



K-Fastigheter announces intention to carry out a directed issue of convertible bonds

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K-Fast Holding AB (publ) ("K-Fastigheter" or the "Company") is investigating the possibility to carry out a directed issue of convertible bonds (the "Convertible Bonds") of an aggregate amount of SEK 300m through an open book building process targeting Swedish and international institutional investors (the "Directed Issue"). The Convertible Bonds may, under certain conditions, be converted into new Class B shares in K-Fastigheter (the "Shares"). The Company has mandated Carnegie Investment Bank and Pareto Securities as Joint Bookrunners (together the "Joint Bookrunners") in connection with the Directed Issue.

The contemplated Directed Issue will further contribute to K-Fastigheter's continued expansion through acquisitions of building rights and construction starts of new projects. The Company is continuously assessing various alternatives to ensure K-Fastigheter can maintain a solid growth trajectory and to take advantage of attractive opportunities that may arise to acquire suitable building rights intended for K-Fastigheter's construction of residential properties. Net proceeds from the Directed Issue are intended to be used for refinancing of existing debt as well as to increase its financial capabilities to construction start additional projects and acquire building rights.

The initial conversion price for the Convertible Bonds will be established through an open book building process and is expected to be set no lower than SEK 24.75, corresponding to a premium of circa 35 per cent in relation to the closing price of the Shares on Nasdaq Stockholm on 15 September 2023. The book building process will be initiated by the Joint Bookrunners at 09.00 CET today 18 September 2023 and is expected to be concluded during Tuesday 19 September 2023. The closing, pricing and allocation in the book building procedure is at the discretion of the Company and may be shortened, prolonged or cancelled at any time, and the Company may choose to partly or entirely refrain from carrying out the Directed Issue. The Company will announce the outcome of the Directed Issue including the final terms and settlement date for the Convertible Bonds in a subsequent press release after the book building procedure has been completed.

The conversion price of the Convertible Bonds will be subject to customary adjustment principles for convertible bonds. The Convertible Bonds is expected to carry a fixed annual interest coupon of 6.00 per cent paid quarterly in arrears. The Convertible Bonds will have a nominal amount of SEK 1,250,000. At the time of exercise of the conversion right, the Company has the right to a cash settlement corresponding to the conversion value as an alternative to an alternative to a new issuance of class B shares in the Company. The Convertible Bonds will have a tenor of 3.5 years with maturity in March 2027. The Company intends to apply for admission to trading for the Convertible Bonds on Nasdaq Stockholm, STO Convertible Bonds within 60 days of settlement.

The Board of Directors of the Company has carefully considered the possibility of carrying out a convertible bond issue with preferential rights among existing shareholders. The Board of

Directors has made the assessment that there are limitations among K-Fastigheter's shareholders to invest in convertible bonds which would have a negative effect on the interest among K-Fastigheter's shareholders to invest in a preferential issue of the Convertible Bonds, and thereby impacting the potential for a fully subscribed issue. The Company has therefore made the assessment that it is in the interest of the Company's existing shareholders as well as the most favourable alternative for K-Fastigheter to direct the issue of the Convertible Bonds to investors for which convertible bonds are particularly appropriate to invest in. With the foregoing taken into consideration, the Board of Directors of the Company find the reasons to carry out a convertible bond issue as a directed issue warrants a deviation from the shareholders' preferential right in cash rights issues.

As the terms for the Convertible Bonds are intended to be concluded through an open book building exercise, it is the Board of Director's assessment that the Directed Issue will be ensured to be carried out at fair terms according to prevailing market conditions.

The decision to issue the Convertible Bonds will be subject to approval at an extraordinary general meeting of the Company. Notice of such extraordinary general meeting will be published in a separate press release. The main shareholders of the Company being Jacob Karlsson and Erik Selin (through companies) together controlling circa 70 per cent of the total number of shares and circa 79 per cent of votes, have agreed to a formal undertaking to vote in favour of such approval.

Carnegie Investment Bank and Pareto Securities act as Joint Bookrunners in connection with the Directed Issue. Setterwalls acts as legal advisor to the Company and Roschier acts as legal advisor to the Joint Bookrunners in connection with the Directed Issue.

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This disclosure contains information that K-Fast Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 18 September 2023, 06.50 AM CET

Forward-looking statements

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As a property company, K-Fastigheter’s objective is to add value for tenants by creating attractive homes with superior comfort. The Group’s operations encompass active property management, project development and proprietary construction operations. To enhance cost efficiency and cut construction times, K-Fastigheter has chosen to work with three concept buildings, developed in-house and constructed for proprietary management. K-Fastigheter provides some 4,000 homes in several locations in the Öresund region, in the province of Småland and in western Sweden, and is assessing new markets as production capacity increases. The Group’s property portfolio has a book value SEK 14.3 billion, with an annual rental value of about SEK 528 million. Since November 2019, the company’s Class B shares have been traded on Nasdaq Stockholm under the (ticker: KFAST B). Read more at k-fastigheter.com