

K-FAST HOLDING AB YEAR-END REPORT

JANUARY
-DECEMBER

2021

"The Group's comprehensive income increased by 122%."



K-FASTIGHETER



The Savenäs neighborhood on Smörslottsgatan in Gothenburg. Tenants moved into the first phase with 103 apartments in December 2021.

NUMBER OF HOMES UNDER MANAGEMENT



2,723 UNITS
Q4 2021

2,237 UNITS
Q4 2020

INVESTMENT PROPERTIES, VALUE



9,603.7 SEK MILLION
Q4 2021

6,853.5 SEK MILLION
Q4 2020

NUMBER OF HOMES IN PRODUCTION



1,820 UNITS
Q4 2021

1,311 UNITS
Q4 2020

LONG-TERM NET ASSET VALUE



4,976.1 SEK MILLION
Q4 2021

3,661.2 SEK MILLION
Q4 2020

RENTAL INCOME



75.3 SEK MILLION
Q4 2021

56.2 SEK MILLION
Q4 2020

PROFIT FROM PROPERTY MANAGEMENT



27.0 SEK MILLION
Q4 2021

19.1 SEK MILLION
Q4 2020

THE QUARTER AND PERIOD IN BRIEF

October–December

- The Covid-19 pandemic has not significantly affected K-Fastigheter's operations, profit or financial position in the period up until publication of this Interim Report.
- Rental income totaled SEK 75.3 million (56.2) in the quarter, an increase of 34 percent year-on-year.
- Income from project development and construction operations totaled SEK 487.9 million (127.5), of which SEK 212.3 million (127.5) related to intra-group projects.
- Consolidated gross profit for the quarter amounted to SEK 87.8 million (37.8), of which operating surplus attributable to property management was SEK 48.5 million (35.2) and gross profit from project and contracting operations totaled SEK 39.3 million (2.6).
- Profit before value changes amounted to SEK 51.0 million (11.6) in the quarter.
- Profit from property management amounted to SEK 27.0 million (19.1), an increase of 42 percent year-on-year. Profit from property management per share was SEK 0.13 (0.09).
- Unrealized value changes for investment properties amounted to SEK 387.1 million (211.7), and to SEK 20.6 million (8.0) for derivatives and other items.
- Profit for the quarter was SEK 361.8 million (171.1), corresponding to SEK 1.68 (0.79) per share.

January–December

- Rental income in the period amounted to SEK 265.9 million (203.9), up 30 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 22 percent to 2,723 (2,237) in the period.
- Income from project development and construction operations totaled SEK 1,659.7 million (448.8), of which SEK 683.6 million (438.6) related to intra-group projects. SEK 976.1 million (10.2) related to external projects, of which Prefab's external income amounted to SEK 972.2 million.
- Consolidated gross profit for the period amounted to SEK 277.9 million (145.1), of which operating surplus attributable to property management was SEK 176.1 million (137.0) and gross

profit from project and contracting operations totaled SEK 101.8 million (8.1).

- Profit before value changes amounted to SEK 126.6 million (57.9) in the period.
- Profit from property management amounted to SEK 101.4 million (75.3), up 35 percent year-on-year. Profit from property management per share was SEK 0.47 (0.36).
- Unrealized value changes for investment properties amounted to SEK 1,139.1 million (577.8), and to SEK 66.0 million (-24.2) for derivatives and other items. Unrealized value changes in investment properties comprised SEK 707.4 million (407.9) from construction projects in progress and SEK 431.7 million (169.9) from property management.
- Profit for the period was SEK 1,044.4 million (474.5), corresponding to SEK 4.85 (2.29) per share.
- At the end of the period, the value of the investment properties amounted to SEK 9,603.7 million (6,853.5) which is an increase of 40 percent compared to 31 December 2020.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 4,976.1 million (3,661.2), corresponding to SEK 23.11 per share (17.00), which is an increase of 36 percent compared to 31 December 2020.

Significant events in the fourth quarter

- On 12 November, K-Fastigheter announced the appointment of Magnus Persson, the Group's Business Development manager, as a new member of Group Management.
- On 6 December, K-Fastigheter announced that its subsidiary K-Prefab AB acquired GH Sydgvä AB, concrete floor screeding specialist. GH Sydgvä's operations strengthen K-Prefab's offer in concrete frames. GH Sydgvä, located in the south of Sweden, has annual sales of approximately SEK 50 million and around 20 employees.

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 fourth quarter 2021 and up until publication of this report.

Key performance indicators*	2021 Jan–Dec	2020 Jan–Dec
Rental income, SEK m	265.9	203.9
Project and construction income, SEK m	976.1	10.2
Gross profit, SEK m	277.9	145.1
Profit from property management, SEK m	101.4	75.3
Profit for the period, SEK m	1,044.4	474.5
Net investments in investment properties, SEK m	1,608.1	1,888.6
Investment properties, SEK m	9,603.7	6,853.5
Long-term net asset value (NAV), SEK m	4,976.1	3,661.2
Number of apartments under management	2,723	2,237
Number of construction starts, apartments	996	912
Number of apartments under construction	1,820	1,311
Number of apartments under project development	5,869	3,880
Interest coverage ratio, multiple	3.4	2.4
Equity/assets ratio, %	36.9%	41.9%
Debt-to-equity ratio, %	51.8%	50.2%
Profit from property management, SEK per share	0.47	0.36
Growth in profit from property management per share, %	29.8%	6.3%
Long-term net asset value (NAV), SEK per share	23.11	17.00
Growth in long-term net asset value (NAV), per share, %	35.9%	36.1%
Earnings per share, SEK**	4.85	2.29
Number of shares outstanding at the end of the period, millions***	215.3	215.3
Average number of shares outstanding during the period, millions***	215.3	207.5

* Key performance indicators (definitions and information about KPIs) can be found at: 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.

Significant events after the end of the period

- As of 3 January 2022, shares in K-Fastigheter are traded on Nasdaq Stockholm Large Cap segment.
- K-Fastigheter's Board intends to propose to the AGM that no dividend be paid for the year.

A MESSAGE FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

GROUP FULL-YEAR PROFIT UP BY 122 PERCENT

It is almost like a new Group is delivering its full-year results. After a year with K-Prefab as an important part of the Group I can conclude that synergies, collaborations and improved job satisfaction are proving to be even better than we expected before the acquisition. Prefab is now a well-integrated business area that contributes both competencies and creativity as well as a customer base and cash flow. K-Fastigheter is stronger and better than ever – and we have only just begun.

K-Fastigheter has extensive experience of working at a high pace and with clear goals. The acquisition of K-Prefab, major property acquisitions around Sweden, and uncertainty about cement supply were part of our daily working life in 2021. We have chosen to build to a high standard and deliver apartments in line with market demand. We have historically never utilized government investment support in the construction of our concept buildings, which means that the abolition of the investment support does not affect our future decisions or results of operations.

The Group currently has around 700 co-managers and I am proud of the commitment and competence everyone has exhibited which contributes to finding the best solutions quickly and in a focused manner. I feel privileged and proud to be the team leader of K-Fast.

Thanks to the commitment of the Group's co-managers and our collaboration partners we are able to report that 2021 was one of K-Fastigheter's most successful years to date. 2021 was also a year marked by Covid-19. The pandemic has affected all of society and to some extent also affected K-Fastigheter's operations, although not to a significant extent. Profit from property management increased by 35 percent to SEK 101.4 million, corresponding to an increase of 30 percent per share. The Group's comprehensive income for 2021 increased by 122 percent, to SEK 1,048.1 million. Earnings per share increased by 36 percent in 2021 compared to 2020. Vacancies improved in the fourth quarter and the financial letting ratio amounted to 97.0 percent at the end of the year.

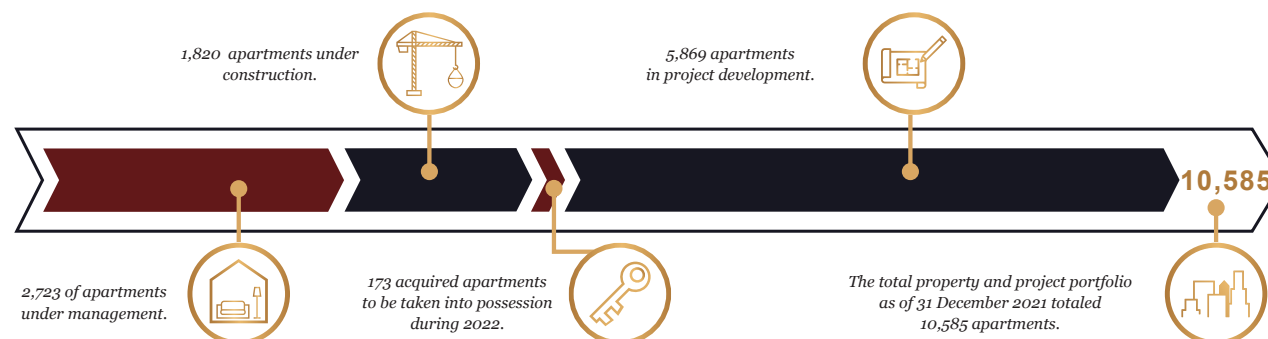
The total acquisition value of proprietary ongoing construction projects corresponds to approximately 69.8 percent of market value on completion, based on market valuations as of the end of the year. The corresponding figure at the end of 2020 was 73.1 percent. This KPI, which we internally term "PTV" (production to value), indicates a gross margin on new construction of approximately 30 percent. We recognize this margin as unrealized value changes in line with projects being completed. The improved PTV was partly due to increased efficiency and creativity which meant that we were able to offset the price increases experienced during the year, and to increased market values.

In 2021 we started construction of 996 apartments, which means that we are well in line with achieving our operational target of starting constructions of 1,300 apartments annually from the end of 2023. In addition to ongoing projects, we have acquired reassuring volumes of land and development properties in locations where we see considerable potential for our concept buildings. K-Fastigheter shall be an attractive partner for developing new neighborhoods and we look forward to many interesting proposals and collaborations in 2022.

I have said it many times before, but K-Fastigheter is so much more than a property company. This means that operations have an overall strength that is critical to our success and to creating value for all shareholders. To clarify this, we have decided to report total debt-to-equity ratio from this report onwards, a new KPI that includes the entire Group unlike previously when we only reported the loan-to-value ratio on the property portfolio. From now on we will also be reporting interest cover at Group level and not just for the property portfolio. Please note that our respective targets remain unchanged, it is the definition that has been updated. Both adjustments are a natural step as we are so much more than a property company.

The year started with some financial market uncertainty, but for K-Fastigheter all the conditions are in place for 2022 to become another year of growth across the entire Group. ■

- Jacob Karlsson, February 2022





NEW CONCEPT BUILDING

K-Fastigheter is evaluating a new concept building for commercial tenants and we have therefore named the building K-Commercial. The concept builds on the strengths of the Group's overall operations. K-Prefab contributes optimized construction and production solutions while K-Fastigheter contributes creativity in project development, construction and management. The first K-Commercial building is a pilot project that will be constructed in central Håssleholm and is being developed in partnership with the architect firm Arkitekterna Krook & Tjäder AB. The building in Håssleholm is expected to be completed at the end of 2023 and the concept will be evaluated ahead of potential roll-out in more locations.

K-Fastigheter assesses that demand for flexible commercial space will increase as Covid-19 restrictions ease and as coworking increases in larger cities. This means that there is attractive potential, on a limited scale, to develop K-Commercial in metropolitan areas, mainly Stockholm, Gothenburg and Malmö, and that the concept building could contribute to strengthening Group profit over time. K-Fastigheter is and will remain a residential company and the operational target of at least 80 percent of rental income being residential related is not affected by a fourth concept building.

HIGH DEMAND FOR MJÖBÄCKS' HOUSES

Mjörbäcksvillan is a familiar name to property buyers looking for high-quality single family homes. The brand is part of Mjörbäcks Entreprenad AB, a company founded in 1970 that constructs homes and single family houses with a focus on customization, energy-efficiency and minimal environmental impact.

The houses are built by some 80 employees at Mjörbäck's own factory in Mjörbäck, a community with a long tradition of house building and genuine competencies in the construction of homes of the highest quality. In addition to show homes and houses built according to the customer's design, Mjörbäcks also offers the concept First Choice with smart floor plans and high standard at an attractive price – an offering in line with K-Fastigheter's business concept.

Since August 2021, K-Fastigheter owns 25 percent of the shares in Mjörbäcks Entreprenad. Mjörbäcks' CEO Julia Nergården is the main owner and the remainder of the shares are held by the founder, Göran Nergården. K-Fastigheter has had a well-established collaboration with the Nergården families over the past few years, who in addition to Mjörbäcks Entreprenad also own Väst kuststugan and Borohus, other well-known housing market operators.

K-Fastigheter and Mjörbäcks collaborate on some projects where each company contributes competencies to develop residential neighborhoods with different house types and title formats. One example can be found in Höör, where K-Fastigheter has acquired land for the construction of 95 rental apartments, and where Mjörbäcks in collaboration with Väst kuststugan will build 200 tenant-owned apartments on an adjacent land parcel.

Mjörbäcks constructs around 450 residential units each year, evenly distributed between single family homes, tenant-owned apartments and rental apartments.



Marmorlyckan, Varberg

Phase 3 of Marmorlyckan in Varberg, with 112 rental apartments and 26 sheltered accommodation apartments, has been developed with a sharp focus on green as well as social and financial sustainability. The neighborhood is based on a small-scale community concept with allotments, green spaces and a central square and is located close to the sea, the center of town and services.



Plåtslagaren, Vellinge

Tenant-owner association Plåtslagaren with 31 apartments is centrally located in Vellinge, embedded in greenery and with a courtyard providing a natural meeting place for neighborhood residents.



Fiskebäck, Habo

Fiskebäck Sjöstad is one of Habo's most sought-after plots with uninterrupted views of Lake Vättern. Alongside Väst kuststugan and Child Group, Mjörbäcks has constructed 19 terraced houses on the plot on behalf of a tenant-owner association.

PROPERTY PORTFOLIO AND VALUATION

Property portfolio

On 31 December 2021, the Group's property portfolio comprised 90 completed investment properties¹ distributed over a total of 171,077 square meters of residential and 42,875 square meters of commercial space. In addition, the Group had 28 ongoing construction projects, distributed over 122,112 square meters of residential and 2,487 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, 81 percent of properties were constructed after 2010. Newsec assesses that all are located in category A or B positions in the communities where the Group operates. As of 31 December 2021, contractual rent amounted to SEK 318.2 million, with an estimated operating surplus of SEK 238.2 million, corresponding to a surplus ratio of some 75 percent. For newly produced concept buildings, the corresponding potential surplus ratio is some 82 percent, and approximately 65 percent for other properties in the portfolio. Of the contractual rent, 85 percent pertains to housing or related rentals (such as parking) divided between the 2,723 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 160 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 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 31 December 2021, all completed investment properties are located in Sweden. Two construction projects totaling 18,101 square meters divided over 243 apartments and two projects totaling 6,919 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. As of 31 December 2021, all properties have been valued by an independent external valuer. 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 31 December 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 9,603.7 million (6,853.5), distributed over completed investment properties of SEK 6,923.4 million (5,067.2), undeveloped land and building rights of SEK 722.3 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,940.0 million (1,060.6). During the period, SEK 1,366.5 million (855.1) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 292.6 million (1,034.5). Sales of building rights totaling SEK 51.0 million (1.0) were completed in the period.

Unrealized value changes in investment properties for the period were SEK 1,139.1 million (577.8), distributed over SEK 431.7 million (169.9) for properties under management and SEK 707.4 million (407.9) for construction projects in progress.

Property-related key performance indicators	2021 Jan–Dec	2020 Jan–Dec
Opening carrying amount, investment properties	6,853.5	4,396.7
+ Acquisitions	292.6	1,034.5
+ New construction	1,326.3	824.1
+ Extensions and rebuilds	40.2	31.0
- Divestments	-51.0	-1.0
- Other reclassifications and obsolescence	3.1	-9.7
Unrealized value changes	1,139.1	577.8
<i>of which, completed investment properties</i>	434.5	168.6
<i>of which, undeveloped land and building rights</i>	-2.9	1.3
<i>of which, ongoing construction</i>	707.4	407.9
Closing carrying amount, investment properties	9,603.7	6,853.5
<i>of which, completed investment properties</i>	6,923.4	5,067.2
<i>of which, undeveloped land and building rights</i>	722.3	707.7
<i>of which, site leaseholds</i>	18.0	18.0
<i>of which, construction in progress</i>	1,940.0	1,060.6
Rental value, SEK million	328.0	265.1
Rental income at end of period, SEK/m ²	1,487	1,426
Direct property costs, SEK/m ²	374	394
Operating surplus, SEK/m ²	1,113	1,032
Financial letting ratio at end of period	97.0%	91.2%
Average financial letting ratio over period	92.7%	92.0%
Surplus ratio over period	66.2%	67.2%
Lettable area, m ²	213,952	169,545
Number of homes under management	2,723	2,237
Direct return on completed investment properties	3.82%	4.08%
Direct return requirement, construction in progress	3.77%	3.96%
Direct return requirement, all valued properties	3.80%	4.03%
<i>of which housing</i>	3.67%	3.92%
<i>of which premises</i>	5.06%	5.02%

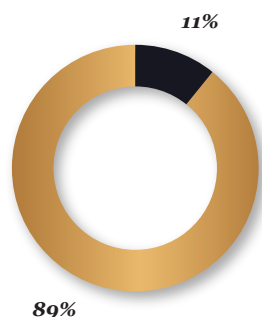
¹ Investment properties are properties held for the purpose of generating rental income, or value growth, or a combination of both.

Of unrealized value changes for new construction in progress, properties completed during the period accounted for SEK 98.2 million (18.2). The remaining SEK 609.2 million (389.7) was attributable to properties under construction at the end of the period. At the end of the period the direct return requirement relating to the valuation of new construction in progress amounted to 3.77 percent (3.96). On completion, the estimated market value of the new construction projects in progress amounts to SEK 5,335.5 million (3,592.7).

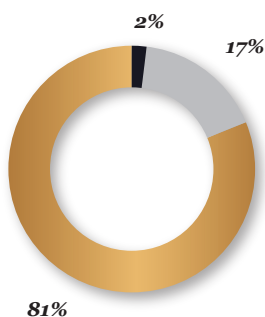
At the end of the period, the average direct return requirement for properties under management amounted to 3.82 percent (4.08) and for the full property portfolio, including undeveloped land, building rights and ongoing construction, the average direct return was 3.80 percent (4.03).

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 31 December 2021, %



Property value by construction year, as of 31 December 2021, %



● Apartments
● Premises

● >2010
● 2000-2010
● <2000

Acquired investment and development properties

Property	Municipality	Transfer date	Number of apartments	Area (m ²)	Yearly rental value (SEK m)	Purchase price (SEK m)
Stafvre 7 etc.	Kristianstad	1 Apr 2022	105 + two pre-schools	8,966	13.6	227.0

Acquired building rights

Properties	Municipality	Commencement of construction	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Fogdaröd 8:32	Höör	2022	95	6,745	12.5	11.5
Kohagen 1	Vänersborg	2022	83	4,932	8.3	13.3
Notarien 17*	Eskilstuna	2022	106	5,830	11.7	23.4
Alderholmen 4:34*	Gävle	2022	111	6,105	12.8	28.5
Strängnäs 3:21 etc.**	Strängnäs	2022	367	23,292	46.2	96.5
Rusthållaren 3 & 4	Hässleholm	2022	Commercial	6,400	NA	18.0
Hemmesta 11:67 etc.*/**	Värmdö	2025	81	4,860	10.3	26.5
Getramsen 1	Kristianstad	construction started 2021	19	2,166	3.5	7.5
Husensjö 8:11*	Helsingborg	2023	90	6,119	11.3	20.0

Projects where construction has commenced

Property	Municipality	Expected completion	Number of apartments	Area (m ²)	Estimated yearly rental value (SEK m)
Trollet 2*	Växjö	Dec 2023	156	10,262	18.7
Oden 8	Hässleholm	Jul 2023	43	2,305	4.1
Limkokaren 16	Hässleholm	Aug 2023	24	1,984	3.2
Kommissarien 1	Hässleholm	May 2023	41	3,191	5.5
Stubbarp 39:5 – phase 2	Höganäs	Jun/Sep 2023	87	5,789	11.0
Önnered 45:15-16	Gothenburg	Apr 2024	110	6,871	15.8

Project completions

Property	Municipality	Move in	Number of apartments	Area (m ²)	Rental value (SEK m)
Hällan 1	Hässleholm	Oct 2021	38	2,527	4.4
Sävenäs 131:12	Gothenburg	Dec 2021	103	4,870	10.8
Taket 2	Växjö	Oct 2021	36	2,862	4.9
Sätra 108:31	Gävle	Dec 2021	60	3,876	7.1
Stubbarp 33:27 – phase 2	Höganäs	Dec 2021	38	2,766	4.8

K-Fast 2.0	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Number of apartments renovated	9	9	6	7
Increase in rental value (SEK m)	0.2	0.2	0.1	0.1

* Property not yet transferred.

** Joint venture through K-Fast Kilen AB. *** Joint venture 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. 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	1,827	112,745	2,212	114,957	4,721.9	41,075	205.4	1,786	97.5%	200.3	24.2	210	176.1	1,532
Other	896	58,332	26,942	85,274	2,094.0	24,556	113.0	1,326	96.7%	109.3	30.2	354	79.1	928
Total excluding development properties	2,723	171,077	29,154	200,231	6,815.9	34,040	318.4	1,590	97.2%	309.6	54.4	272	255.2	1,274
Development properties	0	0	13,721	13,721	107.5	7,835	9.7	703	89.5%	8.6	2.9	213	5.7	417
Total including development properties	2,723	171,077	42,875	213,952	6,923.4	32,359	328.0	1,533	97.0%	318.2	57.3	268	260.9	1,220

Per geographical region

South	2,546	161,537	31,920	193,457	6,382.3	32,991	300.6	1,554	97.1%	291.9	52.2	270	239.7	1,239
West	117	5,664	10,135	15,799	371.0	23,482	19.1	1,206	94.4%	18.0	3.5	222	14.5	918
East	60	3,876	820	4,696	170.1	36,222	8.4	1,780	99.9%	8.4	1.6	339	6.8	1,439
Total	2,723	171,077	42,875	213,952	6,923.4	32,359	328.0	1,533	97.0%	318.2	57.3	268	260.9	1,220

Property administration	22.7	106
Operating surplus incl. property administration	238.2	1,113

Construction projects in progress¹⁾

Per building category	No. of apartments	Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ²⁾		
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	Estimated	Developed	Carrying amount
Concept buildings	1,653	110,093	0	110,093	4,862.6	44,169	219.1	1,990	3,393.7	1,619.9	2,187.8
Other	167	12,019	2,487	14,506	472.9	32,600	22.9	1,582	419.3	236.0	267.9
Total	1,820	122,112	2,487	124,599	5,335.5	42,822	242.0	1,942	3,813.1	1,855.9	2,455.7

Per geographical region

South	1,226	83,287	2,487	85,774	3,507.5	40,893	162.8	1,898	2,516.0	1,273.5	1,648.6
West	362	23,106	0	23,106	1,204.0	52,108	51.2	2,217	825.6	258.5	406.6
East	232	15,719	0	15,719	624.0	39,697	27.9	1,778	471.5	323.9	400.4
Total	1,820	122,112	2,487	124,599	5,335.5	42,822	242.0	1,942	3,813.1	1,855.9	2,455.7

Project development in progress¹⁾

Per building category	No. of apartments	Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ²⁾		
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	Estimated	Developed	Carrying amount
Concept buildings	5,860	354,123	975	355,098	15,174.4	42,733	685.3	1,930	10,936.2	150.4	150.4
Other	9	1,208	1,145	2,353	82.8	35,187	4.2	1,768	61.1	25.2	25.2
Total	5,869	355,331	2,120	357,451	15,257.2	42,683	689.4	1,929	10,997.3	175.6	175.6

Per geographical region

South	2,332	138,565	975	139,540	5,811.7	41,649	264.5	1,896	4,147.3	89.6	89.6
West	1,423	86,707	0	86,707	3,511.0	40,492	167.2	1,929	2,644.1	21.1	21.1
East	2,114	130,059	1,145	131,204	5,934.6	45,232	257.7	1,964	4,205.9	64.9	64.9
Total	5,869	355,331	2,120	357,451	15,257.2	42,683	689.4	1,929	10,997.3	175.6	175.6

Summary¹⁾

	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	2,723	171,077	42,875	213,952	6,923.4	32,359	328.0	1,533	6,923.4	
Construction projects in progress	1,820	122,112	2,487	124,599	5,335.5	42,822	242.0	1,942	2,455.7	
Project development in progress	5,869	355,331	2,120	357,451	15,257.2	42,683	689.4	1,929	175.6	
New construction projects other									25.6	
Undeveloped land									5.4	
Acquired but not yet possessed	173	14,759	1,126	15,885	579.8	36,503	28.5	1,793	0.0	
Site leaseholds									18.0	
Total	10,585	663,279	48,608	711,887	28,096.0	39,467	1,287.9	1,809	9,603.7	

¹⁾ Data relates to K-Fastigheter's share of potential Joint venture.

²⁾ 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 762.0 million in the value of investment properties.

CURRENT EARNINGS ABILITY

The table to the right presents the earnings ability of K-Fastigheter's property management operations on a 12-month basis as of 31 December 2021. Earnings ability is not a forecast for the current year or the next twelve months but is to be viewed solely as a theoretical snapshot and is presented for illustrative purposes only. Current earnings ability does not include an assessment of future rent trends, vacancy rates, property costs, interest rates, value changes, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 31 December 2021 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. Transactions and completion of ongoing new construction projects with a transfer and completion date after 31 December 2021 have therefore not been included in the calculation.

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

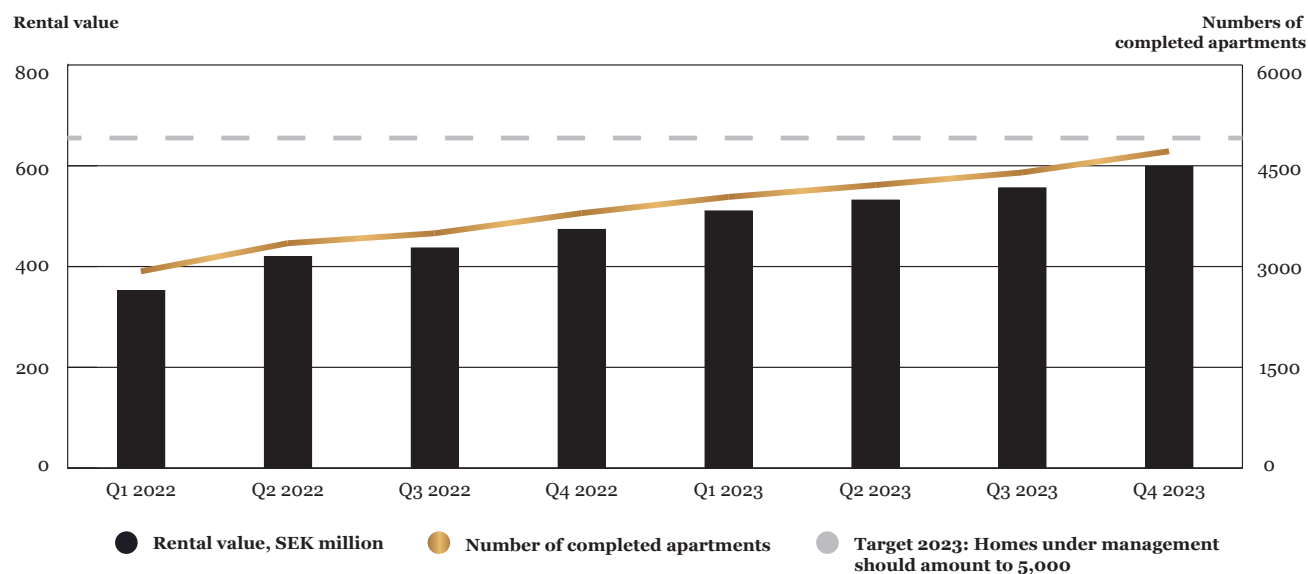
Earnings ability is based on contract rental income from the property portfolio, estimated property costs on an annual basis based on historical outcomes for properties under management, as well as property costs and central administration costs relating to the Property Management business area estimated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

SEK m	2021 31 Dec	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	328.0	265.1	196.6	133.4
Vacancy	-9.8	-23.4	-6.1	-0.9
Rental income	318.2	241.7	190.5	132.5
Operating costs	-42.7	-35.6	-27.0	-19.4
Maintenance	-11.0	-9.0	-7.3	-5.6
Property tax/ground rent	-3.5	-3.0	-2.6	-1.6
Property administration	-22.7	-19.2	-15.0	-12.8
Operating surplus	238.2	174.9	138.6	93.0
Central administration	-10.2	-11.2	-9.6	-4.3
Net interest income	-73.0	-51.4	-46.9	-29.0
Profit from property management	155.0	112.3	82.1	59.7

Expected rental trend and number of apartments

The following diagram illustrates the number of apartments and current rental values for completed investment properties as of 31 December 2021 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 31 December 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. The assessments and assumptions involve uncertainties and the disclosures in the diagram should not be viewed as a forecast.



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 5,943.9 million (3,848.4), of which SEK 947.5 million (847.8) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 4,017.8 million (3,145.1), construction credits of SEK 1,057.9 (681.2), leasing liabilities of SEK 92.7 million (22.2), operating and acquisition credits of SEK 525.6 million (0.0) and a promissory note relating to the acquisition of K-Prefab of SEK 250 m (0.0). The debt-to-equity ratio for the Group amounted to 51.8 percent (50.2).

At the end of the period, the Group had contracted credit agreements of SEK 7,282.4 million (4,820.6), of which SEK 4,017.8 million (3,145.1) related to the financing of completed investment and business properties, of which SEK 790.2 million (781.1) mature for renegotiation within the next 12 months. In addition to the financing of completed investment and business properties, contracted credit agreements comprise building credits of SEK 2,132.1 million (1,585.5) and operating and acquisition credits of SEK 882.5 million (90.0), of which SEK 382.5 million and SEK 100.0 million relates to acquisition financing of K-Prefab and Mjölback's Entreprenad AB respectively. At the end of the period, building credits and operating and acquisition credits had been utilized at an amount of SEK 1,057.9 million (681.2) and SEK 525.6 million (0.0) respectively.

The average period of capital tied up for the Group's interest-bearing liabilities related to acquisition financing and completed investment and business properties amounted to 2.8 years (2.6) as of 31 December 2021.

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 3,200.0 million (1,907.0) at the end of the period, of which SEK 100.0 million comprises swaps with a future start date. At the end of the period, the fair value of the interest derivative portfolio was SEK 36.4 million (-30.5). The average interest period for the Group's interest-bearing liabilities related to acquisition financing, investment and business properties was 4.4 years (3.8), and the average interest rate was 1.85 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 in relation to interest bearing liabilities related to acquisition financing, investment and business properties was 29 percent (39), and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 14.0 million (12.4). All the above KPIs for interest rate risk, with the exception of the average interest period, have been calculated excluding swaps with a future start date.

K-Fastigheter's financing as of 31 December 2021 was exclusively comprised of borrowing from Nordic banks. As a result of the Covid-19 pandemic, K-Fastigheter continuously gathers information from its collaboration banks to corroborate the decisions made as of 31 December 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 2020 Annual Report (Financing section and Note 22 Financial risks and finance policy).

Financial targets	Financial targets	Financial covenants	Actual 31 Dec 2021
Debt-to-equity ratio, %	max. 70%		51.8 %
Equity/assets ratio, %	min. 25%	min. 25%	36.9 %
Interest coverage ratio, multiple	min. multiple of 1.75	min. multiple of 1.50	multiple of 3.4

Credit and interest maturity structure, 31 December 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	1,650.3	1.40%	790.2	790.2	100.0	0.0	0.50%	-0.4
1-2 years	100.0	2.14%	658.7	658.7	100.0	0.0	0.69%	-0.8
2-3 years	300.0	1.78%	1,390.8	1,390.8	300.0	0.0	0.33%	0.6
3-4 years	200.0	2.09%	0.0	0.0	200.0	0.0	0.64%	-0.6
4-5 years	200.0	1.62%	1,904.1	1,904.1	200.0	0.0	0.17%	4.6
> 5 years	2,300.0	2.10%	6.4	6.4	2,300.0	100.0	0.65%	33.1
Total	4,750.3	1.85%	4,750.3	4,750.3	3,200.0	100.0		36.4

COMPREHENSIVE INCOME JANUARY–DECEMBER 2021

The following profit and cash flow items relate to the period 1 January–31 December 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.

K-Fastigheter's management, project and construction operations remain only moderately affected by the Covid-19 pandemic and K-Fastigheter has not experienced any material impact on profit or financial position in the period up until the publication of this Interim Report.

Income

For the fourth quarter 2021, comprehensive income amounted to SEK 353.4 million (56.5) and SEK 1,252.7 million (215.1) in the period. Rental income amounted to SEK 75.3 million (56.2) for the fourth quarter and to SEK 265.9 million (203.9) for the period, which is an increase of 34 and 30 percent respectively year-on-year. The increase was primarily due to more apartments under management, which increased by 22 percent to 2,723 (2,237). The financial letting ratio gradually improved in the period and was 97.0 percent (91.2) at the end of the period.

Income from project and construction operations for the fourth quarter amounted to SEK 487.9 million (127.6) and to SEK 1,659.7 million (448.8) for the period, of which SEK 683.6 million (438.6) related to construction for Group companies that has been capitalized for the Group's own purposes. SEK 976.1 million (10.2) related to assignments for external orders, of which Prefab's income comprised SEK 972.2 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 1,820 apartments (1,311), representing an

increase of 39 percent compared to the end of the financial year 2020. In Prefab, total income for the period amounted to SEK 1,059.9 million (877.0), of which SEK 81.5 million (-) relates to intra-Group sales. Income growth in Prefab was positive in the year, despite production being affected by high sickness absences from time to time as a result of the Covid-19 pandemic, and the company reported its second highest income figure for the year ever, due to stable projects and income growth related to external and intra-Group customers.

Operating costs

Property management costs totaled SEK 93.1 million (67.4) for the period, corresponding to an increase of 38 percent year-on-year. The increase was primarily due to more properties under management, but also to increased administration costs and higher electricity and heating costs during the fall. Operating surplus amounted to SEK 176.1 million (137.0). The increase was primarily due to more properties under management. The surplus ratio for the fourth quarter 2021 was 64.5 percent (62.7), and 66.2 percent (67.2) in the period. The surplus ratio in the period was negatively affected by a relatively low average letting ratio, although this has improved gradually. The average letting ratio was 92.7 percent (92.0) in the period, and 97.0 (91.2) at the end of the period. 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.

The costs for project and contracting sales consist of direct project and production related expenses, and fixed costs associated with the Construction and Prefab organization. Operations related to external construction and production 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 19.8 million (8.1) and SEK 81.9 million (38.0) for Prefab. Gross profit for the

Construction business area remains positively affected by higher income from intra-Group construction. 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, project development, IR/communications and market, HR, IT and finance, amounted to SEK 40.7 million (33.6) 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 58.2 million (8.5), of which depreciation/amortization and impairment attributable to Prefab's operations was SEK 50.8 million, of which SEK 11.0 million was attributable to amortization of intangible assets for the period. Total depreciation/amortization in the period totaled SEK 53.3 M (4.0). Impairment for the period amounted to SEK 4.9 M (4.5) and relates to obsolescence of construction components in connection with the Group's K-Fast 2.0 renovation program of SEK 1.3 M (3.8) and impairment of receivables of SEK 2.3 million (0.7) and exchange rate losses of SEK 1.2 million (0.0).

Profit from participations in associated and jointly controlled companies

Profit from participations in associated and jointly controlled companies amounted to SEK 23.3 million (2.6). Profit was primarily affected by K-Fastigheter's share of profit in Mjölåbs Entreprenad AB, which amounted to SEK 10.8 million in the period. Furthermore, K-Fastigheter's acquisition of a share in Mjölåbs Entreprenad AB generated negative goodwill of SEK 12.5 million, which has been recognized in profit for the period. In addition to the above, profit was positively affected by factors including dividend

of SEK 2.8 million in associated company Fosie Mark Skåne AB, where a development projects relating to commercial premises was completed and divested in the period.

Net interest income

Net interest income for the period was SEK -75.6 million (-47.7). At the end of the period, the average interest rate was 1.85 percent (1.77), 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 13.2 million (0.0). Credit margins continued to decrease in the period. The interest coverage ratio for the period amounted to a multiple of 3.4 (2.4).

Profit from property management

Profit from property management amounted to SEK 27.0 million (19.1) for the fourth quarter and to SEK 101.4 million (75.3) for the period, an increase of 42 and 35 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.47 (0.36), which is an increase of 30 percent year-on-year.

Value changes

Unrealized value changes in investment properties for the fourth quarter were SEK 387.1 million (211.7) and SEK 1,139.1 million (577.8) for the period, distributed over SEK 431.7 million (169.9) for properties under management and SEK 707.4 million (407.9) 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 5.6 percent of the total value of properties under management at the end of the period.

The average direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 3.80 percent (4.03) at the end of the period. The decrease was partly attributable to a lower direct return due to the aforementioned market price development, and because K-Fastigheter's property portfolio increasingly consists of a relatively higher proportion of residential units in better locations. For more information, see Property portfolio and Valuation.

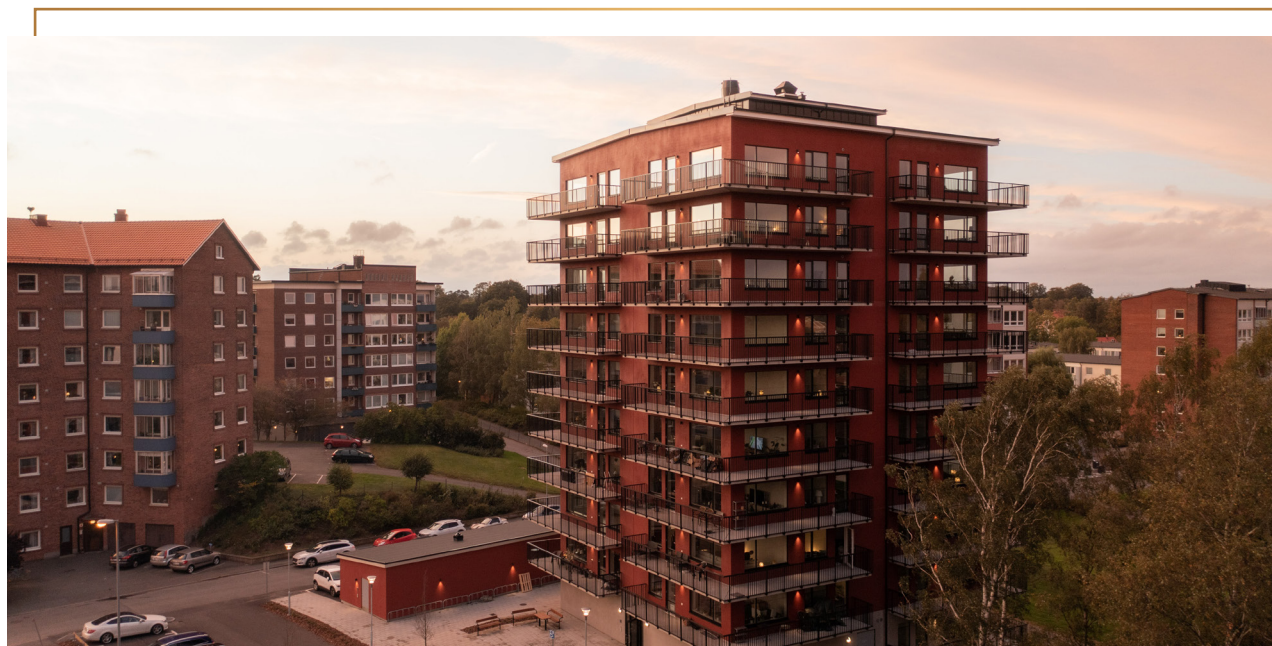
Changes in the value of derivatives and other items amounted to SEK 66.0 million (-24.2) for the period. The trend in the period was primarily caused by higher market rates, which had a positive impact on the market value of the Group's interest rate derivatives. The fair value of the Group's interest rate and derivatives derivatives was SEK 37.0 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

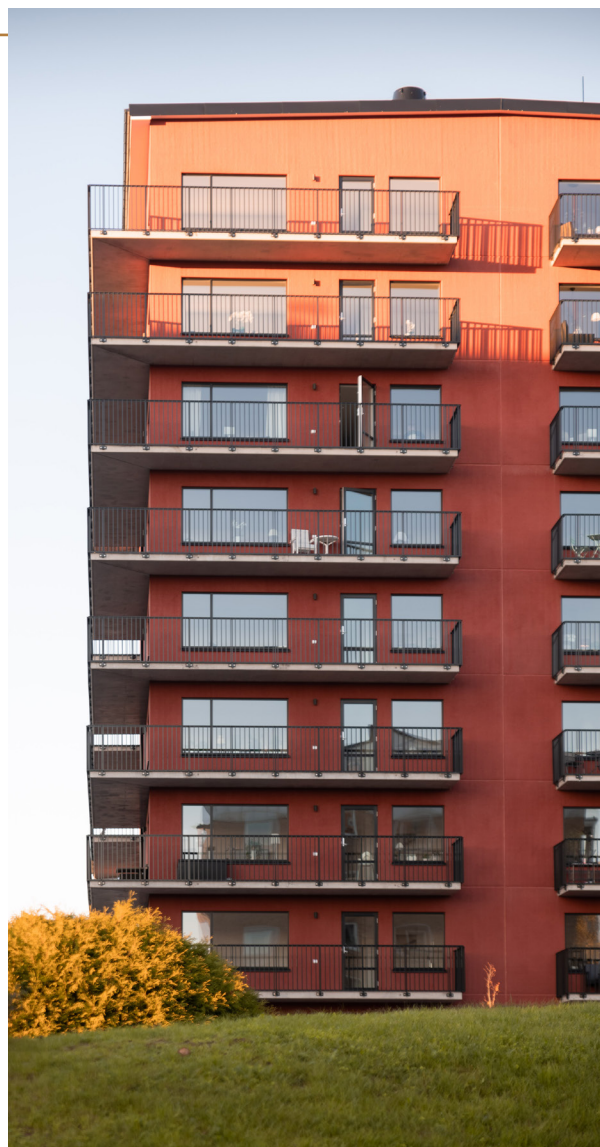
Current tax for the period amounted to SEK 9.7 million (+0.3). Deferred tax amounted to SEK 277.7 million (137.2), affected by unrealized value changes in properties totaling SEK 1,139.1 million (577.8). Tax has been calculated at 20.6 percent on current taxable profit.

Profit, comprehensive income and other comprehensive income for the period

Profit for the fourth quarter was SEK 361.8 million (171.1), and SEK 1,044.4 million (474.5) for the period, corresponding to SEK 4.85 (2.29) per share. Comprehensive income for the period totaled SEK 1,048.1 million (473.1). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 3.8 million (-1.4) in the period. The full amount relates to items that can be reversed in a later period.



FINANCIAL POSITION AS OF 31 DECEMBER 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 other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 44.1 million (0.0). Other intangible assets are amortized over five years. K-Fastigheter has indicated the calculation of goodwill in the 2020 Annual Report (Note 40). The acquisitions analysis for the acquisition of K-Prefab and the holding in Mjölback's Entreprenad AB was completed in the fourth quarter, and entailed no significant changes compared to previously published information.

Investment properties

At the end of the period, the value of investment properties totaled SEK 9,603.7 million (6,853.5), distributed over completed investment properties of SEK 6,923.4 million (5,067.2), undeveloped land and building rights of SEK 722.3 million (707.7), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 1,940.0 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 448.4 million (30.9) at the end of the period and SEK 189.8 million (18.5) respectively. The increase is mainly associated with the acquisition of K-Prefab, whose properties are classified as business properties valued at SEK 370.2 million at the time of the 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 94.0 million (507.6). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 356.9 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, Group equity attributable to Parent Company shareholders amounted to SEK 4,233.7 million (3,209.8), corresponding to SEK 19.66 per share (14.91). The increase is explained by the comprehensive income for the period of SEK 1,048.1 million (473.1). At the end of the period, the Group's equity/asset ratio was 36.9 percent (41.9).

In connection with K-Fastigheter's acquisition of a stake in Mjölback's Entreprenad AB, K-Fastigheter indirectly bought back its own shares as Mjölback's Entreprenad AB owns 1,428,600 shares in K-Fast Holding AB. K-Fastigheter's share (25 percent) of the market value of the shares on completion was recognized directly against equity in the period.

At the end of the period, the long-term net asset value (NAV) amounted to SEK 4,976.1 million (3,661.2), corresponding to SEK 23.11 per share (17.00), an increase of 36 percent compared to 31 December 2020.

Interest-bearing liabilities and interest rate derivatives

At the end of the period, consolidated interest-bearing liabilities amounted to SEK 5,943.9 million (3,848.4), of which SEK 947.5 million (847.8) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to 51.8 percent (50.2). 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 Oct–Dec	2020 Oct–Dec	2021 Jan–Dec	2020 Jan–Dec
Rental income	75.3	56.2	265.9	203.9
Project and construction income	275.6	0.0	976.1	10.2
Other operating income	2.5	0.4	10.7	1.0
Total income	353.4	56.5	1,252.7	215.1
Operating costs	-18.4	-10.5	-52.3	-33.1
Maintenance	-2.8	-3.9	-12.4	-10.6
Property tax	-1.2	-1.6	-5.7	-4.5
Property administration	-6.0	-5.2	-22.7	-19.2
Property management costs	-28.4	-21.2	-93.1	-67.4
Project and contracting costs	-237.1	2.5	-881.8	-2.5
Gross profit	87.8	37.8	277.9	145.1
<i>of which, gross profit from property management (operating surplus)</i>	<i>48.5</i>	<i>35.2</i>	<i>176.1</i>	<i>137.0</i>
<i>of which, gross profit from project and contracting operations</i>	<i>39.3</i>	<i>2.6</i>	<i>101.8</i>	<i>8.1</i>
Central administration	-13.2	-9.9	-40.7	-33.6
Depreciation/amortization and impairment	-19.5	-3.7	-58.2	-8.5
Profit from participations in associated and jointly controlled companies	19.5	-1.0	23.3	2.6
Net interest income	-23.6	-11.7	-75.6	-47.7
Profit before value changes	51.0	11.6	126.6	57.9
<i>of which, profit from property management</i>	<i>27.0</i>	<i>19.1</i>	<i>101.4</i>	<i>75.3</i>
Change in value of investment properties	387.1	211.7	1,139.1	577.8
Changes in value of derivatives and other	20.6	8.0	66.0	-24.2
Profit before tax	458.7	231.3	1,331.7	611.4
Tax on profit for the period	-96.9	-60.2	-287.3	-136.9
Profit for the period	361.8	171.1	1,044.4	474.5
Other comprehensive income	0.8	-1.4	3.8	-1.4
Comprehensive income for the period	362.5	169.7	1,048.1	473.1
Profit after tax per share, SEK/share*	1.68	0.79	4.85	2.29

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

Segment reporting

2021 Jan–Dec, SEK m	Property Management	Project Development	Construction	Prefab	Other/ eliminations	Group
Income	269.2	0.0	607.2	1,059.9	-683.6	1,252.7
Expenses	-93.1	0.0	-587.4	-978.0	683.6	-974.8
Gross profit	176.1	0.0	19.8	81.9	0.0	277.9
Central administration costs	-10.2	-10.2	-10.2	-10.2	0.0	-40.7
Depreciation/amortization and impairment	-3.3	0.0	-4.0	-50.8	0.0	-58.2
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	23.3	23.3
Net interest income	-61.2	0.0	-0.1	-14.3	0.0	-75.6
Profit before value changes	101.4	-10.2	5.6	6.6	23.3	126.6
Value change, properties	431.7	707.4	0.0	0.0	0.0	1,139.1
Changes in value of derivatives and other	66.0	0.0	0.0	0.0	0.0	66.0
Profit before tax	599.1	697.2	5.6	6.6	23.3	1,331.7
Tax	-102.5	-145.7	-0.1	-8.7	-30.2	-287.3
Profit for the period	496.5	551.5	5.4	-2.2	-6.9	1,044.4
Total assets	9,782.3	0.0	24.0	1,336.8	339.6	11,482.7
Total liabilities	6,003.5	0.0	89.2	1,112.4	43.9	7,249.0

2020 Jan–Dec, SEK m	Property Management	Project Development	Construction	Other/ eliminations	Group
Income	204.4	0.0	449.2	-438.6	215.1
Expenses	-67.4	0.0	-441.1	438.6	-69.9
Gross profit	137.0	0.0	8.1	0.0	145.1
Central administration costs	-11.2	-11.2	-11.2	0.0	-33.6
Depreciation/amortization and impairment	-1.1	0.0	-1.7	-5.7	-8.5
Profit from holding in associated companies*	0.0	0.0	0.0	2.6	2.6
Net interest income	-47.7	0.0	0.0	0.0	-47.7
Profit before value changes	77.0	-11.2	-4.8	-3.2	57.9
Value change, properties	169.9	407.9	0.0	0.0	577.8
Changes in value of derivatives and other	-14.4	0.0	0.0	-9.8	-24.2
Profit before tax	232.5	396.7	-4.8	-13.0	611.4
Tax	-35.0	-84.0	0.0	-17.9	-136.9
Profit for the period	197.5	312.7	-4.8	-30.8	474.5
Total assets	6,990.5	0.0	22.3	646.8	7,659.6
Total liabilities	4,345.8	0.0	56.1	48.2	4,450.1

* Profit from participations in associated and jointly controlled companies.

FINANCIAL POSITION

Summary consolidated statement of financial position

SEK m	2021 31 Dec	2020 31 Dec
ASSETS		
Non-current assets		
Intangible assets	484.7	0.0
Investment properties	9,603.7	6,853.5
Business properties	448.4	30.9
Equipment	189.8	18.5
Holdings in associated and jointly controlled companies and other non-current receivables	243.5	45.1
Derivative instruments	37.0	0.0
Deferred tax receivables	17.1	27.0
Total non-current assets	11,024.1	6,975.0
Current assets		
Inventories	51.7	0.2
Accounts receivable	105.3	1.8
Other receivables	207.6	175.0
Cash and cash equivalents	94.0	507.6
Total current assets	458.6	684.6
Total assets	11,482.7	7,659.6

SEK m	2021 31 Dec	2020 31 Dec
EQUITY AND LIABILITIES		
Equity		
Share capital	57.4	57.4
Other capital contributions ¹	1,372.9	1,372.9
Retained earnings including the profit for the year	2,803.4	1,779.5
Total equity	4,233.7	3,209.8
Non-current liabilities		
Deferred tax liability	796.4	451.2
Long-term interest-bearing liabilities	4,996.4	3,000.6
Derivative instruments	0.0	27.2
Other provisions and non-current liabilities	13.7	8.5
Total non-current liabilities	5,806.5	3,487.5
Current liabilities		
Current interest-bearing liabilities	947.5	847.8
Accounts payable	177.2	50.4
Other current liabilities	317.8	64.1
Total current liabilities	1,442.5	962.2
Total equity and liabilities	11,482.7	7,659.6

Consolidated statement of changes in Equity in summary

SEK m	2021 31 Dec	2020 31 Dec
Total Equity at the beginning of the period	3,209.8	2,238.5
New share issue	0.0	498.3
Repurchase of own shares	-24.3	0.0
Profit for the period	1,044.4	474.5
Other comprehensive income	3.8	-1.4
Total Equity at the end of the period*	4,233.7	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 Oct–Dec	2020 Oct–Dec	2021 Jan–Dec	2020 Jan–Dec
Operating activities				
Profit before value changes	51.1	16.3	126.6	59.0
Adjustment for items not affecting cash flow	-11.5	-1.2	23.3	1.6
Tax paid	1.4	3.5	-4.3	-5.2
Cash flow from operating activities before changes in working capital	41.0	18.6	145.6	55.4
Change in operating receivables	19.1	-48.7	37.1	-89.8
Change in operating liabilities	0.3	-1.9	142.5	-29.9
Cash flow from operating activities	60.5	-32.1	325.3	-64.4
Investing activities				
Investments in associated and jointly controlled companies	2.8	-7.7	-858.8	-11.7
Property investments	-72.2	-270.8	-330.3	-1,037.4
Investments in construction in progress	-389.1	-246.5	-1,326.3	-831.3
Investments in machinery and equipment	-25.1	1.4	-50.4	-6.2
Divestments of properties	8.7	0.0	51.0	0.5
Change in other financial non-current assets	1.3	0.7	-0.5	-2.3
Cash flow from investing activities	-473.5	-522.8	-2,515.4	-1,888.4
Financing activities				
Borrowings	411.0	312.3	1,909.6	1,233.3
Loan amortizations	-38.4	-8.6	-133.2	-48.7
Capital contributions	0.0	0.0	0.0	498.3
Cash flow from investing activities	372.6	303.7	1,776.3	1,682.9
Cash flow for the period	-40.4	-251.3	-413.8	-269.9
Translation differences in cash and cash equivalents	0.0	-1.4	0.1	-1.4
Opening cash and cash equivalents	134.5	760.3	507.6	779.0
Closing cash and cash equivalents	94.0	507.6	94.0	507.7

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–Dec	2020 Jan–Dec
Operating income		
Net sales	0.1	0.0
Administration costs	-40.3	-33.4
Amortization and depreciation	-0.2	-0.2
Gross profit	-40.4	-33.6
Profit from financial items		
Profit from participations in associated and jointly controlled companies	-0.2	3.6
Net financial items	69.5	-24.7
Profit before appropriations and tax	28.9	-54.6
Appropriations	87.9	43.4
Tax on profit for the period	-23.3	2.2
Profit for the period	93.5	-9.0

Parent Company Balance Sheet in summary

Assets, SEK m	2021 31 Dec	2020 31 Dec
Non-current assets		
Tangible non-current assets	0.2	0.3
Participations in Group companies	1,009.0	883.2
Receivables from Group companies	849.6	867.5
Shares in associated companies and other non-current securities holdings	190.2	0.1
Derivative instruments	36.4	0.0
Deferred tax receivables	0.0	15.8
Total non-current assets	2,085.5	1,766.9
Current assets		
Receivables from Group companies	1,208.5	649.0
Receivables from associated companies	5.4	10.7
Other current receivables	61.4	116.4
Cash and cash equivalents	69.0	482.0
Total current assets	1,344.2	1,258.1
Total assets	3,429.7	3,025.0
Equity and liabilities, SEK m	2021 31 Dec	2020 31 Dec
Equity		
Restricted equity	57.4	57.4
Unrestricted equity	1,575.9	1,482.4
Total equity	1,633.3	1,539.8
Non-current liabilities		
Deferred tax liability	7.5	0.0
Long-term interest-bearing liabilities	931.7	849.6
Derivative instruments	0.0	27.0
Other provisions and non-current liabilities	2.4	6.4
Total non-current liabilities	941.6	883.1
Current liabilities		
Current interest-bearing liabilities	17.9	17.9
Liabilities to Group companies	823.3	571.7
Other current liabilities	13.6	12.5
Total current liabilities	854.8	602.1
Total equity and liabilities	3,429.7	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: <https://k-fastigheter.com/en/investors/reconciliation-table-and-definitions/>

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

Compared to the 2020 Annual Report and from the fourth quarter 2021 onwards, the definition of interest cover has changed to include the entire Group and not only the property management operations as was previously the case. Furthermore, the KPI loan-to-value ratio has been replaced with debt-to-equity ratio, including the Group's total assets and liabilities. These changes have been made as the Group's profit and assets and liabilities significantly changed in 2021 for reasons including the acquisition of Finja Prefab AB. Comparative figures in the report have been adjusted.

	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Property-related key performance indicators				
Rental value, SEK m	328.0	265.1	328.0	265.1
Financial letting ratio, %	97.0%	91.2%	97.0%	91.2%
Average financial letting ratio, %	94.8%	89.8%	92.7%	92.0%
Surplus ratio, %	64.5%	62.7%	66.2%	67.2%
Lettable area, m ²	213,952	169,545	213,952	169,545
Number of apartments under management	2,723	2,237	2,723	2,237
Number of construction starts, apartments	461	193	996	912
Number of apartments under construction	1,820	1,311	1,820	1,311
Number of apartments under project development	5,869	3,880	5,869	3,880
Financial key performance indicators				
Interest coverage ratio, multiple	4.0	2.3	3.4	2.4
Equity/assets ratio, %	36.9%	41.9%	36.9%	41.9%
Debt-to-equity ratio, %	51.8%	50.2%	51.8%	50.2%
Period for which capital is tied up, years	2.8	2.6	2.8	2.6
Period of fixed-interest, years	4.4	3.8	4.4	3.8
Average interest, %	1.85%	1.77%	1.85%	1.77%
Net investments, SEK m	447.9	532.8	1,608.1	1,888.6
Profit from property management, SEK m	27.0	19.1	101.4	75.3
Long-term net asset value (NAV), SEK m	4,976.1	3,661.2	4,976.1	3,661.2
Share-related key performance indicators				
Long-term net asset value (NAV), SEK/share	23.11	17.00	23.11	17.00
Growth in long-term net asset value(NAV),%	9.1%	6.3%	35.9%	36.1%
Equity per share, SEK	19.66	14.91	19.66	14.91
Profit from property management per share, SEK	0.13	0.09	0.47	0.36
Growth in profit from property management per share, %	41.5%	74.6%	29.8%	6.3%
Profit after tax per share, SEK	1.68	0.79	4.85	2.29
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	215.3	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 2020 Annual Report. 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%	-	179.0
Rental value +/- 1%	3.0	78.2
Operating and maintenance costs +/- 1%	0.5	13.1
Long-term vacancy ratio +/- 1%	3.0	78.2
Change in value of completed investment properties and building rights	-10%	+10%
Property value, SEK m	-764.6	764.6
Debt-to-equity ratio	55%	49%

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 691 (76), of which 60 were women (21) and 631 were men (55).

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 Greve, 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 2020 Annual Report.

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 4.2 million (5.5) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 3.6 million (3.5) and transactions with the Jacob Karlsson AB Group comprised SEK 0.6 million (0.3). In addition to the above transactions, construction services were procured from associated company PVS Mark&VA totaling SEK 26.9 million (0.0) in the period. All transactions are priced at market terms.

OTHER INFORMATION

Signatures

This Interim Report has not been subject to review by the company's Auditor. 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, 17 February 2022

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 Year-end Report for the fourth quarter on Thursday, 17 February, 2022, at 10:00 a.m. CET.

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, www.k-fastigheter.com.

CALENDAR

2021 Annual Report – week comm. 11 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

THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) have traded on Nasdaq Stockholm, in the Real Estate segment since 29 November 2019. On 31 December 2021, K-Fastigheter's market capitalization was SEK 16,776.3 million. At the end of the quarter, there were approximately 5,800 shareholders.

On 7 June 2021, K-Fastigheter completed a 6:1 share split. On 31 December 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. The total number of votes on 31 December 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*

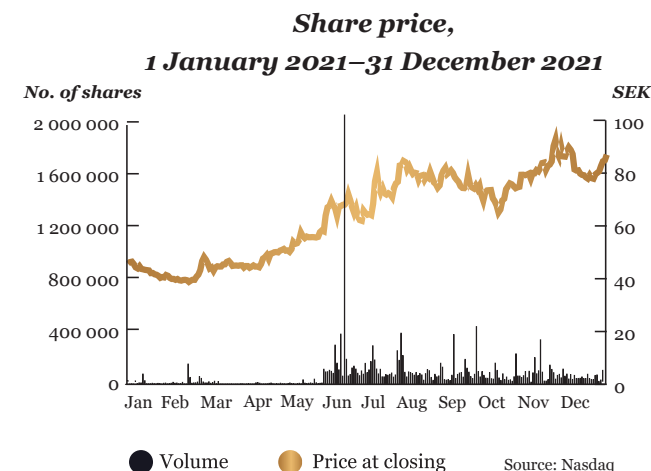
During the period 1 January – 31 December 2021, approximately 17.4 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged approximately 68,600 shares and the average price paid was SEK 64.02. The highest price paid during the period was SEK 96.30 on 19 November, and the lowest price paid was SEK 38.57 on 18 February 2021. On 31 December 2021, the share price was SEK 87.00 (last paid). Market value of all shares in the company, based on the last price paid for a Class B share on 31 December 2021, amounted to SEK 18,733.8 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. However, an indirect acquisition took place through K-Fastigheter's acquisition of a share in Mjölback's Entreprenad AB, which owns 1,428,600 shares in K-Fast Holding AB. 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.

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
As of 31 December 2021	SEK 87.00
Market price 31 December 2021*	SEK 18,733.8 million.

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



Ten largest shareholders (in order of total voting power) as per 31 December 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	10,298,935	10,298,935	4.8%	3.4%
AP4	0	5,380,525	5,380,525	2.5%	1.8%
SEB funds	0	4,164,677	4,164,677	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	1,665,685	1,665,685	0.8%	0.5%
Sara Mindus	0	1,650,000	1,650,000	0.8%	0.5%
Ten largest shareholders	22,500,000	168,721,566	191,221,566	88.8%	92.1%
Other shareholders	0	24,109,602	24,109,602	11.2%	7.9%
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	131,403,822	153,903,822	71.5%	79.9%

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

** Through Mjölback's Entreprenad Holding AB and Västskustugan AB.

The ownership structure as of 31 December 2021, 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 31 December 2021, accounted for 89 percent of the property value of the completed property portfolio and for 85 percent of the contractual rent. As of 31 December 2021, K-Fastigheter’s property portfolio encompasses a lettable area of approximately 214,000 square meters distributed between more than 2,723 homes and 160 commercial contracts with an annual rental value of some SEK 318 million. The project portfolio comprises some 7,700 apartments under construction and in project development.

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

OVERARCHING OBJECTIVES

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 debt-to-equity 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 by, for example, installing photovoltaic cells on suitable buildings. Since early 2019, electricity in K-Fastigheter’s properties 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. The Group will also install solar panels on its production plants.

K-Fastigheter participates in Global Compact, the UN’s principles for business, governing human rights, working environment, anti-corruption and the environment.

K-Fast Holding AB

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

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