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Press release, 26 October 2020

Fortinova intends to list on Nasdaq First North Premier Growth Market

Fortinova Fastigheter AB (publ) ("Fortinova" or the "Company") announces today the intention to list the Company's Class B shares on Nasdaq First North Premier Growth Market ("First North Premier") and to carry out a new issue of Class B shares of approximately SEK 800 million (the "Offering").

The main purpose of listing Fortinova's Class B shares on First North Premier is to create prerequisites for continued growth, to broaden Fortinova's ownership base and to provide increased access to the capital market. Fortinova's Board of Directors and Management consider the listing as a natural and important step in Fortinova's development and assess that the listing will lead to increased awareness of the Company and its operations, and thereby strengthen Fortinova's profile.

Anders Johansson, founder and CEO, comments:

"An investment in Fortinova is an investment in residential properties in growth municipalities in western Sweden. Fortinova not only manages houses in some of the country's most attractive places to live and work in - we also manage our tenants' homes and dreams. We create space for our tenants to grow, so that we can grow with them. With our large network, our local knowledge and close to 1,800 apartments in growth municipalities in western Sweden, there is significant opportunity for continued expansion. Opportunities for growth exist both in existing locations and in new growth municipalities in regions where there is a housing shortage. We constantly develop our project portfolio. By listing the Company's Class B share on First North Premier, we look forward to enabling more people to join us on the expansive journey towards our vision - to be western Sweden's most prominent property company in the residential property market."

About Fortinova and the background to the Offering and the listing:

Fortinova is a growing real estate company founded in 2010, with the business model based on acquiring, developing and managing primarily residential properties which, according to Fortinova's assessment, have documented strong cash flows. The Company has an objective to generate a positive return over time, independent of market development. Fortinova has a geographical focus on growth municipalities in western Sweden, which the Company deems to have a good growth profile and are attractive areas to work and live in. The Company is based in Varberg and was founded by Fortinova's current CEO Anders Johansson and Deputy CEO Anders Valdemarsson. As of 31 August 2020, Fortinova owned investment properties valued at SEK 2,261 million, of which residential properties make up approximately 86 per cent, with the remainder of the property value attributable to community service and commercial properties. Fortinova's ambition is to continue the Company's growth while maintaining current profitability and the Company considers itself to be in a good position for continuing its expansion in the same geographical area as before, with a continued focus on residential properties.

Prior to the intended listing on First North Premier, Fortinova raised approximately SEK 419 million in the spring of 2020 from ICA-handlarnas Förbund, SEB's Private Banking network, existing investors and certain additional investors. The Company's founders, Anders Johansson and Anders Valdemarsson, are, through A2F Fastigheter AB, the largest owner of Fortinova in terms of number of votes and own 13.7 and 50.6 per cent of the capital and votes, respectively.

Strategy

Fortinova's strategy is long-term management of residential properties through acquisitions, development and property management. The focus is on properties which, according to Fortinova's assessment, have documented strong cash flows with the goal of generating a positive return over time, regardless of market development. Fortinova's strategy consists of the following:

- Long-term management of residential properties through acquisitions, development and internal property management;
- Continued development of residential properties in growing municipalities in western Sweden by maintaining strong relationships with tenants and local organisations;
- Development of the existing property portfolio through value-creating improvements such as project development and "Pluslägenheter" (a program for upgrading existing apartments); and
- Continued focus on sustainability as an integral part of the business through Fortinova's three sustainability cornerstones: ecological, social and economic.

Financial targets and dividend policy

The Company's target is continued growth while maintaining profitability and positive cash flows. The financial targets to be met over time are:

- The interest coverage ratio shall amount to at least 250 per cent;
- The net loan-to-value ratio shall amount to 55–65 per cent; and
- The return on equity shall amount to at least 10 per cent.

Fortinova is a cash flow-oriented real estate company and the Company's dividend policy aims to continuously transfer profits from property management to the Company's shareholders. When assessing the size of the dividend, the Company's investment alternatives, financial position and capital structure shall be taken into account. The dividend shall in the long-term amount to at least 40 per cent of the profit from property management after tax paid.

The Offering in brief

The shares will be offered to qualified and institutional investors in Sweden, and internationally (excluding the U.S.) as well as to the general public in Sweden. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended.

The Offering is intended to consist of newly issued class B shares of approximately SEK 800 million. Complete terms, conditions and instructions for the Offering will be described in a prospectus prepared by the Company in connection with the intended Offering and which is expected to be published during the first half of November, including on Fortinova's website, www.fortinova.se.

Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on First North Premier provided that certain conditions are met, including that the Company submits such an application and that the distribution requirement for its shares is met.

First day of trading of Fortinova's class B shares on First North Premier is expected to be in the second half of November.

Advisors

Skandinaviska Enskilda Banken AB (publ) ("SEB") is acting as Global Coordinator and Book-runner in connection with the Offering. The law firm Vinge KB is acting as legal advisor to Fortinova, and the law firm Hammarskiöld & Co AB is acting as legal advisor to SEB. Avanza Bank AB (publ) is acting as Retail Manager alongside SEB in connection with the Offering.

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Important information

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

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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, the 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 financial advisor in accordance with all applicable laws and rules.