

K-FAST HOLDING AB

JANUARY
– DECEMBER 2020

YEAR-END REPORT

"More than a property company"

K-Fastigheter increases its target for annual construction starts of apartments, from 1,000 to 1,300 by the end of 2023.



K-FASTIGHETER

K-FASTIGHETER

31 DECEMBER 2020

K-Fastigheter is a project development, construction and property company focused primarily on rental housing properties, which, as of 31 December 2020, accounted for 89 percent of the property value of the completed property portfolio and for 86 percent of the contractual rent. As of 31 December 2020, K-Fastigheter's property portfolio encompassed a lettable area of approximately 170,000 square meters distributed between more than 2,237 homes and 140 commercial contracts with an annual rental value of some SEK 242 million. The project portfolio comprises some 5,200 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - December 2020, 60 percent of Group profit after tax was derived from project development and construction, and 40 percent from property management.

OVERARCHING OBJECTIVES

K-Fastigheter's overarching objective is to generate value for the Company's shareholders. Over a business cycle, value creation 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 1,300 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.

NUMBER OF HOMES UNDER MANAGEMENT



2,237 UNITS
Q4 2020
1,711 UNITS
Q4 2019

NUMBER OF HOMES IN PRODUCTION



1,311 UNITS
Q4 2020
700 UNITS
Q4 2019

RENTAL INCOME



56.2 SEK MILLION
Q4 2020
44.7 SEK MILLION
Q4 2019

INVESTMENT PROPERTIES, VALUE



6,853.5 SEK MILLION
Q4 2020
4,396.7 SEK MILLION
Q4 2019

LONG-TERM NET ASSET VALUE



3,661.2 SEK MILLION
Q4 2020
2,540.2 SEK MILLION
Q4 2019

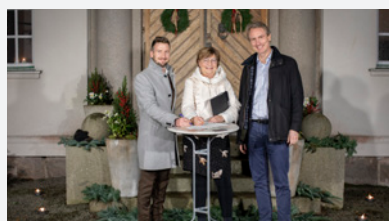
PROFIT FROM PROPERTY MANAGEMENT



19.1 SEK MILLION
Q4 2020
8.6 SEK MILLION
Q4 2019

THREE KEY EVENTS

ACQUISITION OF FINJA PREFAB AB



1 December: K-Fastigheter signs agreement relating to the acquisition of Finja Prefab AB with a completion date on 1 January 2021.

OPERATIONAL TARGETS



K-Fastigheter's Board has decided to change the operational target for construction start of apartments for Group property management from 1,000 to 1,300 apartments before the end of 2023.

10/1-YEAR ANNIVERSARY



1 December: K-Fastigheter celebrates 10 years as a company and 1 year as a listed company.

THE QUARTER AND FULL-YEAR IN BRIEF

October–December

- 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 Year-end report.
- Rental income totaled SEK 56.2 million (44.7) for the quarter, up 26 percent year-on-year.
- Income from project development and construction operations totaled SEK 127.5 million (117.0), of which SEK 127.5 million (107.5) related to intra-group projects.
- Consolidated gross profit for the quarter amounted to SEK 37.8 million (31.3), of which the operating surplus attributable to property management was SEK 35.2 million (28.1).
- Profit before value changes in the quarter amounted to SEK 11.6 million (12.9).
- Profit from property management amounted to SEK 19.1 million (8.6), up 122 percent year-on-year. Profit from property management per share was SEK 0.53 (0.30).
- Unrealized value changes for investment properties amounted to SEK 211.7 million (148.0), and to SEK 8.0 million (32.2) for derivatives and other items.
- Profit for the quarter was SEK 171.1 million (167.9), corresponding to SEK 4.77 (5.94) per share. The decrease was mainly due to an increased number of shares as a result of the new share issue in August 2020.

January–December

- Rental income amounted to SEK 203.9 million (156.8) for the period, up 30 percent year-on-year. Of the SEK 47.1 million increase, 21 percent was derived from rental income from properties acquired in the period, 65 percent from rental income from completed properties,

and 14 percent from increased rental income for properties held at the start of the period.

- Income from project development and construction operations totaled SEK 448.8 million (301.9), of which SEK 438.6 million (273.3) related to intra-group projects.
- Consolidated gross profit for the period amounted to SEK 145.1 million (111.0), of which the operating surplus attributable to property management was SEK 137.0 million (107.3).
- Profit before value changes in the period amounted to SEK 57.9 million (79.3).
- Profit from property management amounted to SEK 75.3 million (52.9), up 42 percent year-on-year. Profit from property management per share was SEK 2.18 (2.05).
- Unrealized value changes for investment properties amounted to SEK 577.8 million (339.8), and to SEK -24.2 million (12.7) for derivatives and other items. Unrealized value changes in investment properties were SEK 407.9 million (186.4) for new construction in progress, and SEK 169.9 million (153.4) for properties under management. Commercial properties under management and building rights were impaired by SEK 3.3 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 474.5 million (365.3), corresponding to SEK 13.72 (14.14) per share. The decrease was mainly due to an increased number of shares as a result of the new share issue in August 2020.
- At the end of the period, the value of the investment properties amounted to SEK 6,853.5 million (4,396.7) which is an increase of 56 percent compared to 31 December 2019.

<i>Financial ratios (see definitions on page 28)</i>	2020 <i>Oct–Dec</i>	2019 <i>Oct–Dec</i>	2020 <i>Jan–Dec</i>	2019 <i>Jan–Dec</i>
Rental income, SEK m	56.2	44.7	203.9	156.8
Profit from property management, SEK m	19.1	8.6	75.3	52.9
Profit for the period, SEK m	171.1	167.9	474.5	365.3
Net investments in investment properties, SEK m	532.8	351.4	1,888.6	1,061.1
Investment properties, SEK m	6,853.5	4,396.7	6,853.5	4,396.7
Long-term net asset value (NAV), SEK m	3,661.2	2,540.2	3,661.2	2,540.2
Number of apartments under management	2,237	1,711	2,237	1,711
Number of construction starts, apartments	193	129	912	518
Number of apartments under construction	1,311	700	1,311	700
Number of apartments under project development	3,880	1,340	3,880	1,340
Interest coverage ratio, multiple	2.7	2.2	2.6	2.6
Equity/assets ratio, %	41.9%	41.7 %	41.9%	41.7%
Loan-to-value ratio, %	46.7%	40.2 %	46.7%	40.2%
Profit from property management, SEK per share	0.53	0.30	2.18	2.05
Growth in profit from property management per share, %	74.6%	6.6%	6.3%	24.6%
Long-term net asset value (NAV), SEK per share	102.02	74.96	102.02	74.96
Growth in long-term net asset value (NAV), per share, %	6.3%	26.1%	36.1%	54.4%
Earnings per share, SEK*	4.77	5.94	13.72	14.14
Number of shares outstanding at the end of the period, thousands	35,889	33,889	35,889	33,889
Average number of shares outstanding during the period, thousands	35,889	28,264	34,583	25,830

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

- At the end of the period, the long-term net asset value (NAV) amounted to SEK 3,661.2 million (2,540.2), corresponding to SEK 102.02 per share (74.96), which is an increase of 36 percent compared with 31 December 2019.

Significant events in the fourth quarter of 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 fourth quarter 2020.

Other significant events in the fourth quarter:

- On 1 December 2020, K-Fastigheter signed an agreement relating to the acquisition of Finja Prefab AB, a nationwide producer of prefabricated concrete elements. The acquisition strengthens Finja Prefab's position as a leading partner for Swedish construction companies, while K-Fastigheter secures access to key components for the continued construction of its concept buildings in several locations around Sweden and Denmark. The purchase price was SEK 930 million, financed through a combination of an acquisition loan with Handelsbanken, a promissory note and cash. The transaction included the acquisition of building rights in the Limkokaren neighborhood in Hässleholm, encompassing some 100 apartments.

Significant events after the end of the period

- K-Fastigheter took possession of Finja Prefab AB on 25 January 2021. Because the acquisition of Finja Prefab AB relates to a business combination, IFRS 3 stipulates that information regarding the impact on the Group's financial position shall be presented in the Interim Report or Annual Report. Although this has been initiated after taking possession, the work had not been completed at the time of publication of this report, and it has not been possible to present any further information at this stage.
- On 29 January 2021, K-Fastigheter signed an agreement relating to the acquisition of the two commercial properties Malmö Kvarnhögen 19 and Malmö Skjutsstallslyckan 21, located in the Husie and Kirseberg neighborhoods in central Malmö. Commercial operations are currently conducted in both properties, but over the coming years K-Fastigheter intends to produce a detailed development plan for the construction of a total of approximately 150 Low-Rise and Lateral Low-Rise apartments. The purchase price amounted to SEK 38.5 million, and K-Fastigheter takes possession of the property on 1 March 2021.
- K-Fastigheter's Board resolved to change the operational goal for construction start of apartments for Group property management from 1,000 to 1,300 apartments before the end of 2023.
- K-Fastigheter's Board intends to propose to the AGM that no dividend be paid.

ACQUIRED INVESTMENT PROPERTIES

Properties	Municipality	Transfer date	Number of apartments	Area (m²)	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Yxan 5 and Yxan 9	Landskrona	Nov 2020	29	1,952	2.2	32.7

ACQUIRED BUILDING RIGHTS

Properties	Municipality	Construction scheduled to commence	Number of apartments	Area (m²)	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
71b Kildebrönde By	Greve (DK)	Q1 2021	148	10,588	24.1	61.4
Önnered 45:15 and Önnered 45:16	Göteborg	Q2 2021	100	6,000	13.3	50.0
Sågklingan 14	Västerås	Q4 2021	125	7,600	15.2	36.2
Limkokaren*	Hässleholm		100	6,500	11.1	22.0
Motorn 16*	Falkenberg		145	9,600	16.8	16.1
part of Ödåkra 1:186*	Helsingborg		100	6,800	11.9	11.7

PROJECTS WHERE CONSTRUCTION HAS COMMENCED

Properties	Municipality	Expected completion	Number of apartments	Area (m²)	Estimated yearly rental value (SEK m)
Hammar 9:197	Kristianstad	Apr 2022	48	3,144	5.7
Saltmästaren 2	Kävlinge	Jun 2022	65	3,921	7.3
Stubbarp 39:5	Höganäs	May 2022	42	3,380	5.3
Röret 1	Älmhult	Aug 2022	38	2,474	4.1

PROJECT COMPLETIONS

Properties	Municipality	Move in	Number of apartments	Area (m²)	Rental value (SEK m)
Pelikanen 27 – (phase 2& 3)	Växjö	Oct/Nov 2020	36	2,330	4.2
Magasinet 4	Hässleholm	Nov/Dec 2020	66	4,293	7.5
Lyckan 1	Älmhult	Dec 2020	32	2,080	3.9
Nyponrosen 4 (phase 1)	Helsingborg	Dec 2020	32	2,407	4.4

K-Fast 2.0	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Number of apartments renovated	16	11	5	12
Increase in rental value (SEK m)	0.3	0.2	0.1	0.2

*Property not yet transferred.

A MESSAGE FROM THE CEO



JACOB
KARLSSON

CEO

“2020 was a different and eventful year, when the COVID-19 pandemic impacted significantly on people's health, society and the financial markets. In addition to those who are directly affected by the virus and fall ill, it is saddening to see the economic effects. Fortunately, the pandemic has had little or limited negative impact on K-Fastigheter's operations. As a committed landlord, we maintain a close dialog with our most affected tenants. On the whole, the financial impact was very limited, and we actually had fewer late rental payments at year end 2020 compared to the previous year. In this context, I would like to shine the spotlight on our employees, who contribute in many different ways and have made an extraordinary effort to support our tenants as well as their colleagues.

In 2020, K-Fastigheter celebrated its 10-year anniversary and our first year as a listed company. Otherwise, like all other years in our 10-year history, this year was characterized by a high pace and great performance by our capable employees.

Furthermore, we finalized the acquisition of Finja Prefab, which provides us with the infrastructure we need to realize our geographical growth plan, and a directed new share issue raised a total of SEK 504 million before issue expenses. The funds have been, and will, primarily be used to expand our portfolio of building rights. Profit after tax for the year was SEK 475 million, corresponding to profit growth of 30 percent year-on-year. Net asset value per share increased by 36 percent in the year.

In the year, K-Fastigheter started construction of 912 apartments, and there were 1,311 apartments in production at year end, compared to 700 apartments in production at the end of 2019, an increase of 87 percent. The organization has demonstrated that the resources are in place to take on far more projects and to increase the volume of apartments in production. Our portfolio of building rights in project development grew from 1,340 to 3,880 in the year, an increase of 190 percent.

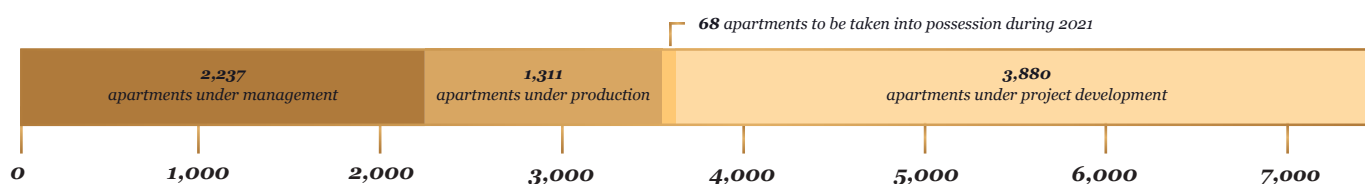
Considering these factors, we have good reasons for increasing our previously communicated operational target of 1,000 new apartment construction starts annually by the end of 2023. We feel well equipped to exceed that target by healthy margin, and have chosen to revise it to 1,300 apartments annually by the end of 2023.

As previously mentioned, the Project Development business area has a great portfolio of attractive building rights, where we focus on acquiring building rights at an early stage to enable us to influence the planning process. I am often asked if K-Fastigheter will be able to maintain such low acquisition costs for its HOMES produced in-house also in the future. My answer is that I am convinced that we can in fact become even more cost-efficient. Historically, K-Fastigheter has acquired building rights on market terms, where the degree of utilization of building rights has rarely been maximized - a disadvantage when building concept houses and working with pre-determined measurements. We ensure our financial efficiency through standardized and financially effective construction. At the end of the year, average acquisition costs in relation to market value on completion were 73.1 percent for proprietary projects, considerably below our maximum of 75 percent. This means that, on average, we generate unrealized value of close to 27 percent in our projects.

When we carry out construction on the basis of detailed development plans that we have contributed to ourselves, and where we have been able to adapt the plans to our concept buildings, we can access building rights with low acquisition costs and a high degree of utilization, and where the rights are optimized for our concept buildings. The first construction starts based on detailed development plans initiated by us are expected within two to three years. On this basis, I am convinced that our total acquisition cost in relation to market value, which we term PTV (production-to-value), will be lower in future than it is today, given unchanged market values.

In 2020, our property management portfolio grew by 46 percent in terms of market value at year end, which was in line with growth in rental income of 30 percent, and profit from property management which was up by 42 percent. Unfortunately profit from property management and the surplus ratio were negatively affected by continued high economic vacancies in Växjö. As I explained in the third quarter report, we have taken possession of a major new-build holding of 171 apartments intended as tenant-owner units, which we have acquired to convert to

Total property and project portfolio as of 31 December 2020: 7,496 apartments



rental apartments. This meant that letting started relatively late in the process. In addition, we completed three Apartment Blocks containing 66 apartments in a neighboring property in the fourth quarter. This meant that we could offer significant volumes to the market in a relatively short period of time. Our assessment is that the relatively high vacancies are a short-term issue, and that these will fall in line with other completed projects in Växjö during 2021, where we have zero vacancies. In the long term, I am very confident that the area will become one of our more attractive ones, as the property standard is very high, and the properties are in a central and attractive location. Excluding the above projects, we had a very high financial letting ratio of 97.4 percent at the end of the period.

On 1 December 2020 we entered an agreement relating to the acquisition of Finja Prefab AB, a nationwide leading provider of prefabricated concrete elements. We took possession in January 2021, and the operations will be reported as an independent business area from the first quarter 2021. The acquisition strengthens Finja Prefab's position as a leading supplier to Swedish construction companies at the same time as K-Fastigheter secures access to critical construction components. The acquisition assures the infrastructure required for K-Fastigheters geographical expansion. Finja Prefab has seven plants in three main regions: South, East and West, with its own assembly teams in each region. The strategic acquisition and our existing manufacturing plants for lightweight external wall units provide us with all the critical construction components needed for our three concept buildings. Concrete elements are a critical component in our concept buildings and represent a large proportion of the total acquisition cost. I am convinced that a high rate of prefabrication in a controlled process ensures the most cost-efficient and high-quality housing production possible. The acquisition of Finja Prefab is the most important transaction carried out in K-Fastigheters ten-year history, and will contribute to improve PTV as outlined above.

The collective bargaining process makes shift work more difficult, while demands for increased salary and other remuneration make it more costly to carry out traditional construction site production. As working hours shift from construction sites to factories, this increases

the degree of prefabrication which allows us to keep costs down, reduce our geographical dependence and carry out shift-based production when required.

Traditionally, construction sites in Sweden are as undeveloped as the construction industry as a whole. Construction takes place over a 40 hour week, which means that production is down for 128 hours each week, or nearly 80 percent of the time. Site expenses relating to scaffolding, work huts, construction elevators and cranes do not reflect that there is no on-site activity for most of the week. The effect is that job opportunities for construction workers are shifting towards factory-based work.

Our business concept of owning and managing HOMES with an unlimited time frame, makes concrete the right choice of material. Concrete is sometimes cited as being less sustainable than other construction materials, something I consider to be incorrect. From a CO₂ perspective, traditional concrete frames are worse than wood frames in a 100-year perspective. BUT you only have to increase the time frame to a 150-year perspective for concrete to have a lower overall CO₂ footprint. And our business concept of owning and managing properties with an unlimited time frame means that we are building housing with a life span of over 150 years. In addition, Finja Prefab is a flagship provider of sustainable prefab production that manufactures climate-positive concrete frames, partly by utilizing reinforcement bars from reclaimed steel.

To sum up 2020, we maintained a high pace of transactions for future growth, and are entering 2021 as a new company with a fourth business area and a new, higher operational target. The share price increased by 66 percent, which was positive for our approximately 3,600 shareholders.

At the end of the year, our total portfolio of apartments under management, in production, in the project portfolio and acquisitions where we have not yet taken possession totaled 7,496, an increase of 90 percent year-on-year.

”

- Jacob Karlsson, February 2020



ACQUISITION OF FINJA PREFAB

On 1 December 2020, K-Fastigheter signed an agreement relating to the acquisition of frame contractor Finja Prefab. The acquisition strengthens K-Fastigheter's supplier chain and enables Finja Prefab to strengthen its product development and market position.

Finja Prefab is a nationwide producer of prefabricated concrete elements and a full-service frame contractor with a wide product range of wall panels, foundations, floor structures, balconies, and staircases. The strategic acquisition secures K-Fastigheter's access to key components for the continue construction of its concept buildings in several locations around Sweden and Denmark. As part of K-Fastigheter, Finja Prefab continues to strengthen its position as a leading partner for Swedish construction companies and develop its successful sustainability work.

Finja Prefab originates in the company Finja AB, founded in 1957 in the southern Swedish town of Finja, outside Hässleholm. The company has six proprietary production plants, located in Borensberg, Finja, Hultsfred, Katrineholm, Vara and Östra Greve, and leases a seventh plant, in Bollebygd. The company is organized into Regions: South, West and East and has in-house assembly teams based in each region, with potential to expand operations into the Copenhagen region. K-Fastigheter has an ongoing collaboration with Finja Prefab relating to the project Vallensbæk Strand in the Copenhagen region.

Finja Prefab, with some 550 employees, has a solid financial position with modern, well-invested and cost-efficient manufacturing plants in seven locations around Sweden. In 2020, sales totaled SEK 881.4 million, a decrease of 16 percent on 2019, mainly due to effects of the COVID-19 pandemic.

The purchase price for Finja Prefab's operations and sites, as well as building rights in central Hässleholm, amounted to SEK 930 million. The acquisition is financed through a promissory note of SEK 250 million, acquisition and operating financing through a loan of SEK 450 million, and cash balances. From 1 January 2021, the acquired operations are integrated in the Group, reported as a separate business area, "Prefab", from the same date. Kaj Grönvall, Head of the Prefab business area, is part of K-Fastigheter's management.

<i>Five year overview (SEK m)*</i>	2020	2019	2018	2017	2016
Net sales	881.4	1,054.4	897.1	922.0	764.9
Profit after financial items	36.1	81.6	65.3	68.4	55.1
Total assets	340.6	304.9	325.4	265.5	230.7
Number of employees	549	556	543	541	501

*Five-year summary prepared according to K3. Figures related to 2020 are unaudited. Total assets are excluding Finja Prefab's operating properties, which were acquired by K-Fastigheter from Finja AB in connection with taking possession of Finja Prefab.



On 1 December 2020, the seller, Finja AB's CEO Gull-Britt Jonasson, signed the agreement alongside K-Fastigheter's CEO Jacob Karlsson (left) and K-Fastigheter's Chairman Erik Selin.

“Finja Prefab is an important part of K-Fastigheter's continued growth journey and our strategy of constructing cost-efficient concept buildings developed in-house across Sweden and Denmark.”

- Jacob Karlsson, CEO of K-Fast Holding AB



Finja Prefab is a nationwide operator active in ten locations around Sweden. The company employs some 550 staff with sales of approximately SEK 1 billion.

PROPERTY PORTFOLIO AS OF 31 DECEMBER 2020

On 31 December 2020, the Group's property portfolio comprised 78 completed investment properties¹ distributed over a total of 141,145 square meters of residential and 28,400 square meters of commercial space. In addition, the Group had 20 ongoing construction projects, distributed over 85,999 square meters of residential and 198 square meters of commercial space. Furthermore, K-Fastigheter has 22 projects in progress in the project development phase, at various stages of building permit application or project planning, of which nine are projects for which K-Fastigheter has yet to take possession of the land.

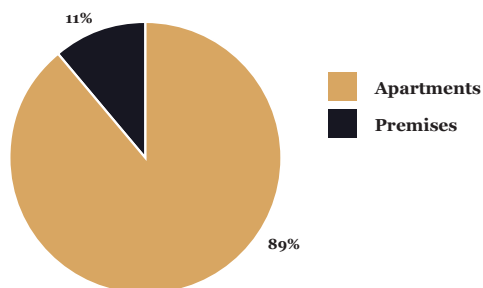
Of the property holding, 82 percent of properties were constructed after 2010. Newsec assesses that all are located in category A or B positions in the communities where the Group operates. As of 31 December 2020, the contractual rent amounted SEK 241.7 million, with an estimated operating surplus of SEK 174.9 million, corresponding to a surplus ratio of some 72 percent. For newly produced concept buildings, the corresponding surplus ratio is some 81 percent, and approximately 60 percent for other properties in the portfolio. Of the contractual rent, 86 percent pertains to housing or related rentals (such as parking) divided between the 2,237 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 5,067.2 million (3,606.9), with an average direct return requirement of 4.08 percent (4.25). The book value of new construction projects in progress amounted to SEK 1,060.6 million (447.7), and undeveloped land and building rights amounted to SEK 707.7 million (335.1). On completion, the estimated market value of new construction projects in progress amounted to SEK 3,592.7 million (1,618.5) and to just over SEK 10,600 million (3,400) for properties currently in project development.

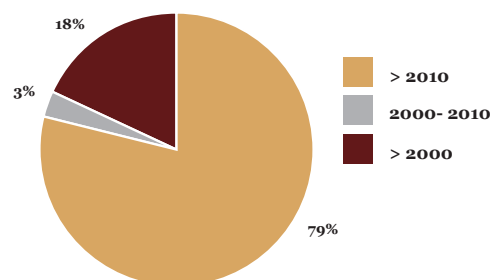
Of the property stocks, 80 percent of property value is located in Skåne, with the majority located in northeastern Skåne (Hässleholm, Kristianstad, Osby), and northwestern Skåne (Helsingborg, Höganäs, Landskrona) at 37 percent respectively.

<i>Property-related key data</i>	2020 31 Dec	2019 31 Dec
Opening carrying amount, investment properties	4,396.7	3,018.1
+ Acquisitions	1,034.5	557.7
+ New construction	824.1	499.7
- Divestments	-1.0	-2.3
- Reclassification as business property	0.0	-9.3
Other changes	21.3	-7.0
Unrealized value changes	577.8	339.8
Closing carrying amount, investment properties	6,853.5	4,396.7
<i>of which, completed investment properties</i>	<i>5,067.2</i>	<i>3,606.9</i>
<i>of which, undeveloped land and building rights</i>	<i>707.7</i>	<i>335.1</i>
<i>of which, site leaseholds</i>	<i>18.0</i>	<i>7.0</i>
<i>of which, ongoing construction</i>	<i>1,060.6</i>	<i>447.7</i>
Rental value, SEK million	265.1	196.6
Rental income at end of period, SEK/m ²	1,426	1,460
Direct property costs, SEK/m ²	394	398
Operating surplus, SEK/m ²	1,032	1,062
Financial letting ratio at end of period	91.2%	96.9%
Average financial letting ratio over period	92.0%	96.8%
Surplus ratio over period	67.2%	68.4%
Lettable area, m ²	169,545	130,486
Number of apartments under management, units	2,237	1,711
Completed investment properties, SEK m	5,067.2	3,606.9
Completed investment properties	4.08%	4.25%

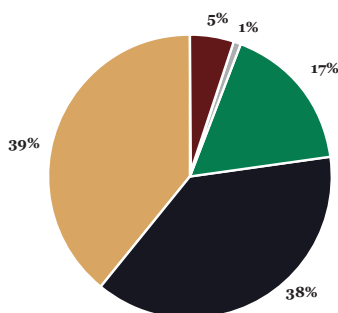
Property value by category, 31 Dec 2020



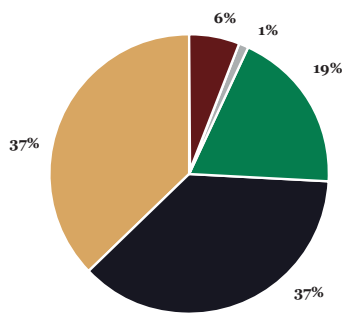
Property value by construction year, 31 Dec 2020



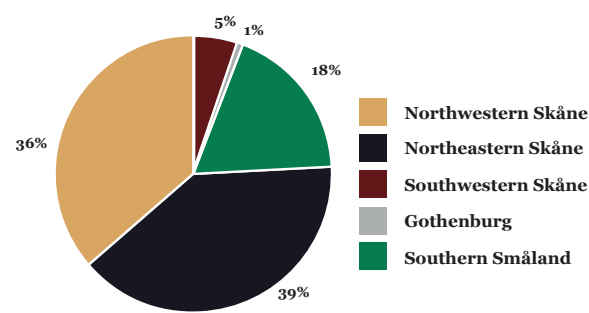
Apartments under management, 31 Dec 2020



Property value, 31 Dec 2020



Rental value, 31 Dec 2020



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

INVESTMENT PROPERTIES

	Apartments	Lettable area, m²			Property value		Rental value		Letting ratio	Contractual rent	Property costs		Operating surplus	
		Housing	Premises	Total	SEK m	SEK/m²	SEK m	SEK/m²	%	SEK m	SEK m	SEK/m²	SEK m	SEK/m²
Distribution of concept buildings														
Low-Rise	456	34,380	0	34,380	1,173.4	34,130	54.3	1,579	99.2%	53.8	4.8	140	49.0	1,426
Lateral Low-Rise	669	34,237	543	34,780	1,469.8	42,260	66.9	1,923	99.9%	66.8	8.4	241	58.4	1,680
Apartment Block	243	15,955	0	15,955	545.7	34,202	28.3	1,776	74.1%	21.0	4.0	253	17.0	1,064
Other	869	56,573	27,857	84,430	1,878.3	22,247	115.5	1,369	86.6%	100.0	30.4	360	69.7	825
TOTAL/AVERAGE	2,237	141,145	28,400	169,545	5,067.2	29,887	265.1	1,563	91.2%	241.7	47.6	281	194.1	1,145

Per geographical location

Northwestern Skåne	884	50,903	8,108	59,011	1,877.1	31,809	96.2	1,630	99.0%	95.2	19.7	334	75.5	1,279
Northeastern Skåne	844	56,737	19,326	76,063	1,890.6	24,856	104.5	1,374	98.3%	102.8	19.2	252	83.6	1,099
Southwestern Skåne	114	5,864	146	6,010	300.6	50,017	13.3	2,207	97.3%	12.9	1.6	273	11.3	1,875
Göteborg	14	990	0	990	33.9	34,242	1.7	1,679	100.0%	1.7	0.2	168	1.5	1,511
Southern Småland	381	26,651	0	26,651	949.2	35,616	48.1	1,806	57.9%	27.8	6.5	244	21.4	801
Other*	0	0	820	820	15.8	19,268	1.3	1,564	100.0%	1.3	0.4	500	0.9	1,064
TOTAL/AVERAGE	2,237	141,145	28,400	169,545	5,067.2	29,887	265.1	1,563	91.2%	241.7	47.6	281	194.1	1,145
Property administration											19.2	113		
Operating surplus incl. property administration											241.7	66.8	394	174.9
													1,032	

CONSTRUCTION PROJECTS IN PROGRESS

	Apartments	Lettable area, m²			Property value		Rental value		Investment (including land), SEK m'		
		Housing	Premises	Total	SEK m	SEK/m²	SEK m	SEK/m²	Estimated	Developed	Carrying amount
Distribution of concept buildings											
Low-Rise	362	27,421	0	27,421	976.8	35,621	44.2	1,611	724.8	304.7	412.3
Lateral Low-Rise	638	36,971	198	37,169	1,756.0	47,244	78.2	2,105	1,260.6	569.1	737.5
Apartment Block	251	17,731	0	17,731	715.0	40,323	35.3	1,991	561.5	210.2	251.4
Other	60	3,876	0	3,876	145.0	37,410	7.0	1,806	130.2	0.0	3.0
TOTAL/AVERAGE	1,311	85,999	198	86,197	3,592.7	41,681	164.7	1,911	2,677.2	1,084.0	1,404.2

Per geographical location

Northwestern Skåne	251	17,390	0	17,390	648.2	37,274	29.4	1,689	468.3	224.4	292.4
Northeastern Skåne	164	11,255	0	11,255	387.8	34,455	19.0	1,686	301.9	135.3	165.7
Southwestern Skåne	224	12,583	0	12,583	583.0	46,332	25.9	2,062	426.3	228.2	261.6
Göteborg	295	17,128	198	17,326	902.0	52,060	39.2	2,263	612.9	258.8	391.7
Southern Småland	122	8,739	0	8,739	303.6	34,741	14.6	1,674	252.5	88.4	112.7
Other*	255	18,904	0	18,904	768.1	40,634	36.6	1,937	615.2	149.0	180.0
TOTAL/AVERAGE	1,311	85,999	198	86,197	3,592.7	41,681	164.7	1,911	2,677.2	1,084.0	1,404.2

PROJECT DEVELOPMENT IN PROGRESS

Distribution of concept buildings											
Low-Rise	1,342	98,703	0	98,703	3,728.1	37,771	160.2	1,623	2,522.3	100.7	100.7
Lateral Low-Rise	1,201	78,363	0	78,363	3,391.9	43,284	157.3	2,007	2,408.4	157.9	157.9
Apartment Block	1,337	88,098	0	88,098	3,409.5	38,702	158.4	1,798	2,446.7	55.2	55.2
Other	0	0	3,633	3,633	65.8	18,117	2.2	614	49.2	7.2	7.2
TOTAL/AVERAGE	3,880	265,163	3,633	268,796	10,595.3	39,418	478.2	1,779	7,426.6	320.9	320.9

Per geographical location

Northwestern Skåne	1,020	79,529	0	79,529	3,056.9	38,438	130.0	1,635	2,017.5	42.5	42.5
Northeastern Skåne	319	19,134	2,487	21,621	689.7	31,898	31.4	1,452	541.1	59.2	59.2
Southwestern Skåne	804	56,000	0	56,000	2,291.8	40,925	104.7	1,869	1,584.8	3.7	3.7
Göteborg	830	52,600	0	52,600	2,216.9	42,146	99.4	1,889	1,580.6	50.0	50.0
Southern Småland	289	17,596	0	17,596	647.1	36,779	30.8	1,752	472.9	35.0	35.0
Other*	618	40,305	1,146	41,451	1,692.8	40,840	81.9	1,977	1,229.7	130.6	130.6
TOTAL/AVERAGE	3,880	265,163	3,633	268,796	10,595.3	39,418	478.2	1,779	7,426.6	320.9	320.9

*Other refers to Copenhagen, Falkenberg, Gävle and Nyköping

SUMMARY

	Apartments	Lettable area, m²			Property value		Rental value		Carrying amount
		Housing	Premises	Total	SEK m	SEK/m²	SEK m	SEK/m²	
Completed investment properties	2,237	141,145	28,400	169,545	5,067.2	29,887	265.1	1,563	5,067.2
Construction projects in progress	1,311	85,999	198	86,197	3,592.7	41,681	164.7	1,911	1,404.2
Project development in progress	3,880	265,163	3,633	268,796	10,595.3	39,418	478.2	1,779	320.9
New construction projects other									26.4
Undeveloped land									16.6
Acquired but not yet possessed	68	6,907	0	6,907	271.7	39,342	14.6	2,110	0.0
Site leaseholds									18.0
TOTAL/AVERAGE	7,496	499,214	32,231	531,445	19,527.0	36,743	922.6	1,736	6,853.5

†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 421.5 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 in progress 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

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 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-story 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.



HELSINGBORG

Brigaden 7 & 8 –
179 Lateral Low-Rise
apartments

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.



HÄSLEHOLM

Tre Överstar 7 –
29 Apartment Block
apartments/ Apartment
Block Plus

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 FOURTH QUARTER 2020



LANDSKRONA

Yxan 5 and Yxan 9

ACQUIRED PROPERTIES

Yxan 5 and Yxan 9

On Murargatan and Timmermansgatan in central Landskrona, K-Fastigheter acquired two properties constructed in 1946. The lettable area is 1,952 square meters distributed over 29 rental apartments. The rental value amounts to SEK 2.2 million and the purchase price was SEK 32.7 million. After the acquisition, K-Fastigheter has a total of 277 apartments in central Landskrona.



VÄXJÖ

Pelikanen 27 phase 2 and 3

COMPLETED PROPERTIES

Växjö Pelikanen 27 – phase 2 and 3

In Pelikanen 27 next to the Folkparken neighborhood in Växjö, where K-Fastigheter has taken possession of 171 apartments in the year, the last two phases in Växjö Pelikanen 27 were completed in October and November and the tenants have now moved in. The phases encompass 2,330 square meters distributed between 36 Apartment Block apartments with a rental value of SEK 4.2 million. In total, the three phases encompass three Apartment Blocks of 3,495 square meters distributed over 54 apartments with a rental value of SEK 6.4 million.



HÄSSLEHOLM

Magasinet 4

Hässleholm Magasinet 4

At Magasinet 4 in the T4 neighborhood in Hässleholm, K-Fastigheter has constructed three Apartment Blocks over 4,293 square meters, distributed over 66 apartments. Tenants moved in during November and December 2020. The rental value amounts to SEK 7.5 million. After completion, K-Fastigheter has a total of 190 apartments and some 6,200 square meters commercial floor space in the T4 neighborhood and ongoing construction and building rights for approximately a further 240 homes and 10,500 square meters of commercial space.



ÄLMHULT

Lyckan 1

Älmhult Lyckan 1

On Stenhuggarevägen next to the new IKEA store in Älmhult, two Apartment Blocks totaling 2,080 square meters 32 apartments were completed and tenants moved in during December 2020. The rental value amounts to SEK 3.9 million. After completion, K-Fastigheter has a total of 89 apartments in the neighborhood, distributed over 32 Apartment Blocks and 57 Low-Rise apartments.



HELSINGBORG

Nyponrosen 4 phase 1

Helsingborg Nyponrosen 4 – phase 1

In Norra Husensjö in Helsingborg, phase 1 of 2 in the property Helsingborg Nyponrosen 4 was completed and tenants moved in during December 2020. The phase comprises a nine-story Apartment Block over 2,118 square meters and 32 apartments, as well as 289 square meters of commercial space on the ground floor. The property already harbored 1,217 square meters of commercial premises in the form of a pharmacy and a food store. The rental value of phase 1 and the commercial space totals SEK 5.6 million. The property comprises a total of 4,236 square meters of housing units distributed over 64 apartments, and 1,506 square meters of commercial premises distributed over five rental agreements with a rental value of SEK 9.5 million.

COMMENCED CONSTRUCTION PROJECTS FOURTH QUARTER 2020



KRISTIANSTAD

Hammar 9:197

Kristianstad Hammar 9:197

In the Hammar neighborhood next to C4 Shopping, K-Fastigheter started construction of two six-floor Apartment Blocks over 3,144 square meters and 48 apartments in November 2020. The expected rental value totals SEK 5.7 million and tenants are expected to move in gradually during March and April 2022.



KÄVLINGE

Saltmästaren 2

Kävlinge Saltmästaren 2

Next to Kävlinge station, with approximately 10 minutes journey time to Lund central station, K-Fastigheter started construction of 65 Lateral Low-Rise apartments over a total of 3,921 square meters in December 2020. The expected rental value totals SEK 7.3 million and tenants are expected to move in during June 2022.



HÖGANÄS

Stubbarp 39:5 – phase 1

Höganäs Viken 39:5 – phase 1

In Viken, between Helsingborg and Höganäs, K-Fastigheter has started construction of 42 Low-Rise apartments over a total of 3,380 square meters in December 2020. The expected rental value totals SEK 5.3 million and tenants are expected to move in during May 2022. In the neighboring property Höganäs Stubbarp 33:27, K-Fastigheter is currently constructing 91 Low-Rise apartments with tenants moving in during June 2021 - March 2022. In addition to the ongoing construction, Viken 39:5 comprises building rights for a further approximately 270 apartments.



ÄLMHULT

Röret 1

Älmhult Röret 1

In the neighborhood Västra Bökhult in western Älmhult, K-Fastigheter started construction of 22 Apartment Blocks and 16 Low-Rise apartments over a total of 2,474 square meters on the property Älmhult Röret 1 in December 2020. The expected rental value totals SEK 4.1 million and tenants are expected to move in during August 2022. Furthermore, K-Fastigheter has acquired the neighboring property Älmhult Kedjan 1, which comprises a building right for some 22 Apartment Blocks and 34 Lateral Low-Rise apartments, with the construction start scheduled for 2021.

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec
Rental income	56.2	44.7	203.9	156.8
Project and contracting sales	0.0	9.5	10.2	28.6
Other operating income	0.4	0.9	1.0	1.9
Net sales	56.5	55.1	215.1	187.3
Operations	-10.5	-7.2	-33.1	-23.5
Maintenance	-3.9	-3.5	-10.6	-7.5
Property tax	-1.6	-1.5	-4.5	-3.6
Property administration	-5.2	-4.2	-19.2	-15.0
Property management costs	-21.2	-16.3	-67.4	-49.5
Project and contracting costs	2.5	-7.4	-2.5	-26.8
Gross profit	37.8	31.3	145.1	111.0
<i>of which, gross profit from property management (operating surplus)</i>	<i>35.2</i>	<i>28.1</i>	<i>137.0</i>	<i>107.3</i>
<i>of which, gross profit from project and contracting operations</i>	<i>2.6</i>	<i>3.3</i>	<i>8.1</i>	<i>3.7</i>
Central administration	-9.9	-15.7	-33.6	-42.1
Depreciation/amortization and impairment	-3.7	-12.2	-8.5	-15.2
Profit from participations in Group, associated and jointly controlled companies	-1.0	19.6	2.6	61.0
Net interest income	-11.7	-10.2	-47.7	-35.3
Profit before value changes	11.6	12.9	57.9	79.3
<i>of which, profit from property management</i>	<i>19.1</i>	<i>8.6</i>	<i>75.3</i>	<i>52.9</i>
Change in value of investment properties	211.7	148.0	577.8	339.8
Changes in value of derivatives, currency and other	8.0	32.2	-24.2	12.7
Profit before tax	231.3	193.2	611.4	431.8
Tax on profit for the period	-60.2	-25.2	-136.9	-66.5
Profit for the period	171.1	167.9	474.5	365.3
Other comprehensive income	-1.4	0.0	-1.4	0.0
Comprehensive income for the period	169.7	167.9	473.1	365.3
Profit for the period attributable to				
Parent Company's shareholders	169.7	167.9	473.1	365.3
Non-controlling interests	0.0	0.0	0.0	0.0
Profit after tax per share, SEK/share*	4.77	5.94	13.72	14.14

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

PERFORMANCE ANALYSIS

JANUARY–DECEMBER 2020

The following profit and cash flow items relate to the period 1 January - 31 December 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 been very marginally affected as the rental settlements reached to date mainly relate to temporary rent relief.

INCOME

Net sales were SEK 56.5 million (55.1) in the fourth quarter and SEK 215.1 million (187.3) in the period. Rental income was SEK 56.2 million (44.7) in the quarter and SEK 203.9 million (156.8) in the period, an increase of 30 percent. Of the SEK 47.1 million increase in the period, 21 percent was derived from rental income from properties acquired in the period, 65 percent from rental income on completed properties, and 14 percent from increased rental income on properties owned at the start of the period.

<i>Rental income trend (SEK m)</i>	<i>2020 Jan–Dec</i>	<i>2019 Jan–Dec</i>
Properties owned at start of the period	163.1	133.0
Completed properties	30.6	12.9
Acquired properties	10.1	10.9
Rental income	203.9	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. Despite the impact of the COVID-19 pandemic on society as a whole, the proportion of late payments decreased in the year.

At the end of the period, the letting ratio was 91.2 percent (96.9) and the average letting ratio during the period was 92.0 percent (96.8). The lower letting ratio in the period was primarily due to an ongoing project in Växjö, the Folkparken project, 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 and the adjacent Pelikanen project, where we completed 54 Apartment Block units in the fall, the letting ratio was 97.4 percent and the average letting ratio 94.8 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 past year, while the financial letting ratio remains very high in the parts of the holding that have been under management for an extended period. The assessment is that the degree of utilization in the Folkparken project will harmonize with the rest of K-Fastigheter's holding in future, and that the Group's overall letting ratio will improve.

Income from project and construction operations amounted to SEK 448.8 million (301.9), of which SEK 438.6 million (273.3) 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 (28.6), 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 67.4 million (49.5) for the period, corresponding to an increase of 36 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, 16 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 19.2 million (15.0) 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 67.2 percent (68.4), and was mainly affected by a lower financial letting ratio compared to the corresponding period in the previous year.

<i>Property cost trend (SEK m)</i>	<i>2020 Jan–Dec</i>	<i>2019 Jan–Dec</i>
Properties owned at start of the period	-37.4	-29.7
Completed properties	-6.2	-3.1
Acquired properties	-4.7	-1.8
Direct property costs	-48.2	-34.5
Property administration	-19.2	-15.0
Property management costs	-67.4	-49.5

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.

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 33.6 million (42.1) for the period. For the corresponding period 2019, central administration costs included SEK 13.3 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. Impairment relating to expected credit losses was also included and increased by SEK 0.7 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 2.6 million (61.0), positively affected by SEK 4.0 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 -47.7 million (-35.3). At the end of the period, the average interest rate was 1.77 percent (1.90), 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 decreased 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 19.1 million (8.6) for the quarter and to SEK 75.3 million (52.9) for the period, an increase of 122 and 42 percent respectively year-on-year. Profit from property management per share amounted to SEK 2.18 (2.05), which is an increase of 6 percent year-on-year. 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 577.8 million (339.8), distributed over SEK 169.9 million (153.4) for properties under management and SEK 407.9 million (186.4) for construction projects in progress.

Of unrealized value changes for new construction in progress, properties completed during the period accounted for SEK 65.8 million (49.6). The remaining SEK 342.1 million (136.8) 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 3.96 percent (4.02).

Of unrealized value changes for properties under management, SEK 14.6 million (62.9) related to acquisitions during the period. Of the remaining unrealized value changes in investment properties, improved net operating income contributed SEK 73.0 million (26.5), while changed valuation assumptions contributed SEK 81.7 million (51.2). 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 4.08 percent (4.25).

<i>Value change (SEK m)</i>	<i>2020 Jan–Dec</i>	<i>2019 Jan–Dec</i>
Change in net operating income	73.0	26.5
Construction projects in progress	407.9	186.4
Land and unutilized building rights	1.3	12.7
Change in return requirement	81.7	51.2
Acquisitions	14.6	62.9
Divestments	0.0	0.0
Currency effects	-0.7	0.0
Total	577.8	339.8

The average direct return requirement for the entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 4.03 percent (4.18) 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 new housing construction in attractive locations and a lower share of commercial premises. Of unrealized value changes for properties under management of SEK 169.9 million in the period, housing increased by SEK 173.2 million, and commercial premises and building rights decreased by SEK 3.3 million.

Value changes on derivatives and other items totaled SEK -24.2 million (12.7) in the period, distributed over value changes in interest rate derivatives of SEK -14.4 million (-6.6) and unrealized exchange rate losses of SEK -9.8 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 -27.2 million (-12.8) 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 +0.3 million (3.8). Deferred tax amounted to SEK 137.2 million (62.8), affected by unrealized value changes in properties totaling SEK 577.8 million (339.8). 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 balance sheet for 31 December 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.

<i>Tax calculation, 31 Dec 2020 (SEK m)</i>	<i>2020 Jan–Dec</i>	<i>Base</i>
Tax on profit before tax	611.4	
Tax rate, %	21.4%	
Tax in accordance with applicable tax rate	-130.8	611.4
Tax attributable to previous years	0.8	-3.8
Non-taxable income and non-deductible costs	-13.5	63.3
Other unrecognized income and costs	10.5	-49.2
Temporary differences in accounting and tax values	-2.6	12.0
Effect from tax-loss carry forward	-6.0	28.0
Effect of changed tax rates	4.7	558.2
Total	-136.9	1,219.9

Reported effective tax

Reported in the Income Statement	-136.9
Percentage of profit before tax, %	22.4%

Deferred tax assets attributable to:

Tax-loss carry forwards	20.7	100.4
Net interest income	0.0	0.0
Properties	0.1	0.3
Interest-rate derivatives	5.6	27.2
Other items	0.7	3.2
Total	27.0	131.1

Deferred tax liability attributable to:

Properties, completed	306.0	1,483.9
Properties, under construction	144.6	699.8
Untaxed reserves	0.7	3.1
Other items	0.0	0.0
Total	451.2	2,186.8

PROFIT, COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD

Profit for the fourth quarter was SEK 171.1 million (167.9) corresponding to SEK 4.77 (5.94) per share. Profit for the period was SEK 474.5 million (365.3) corresponding to SEK 13.72 (14.14) per share. The decrease in Earnings per share was mainly due to an increased number of shares as a result of the new share issue in August 2020.

Comprehensive income for the period totaled SEK 473.1 M (365.3), of which SEK 169.7 million (167.9) related to the fourth quarter. Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK -1.4 million (0.0) in the quarter and SEK -1.4 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 m)	2020 31 Dec	2019 31 Dec
Assets		
Tangible non-current assets		
Investment properties	6,853.5	4,396.7
Business properties	30.9	19.9
Equipment	18.5	14.0
Total tangible non-current assets	6,902.9	4,430.6
Financial non-current assets		
Profit from participations in associated and jointly controlled companies and other non-current receivables	45.1	43.8
Deferred tax receivables	27.0	21.4
Total financial non-current assets	72.1	65.2
Total non-current assets	6,975.0	4,495.9
Current assets		
Inventories	0.2	0.2
Accounts receivable	1.8	43.6
Other receivables	169.8	29.6
Prepaid costs and accrued income	5.2	25.5
Cash and cash equivalents	507.6	779.0
Total current assets	684.6	877.9
Total assets	7,659.6	5,373.7

(SEK m)	2020 31 Dec	2019 31 Dec
Equity and liabilities		
Equity		
Share capital	57.4	54.2
Other capital contributions	1,372.9	877.9
Currency translation reserve	-1.4	0.0
Profit brought forward including the profit for the period	1,780.9	1,306.4
Total equity	3,209.8	2,238.5
Non-current liabilities		
Deferred tax liability	451.2	310.3
Long-term interest-bearing liabilities	3,000.6	2,281.3
Derivative instruments	27.2	12.8
Other provisions and non-current liabilities	8.5	18.1
Total non-current liabilities	3,487.5	2,622.4
Current liabilities		
Current interest-bearing liabilities	847.8	363.1
Accounts payable	50.4	57.6
Current tax liabilities	0.3	5.7
Other current liabilities	25.6	23.2
Accrued costs and prepaid income	38.2	63.3
Total current liabilities	962.2	512.9
Total liabilities	4,449.8	3,135.3
Total equity and liabilities	7,659.6	5,373.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(mkr)	Number of shares outstanding	Share capital	Other capital contributions	Currency translation reserve	Profit brought forward	Total Equity
Equity, as of 1 January 2019	500	0.1	0.0	0.0	981.1	981.2
Comprehensive income for the period					365.3	365.3
Other comprehensive income				0.0		0.0
Profit for the period				0.0	365.3	365.3
Bonus issue and share split	24,999,500	39.9			-39.9	0.0
Capital contributions after deduction of transaction costs	8,888,528	14.2	877.9			892.1
Owner contributions	33,888,028	54.1	877.9		-39.9	892.1
Equity, as of 31 December 2019	33,888,528	54.2	877.9	0.0	1,306.4	2,238.5
Comprehensive income for the period					474.5	474.5
Other comprehensive income				-1.4		-1.4
Profit for the period				-1.4	474.5	473.1
Capital contributions after deduction of transaction costs	2,000,000	3.2	495.1			498.3
Owner contributions	2,000,000	3.2	495.1		0.0	498.3
Closing balance as of 31 December 2020	35,888,528	57.4	1,372.9	-1.4	1,781.0	3,209.8

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 31 DECEMBER 2020

INVESTMENT PROPERTIES

At the end of the period, the value of investment properties totaled SEK 6,853.5 million (4,396.7), distributed over completed investment properties of SEK 5,067.2 million (3,606.9), undeveloped land and building rights of SEK 707.7 million (335.1), site leases of SEK 18.0 million (7.0) and construction in progress of SEK 1,060.6 million (447.7). During the period, SEK 855.1 million (505.6) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 1,034.5 million (557.7). No significant divestments were conducted during the period.

<i>Investment properties (SEK m)</i>	2020 Jan–Dec	2019 Jan–Dec
Opening carrying amount	4,396.7	3,018.1
+ Acquisitions	1,034.5	557.7
+ New construction	824.1	499.7
+ Extensions and rebuilds	31.0	5.9
– Divestments	–1.0	–2.3
– Reclassification as business property	0.0	–9.3
– Other reclassifications	–9.7	–12.9
+/- Unrealized changes in value	577.8	339.8
of which, completed investment properties	168.6	140.7
of which, undeveloped land and building rights	1.3	12.7
of which, construction in progress	407.9	186.4
Closing carrying amount	6,853.5	4,396.7
of which, completed investment properties	5,067.2	3,606.9
of which, undeveloped land and building rights	707.7	335.1
of which, site leaseholds	18.0	7.0
of which, construction in progress	1,060.6	447.7

On submission of this Year-end Report, information has been obtained from independent valuation experts, among others, to confirm the positions adopted by the company regarding fair value as of 31 December 2020. There is no information to indicate that these positions 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 507.6 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 3,209.8 million (2,238.5), corresponding to SEK 89.44 per share (66.05). The increase was explained by profit for the period of SEK 473.1 million (365.3) and the new share 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 3,661.2 million (2,540.2), corresponding to SEK 102.02 per share (74.96). The long-term net asset value per share increased by 36 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 3,848.4 million (2,644.3), of which SEK 847.8 million (363.1) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 3,145.1 million (2,331.9), construction credits of SEK 681.2 million (303.2), leasing liabilities of SEK 22.2 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 46.7 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 4,820.6 million (3,239.7), of which SEK 3,145.1 million (2,331.9) related to the financing of completed investment properties, of which SEK 781.1 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 1,585.5 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 681.2 million (303.2) and SEK 0.0 million (0.0) respectively. On 31 December 2020, the Group's total contracted and unutilized credit facilities amounted to SEK 90 million (90), excluding construction credits.

As per 31 December 2020, the average credit term for the Group's interest-bearing liabilities, relating to completed investment properties and operational premises was 2.6 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. Nominally, the swap portfolio totaled SEK 1,907.0 million (1,207.0) at the end of the period. At the end of the period, the fair value of the interest derivative portfolio was SEK -30.5 million (-12.8). The average interest period on the Group's interest-bearing liabilities related to investment and business properties was 3.8 years (3.3), and the average interest rate was

	2020 Jan–Dec		2019 Jan–Dec	
<i>Net asset value (SEK m)</i>	SEK m	SEK/share	SEK m	SEK/share
Equity according to the Balance Sheet	3,209.8	89.44	2,238.5	66.05
Reversal				
Derivatives according to the Balance Sheet	27.2	0.76	12.8	0.38
Deferred tax liability according to the Balance Sheet	451.2	12.57	310.3	9.16
Deduction				
Deferred tax assets according to the Balance Sheet	27.0	0.75	21.4	0.63
Long-term net asset value (NAV)	3,661.2	102.02	2,540.2	74.96

**Credit and interest maturity structure, 31 December 2020
(excl. construction credits and overdraft facilities)**

Term	Interest maturity		Credit maturity	
	Amount	Average interest	Credit agreements	Utilized
0–1 years	1,245.1	1.41%	781.1	781.1
1–2 years	100.0	1.97%	216.0	216.0
2–3 years	100.0	2.16%	1,414.8	1,414.8
3–4 years	300.0	1.80%	458.3	458.3
4–5 years	200.0	2.11%	0.0	0.0
> 5 years	1,200.0	1.94%	275.0	275.0
Total	3,145.1	1.77%	3,145.1	3,145.1

Maturity structure derivatives (SEK m)

Maturity interest rate derivatives	Interest rate derivatives	Forward-starting interest rate derivatives	Interest	Value
0–1 years	7.0	0.0	2.01%	-0.1
1–2 years	100.0	0.0	0.50%	-1.0
2–3 years	100.0	0.0	0.69%	-1.9
3–4 years	300.0	0.0	0.33%	-3.1
4–5 years	200.0	0.0	0.64%	-5.1
> 5 years	1,200.0	0.0	0.47%	-19.2
Total	1,907.0	0.0		-30.5

1.77 percent (1.90), including the effects of interest rate derivatives, and 1.41 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 39 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).

K-Fastigheter's financing as of 31 December 2020 was exclusively comprised of borrowing from Nordic banks. Prior to the submission of this Year-end Report, due to the COVID-19 pandemic K-Fastigheter has continuously gathered information from its banks to confirm the positions adopted as of 31 December 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 (0.1), which were attributable to low-value leases. The Group has no short-term leases or variable leasing fees.

Right-of-use assets

(SEK m)	Site leaseholds		IT equipment		Leasing Total liabilities	
	leasholds	Vehicles	equipment			
As of 1 Jan 2020	7.3	4.3	0.6	12.2	12.2	
Additional agreements	0.0	2.0	0.1	2.1	2.1	
Amortization and depreciation	0.0	-1.0	-0.2	-1.2	0.0	
Terminated agreements	0.0	-1.5	0.0	-1.5	-1.5	
Revaluations of agreements	10.7	0.0	0.0	10.7	10.7	
Interest costs	0.0	0.0	0.0	0.0	0.5	
Leasing fees	0.0	0.0	0.0	0.0	-1.7	
As of 31 Dec 2020	18.0	3.8	0.4	22.2	22.2	

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–Dec 2020 Income Statement (SEK m)	Property Management	Project Development	Construction	Other	Group
Rental income	203.9	0.0	0.0	0.0	203.9
Other operating income	0.6	0.0	449.2	-438.6	11.2
Operating costs	-67.4	0.0	-441.2	438.6	-69.9
Gross profit	137.0	0.0	8.1	0.0	145.1
Central administration costs	-11.2	-11.2	-11.2	0.0	-33.6
Depreciation/amortization and impairment	-2.8	-2.8	-2.8	0.0	-8.5
Profit from participations in associated companies*	0.0	0.0	0.0	2.6	2.6
Net interest income	-47.7	0.0	0.0	0.0	-47.7
Profit before value changes	75.3	-14.0	-5.9	2.6	57.9
Value change, properties	169.9	407.9	0.0	0.0	577.8
Changes in value of derivatives and other	-14.4	0.0	0.0	-9.8	-24.2
Profit before tax	230.7	393.9	-5.9	-7.2	611.4
Tax	-35.0	-84.0	0.0	-17.9	-136.9
Profit for the period	195.7	309.9	-5.9	-25.1	474.5

31 December 2020 Balance Sheet (SEK m)	Property Management	Project Development	Construction	Other	Group
Non-current assets	5,855.8	1,060.6	20.5	38.1	6,975.0
Current assets	74.1	0.0	1.7	608.7	684.6
Total assets	5,929.9	1,060.6	22.3	646.8	7,659.6
Non-current liabilities	2,781.8	681.2	1.8	23.2	3,487.9
Current liabilities	882.8	0.0	54.4	25.0	962.2
Total liabilities	3,664.7	681.2	56.1	48.2	4,450.2

Jan–Dec 2019 Income Statement (SEK m)	Property Management	Project Development	Construction	Other	Group
Rental income	156.8	0.0	0.0	0.0	156.8
Other operating income	0.0	0.0	303.8	-273.3	30.5
Operating costs	-49.5	0.0	-300.1	273.3	-76.3
Gross profit	107.3	0.0	3.7	0.0	111.0
Central administration costs	-14.0	-14.0	-14.0	0.0	-42.1
Depreciation/amortization and impairment	-5.1	-5.1	-5.1	0.0	-15.2
Profit from participations in associated companies*	0.0	0.0	0.0	61.0	61.0
Net interest income	-35.3	0.0	0.0	0.0	-35.3
Profit before value changes	52.9	-19.1	-15.4	61.0	79.3
Value change, properties	153.4	186.4	0.0	0.0	339.8
Changes in value of derivatives and other	-6.6	0.0	0.0	19.3	12.7
Profit before tax	199.7	167.3	-15.4	80.3	431.8
Tax	-31.6	-38.4	0.0	3.5	-66.5
Profit for the period	168.1	128.9	-15.4	83.7	365.3

31 December 2019 Balance Sheet (SEK m)	Property Management	Project Development	Construction	Other	Group
Non-current assets	4,001.6	447.7	17.3	29.3	4,495.9
Current assets	53.0	0.0	13.8	811.1	877.9
Total assets	4,054.6	447.7	31.0	840.5	5,373.7
Non-current liabilities	2,280.8	303.2	8.5	29.9	2,622.4
Current liabilities	421.7	0.0	63.5	27.7	512.9
Total liabilities	2,702.5	303.2	72.0	57.6	3,135.3

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

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

<i>Consolidated Cash Flow Statement (SEK m)</i>	2020 <i>Oct–Dec</i>	2019 <i>Oct–Dec</i>	2020 <i>Jan–Dec</i>	2019 <i>Jan–Dec</i>
Operating activities				
Gross profit adjusted for central administration, depreciation/amortization and impairment	24.2	3.5	103.0	53.7
Adjustment for items not affecting cash flow	-1.2	12.9	1.6	15.2
Dividend received	3.7	0.0	3.7	37.1
Net interest income	-11.7	-10.2	-47.7	-35.3
Tax paid	3.5	4.9	-5.2	-1.2
Cash flow from operating activities before changes in working capital	18.6	11.1	55.4	69.4
Change in operating receivables	-48.7	1.2	-89.8	-47.5
Change in operating liabilities	-1.9	22.8	-29.9	27.6
Cash flow from operating activities	-32.1	35.0	-64.4	49.5
Investing activities				
Investments in associated and jointly controlled companies	-7.7	0.0	-11.7	-0.1
Property investments	-270.8	-211.1	-1,037.4	-450.9
Investments in machinery and equipment	1.4	-4.0	-6.2	-6.7
Investments in construction in progress	-246.5	-146.0	-831.3	-513.6
Divestments of current investments	0.0	0.0	0.0	110.9
Investments in other financial non-current assets	0.7	-0.1	-2.3	-5.4
Divestments of properties	0.0	2.3	0.5	2.3
Cash flow from investing activities	-522.8	-359.0	-1,888.4	-863.5
Financing activities				
Borrowings	312.3	168.8	1,233.3	689.2
Loan amortizations	-8.6	-10.9	-48.7	-41.1
Capital contributions	0.0	874.2	498.3	892.1
Cash flow from financing activities	303.7	1,032.1	1,682.9	1,540.3
Cash flow for the period	-251.3	708.2	-269.9	726.3
Translation differences in cash and cash equivalents	-1.4	0.0	-1.4	0.0
Opening cash and cash equivalents	760.3	71.0	779.0	52.7
Closing cash and cash equivalents	507.6	779.0	507.6	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 m)	2020 Jan-Dec	2019 Jan-Dec
Operating income		
Net sales	0.0	0.3
Total operating income	0.0	0.3
Operating costs		
Other external costs	-17.3	-31.8
Personnel costs	-16.1	-11.7
Amortization and depreciation	-0.2	-0.1
Total operating costs	-33.5	-43.6
Gross profit	-33.5	-43.3
Profit from financial items		
Profit from participations in Group, associated and jointly controlled companies	3.6	124.0
Net financial items	-24.7	-12.2
Profit after financial items	-54.6	68.5
Appropriations	43.4	26.8
Profit before tax	-11.2	95.3
Tax on profit for the period	2.2	12.4
Comprehensive income for the period	-9.0	107.6

PARENT COMPANY BALANCE SHEET

Assets (SEK m)	2020 31 Dec	2019 31 Dec
Tangible non-current assets		
Equipment	0.3	0.5
Total tangible non-current assets	0.3	0.5
Financial non-current assets		
Participations in Group companies	883.2	626.4
Receivables from Group companies	867.5	865.4
Participations in associated companies	0.1	0.1
Deferred tax receivables	15.8	13.6
Total financial non-current assets	1,766.6	1,505.5
Total non-current assets	1,766.9	1,506.0
Current assets		
Receivables from Group companies	649.0	173.5
Receivables from associated companies	10.7	16.6
Current tax receivables	0.8	0.8
Other current receivables	115.6	22.5
Cash and cash equivalents	482.0	771.2
Total current assets	1,258.1	984.7
Total assets	3,025.0	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 -33.5 million (-43.3). For the corresponding period 2019, the Parent Company costs included SEK 13.3 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 -11.2 million (95.3) 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 value changes on derivatives totaling SEK -14.5 (-6.7) and exchange rate effects related to the Group's Danish assets of SEK -9.8 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 31 December 2020, Parent Company assets and liabilities consisted primarily of shares, receivables and liabilities relating to Group companies, and cash and cash equivalents. As of 31 December 2020, equity was SEK 1,539.8 million (1,050.6), affected by the new share 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 482.0 million (771.2).

Equity and liabilities (SEK m)	2020 31 Dec	2019 31 Dec
Equity		
Restricted equity	57.4	54.2
Unrestricted equity	1,482.4	996.4
Total equity	1,539.8	1,050.6
Non-current liabilities		
Long-term interest-bearing liabilities	849.6	867.5
Derivative instruments	27.0	12.5
Other provisions and non-current liabilities	6.4	12.8
Total non-current liabilities	883.1	892.8
Current liabilities		
Current interest-bearing liabilities	17.9	17.9
Accounts payable	1.5	2.4
Liabilities to Group companies	571.7	514.1
Other current liabilities	6.9	6.9
Accrued costs and prepaid income	4.2	6.0
Total current liabilities	602.1	547.3
Total liabilities	1,485.2	1,440.1
Total equity and liabilities	3,025.0	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 increased 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.

<i>Sensitivity analysis (SEK m)</i>	<i>Cash flow</i>	<i>Fair value</i>
Direct return requirement +/- 0.1%	-	140.5
Rental value +/- 1%	2.4	58.5
Operating and maintenance costs +/- 1%	0.4	9.8
Long-term vacancy ratio +/- 1%	2.4	58.5
<i>Change in value of completed investment properties</i>	-10%	+10%
Property value, SEK million	-577.5	577.5
Loan-to-value ratio	60%	49%

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 31 December 2020, these external target figures had been met.

<i>Financial targets</i>	<i>Financial targets</i>	<i>Financial covenants</i>	<i>Outcome 31 Dec 2020</i>
Loan-to-value ratio, %	max. 70%	max. 70.75%	46.7 %
Equity/assets ratio, %	min. 25%	min. 25%	41.9 %
Interest coverage ratio, multiple	min. multiple of 1.75	min. multiple of 1.50	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 Year-end 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 86 percent of contractual rental income deriving from housing and with commercial income being spread between a large number of individual contracts.

As of 31 December 2020, K-Fastigheter had a stable financial position (equity/assets ratio of 41.9 percent and a loan-to-value ratio of 46.7 percent) and favorable liquidity with available cash and cash equivalents of SEK 600 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 property stocks and a project portfolio totaling more than 7,500 apartments (2,237 in management, 1,311 in construction, about 3,880 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

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 in 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. From the second quarter 2021, K-Fastigheter will be installing photovoltaic cells on all new build Lateral Low-Rise buildings and Apartment Blocks.

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 60 wholly-owned subsidiaries and five associated company groups. The number of employees amounted to 76 (68), of whom 21 were women (19) and 55 were men (49).

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" program, 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 company's purchasing organization.

The concept is cost-efficient and appreciated by tenants. The quality enhancements help reduce property management costs and increase the useful life of buildings, 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 was achieved by keeping the renovation costs at an average of approximately SEK 4,920 per square meter. The implementation of standard increases within K-Fast 2.0 entails, in addition to reduced operating costs, an annual rent increase of approximately SEK 323 per square meter, which means that the capital invested in K-Fast 2.0 has an average direct return of approximately 6.6 percent.

On 31 December 2020, the Group owned some 535 older apartments, which are added to the ongoing efforts to raise standards. Of these, 84 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 Managers report to the CEO, and are part of Group management.

Group-wide functions also encompass accounting and finance, IT, IR/communications and HR. 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 production facilities in Hässleholm and Osby.

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 and Parent Company 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 measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, 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 K-Fast Holding AB's 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 31 December 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 0.2 million (0.2).
- Agreement between Jacob Karlsson AB and K-Fast Bygg Holding AB relating to the purchase of financial services (book keeping, preparing financial statements, tax returns etc.). Total invoicing in 2020: SEK 0.2 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 (2.5).
- 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 3.5 million (4.3).
- Consultancy agreement between circle360 communication AB (Anders Antonsson) and K-Fast Holding AB relating to IR consultancy. From June 2020, Anders Antonsson is employed by K-Fast Holding AB, and the consultancy agreement has been terminated. Total purchases 2020: SEK 1.0 million (1.8).
- 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 13.7 million (31.2).

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 Year-end report on Friday, 26 February 2021, at 8:30 a.m. CET.

The presentation materials (slides + audio) will be available at www.k-fastigheter.com/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.com/en.

SIGNATURES

This Year-end report has not been subject to review by the company's auditors. The Board of Directors and the CEO provide their assurance that the Year-end 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, 26 February 2021

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

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 31 December 2020, K-Fastigheter's market capitalization was SEK 8,568.1 million. At the end of the quarter, there were approximately 3,600 shareholders.

On 31 December 2020, there were a total 35,888,528 shares in K-Fast Holding distributed between 3,750,000 Class A shares and 32,138,528 Class B shares respectively. The total number of votes on 31 December 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 – 31 December 2020, approximately 5.8 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged

23,094 shares and the average price paid was SEK 221.22. 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 December 2020, the share price was SEK 266.60 (last paid). Market value of all shares in the company, based on the last price paid for a Class B share on 30 December 2020, amounted to SEK 9,567.9 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 share 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.com/en.

TEN LARGEST SHAREHOLDERS (IN ORDER OF TOTAL VOTING POWER) AS OF 31 DECEMBER 2020

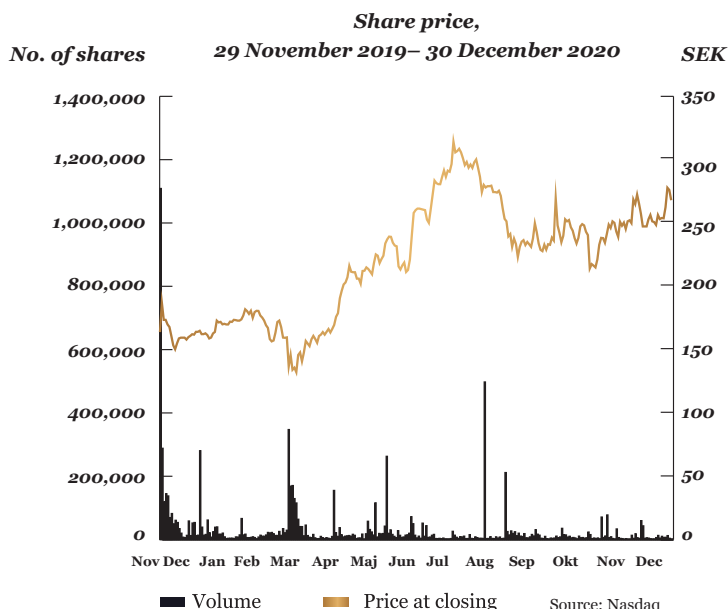
Name	Class A shares*	Class B shares*	Total number of shares	Total number of votes	Percentage of capital	Percentage of votes
Jacob Karlsson AB	1,875,000	10,625,000	12,500,000	20,000,000	34.8%	39.3%
Erik Selin Fastigheter AB	1,875,000	10,625,000	12,500,000	20,000,000	34.8%	39.3%
Capital Group	0	2,154,310	2,154,310	2,154,310	6.0%	4.2%
Länsförsäkringar funds	0	1,758,378	1,758,378	1,758,378	4.9%	3.5%
AP4	0	902,376	902,376	902,376	2.5%	1.8%
Handelsbanken funds	0	734,406	734,406	734,406	2.0%	1.4%
SEB funds	0	660,339	660,339	660,339	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%
Er-Ho Förvaltning AB	0	380,500	380,500	380,500	1.1%	0.7%
Ten largest shareholders	3,750,000	28,750,871	32,500,871	47,500,871	90.6%	93.3%
Other shareholders	0	3,387,657	3,387,657	3,387,657	9.4%	6.7%
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	21,879,097	25,629,097	40,629,097	71.4%	79.8%

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

** Through Mjölbacksvillan Entreprenad Holding AB and Västskustugan AB
There are no potential shares (e.g. Convertibles) in the company.

Source: Euroclear and K-Fast Holding AB

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
As of 30 December 2020	SEK 266.60
Market price 30 December 2020	SEK 9,567.9 M.



CURRENT EARNINGS ABILITY

The table below presents the earning ability of K-Fastigheter's property management operations on a 12-month basis as per 31 December 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 per 31 December 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 31 December 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 the Property Management business area 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.

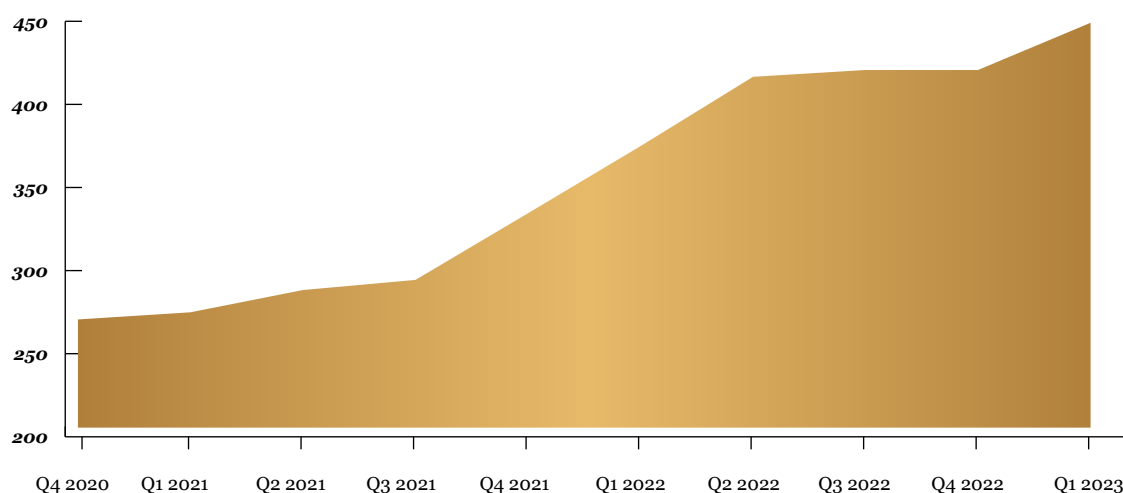
(SEK m)	2020 31 Dec	2020 30 Sep	2020 30 Jun	2020 31 Mar	2019 31 Dec	2019 30 Sep	2019 30 Jun	2019 31 Mar	2018 31 Dec
Rental value	265.1	238.9	218.0	207.9	196.6	177.2	161.9	136.9	133.4
Vacancy	-23.4	-18.2	-10.9	-7.3	-6.1	-4.7	-3.3	-2.9	-0.9
Rental income	241.7	220.6	207.1	200.6	190.5	172.5	158.6	134.0	132.5
Operating costs	-35.6	-31.7	-29.1	-28.0	-27.0	-24.3	-22.5	-20.3	-19.4
Maintenance	-9.0	-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	-3.0	-2.6	-2.1	-1.9	-1.6	-1.6
Property administration	-19.2	-18.2	-18.2	-16.9	-15.0	-14.3	-13.5	-12.8	-12.8
Operating surplus	174.9	159.5	149.2	145.2	138.6	124.9	114.1	93.3	93.0
Central administration	-11.2	-10.5	-11.5	-13.4	-9.6	-7.8	-7.9	-6.1	-4.3
Net interest income	-51.4	-48.5	-45.9	-45.0	-46.9	-38.3	-33.1	-31.4	-29.0
Profit from property management	112.3	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 31 December 2020 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 31 December 2020 at a pace with these properties being completed or handed over.

The information about completed investment 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 m



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.

<i>Property-related</i>	<i>2020 Oct–Dec</i>	<i>2019 Oct–Dec</i>	<i>2020 Jan–Dec</i>	<i>2019 Jan–Dec</i>
Rental value, SEK m	265.1	196.6	265.1	196.6
Average financial letting ratio, %	89.8%	96.3%	92.0%	96.8%
Surplus ratio, %	62.7%	62.8%	67.2%	68.4%
Lettable area, m ²	169,545	130,486	169,545	130,486
Number of apartments under management	2,237	1,711	2,237	1,711
Number of construction starts, apartments	193	129	912	518
Number of apartments under construction	1,311	700	1,311	700
Number of apartments under project development	3,880	1,340	3,880	1,340
<i>Financial</i>				
Interest coverage ratio, multiple	2.7	2.2	2.6	2.6
<i>excl. stock exchange listing costs</i>	2.7	2.4	2.6	2.8
Equity/assets ratio, %	41.9%	41.7%	41.9%	41.7%
Loan-to-value ratio, %	46.7%	40.2%	46.7%	40.2%
Period for which capital is tied up, years	2.6	3.2	2.6	3.2
Period of fixed-interest, years	3.8	3.3	3.8	3.3
Average interest, %	1.77%	1.90%	1.77%	1.90%
Net investments, SEK m	532.8	351.4	1,888.6	1,061.1
Profit from property management, SEK m	19.1	8.6	75.3	52.9
Long-term net asset value (NAV), SEK m	3,661.2	2,540.2	3,661.2	2,540.2
<i>Share-related</i>				
Profit from property management per share, SEK	0.53	0.30	2.18	2.05
Growth in profit from property management per share, %	74.6%	6.6%	6.3%	24.6%
Profit after tax per share for the period, SEK	4.77	5.94	13.72	14.14
Long-term net asset value (NAV), SEK	102.02	74.96	102.02	74.96
Growth in long-term net asset value (NAV), per share, %	6.3%	26.1%	36.1%	54.4%
Equity per share, SEK	89.44	66.05	89.44	66.05
Number of shares outstanding at the end of the period, thousands	35,889	33,889	35,889	33,889
Average number of shares outstanding, thousands	35,889	28,264	34,583	25,830

RECONCILIATION TABLE

PROPERTY-RELATED KEY DATA

	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec	Definition	Motivation
Rental value, SEK m						
A Contract value on an annual basis at end of the period, SEK m	241.7	190.5	241.7	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 m	23.4	6.1	23.4	6.1		
A+B Rental value on an annual basis at end of the period, SEK m	265.1	196.6	265.1	196.6		
Financial letting ratio, %						
A Contract value on an annual basis at end of the period, SEK m	241.7	190.5	241.7	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 m	23.4	6.1	23.4	6.1		
A/(A+B) Financial letting ratio, %	91.2%	96.9%	91.2%	96.9%		
Average financial letting ratio, %						
A Rental income for the period, SEK m	56.2	44.7	203.9	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 m	62.5	46.4	221.7	161.9		
A/B Average financial letting ratio, %	89.8%	96.3%	92.0%	96.8%		
Surplus ratio, %						
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	35.2	28.1	137.0	107.3	Operating surplus in relation to rental income.	This key figure illustrates the profitability of the property management operations.
B Rental income for the period in accordance with the Income Statement, SEK m	56.2	44.7	203.9	156.8		
A/B Surplus ratio during the period, %	62.7%	62.8%	67.2%	68.4%		
Lettable area at the end of the period, m²	169,545	130,486	169,545	130,486	Total area available for lease	Key figure to illustrate K-Fastigheter's capacity to achieve operational targets.
Total number of apartments under management at the end of the period	2,237	1,711	2,237	1,711	Total number of apartments under management at the end of the period.	
Apartments where construction has started in the period	193	129	912	518	Total number of apartments where construction has started in the period	
Number of apartments under construction at the end of the period	1,311	700	1,311	700	Total number of apartments under construction at the end of the period	
Total number of apartments under project development at the end of the period	3,880	1,340	3,880	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 m	19.1	8.6	75.3	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).	This key figure illustrates financial risk by highlighting the sensitivity of the company's performance to interest rate fluctuations.
B Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK m	-1.2	-4.1	-2.8	-5.1		
C Net interest income for the period in accordance with the Income Statement, SEK m	-11.7	-10.2	-47.7	-35.3		
(A-B-C)/-B Interest coverage ratio during the period, multiple	2.7	2.2	2.6	2.6	Interest coverage ratio adjusted for costs attributable to stock exchange listing included in central administration.	
D Costs during the period attributable to stock exchange listing in accordance with the Income Statement, SEK m	0.0	-4.3	0.0	-13.3		
(A-B-C-D)/3/B Adjusted interest coverage ratio during the period, multiple	2.7	2.4	2.6	2.8		
Equity/assets ratio, %						
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	3,209.8	2,238.5	3,209.8	2,238.5	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.
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	7,659.6	5,373.7	7,659.6	5,373.7		
A/B Equity/assets ratio, %	41.9%	41.7%	41.9%	41.7%		
Loan-to-value ratio, %						
A Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m*	3,216.6	2,371.9	3,216.6	2,371.9	Net liabilities related to investment and business properties in relation to the fair value of investment and business properties.	Loan-to-value ratio is used to illustrate K-Fastigheter's financial risk.
B Cash and cash equivalents and net value of current investments at the end of the period in accordance with the Balance Sheet, SEK m	507.6	779.0	507.6	779.0		
C Investment and business properties at the end of the period in accordance with the Balance Sheet, SEK m	5,805.7	3,962.0	5,805.7	3,962.0		
(A-B)/C Loan-to-value ratio at the end of the period, %	46.7%	40.2%	46.7%	40.2%		
Average interest, %						
A Interest expense calculated at annual rate at the close of the period, SEK m	55.7	44.3	55.7	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.	Average interest is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.
B Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	3,145.1	2,331.9	3,145.1	2,331.9		
A/B Average interest rate at the end of the period, %	1.77%	1.90%	1.77%	1.90%		
Net investments, SEK m						
A Acquisitions during the period, SEK m	270.5	204.6	1,034.5	557.7	Total net investments in investment and business properties and new construction projects in progress during the period.	Key figure to illustrate K-Fastigheter's capacity to achieve operational targets.
B New construction projects during the period, SEK m	250.7	144.2	824.1	499.7		
C Extensions and remodelling during the period, SEK m	11.6	4.8	31.0	5.9		
D Sales during the period, SEK m	0.0	-2.3	-1.0	-2.3		
A+B+C+D Net investments during the period, SEK m	532.8	351.4	1,888.6	1,061.1		

*Adjusted for stage 1 of Helsingborg / Nyponrosen 4 (SEK 71.5 million), which, as per 31 December 2020 were not refinanced and were not, accordingly, included in interest-bearing liabilities related to investment and business properties.

	2020 Oct–Dec	2019 Oct–Dec	2020 Jan–Dec	2019 Jan–Dec	Definition	Motivation
Profit from property management, SEK m						
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	35.2	28.1	137.0	107.3	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.	This key figure illustrates the profitability of the property management operations.
B Central administration attributable to property management during the period in accordance with the Income Statement, SEK m	-3.3	-5.2	-11.2	-14.0		
C Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK m	-1.2	-4.1	-2.8	-5.1		
D Net interest income for the period in accordance with the Income Statement, SEK m	-11.7	-10.2	-47.7	-35.3		
A+B+C+D Profit from property management, SEK m	19.1	8.6	75.3	52.9		
Long-term net asset value (NAV), SEK m						
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	3,209.8	2,238.5	3,209.8	2,238.5	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.
B Derivatives at the end of the period in accordance with the Balance Sheet, SEK m	27.2	12.8	27.2	12.8		
C Deferred tax liability at the end of the period in accordance with the Balance Sheet, SEK m	451.2	310.3	451.2	310.3		
D Deferred tax asset at the end of the period in accordance with the Balance Sheet, SEK m	27.0	21.4	27.0	21.4		
A+B+C-D Long-term net asset value (NAV) at the end of the period, SEK m	3,661.2	2,540.2	3,661.2	2,540.2		
Period for which capital is tied up, years	2.6	3.2	2.6	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	3.8	3.3	3.8	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) per share, SEK						
A Long-term net asset value (NAV) at the end of the period in accordance with the Balance Sheet, SEK m	3,661.2	2,540.2	3,661.2	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	33,889	35,889	33,889		
A/B Long-term net asset value (NAV) per share, SEK	102.02	74.96	102.02	74.96		
Growth in long-term net asset value (NAV) per share, %						
A Long-term net asset value (NAV) per share at the end of the period in accordance with the Balance Sheet, SEK m	102.02	74.96	102.02	74.96	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.
B Long-term net asset value (NAV) per share at the end of the preceding period in accordance with the Balance Sheet, SEK m	95.99	59.43	74.96	48.54		
A/B-1 Growth in long-term net asset value (NAV) per share, %	6.3%	26.1%	36.1%	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 m	3,209.8	2,238.5	3,209.8	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	33,889	35,889	33,889		
A/B Equity per share at the end of the period, SEK	89.44	66.05	89.44	66.05		
Profit from property management per share, SEK						
A Profit from property management for the period in accordance with the Income Statement, SEK m	19.1	8.6	75.3	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	35,889	28,264	34,583	25,830		
A/B Profit from property management per share during the period, SEK	0.53	0.30	2.18	2.05		
Growth in profit from property management per share, %						
A Profit from property management during the period per share, SEK	0.53	0.30	2.18	2.05	Percentage change in profit from property management per share during the period.	Used to illustrate growth in K-Fastigheter's profit from property management in a manner that is uniform for listed companies.
B Profit from property management for the preceding period per share, SEK	0.30	0.29	2.05	1.64		
A/B-1 Growth in profit from property management per share during the period, %	74.6%	6.6%	6.3%	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 m	171.1	167.9	474.5	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	35,889	28,264	34,583	25,830		
A/B Profit after tax share for the period, SEK/share	4.77	5.94	13.72	14.14		
Number of shares outstanding at the end of the period, thousands	35,889	33,889	35,889	33,889		
Average number of shares outstanding during the period, thousands	35,889	28,264	34,583	25,830		

Calendar

2020 Annual Report — week comm. 19 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 by 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.

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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 operators 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 a market-leading combination of high standard, home comfort and security.

Based in Hässleholm, Sweden, and with offices in strategically selected locations, K-Fastigheter currently has some 630 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.

This report and other financial information and press releases can be found on the company’s website, k-fastigheter.com/for-investerare.

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 26 February 2021.

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.