

# K-FAST HOLDING AB INTERIM REPORT

JANUARY–  
SEPTEMBER

# 2021

*“Profit growth of 125 percent thanks to stronger links throughout the chain.”*



K-FASTIGHETER



The apartments in our newly constructed neighborhood Höfången in Malmö has a view of Kalkbrottet and the Öresund bridge.

## NUMBER OF HOMES UNDER MANAGEMENT



**2,448** UNITS  
Q3 2021

**2,043** UNITS  
Q3 2020

## INVESTMENT PROPERTIES, VALUE



**8,765.6** SEK MILLION  
Q3 2021

**6,853.5** SEK MILLION  
Q4 2020

## NUMBER OF HOMES IN PRODUCTION



**1,634** UNITS  
Q3 2021

**1,284** UNITS  
Q3 2020

## LONG-TERM NET ASSET VALUE



**4,561.8** SEK MILLION  
Q3 2021

**3,661.2** SEK MILLION  
Q4 2020

## RENTAL INCOME



**68.2** SEK MILLION  
Q3 2021

**51.0** SEK MILLION  
Q3 2020

## PROFIT FROM PROPERTY MANAGEMENT



**29.8** SEK MILLION  
Q3 2021

**21.2** SEK MILLION  
Q3 2020

## THE QUARTER AND PERIOD IN BRIEF

### July– September

- The Covid-19 pandemic continued not to significantly affect K-Fastigheter's operations, profit or financial position in the period up until publication of this Interim Report.
- Rental income totaled SEK 68.2 million (51.0) in the quarter, an increase of 34 percent year-on-year.
- Income from project development and construction operations totaled SEK 340.8 million (113.7), of which SEK 137.1 million (112.8) related to intra-group projects.
- Consolidated gross profit for the quarter amounted to SEK 63.3 million (40.3), of which operating surplus attributable to property management was SEK 49.8 million (36.9) and gross profit from project and contracting operations totaled SEK 13.5 million (3.4).
- Profit before value changes amounted to SEK 21.6 million (19.0) in the quarter.
- Profit from property management amounted to SEK 29.8 million (21.2), an increase of 41 percent year-on-year. Profit from property management per share was SEK 0.14 (0.10).
- Unrealized value changes for investment properties amounted to SEK 353.9 million (108.3), and to SEK 18.7 million (-2.4) for derivatives and other items.
- Profit for the quarter was SEK 311.5 million (99.5), corresponding to SEK 1.45 (0.48) per share.

### January-September

- Rental income in the period amounted to SEK 190.7 million (147.7), up 29 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 20 percent to 2,448 (2,043) between the periods.
- Income from project development and construction operations totaled SEK 1,171.9 million (321.3), of which SEK 471.3 million (311.1) related to intra-group projects. SEK 700.5 million (10.2) related to external projects, of which Prefab's external income amounted to SEK 698.5 million.
- Consolidated gross profit for the period amounted to SEK 190.0 million (107.3), of which operating surplus attributable to property management was SEK 127.6 million (101.8) and gross profit from project and contracting operations totaled SEK 62.4 million (5.5).

- Profit before value changes amounted to SEK 75.8 million (46.2) in the period.
- Profit from property management amounted to SEK 74.4 million (56.2), up 32 percent year-on-year. Profit from property management per share was SEK 0.35 (0.27).
- Unrealized value changes for investment properties amounted to SEK 752.0 million (366.1), and to SEK 45.4 million (-32.2) for derivatives and other items. Unrealized value changes in investment properties comprised SEK 445.9 million (306.6) from construction projects in progress and SEK 306.1 million (59.5) from property management.
- Profit for the period was SEK 682.6 million (303.5), corresponding to SEK 3.17 (1.48) per share.
- At the end of the period, the value of investment properties amounted to SEK 8,765.6 million (6,853.5), an increase of 28 percent compared to 31 December 2020 and up 43 percent compared to 30 September 2020.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 4,561.8 million (3,661.2), corresponding to SEK 21.19 per share (17.00), an increase of 25 percent compared to 31 December 2020 and up 32 percent on 30 September 2020.

### Significant events in the third quarter

- On 1 September 2021, K-Fastigheter announced the appointment of Leif Astikainen, Head of K-Fastigheter's HR function, and Martin Johannesson, Head of the Property Management business area, as new members of Group management.

The table on page 6 shows completed acquisitions of building rights and investment properties, construction starts and completed projects and renovations carried out under K-Fastigheter's renovation concept in the third quarter 2021 and up until publication of this report.

### Significant events after the end of the period

- In October, K-Fastigheter signed agreements with concrete suppliers relating to the Group's estimated total production volume in 2022.

Key performance indicators*	2021 Jan–Sep	2020 Jan–Sep	2020 Jan–Dec
Rental income, SEK m	190.7	147.7	203.9
Project and construction income, SEK m	700.5	10.2	10.2
Gross profit, SEK m	190.0	107.3	145.1
Profit from property management, SEK m	74.4	56.2	75.3
Profit for the period, SEK m	682.6	303.5	474.5
Net investments in investment properties, SEK m	1,160.2	1,355.8	1,888.6
Investment properties, SEK m	8,765.6	6,128.2	6,853.5
Long-term net asset value (NAV), SEK m	4,561.8	3,444.8	3,661.2
Number of apartments under management	2,448	2,043	2,237
Number of construction starts, apartments	535	719	912
Number of apartments under construction	1,634	1,284	1,311
Number of apartments under project development	5,723	3,356	3,880
Interest coverage ratio, multiple	2.8	2.6	2.6
Equity/assets ratio, %	36.7%	42.5%	41.9%
Loan-to-value ratio, %	55.1%	42.2%	46.7%
Profit from property management, SEK per share	0.35	0.27	0.36
Growth in profit from property management per share, %	25.9%	-7.0%	6.3%
Long-term net asset value (NAV), SEK per share	21.19	16.00	17.00
Growth in long-term net asset value (NAV), per share, %	24.6%	28.1%	36.1%
Earnings per share, SEK**	3.17	1.48	2.29
Number of shares outstanding at the end of the period, millions***	215.3	215.3	215.3
Average number of shares outstanding during the period, millions***	215.3	204.9	207.5

\* Key performance indicators (definitions and information about KPIs) can be found at: [k-fastigheter.com/en/investors/reconciliation-table-and-definitions/](https://k-fastigheter.com/en/investors/reconciliation-table-and-definitions/)

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

\*\*\*Adjusted for 6:1 share split in June 2021.

## THE QUARTER AND PERIOD IN BRIEF



Jacob Karlsson, CEO of K-Fast Holding AB

### PROFIT GROWTH OF 125 PERCENT THANKS TO STRONGER LINKS THROUGHOUT THE CHAIN

***These are eventful times and the third quarter 2021 was no exception. The period included major transactions, collaborations, exciting projects, potential concrete shortages and a name change. For K-Fastigheter, this creates new opportunities and I am proud that we are continuously advancing our position while managing unexpected situations and turning negative situations to our advantage.***

Let me begin with the supply of concrete. The handling of Swedish producer Cementa's environmental permits has resulted in a situation that is damaging for the entire sector, leading to uncertainty and price increases that will need to be managed in both the short and long term. For our subsidiary, which recently changed its name to K-Prefab, cement supply is a key factor for producing a sustainable range of concrete frames and other prefabricated concrete products. Cementa has been our main supplier for many years, and we have recently added additional suppliers to ensure all K-Prefab's deliveries to its customers, including K-Fastigheter, in 2022 regardless of the outcome for the Slite plant. The right type of concrete is part of our offering of climate positive concrete frames, although we also make high demands on other raw materials used. For example, we use only reclaimed steel in our reinforcement bars.

I frequently mention our value creation processes and want to take this opportunity to highlight this again. The total acquisition value of our proprietary ongoing production corresponds to approximately 70 percent of the market value on completion, based on market value as of the end of the third quarter, compared to some 72 percent for the corresponding period of the previous year. Increased efficiency contributes to balance the cost increases on raw materials and inputs that we noted during the period. This KPI, which we internally term "PTV" (production to value), indicates a margin on new construction of as much as 29.5 percent. We recognize this margin as unrealized value changes in line with projects being completed. The margin should be viewed as our gross margin on project development and construction, as it is directly attributable to the cost efficiency of our projects. This is not to be confused with unrealized value changes in the holding of completed investment properties, even if the items are recognized on the same line for accounting purposes.

K-Fastigheter's three concept buildings are a pre-requisite for becoming a Nordic market leader on the rental market. Since inception, the company has focused sharply on cost efficiency and

introducing a concept-based approach. This is something that we benefit from every day in our negotiations and construction projects. With K-Prefab included in the Group, we now have an even greater opportunity to engage with the entire construction chain. K-Fastigheter's strong production and logistics process has attracted the attention of the construction industry, and we were one of three finalists in the sector awards for LEAN Builder of the Year 2021 in October. We would like to congratulate the winner, JM Logistik, who has inspired us to improve even further.

Activity remained high, even in a quarter that included the holiday period. We signed an agreement relating to the acquisition of properties in Kristianstad, Hässleholm, Värmdö and Nyköping, and started construction of a further 79 apartments. This resulted in a total of 535 new construction starts for apartments in 2021.

Including the planned construction starts of apartments in the final three months of the year, we will reach our goal of 1,000 construction starts in a financial year. Although, advance planning in the project bank is good and we are on target internally, planning approvals are occasionally taking slightly longer. Should the necessary decisions be delayed, this could mean a shift into the coming quarters. This has only had a negligible effect on us and we have all the resources needed in place for achieving our operational goal of 1,300 annual construction starts for apartments by 2023. At the end of the period, the total building and project portfolio encompassed 7,357 apartments, which represents an increase of 59 percent compared to the corresponding period in the preceding year.

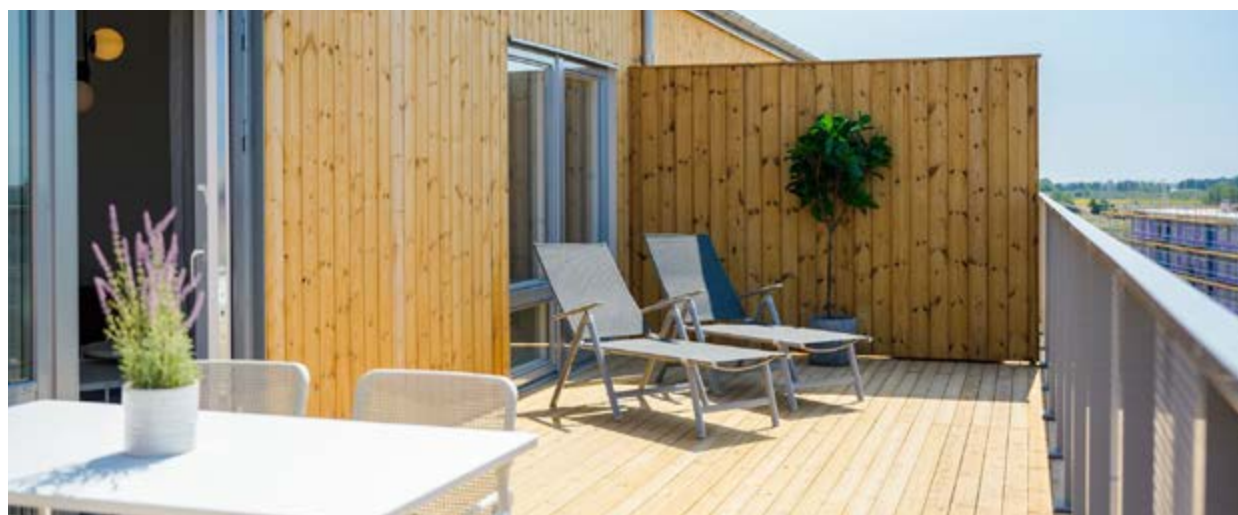
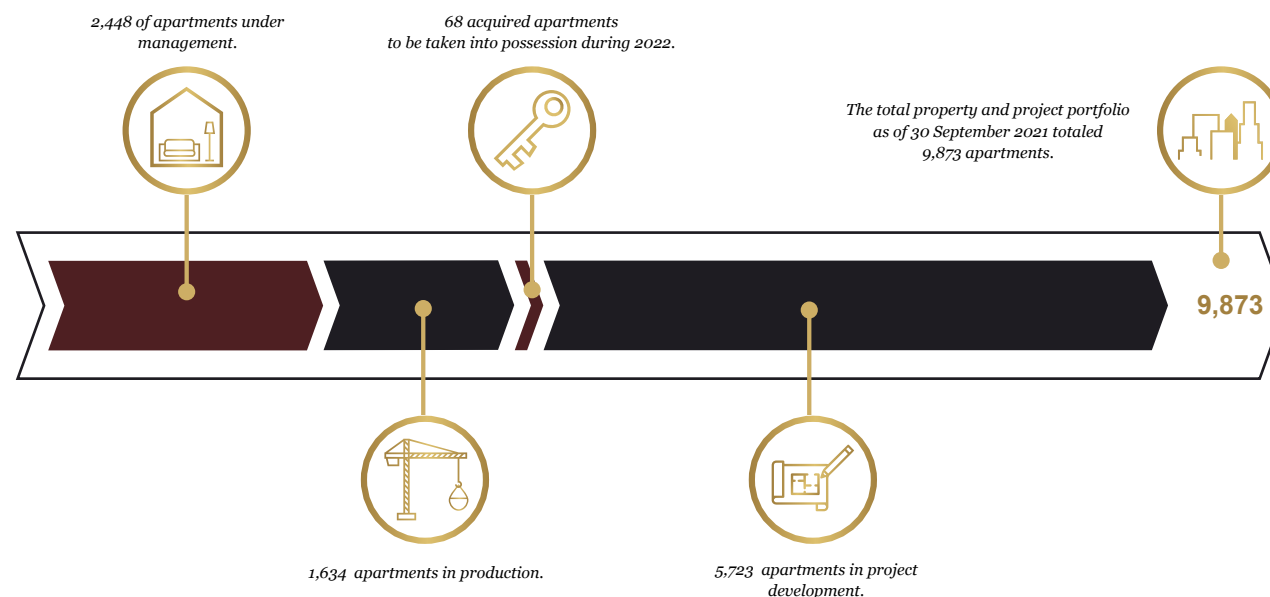
Our business model with in-house project development, construction and management, and investing in and developing our building rights, is the optimum method for creating value and strong cash flows over time. In the first nine months of the year, this generated unrealized value changes of SEK 752.0 million, almost double the figure realized in the corresponding period of the previous year. In addition, profit from property management increased by SEK 18.2 million. ►►►

Profit for the period amounted to SEK 682.6 million, up 125 percent year-on-year. NAV per share increased by 25 percent in the first nine months of the year. In the same period, rental income increased by 29 percent and profit from property management by 32 percent year-on-year. Vacancies improved in the third quarter and the financial letting ratio amounted to 97 percent at the end of the quarter. For us, the most important thing is that our tenants are happy and pleased with us, and now we can also rejoice over that our houses are appreciated by the community. The Hässleholm council awarded the 2021 City building award to our concept building in the T4 district!

We continuously strengthen K-Fastigheter by employing more highly skilled staff. Since the previous quarter, we have welcomed 19 new colleagues and are looking for more potential staff to join us in making history in one of Sweden's most innovative companies. Two new colleagues joined Group management in the quarter, Leif Astikainen and Martin Johannesson. Leif is responsible for K-Fastigheter's HR function, and serves as Deputy CEO and HR Manager of the subsidiary K-Prefab AB, and Martin is Head of the Property Management business area. To secure K-Fastigheter's long-term supply of building rights, Group management will be expanded to also include Magnus Persson, Business Development Manager from November.

The fundamental ambition is to create shareholder value that benefits everyone in the K-Fastigheter Group. We have a strong Balance Sheet and a modern property holding in attractive locations with considerable development and project potential. Alongside my competent colleagues, this means that I am confident that we will see a positive conclusion to 2021 and a strong start to 2022. ■

**- Jacob Karlsson, November 2021**



## PROPERTY PORTFOLIO AND VALUATION

### Property portfolio

On 30 September 2021, the Group's property portfolio comprised 88 completed investment properties<sup>1</sup> distributed over a total of 154,387 square meters of residential and 42,504 square meters of commercial space. In addition, the Group had 25 ongoing construction projects, distributed over 108,442 square meters of residential and 2,683 square meters of commercial space. Furthermore, K-Fastigheter has 34 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 14 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 79 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 30 September 2021, the contractual rent amounted to SEK 290.2 million, with an estimated operating surplus of SEK 214.9 million, corresponding to a surplus ratio of 74 percent. For newly produced concept buildings, the corresponding surplus ratio is some 81 percent, and approximately 64 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 2,448 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 170 commercial contracts, with the largest tenant comprising approximately 2 percent of total contractual rental income and the ten largest commercial tenants comprising approximately 6 percent of total contractual rental income.

In the period, K-Fastigheter has acquired five development projects, 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 the 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, Denmark and southern Småland. Region West encompasses Halland and the Västra Götaland region. Region East includes the Mälardalen region and Nyköping and Gävle. As of 30 September 2021, all completed investment properties are located in Sweden. Two construction projects totaling 18,127 square meters divided over 243 apartments and two projects totaling 6,782 square meters divided over 68 apartments acquired but not yet possessed, can be found in Denmark.

### 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. As of 30 September 2021, all completed investment properties and properties in construction have been valued by an external valuer.

At the end of the period, the value of investment properties totaled SEK 8,765.6 million (6,853.5), distributed over completed investment properties of SEK 6,046.2 million (5,067.2), undeveloped land and building rights of SEK 740.9 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,960.4 million (1,060.6). During the period, SEK 969.1 million (592.8) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 231.8 million (764.0). Sales of building rights totaling SEK 40.7 million (1.0) were completed in the period.

Unrealized value changes in investment properties for the period were SEK 752.0 million (366.1), distributed over SEK 306.1 million (59.5) for properties under management and SEK 445.9 million (306.6) for construction projects in progress.

Property-related key performance indicators	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Opening carrying amount, investment properties</b>	<b>6,853.5</b>	<b>4,396.7</b>	<b>4,396.7</b>
+Acquisitions	231.8	764.0	1,034.5
+ New construction	936.2	573.4	824.1
+ Extensions and rebuilds	32.9	19.4	31.0
- Divestments	-40.7	-1.0	-1.0
- Other reclassifications and obsolescence	-0.2	9.5	-9.7
Unrealized value changes	752.0	366.1	577.8
of which, completed investment properties	307.1	79.6	168.6
of which, undeveloped land and building rights	-1.1	-20.1	1.3
of which, ongoing construction	445.9	306.6	407.9
<b>Closing carrying amount, investment properties</b>	<b>8,765.6</b>	<b>6,128.1</b>	<b>6,853.5</b>
of which, completed investment properties	6,046.2	4,514.7	5,067.2
of which, undeveloped land and building rights	740.9	497.3	707.7
of which, site leaseholds	18.0	18.0	18.0
of which, construction in progress	1,960.4	1,098.0	1,060.6
Rental value, SEK million	298.7	238.9	265.1
Rental income at end of period, SEK/m <sup>2</sup>	1,474	1,428	1,426
Direct property costs, SEK/m <sup>2</sup>	383	396	394
Operating surplus, SEK/m <sup>2</sup>	1,091	1,033	1,032
Financial letting ratio at end of period	97.2%	92.4%	91.2%
Average financial letting ratio over period	91.7%	92.8%	92.0%
Surplus ratio over period	66.9%	68.9%	67.2%
Lettable area, m <sup>2</sup>	196,891	154,492	169,545
Number of homes under management	2,448	2,043	2,237
Direct return on completed investment properties	3.91%	4.18%	4.08%
Direct return requirement, construction in progress	3.84%	3.93%	3.96%
Direct return requirement, all valued properties	3.88%	4.07%	4.03%
of which housing	3.74%	3.93%	3.92%
of which premises	5.09%	5.03%	5.02%

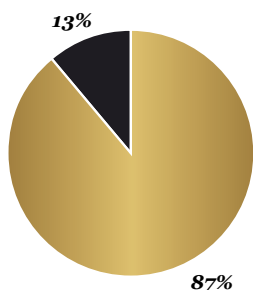
<sup>1</sup> Investment properties are properties held for the purpose of generating rental income, or value growth, or a combination of both.

Of unrealized value changes for new construction in progress, properties completed during the period accounted for SEK 30.8 million (18.2). The remaining SEK 415.1 million (288.4) 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 3.84 percent (3.93). On completion, the estimated market value of the new construction projects in progress amounts to SEK 4,710.9 million (3,592.7).

At the end of the period, the average direct return requirement for properties under management amounted to 3.91 percent (4.18) and for the full property portfolio, including undeveloped land, building rights and ongoing construction, the average direct return was 3.88 percent (4.07).

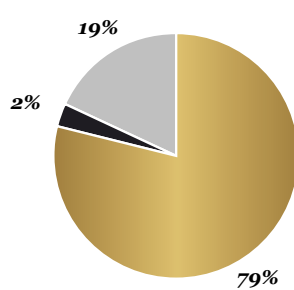
For further information on K-Fastigheter's valuation principles, see the 2020 Annual Report (Valuation section and Note 17 Investment properties).

**Property value by category, as of 30 September 2021, %**



■ Bostäder  
■ Lokaler

**Property value by construction year, as of 30 September 2021, %**



■ >2010  
■ 2000-2010  
■ <2000

#### Acquired investment and development properties

Property	Municipality	Transfer date	Number of apartments	Area (m <sup>2</sup> )	Yearly rental value (SEK m)	Purchase price (SEK m)
Viktoria 22	Helsingborg	1 July 2021	Commercial	589	1.0	28.0

#### Acquired building rights

Properties	Municipality	Construction scheduled to commence	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Viktoria 22	Helsingborg	Q3 2022	72	4,933	10.2	28.0
Fullerö 21:103	Uppsala	May 2021	40	2,472	4.5	26.0
Revisorn 8 & 10*	Kristianstad	Q4 2022	150	11,250	17.3	23.0
Rusthållaren 3 & 4	Hässleholm	Q2 2022	NA	6,400	NA	17.0
Oppeby Gård 1:9**	Nyköping	Q2 2022	32	1,733	3.0	12.0
Hemmesta 11:67 etc.*/***	Värmdö	Q4 2025	81	4,860	10.2	26.5
Getramsen 1	Kristianstad	Aug 2021	19	2,166	3.4	7.5

#### Projects where construction has commenced

Property	Municipality	Expected completion	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)
Getramsen 1	Kristianstad	Dec 2022	19	2,166	3.4
Kohagen 1	Vänernsberg	Dec 2022	60	3,978	6.7

#### Project completions

Property	Municipality	Move in	Number of apartments	Area (m <sup>2</sup> )	Rental value (SEK million)
Dirigenten 1, Sångaren 1	Helsingborg	Jul 2021	15	1,410	2.3
Höfången 1	Malmö	Jul 2021	97	4,840	10.3
Nyponrosen 4 phase 2	Helsingborg	Aug 2021	32	2,118	3.9

K-Fast 2.0	Q1 2021	Q2 2021	Q3 2021
Number of apartments renovated	9	9	6
Increase in rental value (SEK m)	0.2	0.2	0.1

\*Property not yet transferred.

\*\*JV through K-Fast Kilen AB \*\*\*JV alongside Innovation Properties (data relates to K-Fastigheter's share of construction).

#### Important information regarding tables on page 6 and 7

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 apartment	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>
Concept buildings	1,612	99,931	2,037	101,968	4,065.9	39,874	179.0	1,755	98.5%	176.4	21.3	209	155.1	1,521
Other	836	54,456	26,912	81,368	1,876.0	23,056	110.5	1,358	97.0%	107.1	29.4	362	77.7	955
<b>Total excluding development properties</b>	<b>2,448</b>	<b>154,387</b>	<b>28,949</b>	<b>183,336</b>	<b>5,941.9</b>	<b>32,410</b>	<b>289.5</b>	<b>1,579</b>	<b>97.9%</b>	<b>283.5</b>	<b>50.7</b>	<b>277</b>	<b>232.8</b>	<b>1,270</b>
Development properties	0	0	13,555	13,555	104.3	7,695	9.3	684	72.8%	6.8	2.7	203	4.0	295
<b>Total including development properties</b>	<b>2,448</b>	<b>154,387</b>	<b>42,504</b>	<b>196,891</b>	<b>6,046.2</b>	<b>30,708</b>	<b>298.7</b>	<b>1,517</b>	<b>97.2%</b>	<b>290.2</b>	<b>53.5</b>	<b>272</b>	<b>236.8</b>	<b>1,203</b>

## Per geographical region

South	2,434	153,397	31,915	185,312	5,935.9	32,032	289.7	1,563	97.4%	282.0	50.9	275	231.1	1,247
West	14	990	9,769	10,759	93.6	8,700	7.8	723	89.0%	6.9	2.2	200	4.8	443
East	0	0	820	820	16.7	20,366	1.3	1,569	100.0%	1.3	0.4	500	0.9	1,069
<b>Total</b>	<b>2,448</b>	<b>154,387</b>	<b>42,504</b>	<b>196,891</b>	<b>6,046.2</b>	<b>30,708</b>	<b>298.7</b>	<b>1,517</b>	<b>97.2%</b>	<b>290.2</b>	<b>53.5</b>	<b>272</b>	<b>236.8</b>	<b>1,203</b>

Property administration	21.9	111
<b>Operating surplus incl. property administration</b>	<b>214.9</b>	<b>1,091</b>

## Construction projects in progress<sup>1)</sup>

Per building category	No. of apartment	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>2)</sup>		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount
Concept buildings	1,407	92,547	196	92,743	4,091.6	44,117	183.2	1,975	2,847.3	1,468.0	2,067.3
Other	227	15,895	2,487	18,382	619.3	33,691	29.8	1,621	548.1	287.7	332.9
<b>Total</b>	<b>1,634</b>	<b>108,442</b>	<b>2,683</b>	<b>111,125</b>	<b>4,710.9</b>	<b>42,393</b>	<b>213.0</b>	<b>1,916</b>	<b>3,395.5</b>	<b>1,755.7</b>	<b>2,400.2</b>

## Per geographical region

South	987	67,938	2,487	70,425	2,848.9	40,453	132.5	1,882	2,060.4	1,091.8	1,459.5
West	355	20,909	196	21,105	1,100.0	52,120	45.9	2,175	734.5	334.4	543.8
East	292	19,595	0	19,595	762.0	38,887	34.5	1,762	600.6	329.4	396.8
<b>Total</b>	<b>1,634</b>	<b>108,442</b>	<b>2,683</b>	<b>111,125</b>	<b>4,710.9</b>	<b>42,393</b>	<b>213.0</b>	<b>1,916</b>	<b>3,395.5</b>	<b>1,755.7</b>	<b>2,400.2</b>

## Project development in progress<sup>1)</sup>

Per building category	No. of apartment	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>2)</sup>		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount
Concept buildings	5,714	342,490	975	343,465	14,790.0	43,061	640.6	1,865	10,111.5	233.7	233.7
Other	9	1,208	1,145	2,353	79.8	33,894	4.1	1,763	61.1	7.2	7.2
<b>Total</b>	<b>5,723</b>	<b>343,698</b>	<b>2,120</b>	<b>345,818</b>	<b>14,869.7</b>	<b>42,999</b>	<b>644.7</b>	<b>1,864</b>	<b>10,172.5</b>	<b>240.9</b>	<b>240.9</b>

## Per geographical region

South	2,691	159,434	975	160,409	6,761.9	42,154	292.5	1,823	4,460.1	117.7	117.7
West	1,533	93,578	0	93,578	3,940.9	42,113	175.0	1,870	2,764.8	57.8	57.8
East	1,499	90,686	1,145	91,831	4,167.0	45,376	177.2	1,930	2,947.6	65.3	65.3
<b>Total</b>	<b>5,723</b>	<b>343,698</b>	<b>2,120</b>	<b>345,818</b>	<b>14,869.7</b>	<b>42,999</b>	<b>644.7</b>	<b>1,864</b>	<b>10,172.5</b>	<b>240.9</b>	<b>240.9</b>

## Summary<sup>1)</sup>

	No. of apartment	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	2,448	154,387	42,504	196,891	6,046.2	30,708	298.7	1,517	6,046.2	
Construction projects in progress	1,634	108,442	2,683	111,125	4,710.9	42,393	213.0	1,916	2,400.2	
Project development in progress	5,723	343,698	2,120	345,818	14,869.7	42,999	644.7	1,864	240.9	
New construction projects other									51.1	
Undeveloped land									9.4	
Acquired but not yet possessed	68	6,782	0	6,782	283.4	41,789	14.0	2,068	0.0	
Site leaseholds									18.0	
<b>Total</b>	<b>9,873</b>	<b>613,309</b>	<b>47,307</b>	<b>660,616</b>	<b>25,910.2</b>	<b>39,221</b>	<b>1,170.4</b>	<b>1,772</b>	<b>8,765.6</b>	

<sup>1)</sup> Data relates to K-Fastigheter's share of potential JV

<sup>2)</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 727.8 million in the value of investment properties.

## CURRENT EARNINGS ABILITY

The table below presents the earning ability of K-Fastigheter's property management operations on a 12-month basis as of 30 September 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 30 September 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 30 September 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.

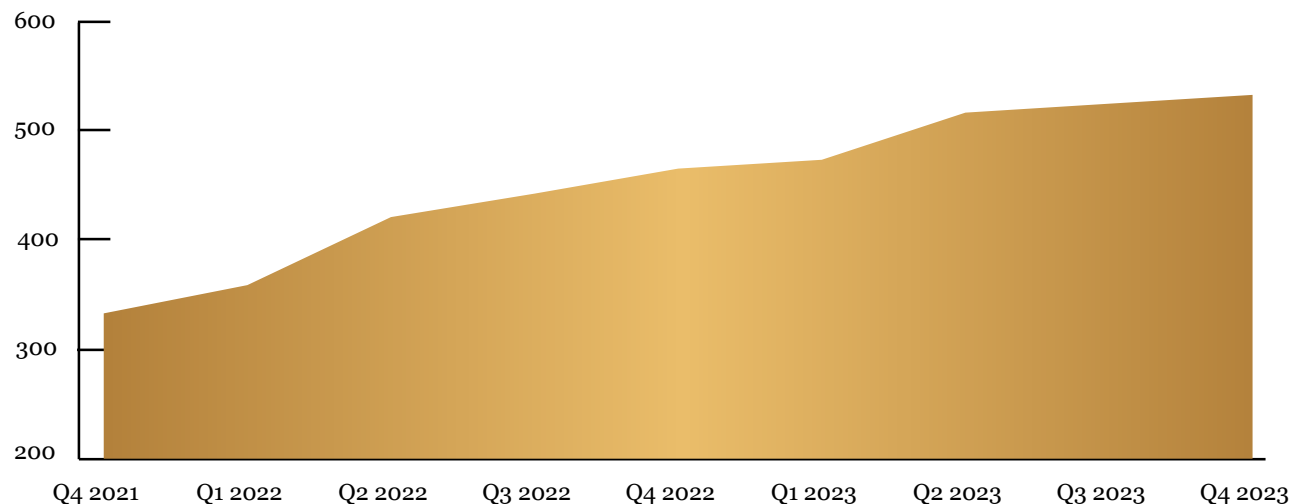
SEK m	2021 30 Sep	2020 30 Sep	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	298.7	238,9	265.1	196.6	133.4
Vacancy	-8.5	-18,2	-23.4	-6.1	-0.9
Rental income	290.2	220,6	241.7	190.5	132.5
Operating costs	-39.6	-31,7	-35.6	-27.0	-19.4
Maintenance	-10.4	-8,3	-9.0	-7.3	-5.6
Property tax/ground rent	-3.5	-3,0	-3.0	-2.6	-1.6
Property administration	-21.9	-18,2	-19.2	-15.0	-12.8
Operating surplus	214.9	159,5	174.9	138.6	93.0
Central administration	-9.2	-10,5	-11.2	-9.6	-4.3
Net interest income	-65.4	-48,5	-51.4	-46.9	-29.0
Profit from property agement	140.3	100,4	112.3	82.1	59.7

### Expected rental trend

The diagram illustrates current rental values for completed investment properties as of 30 September 2021 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 30 September 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 estimates and judgments involve uncertainties and the disclosures above 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 5,518.4 million (3,848.3), of which SEK 1,085.0 million (847.8) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 3,635.4 million (3,145.1), construction credits of SEK 1,084.5 million (681.2), leasing liabilities of SEK 32.1 million (22.2), operating and acquisition credits of SEK 516.4 million (0.0) and a promissory note relating to the acquisition of K-Prefab of SEK 250 m (0.0). The loan-to-value ratio for the Group's completed investment and business properties amounted to 55.1 percent (46.7).

At the end of the period, the Group had contracted credit agreements of SEK 6,732.8 million (4,820.6), of which SEK 3,635.4 million (3,145.1) related to the financing of completed investment properties, of which SEK 938.8 million (781.1) mature for renegotiation within the next 12 months. In addition to the financing of completed investment properties, contracted credit agreements comprise building credits of SEK 2,192.4 million (1,585.5) and operating and acquisition credits of SEK 905.0 million (90.0), of which SEK 405.0 million 100.0 million relates to acquisition financing of K-Prefab and Mjölback's Entreprenad AB respectively. Utilization of construction credits and operating and acquisition credits at the end of the period was as follows: SEK 1,084.5 million (681.2) and SEK 516.4 million (0.0), of which SEK 505.0 million relates to the acquisitions of K-Prefab and Mjölback's Entreprenad.

As of 30 September 2021, the average credit term for the Group's interest bearing liabilities, relating to completed investment properties and operational premises was 2.5 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 2,707.0 million (1,907.0) at the end of the period, of which SEK 200 million comprises swaps with a future start date. At the end of the period, the fair value of the interest derivative portfolio was SEK 16.6 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 1.77 percent (1.77), including the effects of interest rate derivatives, and 1.44 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 39 percent (39) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 16.3 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 30 September 2021 was exclusively comprised of borrowing from Nordic banks. 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 and Notes 22 Financial risks and finance policies).

Financial targets	Financial targets	Financial covenants	Actual 30 Sep 2021
Loan-to-value ratio, %	max. 70%	max. 70.75%	55.1%
Equity/assets ratio, %	min. 25%	min. 25%	36.7 %
Interest coverage ratio, multiple	min. multiple of 1.75	min. multiple of 1.50	multiple of 2.8

### *Credit and interest maturity structure, 30 Sep 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	1,540.4	1.45%	938.8	938.8	107.0	0.0	1.26%	-0.5
1-2 years	0.0		65.3	65.3	0.0	0.0		
2-3 years	200.0	1.88%	1,844.8	1,844.8	200.0	0.0	0.42%	-1.0
3-4 years	300.0	1.83%	451.2	451.2	300.0	0.0	0.37%	-0.8
4-5 years	200.0	2.07%	833.7	833.7	200.0	0.0	0.61%	-1.4
> 5 years	1,900.0	2.03%	6.6	6.6	1,700.0	200.0	0.57%	20.3
<b>Total</b>	<b>4,140.4</b>	<b>1.77%</b>	<b>4,140.4</b>	<b>4,140.4</b>	<b>2,507.0</b>	<b>200.0</b>		<b>16.6</b>

## COMPREHENSIVE INCOME JANUARY–SEPTEMBER 2021

The following profit and cash flow items relate to the period 1 January - 30 September 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 third quarter 2021, comprehensive income amounted to SEK 276.4 million (52.1) and SEK 899.3 million (158.5) in the period. Rental income amounted to SEK 68.2 million (51.0) for the third quarter and to SEK 190.7 million (147.7) for the period, which is an increase of 34 and 29 percent respectively year-on-year. The increase was primarily due to more apartments under management, which increased by 20 percent to 2,448 (2,043). The financial letting ratio gradually improved in the period. At the end of the period, the financial letting ratio was 97.2 percent (92.4) compared to 91.2 percent at the end of 2020.

Income from project and construction operations for the third quarter amounted to SEK 340.8 million (113.7) and to SEK 1,171.9 million (321.3) for the period, of which SEK 471.3 million (311.1) related to construction for Group companies that has been capitalized for the Group's own purposes. SEK 700.5 million (10.2) related to assignments for external orders, of which Prefab's income comprised SEK 698.5 million. The change compared to the corresponding period in the previous year was mainly due to the acquisition of K-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 1,634 apartments (1,284), representing an increase of 27 percent and 25 percent respectively compared to the corresponding period in the previous year and at the end of the financial year 2020. In Prefab, total income for the period amounted to SEK 755.6 million (659.0), of which SEK 51.6 million (0.0) relates to intra-Group sales, and activity in the operations are from the start of the second quarter back at the levels last seen before the outbreak of the Covid-19 pandemic.

### **Operating costs**

Property management costs totaled SEK 64.7 million (46.2) for the period, corresponding to an increase of 40 percent year-on-year. Operating surplus amounted to SEK 127.6 million (101.8). The increase was primarily due to more properties under management. The surplus ratio for the third quarter amounted to 73.0 percent (72.4) and to 66.9 percent (68.9) for the period, and was negatively affected by the relatively lower average letting ratio, which amounted to 91.7 percent (92.8), 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 was SEK 11.6 million (5.5) for the Construction business area, and SEK 50.8 million (34.5) for Prefab. The Construction business area's gross profit remains positively affected by higher income from intra-Group construction, even if the third quarter is generally slightly weaker as a result of the holiday period. Prefab's gross profit was positively affected by increased income from external and intra-Group sales, while increased raw materials

prices, mainly on steel and mold materials, and increased personnel costs associated with the Covid-19 pandemic had a negative effect on profit.

### **Central administration costs, depreciation/amortization and impairment**

Central administration, which includes Group-wide management, business development, IR/communications and market, HR, IT and finance, amounted to SEK 27.5 million (23.7) for the period. The increase was primarily due to investments in the organization in order to meet future growth.

Depreciation/amortization and impairment for the period amounted to SEK 38.7 million (4.8), of which depreciation/amortization and impairment attributable to Prefab's operations was SEK 33.9 million, of which SEK 8.3 million was attributable to amortization of intellectual property rights for the period. Total depreciation/amortization in the period totaled SEK 35.5 M (2.8). Impairment for the period amounted to SEK 3.2 M (2.0) and relates to obsolescence of construction components in connection with the Group's K-Fast 2.0 renovation program of SEK 0.8 M (1.4) and impairment of receivables of SEK 2.4 million (0.6) in the period.

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

Profit from participations in Group and associated companies amounted to SEK 3.8 million (3.5) 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 -52.0 million (-36.1). At the end of the period, the average interest rate was 1.77 percent (1.78), 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. Additional interest expenses relating to acquisition credits totaled SEK 7.4 million. Credit margins continued to decrease in the period. The interest coverage ratio (excluding Prefab) for the period amounted to a multiple of 2.8 (2.6).

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

Profit from property management amounted to SEK 29.8 million (21.2) for the quarter and to SEK 74.4 million (56.2) for the period, an increase of 41 and 32 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.35 (0.27), which is an increase of 26 percent year-on-year.

### ***Value changes***

Unrealized value changes in investment properties for the third quarter were SEK 353.9 million (108.3) and for the period to SEK 752.0 million (366.1), distributed over SEK 306.1 million (59.5) for properties under management and SEK 445.9 million (306.6) for construction projects in progress. The increase relating to ongoing new construction was mainly due to increased activity in project development and construction of apartments for property management. The increase relating to properties under management was mainly derived from continued growth in property prices in completed property transactions, which gradually during the period filtered through to the average direct return used in connection with the external valuation of K-Fastigheter's properties under management. In total, the increase in the period corresponded to 4.5 percent of the total value of properties under management at the end of the period.

The average direct return for K-Fastigheter's total property portfolio, including land parcels and building rights, plus ongoing construction, was 3.88 percent (4.07) at the end of the period. The decrease was partly due to a lower direct return caused by the price growth caused by the fact that K-Fastigheter's property portfolio increasingly includes a higher share of residential properties in better locations. For more information, see Property portfolio and Valuation.

Changes in the values of derivatives and other items amounted to SEK 45.4 million (-32.2) for the period. The trend in the period was primarily caused by lower 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 interest rate and derivatives was SEK +18.2 million (-27.2) 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 8.9 million (0.8). Deferred tax amounted to SEK 181.5 million (75.9), affected by unrealized value changes in properties totaling SEK 752.0 million (366.1). 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 third quarter was SEK 311.5 million (99.5), and SEK 682.6 million (303.5) for the period, corresponding to SEK 3.17 (1.48) per share. Comprehensive income for the period totaled SEK 685.6 million (303.5). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 3.0 million (0.0) in the period. The full amount relates to items that can be reversed in a later period.



## FINANCIAL POSITION AS OF 30 SEPTEMBER 2021



### ***Intangible assets***

Intangible assets comprise goodwill and other intangible assets arising in the connection with the acquisition of K-Prefab. At the end of the period, goodwill amounted to SEK 440.6 million (0.0) and intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 46.8 million (0.0). Other intangible assets are amortized over five years. K-Fastigheter has indicated the calculation of goodwill in the Annual Report for 2020 (Note 40). The calculation remains preliminary, but no new information has arisen since the publication of the Annual Report, with the exception of an update to the preliminary acquisition analysis which means that goodwill in the Annual Report for 2020 has been divided between goodwill and intangible assets. In the third quarter, K-Fastigheter acquired 25 percent of Mjölbacksvillan Entreprenad AB. The acquisition analysis of this acquisition remains preliminary and will be finalized in the fourth quarter.

### ***Investment properties***

At the end of the period, the value of investment properties totaled SEK 8,765.6 million (6,853.5), distributed over completed investment properties of SEK 6,046.2 million (5,067.2), undeveloped land and building rights of SEK 740.9 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,960.4 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 390.5 million (30.9) at the end of the period and SEK 174.3 million (18.5) respectively. The increase is mainly associated with the acquisition of K-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 K-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 134.5 million (507.6). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 388.3 million (90.0). The decrease was mainly due to acquisitions in the period, where the acquisition of K-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 3,895.4 million (3,209.8), corresponding to SEK 18.09 per share (14.91). The increase is explained by the comprehensive income for the period of SEK 685.6 million (303.5). At the end of the period, the Group's equity/asset ratio was 36.7 percent (41.9).

At the end of the period, the long-term net asset value (NAV) amounted to SEK 4,561.8 million (3,661.2), corresponding to SEK 21.19 per share (17.00), which is an increase of 25 percent compared to 31 December 2020 and up 32 percent on 30 September 2020.

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

At the end of the period, consolidated interest-bearing liabilities amounted to SEK 5,518.4 million (3,848.4), of which SEK 1,085.0 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 55.1 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 K-Prefab. For more information, see Financing.

# COMPREHENSIVE INCOME

## Summary consolidated statement of comprehensive income

SEK m	2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	Rolling 4 quarters 2020 Oct– Sep 2021	2020 Jan–Dec
Rental income	68.2	51.0	190.7	147.7	246.8	203.9
Project and construction income	203.7	0.9	700.5	10.2	700.5	10.2
Other operating income	4.5	0.3	8.2	0.6	8.6	1.0
<b>Total income</b>	<b>276.4</b>	<b>52.1</b>	<b>899.3</b>	<b>158.5</b>	<b>955.9</b>	<b>215.1</b>
Operating costs	-10.5	-6.8	-33.9	-22.6	-44.3	-33.1
Maintenance	-2.5	-2.5	-9.6	-6.7	-13.5	-10.6
Property tax	-1.5	-1.1	-4.5	-2.9	-6.1	-4.5
Property administration	-4.6	-4.0	-16.7	-14.0	-21.9	-19.2
Property management costs	-19.1	-14.4	-64.7	-46.2	-85.8	-67.4
Project and contracting costs	-193.9	2.5	-644.6	-5.0	-642.2	-2.5
<b>Gross profit</b>	<b>63.3</b>	<b>40.3</b>	<b>190.0</b>	<b>107.3</b>	<b>227.9</b>	<b>145.1</b>
<i>of which, gross profit from property management (operating surplus)</i>	<i>49.8</i>	<i>36.9</i>	<i>127.6</i>	<i>101.8</i>	<i>162.8</i>	<i>137.0</i>
<i>of which, gross profit from project and contracting operations</i>	<i>13.5</i>	<i>3.4</i>	<i>62.4</i>	<i>5.5</i>	<i>65.0</i>	<i>8.1</i>
Central administration	-8.9	-6.5	-27.5	-23.7	-37.4	-33.6
Depreciation/amortization and impairment	-13.7	-1.6	-38.7	-4.8	-42.4	-8.5
Profit from participations in associated and jointly controlled companies	-0.8	-0.1	3.8	3.5	2.9	2.6
Net interest income	-18.5	-13.0	-52.0	-36.1	-63.6	-47.7
<b>Profit before value changes</b>	<b>21.4</b>	<b>19.0</b>	<b>75.7</b>	<b>46.2</b>	<b>87.3</b>	<b>57.9</b>
<i>of which, profit from property management</i>	<i>29.8</i>	<i>21.2</i>	<i>74.4</i>	<i>56.2</i>	<i>93.4</i>	<i>75.3</i>
Change in value of investment properties	353.9	108.3	752.0	366.1	963.7	577.8
Changes in value of derivatives and other	18.7	-2.4	45.4	-32.2	53.3	-24.2
<b>Profit before tax</b>	<b>393.9</b>	<b>124.9</b>	<b>873.0</b>	<b>380.2</b>	<b>1,104.3</b>	<b>611.4</b>
Tax on profit for the period	-82.4	-25.4	-190.5	-76.7	-250.7	-136.9
<b>Profit for the period</b>	<b>311.5</b>	<b>99.5</b>	<b>682.6</b>	<b>303.5</b>	<b>853.7</b>	<b>474.5</b>
Other comprehensive income	1.5	0.4	3.0	0.0	1.6	-1.4
<b>Comprehensive income for the period</b>	<b>313.0</b>	<b>99.9</b>	<b>685.6</b>	<b>303.5</b>	<b>855.2</b>	<b>473.1</b>
<b>Profit after tax per share, SEK/share*</b>	<b>1.45</b>	<b>0.48</b>	<b>3.17</b>	<b>1.48</b>	<b>3.97</b>	<b>2.29</b>

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

## Segment reporting

2021 Jan–Sep, SEK m	Property Management	Project Development	Construction	Prefab	Other/ eliminations	Group
Income	192.2	0.0	422.8	755.6	-471.3	899.3
Expenses	-64.7	0.0	-411.2	-704.8	471.3	-709.3
<b>Gross profit</b>	<b>127.6</b>	<b>0.0</b>	<b>11.6</b>	<b>50.8</b>	<b>0.0</b>	<b>190.0</b>
Central administration costs	-6.9	-6.9	-6.9	-6.9	0.0	-27.5
Depreciation/amortization and impairment	-2.5	0.0	-2.3	-33.9	0.0	-38.7
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	3.8	3.8
Net interest income	-43.8	0.0	0.0	-8.1	0.0	-52.0
<b>Profit before value changes</b>	<b>74.4</b>	<b>-6.9</b>	<b>2.4</b>	<b>1.9</b>	<b>3.8</b>	<b>75.7</b>
Value change, properties	306.1	445.9	0.0	0.0	0.0	752.0
Changes in value of derivatives and other	45.4	0.0	0.0	0.0	0.0	45.4
<b>Profit before tax</b>	<b>425.8</b>	<b>439.0</b>	<b>2.4</b>	<b>1.9</b>	<b>3.8</b>	<b>873.0</b>
Tax	-72.4	-91.9	0.0	0.0	-26.2	-190.5
<b>Profit for the period</b>	<b>353.4</b>	<b>347.2</b>	<b>2.4</b>	<b>1.9</b>	<b>-22.4</b>	<b>682.6</b>
Total assets	8,910.7	0.0	23.0	1,280.1	401.8	10,615.5
Total liabilities	5,535.6	0.0	93.3	1,049.2	42.1	6,720.1

2020 Jan–Sep, SEK m	Property Management	Project Development	Construction	Other/ eliminations	Group
Income	148.0	0.0	321.6	-311.1	158.5
Expenses	-46.2	0.0	-316.0	311.1	-51.2
<b>Gross profit</b>	<b>101.8</b>	<b>0.0</b>	<b>5.5</b>	<b>0.0</b>	<b>107.3</b>
Central administration costs	-7.9	-7.9	-7.9	0.0	-23.7
Depreciation/amortization and impairment	-1.6	-1.6	-1.6	0.0	-4.8
Profit from holding in associated companies*	0.0	0.0	0.0	3.5	3.5
Net interest income	-36.1	0.0	0.0	0.0	-36.1
<b>Profit before value changes</b>	<b>56.2</b>	<b>-9.5</b>	<b>-4.0</b>	<b>3.5</b>	<b>46.2</b>
Value change, properties	59.5	306.6	0.0	0.0	366.1
Changes in value of derivatives and other	-32.2	0.0	0.0	0.0	-32.2
<b>Profit before tax</b>	<b>83.5</b>	<b>297.1</b>	<b>-4.0</b>	<b>3.5</b>	<b>380.2</b>
Tax	-12.3	-63.2	0.0	-1.3	-76.7
<b>Profit for the period</b>	<b>71.2</b>	<b>233.9</b>	<b>-4.0</b>	<b>2.2</b>	<b>303.5</b>
Total assets	6,287.7	0.0	28.1	836.2	7,151.9
Total liabilities	4,002.2	0.0	62.4	47.2	4,111.8

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

## FINANCIAL POSITION

### Summary consolidated statement of financial position

SEK m	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	487.4	0.0	0.0
Investment properties	8,765.6	6,128.2	6,853.5
Business properties	390.5	19.6	30.9
Equipment	174.3	19.2	18.5
Holdings in associated and jointly controlled companies and other non-current receivables	246.0	50.5	45.1
Derivative instruments	18.2	0.0	0.0
Deferred tax receivables	18.3	37.2	27.0
<b>Total non-current assets</b>	<b>10,100.3</b>	<b>6,254.6</b>	<b>6,975.0</b>
<b>Current assets</b>			
Inventories	51.8	0.2	0.2
Accounts receivable	127.2	6.9	1.8
Other receivables	201.7	129.9	175.0
Cash and cash equivalents	134.5	760.3	507.6
<b>Total current assets</b>	<b>515.2</b>	<b>897.3</b>	<b>684.6</b>
<b>Total assets</b>	<b>10,615.5</b>	<b>7,151.9</b>	<b>7,659.6</b>

SEK m	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	57.4	57.4	57.4
Unrestricted equity	3,838.0	2,982.7	3,152.4
<b>Total equity</b>	<b>3,895.4</b>	<b>3,040.2</b>	<b>3,209.8</b>
<b>Non-current liabilities</b>			
Deferred tax liability	702.9	400.4	451.2
Long-term interest-bearing liabilities	4,183.4	3,013.5	3,000.6
Derivative instruments	0.0	41.4	27.2
Other provisions and non-current liabilities	263.8	8.7	8.5
<b>Total non-current liabilities</b>	<b>5,150.1</b>	<b>3,464.0</b>	<b>3,487.5</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	1,085.0	531.7	847.8
Accounts payable	188.6	52.3	50.4
Other current liabilities	296.4	63.8	64.1
<b>Total current liabilities</b>	<b>1,570.0</b>	<b>647.7</b>	<b>962.2</b>
<b>Total equity and liabilities</b>	<b>10,615.5</b>	<b>7,151.9</b>	<b>7,659.6</b>

### Consolidated statement of changes in Equity in summary

SEK m	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Total equity at the beginning of the period</b>	<b>3,209.8</b>	<b>2,238.5</b>	<b>2,238.5</b>
New share issue	0.0	498.3	498.3
Profit for the period	682.6	303.5	474.5
Other comprehensive income	3.0	0.0	-1.4
<b>Total equity at the end of the period*</b>	<b>3,895.4</b>	<b>3,040.2</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 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
<b>Operating activities</b>					
Profit before value changes	21.4	19.1	75.7	42.7	59.0
Adjustment for items not affecting cash flow	12.1	-0.4	34.8	2.8	1.6
Tax paid	-2.8	-7.5	-5.7	-8.7	-5.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>30.7</b>	<b>11.2</b>	<b>104.7</b>	<b>36.8</b>	<b>55.4</b>
Change in operating receivables	6.4	3.3	18.0	-41.1	-89.8
Change in operating liabilities	53.5	10.7	142.2	-28.0	-29.9
<b>Cash flow from operating activities</b>	<b>90.5</b>	<b>25.2</b>	<b>264.9</b>	<b>-32.3</b>	<b>-64.4</b>
<b>Investing activities</b>					
Investments in associated and jointly controlled companies	-187.1	0.9	-861.7	-4.0	-11.7
Property investments	-92.0	-238.3	-258.2	-766.6	-1,037.4
Investments in construction in progress	-318.2	-12.6	-937.2	-584.8	-831.3
Investments in machinery and equipment	-11.9	-4.0	-25.2	-7.7	-6.2
Divestments of properties	41.9	0.0	42.3	0.5	0.5
Change in other financial non-current assets	-1.3	-3.0	-1.8	-3.0	-2.3
<b>Cash flow from investing activities</b>	<b>-568.5</b>	<b>-257.1</b>	<b>-2,041.9</b>	<b>-1,365.6</b>	<b>-1,888.4</b>
<b>Financing activities</b>					
Borrowings	571.5	233.9	1,498.6	921.0	1,233.3
Loan amortizations	-38.4	-14.6	-94.9	-40.1	-48.7
Capital contributions	0.0	498.3	0.0	498.3	498.3
<b>Cash flow from investing activities</b>	<b>533.0</b>	<b>717.5</b>	<b>1,403.7</b>	<b>1,379.2</b>	<b>1,682.9</b>
<b>Cash flow for the period</b>	<b>55.0</b>	<b>485.7</b>	<b>-373.3</b>	<b>-18.8</b>	<b>-269.9</b>
Translation differences in cash and cash equivalents	0.0	-0.2	0.2	0.0	-1.4
Opening cash and cash equivalents	79.5	274.8	507.6	779.0	779.0
<b>Closing cash and cash equivalents</b>	<b>134.5</b>	<b>760.3</b>	<b>134.5</b>	<b>760.3</b>	<b>507.6</b>

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

## PARENT COMPANY STATEMENTS

### Parent Company Income Statement in summary

SEK m	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
<b>Operating income</b>			
Net sales	0.0	0.0	0.0
Administration costs	-27.5	-23.8	-33.4
Amortization and depreciation	-0.1	-0.1	-0.2
<b>Gross profit</b>	<b>-27.6</b>	<b>-24.0</b>	<b>-33.5</b>
<b>Profit from financial items</b>			
Profit from participations in associated and jointly controlled companies	-0.2	-0.1	3.6
Net financial items	48.8	-33.2	-24.7
<b>Profit before appropriations and tax</b>	<b>21.0</b>	<b>-57.2</b>	<b>-54.6</b>
Appropriations	0.0	0.0	43.4
Tax on profit for the period	-9.3	5.9	2.2
<b>Profit for the period</b>	<b>11.7</b>	<b>-51.3</b>	<b>-9.0</b>

### Parent Company Balance Sheet in summary

Assets, SEK m	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Non-current assets</b>			
Tangible non-current assets	0.3	0.3	0.3
Participations in Group companies	990.4	818.1	883.2
Receivables from Group companies	854.1	852.0	867.5
Other financial Non-current assets	213.5	19.6	15.9
<b>Total non-current assets</b>	<b>2,058.3</b>	<b>1,690.1</b>	<b>1,766.9</b>
<b>Current assets</b>			
Receivables from Group companies	1,027.2	700.6	649.0
Receivables from associated companies	7.8	10.7	10.7
Other current receivables	56.3	46.3	116.4
Cash and cash equivalents	119.6	737.0	482.0
<b>Total current assets</b>	<b>1,210.9</b>	<b>1,494.6</b>	<b>1,258.1</b>
<b>Total assets</b>	<b>3,269.3</b>	<b>3,184.6</b>	<b>3,025.0</b>
<b>Equity and liabilities, SEK m</b>	<b>2021 30 Sep</b>	<b>2020 30 Sep</b>	<b>2020 31 Dec</b>
<b>Equity</b>			
Restricted equity	57.4	57.4	57.4
Unrestricted equity	1,494.1	1,440.1	1,482.4
<b>Total equity</b>	<b>1,551.5</b>	<b>1,497.5</b>	<b>1,539.8</b>
<b>Non-current liabilities</b>			
Long-term interest-bearing liabilities	936.2	1,025.3	849.6
Derivative instruments	0.0	41.3	27.0
Other provisions and non-current liabilities	2.5	6.4	6.4
<b>Total non-current liabilities</b>	<b>938.7</b>	<b>1,072.9</b>	<b>883.1</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	17.9	16.3	17.9
Liabilities to Group companies	748.7	582.8	571.7
Other current liabilities	12.6	15.1	12.5
<b>Total current liabilities</b>	<b>779.1</b>	<b>614.2</b>	<b>602.1</b>
<b>Total equity and liabilities</b>	<b>3,269.3</b>	<b>3,184.6</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/en/investors/](https://k-fastigheter.com/en/investors/).

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

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	Rolling 4 quarters 2020 Oct- 2021 Sep	2020 Jan-Dec
<b>Property-related key performance indicators</b>						
Rental value, SEK m	298.7	238.9	298.7	238.9	298.7	265.1
Financial letting ratio, %	97.2%	92.4%	97.2%	92.4%	97.2%	91.2%
Average financial letting ratio, %	94.1%	90.9%	91.7%	92.8%	91.2%	92.0%
Surplus ratio, %	73.0%	72.4%	66.9%	68.9%	66.0%	67.2%
Lettable area, m <sup>2</sup>	196,891	154,492	196,891	154,492	196,891	169,545
Number of apartments under management	2,448	2,043	2,448	2,043	2,448	2,237
Number of construction starts, apartments	79	100	535	719	728	912
Number of apartments under construction	1,634	1,284	1,634	1,284	1,634	1,311
Number of apartments under project development	5,723	3,356	5,723	3,356	5,723	3,880
<b>Financial key performance indicators</b>						
Interest coverage ratio, multiple	2.9	2.7	2.8	2.6	2.8	2.6
Equity/assets ratio, %	36.7%	42.5%	36.7%	42.5%	36.7%	41.9%
Loan-to-value ratio, %	55.1%	42.2%	55.1%	42.2%	55.1%	46.7%
Period for which capital is tied up, years	2.5	2.3	2.5	2.3	2.5	2.6
Period of fixed-interest, years	4.2	3.9	4.2	3.9	4.2	3.8
Average interest, %	1.77%	1.78%	1.77%	1.78%	1.77%	1.77%
Net investments, SEK m	369.2	271.1	1,160.2	1,355.8	1,693.0	1,888.6
Profit from property management, SEK m	29.8	21.2	74.4	56.2	93.4	75.3
Long-term net asset value (NAV), SEK m	4,561.8	3,444.8	4,561.8	3,444.8	4,561.8	3,661.2
<b>Share-related key performance indicators</b>						
Long-term net asset value (NAV), SEK/share	21.19	16.00	21.19	16.00	21.19	17.00
Growth in long-term net asset value (NAV), %	8.9%	15.4%	24.6%	28.1%	32.4%	36.1%
Equity per share, SEK	18.09	14.12	18.09	14.12	18.09	14.91
Profit from property management per share, SEK	0.14	0.10	0.35	0.27	0.43	0.36
Growth in profit from property management per share, %	36.0%	-7.3%	25.9%	-7.0%	35.4%	6.3%
Profit after tax per share, SEK	1.45	0.48	3.17	1.48	3.96	2.29
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	207.9	215.3	204.9	215.3	207.5

\*The number of outstanding shares at the end of the period and the average number of outstanding shares in the period have been adjusted for the 6:1 share split on 7 June 2021.

## 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%	-	150.5
Rental value +/- 1%	3.0	76.4
Operating and maintenance costs +/- 1%	0.5	12.8
Long-term vacancy ratio +/- 1%	3.0	76.4

Change in value of completed investment properties	-10%	+10%
Property value, SEK m	-678.7	678.7
Loan-to-value ratio	69%	56%

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. 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 period, the Group consisted of 72 wholly-owned subsidiaries and ten associated company groups. The number of employees amounted to 670 (73), of which 58 were women (19) and 612 were men (54).

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

There are also Group-wide functions for Business Development, Accounting and Finance, IT, IR/Communication and market, Legal and HR. The Group's Business Development, Heads of Treasury, Finance, IR/Communications and Markets 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 Hässleholm, Osby, Östra Grevie, Bollebygd, Vara, Hultsfred, Borensberg, Strängnäs and Katrineholm.

### *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. 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. These transactions totaled SEK 3.7 million (4.3) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 3.4 million (2.6) and transactions with the Jacob Karlsson AB Group comprised SEK 0.3 million (0.1). During the period, K-Fast Holding AB acquired all the shares in Swedish Logistic Property Förvärv 2 AB (name changed to K-Fast Kirseberg AB) from SLP Förvaltning 5 AB, in which Erik Selin and Jacob Karlsson had an indirect holding. The purchase price totaled SEK 38.5 million. 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, 12 November 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 third quarter 2021 on Friday 12 November 2021 at 08.30 a.m.*

*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**

*Year-end report 2021 – 17 February 2022*

*2021 Annual Report – week comm. 12 April 2022*

*Interim Report Jan-March 2022 – 5 May 2022*

*Annual General Meeting 2022 – 12 May 2022*

*Interim Report Jan-Jun 2022 – 28 July 2022*

*Interim Report Jan-Sep 2022 – 10 November 2022*

# REVIEW REPORT

## **Introduction**

We have reviewed the condensed interim report for K-Fast Holding AB (publ) as at September 30, 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material

respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Lund, 12 November 2021

Ernst & Young AB  
Stefan Svensson  
Authorized Public Accountant



## 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 30 September 2021, K-Fastigheter's market capitalization was SEK 13,999.5 million. At the end of the quarter, there were approximately 5,500 shareholders.

On 7 June 2021, K-Fastigheter completed a 6:1 share split. On 30 September 2021, there were a total of 215,331,168 shares in K-Fast Holding distributed between 22,500,000 Class A shares and 192,831,168 Class B shares respectively. The total number of votes on 30 September 2021 was: 305,331,168. All KPIs and share-related information in this report have been adjusted for the number of shares after the share split.

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 October 2020 – 30 September 2021, approximately 13.5 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged approximately 53,500 shares and the average price paid was SEK 54.25. The highest price paid during the period was SEK 91.40 on 3 August, and the lowest price paid was SEK 34.47 on 28 October 2020. On 30 September 2021, the share price was SEK 72.60 (last paid). Market value of all shares in the company, based on the last price paid for a class B share on 30 September 2021, amounted to SEK 15,633.0 million.

### Share capital

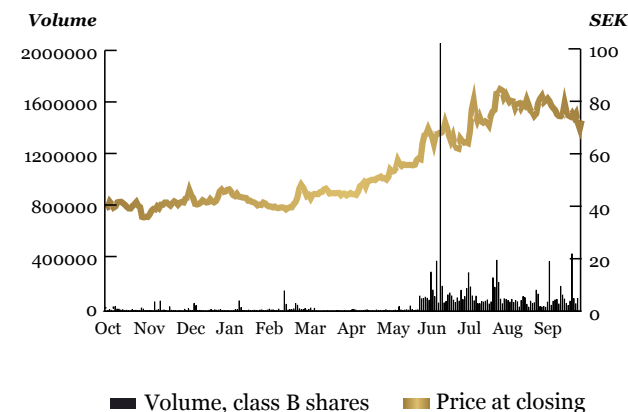
The AGM 2021 authorized the Board to decide to repurchase the company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings. The AGM 2021 also authorized the Board to carry out one or more new share issues of Class B shares, subject to a total maximum of 24,000,000 new shares. No new shares were issued in the period.

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	SE0016101679
Segment	Mid Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	215,331,168
Total number of Class B shares listed on Nasdaq Stockholm	192,831,168
Closing price 30 September 2021	SEK 72.60
Market price 30 September 2021*	SEK 15,633.0 million.

\* Market value of all shares in the company, based on the last price paid for a Class B share on 30 September 2021.

Share price,  
1 October 2020–30 September 2021



Source: Nasdaq

### Ten largest shareholders (in order of total voting rights) as of 30 September 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	11,250,000	63,750,000	75,000,000	34.8%	39.3%
Jacob Karlsson AB	11,250,000	63,750,000	75,000,000	34.8%	39.3%
Capital Group	0	12,910,144	12,910,144	6.0%	4.2%
Länsförsäkringar funds	0	10,391,236	10,391,236	4.8%	3.4%
AP4	0	5,380,525	5,380,525	2.5%	1.8%
SEB funds	0	4,197,366	4,197,366	1.9%	1.4%
Nergården families**	0	2,868,600	2,868,600	1.3%	0.9%
ER-HO Förvaltning AB	0	2,323,000	2,323,000	1.1%	0.8%
AP2	0	1,774,844	1,774,844	0.8%	0.6%
Swedbank Robur Fonder	0	1,679,636	1,679,636	0.8%	0.6%
<b>Ten largest shareholders</b>	<b>22,500,000</b>	<b>169,025,351</b>	<b>191,525,351</b>	<b>88.9%</b>	<b>92.2%</b>
Other shareholders	0	23,805,817	23,805,817	11.1%	7.8%
<b>Total</b>	<b>22,500,000</b>	<b>192,831,168</b>	<b>215,331,168</b>	<b>100.0%</b>	<b>100.0%</b>
Of whom, Board of Directors and Group Management	22,500,000	131,467,322	153,967,322	71.5%	79.9%

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

\*\* Through Mjölbacksvillan Entreprenad Holding AB and Västskustugan AB.

The ownership structure as of 30 September 2021 is based on data from Euroclear Sweden and K-Fastigheter.

\*Adjusted for 6:1 share split

## 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 – 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 (“K-Fastigheter”) is a project development, construction and property company focused primarily on rental housing properties, which, as of 30 September 2021, accounted for 87 percent of the property value of the completed property portfolio and for 84 percent of the contractual rent. As of 30 September 2021, K-Fastigheter’s property portfolio encompasses a lettable area of approximately 197,000 square meters distributed between more than 2,448 homes and 170 commercial contracts with an annual rental value of some SEK 290 million. The project portfolio comprises some 7,350 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - September 2021, 50 percent of Group profit after tax was derived from project development and construction, and 50 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 goals



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.

K-Fastigheter participates in 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.*

*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 08.00 a.m. CET on 12 November 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.*

