



PRESS RELEASE

19 April 2023

K2A sells six properties with an underlying property value of SEK 1,095 million

K2A Knaust & Andersson Fastigheter AB has completed a sale of six properties with an underlying property value of SEK 1,095 million. The buyer is Savills Investment Management, and the properties are intended to be included in a European residential property fund managed by the company. The sale involves K2A transferring four properties to be vacated on 31 May 2023 and two properties under development with planned possession in December 2023. Taken together, the sale means that K2A's liquidity is strengthened by SEK 400 million.

Three of the four properties to be vacated on 31 May 2023 are in Gävle and one is in Västerås. At the properties, K2A has developed 359 rental apartments with a total lettable area of 14,400 square metres and a rental value of SEK 35.6 million. The sale of these four properties means that, as of 31 May 2023, K2A will receive approximately SEK 212 million in cash and cash equivalents after deduction of property loans, transaction costs and deduction of deferred tax of 5.15 per cent. The sale also includes the properties Uppsala Sala backe 50:1 and 50:2, which are under development and are expected to be completed in December 2023. At the properties, 216 new rental apartments are being built with a total lettable area of 11,350 square metres and a rental value of SEK 21.8 million. The properties will be vacated at the time when K2A takes possession, which means that K2A's liquidity needs will be reduced by approximately SEK 188 million for 2023.

The sale of the properties is based on a combined underlying property value of SEK 1,095 million, which represents an average yield of 4.1 per cent and a discount of 3.9 per cent on the book value of these properties as of 31 December 2022.

“All the residential units sold are newly built, space-efficient and environmentally certified high-quality homes with reasonable rents in attractive locations in growth centres. The fact that the sales price is on a par with the book value of the properties shows that rental homes of a high standard in good locations in growing towns and cities are attractive assets, despite the transaction market having been affected by global turmoil,” says Johan Knaust, CEO of K2A.

The buyer of the properties is Savills Investment Management, and the properties are intended for one of the company's pan-European funds focusing on residential property in Europe. K2A will continue to manage the properties concerned on behalf of Savills Investment Management.

“We are very pleased to announce our first investment in the residential sector through this acquisition of high-quality homes in attractive locations in Sweden. The properties' green profile reflects our high demands for sustainability. All properties are environmentally certified and showcase good energy efficiency, which is exactly the type of investment we are looking for. We also look forward to the prospect of further future cooperation with K2A,” says Peter Broström, Head of Nordics at Savills Investment Management.

“We appreciate the opportunity to sell to an actor like Savills IM that not only shares our view of long-term ownership, but also places a high value on climate-smart, high-quality housing,” says Johan Knaust.

Given the changing circumstances in the construction and capital markets, with continued major global turmoil, 2023 will be a year of consolidation for K2A. The sale has been made with the aim of securing additional liquidity by divesting assets to strengthen the balance sheet, financial key performance indicators and cash flow. The sale is yet another step in adapting the balance sheet to an environment of higher interest rates, while also freeing up capacity to finance continued growth. K2A intends to make further sales in 2023.

Arctic Securities has acted as financial advisor to K2A in the transaction. The law firm Advokatfirma Lindahl KB has acted as legal advisor to K2A and Roschier Advokatbyrå AB has acted as legal advisor to Savills Investment Management.

This disclosure contains information that K2A Knaust & Andersson Fastigheter 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 19 April 2023.

For further information:

Johan Knaust, CEO, +46 (0)70-740 04 50, johan.knaust@k2a.se

Karl Vahlund, Head of Transactions, +46 (0)72-241 10 70, karl.vahlund@k2a.se

K2A Knaust & Andersson Fastigheter AB – the green real estate company – provides long-term management of rental apartments for all types of housing and community services properties. The company's markets are in Stockholm, the Mälardalen region and a number of university towns elsewhere in Sweden. See also www.k2a.se. K2A's B shares (K2A B) and preference shares (K2A PREFER) are listed on Nasdaq Stockholm.