



K-Fastigheter announces directed issue of approximately SEK 128 million

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The Board of Directors of K-Fast Holding AB (publ) ("K-Fastigheter" or the "Company") has resolved to carry out directed issues of 6,662,000 new series B shares at a subscription price of SEK 19.19 per share (the "Share Issue"). A part of the Share Issue, corresponding to approximately SEK 16 million of the issue proceeds before transaction costs, is conditional on the subsequent approval of an extraordinary general meeting. The net proceeds from the Share Issue are intended to be used to create the conditions for continued expansion through the acquisition of building rights and construction start of new projects.

The subscribers of the shares in the Share Issue are the Andra AP-fonden, Capital SMALLCAP World Fund, Clearance Capital Limited, First Nordic Real Estate, Odin Fonder and Tredje AP-fonden. Through the Share Issue, K-Fastigheter will receive approximately SEK 128 million before issue costs. The proceeds are intended to be used to create the conditions for continued expansion through the acquisition of building rights and construction start of new projects. The Company is continuously assessing various alternatives to ensure that K-Fastigheter can maintain a solid expansion rate and take advantage of attractive opportunities that may arise to acquire suitable building rights intended for K-Fastigheter's construction of residential properties.

The Share Issue consist of two separate tranches: one tranche amounting to 5,820,000 new shares of series B based on the remaining part of the authorization granted by the annual general meeting on 15 May 2023 ("Tranche 1") and a second tranche amounting to 842,000 new shares of series B which will be subject to subsequent approval by an extraordinary general meeting, which is expected to be held on or around 8 April 2024 ("Tranche 2"). The principal shareholders Jakob Karlsson AB and Erik Selin Fastigheter AB, which together hold approximately 65 per cent of the shares and approximately 75 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.

The Board of Directors has carefully considered the option to raise the requisite proceeds through a rights issue and makes the assessment that there are currently several reasons why it is preferable for the Company and the shareholders to raise the proceeds through a directed share issue compared to a rights issue. 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 and (ii) to carry out a directed share issue can be made at lower costs and with less complexity than a rights issue. The Board's overall assessment is that, given current market conditions, a share issue which deviates from the pre-emptive rights of existing shareholders, given the flexibility it allows, is the most appropriate option, allowing the Company in a time- and cost-efficient manner with favorable conditions to raise capital to facilitate further growth and to take advantage of new investment opportunities by way of selective acquisition of building rights and construction start of new projects. The shareholder base has, through the Share Issue, been additionally strengthened by the subscription from current major shareholders. The reason for directing the Share Issue to current

shareholders is that these shareholders have expressed and demonstrated a long-term interest in the Company, which, according to the Board of Directors, creates security and stability for both the Company and its shareholders.

The subscription price per new share in the Share Issue has been determined by the Board of Directors of the Company in consultation with Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") following arms-length negotiations with the investors, corresponds to the closing price of SEK 19.19 per share on 13 March 2024 and is therefore, taking into account the feedback from investors that the Company has received during the market sounding, deemed to reflect fair market value.

The Share Issue, assuming that the share issue pursuant to Tranche 2 is approved at the extraordinary general meeting, will result in a dilution of approximately 2.7 per cent of the number of shares (calculated as the number of newly issued shares divided by the total number of shares and votes in the Company after the Share Issue) and 2.0 per cent of the votes in the Company. The number of shares in the Company following the Share Issue will increase by 6,662,000 shares of series B. After the Share Issue, the total number of shares will amount to 245,993,168 shares, of which 22,500,000 series A shares and 223,493,168 series B shares. The number of votes in the Company increases by 6,662,000 votes, from 329,331,168 votes to 335,993,168 votes. The share capital increases by approximately SEK 1,776,533.33, from SEK 63,821,644.80 to SEK 65,598,178.13.

In connection with the Share Issue, the Company has agreed to a lock-up undertaking, with customary exceptions, on future share issues for a period of 60 calendar days after the settlement date of Tranche 1. In addition, the Company's CEO Jacob Karlsson and Chairman Erik Selin have undertaken not to, subject to customary exceptions, divest any shares in the Company for a period of 60 calendar days from the settlement date of Tranche 1.

Advisors

Danske Bank is Sole Global Coordinator and Bookrunner in connection with the Share Issue. Setterwalls Advokatbyrå AB is legal advisor to the Company.

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This disclosure contains information that K-Fast 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 above contact persons, on 13 March 2024, 11.15 PM CET.

Important information

This press release is not and does not form a part of any offer for sale of securities. Copies of this communication may not be made in, and may not be distributed or sent into, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland, the United States, or any other jurisdiction in which distribution of this press release would be unlawful or would require registration or other measures. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

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This press release is not a prospectus for purposes of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and its delegated and implemented regulations (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of securities in any EEA Member State and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Any investment decision in connection with the Share Issue must be made on the basis of all publicly available information relating to the Company and the issued shares. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares.

None of the Company, Danske Bank or any of their respective affiliates directors, officers, employees, agents, affiliates or advisers is under any obligation to update, complete, revise or keep current the information contained in this press release to which it relates or to provide the recipient of with access to any additional information that may arise in connection with it.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. 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 Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

INFORMATION TO DISTRIBUTORS

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 K-Fastigheter have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in K-Fastigheter may decline and investors could lose all or part of their investment; the shares in K-Fastigheter offer no guaranteed income and no capital protection; and an investment in the shares in K-Fastigheter is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in K-Fastigheter.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in K-Fastigheter and determining appropriate distribution channels.

Every care has been taken into consideration when translating this press release into English. In the event of differences between the English version and the Swedish original, the Swedish version shall apply.

K-Fastigheter is much more than a property company. Through an integrated process, we build our business in the four business areas project development, prefab, construction and property management. *To enhance cost efficiency and cut construction times, K-Fastigheter has chosen to work with three concept houses, developed in-house and constructed for own management. K-Fastigheter offers close to 4,900 homes from Copenhagen in the south to Gävle in the north and is continuously assessing new markets. K-Fastigheter strive to create attractive homes with a high comfort factor. The Group's property portfolio has a book value SEK 14,9 billion. Annual rental value in invest properties under management amounts to SEK 661 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*