

K-FAST HOLDING AB

INTERIM REPORT

JANUARY – JUNE 2021

“To succeed you need to be able to think outside the box and be innovative, both of which being characteristics of K-Fastigheter’s approach.”



In Viken, near Höganäs in southern Sweden, the first phase totaling 91 Low-Rise apartments is now ready for moving in.

NUMBER OF HOMES UNDER MANAGEMENT



2,305 UNITS
Q2 2021

1,865 UNITS
Q2 2020

INVESTMENT PROPERTIES, VALUE



8,043.6 SEK MILLION
Q2 2021

6,853.5 SEK MILLION
Q4 2020

NUMBER OF HOMES IN PRODUCTION



1,699 UNITS
Q2 2021

1,249 UNITS
Q2 2020

LONG-TERM NET ASSET VALUE



4,190.0 SEK MILLION
Q2 2021

3,661.2 SEK MILLION
Q4 2020

RENTAL INCOME



63.0 SEK MILLION
Q2 2021

49.0 SEK MILLION
Q2 2020

PROFIT FROM PROPERTY MANAGEMENT



25.1 SEK MILLION
Q2 2021

19.5 SEK MILLION
Q2 2020



K-FASTIGHETER

THE QUARTER AND PERIOD IN BRIEF

April – June

- The Covid-19 pandemic continued had no significantly affect on K-Fastigheter's operations, profit or financial position in the period up until publication of this Interim Report.
- Rental income totaled SEK 63.0 million (49.0) in the quarter, an increase of 29 percent year-on-year.
- Income from project development and construction operations totaled SEK 459.1 million (116.6), of which SEK 187.4 million (111.9) related to intra-group projects.
- The Group's gross profit for the quarter amounted to SEK 75.1 million (35.8), of which operating surplus attributable to property management was SEK 42.3 million (34.5) and gross profit from project and contracting operations totaled SEK 32.8 million (1.3).
- Profit before value changes amounted to SEK 28.9 million (18.9) in the quarter.
- Profit from property management amounted to SEK 25.1 million (19.5), an increase of 29 percent year-on-year. Profit from property management per share was SEK 0.12 (0.10).
- Unrealized value changes for investment properties amounted to SEK 235.2 million (136.4), and to SEK 0.2 million (-16.0) for derivatives and other items.
- Profit for the quarter was SEK 202.9 million (111.7), corresponding to SEK 0.94 (0.55) per share.

January – June

- Rental income in the period amounted to SEK 122.5 million (96.8), up 27 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 24 percent to 2,305 (1,865) between the periods.
- Income from project development and construction operations totaled SEK 831.1 million (207.6), of which SEK 334.3 million (198.2) related to intra-group projects. SEK 496.8 million (9.3) related to external projects, of which Prefab's external income amounted to SEK 495.6 million.
- Consolidated gross profit for the period amounted to SEK 126.7 million (67.1), of which operating surplus attributable to property management was SEK 77.8 million (64.9) and gross

- profit from project and contracting operations totaled SEK 48.9 million (2.1).
- Profit before value changes amounted to SEK 54.3 million (27.3) in the period.
- Profit from property management amounted to SEK 44.6 million (35.0), up 27 percent year-on-year. Profit from property management per share was SEK 0.21 (0.17).
- Unrealized value changes for investment properties amounted to SEK 398.1 million (257.8), and to SEK 26.7 million (-29.8) for derivatives and other items. Unrealized value changes in investment properties comprised SEK 290.2 million (204.3) from construction projects in progress and SEK 107.9 million (53.6) from property management.
- Profit for the period was SEK 371.1 million (204.0), corresponding to SEK 1.72 (1.00) per share.
- At the end of the period, the value of investment properties totaled SEK 8,043.6 million (6,853.5), an increase of 17 percent on 31 December 2020 and up 40 percent compared to 30 June 2020.
- At the end of the period, long-term net asset value (NAV) amounted to SEK 4,190.0 million (3,661.2), corresponding to SEK 19.46 per share (17.00), an increase of 14 percent compared to 31 December 2020 and up 40 percent on 30 June 2020.

Significant events in the second quarter

- K-Fastigheter published the Annual Report for 2020 on 14 April 2021.
- On 26 April 2021, K-Fastigheter signed an agreement relating to the acquisition of 25 percent of Mjögåcks Entreprenad AB. Mjögåcks produces the well-known single family home Mjögåcksvillan and constructs proprietary housing projects, mainly in western and southern Sweden. K-Fastigheter will take possession of the shares on 30 July 2021.
- On 30 April 2021, Finja Prefab AB took possession of the acquisition of 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.

- K-Fastigheter's Annual General Meeting was held on 19 May 2021. All Board members were re-elected for another year and Erik Sehlin was re-elected Chairman. The Annual General Meeting authorized the Board to, in the period until the next

Key performance indicators*	2021	2020	2020
	Jan–Jun	Jan–Jun	Jan–Dec
Rental income, SEK m	122.5	96.8	203.9
Project and construction income, SEK m	496.8	9.3	10.2
Gross profit, SEK m	126.7	67.1	145.1
Profit from property management, SEK m	44.6	35.0	75.3
Profit for the period, SEK m	371.1	204.0	474.5
Net investments in investment properties, SEK m	791.0	1,084.7	1,888.6
Investment properties, SEK m	8,043.6	5,751.5	6,853.5
Long-term net asset value (NAV), SEK m	4,190.0	2,818.0	3,661.2
Number of apartments under management	2,305	1,865	2,237
Number of construction starts, apartments	456	619	912
Number of apartments under construction	1,699	1,249	1,311
Number of apartments under project development	5,522	2,888	3,880
Interest coverage ratio, multiple	2.7	2.6	2.6
Equity/assets ratio, %	37.2%	38.9%	41.9%
Loan-to-value ratio, %	54.8%	53.4%	46.7%
Profit from property management, SEK per share	0.21	0.17	0.36
Growth in profit from property management per share, %	20.1%	-7.0%	6.3%
Long-term net asset value (NAV), SEK per share	19.46	13.86	17.00
Growth in long-term net asset value (NAV), per share, %	14.4%	10.9%	36.1%
Earnings per share, SEK**	1.72	1.00	2.29
Number of shares outstanding at the end of the period, millions***	215.3	203.3	215.3
Average number of shares outstanding during the period, millions***	215.3	203.3	207.5

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

A MESSAGE FROM THE CEO

AGM, issue a maximum of 24,000,000 new shares, and repurchase a maximum of one tenth of the total number of shares in the company.

- On 28 May 2021, K-Fastigheter announced a collaboration with Innovation Properties and Borohus to jointly develop the property Haninge Ramsdalen 3:1 on a plot of 72,000 square meters.
- On 31 May 2021, K-Fast Bygg Holding AB took possession of the acquisition of PVS Mark&VA. K-Fastigheter's ownership stake is 50 percent and the acquisition strengthens the Group's operations in construction.
- On 1 June 2021, K-Fastigheter announced that Martin Johansson had been appointed new Head of the Property Management business area. Martin joins K-Fastigheter from Akademiska Hus, where he currently holds the position of Property Manager. Martin will take up his new position on 1 September 2021.
- On 7 June 2021, K-Fastigheter completed a 6:1 share split which increased the number of shares from 35,888,528 shares to 215,331,168 shares, divided over 22,500,000 Class A shares and 192,831,168 Class B shares.

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, K-Fast 2.0, in the second quarter 2021 and up until publication of this report.

Significant events after the end of the period

- There were no significant events after the end of the period.



Jacob Karlsson, CEO of K-Fast Holding AB

THE GROUP'S HIGH GROWTH RATE CONTINUES. ALL BUSINESS AREAS WORKING IN SYNCH TO GENERATE PROFIT GROWTH OF 82 PERCENT

We started the year by taking possession of the shares in Finja Prefab AB which comprises our fourth business area, Prefab, alongside our production plants for lightweight external wall units in wood and the new acquisition of Kilen Prefab in Strängnäs. We are now resting on a stable foundation of four cornerstones with positive cash flow and profit, together creating a unique business model and adding value to the Group. We are so much more than a traditional property company. In the first half-year, project development, construction and prefab generated as much as 60 percent of profit. Property management generated 40 percent. I believe that financial and environmental sustainability cannot be secured until you own the entire process throughout the value chain.

Group profit for the first half-year was SEK 371.1 million, an increase of as much as 82 percent year-on-year. NAV per share increased by 14 percent in the first half-year, which should be seen in relation to our financial target of average NAV growth of 20 percent per share and financial year. The growth rate is high and will remain so. We are well positioned for meeting our financial and partially updated operational targets. In the first six months of the year, rental income and profit from property management increased by 27 percent respectively year-on-year.

We had an eventful second quarter where we extended our collaboration with BoKlok in a portfolio transaction encompassing building rights for just over 260 apartments, of which BoKlok will construct 100. Construction has already started on 40 of the apartments, located in Uppsala. The joint target with BoKlok aims to generate transactions relating to 1,000 apartments over three years, which we are now half way towards meeting.

In the second quarter, we also entered into an agreement relating to the acquisition of 25 percent of the shares in Mjööbäcks Entreprenad AB, a very well-run company that constructs around 300 residential units per year, equally distributed between single-family houses and tenant-owner apartments, and which has a proprietary production plant in Mjööbäck. We have known and collaborated with Mjööbäck for a long time and view the ownership as a good opportunity to develop the collaboration further. Alongside Mjööbäck, K-Fastigheter's develops rental apartments that allow municipalities and other partners to offer complete solutions for multi-family dwellings with rental and tenant-owner title formats, as well as freehold ownership of single-family homes. Together, we can develop larger land parcels and building right portfolios, which creates synergies.

Our Project Development business area is well prepared and the high transaction rate for attractive building rights in strategic locations continued in the quarter. At the end of the period, the total building and project portfolio encompassed 7,221 apartments, an increase of 75 percent year-on-year. In the Construction business area, we started three projects in the second quarter and completed one project. We have worked hard to reach the new operational target of starting ▶▶▶

construction of 1,300 apartments annually by 2023, and this year we are already set to achieve our operational goal for 2023 of starting construction of 1,000 apartments per year. The total acquisition value of proprietary ongoing production corresponds to 71 percent of market value on completion, based on external market valuations as of the end of the second quarter. A KPI that we term “PTV” (production to value) indicates a margin on new construction of as much as 29 percent. We recognize this margin as unrealized value changes in line with projects being completed. This 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 mistaken for unrealized value changes in our holding of completed investment properties, although both items are recognized on the same line for accounting purposes. This is one of K-Fastigheter’s growth engines which accelerates as ongoing production increases. This means that it is particularly pleasing that the number of apartments in ongoing production increased to all of 1,699 in the period, corresponding to 36 percent year-on-year. We have established a completely new level in terms of recognizing unrealized value changes in our new production.

The new business area Prefab has fallen into step with the rest of the Group. At the end of the period, we had already added five internal projects of 413 residential units to the order books, including our project in Vallensbæk outside Copenhagen which is now in full swing. Our long-term strategy is to continue our external market deliveries to the same extent as before, and where K-Fastigheter’s internal projects are additional to Prefab’s pre-existing volumes. For Prefab, this implies volume growth of 50 percent. In 2022, we expect to suborder all K-Fastigheter’s projects from Prefab. Prefab benefits significantly from increased volumes. The large volume increase will generate economies of scale, as it does not generate a corresponding increase in internal expenses. Now that we are easing off the brakes in order to expand the business area, we are set to significantly increase the efficiency of K-Fastigheter’s internal production. Prefab, which is subject to normal seasonal variations, reported gross profit of SEK 34.9 million for the first half-year, in line with our expectations that 2021 will be a normal year with results equivalent to pre-pandemic outturns. Prefab is working hard to reduce its CO2 footprint by 50 percent over a three-year period and is more than half way

to achieving this outcome. Prefab is currently alone in being able to offer climate-positive concrete frames. Prefab has felt the effect of rising raw materials prices, mainly on steel for reinforcement bars. The effect is relatively limited as purchasing of reinforcement bars only comprises one eighth of the total costs. However, our increasing volumes within Prefab create the opportunity to offset these cost increases. The costs can largely be offset by increased volumes. Information presented after the end of the quarter about increased uncertainty regarding the supply of cement from Cementa’s factory in Slite on Gotland is of more concern, however. Although we have good relations with other cement suppliers, we expect prices to increase. The overall effect will be very negative for the Swedish construction industry.

In the first half-year, we worked hard to reduce the vacancies in Växjö, which were due to the completion of a large volume of apartments in a short period of time. I am pleased to announce that these vacancies, which affected our financial letting ratio and surplus ratio negatively, have now been almost entirely filled, and our financial letting ratio was 96.2 percent at the end of the second quarter.

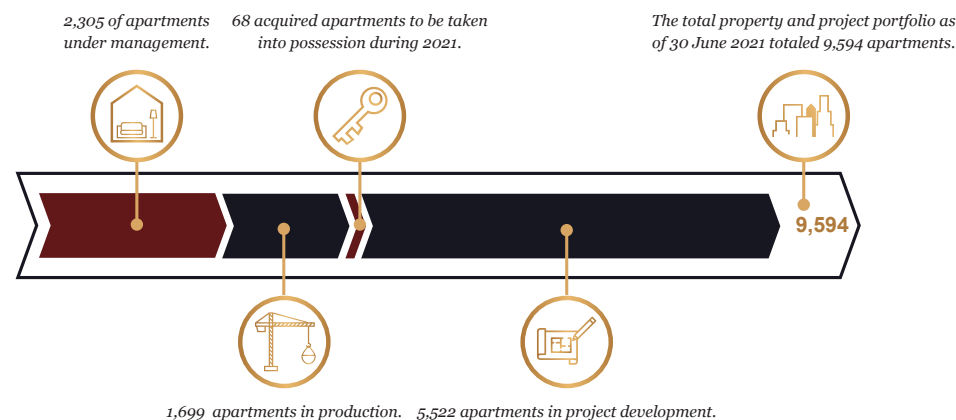
The letting ratio is high in the project portfolio, and we achieved a new record in the number of apartments let in not yet completed projects for two of the months in the second quarter. The net letting ratio is

well over 100 apartments per month in the project portfolio, which is pleasing considering future projects that are in the process of being completed.

I remain grateful for the confidence shown in me by all shareholders and will do my utmost to live up to this confidence. The share price has made positive progress, and had increased by 41 percent compared to the start of the year as of 30 June. We completed a 6:1 share split in the second quarter, and the new number of shares now amounts to 192,831,168 Class B shares and 22,500,000 Class A shares. Finally, the K-Fastigheter share was included in EPRA’s index series, FTSE EPRA Nareit Global Developed Index, from 21 June onwards. EPRA index is a leading global index for listed property investments consisting of some 500 property companies.

I feel positive about summing up the first half of 2021. I am proud of our incredible employees who have delivered unprecedented growth for K-Fastigheter despite nearly 18 months in a pandemic and with many new conditions. To succeed you need to be able to think outside the box and be innovative, both of which being characteristics of K-Fastigheter’s approach. ■

- Jacob Karlsson, July 2021



PROPERTY PORTFOLIO AND VALUATION

Property portfolio

On 30 June 2021, the Group's property portfolio comprised 84 completed investment properties¹ distributed over a total of 146,019 square meters of residential and 41,835 square meters of commercial space. In addition, the Group had 26 ongoing construction projects, distributed over 110,666 square meters of residential and 2,683 square meters of commercial space. Furthermore, K-Fastigheter has 30 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, 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 30 June 2021, contractual rent totaled SEK 270.6 million, with an estimated operating surplus of SEK 198.1 million, corresponding to a surplus ratio of some 73 percent. For newly produced concept buildings, the corresponding surplus ratio is some 81 percent, and approximately 63 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 2,305 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 180 commercial contracts, with the largest tenant comprising approximately 2 percent of total contractual rental income and the 10 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 future.

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

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 June 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. With regard to ongoing new construction, these are valued according to the assessed value upon completion reduced by estimated acquisition costs, where 20 percent of the assessed change in value is recognized when the building permit has gained legal force and a general contract has been signed, while the remaining 80 percent is recognized successively during construction in relation to the costs incurred. 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 8,043.6 million (6,853.5), distributed over completed investment properties of SEK 5,440.0 million (5,067.2), undeveloped land and building rights of SEK 741.1 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,844.5 million (1,060.6). During the period, SEK 641.7 million (377.5) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 165.9 million (708.2). Sales of building rights totaling SEK 16.6 million (1.0) were completed in the period.

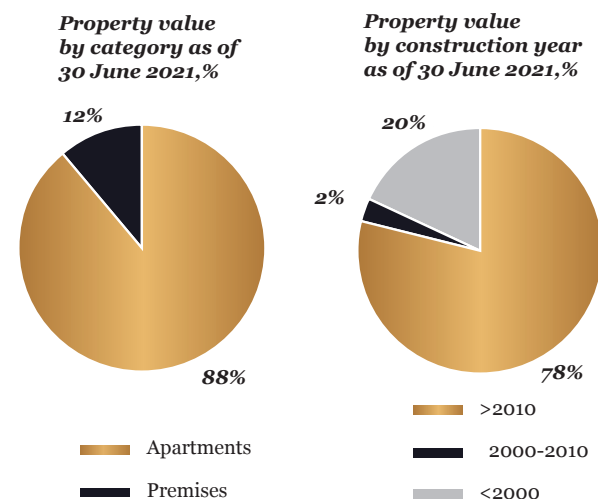
Property-related key performance indicators	2021 30 Jun	2020 30 Jun	2020 31 Dec
Opening carrying amount, investment properties	6,853.5	4,396.7	4,396.7
+Acquisitions	165.9	708.2	1,034.5
+ New construction	632.7	364.8	824.1
+ Extensions and rebuilds	9.0	12.7	31.0
- Divestments	-16.6	-1.0	-1.0
- Other reclassifications and obsolescence	1.0	12.2	-9.7
Unrealized value changes	398.1	257.8	577.8
of which, completed investment properties	111.6	58.2	168.6
of which, undeveloped land and building rights	-3.6	-4.7	1.3
of which, ongoing construction	290.2	204.3	407.9
Closing carrying amount, investment properties	8,043.6	5,751.5	6,853.5
of which, completed investment properties	5,440.0	4,076.3	5,067.2
of which, undeveloped land	741.1	486.4	707.7
of which, site leaseholds	18.0	20.3	18.0
of which, construction in progress	1,844.5	1,168.6	1,060.6
Rental value, SEK million	281.4	218.0	265.1
Rental income at end of period, SEK/m ²	1,441	1,450	1,426
Direct property costs, SEK/m ²	386	406	394
Operating surplus, SEK/m ²	1,054	1,044	1,032
Financial letting ratio at end of the period	96.2%	95.0%	91.2%
Average financial letting ratio over period	90.4%	93.8%	92.0%
Surplus ratio over year	63.6%	67.1%	67.2%
Lettable area, m ²	187,854	142,847	169,545
Number of homes under management	2,305	1,865	2,237
Direct return on completed investment properties	4.05%	4.17%	4.08%
Direct return requirement, construction in progress	3.87%	3.97%	3.96%
Direct return requirement, all valued properties	3.97%	4.09%	4.03%
of which housing	3.82%	3.96%	3.92%
of which premises	5.00%	5.03%	5.02%

Unrealized value changes in investment properties for the period were SEK 398.1 million (257.8), distributed over SEK 107.9 million (53.5) for properties under management and SEK 290.2 million (204.3) 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 (0.3). The remaining SEK 290.1 million (204.0) 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 3.87 percent (3.97). On completion, the estimated market value of the new construction projects in progress amounted to SEK 4,765.0 million (3,592.7).

At the end of the period, the average direct return requirement for properties under management amounted to 4.05 percent (4.17) and for the full property portfolio, including undeveloped land, building rights and ongoing construction, the average direct return was 3.97 percent (4.09).

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 ²)	Yearly rental value (SEK m)	Purchase price (SEK m)
Viktoría 22*	Helsingborg	1 July 2021	Commercial	589	1.2	28.0

Acquired building rights

Properties	Municipality	Construction scheduled to commence	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Veddesta 2:65*	Järfälla	Q2 2022–2023	423	23,270	52.4	259.0
Viktoría 22*	Helsingborg	Q3 2022	72	4,933	11.6	28.0
Fullerö 21:103*	Uppsala	May 2021	40	2,472	4.5	26.0
Ekeby 3:25*	Eskilstuna	Q4 2022	106	7,820	13.3	12.0
Holmängen 1:12 & 1:15*	Vänersborg	Q4 2021–Q2 2022	143	8,910	15.0	24.0
Skymsningen 2*	Höganäs	Q2 2022	50	2,760	5.1	13.1
Part of Lerberget 49:707*	Höganäs	Q2 2022	51	2,760	5.1	13.3
Revisorn 8 & 10*	Kristianstad	2023	150	11,000	16.5	23.0

Projects where construction has commenced

Property	Municipality	Expected completion	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK m)
Magasinet 4 "Byggmax"	Hässleholm	Apr 2022	Commercial	2,487	2.5
Smörjhallen 1	Hässleholm	Sep 2022	37	2,864	4.6
Spoven 1	Växjö	Feb 2023	83	4,710	9.0
Fullerö 21:103 "BoKlok"	Uppsala	Jun 2022	40	2,472	4.5

Project completions

Property	Municipality	Move in	Number of apartments	Area (m ²)	Rental value (SEK million)
Stubbarp 33:27 phase 1	Höganäs	May 31, 2021	28	2,038	3.3

K-Fast 2.0

	Q1 2021	Q2 2021
Number of apartments renovated	9	9
Increase in rental value (SEK m)	0.2	0.2

*Property not yet transferred.

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 apartments	Lettable area, m ²			Property value		Rental value		Letting ratio	Contractual rent	Property costs		Operating surplus	
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	%	SEK m	SEK m	SEK/m ²	SEK m	SEK/m ²
Concept buildings	1,468	91,563	2,037	93,600	3,535.3	37,770	162.4	1,735	98.2%	159.5	19.3	207	140.2	1,497
Other	837	54,456	26,662	81,118	1,819.1	22,425	110.8	1,365	94.2%	104.3	29.4	362	74.9	923
Total excluding development properties	2,305	146,019	28,699	174,718	5,354.4	30,646	273.1	1,563	96.6%	263.8	48.7	279	215.1	1,231
Development properties	0	0	13,136	13,136	85.6	6,516	8.2	627	83.1%	6.8	2.5	194	4.3	327
Total including development properties	2,305	146,019	41,835	187,854	5,440.0	28,959	281.4	1,498	96.2%	270.6	51.3	273	219.4	1,168

Per geographical region															
South	2,291	145,029	31,076	176,105	5,331.9	30,277	272.3	1,546	96.4%	262.4	48.7	277	213.7	1,213	
West	14	990	9,939	10,929	91.9	8,409	7.8	713	89.4%	7.0	2.2	198	4.8	439	
East	0	0	820	820	16.2	19,756	1.3	1,569	100.0%	1.3	0.4	500	0.9	1,069	
Total	2,305	146,019	41,835	187,854	5,440.0	28,959	281.4	1,498	96.2%	270.6	51.3	273	219.4	1,168	
													Property administration	21.3	113
													Operating surplus incl. property administration	198.1	1,054

Construction projects in progress

Per building category	No. of apartments	Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ¹		
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	Estimated	Developed	Carrying amount
Concept buildings	1,551	100,915	196	101,111	4,359.0	43,112	199.0	1,969	3,114.1	1,508.4	2,103.4
Other	148	9,751	2,487	12,238	406.0	33,175	19.7	1,609	361.4	191.7	222.9
Total	1,699	110,666	2,683	113,349	4,765.0	42,039	218.7	1,930	3,474.5	1,700.0	2,326.3

Per geographical region											
South	1,112	74,140	2,487	76,627	3,083.0	40,234	145.0	1,892	2,264.5	1,142.9	1,552.9
West	295	16,931	196	17,127	936.0	54,651	39.2	2,289	614.7	327.5	509.9
East	292	19,595	0	19,595	746.0	38,071	34.5	1,762	596.3	229.7	263.5
Total	1,699	110,666	2,683	113,349	4,765.0	42,039	218.7	1,930	3,475.5	1,700.0	2,326.3

Project development in progress

Per building category	No. of apartments	Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ¹		
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	Estimated	Developed	Carrying amount
Concept buildings	5,419	319,177	975	320,152	13,671.0	42,701	601.9	1,880	9,438.2	202.2	202.2
Other	103	8,302	1,145	9,447	308.5	32,661	15.8	1,673	263.2	16.9	16.9
Total	5,522	327,479	2,120	329,599	13,979.5	42,414	617.7	1,874	9,701.4	219.2	219.2

Per geographical region											
South	2,547	148,184	975	149,159	6,259.0	41,962	276.5	1,854	4,176.7	107.3	107.3
West	1,583	96,685	0	96,685	3,960.7	40,965	179.8	1,860	2,851.8	57.9	57.9
East	1,392	82,611	1,145	83,756	3,759.9	44,891	161.3	1,926	2,672.9	53.9	53.9
Total	5,522	327,479	2,120	329,599	13,979.5	42,414	617.7	1,874	9,701.4	219.2	219.2

Summary

	No. of apartments	Lettable area, m ²			Property value		Rental value		Carrying amount
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	SEK m
Completed investment properties	2,305	146,019	41,835	187,854	5,440.0	28,959	281.4	1,498	5,440.0
Construction projects in progress	1,699	110,666	2,683	113,349	4,765.0	42,039	218.7	1,930	2,326.3
Project development in progress	5,522	327,479	2,120	329,599	13,979.5	42,414	617.7	1,874	219.2
New construction projects other									30.9
Undeveloped land									9.4
Acquired but not yet possessed	68	6,782	0	6,782	281.3	41,478	13.9	2,053	0.0
Site leaseholds									18.0
Total	9,594	590,946	46,638	637,584	24,465.9	38,373	1,131.7	1,775	8,043.6

¹Accrued 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 653.7 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 30 June 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 June 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 June 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.

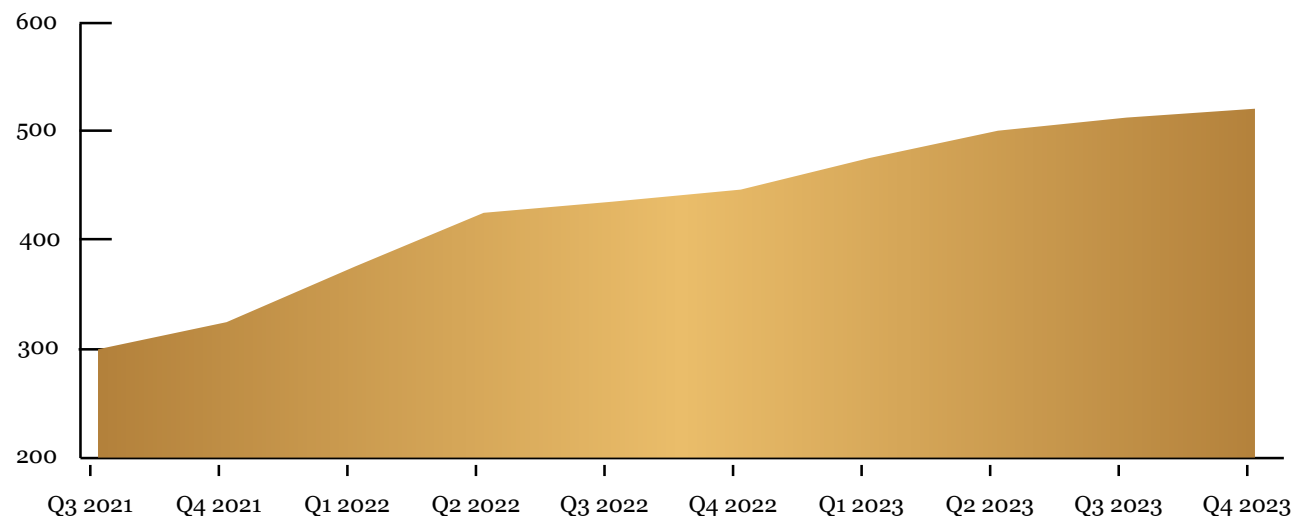
SEK m	2021 30 Jun	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	281.4	265.1	196.6	133.4
Vacancy	-10.7	-23.4	-6.1	-0.9
Rental income	270.6	241.7	190.5	132.5
Operating costs	-37.8	-35.6	-27.0	-19.4
Maintenance	-10.0	-9.0	-7.3	-5.6
Property tax/ground rent	-3.5	-3.0	-2.6	-1.6
Property administration	-21.3	-19.2	-15.0	-12.8
Operating surplus	198.1	174.9	138.6	93.0
Central administration	-9.3	-11.2	-9.6	-4.3
Net interest income	-56.2	-51.4	-46.9	-29.0
Profit from property management	132.6	112.3	82.1	59.7

Expected rental trend

The diagram illustrates current rental values for completed investment properties as of 30 June 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 June 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, portfolio of liabilities were primarily bilateral loans secured with Nordic banks. At the end of the period, consolidated interest-bearing liabilities amounted to SEK 4,985.7 million (3,848.3), of which SEK 946.0 million (847.8) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 3,341.6 million (3,145.1), construction credits of SEK 1,055.2 million (681.2), leasing liabilities of SEK 32.1 million (22.2), operating and acquisition credits of SEK 306.9 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 6,111.1 million (4,820.6), of which SEK 3,341.6 million (3,145.1) related to the financing of completed investment properties, of which SEK 803.0 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 2,142.1 million (1585.5) and operating and acquisition credits of SEK 627.5 million (90.0), of which SEK 427.5 million relates to acquisition financing of Finja Prefab. Utilization of construction credits and operating and acquisition credits at end of the period was as follows: SEK 1,055.2 million (681.2) and SEK 306.9 million (0.0), of which SEK 300.0 million relates to the acquisition of Finja Prefab.

As of 30 June 2021, the average credit term for the Group's interest bearing liabilities, relating to completed investment properties and operational premises was 2.4 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 2,507.0 million (1,907.0) at the end of the period, of which SEK 200.0 million comprises swaps with a future start date. At the end of the period, the fair value of the interest derivative portfolio was SEK -2.7 million (-30.5). The average interest period on the Group's interest-bearing liabilities related to investment and business properties was 4.4 years (3.8), and the average interest rate was 1.76 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 37 percent (39) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 13.3 million (12.4). All the above KPI's 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 June 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 30 June 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 30 Jun 2021
Loan-to-value ratio, %	max. 70%	max. 70.75%	54.8 %
Equity/assets ratio, %	min. 25%	min. 25%	37.2 %
Interest coverage ratio, multiple	min. multiple of 1.75	min. multiple of 1.50	multiple of 2.7

Credit and interest maturity structure, 30 June 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	1,141.6	1.40%	803.0	803.0	7.0	0.0	2.01%	-0.1
1-2 years	100.0	1.93%	276.0	276.0	100.0	0.0	0.50%	-0.6
2-3 years	200.0	1.85%	1,506.0	1,506.0	200.0	0.0	0.42%	-1.3
3-4 years	300.0	1.80%	453.6	453.6	300.0	0.0	0.37%	-1.4
4-5 years	100.0	2.45%	724.0	596.5	100.0	0.0	1.02%	-3.1
> 5 years	1,800.0	1.98%	6.6	6.6	1,600.0	200.0	0.55%	3.8
Total	3,641.6	1.76%	3,769.1	3,641.6	2,307.0	200.0		-2.7

COMPREHENSIVE INCOME JANUARY – JUNE 2021

The following profit and cash flow items relate to the period 1 January - 30 June 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 second quarter 2021, comprehensive income amounted to SEK 336.5 million (53.8) and SEK 623.0 million (106.4) in the period. Rental income amounted to SEK 63.0 million (49.0) for the second quarter and to SEK 122.5 million (96.8) for the period, which is an increase of 29 and 27 percent respectively year-on-year. The increase was primarily due to more apartments under management, which increased by 24 percent to 2,305 (1,865). The financial letting ratio gradually improved in the period, mainly due to the additional measures in the Folkparken project in Växjö. At the end of the period, the financial letting ratio was 96.2 percent (95.0) compared to 91.2 percent at the end of 2020.

Income from project and construction operations for the second quarter amounted to SEK 459.1 million (116.6) and to SEK 831.1 million (207.6) for the period, of which SEK 334.3 million (198.2) related to construction for Group companies that has been capitalized for the Group's own purposes. SEK 496.8 million (9.3) related to assignments for external orders, of which Prefab's income comprised SEK 495.6 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 1,699 apartments (1,249), representing

an increase of 36 percent and 30 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 529.2 million (497.0), of which SEK 31.5 million (0.0) related to intra-Group sales, and from the start of the second quarter activity levels have returned to pre-pandemic levels.

Operating costs

Property management costs totaled SEK 45.5 million (31.8) for the period, corresponding to an increase of 43 percent year-on-year. Operating surplus amounted to SEK 77.8 million (64.9). The increase was primarily due to more properties under management. The surplus ratio for the second quarter amounted to 67.2 percent (70.4) and to 63.6 percent (67.1) for the period, and was negatively affected by the relatively lower average letting ratio, which amounted to 90.4 percent (93.8), 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 for the Construction business area was SEK 14.0 million (2.1) and SEK 34.9 million (26.0) for Prefab.

Central administration costs, depreciation/amortization and impairment

Central administration, which includes Group-wide management, project development, IR/communications, HR, IT and finance, amounted to SEK 18.6 million (17.2) for the period. The increase was primarily due to investments in the organization to meet future growth.

Depreciation/amortization and impairment for the period amounted to SEK 25.0 million (3.2), of which SEK 22.5 million was attributable to Prefab's operations. Total depreciation/amortization in the period totaled SEK 22.7 M (1.6). Impairment for the period amounted to SEK 2.3 M (1.5) and relates to obsolescence of construction components in connection with the Group's K-Fast 2.0 renovation program of SEK 0.7 M (1.0) and impairment of receivables of SEK 1.6 million (0.6).

Profit from participations in associated and jointly controlled companies

Profit from participations in associated and jointly controlled companies amounted to SEK 4.6 million (3.7) and was primarily 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 -33.4 million (-23.1). At the end of the period, the average interest rate was 1.76 percent (1.85), including the effects of interest rate derivatives. Year-on-year interest expenses were negatively affected by increased interest-bearing liabilities relating to the 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 2.7 (2.6).

Profit from property management

Profit from property management amounted to SEK 25.1 million (19.5) for the quarter and to SEK 44.6 million (35.0) for the period, an increase of 29 and 27 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.21 (0.17), which is an increase of 20 percent year-on-year.

Value changes

Unrealized value changes in investment properties for the second quarter were SEK 235.2 million (136.4) and SEK 398.1 million (257.8) for the period, distributed over SEK 107.9 million (53.6) for properties under management and SEK 290.2 million (204.3) 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 26.7 million (-29.8) for the period. The trend in the period was primarily due to 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 derivatives was SEK -0.5 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 5.6 million (1.2). Deferred tax amounted to SEK 102.4 million (50.1), mainly affected by unrealized value changes in properties totaling SEK 398.1 million (257.8). 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 second quarter was SEK 202.9 million (111.7), and SEK 371.1 million (204.0) for the period, corresponding to SEK 1.72 (1.00) per share. Comprehensive income for the period totaled SEK 372.6 M (203.6). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 1.5 million (-0.4) in the period. The full amount relates to items that can be reversed in a later period.

Intangible assets

Intangible assets comprise goodwill and intangible assets arising in the connection with the acquisition of Finja Prefab. At the end of the period, goodwill amounted to SEK 440.6 million (0.0) and intangible assets, comprising the value of Prefab's customer relations, amounted to SEK 49.6 million (0.0). 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 publication of the Annual Report.

Investment properties

At the end of the period, the value of investment properties totaled SEK 8,043.6 million (6,853.5), distributed over completed investment properties of SEK 5,440.0 million (5,067.2), undeveloped land and building rights of SEK 741.1 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,844.5 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 394.0 million (30.9) at the end of the period and SEK 168.8 million (18.5) respectively, and the increase is mainly associated with the acquisition of Finja Prefab, which owns properties 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 79.5 million (507.6). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 320.6 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 3,582.4 million (3,209.8), corresponding to SEK 16.64 per share (14.91). The increase was due to comprehensive income for the period of SEK 372.6 million (203.6). At the end of the period, the Group's equity/asset ratio was 37.2 percent (41.9).

At the end of the period, the long-term net asset value (NAV) amounted to SEK 4,190.0 million (3,661.2), corresponding to SEK 19.46 per share (17.00), an increase of 14 percent compared to 31 December 2020 and up 40 percent on 30 June 2020.

Interest-bearing liabilities and interest rate derivatives

At the end of the period, the Group's interest-bearing liabilities amounted to SEK 4,985.7 million (3,848.4), of which SEK 946.0 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 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jul– 2021 Jun	2020 Jan–Dec
Rental income	63.0	49.0	122.5	96.8	229.6	203.9
Project and construction income	271.7	4.8	496.8	9.3	497.7	10.2
Other operating income	1.7	0.1	3.7	0.3	4.4	1.0
Total income	336.5	53.8	623.0	106.4	731.7	215.1
Operating costs	-10.1	-6.9	-23.4	-15.8	-40.6	-33.1
Maintenance	-4.2	-2.3	-7.0	-4.2	-13.5	-10.6
Property tax	-1.4	-0.8	-3.0	-1.8	-5.7	-4.5
Property administration	-5.3	-4.5	-12.1	-10.0	-21.3	-19.2
Property management costs	-20.9	-14.5	-45.5	-31.8	-81.1	-67.4
Project and contracting costs	-240.4	-3.6	-450.7	-7.5	-445.8	-2.5
Gross profit	75.1	35.8	126.7	67.1	204.8	145.1
<i>of which, gross profit from property management (operating surplus)</i>	<i>42.3</i>	<i>34.5</i>	<i>77.8</i>	<i>64.9</i>	<i>149.9</i>	<i>137.0</i>
<i>of which, gross profit from project and contracting operations</i>	<i>32.8</i>	<i>1.3</i>	<i>48.9</i>	<i>2.1</i>	<i>54.9</i>	<i>8.1</i>
Central administration	-10.2	-7.1	-18.6	-17.2	-35.0	-33.6
Depreciation/amortization and impairment	-19.6	-2.0	-25.0	-3.2	-30.4	-8.5
Profit from participations in Group, associated and jointly controlled companies	1.1	4.2	4.6	3.7	3.5	2.6
Net interest income	-17.5	-11.9	-33.4	-23.1	-58.1	-47.7
Profit before value changes	28.9	18.9	54.3	27.3	84.9	57.9
<i>of which, profit from property management</i>	<i>25.1</i>	<i>19.5</i>	<i>44.6</i>	<i>35.0</i>	<i>84.8</i>	<i>75.3</i>
Change in value of investment properties	235.2	136.4	398.1	257.8	718.1	577.8
Changes in value of derivatives and other	0.2	-16.0	26.7	-29.8	32.3	-24.2
Profit before tax	264.4	139.3	479.1	255.3	835.3	611.4
Tax on profit for the period	-61.4	-27.6	-108.0	-51.3	-193.6	-136.9
Profit for the period	202.9	111.7	371.1	204.0	641.6	474.5
Other comprehensive income	-2.2	-0.4	1.5	-0.4	0.5	-1.4
Comprehensive income for the period	200.7	111.3	372.6	203.6	642.1	473.1
Profit after tax per share, SEK/share*	0.94	0.55	1.72	1.00	3.01	2.29

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

Segment reporting

2021 Jan–Jun, SEK m	Property Management	Project Development	Construction	Prefab	Other/ eliminations	Group
Income	123.3	0.0	304.7	529.2	-334.3	623.0
Expenses	-45.5	0.0	-290.6	-494.4	334.3	-496.3
Gross profit	77.8	0.0	14.0	34.9	0.0	126.7
Central administration costs	-4.6	-4.6	-4.6	-4.6	0.0	-18.6
Depreciation/amortization and impairment	-1.3	0.0	-1.2	-22.5	0.0	-25.0
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	4.6	4.6
Net interest income	-27.3	0.0	0.0	-6.1	0.0	-33.4
Profit before value changes	44.6	-4.6	8.1	1.7	4.6	54.3
Value change, properties	107.9	290.2	0.0	0.0	0.0	398.1
Changes in value of derivatives and other	26.7	0.0	0.0	0.0	0.0	26.7
Profit before tax	179.2	285.5	8.1	1.7	4.6	479.1
Tax	-27.7	-59.8	0.0	0.0	-20.5	-108.0
Profit for the period	151.5	225.8	8.1	1.7	-15.9	371.1
Total assets	8,158.1	0.0	29.6	1,277.9	174.8	9,640.3
Total liabilities	5,014.9	0.0	84.2	917.0	41.7	6,057.9
2020 Jan–Jun, SEK m	Property Management	Project Development	Construction		Other/ eliminations	Group
Income	96.8	0.0	207.9		-198.2	106.4
Expenses	-31.8	0.0	-205.7		198.2	-39.3
Gross profit	64.9	0.0	2.1		0.0	67.1
Central administration costs	-5.7	-5.7	-5.7		0.0	-17.2
Depreciation/amortization and impairment	-1.1	-1.1	-1.1		0.0	-3.2
Profit from holding in associated companies*	0.0	0.0	0.0		3.7	3.7
Net interest income	-23.1	0.0	0.0		0.0	-23.1
Profit before value changes	35.0	-6.8	-4.6		3.7	27.3
Value change, properties	53.6	204.3	0.0		0.0	257.8
Changes in value of derivatives and other	-25.7	0.0	0.0		-4.1	-29.8
Profit before tax	62.8	197.5	-4.6		-0.4	255.3
Tax	-10.4	-39.7	0.0		-1.2	-51.3
Profit for the period	52.4	157.8	-4.6		-1.6	204.0
Total assets	5,873.0	0.0	24.9		355.2	6,253.1
Total liabilities	3,711.5	0.0	54.5		45.1	3,811.1

* Profit from participations in associated and jointly controlled companies.

FINANCIAL POSITION

Summary consolidated statement of financial position

SEK m	2021 30 Jun	2020 30 Jun	2020 31 Dec
ASSETS			
Non-current assets			
Intangible assets	490.2	0.0	0.0
Investment properties	8,043.6	5,751.5	6,853.5
Business properties	394.0	19.7	30.9
Equipment	168.8	16.2	18.5
Holdings in associated and jointly controlled companies and other non-current receivables	57.3	47.6	45.1
Deferred tax receivables	16.4	32.1	27.0
Total non-current assets	9,170.4	5,867.0	6,975.0
Current assets			
Inventories	52.0	0.2	0.2
Accounts receivable	128.2	6.0	1.8
Other receivables	210.3	137.1	175.0
Cash and cash equivalents	79.5	274.8	507.6
Total current assets	470.0	418.2	684.6
Total assets	9,640.3	6,285.2	7,659.6

SEK m	2021 30 Jun	2020 30 Jun	2020 31 Dec
EQUITY AND LIABILITIES			
Equity			
Restricted equity	57.4	54.2	57.4
Unrestricted equity	3,525.0	2,387.8	3,152.4
Total equity	3,582.4	2,442.0	3,209.8
Non-current liabilities			
Deferred tax liability	623.5	369.5	451.2
Long-term interest-bearing liabilities	3,789.7	2,868.6	3,000.6
Derivative instruments	0.5	38.5	27.2
Other provisions and non-current liabilities	258.0	8.7	8.5
Total non-current liabilities	4,671.7	3,285.3	3,487.5
Current liabilities			
Current interest-bearing liabilities	946.0	446.8	847.8
Accounts payable	166.1	61.5	50.4
Other current liabilities	274.1	49.6	64.1
Total current liabilities	1,386.2	557.9	962.2
Total equity and liabilities	9,640.3	6,285.2	7,659.6

Consolidated statement of changes in Equity in summary

SEK m	2021 30 Jun	2020 30 Jun	2020 31 Dec
Total Equity at the beginning of the period	3,209.8	2,238.4	2,238.4
New share issue	0.0	0.0	498.3
Profit for the period	371.1	204.0	474.5
Other comprehensive income	1.5	-0.4	-1.4
Total Equity at the end of the period*	3,582.4	2,442.0	3,209.8

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

CASH FLOW STATEMENT

Summary Consolidated Cash Flow Statement

SEK m	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Operating activities					
Profit before value changes	28.9	14.7	54.3	23.6	59.0
Adjustment for items not affecting cash flow	16.6	2.0	22.7	3.2	1.6
Tax paid	-1.0	-0.6	-2.9	-1.2	-5.2
Cash flow from operating activities before changes in working capital	44.6	16.1	74.1	25.6	55.4
Change in operating receivables	-20.5	32.9	11.7	-44.4	-89.8
Change in operating liabilities	11.4	-32.6	88.7	-38.7	-29.9
Cash flow from operating activities	35.4	16.4	174.5	-57.5	-64.4
Investing activities					
Investments in associated and jointly controlled companies	-21.8	-3.2	-674.6	-4.9	-11.7
Property investments	-35.2	-230.7	-166.2	-528.3	-1,037.4
Investments in construction in progress	-350.0	-347.9	-619.1	-572.2	-831.3
Investments in machinery and equipment	-6.9	-2.4	-13.3	-3.6	-6.2
Divestments of properties	0.0	0.5	0.4	0.5	0.5
Change in other financial non-current assets	-1.9	0.0	-0.5	0.0	-2.3
Cash flow from investing activities	-415.8	-583.7	-1,473.4	-1,108.5	-1,888.4
Financing activities					
Borrowings	399.3	396.3	927.1	687.1	1,233.3
Loan amortizations	-15.7	-14.5	-56.5	-25.5	-48.7
Capital contributions	0.0	0.0	0.0	0.0	498.3
Cash flow from investing activities	383.6	381.8	870.6	661.7	1,682.9
Cash flow for the period	3.2	-185.5	-428.3	-504.4	-269.9
Translation differences in cash and cash equivalents	-0.1	0.2	0.1	0.2	-1.4
Opening cash and cash equivalents	76.3	460.0	507.6	779.0	779.0
Closing cash and cash equivalents	79.5	274.8	79.5	274.8	507.6

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–Jun	2020 Jan–Jun	2020 Jan–Dec
Operating income			
Net sales	0.0	0.0	0.0
Administration costs	-18.6	-17.8	-33.4
Amortization and depreciation	-0.1	-0.1	-0.2
Gross profit	-18.7	-17.9	-33.5
Profit from financial items			
Profit from participations in associated and jointly controlled companies	0.0	-0.1	3.6
Net financial items	29.0	-31.0	-24.7
Profit before appropriations and tax	10.3	-49.1	-54.6
Appropriations	0.0	0.0	43.4
Tax on profit for the period	-5.5	5.3	2.2
Profit for the period	4.9	-43.7	-9.0

Parent Company Balance Sheet in summary

Assets, SEK m	2021 30 Jun	2020 30 Jun	2020 31 Dec
Non-current assets			
Tangible non-current assets	0.3	0.4	0.3
Participations in Group companies	976.9	829.1	883.2
Receivables from Group companies	858.6	856.6	867.5
Other financial Non-current assets	10.5	19.0	15.9
Total non-current assets	1,846.3	1,705.0	1,766.9
Current assets			
Receivables from Group companies	1,059.5	628.8	649.0
Receivables from associated companies	8.1	10.7	10.7
Other current receivables	67.7	36.5	116.4
Cash and cash equivalents	64.7	266.6	482.0
Total current assets	1,199.9	942.6	1,258.1
Total assets	3,046.3	2,647.5	3,025.0
Equity and liabilities, SEK m	2021 30 Jun	2020 30 Jun	2020 31 Dec
Equity			
Restricted equity	57.4	54.2	57.4
Unrestricted equity	1,487.3	952.6	1,482.4
Total equity	1,544.7	1,006.8	1,539.8
Non-current liabilities			
Long-term interest-bearing liabilities	840.7	1,030.2	849.6
Derivative instruments	0.4	38.3	27.0
Other provisions and non-current liabilities	2.4	6.4	6.4
Total non-current liabilities	843.5	1,074.9	883.1
Current liabilities			
Current interest-bearing liabilities	17.9	16.3	17.9
Liabilities to Group companies	628.4	539.1	571.7
Other current liabilities	11.8	10.4	12.5
Total current liabilities	658.0	565.9	602.1
Total equity and liabilities	3,046.3	2,647.5	3,025.0

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/).

The definitions of alternative key performance indicators have not changed compared to the 2020 Annual Report.

	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jul– 2021 Jun	2020 Jan–Dec
Property-related key performance indicators						
Rental value, SEK m	281.4	218.0	281.4	218.0	281.4	265.1
Financial letting ratio, %	96.2%	95.0%	96.2%	95.0%	96.2%	91.2%
Average financial letting ratio, %	91.2%	93.7%	90.4%	93.8%	90.4%	92.0%
Surplus ratio, %	67.2%	70.4%	63.6%	67.1%	65.3%	67.2%
Lettable area, m ²	187,854	142,847	187,854	142,847	187,854	169,545
Number of apartments under management	2,305	1,865	2,305	1,865	2,305	2,237
Number of construction starts, apartments	160	389	456	619	749	912
Number of apartments under construction	1,699	1,249	1,699	1,249	1,699	1,311
Number of apartments under project development	5,522	2,888	5,522	2,888	5,522	3,880
Financial key performance indicators						
Interest coverage ratio, multiple	2.8	2.7	2.7	2.6	2.7	2.6
Equity/assets ratio, %	37.2%	38.9%	37.2%	38.9%	37.2%	41.9%
Loan-to-value ratio, %	54.8%	53.4%	54.8%	53.4%	54.8%	46.7%
Period for which capital is tied up, years	2.4	2.6	2.4	2.6	2.4	2.6
Period of fixed-interest, years	4.4	4.2	4.4	4.2	4.4	3.8
Average interest, %	1.76%	1.85%	1.76%	1.85%	1.76%	1.77%
Net investments, SEK m	376.2	575.6	791.0	1,084.7	1,594.9	1,888.6
Profit from property management, SEK m	25.1	19.5	44.6	35.0	84.8	75.3
Long-term net asset value (NAV), SEK m	4,190.0	2,818.0	4,190.0	2,818.0	4,190.0	3,661.2
Share-related key performance indicators						
Long-term net asset value (NAV), SEK/share	19.46	13.86	19.46	13.86	19.46	17.00
<i>Growth in long-term net asset value(NAV),%</i>	6.9%	5.6%	14.4%	10.9%	40.4%	36.1%
Equity per share, SEK	16.64	12.01	16.64	12.01	16.64	14.91
Profit from property management per share, SEK	0.12	0.10	0.21	0.17	0.4	0.36
<i>Growth in profit from property management per share, %</i>	21.3%	-13.8%	20.1%	-7.0%	21.0%	6.3%
Profit after tax per share, SEK	0.94	0.55	1.72	1.00	3.01	2.29
Number of shares outstanding at the end of the period, millions*	215.3	203.3	215.3	203.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	203.3	215.3	203.3	213.5	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%	-	131.6
Rental value +/- 1%	2.8	69.5
Operating and maintenance costs +/- 1%	0.5	11.8
Long-term vacancy ratio +/- 1%	2.8	69.5

Change in value of completed investment properties	-10%	+10%
Property value, SEK m	-618.1	618.1
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 period, the Group consisted of 70 wholly-owned subsidiaries and nine associated company groups. The number of employees amounted to 651 (68), of which 55 were women (18) and 596 were men (50).

Operations are organized into four business areas: Project Development, Construction, Prefab and Property Management, where the relevant Business Area Managers report to, 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 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. 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. These transactions totaled SEK 3.3 million (3.8) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 3.1 million (2.1) and transactions with the Jacob Karlsson AB Group comprised SEK 0.3 million (0.1). 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, 29 July 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

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



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 second quarter 2021 on 30 July 2021 at 08:30 a.m. CEST.

The presentation materials (slides + audio) will be available at: 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 with answers being compiled on an ongoing basis during the day and being published on: k-fastigheter.com.

CALENDAR

Interim report Jan–Sep 2021 – 12 November 2021

Year-end report 2021 – 17 February 2022

2021 Annual report – week commencing 11 April 2022

Interim report Jan–Mar 2022 – 5 May 2022

2022 Annual General Meeting – 12 May 2022

Interim report Jan–Jun 2022 – 28 July 2022

Interim report Jan–Sep 2022 – 10 November 2022

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 June 2021, K-Fastigheter's market capitalization was SEK 12,051.9 million. At the end of the quarter, there were approximately 4,500 shareholders.

On 7 June 2021, K-Fastigheter completed a 6:1 share split. On 30 June 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 June 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 July 2020 – 30 June 2021, approximately 7.6 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 30,320 shares and the average price paid was SEK 45.94. The highest price paid during the period was SEK 78.00 on 7 June 2021, and the lowest price paid was SEK 34.47 on 28 October 2020. On 30 June 2021, the share price was SEK 62.50 (last paid). Market value of all shares in the company, based on the last price paid for a class B share on 30 June 2021, amounted to SEK 13,458.2 million.

Share capital

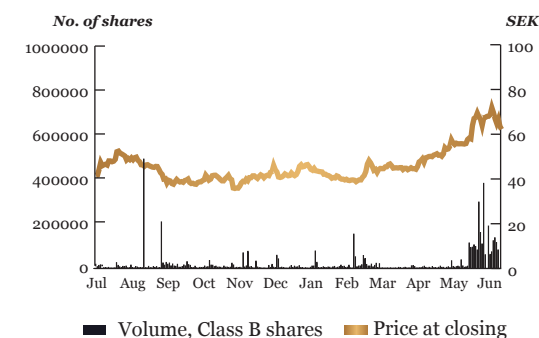
The AGM 2021 authorized the Board to decide to repurchase the company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings. 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. More information about the share capital can be found at: k-fastigheter.com.

*Adjusted for 6:1 share split

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 June 2021	SEK 62.50
Market price 30 June 2021*	SEK 13,458.2 million

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

Share price,
1 July 2020–30 June 2021



Source: Nasdaq

Ten largest shareholders (in order of total voting power) as per 30 June 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	12,925,860	12,925,860	6.0%	4.2%
Länsförsäkringar funds	0	10,801,236	10,801,236	5.0%	3.5%
AP4	0	5,410,525	5,410,525	2.5%	1.8%
SEB funds	0	4,134,587	4,134,587	1.9%	1.4%
Nergården families**	0	2,868,600	2,868,600	1.3%	0.9%
ER-HO Förvaltning AB	0	2,283,000	2,283,000	1.1%	0.7%
AP2	0	2,089,844	2,089,844	1.0%	0.7%
Handelsbanken funds	0	1,799,959	1,799,959	0.8%	0.6%
Ten largest shareholders	22,500,000	169,813,611	192,313,611	89.3%	92.5%
Other shareholders	0	23,017,557	23,017,557	10.7%	7.5%
Total	22,500,000	192,831,168	215,331,168	100.0%	100.0%
Of whom, Board of Directors and Group Management	22,500,000	131,297,422	153,797,422	71.4%	79.8%

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

** Through Mjöbäcksvillan Entreprenad Holding AB and Väst kuststugan AB.

The ownership structure as of 30 June 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 – 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 June 2021, accounted for 88 percent of the property value of the completed property portfolio and for 84 percent of the contractual rent. As of 30 June 2021, K-Fastigheter’s property portfolio encompasses a lettable area of approximately 188,000 square meters distributed between more than 2,305 homes and 180 commercial contracts with an annual rental value of some SEK 271 million. The project portfolio comprises some 7,200 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - June 2021, 60 percent of Group profit after tax was derived from project development and construction, and 40 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 administered 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.

K-Fast Holding AB

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

Contact

Jacob Karlsson

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

Martin Larsson

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

Anders Antonsson

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

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

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