

# K-FAST HOLDING AB INTERIM REPORT JANUARY - MARCH 2021

*"The acquisition of Finja Prefab is part of the strategy to secure infrastructure for future expansion and to own the entire production process from idea to finished Home."*



K-FASTIGHETER



*Our construction of 103 Lateral Low-Rise apartments on Smörsloggatan in Gothenburg is starting to take shape. Tenants are scheduled to move in during December 2021.*

## NUMBER OF HOMES UNDER MANAGEMENT

 **2,277** UNITS  
Q1 2021  
 **1,789** UNITS  
Q1 2020

## NUMBER OF HOMES IN PRODUCTION

 **1,567** UNITS  
Q1 2021  
 **963** UNITS  
Q1 2020

## RENTAL INCOME

 **59.5** SEK MILLION  
Q1 2021  
 **47.8** SEK MILLION  
Q1 2020

## INVESTMENT PROPERTIES, VALUE

 **7,426.3** SEK MILLION  
Q1 2021  
 **6,853.5** SEK MILLION  
Q4 2020

## LONG-TERM NET ASSET VALUE

 **3,917.8** SEK MILLION  
Q1 2021  
 **3,661.2** SEK MILLION  
Q4 2020

## PROFIT FROM PROPERTY MANAGEMENT

 **19.5** SEK MILLION  
Q1 2021  
 **15.5** SEK MILLION  
Q1 2020

# THE QUARTER IN BRIEF

## January– March

- The Covid-19 pandemic continued not to significantly affect K-Fastigheter's operations, profit or financial position in the period up until publication of this Interim Report.
- Rental income totaled SEK 59.5 million (47.8) for the period, up 24 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 27 percent to 2,277 (1,789) year-on-year.
- Income from project development and construction operations totaled SEK 371.9 million (90.9), of which SEK 146.9 million (86.4) related to intra-group projects. SEK 225.1 million (4.6) related to external projects, of which Finja Prefab's external income amounted to SEK 224.7 million.
- Consolidated gross profit for the period amounted to SEK 51.6 million (31.3), of which operating surplus attributable to property management was SEK 35.5 million (30.5) and gross profit from project and contracting operations totaled SEK 16.1 million (0.8).
- Profit before value changes in the period amounted to SEK 25.4 million (8.4).
- Profit from property management amounted to SEK 19.6 million (15.5), up 26 percent year-on-year. Profit from property management per share was SEK 0.54 (0.46).
- Unrealized value change for investment properties amounted to SEK 162.9 million (121.4), and to SEK 26.5 million (-13.8) for derivatives and other items. Unrealized value changes on investment properties are divided over SEK 142.2 million (94.5) from construction projects in progress and SEK 20.7 million (26.9) from property management.
- Profit for the period was SEK 168.2 million (92.3), corresponding to SEK 4.69 (2.72) per share.
- At the end of the period, the value of the investment properties amounted to SEK 7,426.3 million (6,853.5), an increase of 8 percent compared to 31 December 2020 and up 47 percent compared to 31 March 2020.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 3,917.8 million (3,661.2), corresponding to SEK 109.17 per share (102.02), an increase of 7 percent compared to 31 December 2020 and up 39 percent on 31 March 2020.

## Significant events in the first quarter

- K-Fastigheter took possession of Finja Prefab AB on 25 January 2021.
- K-Fastigheter's Board decided to increase the operational target for construction start of apartments for Group property management from 1,000 to 1,300 apartments before the end of 2023.
- Finja Prefab AB acquired Kilen Prefab AB with operations and production facilities for prefabricated concrete frames in Strängnäs. The acquisition strengthens the Group's position in the Mälardalen region. The acquired company has sales of some SEK 60 million. The purchase price amounted to SEK 21 million, and K-Fastigheter took possession of the property on 30 April 2021.
- On 3 March 2021, K-Fastigheter and Kilenkrysset AB started a collaboration through a joint company, K-Fast Kilen AB. The focus is on the Mälardalen region, where the partners will construct K-Fastigheter's concept buildings for long-term management of Kilenkrysset's building rights.

The table on page 7 shows completed acquisitions of building rights and investment properties, construction starts and completed projects and renovations carried out under K-Fastigheter's renovation concept K-Fast 2.0 in the first quarter 2021 and up until publication of this report.

## Significant events after the end of the quarter

- K-Fastigheter's Annual Report 2020 was published on 14 April 2021.
- The Notice Convening the Annual General Meeting in K-Fastigheter was published on 21 April 2021. The AGM will be held by postal ballot due to the ongoing Covid-19 pandemic. The full Notice convening the AGM, including registration procedure, proposed agenda and supporting documentation can be found on K-Fastigheter's website.
- K-Fastigheter's Board have proposed that the AGM authorize a 6:1 share split in the second quarter, that no dividend be paid for 2020, and to authorize the Board to decide to effect one or several new issues of a maximum of 24,000,000 new Class B shares. For more information please refer to the Notice convening the AGM.

- On 26 April 2021, K-Fastigheter signed an agreement relating to the acquisition of 25 percent of Mjöbäcks Entreprenad AB. Mjöbäcks produces the well-known single family home Mjöbäcksvillan and constructs proprietary housing projects mainly in western Sweden. The Group has sales of some SEK 475 million with 72 employees and had offices in Mjöbäck. K-Fastigheter will take possession of the shares on 1 August 2021.

Key performance indicators (definitions and information about KPIs can be found at <a href="https://k-fastigheter.com/en/investors/reconciliation-table-and-definitions/">k-fastigheter.com/en/investors/reconciliation-table-and-definitions/</a> )	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Rental income, SEK m	59.5	47.8	203.9
Project and construction income, SEK m	225.1	4.6	10.2
Gross profit, SEK m	51.6	31.3	145.1
Profit from property management, SEK m	19.6	15.5	75.3
Profit for the period, SEK m	168.2	92.3	474.5
Net investments in investment properties, SEK m	414.9	509.2	1,888.6
Investment properties, SEK m	7,426.3	5,039.5	6,853.5
Long-term net asset value (NAV), SEK m	3,917.8	2,668.2	3,661.2
Number of apartments under management	2,277	1,789	2,237
Number of construction starts, apartments	296	263	912
Number of apartments under construction	1,567	963	1,311
Number of apartments under project development	5,281	2,692	3,880
Interest coverage ratio, multiple	2.6	2.4	2.6
Equity/assets ratio, %	37.8%	40.3%	41.9%
Loan-to-value ratio, %	54.8%	48.2%	46.7%
Profit from property management, SEK per share	0.54	0.46	2.18
Growth in profit from property management per share, %	2.3%	50.6%	6.3%
Long-term net asset value (NAV), SEK per share	109.17	78.74	102.02
Growth in long-term net asset value (NAV), per share, %	7.0%	5.0%	36.1%
Earnings per share, SEK*	4.69	2.72	13.72
Number of shares outstanding at the end of the period, thousands	35,889	33,889	35,889
Average number of shares outstanding during the period, thousands	35,889	33,889	34,583

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

## A MESSAGE FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

### NEW BUSINESS AREA AND RAPID PROGRESS TOWARDS NEW OPERATIONAL TARGET

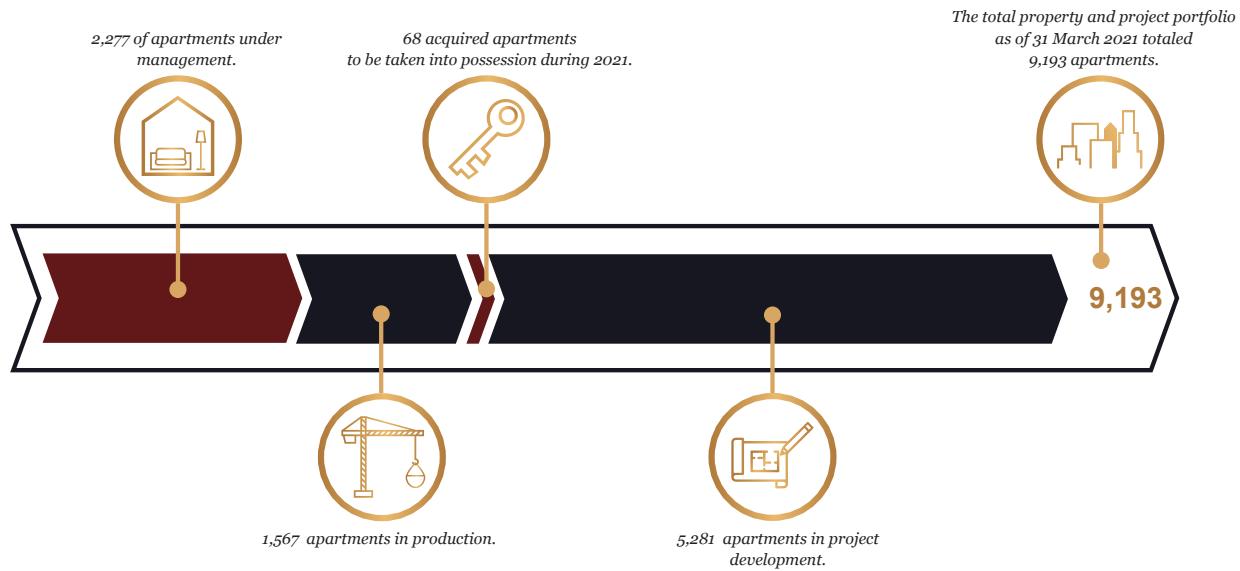
**We started the year by maintaining the high pace and are optimistic that the worst socioeconomic consequences of the pandemic will soon be behind us. In the first quarter, we welcomed our new colleagues in Finja Prefab to the family, which constitutes a significant part of the new Prefab business area. Throughout K-Fastigheter's history I have consistently said that K-Fastigheter is so much more than a traditional property company. We are now resting on a stable foundation of four cornerstones that each generate positive cash flow and profit, and that together create a unique business model and add value to the Group. As Kaj Grönvall, CEO of Finja Prefab, put it so well: "We own the process from plot to finished home". It is not until you own the entire process that financial and environmental**

**sustainability can be secured throughout the chain. We are moving into 2021 with a good gut feeling, and are rapidly moving towards our new target of 1,300 construction starts annually before the end of 2023, which feels realistic and within reach. We will reach the previous target of 1,000 construction starts by the end of 2023 in the current financial year.**

In the first three months of the year, net asset value per share grew by 7 percent. Rental income and profit from property management increased by 24 percent and 26 percent respectively year-on-year. In addition, letting in the Folkparken project in Växjö gathered pace, where we had previously reported high initial vacancies on completion. It now appears that the vacancies will be filled just after the end of the first half-year, provided the current net letting rate is maintained. The financial letting ratio at the end of the quarter was 93 percent, against 91 percent at year end. The market value of our total property portfolio increased by 47 percent year-on-year, and the number of apartments under management increased by 27 percent.

At first glance, the composition of the property portfolio could suggest that the proportion of commercial space has increased, which would be misleading. Because of the good supply of building rights over the coming years, and in accordance with our previously communicated strategy, we have chosen to acquire more building rights without detailed development plans with the intention of producing customized plans for our concept buildings. Because we do not want to tie up capital in an asset class that does not generate positive cash flow, we have increasingly acquired development properties that generate cash flow during the planning approval process, where the long-term aim is to demolish the buildings and develop building rights for housing and construct rental apartments.

In the Project Development and Construction business areas, we started construction of 296 apartments in the period, with 1,567 apartments in production at the end of the period with a future rental value of SEK 202 million and a market value in excess of SEK 4,300 million. The high volume of properties, which are being 



constructed at a total acquisition cost in relation to market value of 72 percent, generates positive unrealized values because 80 percent of the difference is recognized gradually in relation to costs paid. The 1,567 apartments in ongoing production create entirely different development prospects than we have been used to in previous financial years. There were 963 apartments in ongoing production in the corresponding quarter 2020, an increase of 63 percent.

The Project Development and Construction business areas are well coordinated, Project Development is producing a steady stream of building rights with planning permission that ensures continuous growth in the Construction business area, which is managed in a structured and controlled manner from Copenhagen in the south to Gävle in the north. The first quarter 2021 was the Project Development and Construction business areas' single most profitable quarter to date. In the quarter, we also started construction of our second internal project in the Copenhagen region, 148 Lateral Low-Rise apartments in Greve.

The high pace continued for building rights, where our total portfolio of building rights where construction has not yet started totaled 5,281 apartments at the end of the period, and where we acquired building rights with a gross total area of just over 32,000 sqm GFA Järfälla Barkarbystaden, after the end of the quarter. We will gain preliminary access in December this year, which sharpens our focus on region East with the spotlight on Mälardalen.

The Interim Report includes our Prefab business area for the first time. Prefab is starting the new year with orders that ensure employment at 2019 levels, before the outbreak of the pandemic. The acquisition of Prefab is part of the strategy to secure infrastructure for future expansion and to own the entire production process from idea to finished Home. During a normal year like the current one, Prefab delivers some 2,000 apartments to external customers. The business area is now significantly expanding production. In addition to external

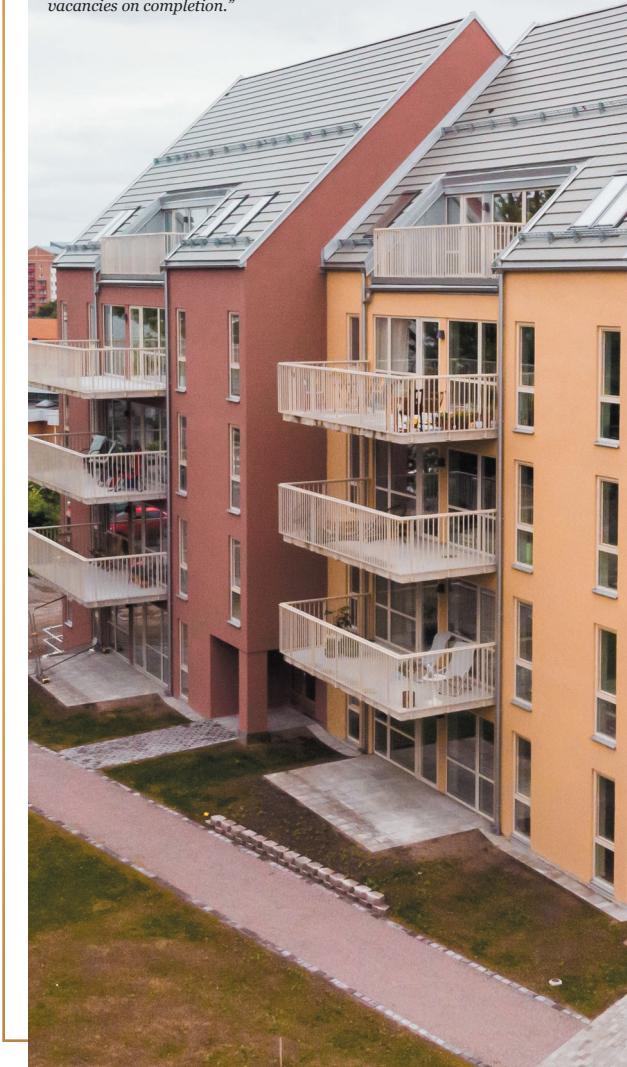
market deliveries, the aim is to also deliver our internal volumes, which would imply growth of over 50 percent. As part of our strategy of increasing capacity, we took possession of Kilen Prefab in Strängnäs after the end of the quarter. The process of integrating K-Fastigheter's factories for lightweight external wall units in Prefab's operations is also underway. In future, we will be able to deliver heavy concrete frames, lightweight wood frames and a hybrid of heavy concrete with lightweight external wall units in wood. This is the perfect mix for the construction of all K-Fastigheter's concept buildings.

Prefab is rapidly progressing towards becoming a complete market-leading supplier of construction frames. K-Fastigheter already has 463 internal concept apartments in Prefab's production and order books, including our two Danish projects. It is particularly pleasing that we also satisfy the Danish requirements for concrete frames, which differ from the Swedish to some extent. Given the full order books, 2021 has come off to a good start.

To conclude, after the end of the quarter we signed an agreement relating to the acquisition of 25 percent of Mjöbäcks Entreprenad Aktiebolag, a very well run company which we have considered family for some time, particularly given its relatively large holding of K-Fast shares. Mjöbäck started operations in the early 1970s and constructs just over 300 housing units annually in single the form of family houses and tenant-owner apartments, corresponding to a total of some 35,000 square meters of residential floor space each year. In addition to being a good investment in a great company, I am convinced that we will generate multiple synergies, particularly through acquisitions and development of major land parcels with mixed title formats. ■

**- Jacob Karlsson, May 2021**

*"Letting has gathered pace in the Folkparken project in Växjö, where we initially reported high vacancies on completion."*



## NEW BUSINESS AREA FROM 1 JANUARY 2021

K-Fast Holding AB took possession of the acquisition of Finja Prefab AB on 25 January 2021. The company is consolidated in the K-Fastigheter Group since 1 January 2021, and has been reported as a separate business area, Prefab, from the same date. Prefab is a complete frame provider that builds and develops tomorrow's sustainable apartment blocks, offices, public buildings and industrial and agricultural buildings based on its prefabricated concrete frames.

As part of K-Fastigheter, Prefab can strengthen its 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. Prefab supplies customized frames with a completion rate that varies according to customer needs. Prefab's main customers are comprised of construction companies, including Skanska Sverige AB, IKANO Bostadsproduktion AB and ER-HO Bygg AB.

Prefab's strength as a complete frame provider is that we assume responsibility for the entire process, from sales, project management, construction/development to production and assembly with proprietary resources. Committed and competent employees are one of the business area's key assets.

Prefab's focus on environmentally sustainable concrete elements have gained market recognition and operations are ISO 14001 certified. The road map towards offering climate-positive concrete frames involves analysis of the environmental impact, introducing measures to reduce the company's environmental impact, and carry out climate offset where the measures introduced are insufficient to ensure climate positive operations.

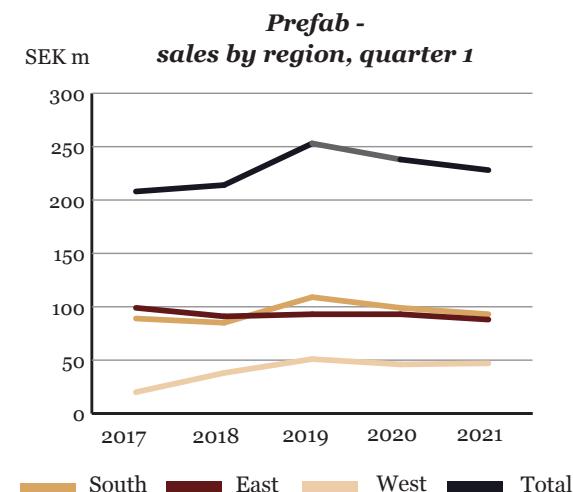
The company continuously works to reduce its climate footprint. Climate measures introduced to date include changes to manufacturing processes and review of components and raw



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

materials used in products and recycled steel is now used in reinforcement bars. In addition, the company has introduced changes to the composition of its concrete and reviewed its supplier, which has resulted in some changes. The long-term sustainability work continues, with the aim of continuous improvement and reducing the climate impact.

The business area is a nationwide operator with eight production facilities around Sweden. Operations are organized in three regions: South, West and East, with proprietary sales organizations, production facilities and assembly teams which ensures that locally produced products can be delivered in each region.



# PROPERTY PORTFOLIO AND VALUATION

## Property portfolio

On 31 March 2021, the Group's property portfolio comprised 83 completed investment properties<sup>1</sup> distributed over a total of 143,963 square meters of residential and 42,013 square meters of commercial space. In addition, the Group had 22 ongoing construction projects, distributed over 102,866 square meters of residential and 196 square meters of commercial space. Furthermore, K-Fastigheter has 26 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 9 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 78 percent of properties were constructed after 2010. Newsec assesses that all are located in category A or B positions in the communities where the Group operates. As of 31 March 2021, the contractual rent amounted to SEK 258.2 million, with an estimated operating surplus of SEK 186.4 million, corresponding to a surplus ratio of 72 percent. For newly produced concept buildings, the surplus ratio is some 81 percent, and approximately 60 percent for other properties in the portfolio. Of the contractual rent, 84 percent pertains to housing or related rentals (such as parking) divided between the 2,277 apartments under property management at the end of the quarter. Contractual rent from commercial tenants is distributed over some 175 commercial contracts, with the largest tenant comprising approximately 3 percent of total contractual rental income and the 10 largest commercial tenants comprising approximately 7 percent of total contractual rental income.

In recent quarters, K-Fastigheter has acquired four development properties, comprising commercial properties with mixed occupancy rates at the time of acquisition. The aim is to develop residential building rights in these properties and to partly or wholly demolish the commercial premises on construction of the building rights. These properties and similar future acquisitions will be categorized as development properties in future.

From 2021, K-Fastigheter's management operations are divided into three regions: South, West and East. Of the property holding, 98 percent of property values are located in region South, encompassing Skåne and southern Småland. Region West currently encompasses the west coast and the Västra Götaland region. Region East includes the Mälardalen region and Nyköping and Gävle.

## Valuation

Each quarter, K-Fastigheter conducts an external or internal valuation of all completed investment properties and properties in construction. The valuation forms the basis for fair value recognized in the Consolidated Statement of Financial Position and the value change is recognized in the Consolidated Income Statement. All investment properties have been assessed as level 3 in the value hierarchy in accordance with IFRS 13 Fair Value Measurement.

At the end of the period, the value of investment properties totaled SEK 7,426.3 million (6,853.5), distributed over completed investment properties of SEK 5,278.0 million (5,067.2), undeveloped land and building rights of SEK 719.1 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,411.1 million (1,060.6). During the period, SEK 286.6 million (154.2) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 128.6 million (355.0). No significant divestments (0.0) were conducted during the period.

Unrealized value change in investment properties for the period was SEK 162.9 million (121.6), distributed over SEK 20.7 million (27.1) for properties under management and SEK 142.2 million (94.5) for construction projects in progress.

Of unrealized value changes for new construction in progress, properties completed during the period accounted for SEK 0.1 million (0.0). The remaining SEK 142.1 million (94.5) was attributable to properties under construction at the end of the

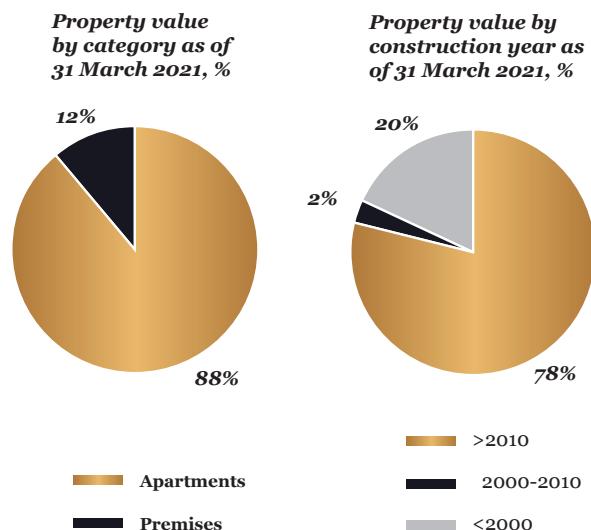
Property-related key performance indicators	2021 31 Mar	2020 31 Mar	2020 31 Dec
<b>Opening carrying amount, investment properties<sup>1</sup></b>	<b>6,853.5</b>	<b>4,396.7</b>	<b>4,396.7</b>
+Acquisitions	128.6	355.0	1,034.5
+ New construction	277.5	148.7	824.1
+ Extensions and rebuilds	9.1	5.4	31.0
- Divestments	-0.3	0.0	-1.0
- Other reclassifications and obsolescence	-5.1	12.0	-9.7
Unrealized value changes	162.9	121.6	577.8
<i>of which, completed investment properties</i>	33.7	26.9	168.6
<i>of which, undeveloped land and building rights</i>	-13.0	0.2	1.3
<i>of which, ongoing construction</i>	142.2	94.5	407.9
<b>Closing carrying amount, investment properties</b>	<b>7,426.3</b>	<b>5,039.5</b>	<b>6,853.5</b>
<i>of which, completed investment properties</i>	5,278.0	3,841.7	5,067.2
<i>of which, undeveloped land</i>	719.1	412.0	707.7
<i>of which, site leaseholds</i>	18.0	19.2	18.0
<i>of which, construction in progress</i>	1,411.1	766.5	1,060.6
Rental value, SEK million	278.0	207.9	265.1
Rental income at end of year, SEK/m <sup>2</sup>	1,389	1,463	1,426
Direct property costs, SEK/m <sup>2</sup>	386	404	394
Operating surplus, SEK/m <sup>2</sup>	1,003	1,059	1,032
Financial letting ratio at end of year	92.9%	96.5%	91.2%
Average financial letting ratio over period	89.4%	94.0%	92.0%
Surplus ratio over year	59.7%	63.7%	67.2%
Lettable area, m <sup>2</sup>	185,976	137,161	169,545
Number of homes under management	2,277	1,789	2,237
Direct return on completed investment properties	4.05%	4.23%	4.08%
Direct return requirement, construction in progress	3.95%	4.03%	3.96%
Direct return requirement, all valued properties	4.00%	4.16%	4.03%
<i>of which housing</i>	3.89%	4.00%	3.92%
<i>of which premises</i>	4.83%	5.00%	5.02%

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

period. At the end of the period the direct return requirement in the valuation of new construction in progress amounted to 3.95 percent (4.03). On completion, the estimated market value of the new construction projects in progress amounts to SEK 4,322.7 million (3,592.7).

At the end of the quarter, the average direct return requirement for properties under management amounted to 4.05 percent (4.23) and for the full property portfolio, including undeveloped land, building rights and ongoing construction, the average direct return was 4.00 percent (4.16). The fact that the average direct return requirement decreased in the quarter, 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.

For further information on K-Fastigheter's valuation principles, see the 2020 Annual Report (Valuation section or Note 17 Investment properties).



#### Acquired investment and development properties

Property	Municipality	Transfer date	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Skjutsstallslyckan 21	Malmö	Mar 2021	-	1,859	2.0	26.0
Kvarnhög 19	Malmö	Mar 2021	-	1,338	1.0	12.5
Getången 22	Borås	Mar 2021	-	8,178	5.2	47.0

#### Acquired building rights

Property	Municipality	Construction scheduled to commence	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Skjutsstallslyckan 21	Malmö	2026	247	13,600	28.6	26.0
Kvarnhög 19	Malmö	2026	50	4,300	8.0	12.5
Getången 22	Borås	2026-	465	25,575	48.6	47.0
Sätra 108:20*	Gävle	2022-	700	40,800	71.4	122.0
Veddesta 2:65*	Järfälla	2022-	423	23,270	52.4	259.0

#### Projects where construction has commenced

Property	Municipality	Expected completion	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)
Kedjan 1	Älmhult	May-Sep 2022	56	3,286	5.9
Fredriksskans 2:79	Gävle	Jun-Oct 2022	92	5,966	10.9
Kildebrönde By 17b	Greve (DK)	Jun-Nov 2023	148	10,588	24.6

#### Project completions

Property	Municipality	Move in	Number of apartments	Area (m <sup>2</sup> )	Rental value (SEK m)
Björksäter 5	Hässleholm	Feb 2021	40	2,776	4.3
<b>K-Fast 2.0</b>					<b>Q1 2021</b>
Number of apartments renovated					9
Increase in rental value (SEK m)					0.2

\*Property not yet transferred.

#### Important information regarding tables on page 7 and 8

Information 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 of construction projects and project development in progress on this page and the next are based on assessments 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.

**Investment properties**

Per building category	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Letting ratio		Contractual rent		Property costs		Operating surplus	
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	%	SEK m	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>
Concept buildings	1,408	87,389	531	87,920	3,296.4	37,493	153.4	1,745	96.2%	147.5	18.2	206	129.4	1,471		
Other	869	56,574	41,482	98,056	1,981.6	20,209	124.6	1,271	88.8%	110.7	33.1	338	77.6	792		
<b>Total excluding development properties</b>	<b>2,277</b>	<b>143,963</b>	<b>28,638</b>	<b>172,601</b>	<b>5,195.0</b>	<b>30,098</b>	<b>269.0</b>	<b>1,559</b>	<b>93.5%</b>	<b>251.6</b>	<b>48.4</b>	<b>281</b>	<b>203.2</b>	<b>1,177</b>		
Development properties	0	0	13,375	13,375	83.0	6,206	9.0	672	74.0%	6.7	2.8	212	3.8	286		
<b>Total including development properties</b>	<b>2,277</b>	<b>143,963</b>	<b>42,013</b>	<b>185,976</b>	<b>5,278.0</b>	<b>28,380</b>	<b>278.0</b>	<b>1,495</b>	<b>92.9%</b>	<b>258.2</b>	<b>51.3</b>	<b>276</b>	<b>207.0</b>	<b>1,113</b>		

**Per geographical region**

South	2,263	142,973	31,015	173,988	5,173.9	29,737	269.0	1,546	92.9%	250.1	48.7	280	201.4	1,157
West	14	990	10,178	11,168	88.1	7,889	7.7	688	89.5%	6.9	2.2	193	4.7	423
East	0	0	820	820	16.0	19,512	1.3	1,569	100.0%	1.3	0.4	500	0.9	1,069
<b>Total</b>	<b>2,277</b>	<b>143,963</b>	<b>42,013</b>	<b>185,976</b>	<b>5,278.0</b>	<b>28,380</b>	<b>278.0</b>	<b>1,495</b>	<b>92.9%</b>	<b>258.2</b>	<b>51.3</b>	<b>276</b>	<b>207.0</b>	<b>1,113</b>

Property administration

20.5 110

Operating surplus incl. property administration

186.4 1,003

**Construction projects in progress**

Per building category	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>1</sup>			
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount	
Concept buildings	1,507	98,990	196	99,186	4,175.7	42,100	195.1	1,967		3,045.7	1,373.2	1,824.8
Other	60	3,876	0	3,876	147.0	37,926	7.0	1,806		130.2	1.4	5.0
<b>Total</b>	<b>1,567</b>	<b>102,866</b>	<b>196</b>	<b>103,062</b>	<b>4,322.7</b>	<b>41,943</b>	<b>202.1</b>	<b>1,961</b>		<b>3,175.9</b>	<b>1,374.7</b>	<b>1,829.8</b>

**Per geographical region**

South	777	50,477	0	50,477	1,952.4	38,679	90.5	1,792		1,458.0	779.0	989.2
West	295	16,931	196	17,127	911.0	53,191	39.2	2,289		612.9	298.4	454.2
East	252	17,123	0	17,123	643.0	37,552	30.1	1,755		501.8	83.4	107.4
Denmark	243	18,335	0	18,335	816.3	44,520	42.4	2,312		603.1	213.9	279.0
<b>Total</b>	<b>1,567</b>	<b>102,866</b>	<b>196</b>	<b>103,062</b>	<b>4,322.7</b>	<b>41,943</b>	<b>202.1</b>	<b>1,961</b>		<b>3,175.9</b>	<b>1,374.7</b>	<b>1,829.8</b>

**Project development in progress**

Per building category	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>1</sup>			
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount	
Concept buildings	5,238	309,367	0	309,367	13,077.6	42,272	579.4	1,873		6,781.7	244.1	253.5
Other	43	4,324	3,632	7,956	209.9	26,377	9.1	1,144		63.9	21.4	21.4
<b>Total</b>	<b>5,281</b>	<b>313,691</b>	<b>3,632</b>	<b>317,323</b>	<b>13,287.5</b>	<b>41,874</b>	<b>588.5</b>	<b>1,855</b>		<b>6,845.6</b>	<b>265.5</b>	<b>274.9</b>

**Per geographical region**

South	2,473	146,125	2,487	148,612	5,979.1	40,233	267.0	1,797		3,037.8	161.4	161.4
West	1,440	87,775	0	87,775	3,654.4	41,634	164.8	1,877		2,547.6	50.0	59.4
East	1,368	79,791	1,145	80,936	3,654.0	45,147	156.7	1,937		1,260.2	54.1	54.1
<b>Total</b>	<b>5,281</b>	<b>313,691</b>	<b>3,632</b>	<b>317,323</b>	<b>13,287.5</b>	<b>41,874</b>	<b>588.5</b>	<b>1,855</b>		<b>6,845.6</b>	<b>265.5</b>	<b>274.9</b>

**Summary**

	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Carrying amount		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>		SEK m	
Completed investment properties	2,277	143,963	42,013	185,976	5,278.0	28,380	278.0	1,495			5,278.0
Construction projects in progress	1,567	102,866	196	103,062	4,322.7	41,943	202.1	1,961			1,829.8
Project development in progress	5,281	313,691	3,632	317,323	13,287.5	41,874	588.5	1,855			274.9
New construction projects other											22.8
Undeveloped land											2.9
Acquired but not yet possessed	68	6,782	0	6,782	269.7	39,761	14.1	2,075			0.0
Site leaseholds											18.0
<b>Total</b>	<b>9,193</b>	<b>567,302</b>	<b>45,841</b>	<b>613,143</b>	<b>23,157.8</b>	<b>37,769</b>	<b>1,082.8</b>	<b>1,766</b>			<b>7,426.3</b>

<sup>1</sup>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 548.9 million in the value of investment properties.

## CURRENT EARNINGS ABILITY

The table below presents the earnings ability of K-Fastigheter's property management operations on a 12-month basis as per 31 March 2021. 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 future rent trends, vacancy rates, property costs, interest rates, value changes, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 31 March 2021 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 March 2021 have therefore not been included in the calculation.

The Income Statement for the management operations is also affected by developments of 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.

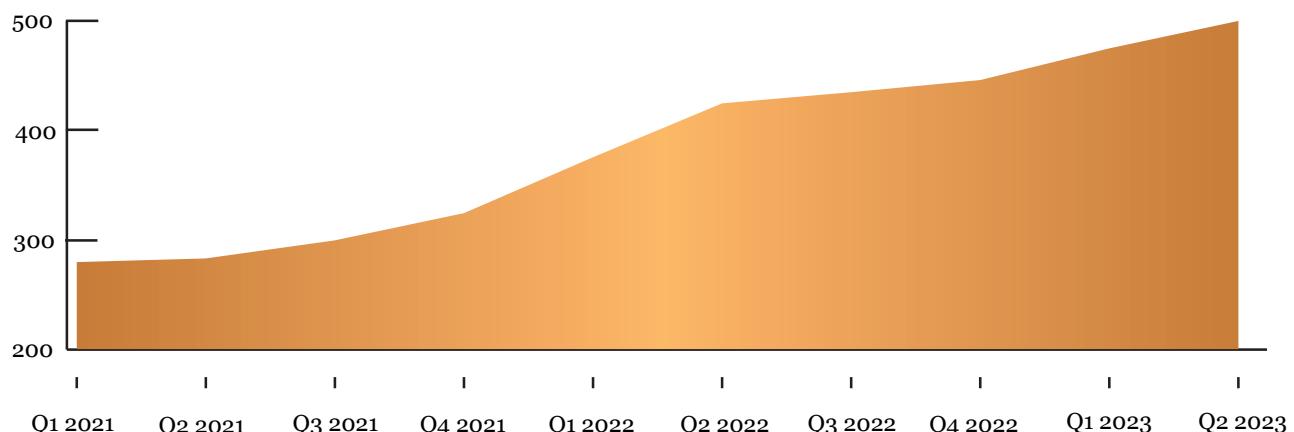
Earnings ability is based on contract rental income from the property portfolio, estimated property costs on an annual basis based on historical outcomes for properties under management, as well as property costs and central administration costs relating to the Property Management business area estimated 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	2021 31 Mar	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	278.0	265.1	196.6	133.4
Vacancy	-19.8	-23.4	-6.1	-0.9
Rental income	258.2	241.7	190.5	132.5
Operating costs	-37.9	-35.6	-27.0	-19.4
Maintenance	-9.9	-9.0	-7.3	-5.6
Property tax/ground rent	-3.5	-3.0	-2.6	-1.6
Property administration	-20.5	-19.2	-15.0	-12.8
Operating surplus	186.4	174.9	138.6	93.0
Central administration	-8.4	-11.2	-9.6	-4.3
Net interest income	-54.1	-51.4	-46.9	-29.0
Profit from property management	123.9	112.3	82.1	59.7

### Expected rental trend

The diagram illustrates current rental values for completed investment properties as of 31 March 2021 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 31 March 2021 at a pace with these properties being completed or handed over. The information about completed properties, construction projects in progress and acquired but not yet handed over investment properties includes estimates and judgments. Rental value refers to contractual rent plus estimated rent for vacancies and discounts recalculated at an annualized rate. The assessments and assumptions involve uncertainties and the disclosures should not be viewed as a forecast.

SEK million



# FINANCING

## Liabilities and derivatives portfolio

At the end of the period, K-Fastigheter financed its assets exclusively through bilateral loans with Nordic banks. At the end of the period, consolidated interest-bearing liabilities amounted to SEK 4,593.4 million (3,848.3), of which SEK 1,000.0 million (847.8) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 3,357.6 million (3,145.1), construction credits of SEK 733.1 million (681.2), leasing liabilities of SEK 27.8 million (22.2), operating and acquisition credits of SEK 225.0 million (0.0) and a promissory note relating to the acquisition of Finja Prefab of SEK 250 m (0.0). The loan-to-value ratio for the Group's completed investment and business properties amounted to 54.8 percent (46.7).

At the end of the period, the Group had contracted credit agreements of SEK 5,616.9 million (4,820.6), of which SEK 3,357.6 million (3,145.1) related to the financing of completed investment properties, of which SEK 859.4 million (781.1) mature for renegotiation within the next 12 months. Beyond the financing of completed investment properties, contracted credit agreements comprise building credits of SEK 1,619.3 million (1,585.5) and operating and acquisition credits of SEK 640.0 million (90.0), of which SEK 450 million relates to acquisition financing of Finja Prefab. Utilization of construction credits and operating and acquisition credits at year end was as follows: SEK 733.1 million (681.2) and SEK 225.0 million (0.0), of which SEK 225.0 million relates to the acquisition of Finja Prefab.

As of 31 March 2021, the average credit term for the Group's interest bearing liabilities, relating to completed investment properties and operational premises was 2.6 years (2.6).

K-Fastigheter currently works exclusively with variable interest rate loans. Interest rate derivatives, primarily interest rate swaps, are used to adjust the period of fixed interest. The swap portfolio had a total nominal value of SEK 2,307.0 million (1,907.0) at the end of the period, of which SEK 300.0 million comprises swaps with a future start date. At the end of the period, the fair value of the interest derivative portfolio was SEK -2.0 million (-30.5). The average interest period for the Group's interest-bearing liabilities related to investment and business properties was 4.2 years (3.8), and the average interest rate was 1.69 percent (1.77), including the effects of interest rate derivatives, and 1.40 percent (1.41) 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 44 percent (39) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 15.8 million (12.4). All the above KPIs for interest rate risk, with the exception of the average interest period, have been calculated excluding swaps with a future start date.

K-Fastigheter's financing as of 31 March 2021 was exclusively comprised of borrowing from Nordic banks. As a result of the Covid-19 pandemic, K-Fastigheter continuously gathers information from its collaboration banks to corroborate the decisions made as of 31 March 2021. The Group considers that there is continued strong support from its partner banks and assesses that capital supply remains good.

Otherwise, with regard to financing and financial risk, please refer to the Annual Report 2020 (Financing section or Note 22 Financial risks and finance policy).

Financial targets	Financial targets	Financial covenants	Actual 31 Mar 2021
Loan-to-value ratio, %	max. 70%	max. 70-75%	54.8 %
Equity/assets ratio, %	min. 25%	min. 25%	37.8 %
Interest coverage ratio, multiple	min. multiple of 1.75	min. multiple of 1.50	multiple of 2.6

## Credit and interest maturity structure, 31 March 2021 (excl. construction credits and operating credits)

Term	Interest maturity		Credit maturity		Derivatives maturity			
	Amount, SEK million	Average interest, %	Credit agreements, SEK million	Utilized, SEK million	Interest-rate derivatives	Forward-starting interest rate derivatives	Interest, %	Value, SEK million
0– 1 years	1,282.6	1.40%	859.4	859.4	7.0	0.0	2.01%	-0.1
1– 2 years	100.0	1.93%	182.3	182.3	100.0	0.0	0.50%	-0.8
2– 3 years	100.0	2.12%	1,556.1	1,556.1	100.0	0.0	0.69%	-1.6
3– 4 years	300.0	1.76%	455.9	455.9	300.0	0.0	0.33%	-2.1
4– 5 years	200.0	2.07%	747.3	522.3	200.0	0.0	0.64%	-3.6
> 5 years	1,600.0	1.96%	6.7	6.7	1,300.0	300.0	0.53%	6.2
<b>Total</b>	<b>3,582.6</b>	<b>1.69%</b>	<b>3,807.6</b>	<b>3,582.6</b>	<b>2,007.0</b>	<b>300.0</b>		<b>-2.0</b>

# COMPREHENSIVE INCOME JANUARY – MARCH 2021

The following profit and cash flow items relate to the period 1 January - 31 March 2021. 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, project and construction operations has been 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.

## Income

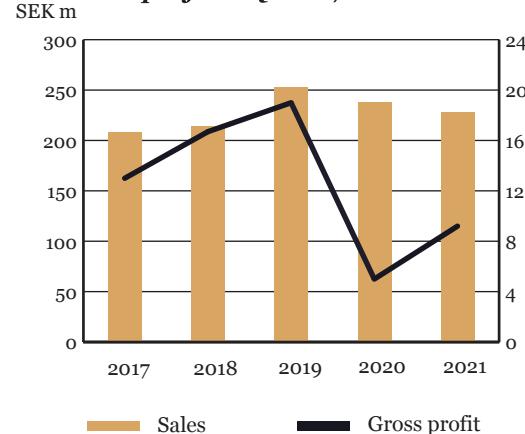
For the first quarter 2021, comprehensive income amounted to SEK 278.2 million (52.6). Rental income amounted to SEK 59.5 million (47.8) in the period, which is an increase of 24 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 27 percent to 2,277 (1,789). The financial letting ratio gradually improved in the period, mainly due to the successful measures in the Folkparken project in Växjö. At the end of the period, the financial letting ratio was 92.9 percent (96.5) compared to 91.2 percent at the end of 2020. Excluding the Folkparken project, the occupancy rate was 97.0 percent.

Income from project and construction operations for the period amounted to SEK 371.9 million (90.9), of which SEK 146.9 million (86.4) related to construction for Group companies that has been capitalized for the Group's own purposes. SEK 225.1 million (4.6) related to assignments for external orders, of which Prefab's income comprised SEK 224.7 million. The change compared to the corresponding period in the previous year was mainly due to the acquisition of Finja Prefab, which affected external sales, and higher activity in the construction of apartments for proprietary management, which affects construction of Group companies. At the end of the period, production of apartments for property management was 1,567 apartments (963), representing an

increase of 63 percent and 20 percent respectively compared to the corresponding period in the previous year and at the end of the financial year 2020.

Prefab's income was affected by the ongoing Covid-19 pandemic in 2020, mainly through production shortfalls in production facilities as a result of high sickness absences, and cautious order intake in the first half of the year mainly in the Mälardalen region. Orders in the second half of 2020 and first quarter of 2021 increased to pre-pandemic levels and continued relatively high sickness absences has been well managed, which means that income in Prefab gradually returned to pre-pandemic levels. For the first quarter 2021, total income amounted to SEK 229.3 million (238.0), of which SEK 15.2 million (0.0) relates to intra-Group sales. The first quarter is normally Prefab's weakest quarter due to seasonal affects and relatively few working days.

## Prefab sales and gross profit in Q1 2017-2021



## Operating costs

Property management costs totaled SEK 24.6 million (17.3) for the period, corresponding to an increase of 42 percent year-on-year. Operating surplus amounted to SEK 35.5 million (30.5). The increase was primarily due to more properties under management. The surplus ratio for the period amounted to 59.7 percent (63.7), and was affected by a seasonally weaker first quarter and a relatively lower occupancy rate year-on-year. Operating costs for management operations normally vary according to a seasonal pattern, where costs are higher in the first and fourth quarters compared to the rest of the year.

Costs relating to the project and construction operations comprise direct project-related costs and fixed costs for the construction and Prefab organization. The part of operations involving external construction and production 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. Gross profit in the period for the Construction business area was SEK 7.1 million (0.8) and SEK 9.2 million (5.0) for Prefab.

## Central administration costs, depreciation/amortization and impairment

Central administration, which includes Group-wide management, project development, IR/communications, Legal, HR, IT and finance, amounted to SEK 8.4 million (10.0) for the period. The decrease was primarily due to the first quarter 2020 being affected by costs associated with the IPO in 2019.

Depreciation/amortization and impairment for the period amounted to SEK 5.4 million (1.2), of which SEK 5.0 million was attributable to Prefab's operations. Total depreciation/amortization in the period totaled SEK 5.8 M (0.8). Impairment for the period amounted to SEK 0.4 M (-0.4) and relates to obsolescence of construction components in connection with the Group's K-Fast

2.0 renovation program of SEK 0.2 M (0.4) and reversals of previous impairment of receivables of SEK +0.6 million (0.0).

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

Profit from participations in Group and associated companies amounted to SEK 3.4 million (-0.5) and was primarily positively affected by profit in associated company Jägersro Företagscentrum, which completed its project in Malmö in the period.

### ***Net interest income***

Net interest income for the period was SEK -15.9 million (-11.2). At the end of the period, the average interest rate was 1.69 percent (1.95), including the effects of interest rate derivatives. Interest expenses in the period compared to the equivalent period in the previous year, were negatively affected by increased interest-bearing liabilities relating to acquisition of investment properties and new construction, and positively impacted by relatively lower base rates. Credit margins continued to decrease in the period. The interest coverage ratio for the period amounted to a multiple of 2.6 (2.4).

### ***Profit from property management***

Profit from property management in the period amounted to SEK 19.5 million (15.5), up 26 percent year-on-year. Profit from property management per share amounted to SEK 0.54 (0.46), an increase of 2 percent and 19 percent respectively compared to the previous period and year-on-year, respectively.

### ***Value changes***

Unrealized value changes in investment properties for the period were SEK 162.9 million (121.4), distributed over SEK 20.7 million (26.9) for properties under management and SEK 142.2 million (94.5) for construction projects in progress. The increase was mainly due to increased activity in project development and construction of apartments for property management. For more information, see Property portfolio and Valuation.

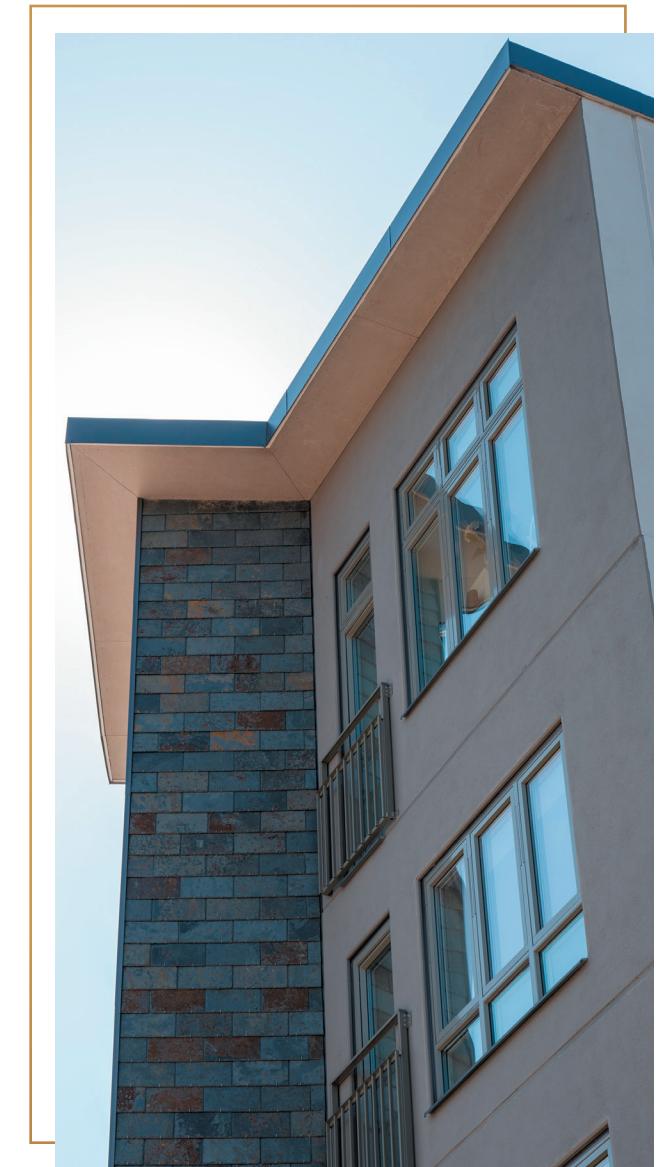
Changes in the values of derivatives and other items amounted to SEK 26.5 million (-13.8) for the period. The trend in the period was primarily caused by higher market rates, which had a positive impact on the market value of the Group's interest rate derivatives. The fair value of the Group's derivatives was SEK -0.7 million (-26.6) 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 period amounted to SEK 0.4 million (0.6). Deferred tax amounted to SEK 46.2 million (23.1), affected by unrealized value changes for properties totaling SEK 162.9 million (121.4). Tax has been calculated at 20.6 percent on current taxable profit.

### ***Profit, comprehensive income and other comprehensive income for the period***

Profit for the period was SEK 168.2 million (92.3), corresponding to SEK 4.69 (2.72) per share. Comprehensive income for the period totaled SEK 171.9 M (92.3). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 3.7 million (0.0) in the period. The full amount relates to items that can be reversed in a later period.



## FINANCIAL POSITION AS PER 31 MARCH 2021

### **Goodwill**

Goodwill, which amounted to SEK 484.3 million (0.0) at the end of the period, exclusively comprises goodwill arising from the acquisition of Finja Prefab. K-Fastigheter has provided information relating to the calculation of goodwill in the Annual Report for 2020 (Note 40). The calculation remains preliminary, no new information has emerged since publication of the Annual Report.

### **Investment properties**

At the end of the period, the value of investment properties totaled SEK 7,426.3 million (6,853.5), distributed over completed investment properties of SEK 5,278.0 million (5,067.2), undeveloped land and building rights of SEK 719.1 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,411.1 million (1,060.6). For more information, see Property portfolio and Valuation.

### **Business properties and equipment**

The value of business properties and equipment amounted to SEK 400.0 million (30.9) at the end of the period and SEK 133.6 million (18.5) respectively, and the increase is mainly associated with the acquisition of Finja Prefab, whose properties are classified as business properties and which were valued at SEK 370.2 million at the time of acquisition.

### **Working capital**

Working capital increased significantly in connection with the acquisition of Finja Prefab and affects current assets and liabilities due to the nature of operations with the need for inventories, significant external sales and purchasing (accounts receivable and accounts payable) and increased personnel intensity.

### **Cash and cash equivalents**

At the end of the period, cash and cash equivalents amounted to SEK 76.3 million (507.6). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 415.0 million (90.0). The

decrease was mainly due to acquisitions in the period, where the acquisition of Finja Prefab was the most significant.

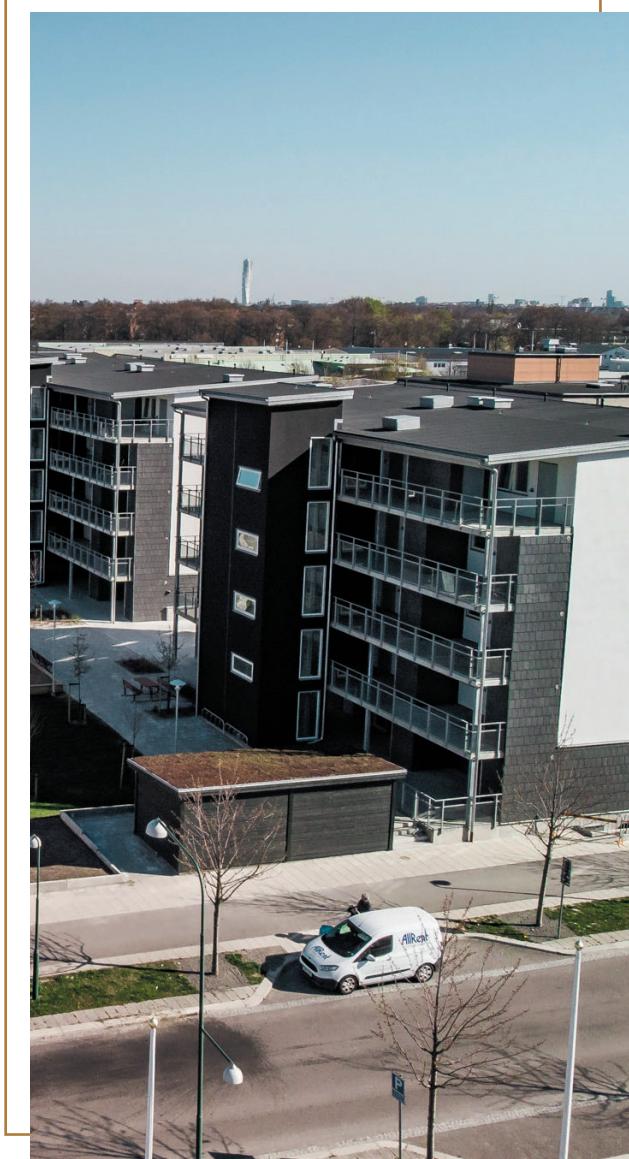
### **Equity and Net Asset Value**

At the end of the period, consolidated equity attributable to the Parent Company's shareholders amounted to SEK 3,381.7 million (3,209.8), corresponding to SEK 94.23 per share (89.44). The increase is explained by the comprehensive income for the period of SEK 171.9 million (92.3). At the end of the period, the Group's equity/asset ratio was 37.8 percent (41.9).

At the end of the period, the long-term net asset value (NAV) amounted to SEK 3,917.8 million (3,661.2), corresponding to SEK 109.17 per share (102.02), which is an increase of 7 percent compared with 31 December 2020.

### **Interest-bearing liabilities and interest rate derivatives**

At the end of the period, consolidated interest-bearing liabilities amounted to SEK 4,593.4 million (3,848.4), of which SEK 1,000.0 million (847.8) was classified as current interest-bearing liabilities. The loan-to-value ratio for the Group's completed investment and business properties amounted to 54.8 percent (46.7). The increase in interest-bearing liabilities was mainly due to financing of ongoing construction, acquisitions in the period and reduced net cash in connection with the acquisition of Finja Prefab. For more information, see Financing.



# COMPREHENSIVE INCOME

## Summary consolidated statement of comprehensive income

SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Apr – 2021 Mar	2020 Jan-Dec
Rental income	59.5	47.8	215.6	203.9
Project and construction income	225.1	4.6	230.7	10.2
Other operating income	2.0	0.2	2.8	1.0
<b>Total income</b>	<b>286.5</b>	<b>52.6</b>	<b>449.0</b>	<b>215.1</b>
Operating costs	-13.3	-9.0	-37.4	-33.1
Maintenance	-2.9	-1.9	-11.6	-10.6
Property tax	-1.6	-1.0	-5.2	-4.5
Property administration	-6.8	-5.5	-20.5	-19.2
Property management costs	-24.6	-17.3	-74.6	-67.4
Project and contracting costs	-210.3	-3.9	-208.9	-2.5
<b>Gross profit</b>	<b>51.6</b>	<b>31.3</b>	<b>165.5</b>	<b>145.1</b>
of which, gross profit from property management (operating surplus)	35.5	30.5	142.1	137.0
of which, gross profit from project and contracting operations	16.1	0.8	23.4	8.1
Central administration	-8.4	-10.0	-31.9	-33.6
Depreciation/amortization and impairment	-5.4	-1.2	-12.8	-8.5
Profit from participations in associated and jointly controlled companies	3.4	-0.5	6.5	2.6
Net interest income	-15.9	-11.2	-52.5	-47.7
<b>Profit before value changes</b>	<b>25.4</b>	<b>8.4</b>	<b>74.9</b>	<b>57.9</b>
of which, profit from property management	19.5	15.5	79.3	75.3
Change in value of investment properties	162.9	121.4	619.3	577.8
Changes in value of derivatives and other	26.5	-13.8	16.1	-24.2
<b>Profit before tax</b>	<b>214.8</b>	<b>116.0</b>	<b>710.2</b>	<b>611.4</b>
Tax on profit for the period	-46.6	-23.7	-159.8	-136.9
<b>Profit for the period</b>	<b>168.2</b>	<b>92.3</b>	<b>550.4</b>	<b>474.5</b>
Other comprehensive income	3.7	0.0	2.3	-1.4
<b>Comprehensive income for the period</b>	<b>171.9</b>	<b>92.3</b>	<b>552.7</b>	<b>473.1</b>
<b>Profit after tax per share, SEK/share*</b>	<b>4.69</b>	<b>2.72</b>	<b>15.69</b>	<b>13.72</b>

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

## Segment reporting

2021 Jan- Mar,	Property Management	Project Development	Construction	Prefab	Other/ eliminations	Group
Income	60.1	0.0	147.7	229.3	-150.6	286.5
Expenses	-24.6	0.0	-140.7	-220.2	150.6	-234.9
<b>Gross profit</b>	<b>35.5</b>	<b>0.0</b>	<b>7.0</b>	<b>9.1</b>	<b>0.0</b>	<b>51.6</b>
Central administration costs	-2.1	-2.1	-2.1	-2.1	0.0	-8.4
Depreciation/amortization and impairment	-0.8	0.0	-0.6	-5.0	1.0	-5.4
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	3.4	3.4
Net interest income	-13.1	0.0	0.0	-2.8	0.0	-15.9
<b>Profit before value changes</b>	<b>19.5</b>	<b>-2.1</b>	<b>4.3</b>	<b>-0.8</b>	<b>4.5</b>	<b>25.4</b>
Value change, properties	20.7	142.2	0.0	0.0	0.0	162.9
Changes in value of derivatives and other	26.5	0.0	0.0	0.0	0.0	26.5
<b>Profit before tax</b>	<b>66.7</b>	<b>140.1</b>	<b>4.3</b>	<b>-0.8</b>	<b>4.4</b>	<b>214.8</b>
Tax	-9.7	-29.3	0.0	0.0	-7.6	-46.6
<b>Profit for the period</b>	<b>57.0</b>	<b>110.8</b>	<b>4.3</b>	<b>-0.8</b>	<b>-3.1</b>	<b>168.2</b>
Total assets	6,141.0	1,411.1	22.3	1,240.2	4.1	8,942.6
Total liabilities	3,903.7	733.1	84.7	792.6	46.8	5,560.9

2020 Jan- Mar, SEK m	Property Management	Project Development	Construction	Other/ eliminations	Group
Income	47.8	0.0	91.1	-86.4	52.6
Expenses	-17.3	0.0	-90.3	86.4	-21.3
<b>Gross profit</b>	<b>30.5</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>31.3</b>
Central administration costs	-3.3	-3.3	-3.3	0.0	-10.0
Depreciation/amortization and impairment	-0.4	-0.4	-0.4	0.0	-1.2
Profit from holding in associated companies*	0.0	0.0	0.0	-0.5	-0.5
Net interest income	-11.2	0.0	0.0	0.0	-11.2
<b>Profit before value changes</b>	<b>15.5</b>	<b>-3.7</b>	<b>-2.9</b>	<b>-0.5</b>	<b>8.4</b>
Value change, properties	26.9	94.5	0.0	0.0	121.4
Changes in value of derivatives and other	-13.8	0.0	0.0	0.0	-13.8
<b>Profit before tax</b>	<b>28.7</b>	<b>90.8</b>	<b>-2.9</b>	<b>-0.5</b>	<b>116.0</b>
Tax	-5.5	-19.5	0.0	1.3	-23.7
<b>Profit for the period</b>	<b>23.1</b>	<b>71.3</b>	<b>-2.9</b>	<b>0.8</b>	<b>92.3</b>
Total assets	4,367.6	766.5	29.6	589.7	5,753.3
Total liabilities	2,890.7	425.0	55.1	51.7	3,422.6

\*Profit from participations in associated and jointly controlled companies.

# FINANCIAL POSITION

## Summary consolidated statement of financial position

SEK m	2021 31 Mar	2020 31 Mar	2020 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	484.3	0.0	0.0
Investment properties	7,426.3	5,039.5	6,853.5
Business properties	400.0	19.8	30.9
Equipment	133.6	14.5	18.5
Holdings in associated and jointly controlled companies and other non-current receivables	47.9	44.1	45.1
Deferred tax receivables	21.1	27.0	27.0
<b>Total non-current assets</b>	<b>8,513.2</b>	<b>5,144.9</b>	<b>6,975.0</b>
<b>Current assets</b>			
Inventories	39.1	0.2	0.2
Accounts receivable	118.8	44.9	1.8
Other receivables	195.1	131.1	175.0
Cash and cash equivalents	76.3	460.0	507.6
<b>Total current assets</b>	<b>429.4</b>	<b>636.3</b>	<b>684.6</b>
<b>Total assets</b>	<b>8,942.6</b>	<b>5,781.1</b>	<b>7,659.6</b>

SEK m	2021 31 Mar	2020 31 Mar	2020 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	57.4	54.2	57.4
Unrestricted equity	3,324.3	2,276.5	3,152.4
<b>Total equity</b>	<b>3,381.7</b>	<b>2,330.8</b>	<b>3,209.8</b>
<b>Non-current liabilities</b>			
Deferred tax liability	556.6	337.9	451.2
Long-term interest-bearing liabilities	3,343.4	2,515.5	3,000.6
Derivative instruments	0.7	26.6	27.2
Other provisions and non-current liabilities	269.1	16.5	8.5
<b>Total non-current liabilities</b>	<b>4,169.7</b>	<b>2,896.5</b>	<b>3,487.5</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	1,000.0	410.2	847.8
Accounts payable	160.0	52.5	50.4
Other current liabilities	231.2	91.2	64.1
<b>Total current liabilities</b>	<b>1,391.2</b>	<b>553.9</b>	<b>962.2</b>
<b>Total equity and liabilities</b>	<b>8,942.6</b>	<b>5,781.1</b>	<b>7,659.6</b>

## Consolidated statement of changes in Equity in summary

SEK m	2021 31 Mar	2020 31 Mar	2020 31 Dec
<b>Total Equity at the beginning of the period</b>	3,209.8	2,238.5	2,238.5
New share issue	0.0	0.0	498.3
Profit for the period	168.2	92.3	474.5
Other comprehensive income	3.7	0.0	-1.4
<b>Total Equity at the end of the period*</b>	<b>3,381.7</b>	<b>2,330.8</b>	<b>3,209.8</b>

\*Total equity does not include equity attributable to non-controlling holdings.

# CASH FLOW STATEMENT

## Summary Consolidated Cash Flow Statement

SEK m	2021 31 Mar	2020 31 Mar	2020 31 Dec
<b>Operating activities</b>			
Profit before value changes	25.4	8.9	59.0
Adjustment for items not affecting cash flow	6.1	1.2	1.6
Tax paid	-1.9	-0.6	-5.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>29.5</b>	<b>9.5</b>	<b>55.4</b>
Change in operating receivables	32.2	-77.3	-89.8
Change in operating liabilities	77.3	-6.1	-29.9
<b>Cash flow from operating activities</b>	<b>139.0</b>	<b>-74.0</b>	<b>-64.4</b>
<b>Investing activities</b>			
Investments in associated and jointly controlled companies	-652.8	-1.6	-11.7
Property investments	-131.0	-297.6	-1,037.4
Investments in construction in progress	-269.1	-224.3	-831.3
Investments in machinery and equipment	-6.4	-1.2	-6.2
Divestments of properties	0.3	0.0	0.5
Change in other financial non-current assets	1.3	0.0	-2.3
<b>Cash flow from investing activities</b>	<b>-1,057.5</b>	<b>-524.7</b>	<b>-1,888.4</b>
<b>Financing activities</b>			
Borrowings	527.8	290.8	1,233.3
Loan amortizations	-40.8	-10.9	-48.7
Capital contributions	0.0	0.0	498.3
<b>Cash flow from investing activities</b>	<b>487.0</b>	<b>279.9</b>	<b>1,682.9</b>
<b>Cash flow for the period</b>	<b>-431.8</b>	<b>-318.8</b>	<b>-269.9</b>
Translation differences in cash and cash equivalents	0.2	0.0	-1.4
Opening cash and cash equivalents	507.6	779.0	779.0
<b>Closing cash and cash equivalents</b>	<b>76.3</b>	<b>460.0</b>	<b>507.6</b>
<i>Cash and cash equivalents in the Cash Flow Statement refer in their entirety to cash and bank balances.</i>			

# PARENT COMPANY STATEMENTS

## Parent Company Income Statement in summary

SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
<b>Operating income</b>			
Net sales	0.0	0.0	0.0
Administration costs	-8.7	-9.3	-33.4
Amortization and depreciation	0.0	0.0	-0.2
<b>Gross profit</b>	<b>-8.7</b>	<b>-9.4</b>	<b>-33.5</b>
<b>Profit from financial items</b>			
Profit from participations in associated and jointly controlled companies	0.0	0.0	3.6
Net financial items	30.0	-14.8	-24.7
<b>Profit before appropriations and tax</b>	<b>21.3</b>	<b>-24.1</b>	<b>-54.6</b>
Appropriations	0.0	0.0	43.4
Tax on profit for the period	-5.5	2.8	2.2
<b>Profit for the period</b>	<b>15.9</b>	<b>-21.3</b>	<b>-9.0</b>

## Parent Company Balance Sheet in summary

Assets, SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
<b>Non-current assets</b>			
Tangible non-current assets	0.6	0.4	0.3
Participations in Group companies	957.6	784.5	883.2
Receivables from Group companies	863.1	861.0	867.5
Other financial Non-current assets	10.4	16.5	15.9
<b>Total non-current assets</b>	<b>1,831.6</b>	<b>1,662.4</b>	<b>1,766.9</b>
<b>Current assets</b>			
Receivables from Group companies	1,133.0	302.8	649.0
Receivables from associated companies	5.0	17.1	10.7
Other current receivables	45.3	245.0	116.4
Cash and cash equivalents	42.3	442.0	482.0
<b>Total current assets</b>	<b>1,225.6</b>	<b>1,007.0</b>	<b>1,258.1</b>
<b>Total assets</b>	<b>3,057.2</b>	<b>2,669.4</b>	<b>3,025.0</b>
Equity and liabilities, SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
<b>Equity</b>			
Restricted equity	57.4	54.2	57.4
Unrestricted equity	1,498.3	975.1	1,482.4
<b>Total equity</b>	<b>1,555.7</b>	<b>1,029.3</b>	<b>1,539.8</b>
<b>Non-current liabilities</b>			
Long-term interest-bearing liabilities	845.2	863.1	849.6
Derivative instruments	0.6	26.3	27.0
Other provisions and non-current liabilities	6.3	12.8	6.4
<b>Total non-current liabilities</b>	<b>852.1</b>	<b>902.2</b>	<b>883.1</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	17.9	17.9	17.9
Liabilities to Group companies	619.2	709.1	571.7
Other current liabilities	12.3	11.0	12.5
<b>Total current liabilities</b>	<b>649.4</b>	<b>737.9</b>	<b>602.1</b>
<b>Total equity and liabilities</b>	<b>3,057.2</b>	<b>2,669.4</b>	<b>3,025.0</b>

## KEY PERFORMANCE INDICATORS

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.

Key performance indicators (definitions and information about KPIs can be found at [k-fastigheter.com/for-investerare](http://k-fastigheter.com/for-investerare).

Compared with the 2020 Annual Report, the definitions of the alternative key performance indicators have not changed.

	2021 Jan-Mar	2020 Jan-Mar	April 2020 - March 2021	2020 Jan-Dec
<b>Property-related key performance indicators</b>				
Rental value, SEK m	278.0	207.9	278.0	265.1
Financial letting ratio, %	92.9%	96.5%	92.9%	91.2%
Average financial letting ratio, %	89.4%	94.0%	90.8%	92.0%
Surplus ratio, %	59.7%	63.7%	65.9%	67.2%
Lettable area, m <sup>2</sup>	185,976	137,161	185,976	169,545
Number of apartments under management	2,277	1,789	2,277	2,237
Number of construction starts, apartments	296	263	945	912
Number of apartments under construction	1,567	963	1,567	1,311
Number of apartments under project development	5,281	2,692	5,281	3,880
<b>Financial key performance indicators</b>				
Interest coverage ratio, multiple	2.6	2.4	2.7	2.6
Equity/assets ratio, %	37.8%	40.3%	37.8%	41.9%
Loan-to-value ratio, %	54.8%	48.2%	54.8%	46.7%
Period for which capital is tied up, years	2.6	2.9	2.6	2.6
Period of fixed-interest, years	4.2	3.7	4.2	3.8
Average interest, %	1.69%	1.95%	1.69%	1.77%
Net investments, SEK m	414.9	509.2	1,794.4	1,888.6
Profit from property management, SEK m	19.5	15.5	79.2	75.3
Long-term net asset value (NAV), SEK m	3,917.8	2,668.2	3,917.8	3,661.2
<b>Share-related key performance indicators</b>				
Long-term net asset value (NAV), SEK/share	109.17	78.74	109.17	102.02
<i>Growth in long-term net asset value(NAV), %</i>	7.0%	5.0%	38.7%	36.1%
Equity per share, SEK	94.23	68.78	94.23	89.44
Profit from property management per share, SEK	0.54	0.46	2.26	2.18
<i>Growth in profit from property management per share, %</i>	2.3%	50.6%	9.7%	6.3%
Profit after tax per share, SEK	4.69	2.72	15.69	13.72
Number of shares outstanding at the end of the period, thousands	35,889	33,889	35,889	35,889
Average number of shares outstanding during the period, thousands	35,889	33,889	35,078	34,583

# OTHER INFORMATION

## 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. To limit risk exposure the Group applies internal regulatory frameworks, policies and control systems. K-Fastigheter's significant risks, exposure and management are described in the Annual Report 2020. Where applicable, short-term risks have also been described in the relevant section of the Interim Report.

## Effects of the Covid-19 pandemic

In connection with preparing this Interim Report, the actual impact of the Covid-19 pandemic on K-Fastigheter's operations, profit and financial position remains limited. It is currently uncertain how Covid-19 will affect K-Fastigheter looking ahead, although

Sensitivity analysis (SEK m)	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	131.2
Rental value +/- 1%	2.4	59.0
Operating and maintenance costs +/- 1%	0.4	9.9
Long-term vacancy ratio +/- 1%	2.4	59.0
Change in value of completed investment properties	-10%	+10%
Property value, SEK m	-599.7	599.7
Loan-to-value ratio	66%	54%

the impact is assessed continuously and will be reported in future Interim Reports. New information will be presented in press releases when required.

## 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. The Group's production and market position are strengthened through the acquisition of Finja Prefab, whose offering includes climate neutral concrete frames and assembly. 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.

## Seasonal variations

Property management is associated with certain seasonal variations primarily in tariff-related heating costs. With regard to construction operations, seasonality is mainly associated with weather and holiday periods, which means that the first quarter, the summer months, and December generally return weaker performance than the rest of the year.

## Organization and employees

The Group's Parent Company is K-Fast Holding AB. At the end of the quarter, the Group consisted of 67 wholly-owned subsidiaries and five associated company groups. The number of employees amounted to 640 (69), of which 54 were women (18) and 586 were men (51).

Operations are organized into four business areas: Project Development, Prefab, Construction and Property Management. Business Area Managers report to the CEO and are part of Group management.

There are also Group-wide functions for Accounting and Finance, IT, IR/Communication, Legal and HR. The Group's Heads of

Treasury, Finance, IR/Communications and HR are members of the Group management team.

The head office is located in Hässleholm, Sweden. There are also offices in Malmö, Gothenburg, Stockholm, Helsingborg, Kristianstad and Landskrona, as well as production facilities in Bollebygd, Borensberg, Finja, Hultsfred, Hässleholm, Katrineholm, Osby, Vara and Östra Grevie, and from 30 April 2021, Strängnäs. As of 2020, the Group has operations in Denmark.

## 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 22, Financial risk and finance policies in the 2020 Annual Report.

For complete accounting principles, please refer to K-Fast Holding AB's 2020 Annual Report. No accounting principles have changed from the Annual Report 2020.

## Related-party transactions

The Group's related parties include all Board Members, the CEO and members of management, as well as individuals and companies closely related to them. Related-party transactions totaled SEK 1.3 million (1.3) in the quarter, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 1.2 million (0.9). There were no related party transactions that were not on market terms.

## OTHER INFORMATION

### **Signatures**

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

**Hässleholm, Sweden, 7 May 2021**

**Erik Selin**

Chairman of the Board

**Ulf Johansson**

Board Member

**Christian Karlsson**

Board Member

**Sara Mindus**

Board Member

**Jesper Mårtensson**

Board Member

**Jacob Karlsson**

Board Member and CEO



### **PRESENTATION OF THE INTERIM REPORT**

*K-Fastigheter's President and CEO, Jacob Karlsson, and CFO, Martin Larsson, will comment on the Group's Interim report for the first quarter 2021 on Friday 7 May 2021 at 8.30 a.m. CEST.*

*The presentation materials (slides + audio) will be available at [www.k-fastigheter.com/en/for-investors/presentations](http://www.k-fastigheter.com/en/for-investors/presentations). The presentation will be held in Swedish with presentation materials in Swedish and English.*

*Questions may be addressed in writing to [ir@k-fastigheter.se](mailto:ir@k-fastigheter.se) with answers being compiled on an ongoing basis during the day and being published on, [www.k-fastigheter.com](http://www.k-fastigheter.com).*

### **CALENDAR**

*Annual General Meeting 2021*

*Interim Report Jan-Jun 2021*

*Interim Report Jan-Sep 2021*

*19 May 2021*

*3 August 2021*

*12 November 2021*

This Interim Report has not been subject to review by the company's auditors.

# THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) have traded on Nasdaq Stockholm, Mid Cap, in the Real Estate segment since 29 November 2019. On 31 March 2021, K-Fastigheter's market capitalization was SEK 8,677.4 million. At the end of the quarter, there were approximately 3,600 shareholders.

On 31 March 2021, 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 March 2021 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 April 2020 – 31 March 2021, approximately 4.3 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 17,252 shares and the average price paid was SEK 244.97. The highest price paid in the last twelve month period was SEK 322.00 on 20 July 2020, and the lowest price paid was SEK 152.00 on 3 April 2020. On 31 March 2021, the share price was SEK 270.00 (last paid). Market value of all shares in the company, based on the last price paid for a Class B share on 31 March 2021, amounted to SEK 9,689.9 million.

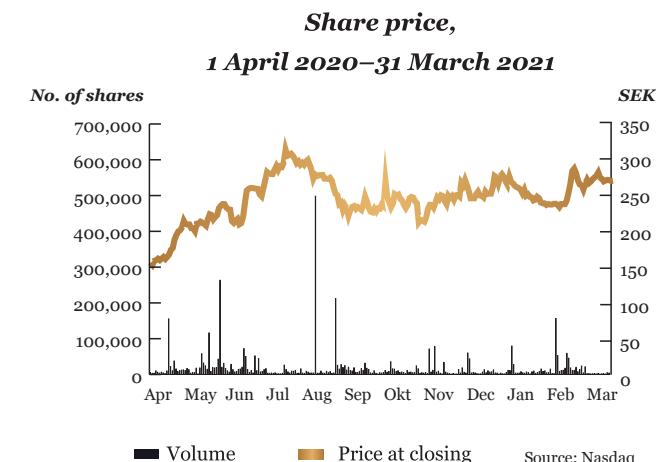
## Share capital

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 quarter. The AGM 2020 also decided to authorize the Board to decide to effect a new issue of up to 4,000,000 new Class B shares on one or several occasions. As of 26 August 2020, 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](http://www.k-fastigheter.com).

Marketplace	Nasdaq Stockholm
Name of share	K-Fast Holding B
Ticker	KFAST B
ISIN code	SE0013382355
Segment	Mid Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	35,888,528
Total number of Class B shares listed on Nasdaq Stockholm	32,138,528
Closing price 31 March 2021	SEK 270.00
Market price * 31 March 2021	SEK 9,689.9 m

\* Market value of all shares in the company, based on the last price paid for a Class B share on 31 March 2021.



## Ten largest shareholders (in order of total voting power) as per 31 March 2021

Name	Number of Class A shares*	Number of Class B shares*	Total number of shares	Percentage of share capital	Percentage of votes
Erik Selin Fastigheter AB	1,875,000	10,625,000	12,500,000	34.8%	39.3%
Jacob Karlsson AB	1,875,000	10,625,000	12,500,000	34.8%	39.3%
Capital Group	0	2,154,310	2,154,310	6.0%	4.2%
Länsförsäkringar funds	0	1,808,378	1,808,378	5.0%	3.6%
AP4	0	902,376	902,376	2.5%	1.8%
SEB funds	0	659,241	659,241	1.8%	1.3%
Handelsbanken funds	0	560,983	560,983	1.6%	1.1%
Nergården families**	0	478,100	478,100	1.3%	0.9%
AP2	0	432,462	432,462	1.2%	0.8%
ER-HO Förvaltning AB	0	380,500	380,500	1.1%	0.7%
<b>Ten largest shareholders</b>	<b>3,750,000</b>	<b>28,626,350</b>	<b>32,376,350</b>	<b>90.2%</b>	<b>93.1%</b>
Other shareholders	0	3,512,178	3,512,178	9.8%	6.9%
<b>Total</b>	<b>3,750,000</b>	<b>32,138,528</b>	<b>35,888,528</b>	<b>100.0%</b>	<b>100.0%</b>
Of whom, Board of Directors and Group Management	3,750,000	21,895,097	25,645,097	71.5%	79.9%

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

\*\* Through Mjöbäcksvillan Entreprenad Holding AB and Västkuststugan AB.

The ownership structure as of per 31 March 2021 is based on data from Euroclear Sweden and K-Fastigheter.

## K-FASTIGHETER'S CONCEPT BUILDINGS



### KRISTIANSTAD

Öllsjö 7:47 –  
12 Low-Rise apartments

#### ***Low-Rise – flexible buildings with a wide range 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

#### ***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.

#### ***Structural details:***

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



### HÄSSLEHOLM

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

#### ***Apartment Block – residential buildings 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. 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.

#### ***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.

# K-FASTIGHETER – MORE THAN A PROPERTY COMPANY

K-Fast Holding AB (publ) (“K-Fastigheter”) is a project development, construction and property company focused primarily on rental housing properties, which, as of 31 March 2021, accounted for 88 percent of the property value of the completed property portfolio and for 84 percent of the contractual rent. As of 31 March 2021, K-Fastigheter's property portfolio encompasses a lettable area of approximately 186,000 square meters distributed between more than 2,277 homes and 175 commercial contracts with an annual rental value of some SEK 258 million. The project portfolio comprises some 6,900 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - March 2021, 70 percent of Group profit after tax was derived from project development and construction, and 30 percent from property management.

## Overarching goals

K-Fastigheter's overarching goal 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.

## 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. 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.

From the second quarter 2021 is K-Fastigheter a member of the Global Compact, the UN's principles for business, governing human rights, working environment, anti-corruption and the environment.

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This report and other financial information and press releases can be found on the company's website, [k-fastigheter.com/for-investerare](http://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. The information was submitted for publication, through the agency of the contact person set out above, 8 a.m. CEST at 7 May 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.



**K-FASTIGHETER**