

JANUARY
- SEPTEMBER

2020



INTERIM REPORT

“Capital was raised in the third quarter 2020 to enable faster expansion”



In the third quarter 2020, tenants moved into Växjö Pelikanen 27 in Phase 1 of 3 of the project. The project comprises three Apartment Blocks with a total of 54 apartments.



K-FASTIGHETER 30 SEPTEMBER 2020

K-Fastigheter is a project development, construction and property company focused primarily on rental housing properties, which, as of 30 September 2020, accounted for 90 percent of the property value of the completed property portfolio and 87 percent of the contractual rent. As of 30 September 2020, K-Fastigheter's property portfolio encompasses a lettable area of approximately 155,000 square meters distributed between more than 2,043 homes and 140 commercial contracts with an annual rental value of some SEK 221 million. The project portfolio comprises some 4,650 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - September 2020, 76 percent of Group profit after tax was derived from project development and construction, and 24 percent from property management.

OVERARCHING OBJECTIVES

K-Fastigheter's overarching objective is to generate value for the Company's shareholders. Over a business cycle, the generation of value is measured as growth in long-term net asset value per share.

OPERATIONAL TARGETS

- In the long term, rental income from housing is to comprise at least 80

percent of K-Fastigheter's total rental income.

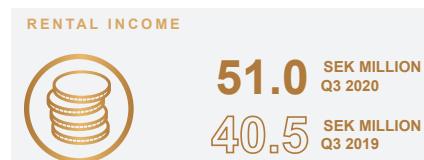
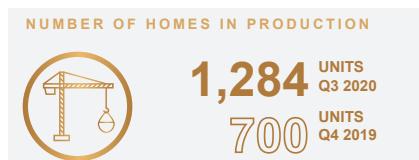
- The number of apartments to be managed by the Company and on which construction has commenced is to amount to 1,000 annually before the end of 2023.
- At the end of 2023, K-Fastigheter is to manage at least 5,000 apartments in the Nordic region.

FINANCIAL TARGETS

- Over an economic cycle, growth in long-term net asset value per share is to average at least 20 percent annually, including any value transfers.
- Over an economic cycle, annual growth in profit per share from property management is to average at least 20 percent.

The target is to generate growth in net asset value and profit from property management while maintaining a stable and sound financial position and with balanced financial risk-taking, meaning that:

- Over time, the equity/assets ratio at Group level is not to be less than 25 percent.
- Over time, the interest coverage ratio is not to be less than a multiple of 1.75.
- Over time, the loan-to-assets ratio is not to exceed 70 percent relative to the market value of the Group's investment properties.



THREE KEY EVENTS IN THE THIRD QUARTER 2020

NEW SHARE ISSUE



26 August: Following authorization from the AGM, K-Fast Holding AB completed a directed new issue of 2 million Class B shares at a subscription price of SEK 252 per share, raising SEK 504 million before issue expenses.

TRYLLESKOV, SOLRØD STRAND



9 September: K-Fastigheter signed an agreement relating to the acquisition of 32 terraced apartments being constructed in the neighbourhood of Trylleskov Strand in Solrød Strand, approximately 30 km south of Copenhagen. The project is K-Fastigheter's third in the Copenhagen region and is expected to be completed in fall 2021.

ÖSTRA VILDROSEN 1, VÄSTERÅS



30 September: K-Fastigheter signed a contract relating to the acquisition of the property Västerås Östra Vildrosen 1, thereby establishing a presence in Västerås and the Mälardalen region. K-Fastigheter intends to build up to 120 apartments on the property starting in 2021.

THE QUARTER AND PERIOD IN BRIEF

July-September

- The Covid-19 pandemic continued not to significantly affect K-Fastigheter's operations, profit or financial position in the period up until publication of this Interim Report.
- Rental income totaled SEK 51.0 million (40.5) for the quarter, up 26 percent year-on-year.
- Income from project development and construction operations totaled SEK 113.7 million (58.3), of which SEK 112.8 million (46.8) related to intra-group projects.
- Consolidated gross profit for the quarter amounted to SEK 40.3 million (30.6), of which the operating surplus attributable to property management was SEK 36.9 million (28.4).
- Profit before value changes in the quarter amounted to SEK 19.0 million (13.5).
- Profit from property management amounted to SEK 21.2 million (16.5), up 28 percent year-on-year. Profit from property management per share was SEK 0.61 (0.66). The decrease was mainly due to an increased number of shares as a result of the new issues in November 2019 and August 2020.
- Unrealized value changes for investment properties amounted to SEK 108.3 million (73.4), and to SEK -2.4 million (-13.4) for derivatives and other items.
- Profit for the quarter was SEK 99.5 million (64.0), corresponding to SEK 2.88 (2.56) per share.

January- September

- Rental income amounted to SEK 147.7 million (112.1) for the period, up 32 percent year-on-year. Of the SEK 35.6 million increase, 31 percent was derived from rental income from properties acquired in the period, 56 percent from rental income from completed properties, and 13 percent from increased rental income for properties held at the start of the period.

- Income from project development and construction operations totaled SEK 321.3 million (184.9), of which SEK 311.1 million (165.8) related to intra-group projects.
- Consolidated gross profit for the period amounted to SEK 107.3 million (79.6), of which the operating surplus attributable to property management was SEK 101.8 million (79.2).
- Profit before value changes in the period amounted to SEK 46.2 million (66.4).
- Profit from property management amounted to SEK 56.2 million (44.3), up 27 percent year-on-year. Profit from property management per share was SEK 1.65 (1.77). The decrease was mainly due to an increased number of shares as a result of the new issues in November 2019 and August 2020.
- Unrealized value changes for investment properties amounted to SEK 366.1 million (191.7), and to SEK -32.2 million (-19.5) for derivatives and other items. Unrealized value changes in investment properties were SEK 306.6 million (132.6) for new construction in progress, and SEK 59.5 million (59.1) for properties under management. Commercial properties under management and building rights were written down by SEK 18.0 million in the period partly as a result of increased uncertainty for this property class due to the Covid-19 pandemic.
- Profit for the period was SEK 303.5 million (197.4), corresponding to SEK 8.89 (7.89) per share.
- At the end of the period, the value of investment properties amounted to SEK 6,128.2 million (4,396.7), an increase of 39 percent compared to 31 December 2019 and up 56 percent compared to 30 September 2019.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 3,444.8 million (2,540.2), corresponding to SEK 95.99 per share (74.96), an increase of 28 percent compared to 31 December 2019 and up 62 percent to 30 September 2019.

Financial ratios (see definitions on page 27)	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Rental income, SEK million	51.0	40.5	147.7	112.1	156.8
Profit from property management, SEK million	21.2	16.5	56.2	44.3	52.9
Profit for the period, SEK million	99.5	64.0	303.5	197.4	365.3
Net investments in investment properties, SEK million	271.1	141.3	1,355.8	709.6	1,061.1
Investment properties, SEK million	6,128.2	3,919.4	6,128.2	3,919.4	4,396.7
Long-term net asset value (NAV), SEK million	3,444.8	1,501.5	3,444.8	1,501.5	2,540.2
Number of apartments under management	2,043	1,562	2,043	1,562	1,711
Number of apartments under construction	1,284	678	1,284	678	700
Number of apartments under project development	3,356	1,095	3,356	1,095	1,340
Interest coverage ratio, multiple	2.7	2.8	2.6	2.8	2.6
Equity/assets ratio, %	42.5%	28.9%	42.5%	28.9%	41.7%
Loan-to-value ratio, %	42.2%	61.5 %	42.2%	61.5 %	40.2%
Profit from property management, SEK per share	0.61	0.66	1.65	1.77	2.05
Growth in profit from property management per share, %	-7.3%	4.6%	-7.1%	30.4%	24.6%
Long-term net asset value (NAV), SEK per share	95.99	59.43	95.99	59.43	74.96
Growth in long-term net asset value (NAV), per share, %	15.4%	6.6%	28.1%	22.5%	54.4%
Earnings per share, SEK*	2.88	2.56	8.89	7.89	14.14
Number of shares outstanding at the end of the period, thousands	35,889	25,264	35,889	25,264	33,889
Average number of shares outstanding during the period, thousands	34,649	25,028	34,144	25,010	25,830

*There are no potential shares (e.g. convertibles) in the company, and accordingly no dilution effect.

Significant events in the third quarter 2020

The following table shows completed acquisitions of building rights and investment properties, construction starts and completed projects and renovations carried out under K-Fastigheter's renovation concept in the third quarter 2020.

Other significant events in the third quarter:

- On the 26 August 2020, K-Fastigheter completed a directed new issue of 2,000,000 Class B shares. The subscription price was SEK 252 per share through an accelerated bookbuilding process. The directed new share issue was open to Swedish and international institutional investors. In addition to a strong support from existing shareholders, several new institutional investors participated. The new issue raised SEK 504 million for the Company before issue expenses.
- On 1 September the final phase of 49 apartments of the Folkparken project in Växjö was moved into. The project comprises in total 171 apartments with a total rental value of SEK 24.8 million. Tenants have gradually been moving into the project during the period January to September.
- On 30 September, tenants moved into Hässleholm Turbanen 2 and 3, a property with 30 apartments and a total rental value of SEK 2.1 million.

Significant events after the end of the period

- On 2 November 2020 K-Fastigheter signed a contract relating to the acquisition of Landskrona Yxan 5 and Yxan 9, located on Murargatan in central Landskrona. The properties comprise a total of 1,946 square

meters over 29 apartments. The rental value amounts to SEK 2.2 million and the purchase price was SEK 33.0 million. The properties were constructed in 1946 and are a good fit with K-Fastigheter's renovation program. Transfer date 30 November 2020.

- As of 5 November 2020, K-Fastigheter signed a contract relating to the acquisition of building rights at Opaltorget in Tynnered, Göteborg. K-Fastigheter intends to construct some 100 Lateral Low Rise apartments over a total of 6,000 square meters, starting in the fourth quarter 2021. The estimated rental value is some SEK 13.3 million with a total purchase price of some SEK 50.0 million. The investment is expected to total some SEK 220 million and the market value, given current conditions, is estimated at some SEK 300 million.
- As of 6 November 2020, K-Fastigheter signed a contract with Solviften Holding ApS, to acquire the property Matrikel 17b, Kildebrønde By, in Greve south of Copenhagen. Starting in spring 2021, K-Fastigheter intends to construct 160 Lateral Low Rise apartments over a total of 10,600 square meters. The property is located close to nature, the beach and good public transport links and is geographically co-located with K-Fastigheter's existing acquisitions in the Copenhagen region. The expected rental value is some DKK 17.5 million, and tenants are expected to start moving in from year end 2022. The purchase price for the property, with K-Fastigheter taking possession from the fourth quarter 2020, totals DKK 43.7 million. The total investment is expected to amount to some DKK 240 million. Newsec has assigned a market value of some DKK 331 million to the project.

ACQUIRED INVESTMENT PROPERTIES

Properties	Municipality	Transfer date	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK million)	Purchase price (SEK million)
Karlstrup By 56*	Solrød Strand	Dec 2021	32	3,307	6.9	128.0

ACQUIRED BUILDING RIGHTS

Properties	Municipality	Construction scheduled to commence	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK million)	Purchase price (SEK million)
Nödinge 5:93*	Ale	Q2 2023	130	8,600	15.3	31.4
Röret 1 and Kedjan 1*	Älmhult	Q1/Q2 2021	91	5,661	9.8	5.1
Part of Arlöv 17:10*	Burlöv	Q3 2023	284	24,800	46.0	77.5
Part of Växjö 13:32*	Växjö	Q2 2021	150	9,600	16.4	15.0
Östra Vildrosen 1	Västerås	Q2 2021	108	6,691	12.9	34.0

PROJECTS WHERE CONSTRUCTION HAS COMMENCED

Properties	Municipality	Expected completion	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK million)
Oppeby Gård 1:7	Nyköping	Q1/Q2 2022	100	7,281	12.2

PROJECT COMPLETIONS

Properties	Municipality	Move in	Number of apartments	Area (m ²)	Rental value (SEK million)
Brigaden 7 & 8 – phase 4	Helsingborg	1 Sep 2020	47	2,731	5.0
Pelikanen 27 – phase 1	Växjö	1 Sep 2020	18	1,165	2.1

K-Fast 2.0	Q1 2020	Q2 2020	Q3 2020
Number of apartments renovated	17	11	7
Increase in rental value (SEK million)	0.4	0.2	0.1

*Property not yet transferred.

A MESSAGE FROM THE CEO



JACOB
KARLSSON

CEO

“ Capital raised enables faster expansion

A large part of the year was affected by the uncertainty relating to the continuing Covid-19 pandemic. Fortunately, many property managers have experienced limited or no negative impact from the pandemic. This also applies to K-Fastigheter's operations, apart from slightly longer processing times for planning permission in some of the municipalities where we operate. In my CEO's Comments for the first six month of the year, I outlined a transaction market for residential building rights characterized by less competition and shorter processes. This was because many property developers focusing on tenant-owner apartments and property rights chose to put the brakes on. This may well have been wise, as sales of new-build tenant-owner apartments had slowed by 29 percent at the end of the second quarter 2020.

For K-Fastigheter's part, residential building rights are a key asset for our future growth, and we have chosen to accelerate rather than slow down to get ourselves out of the current crisis, and aim to acquire as many building rights as possible in locations with strong demand for rental apartments. So far this year, our building rights portfolio has grown by 150 percent on the opening balance 2020. In order to shift up a gear, and following authorization by the AGM in May, we decided to issue 2,000,000 new Class B shares in August to Swedish and institutional investors, raising SEK 504 million before issue expenses.

The proceeds give us the opportunity to expand our project portfolio further with strategic acquisitions of building rights.

In the third quarter, K-Fastigheter completed five acquisitions of building rights for a total purchase price of SEK 163 million, which may appear to be minor acquisitions at first glance. And this is where K-Fastigheter stands out from the crowd. In these apparently minor acquisitions of building rights, we intend to invest a total of some SEK 1.5 billion to develop the properties into attractive HOMES for our long-term management. Given the current market conditions, external independent property assessor Newsec has estimated the market value at some SEK 2.1 billion upon completion. This means that we consider it is possible to generate some SEK 600 million in unrealized values. In addition, the properties will, upon completion, be able to generate annual rental values of some SEK 100 million and provide some 763 new HOMES.

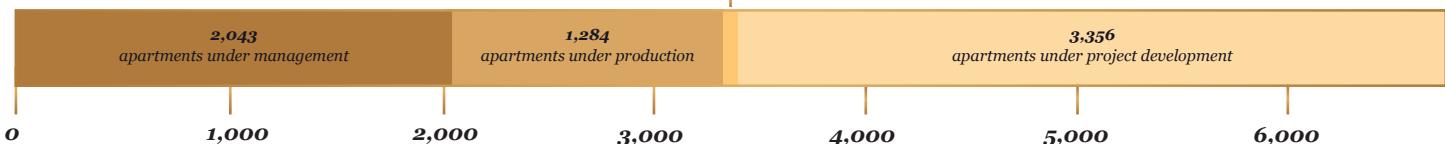
We are also maintaining a high pace of project development and construction, with 1,284 apartments in construction at the end of the period. The total acquisition cost in relation to market value corresponded to 72.4 percent, based on including the profit margin in our construction operations for these projects. Our gradual revenue recognition approach means that ongoing construction projects generate stable value growth month by month. Upon completion, these will generate an annual rental value of SEK 163.4 million. Including ongoing construction projects, our project portfolio comprised 4,640 apartments at the end of the period.

On 30 September, we took possession of the final phase of Folkparken in Växjö, Örn 33 & 34, which we acquired from the Borohus Group. Although the project, which comprises 171 apartments, was originally planned as a tenant-owner project, we reached an agreement to buy out the project on completion, and change the access rights to rental apartments. In this project, we're experiencing a short-term high vacancy rate due to the delay in letting resulting from the buy-out process, as well as the fact that the property was a construction site up until September this year. This large project burdens our financial letting ratio in the short term, which amounted to 92.4 percent at the end of the period. Excluding the Folkparken project, the financial letting ratio was 98.4 percent. The project has now been completed and we're maintaining the high pace to increase the letting ratio with a steady inflow of new tenants. In the long term, I'm very confident that the area will become one of our more attractive ones as the property standard is very high, and the property is in a central and attractive location. The ugly duckling will become a swan, you can be sure of it.

Apart from the short-term vacancies in Folkparken in Växjö, the KPIs for the Property Management business area are positive, and we are reporting our strongest quarter to date this year, both in terms of profit from property management of SEK 21.2 million and a surplus ratio of 72.4 percent. Profit from property management per share was negatively

Total property and project portfolio as of 30 September 2020: 6,751 apartments

68 acquired apartments to be taken into possession during 2021



affected by a directed new share issue in the period, which increased the number of shares by 2,000,000 to a new total of 35,888,528 at the end of the period. The surplus ratio for our older acquired properties is 59 percent, at the same time as our proprietary concept buildings returned a surplus ratio of 82 percent.

Net asset value per share made strong progress, up 28.1 percent on year end, with a positive impact of SEK 9 per share from the directed new share issue which was completed at a share price of SEK 252.

To summarize, as in previous periods, we have maintained a high pace with a lot of activity. Capital was raised in the third quarter 2020 to

enable faster expansion. I speak for the entire organization when I say that we are hungrier than ever. Our total holding of apartments under management, in production, in the project portfolio and completed acquisitions where we have not yet taken possession of the properties totaled 6,751 apartments, an increase of 9.8 percent on the previous quarter, and we are still only at the beginning of the journey. Do you want to join us?

”

- Jacob Karlsson, November 2020

The Folsparken project with a total of 171 apartments in Växjö.



PROPERTY PORTFOLIO AS OF 30 SEPTEMBER 2020

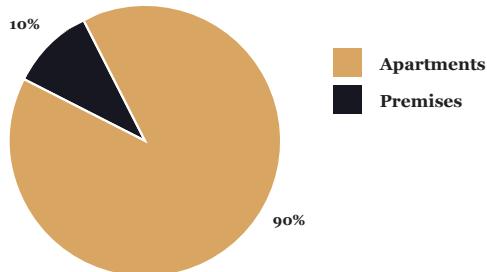
On 30 September 2020, the Group's property portfolio comprised 73 completed investment properties¹ and one of three stages in the Växjö Pelikanen 27 project that is now occupied, distributed over a total of 128,085 square meters of residential and 26,407 square meters of commercial space. In addition, the Group had 19 ongoing construction projects, distributed over 83,893 square meters of residential and 593 square meters of commercial space. Furthermore, K-Fastigheter has 17 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 11 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 78 percent of properties were constructed after 2010, and Newsec assesses that 99 percent are located in category A or B positions in the communities where the Group operates. As of 30 September 2020, contractual rent totaled SEK 220.6 million, with an estimated operating surplus of SEK 159.5 million, corresponding to a surplus ratio of some 72 percent. For newly produced concept buildings, the corresponding surplus ratio is some 82 percent, and approximately 58 percent for other properties in the portfolio. Of the contractual rent, 87 percent pertains to housing or related rentals (such as parking) divided between the 2,043 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 140 commercial contracts, with the largest tenant comprising approximately 3 percent of total contractual rental income and the 10 largest commercial tenants comprising approximately 8 percent of total contractual rental income.

At the end of the period, the book value of completed investment properties totaled SEK 4,514.7 million (3,606.9), with an average direct return requirement of 4.18 percent (4.25). The book value of new construction projects in progress amounted to SEK 1,098.0 million (447.7), and undeveloped land and building rights amounted to SEK 497.3 million (335.1). On completion, the estimated market value of new construction projects in progress amounted to SEK 3,485.5 million (1,618.5) and to just over SEK 9,100 million (3,400) for properties currently in project development.

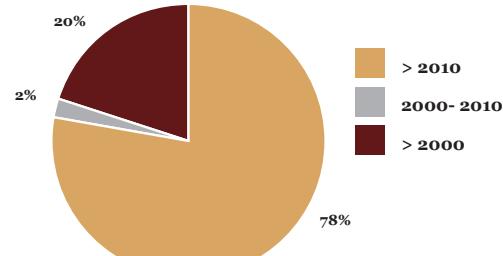
Of the property stocks, 82 percent of property value is located in Skåne, with the majority located in northeastern Skåne (Hässleholm, Kristianstad, Osby), and northwestern Skåne (Helsingborg, Höganäs, Landskrona) at 38 percent respectively.

Property value by category, 30 Sep 2020

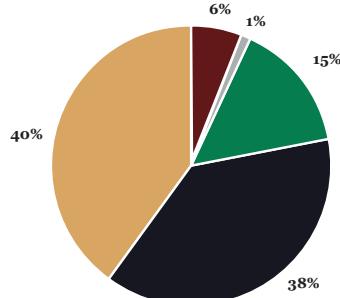


Property-related key data	2020 30 Sep	2019 30 Sep	2019 31 Dec
Opening carrying amount, investment properties	4,396.7	3,018.1	3,018.1
+Acquisitions	764.0	353.1	557.7
+ New construction	573.4	355.5	499.7
- Divestments	-1.0	0.0	-2.3
- Reclassification as business property	0.0	0.0	-9.3
Other changes	28.9	1.1	-7.0
Unrealized value changes	366.1	191.7	339.8
Closing carrying amount, investment properties	6,128.2	3,919.4	4,396.7
<i>Of which, completed investment properties</i>	4,514.7	3,215.5	3,606.9
<i>Of which, undeveloped land and building rights</i>	497.3	239.6	335.1
<i>of which, site leaseholds</i>	18.0	2.3	7.0
<i>Of which, ongoing construction</i>	1,098.0	462.1	447.7
Rental value, SEK million	238.9	177.2	196.6
Rental income at end of period, SEK/m ²	1,428	1,344	1,460
Direct property costs, SEK/m ²	396	371	398
Operating surplus, SEK/m ²	1,033	973	1,062
Financial letting ratio at end of period	92.4%	97.3%	96.9%
Average financial letting ratio over period	92.8%	97.0%	96.8%
Surplus ratio over period	68.9%	70.7%	68.4%
Lettable area, m ²	154,492	128,341	130,486
Number of apartments under management, units	2,043	1,562	1,711
Completed investment properties, SEK million	4,514.7	3,215.5	3,606.9
Completed investment properties	4.18%	4.38%	4.25%

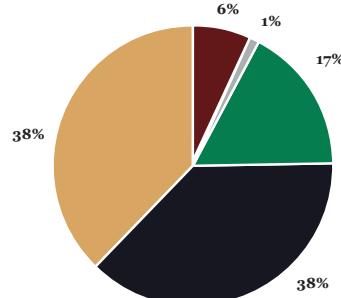
Property value by construction year, 30 Sep 2020



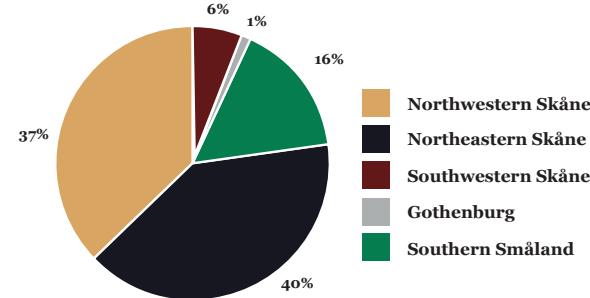
Apartments under management, 30 Sep 2020



Property value, 30 Sep 2020



Rental value, 30 Sep 2020



¹ Investment properties are properties held for the purpose of generating rental income, or value growth, or a combination of both.

INVESTMENT PROPERTIES		Lettable area, m ²			Property value		Rental value		Letting ratio	Contractual rent	Property costs		Operating surplus	
Distribution of concept buildings	Apartments	Housing	Premises	Total	SEK million	SEK/m ²	SEK million	SEK/m ²	%	SEK million	SEK million	SEK/m ²	SEK million	SEK/m ²
Low-Rise	456	34,419	0	34,419	1,137.3	33,043	53.9	1,565	99.8%	53.7	4.8	140	48.9	1,421
Lateral Low-Rise	672	34,251	543	34,794	1,429.8	41,093	66.4	1,908	99.3%	65.9	8.3	239	57.6	1,655
Apartment Block	109	7,120	0	7,120	243.8	34,246	12.6	1,769	89.7%	11.3	1.8	256	9.5	1,331
Other	806	52,295	25,864	78,159	1,703.8	21,799	106.0	1,357	84.6%	89.7	28.0	358	61.7	790
TOTAL/AVERAGE	2,043	128,085	26,407	154,492	4,514.7	29,223	238.9	1,546	92.4%	220.6	42.9	278	177.7	1,150
Geographical distribution														
Northwestern Skåne	825	46,794	7,738	54,532	1,706.6	31,295	88.3	1,620	99.6%	88.0	17.8	327	70.1	1,286
Northeastern Skåne	777	52,223	18,523	70,746	1,697.7	23,997	96.1	1,359	98.7%	94.8	17.9	253	76.9	1,087
Southwestern Skåne	114	5,861	146	6,007	290.4	48,344	13.1	2,177	97.2%	12.7	1.6	273	11.1	1,844
Gothenburg	14	990	0	990	32.7	33,030	1.6	1,654	100.0%	1.6	0.2	168	1.5	1,486
Southern Småland	313	22,217	0	22,217	787.3	35,438	39.7	1,788	59.1%	23.5	5.4	242	18.1	815
TOTAL/AVERAGE	2,043	128,085	26,407	154,492	4,514.7	29,223	238.9	1,546	92.4%	220.6	42.9	278	177.7	1,150
Property administration														
Operating surplus incl. property administration														
CONSTRUCTION PROJECTS IN PROGRESS		Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ¹					
Distribution of concept buildings	Apartments	Housing	Premises	Total	SEK million	SEK/m ²	SEK million	SEK/m ²	Estimated	Developed	Carrying amount			
Low-Rise	304	22,741	0	22,741	796.8	35,038	36.8	1,619	608.9	221.4	276.9			
Lateral Low-Rise	573	33,050	198	33,248	1,589.0	47,792	71.2	2,141	1,136.6	442.7	568.2			
Apartment Block	347	24,226	395	24,621	957.7	38,896	48.4	1,966	747.1	456.9	557.8			
Other	60	3,876	0	3,876	142.0	36,636	7.0	1,806	130.8	0.0	2.2			
TOTAL/AVERAGE	1,284	83,893	593	84,486	3,485.5	41,255	163.4	1,934	2,623.3	1,120.9	1,405.2			
Geographical distribution														
Northwestern Skåne	241	16,128	395	16,523	614.7	37,203	28.9	1,746	449.3	212.8	280.5			
Northeastern Skåne	182	12,404	0	12,404	401.6	32,377	20.7	1,669	325.9	204.1	241.6			
Southwestern Skåne	159	8,662	0	8,662	424.0	48,949	18.5	2,139	316.2	188.5	199.4			
Gothenburg	295	17,128	198	17,326	899.0	51,887	39.5	2,283	599.3	204.6	322.5			
Southern Småland	152	10,667	0	10,667	370.7	34,749	18.3	1,715	316.1	157.7	188.6			
Other*	255	18,904	0	18,904	775.5	41,022	37.5	1,982	616.5	153.4	172.5			
TOTAL/AVERAGE	1,284	83,893	593	84,486	3,485.5	41,255	163.4	1,934	2,623.3	1,120.9	1,405.2			
PROJECT DEVELOPMENT IN PROGRESS														
Distribution of concept buildings	Apartments	Housing	Premises	Total	SEK million	SEK/m ²	SEK million	SEK/m ²	Estimated	Developed	Carrying amount			
Low-Rise	1,350	100,133	0	100,133	3,807.2	38,022	166.7	1,664	2,547.8	94.2	94.2			
Lateral Low-Rise	840	54,747	0	54,747	2,305.0	42,103	106.3	1,943	1,639.8	14.0	14.0			
Apartment Block	1,166	76,511	0	76,511	2,963.0	38,726	138.2	1,807	2,144.2	26.2	26.2			
TOTAL/AVERAGE	3,356	231,391	0	231,391	9,075.2	39,220	411.2	1,777	6,331.8	134.4	134.4			
Geographical distribution														
Northwestern Skåne	962	76,109	0	76,109	2,953.2	38,803	127.8	1,679	1,926.8	51.5	51.5			
Northeastern Skåne	267	15,778	0	15,778	545.3	34,562	25.8	1,636	419.0	45.2	45.2			
Southwestern Skåne	869	59,921	0	59,921	2,435.4	40,644	112.3	1,875	1,702.2	17.7	17.7			
Gothenburg	730	46,600	0	46,600	1,888.8	40,533	86.1	1,847	1,363.0	0.0	0.0			
Southern Småland	324	19,971	0	19,971	727.5	36,429	34.7	1,739	534.1	20.0	20.0			
Other*	204	13,012	0	13,012	524.9	40,337	24.5	1,883	386.7	0.0	0.0			
TOTAL/AVERAGE	3,356	231,391	0	231,391	9,075.2	39,220	411.2	1,777	6,331.8	134.4	134.4			
*Other refers to Copenhagen, Gävle and Nyköping														
SUMMARY		Lettable area, m ²			Property value		Rental value							
	Apartments	Housing	Premises	Total	SEK million	SEK/m ²	SEK million	SEK/m ²			Carrying amount			
Completed investment properties	2,043	128,085	26,407	154,492	4,514.7	29,223	238.9	1,546			4,514.7			
Construction projects in progress	1,284	83,893	593	84,486	3,485.5	41,255	163.4	1,934			1,405.2			
Project development in progress	3,356	231,391	0	231,391	9,075.2	39,220	411.2	1,777			134.4			
New construction projects other											34.5			
Undeveloped land											21.3			
Acquired but not yet possessed	68	6,907	0	6,907	285.1	41,277	15.3	2,213			0.0			
Site leaseholds											18.0			
TOTAL/AVERAGE	6,751	450,276	27,000	477,276	17,360.5	36,374	828.8	1,737			6,128.2			

¹ Accrued investment refers to the total costs incurred in each construction project. The carrying amount refers to the consolidated value adjusted for Group eliminations and includes the calculated change of SEK 417.3 million in the value of investment properties.

IMPORTANT INFORMATION

Information in the Interim Report on completed investment properties includes estimates and judgments. Contractual rent refers to the contract value on the balance sheet date recalculated at an annualized rate. Rental value refers to contractual rent plus estimated rent for vacancies and discounts recalculated at an annualized rate. Property costs refer to budgeted property costs on an annual basis and are exclusive of property administration. The estimates and judgments involve uncertainties and the disclosures above should not be viewed as a forecast.

Details in the Interim Report regarding construction projects and project development in progress are based on estimates of the size, focus and scope of construction projects and project development in progress, and of when projects are scheduled to commence and be completed. These details are also based on estimates regarding future investments and rental value. These estimates and judgments should not be viewed as a forecast. The estimates and judgments entail uncertainties regarding the execution, design and scale, scheduling, project costs and future rental value of the projects. Details of projects in progress are reviewed regularly and estimates and judgments are adjusted as a result of projects being completed or new ones being added, as well as due to changes in conditions. Financing has not been secured for projects where construction has yet to commence, meaning that financing of construction investments in project development represents a source of uncertainty.

K-FASTIGHETER'S CONCEPT BUILDINGS



KRISTIANSTAD

Öllsjö 7:47

12 Low-Rise apartments



HELSINGBORG

Brigaden 7 & 8

179 Lateral Low-Rise apartments



HÄSSLEHOLM

Tre Överstar 7

29 Apartment Block apartments

Low-Rise – flexible buildings offering considerable freedom of choice

K-Fastigheter's flexible one to three-story multi-family dwellings can be constructed either as semi-detached houses, terraced houses or as link houses with one or two-story apartments. The apartments are available in four sizes: one bedroom, living room and kitchen totaling 60 square meters; two bedrooms, living room and kitchen totaling 75 square meters; three bedrooms, living room and kitchen totaling 90 square meters; and three bedrooms, living room and kitchen totaling 94 square meters on two stories.

In order to meet demand on its various markets, K-Fastigheter offers a choice of floor plans in connection with each construction project. The Low-Rise housing units are built using the same methods as for traditional single-family houses. However, the Low-Rise housing units can be built as link or terraced houses, or placed on top of one another to create two-storey houses with access balconies. The Low-Rise housing units offer very high functional economy, where efficient project development entirely eliminates communal spaces.

Structural details:

Ground level foundation plate, aerated three-layer wooden frame, delivered in prefabricated units.

Lateral Low-Rise – variation and space efficiency

K-Fastigheter's neighborhood-structure multi-family dwellings can be constructed up to ten stories in height. There are two standard space-efficient apartment formats within Lateral Low-Rise buildings: one bedroom, living room and kitchen totaling 49 square meters and two bedrooms, living room and kitchen totaling 59 square meters. It is also possible to include apartment alternatives that are either larger or smaller. To meet market demand and offer the best possible use of building rights, K-Fastigheter has chosen to make its Lateral Low-Rise as adaptable as possible with regard to floor plans and with opportunities for underground garages and commercial premises on the ground floor.

The design of the Lateral Low-Rise concept has focused sharply on achieving a substantial living space in relation to the façade area. In K-Fastigheter's assessment, the Lateral Low-Rise concept has a significantly smaller façade area in relation to living space than the average for newly produced apartments in Sweden. In connection with construction, this is significant because a smaller façade entails lower consumption of materials and fewer working hours required to complete the project. In a long-term management perspective, a smaller façade area reduces maintenance costs and exposes a smaller area to cold, which reduces the building's total energy consumption.

Structural details:

Supporting concrete structure with flooring units and concrete separating walls between apartments and lightweight external wall units.

Apartment Block – the residential building for all locations

K-Fastigheter's Apartment Blocks are square-footprint multi-family dwellings which can be constructed with heights of four to ten stories. The Apartment Blocks have four apartments on each floor: two with one bedroom, living room and kitchen totaling 62 square meters and two with two bedrooms, living room and kitchen totaling 71 square meters. All apartments are equipped with spacious 27 square-meter balconies facing two directions. The Apartment Block is particularly suited for construction on difficult terrain, and multiple designs are available for the ground floor. On plots with uneven terrain, the ground floor can be constructed to include a semi-basement. The Apartment Blocks can also be extensively adapted to meet the different requirements set for different building rights regarding story height, any premises, internal or external refuse rooms and storage rooms for the apartments. K-Fastigheter has continued to develop the Apartment Block concept on the basis of this experience, resulting in the concept Apartment Block Plus. Apartment Block Plus is a rectangular structure containing six apartments per story. Apartment Block Plus is a hybrid, which allows for more choice, and can be built as a freestanding apartment block, or as two buildings connected at the gables, which creates a structure similar to K-Fastigheter's Lateral Low-Rise housing units.

The Apartment Block is K-Fastigheter's concept building with the highest degree of prefabrication, where the structural elements already include complete

electrical mains and drain vaults. The Apartment Block has also been designed specifically for cost-efficient long-term property management, including wall structures that provide access to all drain stacks from the staircase, which makes it possible to replace drain stacks without requiring tenants to move out. Thanks to innovative construction, a high degree of prefabrication and balcony constructions that remove the need for scaffolding, the Apartment Block construction process is very time effective.

Structural details:

Entirely concrete structure with sandwich exterior walls, uniform walls separating apartments and floor units. The roof is available in three options: pent, pitched or hipped. The façade color can be individualized and there is a selection of balcony railings to choose from.

ACQUIRED AND COMPLETED PROPERTIES THIRD QUARTER 2020



SOLRØD STRAND

Karlstrup By 56



HELSINGBORG

Brigaden 7 & 8
phase 4



VÄXJÖ

Pelikanen 27
phase 1

ACQUIRED PROPERTIES

Karlstrup By 56

In Solrød Strand, some 30 km southwest of Copenhagen, in the newly built Trylleskov Strand residential neighborhood, K-Fastigheter has acquired 32 terraced apartments under construction. The area is in an attractive location close to the beach and nature, and with good transport links to Copenhagen and Roskilde. The property is being developed in collaboration with Danish construction firm Holm Huse, and K-Fastigheter is expected to take possession of the property in December 2021. The rental value is expected to amount to some DKK 4.9 million, and the purchase price totaled DKK 91.4 million.

COMPLETED PROPERTIES

Helsingborg Brigaden 7 & 8 – phase 4

In Brigaden 7 & 8 in the Fredriksdal neighborhood in central Helsingborg, tenants moved into the property in September 2020. This was the final of four phases in the construction of K-Fastigheter's largest project to date. Stage four encompasses 2,731 square meters distributed between 47 Lateral Low-Rise apartments with a rental value of approximately SEK 5.0 million. All phases total 10,134 square meters distributed over 179 Lateral Low-Rise apartments with a rental value of approximately SEK 19.6 million.

Växjö Pelikanen 27 – phase 1

In Pelikanen 27 next to the Folkparken neighborhood in Växjö, where K-Fastigheter has taken possession of 171 apartments in the year, phase 1 of 3 in Växjö Pelikanen 27 was completed in September and the tenants have now moved in. Phase one encompasses 1,165 square meters distributed between 18 Apartment Block apartments with a rental value of approximately SEK 2.1 million. The three phases encompass three Apartment Blocks of 3,495 square meters distributed over 54 apartments with a rental value of SEK 6.3 million. Tenants will be moving into phase 2 and 3 in the fourth quarter 2020.

COMMENCED CONSTRUCTION PROJECTS THIRD QUARTER 2020



NYKÖPING

Oppeby Gård 1:7

COMMENCED CONSTRUCTION

Nyköping Oppeby Gård 1:7

In Oppeby Gård 1:7 in the Oppeby district of Nyköping, K-Fastigheter has in September 2020 started construction of 84 Low Rise apartments and 16 Apartment Blocks over 7,281 square meters. The expected rental value totals SEK 12.2 million and tenants are expected to move in gradually during the first half-year of 2022.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK million)	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	<i>Rolling 4 quarters 2019 Oct- 2020 Sep</i>	2019 Jan-Dec
Rental income	51.0	40.5	147.7	112.1	192.4	156.8
Project and contracting sales	0.9	11.5	10.2	19.1	19.7	28.6
Other operating income	0.3	0.7	0.6	1.0	1.5	1.9
Net sales	52.1	52.6	158.5	132.2	213.6	187.3
Operations	-6.8	-4.7	-22.6	-16.3	-29.8	-23.5
Maintenance	-2.5	-2.5	-6.7	-4.0	-10.2	-7.5
Property tax	-1.1	-0.8	-2.9	-2.1	-4.4	-3.6
Property administration	-4.0	-4.0	-14.0	-10.7	-18.2	-15.0
Property management costs	-14.4	-12.0	-46.2	-33.1	-62.5	-49.5
Project and contracting costs	2.5	-10.0	-5.0	-19.4	-12.4	-26.8
Gross profit	40.3	30.6	107.3	79.6	138.7	111.0
<i>of which, gross profit from property management (operating surplus)</i>	36.9	28.4	101.8	79.2	129.9	107.3
<i>Of which, gross profit from project and contracting operations</i>	3.4	2.2	5.5	0.4	8.8	3.7
Central administration	-6.5	-6.5	-23.7	-25.4	-40.4	-42.1
Depreciation/amortization and impairment	-1.6	-1.3	-4.8	-4.0	-16.0	-15.2
Profit from participations in Group, associated and jointly controlled companies	-0.1	0.0	3.5	41.4	23.1	61.0
Net interest income	-13.0	-9.3	-36.1	-25.1	-46.3	-35.3
Profit before changes in value	19.0	13.5	46.2	66.4	59.1	79.3
<i>Of which, profit from property management</i>	21.2	16.5	56.2	44.3	64.8	52.9
Change in value of investment properties	108.3	73.4	366.1	191.7	514.1	339.8
Changes in value of derivatives, currency and other	-2.4	-13.4	-32.2	-19.5	0.0	12.7
Profit before tax	124.9	73.4	380.2	238.7	573.3	431.8
Tax on profit for the period	-25.4	-9.4	-76.7	-41.3	-101.9	-66.5
Profit for the period	99.5	64.0	303.5	197.4	471.4	365.3
Other comprehensive income	0.4	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	99.9	64.0	303.5	197.4	471.4	365.3
Profit for the period attributable to						
Parent Company's shareholders	99.9	64.0	303.5	197.4	471.4	365.3
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0
Profit after tax per share, SEK/share*	2.88	2.56	8.89	7.89	14.43	14.14

*There are no potential shares (e.g. convertibles) in the company, and accordingly no dilution effect.

PERFORMANCE ANALYSIS

JANUARY–SEPTEMBER 2020

The following profit and cash flow items relate to the period 1 January – 30 September 2020. Comparative items relate to the corresponding period in the previous year. Balance Sheet items and comparative figures relate to the position at the end of the period in the current and previous year. All amounts are indicated in SEK million.

The impact of the Covid-19 pandemic on management and construction operations remains limited to date, and K-Fastigheter has not experienced any significant impact on its results of operations or financial position in the period up until the publication of this report. All construction projects in progress have proceeded according to plan in the period, new construction has started without delays and rental income has only been marginally affected as the rental settlements reached to date mainly relate to temporary rent relief. With regard to project development operations, we are currently experiencing longer processing times for detailed development plans by municipalities, which could be related to the Covid-19 pandemic. Ultimately, this could lead to delayed construction starts.

INCOME

Net sales were SEK 52.1 million (52.6) in the third quarter and SEK 158.5 million (132.2) in the period. Rental income was SEK 51.0 million (40.5) in the quarter and SEK 147.7 million (112.1) in the period, an increase of 32 percent in the period. Of the SEK 35.6 million increase in the period, 31 percent was derived from rental income from properties acquired in the period, 56 percent from rental income on completed properties, and 13 percent from increased rental income on properties owned at the start of the period.

Rental income trend (SEK million)	2020	2019	2019
	Jan-Sep	Jan-Sep	Jan-Dec
Properties owned at start of the period	116.8	61.8	133.0
Completed properties	20.0	24.8	12.9
Acquired properties	10.9	25.5	10.9
Divested properties	0.0	0.0	0.0
Rental income	147.7	112.1	156.8

During the period, K-Fastigheter entered into a number of agreements with commercial tenants relating to rent relief. Rent relief totaled SEK 0.4 million and is repayable by 31 March 2021. The proportion of late payments increased marginally in the second and third quarters 2020 compared to the first quarter, but decreased in year-on-year terms.

At the end of the period, the letting ratio was 92.4 percent (97.3) and the average letting ratio during the period was 92.8 percent (97.0). The lower letting ratio in the period was primarily due to an ongoing project in Växjö acquired by K-Fastigheter in January 2020, with tenants moving in gradually during 2020 where the letting ratio initially was very low. Excluding the Folkparken project, the letting ratio was 98.4 percent and the average letting ratio 96.3 percent at the end of the period. The letting ratio is generally slightly lower initially in the projects that have been completed and where tenants have moved in over the last year, while the financial letting ratio remains very high in those parts of the holding that have been under management for a longer time. With regard to the Folkparken project, the letting ratio gradually improved during the year and the market for rental apartments remains good in Växjö, which leads us to expect that the degree of utilization in the project will harmonize with the rest of K-Fastigheter's holding in future, and that the Group's total letting ratio will improve.

Income from project and construction operations amounted to SEK 321.3 million (184.9), of which SEK 311.1 million (165.8) related to construction for Group companies that has been capitalized for the Group's own purposes. Assignments for external clients accounted for SEK 10.2 million (19.1), representing the Group's final tenant-owner project. The change in year-on-year terms was partly due to increased construction activity, but also because more projects are in the late construction stages, where the rate of production is generally higher.

OPERATING COSTS

Property management costs totaled SEK 46.2 million (33.1) for the period, corresponding to an increase of 39 percent year-on-year. The increase was primarily attributable to costs relating to completed and acquired properties for the year, and to a lesser extent, 28 percent, to cost increases relating to properties owned at the start of the period, mainly due to full year effects. Property administration amounted to SEK 14.0 million (10.7) and mainly increased as a result of the expanded organizational resources for managing the growing property portfolio. The surplus ratio for the period amounted to 68.9 percent (70.7), and was mainly affected by lower financial letting ratio in the period compared to the corresponding period in the previous year.

Operating costs for management operations normally vary according to a seasonal pattern, where costs are higher in the first and fourth quarters compared to the rest of the year.

Property cost trend (SEK million)	2020	2019	2019
	Jan-Sep	Jan-Sep	Jan-Dec
Properties owned at start of the period	-25.1	-11.6	-29.7
Completed properties	-3.3	-3.5	-3.1
Acquired properties	-3.6	-7.3	-1.8
Divested properties	0.0	0.0	0.0
Direct property costs	-32.0	-22.4	-34.5
Property administration	-14.0	-10.7	-15.0
Property management costs	-46.2	-33.1	-49.5

Costs relating to the project and construction operations comprise direct project-related costs and fixed costs for the construction organization. The part of operations involving external construction has been reported in the Income Statement. Project and contracting operations for Group property management activities have been capitalized as work for the Group's own purposes and have been reported net in the Income Statement under 'Project and contracting costs'.

Costs for property administration and central administration for project and construction operations were reduced by relief granted for social security expenses. The relief amounted to SEK 1.1 million in the period March - June 2020.

CENTRAL ADMINISTRATION COSTS, DEPRECIATION/AMORTIZATION AND IMPAIRMENT

Central administration, which includes company management, project development, IR/communications, HR, IT and finance, amounted to SEK 23.7 million (25.4) for the period. For the corresponding period 2019, central administration costs included SEK 9.0 million relating to the IPO completed in 2019. The increased cost was mainly due to efforts to strengthen central organization resources with the aim of preparing for future growth and other demands placed on a listed company. Costs in the period were positively affected by SEK 0.3 million in relief for social security expenses awarded for the period March - June 2020.

Impairment in the period includes the scrapping of construction components in connection with the company's K-Fast 2.0 renovation program. Write-downs relating to expected credit losses were also included and increased by SEK 0.6 million in the period due to adjustments in the simplified (management overlay) and general methods (default rates) to make allowances for increased uncertainty resulting from the Covid-19 pandemic, and due to increased receivables.

PROFIT FROM PARTICIPATIONS IN GROUP, ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Profit from participations in Group and associated companies amounted to SEK 3.5 million (41.4), positively affected by SEK 3.9 million from the divestment of a tenant-owner project in Tygelsjö. Associated and jointly controlled companies are primarily project companies where income is recognized when a project is completed. For the corresponding period in 2019, profit from shares in Group and associated companies was significantly affected by the distribution of assets in jointly owned Balder Skåne AB and profit in Novum Samhällsfastigheter AB, which divested a project in Falkenberg in the period.

NET INTEREST INCOME

Net interest income for the period amounted to SEK -36.1 million (-25.1). At the end of the period, the average interest rate was 1.78 percent (1.85), including the effects of interest rate derivatives. Interest expenses in the period were affected by increased interest-bearing liabilities relating to acquisition of investment properties and new construction as well as a higher base rate in the period. Credit margins were stable in the period.

The interest coverage ratio for the period amounted to a multiple of 2.6 (2.8) and was adversely affected by lower net interest income, which was not fully offset by increased profit from property management.

PROFIT FROM PROPERTY MANAGEMENT

Profit from property management amounted to SEK 21.2 million (16.5) for the quarter and to SEK 56.2 million (44.3) for the period, an increase of 28 and 27 percent respectively year-on-year. Profit from property management totaled SEK 1.65 per share (1.77), a decrease of 7 percent year-on-year. The decrease was mainly due to an increase in the number of shares following the share issues in November 2019 and August 2020. Profit from property management was positively affected by the continued increase in rental income, and negatively affected by reduced net interest income.

VALUE CHANGES

Unrealized value changes in investment properties for the period were SEK 366.1 million (191.7), distributed over SEK 59.5 million (59.1) for properties under management and SEK 306.6 million (132.6) for construction projects in progress.

Of unrealized value changes for new construction in progress, properties completed during the period accounted for SEK 18.2 million (5.0). The remaining SEK 288.4 million (127.1) was attributable to properties under construction at the end of the period. At the end of the period the direct return requirement in the valuation of new construction in progress amounted to 3.93 percent (4.08).

Of unrealized value changes for properties under management, SEK 28.4 million (42.8) related to acquisitions during the period. Of the remaining unrealized value changes in investment properties, improved net operating income contributed SEK 21.1 million (6.4), while changed valuation assumptions contributed SEK 29.9 million (6.6). Unrealized value changes relating to land and building rights decreased at a pace with utilization. In total, the average direct return requirement for properties under management was 4.18 percent (4.38).

The average direct return requirement for the entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 4.07 percent (4.28) at the end of the period. The fact that the average direct return requirement decreased in the period, despite the prevailing market uncertainty, should be seen in the light of K-Fastigheter's gradually changed property portfolio, focusing on housing construction in attractive locations and a lower share of commercial premises. Of unrealized value changes for properties under management of SEK 59.5 million in the period, housing increased by SEK 77.5 million, and commercial premises and building rights decreased by SEK 18.0 million.

Value change (SEK million)	2020	2019	2019
	Jan-Sep	Jan-Sep	Jan-Dec
Change in net operating income	21.1	6.4	26.5
Construction projects in progress	306.5	132.6	186.4
Land and unutilized building rights	-20.1	3.4	12.7
Change in return requirement	29.9	6.6	51.2
Acquisitions	28.5	42.8	62.9
Divestments	0.0	0.0	0.0
Currency effects	0.2	0.0	0.0
Total	366.1	191.7	339.8

Value changes on derivatives and other items totaled SEK -32.2 million (-19.5) in the period, distributed over value changes in interest rate derivatives of SEK -28.7 million (-38.8) and unrealized exchange rate losses of SEK -3.5 million (0.0). Progress in the period was primarily due to lower market rates, which had a negative impact on the market value of the Group's interest rate derivatives, and a stronger SEK, which had a negative impact on the Group's foreign net assets. Furthermore, the corresponding period in the previous year was positively affected by the winding down of the Group's securities portfolio. The Group's derivatives consist of interest rate and currency derivatives, intended to mitigate the Group's interest rate and currency risks. The fair value of the Group's derivatives was SEK -41.4 million (-45.0) at the end of the period. The value change in interest rate derivatives does not affect cash flow, and at maturity the value of the derivatives is always zero.

TAX

Current tax for the year amounted to SEK 0.8 million (7.2). Deferred tax amounted to SEK 75.9 million (34.1), affected by unrealized value changes in properties totaling SEK 366.1 million (191.7). The relatively higher tax rate for the comparative period in 2019 was due to a conservative assessment of the effects of new regulations in 2019 for tax-deductible interest expenses.

Tax has been calculated at 21.4 percent on current taxable profit. Deferred tax liabilities and tax receivables have been calculated at the lower tax rate of 20.6 percent, applicable from 2021, since K-Fastigheter estimates that the deferred tax will not be settled until 2021 or later. The new tax rules also entail certain restrictions on the tax deductible for interest expenses, which is expected to entail an unutilized net interest deductible of approximately SEK 29.7 million for the period. Since this effect primarily affects Group companies with properties under construction during the year (with low or zero earnings relative to interest on construction credits), and because future income from these properties is expected to be used to make deductions for interest expenses, the tax deductible for interest expenses has been reported as a deferred tax asset.

The balance sheet for 30 September 2020 states the net value of the deferred tax assets and deferred tax liabilities, which is why the figure for the comparison year has also been adjusted.

Tax calculation, 30 September 2020 (SEK million)	2020 Jan-Sep	Base
Tax on profit before tax	380.2	
Tax rate, %	21.4%	
Tax in accordance with applicable tax rate	-81.4	380.2
Tax attributable to previous years	-0.2	0.8
Effect of changed tax rates	-2.4	387.5
Non-taxable income and non-deductible costs	4.3	-20.0
Other unrecognized costs	3.0	-13.8
Total	-76.7	734.6

Reported effective tax

Reported in the Income Statement	-76.7
Percentage of profit before tax, %	20.2%

Deferred tax assets attributable to:

Tax-loss carry forwards	15.1	73.2
Net interest income	12.6	60.9
Properties	0.1	0.6
Interest-rate derivatives	8.5	41.4
Other items	0.9	4.1
Total	37.2	180.3

Deferred tax liability attributable to:

Revaluation reserves	1.6	7.8
Properties, completed	311.5	1,511.4
Properties, under construction	86.5	417.3
Untaxed reserves	0.7	3.3
Other items	0.1	0.5
Total	400.4	1,940.3

PROFIT, COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD

Profit for the third quarter was SEK 99.5 million (64.0) corresponding to SEK 2.88 (2.56) per share. Profit for the period was SEK 303.5 million (197.4) corresponding to SEK 8.89 (7.89) per share.

Comprehensive income for the period totaled SEK 303.5 M (197.4), of which SEK 99.9 M (64.0) related to the third quarter. Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 0.4 million (0.0) in the quarter and SEK 0.0 million (0.0) in the period. The full amount relates to items that can be reversed in a later period.



SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(SEK million)	2020 30 Sep	2019 30 Sep	2019 31 Dec	(SEK million)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Assets							
Tangible non-current assets							
Investment properties	6,128.2	3,919.4	4,396.7	Share capital	57.4	40.0	54.2
Business properties	19.6	7.5	19.9	Other capital contributions	1,372.9	17.9	877.9
Equipment	19.2	10.0	14.0	Profit brought forward including the profit for the period	1,609.8	1,138.5	1,306.4
Total tangible non-current assets	6,166.9	3,936.9	4,430.6	Total equity	3,040.2	1,196.4	2,238.5
Financial non-current assets							
Profit from participations in associated and jointly controlled companies and other non-current receivables	50.5	24.1	43.8	Non-current liabilities			
Deferred tax receivables	37.2	12.0	21.4	Deferred tax liability	400.4	272.1	310.3
Total financial non-current assets	87.7	36.2	65.2	Long-term interest-bearing liabilities	3,013.5	2,198.2	2,281.3
Total non-current assets	6,254.6	3,973.1	4,495.9	Derivative instruments	41.4	45.0	12.8
Current assets				Other provisions and non-current liabilities	8.7	15.6	18.1
Inventories	0.2	0.3	0.2	Total non-current liabilities	3,464.0	2,530.9	2,622.4
Accounts receivable	6.9	53.2	43.6	Current liabilities			
Other receivables	127.5	23.1	29.6	Current interest-bearing liabilities	531.7	290.7	363.1
Prepaid costs and accrued income	2.4	23.0	25.5	Accounts payable	52.3	38.8	57.6
Current investments	0.0	0.0	0.0	Current tax liabilities	0.0	4.3	5.7
Cash and cash equivalents	760.3	71.0	779.0	Other current liabilities	32.5	20.5	23.2
Total current assets	897.3	170.6	877.9	Accrued costs and prepaid income	31.3	62.0	63.3
Total assets	7,151.9	4,143.7	5,373.7	Total current liabilities	647.7	416.3	512.9
Total equity and liabilities				Total liabilities	4,111.8	2,947.3	3,135.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK million)	Number of shares outstanding	Share capital	Other capital contributions	Profit brought forward	Total Equity
Equity, as of 1 January 2019	500	0.1	0.0	981.1	981.2
Profit for the period				197.4	197.4
Bonus issue and share split	24,999,500	39.9		-39.9	0.0
Capital contributions after deduction of transaction costs	263,528	0.4	17.5		17.9
Equity, as of 30 September 2019	25,263,528	40.4	17.5	1,138.5	1,196.4
Profit for the period				167.9	167.9
Capital contributions after deduction of transaction costs	8,625,000	13.8	860.4		874.2
Equity, as of 31 December 2019	33,888,528	54.2	877.9	1,306.4	2,238.5
Profit for the period				303.5	303.5
Capital contributions after deduction of transaction costs	2,000,000	3.2	495.1		498.3
Closing balance as of 30 September 2020	35,888,528	57.4	1,372.9	1,609.8	3,040.2

The Extraordinary General Meeting on 19 August 2019 approved a bonus issue and share split 50,000:1. Other capital contributions for the 2019 fiscal year are recognized net of transaction costs of SEK 31.5 million related to a new share issue in connection with the launch of the company's shares on the Nasdaq Stockholm exchange in November 2019. Other capital contributions for the 2020 fiscal year are recognized net of transaction costs of SEK 5.7 million related to a new share issue in August 2020.

BALANCE SHEET AS OF 30 SEPTEMBER 2020

INVESTMENT PROPERTIES

At the end of the period, the value of investment properties totaled SEK 6,128.2 million (4,396.7), distributed over completed investment properties at SEK 4,514.7 million (3,606.9), undeveloped land and building rights at SEK 497.3 million (335.1), site leases at SEK 18.0 million (7.0) and construction in progress at SEK 1,098.0 million (447.7). During the period, SEK 592.8 million (356.5) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 764.0 million (353.1). No significant divestments (0.0) were conducted during the period.

Investment properties (SEK million)	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Opening carrying amount	4396.7	3,018.1	3,018.1
+Acquisitions	764.0	353.1	557.7
+ New construction	573.4	355.5	499.7
+ Extensions and rebuilds	19.4	1.1	5.9
- Divestments	-1.0	0.0	-2.3
- Reclassification as business property	0.0	0.0	-9.3
- Other reclassifications	9.5	0.0	-12.9
+/- Unrealized changes in value	366.1	191.7	339.8
<i>of which, completed investment properties</i>	79.6	55.8	140.7
<i>Of which, undeveloped land and building rights</i>	-20.1	3.4	12.7
<i>of which, construction in progress</i>	306.6	132.6	186.4
Closing carrying amount	6,128.2	3,919.4	4,396.7
<i>of which, completed investment properties</i>	4,514.7	3,215.5	3,606.9
<i>Of which, undeveloped land and building rights</i>	497.3	239.6	335.1
<i>of which, site leaseholds</i>	18.0	2.3	7.0
<i>of which, construction in progress</i>	1,098.0	462.1	447.7

On submission of this Interim Report, information has been obtained from independent valuation experts, among others, to confirm the positions adopted by the K-Fastigheter regarding fair value as of 30 September 2020. There is no information to indicate that this position should be revised and transactions during the period, even if fewer compared to the previous year, confirm that the trend towards a lower direct return requirement for housing continues. However, there is some uncertainty regarding the long-term impact, and this will be monitored in future reports. For further information on K-Fastigheter's valuation principles, see the 2019 Annual Report (Valuation section or Note 16 Investment properties).

CASH AND CASH EQUIVALENTS

At the end of the period, cash and cash equivalents amounted to SEK 760.3 million (779.0). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 90.0 million (90.0).

EQUITY AND NET ASSET VALUE

At the end of the period, consolidated equity attributable to the Parent Company's shareholders amounted to SEK 3,040.2 million (2,238.5),

corresponding to SEK 84.71 per share (66.05). The increase was explained by profit for the period of SEK 303.5 million (197.4) and the new issue completed in August, which increased the Group's equity by SEK 498.3 million or SEK 13.88 per share.

At the end of the period, the long-term net asset value (NAV) amounted to SEK 3,444.8 million (2,540.2), corresponding to SEK 95.99 per share (74.96). The long-term net asset value per share increased by 28 percent compared with 31 December 2019.

INTEREST-BEARING LIABILITIES AND INTEREST RATE DERIVATIVES

At the end of the period, consolidated interest-bearing liabilities amounted to SEK 3,545.2 million (2,644.3), of which SEK 531.7 million (363.1) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 2,745.4 million (2,331.9), construction credits of SEK 777.6 million (303.2), leasing liabilities of SEK 22.3 million (9.2) and operating credits of SEK 0.0 million (0.0). The loan-to-value ratio for the Group's completed investment properties amounted to 42.2 percent (40.2). The increase in interest-bearing liabilities was primarily due to financing of ongoing new construction, as well as acquisitions.

At the end of the period, the Group had contracted credit agreements of SEK 4,547.4 million (3,239.7), of which SEK 2,745.4 million (2,331.9) related to the financing of completed investment properties, of which SEK 493.5 million (322.0) mature for renegotiation within the next 12 months. Beyond the financing of completed investment properties, contracted credit agreements comprise building credits of SEK 1,712.0 million (817.8) and overdraft facilities and covered loans of SEK 90.0 million (90.0). At the end of the period, construction credits, and overdraft facilities and covered loans had been utilized in the amount of SEK 777.6 million (303.2) and SEK 0.0 million (0.0) respectively. On 30 September 2020, the Group's total contracted and unutilized credit facilities amounted to SEK 90.0 million (90.0), excluding construction credits.

As of 30 September 2020, the average credit term for the Group's interest bearing liabilities, relating to completed investment properties and operational premises was 2.3 years (3.2).

K-Fastigheter currently works exclusively with variable interest rate loans. In order to manage the interest rate risk, interest rate derivatives, primarily interest rate swaps, are used to adjust the interest period. The swap portfolio had a total nominal value of SEK 1,707.0 million (1,207.0) at the end of the period, of which SEK 200.0 million comprises swaps with a future start date as of 31 December 2020. At the end of the period, the fair value of the interest derivative portfolio was SEK -38.6 million (-12.8). The average interest period on the Group's interest-bearing liabilities related to investment and business properties was

Net asset value (SEK million)	30 Sep 2020		30 Sep 2019		31 Dec 2019	
	SEK million	SEK/share	SEK million	SEK/share	SEK million	SEK/share
Equity according to the Balance Sheet	3,040.2	84.71	1,196.4	47.36	2,238.5	66.05
Reversal						
Derivatives according to the Balance Sheet	41.4	1.15	45.0	1.78	12.8	0.38
Deferred tax liability according to the Balance Sheet	400.4	11.16	272.1	10.77	310.3	9.16
Deduction						
Deferred tax assets according to the Balance Sheet	37.2	1.04	12.0	0.48	21.4	0.63
Long-term net asset value (NAV)	3,444.8	95.99	1,501.5	59.43	2,540.2	74.96

3.9 years (3.3), and the average interest rate was 1.78 percent (1.90), including the effects of interest rate derivatives, and 1.47 percent (1.62) excluding the effects of interest rate derivatives. The total proportion of variable interest rates in relation to interest bearing liabilities related to investment and business properties was 45 percent (48) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 12.4 million (11.2). All the above KPIs for interest rate risk, with the exception of the average interest period, have been calculated excluding swaps with a future start date.

Credit and interest maturity structure, 30 September 2020 (excl. construction credits and overdraft facilities)

		Interest maturity		Credit maturity	
Term	Amount	Average interest	Credit agreements	Utilized	
0–1 years	1,038.4	1.47%	493.5	493.5	
1–2 years	107.0	2.74%	365.5	365.5	
2–3 years	0.0	-	852.2	852.2	
3–4 years	200.0	1.90%	573.5	573.5	
4–5 years	300.0	1.85%	460.6	460.6	
>5 years	1,100.0	2.04%	0.0	0.0	
Total	2,745.4	1.78%	2,745.4	2,745.4	

Maturity structure derivatives (SEK million)

Maturity interest rate derivatives	Interest rate derivatives	Forward-starting interest rate derivatives	Interest	Value
0–1 years	0.0	0.0	-	-
1–2 years	107.0	0.0	1.26%	-1.3
2–3 years	0.0	0.0	-	-
3–4 years	200.0	0.0	0.42%	-2.8
4–5 years	300.0	0.0	0.37%	-4.3
>5 years	1,100.0	200.0	0.56%	-30.2
Total	1,707.0	200.0		-38.6

K-Fastigheter's financing as of 30 September 2020 was exclusively comprised of borrowing from Nordic banks. Prior to the submission of this Interim Report, due to the Covid-19 pandemic K-Fastigheter has continuously gathered information from its banks to confirm the positions adopted as of 30 September 2020. The Group considers that there is continued strong support from its partner banks and assesses that capital supply remains good. For more detailed information on K-Fastigheter's financial risks and finance policy, see the 2019 Annual Report (Note 21 Financial risks and finance policy).

LEASES

During the period, the Group expensed leasing fees of SEK 0.2 million (0.0), which were attributable to low-value leases. The Group has no short-term leases or variable leasing fees.

	Right-of-use assets				
	Site leaseholds (SEK million)	Vehicles	IT Equipment	Total	Leasing liabilities
As of 1 January 2020	7.0	2.1	0.0	9.2	9.2
Additional agreements	0.0	1.6	0.7	2.2	1.7
Amortization and depreciation	0.0	-0.7	-0.2	-0.9	0.0
Terminated agreements	0.0	-1.3	0.0	-1.3	-1.3
Revaluations of agreements	11.0	2.2	0.0	13.2	13.7
Interest costs	0.0	0.0	0.0	0.0	0.4
Leasing fees	0.0	0.0	0.0	0.0	-1.3
As of 30 September 2020	18.0	3.8	0.5	22.3	22.3

SEGMENT REPORTING

Group management currently identifies the following three business areas as its operating segments: Property Management, Project Development and Construction. The operating segments are monitored by the Group's CEO, the Board of Directors and the management team.

Jan–Sep 2020 Income Statement (SEK million)	Property Management	Project Development	Construction	Other	Group
Rental income	147.7	0.0	0.0	0.0	147.7
Other operating income	0.3	0.0	321.6	-311.1	10.8
Operating costs	-46.2	0.0	-316.0	311.1	-51.2
Gross profit	101.8	0.0	5.5	0.0	107.3
Central administration costs	-7.9	-7.9	-7.9	0.0	-23.7
Depreciation/amortization and impairment	-1.6	-1.6	-1.6	0.0	-4.8
Profit from participations in associated companies*	0.0	0.0	0.0	3.5	3.5
Net interest income	-36.1	0.0	0.0	0.0	-36.1
Profit before value changes	56.2	-9.5	-4.0	3.5	46.2
Value change, properties	59.5	306.6	0.0	0.0	366.1
Changes in value of derivatives and other	0.0	0.0	0.0	-32.2	-32.2
Profit before tax	115.7	297.1	-4.0	-28.6	380.2
Tax	-12.3	-63.2	0.0	-1.3	-76.7
Profit for the period	103.4	233.9	-4.0	-29.9	303.5
30 September 2020 Balance Sheet (SEK million)	Property Management	Project Development	Construction	Other	Group
Non-current assets	5,094.2	1,098.0	21.0	41.4	6,254.6
Current assets	95.5	0.0	7.0	794.8	897.3
Total assets	5,189.7	1,098.0	28.1	836.2	7,151.9
Non-current liabilities	2,661.6	777.6	1.8	23.1	3,464.0
Current liabilities	563.0	0.0	60.6	24.1	647.7
Total liabilities	3,224.6	777.6	62.4	47.2	4,111.8

Jan–Sep 2019 Income Statement (SEK million)	Property Management	Project Development	Construction	Other	Group
Rental income	112.1	0.0	0.0	0.0	112.1
Other operating income	0.3	0.0	185.6	-165.8	20.1
Operating costs	-33.1	0.0	-185.2	165.8	-52.6
Gross profit	79.2	0.0	0.4	0.0	79.6
Central administration costs	-8.5	-8.5	-8.5	0.0	-25.4
Depreciation/amortization and impairment	-1.3	-1.3	-1.3	0.0	-4.0
Profit from participations in associated companies*	0.0	0.0	0.0	41.4	41.4
Net interest income	-25.1	0.0	0.0	0.0	-25.1
Profit before value changes	44.3	-9.8	-9.4	41.4	66.4
Value change, properties	59.1	132.6	0.0	0.0	191.7
Changes in value of derivatives and other	-38.8	0.0	0.0	19.3	-19.5
Profit before tax	64.6	122.8	-9.4	60.7	238.8
Tax	-12.2	-27.3	0.0	-1.8	-41.3
Profit for the period	52.5	95.5	-9.4	58.9	197.5
30 September 2019 Balance Sheet (SEK million)	Property Management	Project Development	Construction	Other	Group
Non-current assets	3,491.9	462.1	17.7	1.5	3,973.1
Current assets	65.6	0.0	36.8	68.2	170.6
Total assets	3,557.5	462.1	54.5	69.7	4,143.7
Non-current liabilities	2,125.9	382.4	3.4	19.2	2,530.9
Current liabilities	370.8	0.0	41.8	3.7	416.3
Total liabilities	2,496.7	382.4	45.2	22.9	2,947.3

* Profit from participations in Group, associated and jointly controlled companies.

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement (SEK million)	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Operating activities					
Gross profit adjusted for central administration, depreciation/amortization and impairment	32.1	22.8	78.8	50.2	53.7
Adjustment for items not affecting cash flow	-0.4	0.0	2.8	2.3	15.2
Dividend received	0.0	0.0	0.0	37.1	37.1
Net interest income	-13.0	-9.3	-36.1	-25.1	-35.3
Tax paid/received	-7.5	1.5	-8.7	-6.1	-1.2
Cash flow from operating activities before changes in working capital	11.2	15.0	36.8	58.3	69.4
Change in operating receivables	3.3	-20.6	-41.1	-48.7	-47.5
Change in operating liabilities	10.7	5.6	-28.0	4.8	27.6
Cash flow from operating activities	25.2	-0.1	-32.3	14.5	49.5
Investing activities					
Investments in associated and jointly controlled companies	0.9	0.0	-4.0	-0.1	-0.1
Property investments	-237.6	-39.4	-765.8	-239.8	-450.9
Investments in machinery and equipment	-4.0	-0.8	-7.7	-2.7	-6.7
Investments in construction in progress	-13.4	-101.9	-585.6	-367.6	-513.6
Divestments of current investments	0.0	38.6	0.0	110.9	110.9
Investments in other financial non-current assets	-3.0	-0.1	-3.0	-5.3	-5.4
Divestments of properties	0.0	0.0	0.5	0.0	2.3
Cash flow from investing activities	-257.1	-103.5	-1,365.6	-504.5	-863.5
Financing activities					
Borrowings	233.9	115.5	921.0	520.5	689.2
Loan amortizations	-14.6	-8.6	-40.1	-30.1	-41.1
Capital contributions	498.3	17.9	498.3	17.9	892.1
Dividend paid	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	717.5	124.9	1,379.2	508.3	1,540.3
Cash flow for the period	485.7	21.3	-18.6	18.2	726.3
Translation differences in cash and cash equivalents	-0.2	0.0	0.0	0.0	0.0
Opening cash and cash equivalents	274.8	49.7	779.0	52.7	52.7
Closing cash and cash equivalents	760.3	71.0	760.3	71.0	779.0

Cash and cash equivalents in the Cash Flow Statement refer in their entirety to cash and bank balances.

PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET

PARENT COMPANY INCOME STATEMENT

(SEK million)	2020	2019	2019
	Jan-Sep	Jan-Sep	Jan-Dec
Operating income			
Net sales	0.0	0.2	0.3
Total operating income	0.0	0.2	0.3
Operating costs			
Other external costs	-12.3	-19.4	-31.8
Personnel costs	-11.5	-8.2	-11.7
Amortization and depreciation	-0.1	0.0	-0.1
Total operating costs	-24.0	-27.6	-43.6
Gross profit	-24.0	-27.4	-43.3
Profit from financial items			
Profit from participations in Group, associated and jointly controlled companies	-0.1	124.0	124.0
Net financial items	-33.2	-43.1	-12.2
Profit after financial items	-57.2	53.5	68.5
Appropriations	0.0	0.0	26.8
Profit before tax	-57.2	53.5	95.3
Tax on profit for the period	5.9	14.7	12.4
Comprehensive income for the period	-51.3	68.3	107.6

PARENT COMPANY BALANCE SHEET

Assets (SEK million)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Tangible non-current assets			
Equipment	0.3	0.1	0.5
Total tangible non-current assets	0.3	0.1	0.5
Financial non-current assets			
Participations in Group companies	818.1	538.1	626.4
Receivables from Group companies	852.0	404.2	865.4
Participations in associated companies	0.1	0.1	0.1
Deferred tax receivables	19.5	15.9	13.6
Total financial non-current assets	1,689.7	958.3	1,505.5
Total non-current assets	1,690.1	958.5	1,506.0
Current assets			
Receivables from Group companies	700.6	136.4	173.5
Receivables from associated companies	10.7	15.5	16.6
Current tax receivables	1.5	1.1	0.8
Other current receivables	44.8	21.8	22.5
Cash and cash equivalents	737.0	68.5	771.2
Total current assets	1,494.6	243.3	984.7
Total assets	3,184.6	1,201.8	2,490.7

PARENT COMPANY

The Parent Company owns no properties of its own. The Parent Company maintains Group-wide functions for administration, property management, financing and project development.

Sales in the Parent Company primarily relate to services invoiced to Group companies. The Parent Company's gross profit/loss for the period was SEK -24.0 million (-27.4). For the corresponding period 2019, the Parent Company costs included SEK 9.0 million relating to the IPO completed in 2019. The decrease in gross profit/loss is due to increased costs in relation to strengthening the central organization to meet future growth and the requirements made on a listed company.

Parent Company profit/loss before tax was SEK -57.2 million (53.5) and, in addition to increased costs for central organizational resources, was also affected by increased interest expenses as a majority of the Group's interest-bearing debt is now financed via the Parent Company. The Parent Company's profit/loss before tax was also affected by unrealized changes in the value of derivatives totaling SEK -28.7 (-38.8) and exchange rate effects related to the Group's Danish assets of SEK -3.5 million (0.0), which have been included in the parent company's net financial items. Profit for the corresponding period in 2019 was significantly affected by the distribution of the assets in Balder Skåne AB.

As of 30 September 2020, in addition to cash and cash equivalents, the Parent Company's assets and liabilities consisted primarily of shares in Group companies, as well as receivables from them and liabilities towards them. Equity as of 30 September 2020 was SEK 1,497.5 million (1,050.6), affected by the new issue completed in August, which raised SEK 498.3 million for the parent company. At the end of the period, cash and cash equivalents in the Parent Company amounted to SEK 737.0 million (771.2).

Equity and liabilities (SEK million)	2020 30 Sep	2019 30 Sep	2019 31 Dec
Equity			
Restricted equity	57.4	40.4	54.2
Unrestricted equity	1,440.1	96.6	996.4
Total equity	1,497.5	137.1	1,050.6
Non-current liabilities			
Long-term interest-bearing liabilities	1,025.3	411.4	867.5
Derivative instruments	41.3	44.7	12.5
Other provisions and non-current liabilities	6.4	12.8	12.8
Total non-current liabilities	1,072.9	468.9	892.8
Current liabilities			
Current interest-bearing liabilities	16.3	8.5	17.9
Accounts payable	1.5	1.2	2.4
Liabilities to Group companies	582.8	576.1	514.1
Other current liabilities	10.6	8.7	6.9
Accrued costs and prepaid income	3.0	1.4	6.0
Total current liabilities	614.2	595.9	547.3
Total liabilities	1,687.1	1,064.7	1,440.1
Total equity and liabilities	3,184.6	1,201.8	2,490.7

OPPORTUNITIES AND RISKS FOR THE GROUP

Preparing financial reports in accordance with IFRS requires Group management to make assessments, estimates and judgments that affect how accounting principles are applied and the carrying amounts for assets, liabilities, income and expenses. The estimates and judgments are based on historical experience and other factors that appear reasonable under the prevailing circumstances. The results of these estimates and judgments are then applied in estimating the carrying amounts of assets and liabilities, which would not otherwise be evident from other sources. Actual outcomes may deviate from these estimates and judgments.

K-Fastigheter's operations, financial position and profit can be affected, directly or indirectly, by a number of risks, uncertainties and external factors, where the effect on the Group's operating profit can be controlled to varying degrees.

The Group's operations are dependent on general economic and political trends, particularly in Sweden, which can affect demand for housing and premises. All identified risks are monitored continuously and risk mitigation measures are taken to limit the effects.

The most significant opportunities and risks for the Group are commented on below. Otherwise, please refer to the Annual Report for 2019. The risk scenario for the Parent Company is the same as that for the Group.

OPPORTUNITIES AND RISKS IN CASH FLOW

It is K-Fastigheter's ambition to be an attractive landlord with whom tenants wish to remain and who they would recommend to others. The Group takes an active approach, with its three business areas together creating apartments that attract future tenants by establishing conditions for secure housing and working actively on aspects including location, design and space efficiency.

K-Fastigheter owns properties in several attractive locations and the Group focuses on residential properties in locations with favorable long-term demand for rented accommodation. Since large parts of K-Fastigheter's property holdings are newly constructed, the property costs are relatively low. The Group has also made a strategic decision to construct and retain buildings with an unlimited time frame, meaning that K-Fastigheter, in the short term during the construction process, often chooses more expensive solutions, which benefits the Group in the long term through lower property costs and/or increases the attractiveness of the Group's apartments.

On the whole, the assessment is that K-Fastigheter's enjoys considerable opportunities to maintain a rent level that is mutually attractive to the landlord and tenant, combined with a low vacancy ratio and low property costs.

OPPORTUNITIES AND RISKS IN PROPERTY VALUES

Each quarter, K-Fastigheter's property portfolio, both completed investment properties and properties under construction, is valued either externally or internally by an independent valuation provider.

Since the valuation method for properties is based mainly on a cash flow valuation, the value is primarily driven by three parameters: rent, operating and maintenance costs and direct return requirements. The rental concept includes both the actual rent level and the vacancy risk in the property holding. In turn, the direct return requirement represents the sum of the risk-free interest rate and the risk premium that an investor can demand for a given investment.

By continuing to build attractive apartments in growth locations, it is K-Fastigheter's assessment that the Group can maintain its attractive rent levels while keeping vacancy and cost levels low. The direct return requirement is controlled by the market and is therefore more difficult for the Group to influence. K-Fastigheter deals with risk by diversifying the property stocks, by focusing primarily on residential properties where volatility in direct returns is lower and by working with conservatively set financial risk limits. Furthermore, by being active in the transaction market and by performing valuations on a quarterly basis, K-Fastigheter continuously obtains market trend data and therefore has opportunities to apply measures in good time.

Sensitivity analysis (SEK million)	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	111.9
Rental value +/- 1%	2.4	57.1
Operating and maintenance costs +/- 1%	0.4	9.6
Long-term vacancy ratio +/- 1%	2.4	57.1

Change in value of completed investment properties	-10%	+10%
Property value +/- 10%	-501.2	501.2
Loan-to-value ratio	64%	52%

FINANCIAL RISK

Financial risk consists of currency, interest rate, financing, liquidity and credit risk, all of which are regulated in the Finance policy adopted by the Board.

K-Fastigheter's finance department works operationally with these risks by, for example, interest and capital hedging the credit portfolio, maintaining a favorable and proactive dialog with the Group's partner banks and continuously monitoring the Group's liquidity situation.

The work of the finance department is governed in part by a number of internal target figures for each risk category and, in part, by the Group's overall financial targets and risk limits. This is intended to limit the financial risks, and to purposely achieve a favorable long-term trend in net financial items and to have a positive impact on consolidated profit. Furthermore, under existing loan agreements, K-Fastigheter is required to monitor and report on a number of external target figures (financial covenants) on a quarterly basis. As of 30 September 2020, these external target figures had been met.

Financial targets	Financial targets	Financial covenants	Outcome 30 Sep 2020
Loan-to-value ratio, %	max. 70%	max. 70.75%	42.2 %
Equity/assets ratio, %	min. 25%	min. 25%	42.5 %
Interest coverage ratio, multiple	min. multiple of 1.75	min. multiple of 1.50- 1.75	multiple of 2.6

OTHER INFORMATION

EFFECTS OF THE COVID-19 PANDEMIC

Since the beginning of March 2020, society has been impacted by considerable uncertainty and insecurity, both nationally and internationally, due to the spread of the novel corona virus in Sweden and around the world. However, in connection with preparing this Interim Report, the actual impact of the spread of the coronavirus on K-Fastigheter's operations, profit and financial position remains limited. It is currently uncertain how the coronavirus will affect K-Fastigheter looking ahead, although the impact is assessed continuously and will be reported in future Interim Reports. New information will be presented in press releases when required.

K-Fastigheter has a stable business model building on cross-functional efforts in project development, construction and property management, which generate profitability at all stages. The Group holds a strong position on the market for rental apartments in the Öresund region and in selected towns and cities in southern and western Sweden. K-Fastigheter has an attractive property portfolio with 87 percent of contractual rental income deriving from housing and with commercial income being spread between a large number of individual contracts.

As of 30 September 2020, K-Fastigheter had a stable financial position with an equity/assets ratio of 42.5 percent, a loan-to-value ratio of 42.2 percent and favorable liquidity with available cash and cash equivalents of SEK 850 million.

MARKET OUTLOOK

K-Fastigheter's offering meets the market's demand for quality housing at the right cost. The Group's concept buildings, developed in-house, generates conditions for cost control and financial efficiency throughout the chain, from building rights to property management over the lifetime of the building. With a property and project portfolio totaling more than 6,750 apartments (2,043 under management, 1,284 in construction, about 3,356 in project development and 68 acquired but not yet possessed), K-Fastigheter has, from the outset in 2010, developed its operations as a property company with strong positions and commitments in several select locations in southwestern Sweden.

It is the Group's view that demand remains favorable in Skåne, particularly in the Öresund region and in the Västra Götaland, Copenhagen and Mälardalen regions, and areas with structural housing shortages.

To date, the Covid-19 pandemic has not had any significant impact on the Group's operations, profit or financial position. K-Fastigheter benefits from

K-FAST 2.0

K-Fastigheter's property holding consists predominantly of newly constructed concept buildings developed in-house. The Group works continuously to maintain and upgrade the older buildings it has acquired. Under the company's "K-Fast 2.0" programme, the apartments are constantly renovated so that surfaces, plumbing, mains and technical installations correspond to the standard found in the Group's concept buildings produced in-house.

By using the same materials and fittings in its efforts both within the framework of K-Fast 2.0 and in its new construction projects, K-Fastigheter achieves larger volumes, strengthening the negotiating conditions of the Group's purchasing organization.

The concept is cost-efficient and appreciated by tenants. The quality enhancements help reduce property management costs and increase

operating in a, to date, less exposed sector, with tenants that have good payment ability despite the circumstances.

SUSTAINABILITY AND VALUE CREATION

For K-Fastigheter, sustainability is a concept that spans more dimensions than focusing solely on environmental impact. K-Fastigheter values commitment in its own operations, and commitment to sustainability issues that are high on the agenda of the company's customers, suppliers and public authorities.

K-Fastigheter mainly pursues initiatives in product development, procurement and social sustainability. K-Fastigheter's business concept is to construct concept buildings, that is, a limited number of alternative buildings that can be adapted to each location. The foundation is a systematic working method, providing optimal resource utilization and ensuring both superior quality and a beneficial working environment. By using an industrial process at proprietary production facilities, consumption of materials, logistics and other resources can be planned in detail, reducing waste, streamlining flows and lowering costs in areas that do not create value.

K-Fastigheter's concept buildings are constructed with the ambition of meeting requirements corresponding to those set by the Swedish Miljöbyggnad Silver environmental certification system, which is administrated by the Sweden Green Building Council.

K-Fastigheter participates in efforts to reduce fossil fuels dependency by, for example, installing photovoltaic cells on suitable buildings. Since early 2019, electricity has been procured exclusively from suppliers offering electricity from renewable sources, mainly wind power.

SEASONAL VARIATIONS

Property management is associated with certain seasonal variations primarily in tariff-related heating costs. In other regards, there are no significant seasonal variations in K-Fastigheter's operations.

ORGANIZATION AND EMPLOYEES

The Group's Parent Company is K-Fast Holding AB. At the end of the period, the Group consisted of 53 wholly-owned subsidiaries and five associated company groups. The number of employees amounted to 73 (65), of whom 19 were women (16) and 54 were men (49).

the useful life of the building, while providing opportunities to adjust rent levels among the property stocks, which, in turn, provides a satisfactory return on invested capital.

A key aspect of the implementation of K-Fast 2.0 is that renovation should entail reasonable rent increases, so that existing tenants can afford to stay long term. This has been achievable because it has been possible to keep renovation costs at an average of about SEK 4,300 per square meter. Besides cutting operating costs, raising standards through K-Fast 2.0 brings an annual rental increase of approximately SEK 320 per square meter, meaning that capital invested in K-Fast 2.0 generates an average direct return of about 7.4 percent.

On 30 September 2020, the Group owned 505 older apartments, which are added to the ongoing efforts to raise standards. Of these, 75 apartments have been renovated in accordance with K-Fast 2.0.

Operations are organized into three business areas: Project Development, Construction and Property Management, where the relevant Business Area Manager reports to, and are part of, Group management.

Group-wide functions also encompass accounting and finance, IT, IR/communications and HR, and the Group's Heads of Treasury, Finance, IR/Communications and HR are members of Group management.

The head office is located in Hässleholm, Sweden. There are also offices in Helsingborg, Kristianstad and Landskrona, as well as a production facility in Osby. Operations started in a further production plant in Hässleholm after summer 2020.

ACCOUNTING PRINCIPLES

K-Fast Holding AB adheres to the IFRS standards adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.

The Group measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are measured at fair value through the Income Statement. In K-Fastigheter's assessment, the reported value of financial assets and financial liabilities valued at amortized cost represents a good approximation of fair value. The Parent Company values all financial assets and liabilities at accrued cost with the exception of derivatives which are valued at the lower of cost and net realizable value. For further details, see Note 21, Financial risk and finance policies in the 2019 Annual Report.

For complete accounting principles, please refer to K-Fast Holding AB's 2019 Annual Report. No accounting principles have changed from the Annual Report 2019.

RELATED-PARTY TRANSACTIONS

The Group's related parties include all Board Members, CEO and members of company management, as well as individuals and companies closely related to them. There were no related party transactions that were not on market terms. No related party transactions have occurred beyond the amounts listed below.

Ongoing agreements, 2020

In the period 1 January 2020 to 30 September 2020, ongoing agreements with related parties encompassed:

- Lease between Jacob Karlsson and K-Fast Holding AB regarding an apartment in central Stockholm. Monthly rent SEK 13,500. Total purchases 2020: SEK 0.1 million (0.1).
- Consultancy agreement between Novum Samhällsfastigheter AB and K-Fast Holding AB relating to management and project development-related consultancy work. Total purchases 2020: SEK 0.6 million (0.8).
- Agreement between law firm VICI AB, in which Board Member Christian Karlsson is a partner, and K-Fast Holding AB regarding various legal consultations including corporate law and transactions. Total purchases 2020: SEK 2.6 million (1.5).
- Consultancy agreement between circle360 communication AB (Anders Antonsson) and K-Fast Holding AB relating to IR consultancy. Total purchases 2020: SEK 1.0 million (0.5).
- Contracting agreement signed between Tygelsjö Projekt AB and K-Fast Bygg Syd AB regarding construction of 30 Low-Rise buildings in Tygelsjö. Total sales in 2020: SEK 13.5 million (11.4).

Transactions 2020

There were no transactions with closely related parties in the period in addition to ongoing agreements.

K-Fastigheter's President and CEO, Jacob Karlsson, and CFO, Martin Larsson, will comment on the Group's Interim Report on Wednesday 11 November 2020 at 8:30 a.m CET.

The presentation materials (slides + audio) will be available at www.k-fastigheter.se/en/for-investors/presentations. The presentation will be held in Swedish with presentation materials in English.

Questions may be addressed in writing to ir@k-fastigheter.se with answers being compiled on an ongoing basis during the day and being published on, www.k-fastigheter.se.

The Board of Directors and the CEO provide their assurance that the Interim Report provides a true and fair view of the operations, financial position and profit of the Parent Company and the Group, describing the significant risks and uncertainties faced by the Parent Company and the companies within the Group.

Hässleholm, Sweden, 11 November 2020

Erik Selin

Chairman of the Board

Christian Karlsson

Board Member

Jesper Mårtensson

Board Member

Ulf Johansson

Board Member

Sara Mindus

Board Member

Jacob Karlsson

CEO/Board Member

AUDITOR'S REVIEW REPORT

INTRODUCTION

We have reviewed the condensed interim report for K-Fast Holding AB (publ) as of September 30, 2020 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Lund, 11 November 2020

Ernst & Young AB

Stefan Svensson, Authorized Public Accountant



THE SHARE AND SHAREHOLDERS

On 29 November 2019, K-Fast Holding AB's Class B shares (ticker: KFAST B) were launched on Nasdaq Stockholm, Mid Cap, in the Real Estate segment. On 30 September 2020, K-Fastigheter's market capitalization was SEK 7,623.3 million. At the end of the quarter, there were approximately 3,500 shareholders.

On September 30, 2020, there were a total 35,888,528 shares in K-Fast Holding distributed between 3,750,000 Class A shares and 30,138,528 Class B shares respectively. The total number of votes on 30 September 2020 was: 50,888,528.

Each Class A share conveys five votes and each Class B share conveys one vote. All shares carry equal rights to participate in the company's assets and earnings and to any surplus on liquidation. Neither Class A nor Class B shares are subject to any transfer restrictions.

SHARE PRICE PERFORMANCE AND TRADING

During the period 1 January – 30 September 2020, approximately 5.1 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 27,145 shares and the average price paid was SEK 213.05. The highest

price paid during the period was SEK 322.00 on 20 July 2020, and the lowest price paid was SEK 125.10 on 16 March 2020. On 30 September 2020, the share price was SEK 237.20 (last paid). Market value of all shares in the company, based on the last price paid for a Class B share on 30 September 2020, amounted to SEK 8,512.8 million.

SHARE CAPITAL

The AGM 2020 authorized the Board to decide to repurchase the company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings. The AGM also authorized the Board to carry out one or more new issues of Class B shares, subject to a total maximum of 4,000,000 new shares. As of 26 August, K-Fast Holding AB issued 2,000,000 new Class B shares in accordance with authorization from the AGM at a share price of SEK 252 per share, raising SEK 504.0 million before issue expenses for K-Fastigheter.

More information about the share capital can be found at www.k-fastigheter.se.

TEN LARGEST SHAREHOLDERS (IN ORDER OF TOTAL VOTING RIGHTS) AS OF 30 SEPTEMBER 2020

Name	Class A shares*	Class B shares*	Total number of shares	Total number of votes	Percentage of capital	Percentage of votes
Jacob Karlsson AB	1,875,000	10,625,000	12,500,000	20,000,000	34.8%	39.3%
Erik Selin Fastigheter AB	1,875,000	10,625,000	12,500,000	20,000,000	34.8%	39.3%
Capital Group	0	2,154,310	2,154,310	2,154,310	6.0%	4.2%
Länsförsäkringar funds	0	1,750,359	1,750,359	1,750,359	4.9%	3.4%
AP4	0	902,376	902,376	902,376	2.5%	1.8%
Handelsbanken funds	0	771,852	771,852	771,852	2.2%	1.5%
SEB funds	0	657,241	657,241	657,241	1.8%	1.3%
Nergården families**	0	478,100	478,100	478,100	1.3%	0.9%
AP2	0	432,462	432,462	432,462	1.2%	0.8%
Celox Group	0	380,900	380,900	380,900	1.1%	0.7%
Ten largest shareholders	3,750,000	28,777,600	32,527,600	47,527,600	90.6%	93.4%
Other shareholders	0	3,360,928	3,360,928	3,360,928	9.4%	6.6%
Total	3,750,000	32,138,528	35,888,528	50,888,528	100.0%	100.0%
Of whom, Board of Directors and Group Management	3,750,000	21,877,650	25,627,650	40,627,650	71.4%	79.8%

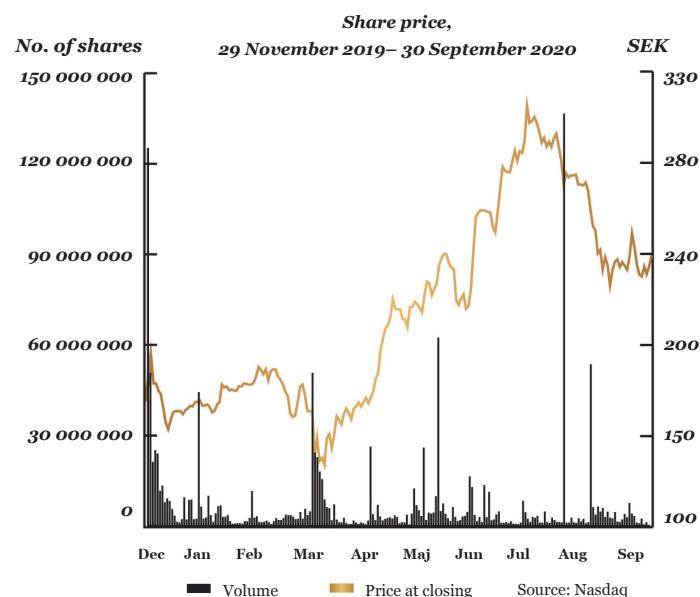
Source: Euroclear and K-Fast Holding AB

*Each Class A share confers five votes and each Class B share confers one vote

** Through Mjöbäcksvillan Entreprenad Holding AB and Västkuststugan AB

There are no potential shares (e.g. Convertibles) in the company.

Marketplace	Nasdaq Stockholm
Name of share	K-FAST Holding B
Ticker	KFAST B
ISIN code	SE0013382355
Segment	Nasdaq, Mid Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	35,888,528
Total number of Class B shares listed on Nasdaq Stockholm.	32,138,528
Closing price 30 September 2020	SEK 237,20
Market price 30 September 2020	SEK 8,512.8 million.



K-Fast Holding AB Interim Report Q3 2020

CURRENT EARNINGS ABILITY

The table below presents the earnings ability of K-Fastigheter's property management operations on a 12-month basis as of 30 September 2020. Earnings ability is not a forecast for the current year or the next twelve months but is to be viewed solely as a theoretical snapshot and is presented for illustrative purposes only. Current earnings ability does not include an assessment of the future rent trends, vacancy rates, property costs, interest rates, changes in value, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 30 September 2020 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. Transactions and completion of ongoing new construction projects with a transfer and completion date after 30 September 2020 have therefore not been included in the calculation.

The Income Statement for the management operations is also affected by development in the value of the property portfolio, as well as by upcoming property acquisitions and/or divestments. Additional items affecting earnings include changes in the value of derivatives. None of the above has been taken into account in current earnings ability, nor in the item Profit from participations in associated companies.

Earnings ability is based on contract rental income from the property portfolio, estimated property costs on an annual basis based on historical outcomes for properties under management, as well as property costs and central administration costs relating to business areas estimated on an annual basis based on the current scale of administration. Costs for interest-bearing liabilities have been based on current interest-bearing liabilities and current interest rates (including effects of derivative instruments) at the end of the year.

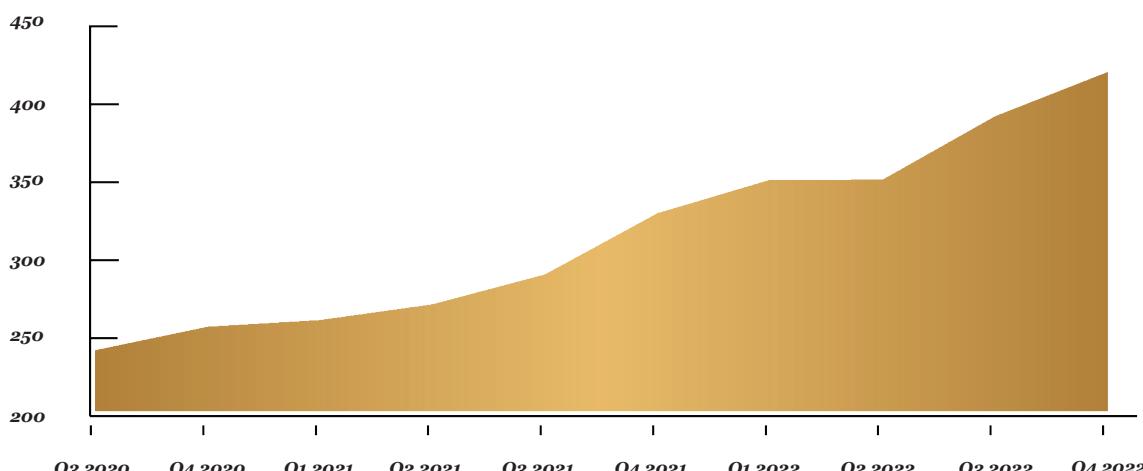
(SEK million)	2020 30 Sep	2020 30 Jun	2020 31 Mar	2019 31 Dec	2019 30 Sep	2019 30 Jun	2019 31 Mar	2018 31 Dec
Rental value	238.9	218.0	207.9	196.6	177.2	161.9	136.9	133.4
Vacancy	-18.2	-10.9	-7.3	-6.1	-4.7	-3.3	-2.9	-0.9
Rental income	220.6	207.1	200.6	190.5	172.5	158.6	134.0	132.5
Operating costs	-31.7	-29.1	-28.0	-27.0	-24.3	-22.5	-20.3	-19.4
Maintenance	-8.3	-7.7	-7.5	-7.3	-6.8	-6.5	-5.9	-5.6
Property tax/ground rent	-3.0	-3.0	-3.0	-2.6	-2.1	-1.9	-1.6	-1.6
Property administration	-18.2	-18.2	-16.9	-15.0	-14.3	-13.5	-12.8	-12.8
Operating surplus	159.5	149.2	145.2	138.6	124.9	114.1	93.3	93.0
Central administration	-10.5	-11.5	-13.4	-9.6	-7.8	-7.9	-6.1	-4.3
Net interest income	-48.5	-45.9	-45.0	-46.9	-38.3	-33.1	-31.4	-29.0
Profit from property management	100.4	91.8	86.8	82.1	78.8	73.1	55.8	59.7

EXPECTED RENTAL TREND

The following diagram illustrates current rental values for completed investment properties as of 30 September 2020 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 30 September 2020 at a pace with these properties being completed or handed over.

The information about completed properties, construction projects in progress and acquired but not yet handed over investment properties includes estimates and judgments. Rental value refers to contractual rent plus estimated rent for vacancies and discounts recalculated at an annualized rate. The assessments and assumptions involve uncertainties and the disclosures below should not be viewed as a forecast.

Rental trend, SEK million



KEY DATA

In the Interim Report, K-Fastigheter presents certain financial measures that are not defined in accordance with IFRS. K-Fastigheter believes that these measures provide valuable additional information to investors and management as they enable assessment of the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not

be considered as a replacement for measures defined in accordance with IFRS. The table below presents financial measures that are not defined in accordance with IFRS.

Compared with the 2019 Annual Report, the definitions of the alternative key data have not changed.

Property-related	2020	2019	2020	2019	4 quarters	Rolling
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2019 Oct-2020 Sep	2019 Jan-Dec
Rental value, SEK million	238.9	177.2	238.9	177.2	238.9	196.6
Average financial letting ratio, %	90.9%	96.8%	92.8%	97.0%	93.6%	96.8%
Surplus ratio, %	72.4%	70.2%	68.9%	70.7%	67.5%	68.4%
Lettable area, m ²	154,492	128,341	154,492	128,341	154,492	130,486
Number of apartments under management	2,043	1,562	2,043	1,562	2,043	1,711
Number of apartments under construction	1,284	678	1,284	678	1,284	700
Number of apartments under project development	3,356	1,095	3,356	1,095	3,356	1,340
Financial						
Interest coverage ratio, multiple	2.7	2.8	2.6	2.8	2.5	2.6
<i>excl. stock exchange listing costs</i>	2.7	2.9	2.6	2.9	2.5	2.8
Equity/assets ratio, %	42.5%	28.9%	42.5%	28.9%	42.5%	41.7%
Loan-to-value ratio, %	42.2%	61.5%	42.2%	61.5%	42.2%	40.2%
Period for which capital is tied up, years	2.3	2.3	2.3	2.3	2.3	3.2
Period of fixed-interest, years	3.9	3.8	3.9	3.8	3.9	3.3
Average interest, %	1.78%	1.85%	1.78%	1.85%	1.78%	1.90%
Net investments, SEK million	271.1	141.3	1,355.8	709.6	1,707.3	1,061.1
Profit from property management, SEK million	21.2	16.5	56.2	44.3	64.8	52.9
Long-term net asset value (NAV), SEK million	3,444.8	1,501.5	3,444.8	1,501.5	3,444.8	2,540.2
Share-related						
Profit from property management per share, SEK	0.61	0.66	1.65	1.77	1.92	2.05
Growth in profit from property management per share, %	-7.3%	4.6%	-7.1%	30.4%	-6.5%	24.6%
Profit after tax per share for the period, SEK	2.88	2.56	8.89	7.89	14.43	14.14
Long-term net asset value (NAV), SEK	95.99	59.43	95.99	59.43	95.99	74.96
Growth in long-term net asset value (NAV), per share, %	15.4%	6.6%	28.1%	22.5%	61.5%	54.4%
Equity per share, SEK	84.71	47.36	84.71	47.36	84.71	66.05
Number of shares outstanding at the end of the period, thousands	35,889	25,264	35,889	25,264	35,889	33,889
Average number of shares outstanding, thousands	34,649	25,028	34,144	25,010	32,666	25,830

RECONCILIATION TABLE

PROPERTY-RELATED KEY DATA	Rolling 4 quarters						Definition	Motivation
	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Oct-2020 Sep	2019 Jan-Dec		
Rental value, SEK million								
A Contract value on an annual basis at end of the period, SEK million	220.6	172.5	220.6	172.5	220.6	190.5	Closing annual rent plus estimated market rent for vacant space.	Rental value is used to illustrate the Group's potential income.
B Vacancy value on an annual basis at end of the period, SEK million	18.2	4.7	18.2	4.7	18.2	6.1		
A+B Rental value on an annual basis at end of the period, SEK million	238.9	177.2	238.9	177.2	238.9	196.6		
Financial letting ratio, %								
A Contract value on an annual basis at end of the period, SEK million	220.6	172.5	220.6	172.5	220.6	190.5	Contractual annual rent for leases valid at the end of the period in relation to rental value.	This key figure illustrates the financial degree of utilization of K-Fastigheter's properties.
B Vacancy value on an annual basis at end of the period, SEK million	18.2	4.7	18.2	4.7	18.2	6.1		
A/(A+B) Financial letting ratio, %	92.4%	97.3%	92.4%	97.3%	92.4%	96.9%		
Average financial letting ratio, %								
A Rental income for the period, SEK million	51.0	40.5	147.7	112.1	192.4	156.8	Rental income during the period in relation to the rental value during the period.	This key figure illustrates the financial degree of utilization of K-Fastigheter's properties.
B Rental value for the period, SEK million	56.1	41.8	159.2	115.5	205.6	161.9		
A/B Average financial letting ratio, %	90.9%	96.8%	92.8%	97.0%	93.6%	96.8%		
Surplus ratio, %								
A Gross profit from property management for the period in accordance with the Income Statement, SEK million	36.9	28.4	101.8	79.2	129.9	107.3		
B Rental income for the period in accordance with the Income Statement, SEK million	51.0	40.5	147.7	112.1	192.4	156.8	Operating surplus in relation to rental income.	This key figure illustrates the profitability of the property management operations.
A/B Surplus ratio during the period, %	72.4%	70.2%	68.9%	70.7%	67.5%	68.4%		
Lettable area at the end of the period, m ²	154,492	128,341	154,492	128,341	154,492	130,486	Total area available for lease	
Number of apartments under management at the end of the period	2,043	1,562	2,043	1,562	2,043	1,711	Total number of apartments under management at the end of the period.	
Number of apartments under construction at the end of the period	1,284	678	1,284	678	1,284	700	Total number of apartments under construction at the end of the period	
Number of apartments under project development at the end of the period	3,356	1,095	3,356	1,095	3,356	1,340	Total number of apartments in project development at the end of the period.	
FINANCIAL KEY DATA								
Interest coverage ratio, multiple								
A Profit from property management for the period in accordance with the Income Statement, SEK million	21.2	16.5	56.2	44.3	64.8	52.9	Profit from property management with reversal of depreciation/amortization and impairment and net interest income and divided by net interest income (incl. realized change in value of current derivative instruments).	
B Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK million	-0.5	-0.4	-1.6	-1.3	-5.3	-5.1		
C Net interest income for the period in accordance with the Income Statement, SEK million	-13.0	-9.3	-36.1	-25.1	-46.3	-35.3		
(A-B-C)/B Interest coverage ratio during the period, multiple	2.7	2.8	2.6	2.8	2.5	2.6		
D Costs during the period attributable to stock exchange listing in accordance with the Income Statement, SEK million	0.0	-1.8	0.0	-9.0	-4.3	-13.3		
(A-B-C-D)/B Adjusted interest coverage ratio during the period, multiple	2.7	2.9	2.6	2.9	2.5	2.8	Interest coverage ratio adjusted for costs attributable to stock exchange listing included in central administration.	
Equity/assets ratio, %								
A Equity at the end of the period in accordance with the Balance Sheet, SEK million	3,040.2	1,196.4	3,040.2	1,196.4	3,040.2	2,238.5		
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK million	7,151.9	4,143.7	7,151.9	4,143.7	7,151.9	5,373.7	Equity as a percentage of total assets at the end of the period.	The key figure highlights financial risk by illustrating the scale of equity in relation to total assets.
A/B Equity/assets ratio, %	42.5%	28.9%	42.5%	28.9%	42.5%	41.7%		
Loan-to-value ratio, %								
A Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK million*	2,884.1	2,201.8	2,884.1	2,201.8	2,884.1	2,371.9		
B Cash and cash equivalents and net value of current investments at the end of the period in accordance with the Balance Sheet, SEK million	760.3	71.0	760.3	71.0	760.3	779.0	Net liabilities related to investment and business properties in relation to the fair value of investment and business properties.	
C Investment and business properties at the end of the period in accordance with the Balance Sheet, SEK million	5,031.7	3,462.6	5,031.7	3,462.6	5,031.7	3,962.0		
(A-B)/C Loan-to-value ratio at the end of the period, %	42.2%	61.5%	42.2%	61.5%	42.2%	40.2%		
Average interest, %								
A Interest expense calculated at annual rate at the close of the period, SEK million	48.9	38.9	48.9	38.9	48.9	44.3	Estimated annual interest on liabilities to credit institutions pertaining to investment and business properties based on current loan agreements, in relation to total liabilities to credit institutions pertaining to investment and business properties.	
B Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK million	2,745.4	2,106.5	2,745.4	2,106.5	2,745.4	2,331.9		Average interest is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.
A/B Average interest rate at the end of the period, %	1.78%	1.85%	1.78%	1.85%	1.78%	1.90%		
Net investments, SEK million								
A Acquisitions during the period, SEK million	55.8	39.1	764.0	353.1	968.7	557.7		
B New construction projects during the period, SEK million	208.6	101.9	573.4	355.5	717.7	499.7	Total net investments in investment and business properties and new construction projects in progress during the period.	
C Extensions and remodelling during the period, SEK million	6.7	0.4	19.4	1.1	24.2	5.9		
D Sales during the period, SEK million	0.0	0.0	-1.0	0.0	-3.3	-2.3		
A+B+C+D Net investments during the period, SEK million	271.1	141.3	1,355.8	709.6	1,707.3	1,061.1		

*Adjusted for stage 3 and 4 of Helsingborg/Brigaden 7 & 8's (SEK 110.0 million) and stage 1 of Växjö/Pelikanen 27's share of existing construction credits (SEK 40.0 million), which, as of 30 September 2020 were not refinanced and were not, accordingly, included in interest-bearing liabilities related to investment and business properties.

Profit from property management, SEK million	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	Rolling 4 quarters		2019 Jan-Dec	Definition	Motivation
					2019 Oct-2020 Sep	2019 Oct-2020 Sep			
A Gross profit from property management for the period in accordance with the Income Statement, SEK million	36.9	28.4	101.8	79.2	129.9	107.3			
B Central administration attributable to property management during the period in accordance with the Income Statement, SEK million	-2.2	-2.2	-7.9	-8.5	-13.5	-14.0	Gross profit from property management less central administration costs and depreciation/amortization and impairment attributable to the Property management business area and net interest income.		
B Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK million	-0.5	-0.4	-1.6	-1.3	-5.3	-5.1			
D Net interest income for the period in accordance with the Income Statement, SEK million	-13.0	-9.3	-36.1	-25.1	-46.3	-35.3			
A+B+C+D Profit from property management, SEK million	21.2	16.5	56.2	44.3	64.8	52.9			
Long-term net asset value (NAV), SEK million									
A Equity at the end of the period in accordance with the Balance Sheet, SEK million	3,040.2	1,196.4	3,040.2	1,196.4	3,040.2	2,238.5			
B Derivatives at the end of the period in accordance with the Balance Sheet, SEK million	41.4	45.0	41.4	45.0	41.4	12.8			
C Deferred tax liability at the end of the period in accordance with the Balance Sheet, SEK million	400.4	272.1	400.4	272.1	400.4	310.3	Reported equity with reversal of deferred tax, interest rate derivatives and non-controlling interests.		An established measure of K-Fastigheter's and other listed companies' long-term net asset value, facilitating analyses and comparisons.
D Deferred tax asset at the end of the period in accordance with the Balance Sheet, SEK million	37.2	12.0	37.2	12.0	37.2	21.4			
A+B+C+D Long-term net asset value (NAV) at the end of the period, SEK million	3,444.8	1,501.5	3,444.8	1,501.5	3,444.8	2,540.2			
Period for which capital is tied up, years	2.3	2.3	2.3	2.3	2.3	3.2	The period for which capital is tied up with regard to liabilities to credit institutions pertaining to investment and business properties at the end of the period.		This key figure is used to illustrate the (re-) financing risk related to K-Fastigheter's interest-bearing liabilities.
Period of fixed-interest, years	3.9	3.8	3.9	3.8	3.9	3.3	The period for which capital is tied up with regard to liabilities to credit institutions pertaining to investment and business properties at the end of the period.		This key figure is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.
SHARE-RELATED KEY DATA									
Long-term net asset value (NAV), SEK									
A Long-term net asset value (NAV) at the end of the period in accordance with the Balance Sheet, SEK million	3,444.8	1,501.5	3,444.8	1,501.5	3,444.8	2,540.2	Long-term net asset value (NAV) in relation to the number of shares outstanding at the end of the period.		Used to illustrate K-Fastigheter's long-term net asset value per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, thousands	35,889	25,264	35,889	25,264	35,889	33,889			
A/B Long-term net asset value (NAV) per share, SEK	95.99	59.43	95.99	59.43	95.99	74.96			
Growth in long-term net asset value (NAV) per share, %							Percentage change in long-term net asset value (NAV) per share during the period.		Used to illustrate growth in K-Fastigheter's long-term net asset value per share in a manner that is uniform for listed companies.
A Long-term net asset value (NAV) per share at the end of the period in accordance with the Balance Sheet, SEK million	95.99	59.43	95.99	59.43	95.99	74.96			
B Long-term net asset value (NAV) per share at the end of the preceding period in accordance with the Balance Sheet, SEK million	83.15	55.76	74.96	48.54	59.43	48.54			
A-B-1 Growth in long-term net asset value (NAV) per share, %	15.4%	6.6%	28.1%	22.5%	61.5%	54.4%			
Equity per share, SEK									
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK million	3,040.2	1,196.4	3,040.2	1,196.4	3,040.2	2,238.5	Equity less minority share of equity, in relation to the number of shares outstanding at the end of the period.		Used to illustrate K-Fastigheter's equity per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, thousands	35,889	25,264	35,889	25,264	35,889	33,889			
A/B Equity per share at the end of the period, SEK	84.71	47.36	84.71	47.36	84.71	66.05			
Profit from property management per share, SEK									
A Profit from property management for the period in accordance with the Income Statement, SEK million	21.2	16.5	56.2	44.3	64.8	52.9	Profit from property management in relation to the average number of shares outstanding during the period.		Used to illustrate K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, thousands	34,649	25,028	34,144	25,010	32,666	25,830			
A/B Profit from property management per share during the period, SEK	0.61	0.66	1.65	1.77	1.92	2.05			
Growth in profit from property management per share, %							Percentage change in profit from property management per share during the period.		Used to illustrate the growth in K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
A Profit from property management during the period per share, SEK	0.61	0.66	1.65	1.77	1.92	2.05			
B Profit from property management for the preceding period per share, SEK	0.66	0.63	1.77	1.36	2.06	1.64			
A-B-1 Growth in profit from property management per share during the period, %	-7.3%	4.6%	-7.1%	30.4%	-6.5%	24.6%			
Profit after tax per share for the period, SEK									
A Profit after tax for the period in accordance with the Income Statement, SEK million	99.9	64.0	303.5	197.4	471.4	365.3	Profit for the period in relation to the average number of shares outstanding during the period.		Used to illustrate K-Fastigheter's earnings per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, incl. dilution, thousands	34,649	25,028	34,144	25,010	32,666	25,830			
A/B Profit after tax share for the period, SEK/share	2.88	2.56	8.89	7.89	14.43	14.14			
Number of shares outstanding at the end of the period, thousands	35,889	25,264	35,889	25,264	35,889	33,889			
Average number of shares outstanding during the period, thousands	34,649	25,028	34,144	25,010	32,666	25,830			

Calendar

Year-end Report 2020	26 February 2021
2020 Annual Report	week comm. 12 April 2021
Interim Report Jan-March 2021	7 May 2021
Annual General Meeting 2021	19 May 2021
Interim Report Jan-Jun 2021	3 August 2021
Interim Report Jan-Sep 2021	12 November 2021

K-FASTIGHETER – MORE THAN A PROPERTY COMPANY

K-Fast Holding AB (“K-Fastigheter”) is a project development construction and property company with a strong business model that provides the company with a unique position. K-Fastigheter’s business model creates opportunities to generate growth through proprietary concept buildings, offering favorable operating finances and high-quality rental apartments, and also, to a lesser degree, commercial premises. Cost-efficient construction in combination with long-term proprietary management creates strong cash flow that can be used for acquisitions of building rights in growth regions.

Through standardization and implementing smart and sustainable solutions, as well as being responsive in our dialog with customers, suppliers and employees, K-Fastigheter fosters the right conditions for continued development towards homes that are better and more efficient in every way.

With commitment at all levels, K-Fastigheter creates attractive homes offering a high degree of comfort. The Group’s proprietary concept buildings meets demands for better housing from tenants and social planners.

In order to increase cost efficiency and reduce construction times the company works with three concept buildings: Low-Rise, Lateral Low-Rise and Apartment Blocks.

K-Fastigheter holds a strong position in the Öresund region and in selected towns and cities in southern and western Sweden. Our vision is to become one of the Nordic region’s largest players and a leading property owner of sustainably constructed, innovative and cost-efficient concept buildings meeting the wishes and requirements of tenants seeking to establish a home for many years to come. The apartments offered by the Group is to be distinguished by the best combination of high standard, home comfort and security in the market.

Based in Hässleholm, Sweden, and with offices in strategically selected locations, K-Fastigheter currently has some 70 employees. K-Fast Holding AB’s Class B share has been listed on the Nasdaq Stockholm exchange since November 2019 under the ticker KFAST B. The largest shareholders are Jacob Karlsson AB, Erik Selin Fastigheter Aktiebolag and Capital Group.

K-Fast Holding AB

Address: Bultvägen 7,
SE-281 43 Hässleholm, Sweden
Telephone: +46 (0)10 33 00 069
www.k-fastigheter.se

Contact

Jacob Karlsson

CEO

e-mail: jacob.karlsson@k-fastigheter.se
Telephone: +46 (0)738 219 626

Martin Larsson

Deputy CEO/CFO
e-mail: martin.larsson@k-fastigheter.se
Telephone: +46 (0)703 533 160

Anders Antonsson

Head of Investor Relations
e-mail: anders.antonsson@k-fastigheter.se
Telephone: +46 (0)708 730 900

This information is such that K-Fast Holding AB is obliged to disclose in accordance with the EU’s Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. CET on 11 November 2020.

The Interim report is published in Swedish and English. The Swedish version is the original version and takes precedence over the English should the translation differ from the original.