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Platzer acquires property portfolio worth approximately SEK 2.8 billion from Volvo. Partially financed through a rights issue.

Platzer Fastigheter Holding AB (publ) (“Platzer” or “the Company”) has entered an agreement with AB Volvo, through Volvo Group Real Estate, on the acquisition of a property portfolio in Gothenburg. The underlying property value amounts to approximately SEK 2.8 billion and the acquired properties are estimated to have an annual rental value of approximately SEK 300 million.

In order to finance part of the acquisition, Platzer’s board of directors has resolved, conditional on the general meeting’s approval, to carry out a new class B share issue of approximately SEK 700 million, with pre-emptive rights for all shareholders of the Company (rights issue). In connection with the acquisition, Platzer will also obtain new bank financing of up to SEK 1.7 billion. Approximately 53 per cent of the rights issue is covered by subscription undertakings from some of the Company’s major shareholders. In addition, shareholders with aggregate holdings of approximately 25 per cent of the shares have expressed their support for the rights issue.

Background and reason

The acquired portfolio comprises approximately 338,000 sq. m. of lettable area and land in Arendal, Torslanda and Säve (“Artosa”). The area of land is approximately 3,600,000 sq. m. In the acquisition, the properties are valued at approximately SEK 2.8 billion and have an annual rental value of approximately SEK 300 million. The preliminary closing date is 15 December 2016.

- *This is a strategically very important deal for Platzer Fastigheter. It gives us a good cash flow and a good opportunity to undertake urban development activities in the Arendal, Torslanda and Säve districts, sell building rights and develop AB Volvo’s current head office in Torslanda, says P-G Persson, CEO of Platzer Fastigheter.*

The acquisition makes Platzer a significantly larger property company and represents a strategically important step for Platzer. Not only because the value of Platzer’s properties increases by approximately 26 per cent to approximately SEK 13.4 billion (based on the value of the existing property portfolio as per 30 June 2016), but also because of a number of other factors:

- The portfolio generates a good cash flow for Platzer while also providing the company with a good opportunity to undertake urban development activities in the area, sell building rights and develop AB Volvo's current head office in Torslanda;
 - Platzer's property portfolio is complemented both geographically, with a wider range of office locations, and in terms of new type of properties for industry and logistics;
 - Platzer gets a larger and better positioned property portfolio, which improves the opportunities for continued profitable growth, both through more own investment projects and also because Platzer becomes a more interesting and stronger cooperation partner for customers and municipalities; and
 - Platzer will be able to take advantage of the even greater attractiveness of Sweden's best logistics location that is expected to follow from the large infrastructure investments being planned in Arendal.
- *I am full of anticipation ahead of this highly interesting deal, says P-G Persson, CEO of Platzer Fastigheter. It will both give us wider geographic coverage, since we currently do not have any properties in the Arendal, Torslanda and Säve districts, and a new type of property in the Logistics segment.*

The largest tenant is companies within in the Volvo group, renting just under 50 per cent of the lettable area. Other tenants include DFDS, Plastal, Tibnor and Damco. The distribution in terms of property type is approximately 60 per cent logistics and approximately 40 per cent offices.

Purchase price, financing and terms and conditions of the acquisition

The transaction is structured as a company acquisition, with the acquired companies' only assets being the relevant properties. On the preliminary closing date 15 December 2016, Platzer will acquire the Artosa portfolio by making a cash payment of the entire purchase price¹. The acquisition is mainly not subject to any specific conditions for completion. The completion date may however be postponed due to registration of property.

The acquisition will be partly financed through a rights issue of approximately SEK 700 million, in accordance with the information set forth below. The part of the purchase price not financed through the rights issue will be financed through bank loans and the Company's own cash resources.

The new bank financing amounts to up to approximately SEK 1.7 billion and is subject to customary conditions concerning, among other things, Platzer's financial position. In addition, Platzer has the possibility to utilise a one-year bridge financing of up to SEK 700 million in the event that the rights issue should not have been completed by the time Platzer takes possession of the properties. Following the acquisition of Artosa and the proposed rights issue, pro forma as per 30 June 2016, Platzer's non-current interest-bearing liabilities will amount to approximately SEK 8.1 billion, corresponding to a loan-to-value ratio of 61 per cent and an equity ratio of approximately 32 per cent. The average fixed interest term, including derivatives contracts and fixed interest rates for an estimated 60 per cent of the new financing, will be approximately five years and the average maturity is approximately 2.3 years.

¹ The purchase price for the shares of the companies amounts to SEK 1.6 billion.

The rights issue

On 20 October 2016, in order to partly finance the acquisition, Platzer's board of directors resolved, conditional on the general meeting's approval, to carry out a class B rights issue. The rights issue is intended to raise approximately SEK 700 million. All the Company's shareholders (regardless of share class) will have pre-emptive rights to subscribe for the new shares.

The record date for the right to participate in the rights issue shall be 16 November 2016. Subscription shall be made during the period 21 November – 5 December 2016. The last day for trading in the Platzer share including the right to participate in the rights issue is 14 November 2016.

The board of directors shall, no later than 10 November 2016, determine (i) the maximum amount by which the company's share capital shall be increased, (ii) the maximum number of class B shares that shall be issued, and (iii) the amount payable for each new class B share. The final terms for the rights issue will be announced through a press release on or about 10 November 2016.

The shareholders Ernström Kapital AB, members of the Hielte/Hobohm family², Länsförsäkringar Göteborg och Bohuslän Fastigheter AB, AnJa Invest AB (Backahill) and Gårda Intressenter AB, with aggregate holdings of approximately 53 per cent of the shares of the Company, have undertaken to subscribe for their respective pre-emptive parts of the rights issue. These shareholders have also undertaken to vote in favour of the rights issue at the general meeting. In addition, shareholders with aggregate holdings of approximately 25 per cent of the shares in the Company (Länsförsäkringar Fastighetsfond, Länsförsäkringar Trygghetsfond, the Fourth Swedish National Pension Fund, Carnegie funds³ and Svolder), have expressed their support for the rights issue.

The board of directors' rights issue resolution will be presented to the extraordinary general meeting for approval on 14 November 2016. Notice of the extraordinary general meeting will be published in a separate press release today.

The preliminary timetable for the rights issue is as follows:

10 November	Announcement of the terms of the rights issue
14 November	Extraordinary general meeting
16 November	Record date for the right to participate in the rights issue
21 November – 5 December	Subscription period
21 November – 1 December	Trading in subscription rights
Around 12 December	Publication of the results of the rights issue

The complete terms and conditions for the rights issue, together with other information about the Company and the acquisition, will be outlined in the prospectus which will be published prior to commencement of the subscription period.

² The undertakings made by the members of the Hielte/Hobohm family comprise their respective pre-emptive parts up to a hypothetical issue amount of in total SEK 500 million. The remainder of the pre-emptive parts to which the Hielte/Hobohm family is entitled will be subscribed for by Ernström Kapital AB.

³ Carnegie strategifond, Carnegie Sverige Select, Carnegie Strategy and Carnegie All Cap.

Platzer's property portfolio following the acquisition; pro forma financial information

Following the acquisition of the Artosa portfolio, Platzer's property portfolio will continue to comprise commercial properties in the Gothenburg region. Based on Platzer's property portfolio as per 30 June 2016, but with the addition of the Artosa portfolio, Platzer's property portfolio will comprise 71 properties with a total lettable area of approximately 816,000 sq. m. The value of the properties is estimated at approximately SEK 13.4 billion, with rental income on an annual basis of approximately SEK 990 million and a total rental value of approximately SEK 1,048 million. The investment yield on the Artosa portfolio is expected to amount to approximately 7.2 per cent and the expected occupancy ratio is approximately 94 per cent.

The summary of earning capacity below refers to Platzer's property portfolio as per 30 June 2016, together with the Artosa portfolio.

<i>Pro forma, earning capacity as per 30 June 2016</i>			
SEK million	<u>Platzer</u>	<u>Artosa</u>	<u>Total</u>
Rental value	748	300	1,048
Vacancies	-41	-17	-58
Property costs	-172	-85	-257
Operating surplus	535	198	733
Central administration	-39	-4	-43
Net financial items	-142	-45	-187
Income from property management	354	149	503

The above summary is provided for illustrative purposes only and does not represent an assessment of future development of rents, vacancy rates, property costs, interest rates or other factors. Platzer's results are also affected by changes in the value of the property portfolio and by any future acquisitions and disposals of properties.

The summary is based on the following information. Rental value refers to rental income plus the estimated market rent of vacant premises in their existing condition. Property costs are based on information for a twelve-month rolling period and estimated costs in the Artosa portfolio. Central administration is calculated on the basis of actual costs during the past twelve months, together with estimated effects of the acquisition. Interest costs (net financial items) have been calculated on the basis of average interest levels in the Platzer group as per 30 June 2016 and, in respect of Artosa, the current average interest rate level.

Platzer's financial position, pro forma as per 30 June 2016, changes only marginally with regard to equity ratio and loan-to-value ratio.

Advisers

SEB is acting as financial adviser and Vinge as legal adviser to Platzer in connection with the transaction.

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This information is such that Platzer Fastigheter Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on 21 October 2016.

Platzer Fastigheter Holding AB (publ) owns and develops commercial properties in the Gothenburg area comprising a total lettable area of approximately 480,000 sq. m. and with a value of approximately SEK 11 billion. Platzer is listed on Nasdaq Stockholm, Mid Cap.

Important information

This press release is not an offer to subscribe for shares in Platzer and investors should not subscribe for or purchase any securities, except on the basis of information provided in the prospectus.

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The new shares, BTAs and subscription rights have not been recommended or approved by any United States federal or state securities commission or regulatory authority. No new shares, BTAs, subscription rights or other securities issued by Platzer have been or will be registered under the U.S. Securities Act of 1933, as amended, or under the securities legislation in any state of the United States, and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

The Company has not authorised any offer of the securities referred to herein to the public in any country in the European Economic Area ("EEA") other than Sweden. In other member states in the EEA, the securities may only be offered to (a) any legal entity which is a qualified investor as defined in the Directive 2003/71/EC (the "Prospectus Directive"); or (b) any person falling within Article 3(2) of the Prospectus Directive.

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This press release contains forward-looking statements which reflect Platzer's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "plan", "estimate" and other expressions that imply indications or predictions of future development or trends, constitute forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements. The information, opinions and forward-looking statements included in this press release speak only as of its date and are subject to change without notice.