



# INVITATION TO SUBSCRIBE FOR SHARES IN GRUNDINGEN FASTIGHETS AB

## *Information brochure*

Subscription period: March 11–25, 2021

### IMPORTANT INFORMATION

The following information brochure should be seen as an introduction to Grundingen Fastighets AB's, with organization number 559107-0049, information memorandum and does not contain all information required for an investment decision and does not constitute a prospectus in accordance with the European Parliament and Council Regulation (EU) 2017/1129. For complete information and terms, please refer to the information memorandum prepared by the Board of Directors of the Company. The information memorandum is available for download on the Company's website [www.grundingenfastighets.se](http://www.grundingenfastighets.se).

Each investment decision shall be based on an assessment of the content of the information memorandum in its entirety. If the information in this

information brochure deviates from the information in the information memorandum, the information memorandum shall prevail. Terms and concepts used in this information brochure have the meaning described in the information memorandum.

The offer is not aimed at persons whose participation presupposes additional information, registration or other measures than those that follow from Swedish law. The information brochure, information memorandum, application forms or other documents relating to the Offer shall not be distributed in any country where the distribution or Offer requires action as above or may constitute a breach of applicable securities law in such country.

# STATEMENT FROM THE CEO

## BACKGROUND

In the autumn of 2017, a share and bond issue was made in Grundingen Fastighets AB, where a project portfolio was taken over from the Concent Group in order to make the best use of the values that existed in the projects for the previous bondholders. At the same time, Grundingen signed an agreement with AB Lejonstaden in Göteborg to continue working on the projects. The work began with getting acquainted with all projects and ensuring the values that were developed. Administration, which was previously outsourced, was taken over from an external part and a board was formed where members had many years of experience from the real estate market and industry in order to ensure competence for the company.

In 2018 and the first half of 2019, we noticed a somewhat subdued real estate market and some of the projects have therefore been reworked in dialogue with partners to better meet the market demands. The potential of the projects remains but the original schedule to realize the project portfolio within five years cannot be achieved.

## CURRENT STATUS

Grundingen currently has a number of projects in Stockholm, Norrköping, Göteborg, Lysekil and Trosa. To date, sales proceeds of approximately 110 MSEK have been received, which have supported the assessments of the project gains in the portfolio. In Valsjöberget, most of the plots have been sold and there are agreements written on the remaining plots. Until the summer of 2022, the remaining sales proceeds of approximately 58.1 MSEK will be received. The ongoing project in Söderport Balkongen is expected to be completed around the spring/summer of 2023, when the remaining project profit will be obtained. For the remaining stages in Söderport, the building permit process has begun for the Altanen block and for the last stages Portlåset and Terrassen, a detailed planning process is underway which is expected to be completed in the spring of 2021. In the project in Upplands Väsby, we have received a positive plan to change the detailed plans for the two properties, from previously being partly for housing and partly for commercial activities. The change to the detailed plan is estimated to

take about 18-24 months, but will mean a sharp increase in profitability in the project.

In 2020, the land was acquired in the Torslanda and Sandtorp projects. The condominium project in Torslanda consists of 49 apartments that are being built in three stages. We have received a building permit, start notice and construction is expected to start shortly. The first two stages have been released for sale where a majority of the apartments are already booked. In Sandtorp, we are applying for a new building permit to adapt the project to tenancies instead of as previous condominiums. Also in Lysekil, we are looking for a new building permit to take into account the parts that have been appealed in the old building permit. For the project in Smedby, the detailed plan has gained legal force. Within six months, it is estimated that the purchase price for the land will be paid. At approximately the same time, the purchase price for the Portlåset project will be paid. All in all, we are approaching the start of construction for several projects, which requires capital. We also need to take into account that the existing bond loan of approximately 200 MSEK matures in October 2021.

Due to upcoming land acquisitions, a bond loan that is approaching maturity and a number of projects that are to start construction, Grundingen needs to strengthen its balance sheet and liquidity in the form of equity. The Board has therefore, with the support of the authorization that has existed since the AGM in May 2020, decided to first carry out a new share issue of approximately 25 MSEK with preferential right for existing shareholders. At the same time, it is planned for a larger issue later designed so that one or two new main owners are given the opportunity to join. A clearer and more concentrated ownership picture would facilitate future bank financing, which is to the benefit of all shareholders (see more under the section "Bakgrund och Motiv" in the Memorandum").

Lessebo in March 2021,

**DAVID IVARSSON**  
CEO, Grundingen Fastighets AB





# MOTIVE FOR THE OFFERING

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This new share issue is made for the purpose of strengthening the balance sheet by increasing liquidity and equity. This is to be able to utilize the values that are in the project portfolio. At the AGM in May 2020, it was decided to authorize the Board of Directors to decide on the issue of new shares with or without preferential rights for shareholders one time before the AGM in 2021, within the limits of the Articles of Association for the number of shares and share capital.

Since the project portfolio was taken over, the first stage of the Söderport project (Balkongen) in Norrköping has been sold to Trenum, which is jointly owned by Balder and the Tredje AP-fonden. In the Valsjöberget project in Österåker municipality outside of Stockholm, where a total of 145 new homes are being developed, properties for 110 homes have been sold and there are option agreements for the sale of the remaining 35 plots. To date, the divested stages in Söderport and Valsjöberget have generated sales cash of 110 MSEK. Remaining project gains on completion of all remaining projects are estimated to generate approximately 575 MSEK in liquidity before deductions for the remaining bond interest rates, administrative expenses and repayment of bonds (read more under the section “Ekonomiska framtidsutsikter” in the Memorandum). The potential in the projects is still great, but more capital will be required to be able to realize the potential gains that are in the portfolio. In order to be able to obtain good terms from financiers in the form of building credit, we see the need to continue to strengthen the balance sheet with equity and liquidity additions. This current new issue will therefore not be the last. In the near future we see the need for a larger issue, either a rights issue, a private placement or both. During

the journey, it has become increasingly clear that there needs to be a long-term perspective in the company and a strong base with main owners. This is one reason why a future directed issue or collaboration with a strong partner is also discussed as possible alternatives.

With the current schedule, the project portfolio will be fully completed in its entirety in 2025 (see the timeline for the various projects in the Memorandum). As the project has been moved forward in time from the original plan, this means that we will not currently be able to repay the current bond loan in full when it matures in October 2021. Work is therefore being done on solutions for a repayment and/or refinancing of the loan. A larger issue is a first action.

The past year has been an extraordinary year due to the corona virus. However, the need for housing remains high and various actors have shown great interest in the tenancy projects in the portfolio. There is a housing shortage, especially around modern and affordable rental apartments. The Söderport Balkongen project in Norrköping has received a great deal of media attention as it is a project that uses state investment support for rental apartments and which will be able to offer tenants space-efficient and modern apartments at affordable rents. With great confidence, we look to the future with an attractive portfolio that can create a good return for shareholders. At the same time, in the short term, significant capital injections will be required to be able to take advantage of the opportunities that exist and to keep pace with the projects.





## SUMMARY

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# OF THE OFFERING

### PREFERETIAL RIGHT

For each existing share held on the record date shareholders will receive two (2) subscription rights. Seven (7) subscription rights entitles the holder to subscribe for one (1) new share. To the extent shares are not subscribed for with preferential rights, these shall be allocated to shareholders and other investors who have notified interest in subscribing.

### TERMS

Subscription price:	SEK 0,20 per share. No commission is paid.
Subscription amount:	Appr. 25,7 MSEK before issue related costs
Participation from the board:	Maximum 26,5 % of the offering
Number of new shares:	Maximum 128 353 692 shares
Record date:	March 9, 2021
Subscription period:	March 11–25, 2021
Payment date for subscription without preferential right:	According to instructions on the settlement note

## ADDRESSES

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