

Malmö Katrinelund

Status Report 14/06/23



- Building Permit Student Apartments has been granted
- Agreement reached with tenants for construction phase
- Zoning plan procedure Parking lot started
- Sustainable energy concept implemented
- Innovative net-zero concrete integrated into planning
- Tax issues from former owners mostly solved



- Market environment makes refinancing difficult
- Formal procedures (WP) takes a lot of time
- Appeal from neighbour slows down talks with investors
- Tax issues heavily affected liquidity situation

FACTS

Project	Malmö Katrinelund
Area above ground	40,386
Garage Parking	225
Residential Units	579
Total investment	SEK 1,71 bn.
Total revenues	SEK 2,15 bn.
Trading profit*	SEK 428 m.
Development yield	124%
Construction start	Q4/2023
Completion	Q4/2026
Market Value 6/23	SEK 530 m.

*before tax

Project Status

The project is planned, and the building permit has been granted for the main section consisting of the renovation and reinforcement of the shopping centre and additional construction of 579 student apartments on top.

The use of innovative net-zero prefab lightweight concrete is currently being discussed with construction companies, which will shorten the construction time, save costs and sets a new level for sustainable construction.

The refinancing of the project is proving to be difficult due to the tense market environment and a standstill in investment activity by institutional investors. In addition, the length of time before all formal requirements are met as a basis for approaching investors is greatly reduced due to long coordination processes.

Basically, there are three ways to continue this valuable project that is stable in all respects apart from refinancing and was currently valued with SEK 530 m. by Newsec:

1. Refinancing

There is contact with two investors who are seeking refinancing. Negotiation time is still needed here in order to move on to the contract phase.

Expected timeline: 09/2023

2. Fresh Equity

Two investors have shown interest to become shareholder in the project and invest further equity to repay the bonds.

Expected timeline: 12/2023

3. Bridge

Finally, there is the option of bridging the accrued interest and striving for an extension of the bonds with the bondholders.

Expected timeline: 09/2023

Next Steps

Caprate continues to believe strongly in the project and the market in Malmö and will realize the project. To show our commitment, we are offering interested bondholders the opportunity to attend investor days from the 5th – 7th of July 2023 in Oslo, Stockholm and Malmö, to get to know each other better in a personal meeting and to show the good chances of the project with a moderate risk profile. Further information will follow.