

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA CANADA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE, SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION OF THIS PRESS RELEASE MAY BE UNLAWFUL, WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES

PRESS RELEASE

Hässleholm, Sweden, 26 August 2020

K-FAST HOLDING COMPLETES A DIRECTED NEW SHARE ISSUE OF 2,000,000 B-SHARES, RAISING SEK 504 MILLION

K-Fast Holding AB (publ) (ticker: KFAST B) (“K-Fast Holding” or the “Company”) has in accordance with the Company’s press release earlier today on 26 of August 2020 and based on the authorisation granted by the annual general meeting on 19 May 2020, resolved on a directed new share issue of 2,000,000 new B-shares at a subscription price of SEK 252 per share, corresponding to the closing price for the Company’s share on 26 August 2020. Through the new share issue, the Company will raise SEK 504 million before issue costs. The subscription price has been determined through an accelerated bookbuilding process performed by Danske Bank (the “Bookrunner”). The directed new share issue was oversubscribed with several Swedish and international institutional investors participating. In addition to a strong support from existing shareholders, several new institutional investors participated.

The directed new share issue

The board of directors of the Company has, based on the authorisation granted by the annual general meeting on 19 May 2020, and in accordance with the Company’s press release earlier today on 26 August 2020, resolved on a directed new share issue.

The directed new share issue encompasses a total of 2,000,000 new B-shares. The subscription price was set at SEK 252 per share, and was determined through an accelerated book building process led by Danske Bank.

The directed new share issue generated a very good interest and has been carried out to Swedish and international institutional investors. In addition to a strong support from existing shareholders, several new institutional investors participated. Through the share issue, the Company will raise SEK 504 million before issue costs.



K-Fast Holding recently presented the strongest quarterly profit on record. The positive development has resulted in an increase in the number of apartments under development to 1,249 by the end of the second quarter compared to 700 in the beginning of the year. In addition, the Company's project portfolio has grown by 116 percent, from 1,340 to 2,888 apartments during the first six months of the year. The Company currently experience a transaction market for building rights that allows for the Company to expand further through acquisitions of building rights at favourable terms. Further, the Company has secured the conditions to achieve the overall objective to manage at least 5,000 apartments by the end of 2023 and is well prepared organisationally to handle increased growth. With the transaction completed the Company intends to improve its financial readiness to finance attractive building rights. The Company also intends to review the operational targets and revert with new targets reflecting the higher ambitions.

The reason for the deviation from current shareholders' preferential right is to raise capital in a timely and cost-effective manner and to diversify the Company's shareholder base with local and international institutional long-term investors.

Through the new share issue, the Company's share capital will increase by SEK 3,200,000 from SEK 54,221,644.80 to SEK 57,421,644.80, by new issue of 2,000,000 class B-shares, resulting in the total number of shares increasing from 33,888,528 shares to 35,888,528 shares, whereof 32,138,528 are class B-shares and 3,750,000 are class A-shares. The new share issue results in a dilution of approximately 5.57 percent of the capital and approximately 3.93 percent of the votes for existing shareholders based on the total number of shares and votes in the Company after the new share issue.

In connection with the share issue the Company has agreed to, with customary exceptions, not carry out any additional equity issues for a period of 180 days after the settlement date.

Advisers

In conjunction with the directed new share issue, the Company has engaged Danske Bank as Sole Global Coordinator and Sole Bookrunner and Setterwalls Advokatbyrå as legal advisor.

For further information, please contact:

Anders Antonsson, IR Manager,

e-mail: anders.antonsson@k-fastigheter.se, telephone: +46 709 994 970

This information is such that K-Fast Holding AB is obliged to disclose in accordance with the EU's Market Abuse Regulation. The information was submitted for



publication through the agency of the persons set out above at 10.45 p.m. CEST on 26 August 2020.

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 1,900 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 of approximately SEK 5.8 billion, with an annual rental value of about SEK 220 million. Since November 2019, the company's class B shares have been traded on Nasdaq Stockholm (ticker: KFASTB). Read more at www.k-fastigheter.se

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, the United States, Australia, Canada, Japan, South Africa, New Zealand, Hong Kong, Singapore 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.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities law. The Company does not intend to register any part of the directed new share issue in the United States or to conduct a public offering of shares in the United States.

The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in, Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore. There will be no public offering of the securities described herein in Canada, Japan, Australia, South Africa, New Zealand, Hong Kong or Singapore.

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 authorised 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 directed new 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 directed new 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, the Bookrunner 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 materialise 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 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-Fast Holding 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 "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in K-Fast Holding may decline and investors could lose all or part of their investment; the shares in K-Fast Holding offer no guaranteed income and no capital protection; and an investment in the shares in K-Fast Holding 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 directed new share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 (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-Fast Holding.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in K-Fast Holding 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.

