is geographically focused on larger and medium-sized cities in Sweden. By offering suitable premises at market conditions, we are an attractive partner for the state, regions and municipalities in need of long-term and efficient property solutions.

Attachments

[Offentliga Hus intends to list on Nasdaq First North Premier](#)