



K-Fastigheter resolves on directed issue of 24,000,000 series B shares

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K-Fast Holding AB (publ) (“K-Fastigheter” or the “Company”) has resolved to issue a total of 24,000,000 series B shares at a subscription price of SEK 13.80 per share, whereby the Company will raise proceeds of SEK 331.2 million before transaction costs. A part of the share issue, corresponding to approximately SEK 80.3 million of the issue proceeds before transaction costs, is conditional on the subsequent approval of an extraordinary general meeting. The subscription price has been determined based on an accelerated book-building procedure carried out by Nordea Bank Abp, filial i Sverige (“Nordea”) and Swedbank AB (publ) (“Swedbank”) as Joint Global Coordinators and Joint Bookrunners.

Resolutions on directed issue

The capital raise is carried out through two separate resolutions on share issues, partly as a directed issue of 18,180,000 series B shares, pursuant to the authorization to issue shares granted by the Annual General Meeting held on 15 May 2023, through an accelerated book-building procedure targeting Swedish and international institutional investors (“**Tranche 1**”), partly as a directed issue of 5,820,000 series B shares, subject to approval at an extraordinary general meeting of the Company, directed to Erik Selin Fastigheter AB (“**Tranche 2**”). The subscription price in both share issues amount to SEK 13.80 per share and has been determined through an accelerated book-building procedure carried out by Nordea and Swedbank.

The subscription price reflects, according to the assessment by the board of directors, market conditions and demand for the Company’s shares. In total, K-Fastigheter raises SEK 331.2 million before transaction costs.

The extraordinary general meeting to approve the share issue according to Tranche 2 is expected to be held around 24 October 2023. The principal shareholders Jakob Karlsson AB and Erik Selin Fastigheter AB, which together hold approximately 70 per cent. of the shares and approximately 79 per cent. of the votes in K-Fastigheter, have committed to vote for approval of the board of directors’ resolution to issue the shares pursuant to Tranche 2. The notice of the extraordinary general meeting will be published through a separate press release around 2 October 2023. Erik Selin Fastigheter AB is owned by Erik Selin, also chairman of the board of directors of K-Fastigheter. Since the directed issue pursuant to Tranche 2 is directed to a person who belongs to a category of related parties as stated in Chapter 16 of the Swedish Companies Act (SFS 2005:551), approval by the general meeting is required where at least nine tenths of both the votes cast and the shares represented at the meeting must approve the share issue.

Investors in the directed issue according to Tranche 1, include existing shareholders as well as new Swedish and international institutional investors, such as Capital SMALLCAP World Fund, Fjärde AP-fonden, Clearance Capital Limited and Länsförsäkringar Fonder.

The share issues according to Tranche 1 and Tranche 2 are part of creating the conditions for continued expansion through the acquisition of building rights and construction start of new

projects. The net cash from the share issues are intended to, by strengthening the financial position, which initially includes reducing short-term loan financing, increase the capabilities to, and enable investments in, construction start of additional projects and acquisition of building rights.

The Company's board of directors has made an overall assessment and carefully considered the possibility to raise capital through a rights issue with preferential right for the Company's shareholders. The board of directors considers that the reasons for deviating from the shareholders' preferential right are (i) that a rights issue would take a significantly longer time to complete and entail a higher risk for an adverse effect on the share price, particularly in light of the current market volatility and the challenging market conditions, (ii) to, as far as concerning Tranche 1, diversify and strengthen the Company's shareholder base with institutional investors, and (iii) to carry out a directed share issue can be made at lower costs and with less complexity than a rights issue. Considering the above, the board of directors has made the assessment that a directed issue of series B shares with deviation from the shareholders' preferential right is the most favourable alternative for K-Fastigheter to carry out the capital raise.

In respect of the directed share issue pursuant to Tranche 2, Erik Selin, the Chairman of the board of directors, has neither participated in the resolution to issue the new shares nor in the resolution to allocate the shares. Erik Selin has not participated in the pricing of the offer within the accelerated book-building procedure which preceded the board of director's resolution to issue the shares, and has only participated in the share issue in order for the Company to obtain sufficient subscription in the book-building procedures at the prevailing subscription price.

The share issues pursuant to Tranche 1 and Tranche 2, assuming that the share issue pursuant to Tranche 2 is approved at the extraordinary general meeting, will result in a dilution of approximately 10.0 per cent. of the number of shares and 7.3 per cent. of the votes in the Company (calculated as the number of newly issued shares divided by the total number of shares in the Company after the share issues). The number of shares in the Company following the share issues will increase by 24,000,000 shares. After the share issues, the total number of shares will amount to 239,331,168 shares, of which 22,500,000 series A shares and 216,831,168 series B shares. The number of votes in the Company increases by 24,000,000 votes, from 305,331,168 votes to 329,331,168 votes. The share capital increases by SEK 6,400,000, from SEK 57,421,644.80 to SEK 63,821,644.80.

The settlement date for Tranche 1 is estimated to be around 3 October 2023. The settlement date for Tranche 2 is estimated to be around 26 October 2023.

In connection with the share issues, the Company has agreed to a lock-up undertaking, with customary exceptions, on future share issues for a period of 90 calendar days after the settlement date of the share issues pursuant to Tranche 1.

Advisors

Nordea and Swedbank are Joint Global Coordinators and Joint Bookrunners in connection with the directed issues. Setterwalls Advokatbyrå is legal advisor to K-Fastigheter and Roschier Advokatbyrå is legal advisor to the Joint Global Coordinators and Joint Bookrunners in connection with the directed issues.

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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. The information was submitted for publication, through the agency of the above contact persons, on 29 September 2023, 00:30 CEST

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SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED (“**MIFID II**”); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE “**MIFID II PRODUCT GOVERNANCE REQUIREMENTS**”), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY “MANUFACTURER” (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE SHARES IN THE COMPANY HAVE BEEN SUBJECT TO A

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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](https://www.k-fastigheter.com)