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PRESS RELEASE

Hässleholm, Sweden, 19 November 2019

K-FASTIGHETER PUBLISHES PROSPECTUS IN CONNECTION WITH OFFERING FOR SUBSCRIPTION OF SHARES AND LISTING ON NASDAQ STOCKHOLM

K-Fast Holding AB (publ) (“K-Fastigheter” or the “Company”) is today publishing an offer to the general public in Sweden and to institutional investors in Sweden and abroad for subscription of B-shares in the Company and to list its shares on Nasdaq Stockholm. The offer comprises up to SEK 788 million (exclusive of overallotment option), and consists of only newly issued B-shares (the “Offering”). The Company has, as a result of the Offering and the listing on Nasdaq Stockholm, issued a prospectus (the “Prospectus”) that has been approved and registered by the Swedish Financial Supervisory Authority as well as published on the Company’s website www.k-fastigheter.se today.

Summary of the Offering

- The Offering is open to the general public in Sweden and to institutional investors in Sweden and abroad
- The subscription period for the general public in Sweden is expected to run from 20 November to 27 November 2019. The subscription period for the institutional investors is expected to run from 20 November to 28 November 2019.
- The subscription price per B-share in the Offering is SEK 105, corresponding to a total value of K-Fastigheter of approximately SEK 2,650 million before the Offering.
- The Offering, exclusive of overallotment option, consists of 7,500,000 newly issued B-shares corresponding to approximately SEK 788 million.



- In order to cover potential overallotment in the Offering, the Company is committed to, at the request of the Joint Bookrunners, issue up to 1,125,000 additional B-shares to Carnegie corresponding to a maximum of approximately SEK 118 million, in whole or in part for 30 days from the first day of trading on Nasdaq Stockholm (the “Overallotment Option”). The Overallotment Option thus comprises a maximum of 15.0 percent of the total number of B-shares that are encompassed by the Offering.
- Providing that the Offering is fully subscribed and the Overallotment Option fully exercised, the Offering will amount to a maximum of approximately SEK 906 million, corresponding to a maximum of 8,625,000 B-shares and approximately 25.5 percent of the total number of shares and 17.6 percent of the total number of votes in the Company after the Offering. The issue of new shares in the Offering will bring the Company total proceeds of SEK 906 million, before deduction of costs related to the Offering.
- A consortium of institutional investors¹ (jointly referred to as the “Cornerstone Investors”) have, on the same conditions as other investors, undertaken to subscribe for 4,047,200 B-shares in the Offering, which corresponds to a total amount of approximately SEK 425 million and approximately 47 percent of the Offering provided that the Offering is fully subscribed and that the Overallotment Option is fully exercised.
- The expected first day of trading in the Company’s B-shares on Nasdaq Stockholm is 29 November 2019. The Company’s B-shares will be traded under the symbol (ticker) “KFAST B”.
- The expected settlement date is 3 December 2019.
- Full information on the terms of the Offering can be found in the Prospectus which the Company has prepared in connection with the Offering and the listing of the B-shares on Nasdaq Stockholm. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority and published on the Company’s website <https://www.k-fastigheter.se/for-investerare> today.
- Carnegie Investment Bank AB (publ) (“Carnegie”) has been engaged as Sole Global Coordinator and Joint Bookrunner and Danske Bank A/S, Danmark, Sverige Filial (Swedish Branch) (“Danske Bank”) has been engaged as Joint Bookrunner in connection to the Offering.

¹ Andra AP-fonden, Fjärde AP-fonden, Funds managed or advised by Capital Research and Management Company, Celox, Länsförsäkringar Fondförvaltning AB, SEB Investment Management, Swedbank Robur Fonder, Handelsbanken Fonder and Coeli Absolute European Equity.



Jacob Karlsson, CEO and founder of K-Fastigheter, comments:

“We can see that our offering meets the demands of the market for an attractive home to the right cost. With our housing concept, we have cost control and economic efficiency throughout the whole process, from building rights to property management over the lifetime of the property. With a property and project portfolio of over 3,500 apartments, we have since the start in 2010 established, primarily through our own concept, a real estate company with a strong position and commitment in several selected locations.

The listing of the Company’s B-shares is an important milestone in the Company’s history. We are very excited over the huge interest we have received from investors – which shows that the capital market sees the potential in our cost-efficient construction and ownership of quality rental properties. An investment in K-Fastigheter is an investment in a home, in a better housing for many people. I look forward to welcoming new shareholders who wants to join us and to develop K-Fastigheter to become one of the leading actors in the Nordic countries in the development of rental housing.”

Erik Selin, chairman of the board of directors of K-Fastigheter, comments:

“Jacob Karlsson and his team has set the foundation for a leading and rational developer and property manager of the market’s most attractive residential properties in terms of condition, standard and service level. The Company has a strong business model, a promising business plan and good prospects. The listing on Nasdaq Stockholm will give K-Fastigheter added support to finance continued growth through project development and new construction of rental residences for long-term proprietary ownership and property management as well as resources to keep delivering growth and create value for the shareholders.”

Background and reasons for the Offering

A listing of the Company’s B-shares on Nasdaq Stockholm will broaden the shareholder base of K-Fastigheter and provide access to a broader and more efficient long-term capital supply from the capital market as well as to promote the ongoing growth and development of K-Fastigheter. In addition to this, a listing on Nasdaq Stockholm is considered to increase the public knowledge of the Company and its business, which is expected to strengthen the profile of K-Fastigheter as well as increase the attractiveness of the Company as an employer. The Company intends to use the proceeds of the new issue of shares to finance ongoing growth through project development and new construction of rental housing for long-term ownership and property management. To further streamline new construction and to achieve a more even flow of started and completed rental housing constructions, the Company intends to increase the availability of land through both acquisitions of undeveloped land with obtained building permits as well as undeveloped land where the Company will lead the detailed development plan process.



The Nasdaq Stockholm Listing Committee has on 5 November 2019, assessed that the Company fulfils the applicable listing requirements of Nasdaq Stockholm, provided that customary conditions, including the distribution requirement for the Company's B-shares, are fulfilled at the latest on the first day of trading on Nasdaq Stockholm. The board of directors of the Company intends to fulfill the application of admission to trading of the Company's B-shares on Nasdaq Stockholm and the trading is expected to commence on 29 November 2019.

The Offering²

The Offering consists of two parts: (i) the offer to the general public in Sweden and (ii) the offer to institutional investors in Sweden and abroad. The Offering consists of 7,500,000 newly issued B-shares. To cover any overallotment in connection to the Offering, the Company has committed to, at the request of the Joint Bookrunners, issue up to 1,125,000 additional B-shares to Carnegie, corresponding to a maximum of 15.0 percent of the total number of B-shares that are encompassed by the Offering. If the Overallotment Option is fully exercised, the Offering will consist of a maximum of 8,625,000 B-shares, corresponding to 25.5 percent of the total number of B-shares and 17.6 percent of the total number of votes in the Company after the Offering.

The subscription price in the Offering is SEK 105 per B-share. The subscription price has been determined by the board of directors of the Company in consultation with the Joint Bookrunners, based on a number of factors, including negotiations with the Cornerstone Investors, assessment of the level of interest from other institutional investors, valuations of listed real estate companies in general and listed residential property companies in particular, the valuation multiples from previously completed stock exchange listings of real estate companies, the current market climate and estimates pertaining to K-Fastigheter's business focus, earnings capacity, financial position and growth potential.

The principal owners – Jacob Karlsson, CEO and founder, and Erik Selin – and senior management of the Company have committed to, with conventional reservations, not to sell any shares in the Company under a period of three years after the trading on Nasdaq Stockholm has commenced.

The Cornerstone Investors has, with certain reservations, committed to subscribe for 4,047,200 B-shares in the Offering corresponding to an amount of approximately SEK 425 million, corresponding to approximately 47 percent of the Offering, provided that the Offering is fully subscribed and that the Overallotment Option is fully exercised.

² Please refer to the Prospectus for further information about the Offering.



The total value of the Offering amounts to SEK 788 million if the Overallotment Option is not exercised and to SEK 906 million if the Overallotment Option is fully exercised.

The expected first day of trading in the Company's shares on Nasdaq Stockholm is 29 November 2019. The expected settlement date is 3 December 2019. The Company's B-shares will be traded under the symbol (ticker) "KFAST B".

Prospectus and subscription

Full information on the terms of the Offering is found in the Prospectus, which the Company has prepared in connection with the Offering and the listing of the Company's B-shares on Nasdaq Stockholm. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the rules of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 ("Prospectus Regulation") and published on K-Fastigheter's website www.k-fastigheter.se today. The Prospectus will also be available on Carnegie's website for ongoing offers, www.carnegie.se, Danske Bank's website www.danskebank.se/prospekt and on Avanza's website www.avanza.se, and within a couple of days also be published on the Swedish Financial Supervisory Authority's prospectus register, <https://fi.se/sv/vara-register/prospektregistret/>. The approval of the Prospectus should not be understood as an endorsement of the B-shares. In order to fully understand the potential risks and rewards associated with the decision to invest in the Offering, potential investors should read the Prospectus before making an investment decision.

The general public in Sweden can apply to subscribe to the Offering through Avanza's e-service www.avanza.se, and through Carnegie for existing customers.

Preliminary timetable

Publication of the Prospectus	19 November 2019
Subscription period for the general public in Sweden	20 November - 27 November 2019
Subscription period for institutional investors	20 November - 28 November 2019
The first day of trading on Nasdaq Stockholm	29 November 2019
Settlement date	3 December 2019

About K-Fastigheter

K-Fastigheter is a rapidly growing residential property company with focus on efficient construction and long-term property management of mainly self-developed residential properties. K-Fastigheter was founded in December 2010 by the Company's current CEO and principal owner, Jacob Karlsson. The headquarters are located in Hässleholm, Sweden, and the property portfolio is concentrated to locations with high long-term demand of rental properties in the region of Öresund and, to an increasing extent, the western part of Sweden.



The Company's business idea is to, with a high commitment and cost-efficiency, develop, build, manage and assume long-term ownership of the market's most attractive residential rental properties, in terms of condition, standard as well as service. The Company shall offer self-produced and acquired residential properties in the Nordics in areas with high long-term demand for residential properties and commercial premises.

To increase cost-efficiency and shorten construction times, K-Fastigheter has chosen to develop and build three concept houses that are constructed solely for the Company's long-term proprietary ownership and active property management: Low-rise (*Sw. Låghus*), Lateral Low-rise (*Sw. Lamellhus*) and Apartment Block (*Sw. Punkthus*). K-Fastigheter also acquires real estate properties with development and refinement potential or properties on locations where K-Fastigheter wants to establish. Such acquisitions contribute to geographic expansion and increases the efficiency in property management at new locations.

As of 30 September 2019, the property portfolio of K-Fastigheter consisted of 63 real estate properties with 1,562 apartments under property management, 678 apartments under construction and 1,095 apartments under project development. The total lettable area of the apartments under property management amounted to approximately 128,300 sqm. The residential properties was the largest category of the property portfolio, corresponding to approximately 88 percent of the property value, while commercial properties corresponded to approximately 12 percent of the property value.

The total book value of completed investment properties amounted to SEK 3,215.5 million as of 30 September 2019. K-Fastigheter's ambition is to maintain the historically strong growth of the property portfolio and the Company has as a target to increase the number of constructions started self-developed apartments from existing production of 600 apartments per year to 1,000 apartments per year in year 2023. The target is that the growth in the long-term NAV³ and the profit from property management per share shall increase with at least 20 percent per year in average over an economic cycle. At the end of year 2023, the target is to own and manage at least 5,000 apartments in the Nordic region.

Advisors

Carnegie is the Sole Global Coordinator and Joint Bookrunner, and Danske Bank is Joint Bookrunner. Setterwalls Advokatbyrå is the legal advisor for the Company and Roschier Advokatbyrå is the legal advisor to Carnegie and Danske Bank in connection with the Offering and the listing on Nasdaq Stockholm.

³ Including any value transfers.



For further information, please contact:

Jacob Karlsson, CEO and founder, K-Fast Holding AB,
e-mail: jacob.karlsson@k-fastigheter.se, phone: +46 10 167 60 71

Anders Antonsson, Head of Investor Relations,
e-post: anders.antonsson@k-fastigheter.se, phone: +46 709 994 970

IMPORTANT INFORMATION

Publication, release or distribution of this release can in some jurisdictions be subject to restrictions by law and persons in those jurisdictions where this release has been published or distributed should inform themselves of and follow such legal restrictions. The recipient of this release is responsible only to use this release and information herein in accordance with applicable rules in respective jurisdiction. This release does not contain or constitute an offer, nor an invitation, to acquire or subscribe for shares or other securities in the Company in any jurisdiction, either from the Company or from any others.

A decision to invest in the Offering shall be made upon the knowledge of all publicly available information regarding the Company. The financial advisors have not independently reviewed such information. The information in this release is published only as background information and does not claim to be complete. An investor shall thus not only rely upon the information in this release or its correctness or completeness.

This release is not an offer or invitation to acquire or subscribe for shares or other securities in the United States. The securities that have been mentioned in this release are not allowed to be sold in the United States without registration, or without application of an exception from registration, according to the applicable U.S. Securities Act from 1933 ("Securities Act"), or as a part of a transaction that is not covered by the registration requirements according to the Securities Act. There is no intention to register any shares or securities mentioned herein in the United States or to announce a public offering of such securities in the United States. The information in this release shall not be published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Africa, the United States of America or any other jurisdiction in which the release, publication or distribution of this information would be unlawful or where such action is subject to legal restrictions or would demand additional registration or other actions according to Swedish law. Acts in contrary to this instruction can constitute a crime according to applicable securities laws.

A prospectus regarding the Offering described in this release has been published by the Company, and approved and registered by the Swedish Financial Supervisory Authority. This release is however not a prospectus in accordance to the definition in the Prospectus Regulation. Complete information regarding the Offering can only be obtained through the Prospectus. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an advertisement.

In the United Kingdom this release, together with other material pertaining the securities described herein, is only distributed and directed to, as an investment or investment activity that is attributable to this document is only available for and will only be able to be used by, "qualified investors" who are (i) persons with professional experience of business related to investments falling within the definition of "investment professionals" in Article 19 (5) of the British Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) persons with high net worth as referred to in Article 49 (2)(a)-(d) in the Order (all such persons are together being referred to as "relevant persons"). An investment or an investment activity referred to in this release is only available in the United Kingdom for relevant persons and will only be conducted with relevant persons. Any person who is not a relevant person shall not take any measures based upon this release and shall not rely or act on information contained herein.



FORWARD-LOOKING STATEMENTS

This release may contain forward-looking statements regarding the Company's intentions, assessments or expectations regarding the Company's future results, financial level, liquidity, development, prospects, expected growth, strategies or possibilities and the markets in which the Company operates. Forward-looking statements include all statements that are not historical facts and may be identified by expressions such as "believe", "expect", "anticipate", "intend", "will", "can", "assumes", "should", "should be able to" and, in all cases, by negations of the aforementioned expressions. The forward-looking statements in this release are based upon various estimates and assumptions, many of which are based, in turn, upon further assumptions. Even though the Company considers the assumptions reflected in these forward-looking statements to be reasonable, it cannot be guaranteed that they will occur or that they are correct. As these assumptions are based upon assumptions or estimates and are subject to risks and uncertainties, the actual result or outcome may, by many different reasons, be a significant deviation from what is presented in the forward-looking statements. Such risks, uncertainties, eventualities and other significant factors can result in the actual events deviating significantly from the expectation that has explicitly or impliedly been described in this release through the forward-looking statements.

The Company does not guarantee that the assumptions that the forward-looking statements are based upon in this release are correct and that every reader of this release should not relentlessly rely on the forward-looking statements in this release. The information, opinions and forward-looking statements that expressly or impliedly set forth herein are provided only as of the date for this release and may change. Neither the Company nor anyone else undertakes to review, update, confirm or 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 release.

INFORMATION TO DISTRIBUTORS

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) national 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 offered shares have been subject to a product approval process, who have established that these shares are: (i) suitable for a target market consisting of non-professional investors and investors who fulfil the criteria for professional clients and eligible counterparties, each as defined in MiFID II, and (ii) suitable for distribution through all distribution channels that has been approved in MiFID II ("Target Market Assessment").

Irrespective of the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the Company's shares offer no guaranteed income and no capital protection; and an investment in the Company's shares 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 Offering.

The target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to the B-shares of K-Fastigheter.

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

