

K-FAST HOLDING AB INTERIM REPORT

JANUARY
– SEPTEMBER **2022**

“Our financial occupancy rate has increased during the financial year and was 98 percent at the end of the third quarter. Our rental value is growing fast, by as much as 32 percent since the year-end and 45 percent year-on-year.”



K-FASTIGHETER



Gävle Fredriksskans 2:79 – tenants are moving in during fall 2022

Number of apartments under management



3,452 UNITS
Q3 2022

2,723 UNITS
Q4 2021

Investment properties, value



12,122.6 SEK M
Q3 2022

9,603.7 SEK M
Q4 2021

Number of homes in production



1,976 UNITS
Q3 2022

1,820 UNITS
Q4 2021

Long-term net asset value



5,667.4 SEK M
Q3 2022

4,976.1 SEK M
Q4 2021

Rental income



102.0 SEK M
Q3 2022

68.2 SEK M
Q3 2021

Profit from property management



36,3 SEK M
Q3 2022

29.8 SEK M
Q3 2021

THE QUARTER AND PERIOD IN BRIEF

July-September

- Rental income totaled SEK 102.0 million (68.2) in the quarter, an increase of 50 percent year-on-year.
- Income from project and contracting operations totaled SEK 495.8 million (340.8), of which SEK 283.7 million (137.1) related to intra-group projects.
- Consolidated gross profit for the quarter amounted to SEK 77.9 million (63.3), of which operating surplus attributable to property management was SEK 69.3 million (49.8) and gross profit from project and contracting operations totaled SEK 8.6 million (13.5).
- Profit before changes in value amounted to SEK 12.8 million (21.4) in the quarter.
- Profit from property management amounted to SEK 36.3 million (29.8), an increase of 22 percent year-on-year. Profit from property management per share was SEK 0.17 (0.14).
- Changes in value for investment properties amounted to SEK 56.4 million (353.9), and to SEK 63.3 million (18.7) for derivatives and other items.
- Profit for the quarter was SEK 115.8 million (311.5), corresponding to SEK 0.54 (1.45) per share.

January-September

- Rental income in the period amounted to SEK 275.1 million (190.7), up 44 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 41 percent to 3,452 (2,448) in the period.
- Income from project and contracting operations totaled SEK 1,465.4 million (1,171.9), of which SEK 682.9 million (471.3) related to intra-group projects. SEK 782.5 million (700.5) related to external projects, of which Prefab's external income amounted to SEK 777.6 million (698.5).
- Consolidated gross profit for the period amounted to SEK 230.2 million (190.0), of which operating surplus attributable to property management was SEK 186.6 million (127.6) and gross profit from project and contracting operations totaled SEK 53.4 million (62.4).

- Profit before changes in value amounted to SEK 49.9 million (75.7) in the period.
- Profit from property management amounted to SEK 103.6 million (74.4), up 39 percent year-on-year. Profit from property management per share was SEK 0.48 (0.35).
- Changes in value for investment properties amounted to SEK 612.8 million (752.0), and to SEK 368.4 million (45.4) for derivatives and other items. Changes in value in investment properties comprised SEK 537.5 million (445.9) from construction in progress and SEK 75.3 million (306.1) from property management.
- Profit for the period was SEK 813.2 million (682.6), corresponding to SEK 3.78 (3.17) per share.
- At the end of the period, the value of investment properties amounted to SEK 12,122.6 million (9,603.7), an increase of 26 percent compared to 31 December 2021 and up 38 percent compared to 30 September 2021.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,667.4 million (4,976.1), corresponding to SEK 26.32 per share (23.11), an increase of 14 percent compared to 31 December 2021 and up 24 percent on 30 September 2021.
- The interest coverage ratio for the period amounted to a multiple of 2.2 (3.2) and for the rolling 12 months to a multiple of 2.6 (3.0). The equity-asset ratio was 35.3 percent (36.9), and the debt-to-equity ratio was 54.1 percent (51.8).

Significant events in the third quarter

The table on page 6 shows completed acquisitions of building rights and investment properties, construction starts and completed projects and renovations carried out under K-Fastigheter's renovation concept in the third quarter of 2022 and up until publication of this report.

There were no other significant events in the period.

Significant events after the end of the period

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

Key performance indicators*	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Rental income, SEK m	275.1	190.7	265.9
Project and contracting income, SEK m	782.5	700.5	976.1
Gross profit, SEK m	230.2	190.0	277.9
Profit from property management, SEK m	103.6	74.4	101.4
Profit for the period, SEK m	813.2	682.6	1,044.4
Net investments in investment properties, SEK m	1,874.4	1,160.2	1,608.1
Investment properties, SEK m	12,122.6	8,765.6	9,603.7
Long-term net asset value (NAV), SEK m	5,667.4	4,561.8	4,976.1
Number of apartments under management	3,452	2,448	2,723
Number of construction starts, apartments	706	535	996
Number of apartments under construction	1,976	1,634	1,820
Number of apartments under project development	4,785	5,723	5,869
Interest coverage ratio, multiple	2.2	3.2	3.4
Equity/assets ratio, %	35.3%	36.7%	36.9%
Debt-to-equity ratio, %	54.1%	52.0%	51.8%
Profit from property management, SEK per share	0.48	0.35	0.47
Growth in profit from property management per share, %	39.2%	25.9%	29.8%
Long-term net asset value (NAV), SEK per share	26.32	21.19	23.11
Growth in long-term net asset value (NAV), per share, %	13.9%	24.6%	35.9%
Earnings per share, SEK**	3.78	3.17	4.85
Number of shares outstanding at the end of the period, millions***	215.3	215.3	215.3
Average number of shares outstanding during the period, millions***	215.3	215.3	215.3

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

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

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

COMMENTS FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

In less than a year, the situation has changed dramatically. We have soaring inflation with accompanying interest rate rises, increased energy costs and a full-scale war almost on our doorstep. A changed situation calls for a dynamic, agile organization that can swiftly adapt to the new conditions it faces.

In light of the changed situation, I would like to begin by talking about how we are working on our credit and derivatives portfolio. Since 2019, we have hedged the majority of our credit portfolio using interest rate derivatives. As our interest rate derivatives were entered into at far lower interest rates than those in effect today, at the end of the third quarter our derivatives portfolio had a market value of over SEK 400 million. Thanks to this market value we

have restructured, and will continue to restructure, parts of our derivatives portfolio to increase the degree of hedging at interest rates quite a bit below current market interest rates. As a result, our hedging has increased from 63 to 70 percent during the third quarter, even though our credit portfolio relating to completed investment properties has increased by 3 percent in absolute terms. Our interest sensitivity in the event of a one percentage point rise in interest rates has decreased to an additional cost of SEK 17.4 million, compared to SEK 20.9 million at the beginning of the third quarter, and our average interest rate has increased by just 0.44 percentage points to 2.29 percent over the first nine months of the year, even though the underlying market interest rate has increased by 1.78 percentage points.

K-Fastigheter's credit portfolio consists of conventional bank loans with a dozen or so Nordic banks with which we have good, long-term relationships and our credit portfolio is spread across the various banks. Having good working relationships with several banks is particularly important in turbulent times when banks are generally more restrictive, especially towards new customers. We have also chosen not to obtain financing through bonds with the associated refinancing risk that arises at times when the capital market is not functioning effectively. In short, we are financed through equity and conventional bank loans, which is why I am confident about facing this difficult market climate.

The attractiveness of rental properties has decreased dramatically on the financial markets this year. I have come to the conclusion that investors are afraid it will not be possible to index rent to the extent required to compensate for rising costs. In the shorter term, rent increases for residential properties are unlikely to be able to fully keep pace with inflation. In the longer term, however, it is likely that rent increases will compensate for inflation. Between 2012 and 2021, the average rent increase for residential properties in Sweden was 16 percent, excluding rent increases caused by rises in standards of living. Underlying inflation over the same period was 10 percent. By studying historical inflation and rent increases

in both the short term and slightly longer term, we can see that it is realistic for inflation to be fully compensated for over a period of four to five years.

I am confident that over time property is a safe, inflation-adjusted tangible asset, given that it generates strong cash flows to offset interest and operating costs. Demand for rental apartments often has a negative correlation with the business cycle, which is clearly evident from the increased demand and record-low vacancy level. Our financial occupancy rate has increased during the financial year and totaled 98 percent at the end of the third quarter. Our rental value is growing fast, by as much as 32 percent since the year-end and 45 percent year-on-year. The increase in rental income can mainly be attributed to a faster completion rate with the number of apartments under management increasing by 27 percent since the year-end and 41 percent at an annualized rate. Furthermore, completing construction projects currently in progress alone will increase the rental value by 65 percent compared with the end of the third quarter.

84 percent of our property portfolio was built in or after 2010 and the majority of the properties are far newer. The rent for approximately 30 percent of our property portfolio excludes heating and hot water, and where we are responsible for heating and hot water, district heating is the sole energy source. The price increase for district heating for 2023 is around 2-6 percent, except for in Malmö, where Eon has warned that prices may increase by as much as 20 percent. We have had photovoltaic panels fitted in all of our new Lateral Low-Rise apartments and Apartment Blocks where construction began in or after 2021. The capacity of the panels is forecast to equal or exceed the electricity paid for by the property owner.

The market value of our completed investment properties, all of which were valued externally in quarter three, fell slightly at the end of the quarter due to higher return requirements. Thanks to our unique business model, we can offset the negative change in value of our completed investment properties with the gradually

accumulated value change in our projects in progress, where the total change in value in the project is the difference between the expected market value and costs. 20 percent of the total value change in the projects in progress is recognized when the building permit has gained legal force and a turnkey contract has been signed, while the remaining 80 percent is recognized gradually during construction in relation to the costs incurred. The expected market values of our projects in progress also decreased slightly during the third quarter. Nevertheless, we reported an average PTV (production to value) of 70.7 percent for our proprietary ongoing projects at the end of the quarter, where PTV is the relationship between total cost and expected market value. The average direct return for our 1,976 apartments in production is 5.7 percent in relation to the total cost.

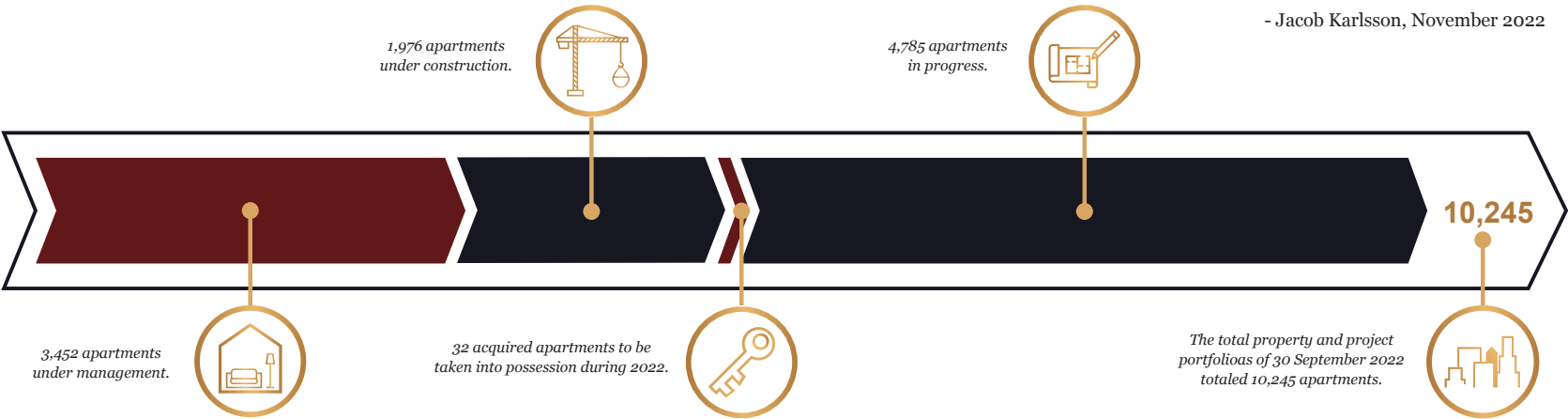
There has been a high level of activity within the Project Development business area where we received planning permission during the third quarter for two projects encompassing 161 apartments, and where we are currently actively working on applications for planning permission for almost 1,300 apartments. Work on the projects that received planning permission in the

third quarter has already begun in the Construction business area. During the first three quarters of the year, projects encompassing 729 apartments were completed and handed over. This is a fast pace and we intend to continue starting new projects because we have been very successful in compensating for the cost increases in the Construction and Prefab business areas through efficiencies and volume. We have seen prices for most of our raw materials and input goods rise considerably, but on the whole we have managed to mitigate these increases, largely thanks to our cross-functional approach. For example, we are actively striving to optimize the formula for concrete and optimize material consumption in all stages of production in order to reduce in absolute terms the amount of material per square meter of lettable area produced. Looking to the future, we intend to achieve a direct return in relation to total costs that corresponds to the current return. I am tremendously proud of my fantastic employees who have extraordinarily managed to deliver production cost levels that have only marginally affected the total production cost at a time when the Construction Cost Index for Buildings has risen by 14.6 percent (September 2021 to September 2022). This would not have been possible without having control over the entire production chain.

The Prefab business area looks set to deliver record sales for the full-year. Gross profit at the end of the third quarter amounted to SEK 38 million and has been adversely impacted this year by increased costs for materials, primarily for steel and cement, and by a lower profit margin on internal projects compared to external projects. This is the first year that we have been able to fully manufacture internal projects within our own prefab operation. We have a satisfactory activity level ahead of the forthcoming year with secure order books worth almost SEK 1,000 million compared with sales of SEK 1,030 million for 2021 and SEK 878 million for 2020. At K-Prefab we are working towards our goal of halving our carbon footprint within five years and in three years we have succeeded in reducing our emissions by 35 percent. As part of our work to reach this goal, and to reduce our electricity costs, 2,500 square meters of photovoltaic panels on our factory outside Hässleholm went into operation in the third quarter. The total electricity consumption for our prefab operation is 5 MWh, and our goal is to cover 30-50 percent of this need through our own photovoltaic panels.

I have the utmost respect for the prevailing market conditions, which require a great deal of humility. Having said that, I am confident about navigating the prevailing conditions and in time emerging in a new normal situation in an even stronger position. ■

- Jacob Karlsson, November 2022



PROPERTY PORTFOLIO AND VALUATION

Property portfolio

On 30 September 2022, the Group's property portfolio comprised 103 completed investment properties¹ distributed over a total of 222,242 square meters of residential space and 47,224 square meters of commercial space. In addition, the Group had 26 ongoing construction projects, distributed over 131,795 square meters of residential and 1,140 square meters of commercial space, as well as the construction of Hässleholm Rusthållaren 3 & 4, which encompasses 8,000 square meters of lettable area, much of which will be home to the Group's new head office and will therefore be classified as business property. Furthermore, K-Fastigheter has 27 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 15 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 84 percent of properties were constructed after 2010. Newsec assesses that all of the properties are in category A or B locations in the communities where the Group operates. As of 30 September 2022, contractual rent amounted to SEK 422.5 million, with an estimated operating surplus of SEK 318.9 million, corresponding to a potential surplus ratio of some 75 percent. The corresponding potential surplus ratio is approximately 80 percent for newly produced concept buildings and approximately 69 percent for other properties in the portfolio. Of the contractual rent, 88 percent pertains to housing or related rentals (such as parking) divided between the 3,452 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 170 commercial contracts, with the largest tenant accounting for approximately 1 percent of total contractual rental income and the 10 largest commercial tenants accounting for approximately 5 percent of total contractual rental income.

K-Fastigheter's management operations are divided into three regions:

South, West and East. 90 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. On 30 September 2022, 94 percent of the market value and contractual rent related to investment properties in Sweden and 6 percent of the market value related to contractual rent related to investment properties in Denmark.

Valuation

Each quarter, K-Fastigheter conducts an external or internal valuation of all completed investment properties and properties under construction. As of 30 September 2022, 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 change in value is recognized in the Consolidated Income Statement. All investment properties have been assessed as level 3 in the value hierarchy in accordance with IFRS 13 Fair Value Measurement.

At the end of the period, the value of investment properties totaled SEK 12,122.6 million (9,603.7), distributed over completed investment properties of SEK 9,090.6 million (6,923.4), undeveloped land and building rights of SEK 584.4 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,429.6 million (1,940.0). During the period, SEK 1,297.1 million (969.1) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 585.5 million (231.8). Sales of building rights totaling SEK 8.2 million (40.7) were completed in the period.

Unrealized change in value in investment properties for the period were SEK 612.8 million (752.0), of which SEK 75.3 million (306.1) for properties under management and SEK 537.5 million (445.9) for construction in progress. During the third quarter, the direct return requirement in the external valuations of both completed properties and properties under construction increased by approximately 0.05 percentage points due to changes in market conditions. At the same time, assumptions regarding future cost and rent inflation both increased. All in all, the change means that the market value for completed properties and properties under

Property-related key performance indicators	2022 30 Sep	2021 30 Sep	2021 31 Dec
Opening carrying amount, investment properties	9,603.7	6,853.5	6,853.5
+ Acquisitions	585.5	231.8	292.6
+ New construction	1,282.7	936.2	1,326.3
+ Extensions and rebuilds	14.5	32.9	40.2
- Divestments	-8.2	-40.7	-51.0
- Other reclassifications and obsolescence	31.8	-0.2	3.1
Unrealized changes in value	612.8	752.0	1,139.1
<i>of which, completed investment properties</i>	80.5	307.1	434.5
<i>of which, undeveloped land and building rights</i>	-5.2	-1.1	-2.9
<i>of which, ongoing construction</i>	537.5	445.9	707.4
Closing carrying amount, investment properties	12,122.6	8,765.6	9,603.7
<i>of which, completed investment properties</i>	9,090.6	6,046.2	6,923.4
<i>of which, undeveloped land and building rights</i>	584.4	740.9	722.3
<i>of which, site leaseholds</i>	18.0	18.0	18.0
<i>of which, construction in progress</i>	2,429.6	1,960.4	1,940.0
Rental value, SEK m	432.7	298.7	328.0
Rental income at end of period, SEK/m ²	1,568	1,474	1,487
Direct property costs, SEK/m ²	384	383	374
Operating surplus, SEK/m ²	1,184	1,091	1,113
Financial occupancy rate at the end of the period	97.7%	97.2%	97.0%
Average financial occupancy rate over period	95.7%	91.7%	92.7%
Surplus ratio over period	67.8%	66.9%	66.2%
Lettable area, m ²	269,466	196,891	213,952
Number of homes under management	3,452	2,448	2,723
Direct return requirement, completed investment properties	3.83%	3.91%	3.82%
Direct return requirement, construction in progress	3.79%	3.84%	3.77%
Direct return requirement, all valued properties	3.82%	3.88%	3.80%
<i>of which housing</i>	3.69%	3.74%	3.67%
<i>of which premises</i>	5.32%	5.09%	5.06%

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

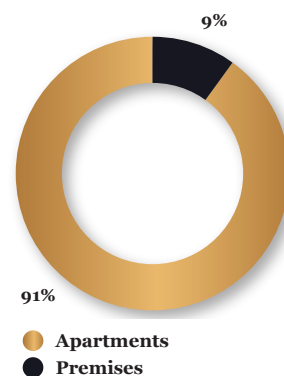
construction during the quarter decreased by 0.2 percent. The increase for equivalent properties over the entire period was 1.3 percent.

At the end of the period, the direct return requirement in the valuation of construction in progress amounted to 3.79 percent (3.84) compared to 3.77 percent at the end of 2021. On completion, the estimated market value of the construction in progress amounted to SEK 6,011.7 million (4,710.9).

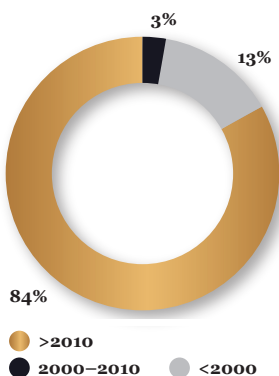
At the end of the period, the average direct return requirement for properties under management amounted to 3.83 percent (3.91) compared to 3.82 percent at the end of 2021. For the full property portfolio, including undeveloped land, building rights and construction in progress, the average direct return was 3.82 percent (3.88), compared to 3.80 percent at the end of 2021. The fact that the increase in the average direct return requirement during the period was not higher, taking into account the general increase during the third quarter, is primarily because K-Fastigheter's property portfolio increasingly consists of a higher proportion of homes in better locations.

For further information on K-Fastigheter's valuation principles, see the 2021 Annual Report (Valuation section and Note 16 Investment properties).

Property value by category, as of 30 September 2022,%



Property value by construction year, as of 30 September 2022,%



Acquired investment properties

Property	Municipality	Transfer date	Number of apartments	Area (m²)	Yearly rental value (SEK m)	Purchase price (SEK m)
-						

Acquired building rights

Property	Municipality	Scheduled construction start	Number of apartments	Area (m²)	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Skymningen 2 and Skymningen 3	Höganäs	Q2/Q4 2022	94	5,863	11.4	27.2

Projects where construction has commenced

Property	Municipality	Scheduled completion	Number of apartments	Area (m²)	Estimated yearly rental value (SEK m)
Fogdaröd 8:32	Höör	Q3 2024	74	4,961	9.7
part of Måsen	Strängnäs	Q1 2025	87	5,548	12.1

Project completions

Property	Municipality	Move in	Number of apartments	Area (m²)	Rental value (SEK m)
Vallensbaek Strand – phase 2 (of 2)	Vallensbaek/DK	Jul 2022	53	4,285	10.8
Stubbarp 39:1 phase 1 (of 2)	Höganäs	Jul 2022	26	2,092	3.4
Fredriksskans 2:79 – phases 1 and 2 (of 4)	Gävle	Jul/Sep 2022	46	2,983	5.5
Hässjan 1	Malmö	Jul 2022	31	2,036	4.5
Röret 1	Älmhult	Jul 2022	38	2,474	4.3

K-Fast 2.0

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total 2022
Number of apartments renovated	4	3	2		9
Increase in rental value (SEK m)	0.1	0.1	0.0		0.2

Important information regarding the tables on pages 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 vacant spaces. 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 pages 6 and 7 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		Occupancy rate	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	2,194	136,954	2,240	139,194	5,709.9	41,021	249.3	1,791	98.5%	245.6	35.4	254	210.2	1,510
Other	1,258	85,288	31,013	116,301	3,266.9	28,090	173.5	1,492	96.7%	167.8	40.9	351	127.0	1,092
Total excluding development properties	3,452	222,242	33,253	255,495	8,976.8	35,135	422.8	1,655	97.8%	413.4	76.3	299	337.1	1,319
Development properties	0	0	13,971	13,971	113.8	8,145	9.9	708	92.2%	9.1	3.2	226	6.0	426
Total including development properties	3,452	222,242	47,224	269,466	9,090.6	33,736	432.7	1,606	97.7%	422.5	79.4	295	343.1	1,273

Per geographical region

South	3,145	204,234	35,991	240,225	8,213.8	34,192	390.1	1,624	97.8%	381.7	71.8	299	309.9	1,290
West	117	5,664	10,413	16,077	374.6	23,300	19.1	1,189	96.9%	18.5	3.8	233	14.8	919
East	190	12,344	820	13,164	502.2	38,149	23.4	1,777	95.4%	22.3	3.9	295	18.4	1,400
Total	3,452	222,242	47,224	269,466	9,090.6	33,736	432.7	1,606	97.7%	422.5	79.4	295	343.1	1,273

Construction projects in progress¹⁾

By concept building	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	Accrued	Carrying amount
Concept buildings	1,897	125,651	0	125,651	5,753.0	45,785	266.9	2,124	4,094.1	1,889.4	2,673.1
Other	79	6,144	1,140	7,284	258.7	35,521	12.6	1,730	221.2	135.8	172.5
Total	1,976	131,795	1,140	132,935	6,011.7	45,223	279.5	2,102	4,315.4	2,025.2	2,845.6

Per geographical region

South	1,074	72,755	0	72,755	3,158.2	43,409	150.9	2,074	2,290.7	1,147.1	1,563.0
West	442	28,573	0	28,573	1,454.0	50,887	64.6	2,261	1,011.9	529.0	792.9
East	460	30,468	1,140	31,608	1,399.5	44,277	64.0	2,024	1,012.7	349.1	489.8
Total	1,976	131,795	1,140	132,935	6,011.7	45,223	279.5	2,102	4,315.4	2,025.2	2,845.6

Project development in progress¹⁾

By concept building	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	Accrued	Carrying amount
Concept buildings	4,763	302,530	686	303,216	12,643.0	41,696	553.3	1,825	9,410.8	70.4	70.4
Other	22	1,740	0	1,740	49.9	28,670	2.6	1,494	43.9	0.0	0.0
Total	4,785	304,270	686	304,956	12,692.9	41,622	555.9	1,823	9,454.7	70.4	70.4

Per geographical region

South	2,170	128,860	686	129,546	5,420.4	41,842	252.8	1,952	4,012.5	42.3	42.3
West	1,234	74,506	0	74,506	3,014.1	40,454	114.1	1,531	2,319.2	5.4	5.4
East	1,381	100,904	0	100,904	4,258.4	42,203	189.0	1,873	3,123.1	22.6	22.6
Total	4,785	304,270	686	304,956	12,692.9	41,622	555.9	1,823	9,454.7	70.4	70.4

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	3,452	222,242	47,224	269,466	9,090.6	33,736	432.7	1,606	9,090.6	
Construction in progress	1,976	131,795	1,140	132,935	6,011.7	45,223	279.5	2,102	2,845.6	
Project development in progress	4,785	304,270	686	304,956	12,692.9	41,622	555.9	1,823	70.4	
Construction in progress, other									92.5	
Undeveloped land									5.5	
Acquired but not yet possessed	32	3,307	0	3,307	148.7	44,972	7.2	2,165	0.0	
Site leaseholds									18.0	
Total	10,245	661,614	49,050	710,664	27,943.9	39,321	1,275.2	1,794	12,122.6	

¹⁾ Data relates to K-Fastigheter's share of any 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 accrued change of SEK 941.2 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 per 30 September 2022. 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, changes in value, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 30 September 2022 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 construction in progress with a transfer and completion date after 30 September 2022 have therefore not been included in the calculation.

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

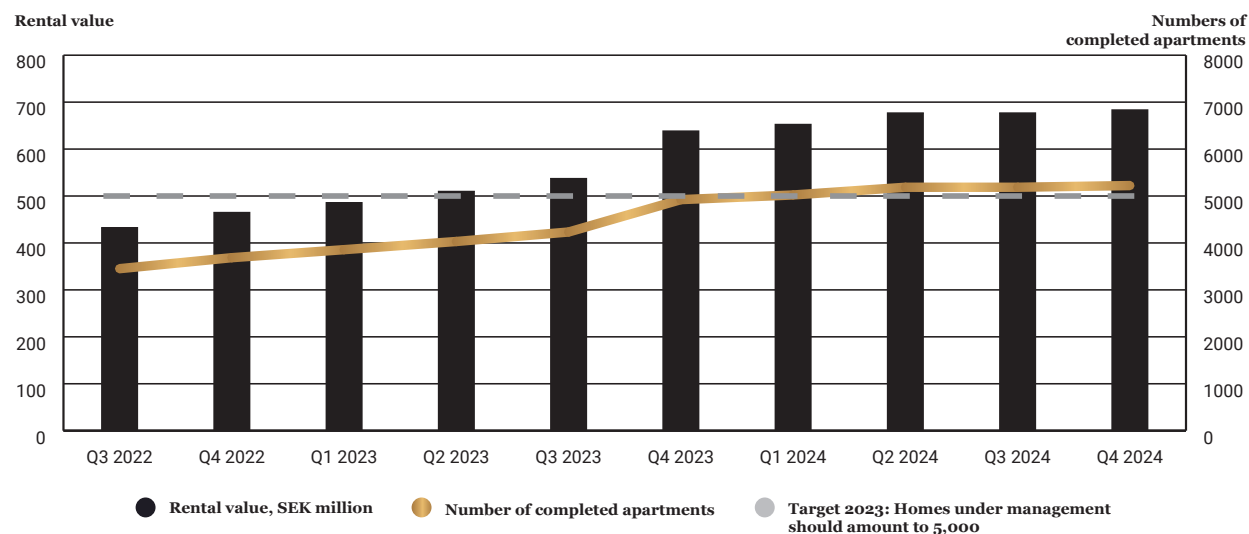
Earnings ability is based on contractual rental income from the property portfolio, estimated property costs for the year based on historical outcomes for properties under management, as well as property administration costs and central administration costs relating to the Property Management business area estimated for the year 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 the effects of derivative instruments) at the end of the period.

SEK m	2022 30 Sep	2021 31 Dec	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	432.7	328.0	265.1	196.6	133.4
Vacancy	-10.1	-9.8	-23.4	-6.1	-0.9
Rental income	422.5	318.2	241.7	190.5	132.5
Operating costs	-61.9	-42.7	-35.6	-27.0	-19.4
Maintenance	-13.8	-11.0	-9.0	-7.3	-5.6
Property tax/ground rent	-3.8	-3.5	-3.0	-2.6	-1.6
Property administration	-24.2	-22.7	-19.2	-15.0	-12.8
Operating surplus	318.9	238.2	174.9	138.6	93.0
Central administration	-14.5	-10.2	-11.2	-9.6	-4.3
Net interest income	-123.1	-73.0	-51.4	-46.9	-29.0
Profit from property management	181.3	155.0	112.3	82.1	59.7

Expected rental trend and number of apartments

The diagram to the right illustrates the number of apartments and current rental values for completed investment properties as of 30 September 2022 plus expected rental values for construction in progress of investment properties and acquired but not yet handed over investment properties as of 30 September 2022 as these properties are completed or handed over.

The information about completed properties, construction 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 vacant spaces. The estimates and judgments involve uncertainties and the information 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. Consolidated interest-bearing liabilities at the end of the period amounted to SEK 7,758.1 million (5,943.9), of which SEK 1,429.2 million (947.5) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 5,097.3 million (4,017.8), building credits of SEK 1,556.9 million (1,057.9), leasing liabilities of SEK 90.1 million (92.7), operating and acquisition credits of SEK 763.8 million (525.6) and a promissory note relating to the acquisition of K-Prefab of SEK 250.0 m (250.0). The debt-to-equity ratio for the Group amounted to 54.1 percent (51.8).

At the end of the period, the Group had contracted credit agreements of SEK 9,159.7 million (7,282.4), of which SEK 5,097.3 million (4,017.8) related to the financing of completed investment and business properties, of which SEK 1,087.3 million (790.2) is due 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 2,732.4 million (2,132.1) and operating and acquisition credits of SEK 1,080.0 million (882.5), of which SEK 315.0 million and 100.0 million relate 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 1,556.9 million (1,057.9) and SEK 763.8 million (525.6) respectively.

The average period of capital tied up for the Group's interest-bearing liabilities relating to acquisition financing and completed investment and business properties amounted to 2.3 years (2.8) as of 30 September 2022.

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 3,773.4 million (3,200.0) at the end of the period. The fair value of the interest derivative portfolio at the end of the period was SEK 408.1 million (36.4). The average interest period for the Group's interest-bearing liabilities relating to acquisition financing, investment and business properties was 3.3 years (4.4) and the average interest rate was 2.29 percent (1.85), including the effects of interest rate derivatives, and 2.99 percent (1.40), excluding the effects of interest rate derivatives. The total proportion of variable interest in relation to interest bearing liabilities relating to acquisition financing, investment and business properties was 30 percent (29) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 17.4 million (14.0).

In order to increase the degree of hedging and to hedge new loans as building credits are converted into long-term financing, during the third quarter we have focused on restructuring elements of the swap portfolio. This has been achieved by closing older swaps and using the accrued market value in new swaps with shorter terms but with a higher swap volume and fixed interest rates that are far lower than the market interest rate for equivalent swaps at a given time and with a particular term. During the third quarter we have hereby increased the swap portfolio by SEK 500 million, decreased the proportion of variable interest from 37 to 30 percent

and reduced interest sensitivity from SEK 20.9 million to SEK 17.4 million while the debt portfolio relating to completed investment properties increased by 3 percent to SEK 5,762.3 million. The average period of fixed interest has not been affected because the shorter terms in the swap portfolio have been mitigated by the higher degree of hedging and the total average interest rate has been positively impacted because the new swaps have lower fixed interest rates than the variable interest on the underlying loans in the debt portfolio. Efforts to restructure the swap portfolio will also continue in the future and are made possible thanks to the positive market value generated in the portfolio in recent years.

Otherwise, with regard to financing and financial risk, please refer to the 2021 Annual Report (Financing section and Note 22 Financial risks and finance policy).

Financial targets	Financial targets	Financial covenants	Actual 30 Sep 2022
Debt-to-equity ratio, %	max. 70%		54.1%
Equity/assets ratio, %	min. 25%	min. 25%	35.3%
Interest coverage ratio, multiple*	min. multiple of 1.75	min. multiple of 1.50	multiple of 2.6

* Relates to rolling 12 months at the end of the period.

Credit and interest maturity structure, 30 Sep 2022 (excl. Building credits and operating credits)

Term	Interest maturity		Credit maturity		Derivatives maturity		
	Amount, SEK m	Average interest, %	Credit agreements, SEK m	Utilized, SEK m	Interest rate derivatives	Interest, %	Value, SEK m
0-1 year	1,988.9	2.99%	1,087.3	1,087.3	0.0	-	-
1-2 years	200.0	1.80%	1,226.2	1,226.2	200.0	0.42%	7.4
2-3 years	300.0	1.75%	1,171.4	1,171.4	300.0	0.37%	18.7
3-4 years	1,000.0	2.24%	2,028.3	2,028.3	1,000.0	0.86%	79.0
4-5 years	700.0	2.08%	131.1	131.1	700.0	0.70%	69.1
> 5 years	1,573.4	2.08%	118.1	118.1	1,573.4	0.70%	234.0
Total	5,762.3	2.29%	5,762.3	5,762.3	3,773.4		408.1

COMPREHENSIVE INCOME JANUARY-SEPTEMBER 2022

The following profit and cash flow items relate to the period 1 January - 30 September 2022. 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.

Income

Comprehensive income amounted to SEK 314.7 million (276.4) for the third quarter of 2022 and SEK 1,071.5 million (899.3) for the period. Rental income amounted to SEK 102.0 million (68.2) for the third quarter and to SEK 275.1 million (190.7) for the period, which is an increase of 50 and 44 percent respectively year-on-year. The increase was primarily due to more apartments under management, which increased by 41 percent to 3,452 (2,448). The financial occupancy rate gradually improved in the period and was 97.7 percent (97.2) at the end of the period.

Income from project and contracting operations for the third quarter amounted to SEK 495.8 million (340.8) and to SEK 1,465.4 million (1,171.9) for the period, of which SEK 682.9 million (471.3) related to construction for Group companies that has been capitalized for the Group's own purposes. The increase was due to higher activity in the construction of apartments for proprietary management and at the end of the period 1,976 apartments (1,634) were in production, which was an increase of 21 percent compared to the corresponding period in 2021. External income for project and contracting operations amounted to SEK 782.5 million (700.5) in the period, of which Prefab's income was SEK 777.6 million (698.5). In Prefab, total income for the period amounted to SEK 924.5 million (755.6), of which SEK 141.7 million (51.6) related to intra-Group sales. The increase is partly due to organic growth, primarily from increased intra-Group sales as all of the intra-Group constructions are placed in Prefab, and partly due to the acquisitions of Strängnäs Prefab and GH Sydgolv. The level of activity at Prefab is still relatively high and occupancy for the coming nine to twelve months is good.

Operating costs

Property management costs totaled SEK 96.7 million (64.7) for the period, corresponding to an increase of 50 percent year-on-year. The operating surplus amounted to SEK 186.6 million (127.6), up 46 percent year-on-year. The increase in costs and operating surplus were primarily due to more properties under management. The surplus ratio was 68.0 percent (73.0) for the third quarter, and 67.8 percent (66.9) for the period. The surplus ratio during the period was positively affected by gradual improvements in the average occupancy rate and negatively affected by general increases in costs, such as media costs, primary electricity costs and property management costs. The average occupancy rate was 95.7 percent (91.7) for the period, and 97.7 percent (97.2) 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 other quarters, which also affects the surplus ratio for these periods.

Costs relating to the project and contracting operations comprise direct project and production-related costs as well as fixed costs associated with the Construction and Prefab organization. Operations related to external construction and production are reported in the Income Statement. Project and contracting operations for the Group's own property management activities are capitalized as work for the Group's own purposes and reported net in the Income Statement under the item Project and contracting costs. Gross profit during the period amounted to SEK 3.9 million (11.6) for the Construction business area and SEK 38.1 million (50.8) for the Prefab business area. During the period, gross profit in the Construction business area was positively impacted by a high level of activity in intra-Group projects and negatively impacted by increased organizational costs incurred to support future growth. Prefab's gross profit was positively affected by increased income from external and intra-Group sales, while increased raw materials prices, mainly for steel, cement and mold materials, fuel prices and increased personnel costs associated with the Covid-19 pandemic, had a negative effect on profit.

Central administration costs, depreciation/amortization and impairment

Central administration, which includes Group-wide management, business development, IR/communications and market, HR, IT and finance, amounted to SEK 48.4 million (27.5) for the period. The increase is driven in almost equal measure by non-recurring costs (for example investment in a new Group wide accounting system) and continuous investments in the organization to support future growth. During the third quarter, however, costs decreased compared with the first and second quarter due to fewer non-recurring costs.

Depreciation/amortization and impairment for the period amounted to SEK 46.6 million (38.7), of which depreciation/amortization and impairment attributable to Prefab's operations was SEK 40.9 million (33.9), of which SEK 8.3 million (8.3) was attributable to amortization of intangible assets for the period. Total depreciation/amortization in the period was SEK 43.7 million (35.5). Impairment for the period amounted to SEK 3.0 million (3.2) and relates to obsolescence in connection with the Group's K-Fast 2.0 renovation program of SEK 1.9 million (0.8) and impairment of receivables of SEK 1.1 million (2.4).

Profit from participations in associated and jointly controlled companies

Profit/loss from participations in associated and jointly controlled companies amounted to SEK -0.5 million (3.8). Profit/loss was primarily affected by K-Fastigheter's share of profit in PVS Mark & VA Holding AB, Mjölback's Entreprenad AB and Novum Samhällsfastigheter AB, which amounted to SEK 0.6 million in the period.

Net interest income

Net interest income for the period was SEK -81.3 million (-52.0). At the end of the period, the average interest rate was 2.29 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 acquisitions of investment properties and new construction, as well as by higher base rates. The interest coverage ratio amounted to 2.2 (3.2) for the period and 2.6 (3.0) for the rolling 12 months. The ratio was affected by weaker profits in the construction and contracting operations during the first half of the year, higher costs in general for central administration and lower net interest income.

Profit from property management

Profit from property management amounted to SEK 36.3 million (29.8) for the third quarter, and to SEK 103.6 million (74.4) for the period, an increase of 22 and 39 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.48 (0.35) for the period, which is an increase of 39 percent year-on-year. The increase can primarily be attributed to higher rental income as a result of more apartments under management.

Changes in value

Unrealized changes in value for investment properties were SEK 56.4 million (353.9) for the third quarter and SEK 612.8 million (752.0) for the period, of which SEK 75.3 million (306.1) for properties under management and SEK 537.5 million (445.9) for construction in progress. The increase relating to construction in progress was mainly due to increased activity in project development and construction of apartments for property management in the period. The increase for properties under management was mainly due to improved net operating income, partly due to annual rent increases in 2022. During the third quarter, however, the direct return requirement in the external valuations of both completed properties and properties under construction increased by approximately 0.05 percentage points due to changes in market conditions. At the same time, assumptions regarding future cost and rent inflation both increased. All in all, the change means that the market value for completed properties and properties under construction during

the quarter decreased by 0.2 percent. The increase for equivalent properties over the entire period was 1.3 percent.

The direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land, building rights and construction in progress amounted to 3.82 percent (3.88) at the end of the period compared to 3.80 percent at the end of 2021. The fact that the increase in the average direct return requirement during the period was not higher, taking into account the general increase during the third quarter, is primarily because K-Fastigheter's property portfolio increasingly consists of a higher proportion of homes in better locations. For more information, see the Property portfolio and Valuation sections.

Changes in the values of derivatives and other items amounted to SEK 368.4 million (45.4) for the period, of which 93.2 million (-) consisted of realized value changes that arose in connection with restructuring the swap portfolio. 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 exchange rate derivatives was SEK 404.0 million (18.2) at the end of the period. The change in value for interest rate derivatives does not affect cash flow, and at maturity the value of the derivatives is always zero.

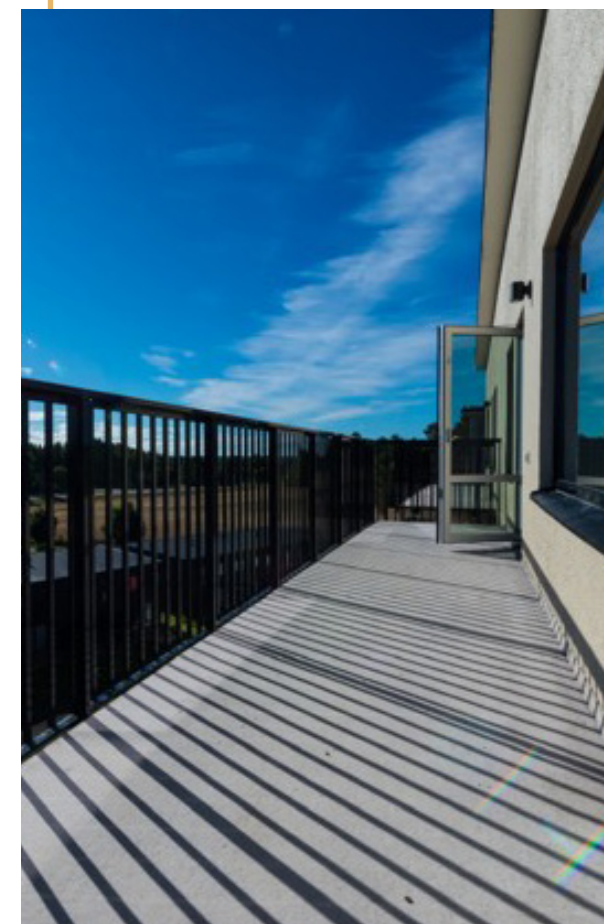
Tax

Current tax for the period amounted to SEK 4.8 million (8.9). Deferred tax amounted to SEK 216.6 million (181.5), chiefly affected by unrealized changes in values in properties. Tax has been calculated at 20.6 percent on current taxable profit.

Profit, comprehensive income and other comprehensive income for the period

Profit amounted to SEK 115.8 million (311.5) for the third quarter, and SEK 813.2 million (682.6) for the period, corresponding to SEK 3.78 (3.17) per share. Comprehensive income for the period totaled SEK 833.4 million (685.6). Other comprehensive income

includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 20.2 million (3.0) for the period as a result of increased foreign operations and a weaker Swedish krona. The full amount relates to items that can be reversed in a later period.



FINANCIAL POSITION AS OF 30 SEPTEMBER 2022

Intangible assets

Intangible assets comprise goodwill and other intangible assets primarily arising in connection with the acquisition of K-Prefab. At the end of the period, goodwill amounted to SEK 443.6 million (440.6) and other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 35.8 million (44.1).

Investment properties

At the end of the period, the value of investment properties totaled SEK 12,122.6 million (9,603.7), distributed over completed investment properties of SEK 9,090.6 million (6,923.4), undeveloped land and building rights of SEK 584.4 million (722.3), site leaseholds of SEK 18.0 million (18.0) and construction in progress of SEK 2,429.6 million (1,940.0). For more information, see the Property portfolio and Valuation sections.

Business properties and equipment

The value of business properties and equipment at the end of the period amounted to SEK 448.8 million (448.4) and SEK 194.7 million (189.8) respectively. During the period, further investments were made in Prefab's facilities with the aim of increasing the efficiency and production capacity.

Cash and cash equivalents

At the end of the period, cash and cash equivalents amounted to SEK 47.7 million (94.0). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 326.2 million (356.9).

Equity and net asset value

At the end of the period, Group equity attributable to Parent Company shareholders amounted to SEK 5,067.1 million (4,233.7), corresponding to SEK 23.53 per share (19.66). The increase can be explained by comprehensive income for the period of SEK 833.4 million (685.6). At the end of the period, the Group's equity/asset ratio was 35.3 percent (36.9).

The long-term net asset value (NAV) at the end of the period amounted to SEK 5,667.4 million (4,976.1), corresponding to SEK 26.32 per share (23.11), which is an increase of 14 percent compared to 31 December 2021 and up 24 percent on 30 September 2021.

Interest-bearing liabilities and interest rate derivatives

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 7,758.1 million (5,943.9), of which SEK 1,429.2 million (947.5) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to 54.1 percent

(51.8). The increase in interest-bearing liabilities was primarily due to financing of construction in progress, as well as acquisitions in the period. The market value of the Group's interest rate and exchange rate derivatives at the end of the period totaled SEK 404.0 million (37.0). For more information, see the Financing section.



COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income in summary

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 -Sep 2022	2021 Jan-Dec
Rental income	102.0	68.2	275.1	190.7	350.4	265.9
Project and contracting income	212.2	203.7	782.5	700.5	1,058.1	976.1
Net sales	314.1	271.9	1,057.6	891.2	1,408.5	1,242.1
Other operating income	0.5	4.5	13.9	8.2	16.4	10.7
Operating costs	-20.8	-10.5	-63.6	-33.9	-81.9	-52.3
Maintenance	-3.0	-2.5	-9.9	-9.6	-12.7	-12.4
Property tax	-1.9	-1.5	-5.1	-4.5	-6.3	-5.7
Property administration	-7.1	-4.6	-18.1	-16.7	-24.2	-22.7
Property management costs	-32.8	-19.1	-96.7	-64.7	-125.2	-93.1
Project and contracting costs	-203.9	-193.9	-744.6	-644.6	-981.7	-881.8
Gross profit	77.9	63.3	230.2	190.0	318.0	277.9
<i>of which, gross profit from property management (operating surplus)</i>	<i>69.3</i>	<i>49.8</i>	<i>186.6</i>	<i>127.6</i>	<i>235.2</i>	<i>176.1</i>
<i>of which, gross profit from project and contracting operations</i>	<i>8.6</i>	<i>13.5</i>	<i>43.5</i>	<i>62.4</i>	<i>82.9</i>	<i>101.8</i>
Central administration	-11.8	-8.9	-48.4	-27.5	-61.6	-40.7
Depreciation/amortization and impairment	-15.9	-13.7	-46.6	-38.7	-66.1	-58.2
Profit from participations in associated and jointly controlled companies	-2.9	-0.8	-0.5	3.8	19.0	23.3
Net interest income	-34.6	-18.5	-81.3	-52.0	-104.9	-75.6
Profit before changes in value	-104.9	21.4	53.4	75.7	104.3	126.6
<i>of which, profit from property management</i>	<i>36.3</i>	<i>29.8</i>	<i>103.6</i>	<i>74.4</i>	<i>130.6</i>	<i>101.4</i>
Change in value of investment properties	56.4	353.9	612.8	752.0	999.9	1,139.1
Change in value of derivatives and other	63.3	18.7	368.4	45.4	389.1	66.0
Profit before tax	132.4	393.9	1,034.6	873.0	1,493.2	1,331.7
Tax on profit for the period	-16.7	-82.4	-221.4	-190.5	-318.3	-287.3
Profit for the period	115.8	311.5	813.2	682.6	1,175.0	1,044.4
Other comprehensive income	7.8	1.5	20.2	3.0	21.0	3.8
Comprehensive income for the period	123.5	313.0	833.4	685.6	1,196.0	1,048.1
Profit after tax per share, SEK/share*	0.54	1.45	3.78	3.17	5.46	4.85

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

Segment reporting

2022 Jan-Sep	Property management	Project development	Construction	Prefab	Other	Group
Income	283.4	2.8	543.7	924.5	-682.9	1,071.5
Expenses	-96.7	-1.3	-539.7	-886.4	682.9	-841.3
Gross profit	186.6	1.5	3.9	38.1	0.0	230.2
Central administration costs	-10.9	-9.2	-12.5	-14.8	-1.0	-48.4
Depreciation/amortization and impairment	-3.7	0.0	-2.1	-40.9	0.0	-46.6
Profit from holdings in associated companies*	0.0	0.0	0.0	0.0	-0.5	-0.5
Net interest income	-68.5	0.0	-0.2	-12.6	0.0	-81.3
Profit before changes in value	103.6	-7.7	-10.8	-30.2	-1.5	53.4
Change in value, properties	75.3	537.5	0.0	0.0	0.0	612.8
Change in value, derivatives and other	371.7	0.0	-3.3	0.0	0.0	368.4
Profit before tax	550.6	529.8	-14.1	-30.2	-1.5	1,034.6
Tax	-99.9	-113.7	0.7	3.3	-11.9	-221.4
Profit for the period	450.7	416.1	-13.4	-26.9	-13.4	813.2
Total assets	12,634.7	0.0	41.8	1,375.0	294.6	14,346.1
Total liabilities	7,832.1	0.0	75.5	1,097.0	274.4	9,279.0
2021 Jan-Sep	Property management	Project development	Construction	Prefab	Other	Group
Income	192.2	0.0	422.8	755.6	-471.3	899.3
Expenses	-64.7	0.0	-411.2	-704.8	471.3	-709.3
Gross profit	127.6	0.0	11.6	50.8	0.0	190.0
Central administration costs	-6.9	-6.9	-6.9	-6.9	0.0	-27.5
Depreciation/amortization and impairment	-2.5	0.0	-2.3	-33.9	0.0	-38.7
Profit from holdings in associated companies*	0.0	0.0	0.0	0.0	3.8	3.8
Net interest income	-43.8	0.0	0.0	-8.1	0.0	-52.0
Profit before changes in value	74.4	-6.9	2.4	1.9	3.8	75.7
Change in value, properties	306.1	445.9	0.0	0.0	0.0	752.0
Change in value, derivatives and other	45.4	0.0	0.0	0.0	0.0	45.4
Profit before tax	425.8	439.0	2.4	1.9	3.8	873.0
Tax	-72.4	-91.9	0.0	0.0	-26.2	-190.5
Profit for the period	353.4	347.2	2.4	1.9	-22.4	682.6
Total assets	8,910.7	0.0	23.0	1,280.1	401.8	10,615.5
Total liabilities	5,535.6	0.0	93.3	1,049.2	42.1	6,720.1

* Profit from participations in associated and jointly controlled companies.

FINANCIAL POSITION

Consolidated Statement of Financial Position in summary

	2022 30 Sep	2021 30 Sep	2021 31 Dec
ASSETS, SEK m			
Tangible non-current assets			
Intangible assets	479.4	487.4	484.7
Investment properties	12,122.6	8,765.6	9,603.7
Business properties	448.8	390.5	448.4
Equipment	194.7	174.3	189.8
Total non-current assets	13,245.5	9,817.8	10,726.6
Financial non-current assets			
Holdings in associated and jointly controlled companies and other non-current receivables	259.6	246.0	243.5
Derivative instruments	404.0	18.2	37.0
Deferred tax asset	15.7	18.3	17.1
Total financial non-current assets	679.3	282.5	297.5
Total non-current assets	13,924.8	10,100.3	11,024.1
Current assets			
Inventories	69.3	51.8	51.7
Accounts receivable	121.4	127.2	105.3
Other receivables	183.0	201.7	207.6
Cash and cash equivalents	47.7	134.5	94.0
Total current assets	421.3	515.2	458.6
Total assets	14,346.1	10,615.5	11,482.7

	2022 30 Sep	2021 30 Sep	2021 31 Dec
EQUITY AND LIABILITIES, SEK m			
Equity			
Share capital	57.4	57.4	57.4
Other capital contributions	1,372.9	1,372.9	1,372.9
Profit brought forward including the profit for the period	3,636.8	2,465.1	2,803.4
Total equity	5,067.1	3,895.4	4,233.7
Non-current liabilities			
Deferred tax liability	1,020.0	702.9	796.4
Non-current interest-bearing liabilities	6,328.9	4,433.4	4,996.4
Derivative instruments	0.0	0.0	0.0
Other provisions and non-current liabilities	17.6	13.8	13.7
Total non-current liabilities	7,366.6	5,150.1	5,806.5
Current liabilities			
Current interest-bearing liabilities	1,429.2	1,085.0	947.5
Accounts payable	190.8	188.6	177.2
Other current liabilities	292.3	296.4	317.8
Total current liabilities	1,912.4	1,570.0	1,442.5
Total equity and liabilities	14,346.1	10,615.5	11,482.7

Consolidated Statement of Changes in Equity in summary

SEK m	2022 30 Sep	2021 30 Sep	2021 31 Dec
Total equity at the beginning of the period	4,233.7	3,209.8	3,209.8
Repurchase of own shares	0.0	0.0	-24.3
Profit for the period	813.2	682.6	1,044.4
Other comprehensive income	20.2	3.0	3.8
Total equity at the end of the period*	5,067.1	3,895.4	4,233.7

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

CASH FLOW STATEMENT

Consolidated Cash Flow Statement in summary

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating activities					
Gross profit adjusted for central administration, depreciation/ amortization and impairment	50.3	40.7	135.2	123.8	179.0
Adjustment for items not affecting cash flow	13.3	12.1	40.5	34.8	45.7
Dividend received	0.0	-0.8	3.2	3.8	0.0
Net interest income	-34.6	-18.5	-81.3	-52.0	-74.8
Tax paid	-3.6	-2.8	-11.0	-5.7	-4.3
Cash flow from operating activities before changes in working capital	25.3	30.7	86.6	104.7	145.6
Change in operating receivables	21.7	6.4	11.4	18.0	37.1
Change in operating liabilities	-53.2	53.5	-31.5	142.2	142.5
Cash flow from operating activities	-6.2	90.5	66.5	264.9	325.3
Investing activities					
Investments in Group, associated and jointly controlled companies	0.2	-187.1	-9.3	-861.7	-858.8
Property investments	-2.5	-92.0	-525.6	-258.2	-330.3
Investments in construction in progress	-415.4	-318.2	-1,355.0	-937.2	-1,326.3
Investments in machinery and equipment	-6.5	-11.9	-15.1	-25.2	-50.4
Divestments of properties	0.0	41.9	14.7	42.3	51.0
Change in other financial non-current assets	1.8	-1.3	-9.0	-1.8	-0.5
Cash flow from investing activities	-422.4	-568.5	-1,899.3	-2,041.9	-2,515.4
Financing activities					
Borrowings	469.0	571.5	1,914.7	1,498.6	1,909.6
Loan amortizations	-44.6	-38.4	-128.2	-94.9	-133.2
Cash flow from investing activities	424.4	533.0	1,786.5	1,403.7	1,776.3
Cash flow for the period	-4.2	55.0	-46.3	-373.3	-413.8
Translation differences in cash and cash equivalents	-0.2	0.0	0.0	0.2	0.1
Opening cash and cash equivalents	52.1	79.5	94.0	507.6	507.6
Opening cash and cash equivalents	47.7	134.5	47.7	134.5	94.0

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	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Operating income			
Net sales	22.5	0.0	0.1
Administration costs	-50.1	-27.5	-40.3
Amortization and depreciation	-0.1	-0.1	-0.2
Gross profit	-27.7	-27.6	-40.4
Profit from participations in associated and jointly controlled companies	3.5	-0.2	-0.2
Net financial items	386.4	48.8	69.5
Profit before appropriations and tax	362.2	21.0	28.9
Appropriations	0.0	0.0	87.9
Tax on profit for the period	-57.4	-9.3	-23.3
Profit for the period	304.8	11.7	93.5

Parent Company Balance Sheet in summary

Assets, SEK m	2022 30 Sep	2021 30 Sep	2021 30 Dec
Non-current assets			
Tangible non-current assets	0.1	0.3	0.2
Participations in Group companies	1,141.3	990.4	1,009.0
Receivables from Group companies	836.2	854.1	849.6
Participations in and receivables from associated companies and other non-current receivables and participations	201.7	188.8	190.2
Derivative instruments	408.2	18.2	36.4
Deferred tax asset	0.0	6.4	0.0
Total non-current assets	2,587.5	2,058.3	2,085.5
Current assets			
Receivables from Group companies	1,401.5	1,027.2	1,208.5
Receivables from associated companies	0.5	7.8	5.4
Other current receivables	72.2	56.3	61.4
Cash and cash equivalents	3.3	119.6	69.0
Total current assets	1,477.4	1,210.9	1,344.2
Total assets	4,064.9	3,269.3	3,429.7
Equity and liabilities, SEK m	2022 30 Sep	2021 30 Sep	2021 30 Dec
Equity			
Restricted equity	57.4	57.4	57.4
Unrestricted equity	1,880.7	1,494.1	1,575.9
Total equity	1,938.1	1,551.5	1,633.3
Non-current liabilities			
Deferred tax liability	64.9	0.0	7.5
Non-current interest-bearing liabilities	1,099.6	936.2	931.7
Other provisions and non-current liabilities	2.4	2.5	2.4
Total non-current liabilities	1,166.8	938.7	941.6
Current liabilities			
Current interest-bearing liabilities	166.3	17.9	17.9
Liabilities to Group companies	778.5	748.7	823.3
Other current liabilities	15.2	12.6	13.6
Total current liabilities	960.0	779.1	854.8
Total equity and liabilities	4,064.9	3,269.3	3,429.7

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 to the right presents financial measures that are not defined in accordance with IFRS.

Definitions and information about KPIs can be found at k-fastigheter.com/en/investors/

Compared with the 2021 Annual Report, the definitions of the alternative key performance indicators have not changed.

Property-related key performance indicators	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 - Sep 2022	2021 Jan-Dec
Rental value, SEK m	432.7	298.7	432.7	298.7	432.7	328.0
Financial occupancy rate, %	97.7%	97.2%	97.7%	97.2%	97.7%	97.0%
Average financial occupancy rate, %	96.4%	94.1%	95.7%	91.7%	95.7%	92.7%
Surplus ratio, %	68.0%	73.0%	67.8%	66.9%	67.1%	66.2%
Lettable area, m ²	269,466	196,891	269,466	196,891	269,466	213,952
Number of apartments under management	3,452	2,448	3,452	2,448	3,452	2,723
Number of construction starts, apartments	161	79	706	535	1,167	996
Number of apartments under construction	1,976	1,634	1,976	1,634	1,976	1,820
Number of apartments under project development	4,785	5,723	4,785	5,723	4,785	5,869

Financial key performance indicators						
Interest coverage ratio, multiple	1.8	2.9	2.2	3.2	2.6	3.4
Equity/assets ratio, %	35.3%	36.7%	35.3%	36.7%	35.3%	36.9%
Debt-to-equity ratio, %	54.1%	52.0%	54.1%	52.0%	54.1%	51.8%
Period for which capital is tied up, years	2.3	2.5	2.3	2.5	2.3	2.8
Period of fixed-interest, years	3.3	4.2	3.3	4.2	3.3	4.4
Average interest, %	2.29%	1.77%	2.29%	1.77%	2.29%	1.85%
Net investments, SEK m	432.0	369.2	1,874.4	1,160.2	2,322.3	1,608.1
Profit from property management, SEK m	36.3	29.8	103.6	74.4	130.6	101.4
Long-term net asset value (NAV), SEK m	5,667.4	4,561.8	5,667.4	4,561.8	5,667.4	4,976.1

Share-related key performance indicators						
Long-term net asset value (NAV), SEK/share	26.32	21.19	26.32	21.19	26.32	23.11
Growth in long-term net asset value (NAV), %	1.5%	8.9%	13.9%	24.6%	24.2%	35.9%
Equity per share, SEK	23.53	18.09	23.53	18.09	23.53	19.66
Profit from property management per share, SEK	0.17	0.14	0.48	0.35	0.61	0.47
Growth in profit from property management per share, %	21.5%	36.0%	39.2%	25.9%	39.8%	29.8%
Profit after tax for the period per share, SEK	0.54	1.45	3.78	3.17	5.46	4.85
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3

*The number of shares outstanding at the end of the period and the average number of shares outstanding during 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 assessing 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 may 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 a varying degree. 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 2021 Annual Report.

Effects of the Covid-19 pandemic and the war in Ukraine

The Covid-19 pandemic receded during 2022 due to milder variants of the virus and rising vaccination rates. The restrictions are gradually easing as a result. At the time of preparing the current Interim Report, the effect on K-Fastigheter's operations remains limited.

At the time of preparing the current Interim Report, the war in the Ukraine has been underway for over eight months. To date, the war has had a significant but not a vital effect on K-Fastigheter's operations, and has so far mainly affected the pricing of certain input goods, maybe above all steel and energy prices. It has also had the indirect effect of increasing energy and fuel prices, as well as interest expenses to an increasing extent.

The impact of the Covid-19 pandemic and the war in Ukraine on K-Fastigheter's future operations remains uncertain. K-Fastigheter

continuously reviews the situation and will present updates in forthcoming Interim Reports. Additional information may also be presented in the form of press releases.

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, generate 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 in areas with structural housing shortages.

Sensitivity analysis (SEK m)	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	234.7
Rental value +/- 1%	4.3	113.0
Operating and maintenance costs +/- 1%	0.8	19.8
Long-term vacancy ratio +/- 1%	4.3	113.0

Change in value of completed investment properties and building rights	-10%	+10%
Property value, SEK m	-967.5	967.5
Debt-to-equity ratio, %	58%	51%



Seasonal variations

Property management is associated with certain seasonal variations primarily in charges related to heating costs. With regard to contracting operations, seasonality is mainly associated with weather and holiday periods, which means that performance in the first quarter, the summer months, and December is weaker than in 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 82 wholly-owned and partly-owned subsidiaries and 13 associated company groups. The number of employees amounted to 736 (670), of whom 71 were women (58) and 665 were men (612).

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/Communications, Market, Legal and HR. The Group's heads of Business Development, Accounting, Finance, IR/Communications, Market 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, Kävlinge, 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 carrying amount 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 2021 Annual Report.

For complete accounting principles, please refer to K-Fast Holding AB's 2021 Annual Report. No accounting principles have changed since the 2021 Annual Report.

Related-party transactions

The Group's related parties include all Board Members, the CEO and members of corporate management, as well as individuals and companies closely related to them. Transactions with related-parties totaled SEK 0.8 million (3.7) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 0.8 million (3.4).

In addition to the above transactions, construction services totaling SEK 30.5 million (18.0) were procured from associated company PVS Mark & VA in the period. All transactions were priced at 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 performance 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, 10 November 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 Interim Report for the third quarter of 2022 on Thursday 10 November at 12.00. CET.

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

Year-end report 2022 – 16 February 2023

2022 Annual Report – week comm. 3 April 2023

Interim Report January-March 2023 – 2 May 2023

Annual General Meeting 2022 – 11 May 2023

Interim Report January-June 2023 – 25 July 2023

Interim Report January-September 2023 – 9 November 2023

REVIEW REPORT (THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL)

Introduction

We have reviewed the condensed interim report for K-Fast Holding AB (publ) as at September 30, 2022 and for the nine month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Lund, Sweden 10 November 2022

Ernst & Young AB

Stefan Svensson, Authorized Public Accountant

THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) were launched on Nasdaq Stockholm in the Real Estate segment on 29 November 2019. On 30 September 2022, K-Fastigheter's market capitalization was SEK 4,072.6 million. At the end of the quarter, there were over 7,300 shareholders.

On 30 September 2022, there were a total of 215,331,168 shares in K-Fast Holding AB, of which 22,500,000 Class A shares and 192,831,168 Class B shares. The total number of votes on 30 September 2022 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 in June 2021.

Each Class A share carries five votes and each Class B share carries one vote. All shares carry equal rights to participate in the Company's assets and earnings and to any surplus on liquidation. Neither Class A nor Class B shares are subject to any transfer restrictions.

Share price performance and trading*

During the period 1 October 2021 to 30 September 2022, approximately 47.3 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 187,000 shares and the average price paid was SEK 53.16. The highest price paid during the period was SEK 96.30 on 19 November 2021, and the lowest price paid was SEK 17.93 on 28 September 2022. On 30 September 2022, the share price was SEK 21.12 (last paid). The market value of all shares in the Company, based on the last price paid for a Class B share on 30 September 2022, amounted to SEK 4,547.8 million.

Share capital

The 2021 AGM 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 2021 AGM also decided to authorize the Board to decide to effect a new issue of up to 24,000,000 new Class B shares on one or more occasions. No new shares were issued in the period.

More information about the share capital can be found at k-fastigheter.com/en

Marketplace	Nasdaq Stockholm
Name of share	K-Fast Holding B
Ticker	KFAST B
ISIN code	SE0016101679
Segment	Large Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	215,331,168
Total number of Class B shares listed on Nasdaq Stockholm	192,831,168
Closing price 30 September 2022	SEK 21.12
Market price 30 September 2022*	SEK 4,547.8 million

* Market value of all shares in the Company, based on the last price paid for a Class B share on 30 September 2022.

Ten largest shareholders (in order of total voting rights) as of 30 September 2022

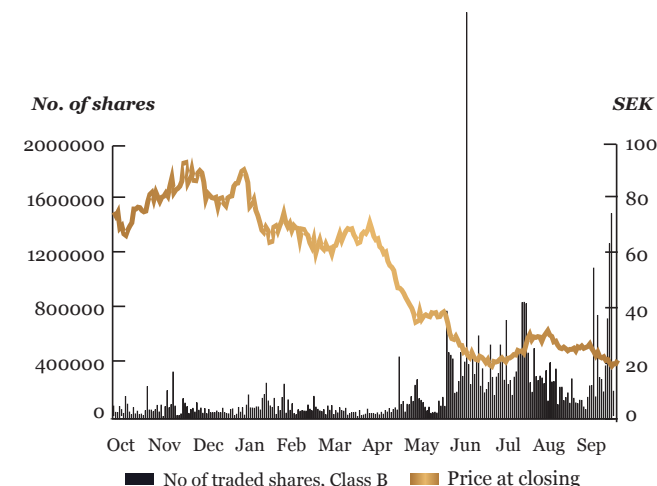
Name	Number of Class A shares*	Number of Class B shares*	Total number of shares	Percentage of share capital%	Percentage of votes %
Jacob Karlsson AB	11,250,000	64,301,361	75,551,361	35.1%	39.5%
Erik Selin Fastigheter AB	11,250,000	63,750,000	75,000,000	34.8%	39.3%
Capital Group	0	12,909,607	12,909,607	6.0%	4.2%
Länsförsäkringar funds	0	8,547,464	8,547,464	4.0%	2.8%
Fourth AP Fund	0	6,102,766	6,102,766	2.8%	2.0%
SEB funds	0	3,570,537	3,570,537	1.7%	1.2%
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%
VPF First Nordic Real Estate	0	1,800,000	1,800,000	0.8%	0.6%
Sara Mindus	0	1,750,000	1,750,000	0.8%	0.6%
Ten largest shareholders	22,500,000	167,883,335	190,383,335	88.4%	91.8%
Other shareholders	0	24,947,833	24,947,833	11.6%	8.2%
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	132,065,880	154,565,880	71.8%	80.1%

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

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

The ownership structure as of 30 September 2022 is based on data from Euroclear Sweden and K-Fastigheter.

Share price,
1 October 2021–30 September 2022



Source: Nasdaq Stockholm

K-FASTIGHETER'S CONCEPT BUILDINGS



HÖGANÄS

Stubbarp 33:27 - 91 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, a living room and a kitchen totaling 60 square meters; two bedrooms, a living room and a kitchen totaling 75 square meters; three bedrooms, a living room and a kitchen totaling 90 square meters; and three bedrooms, a living room and a kitchen on two stories totaling 94 square meters.

Structural details:

Ground level foundation plate, aerated three-layer wooden frame, delivered in prefabricated units.



GOTHENBURG

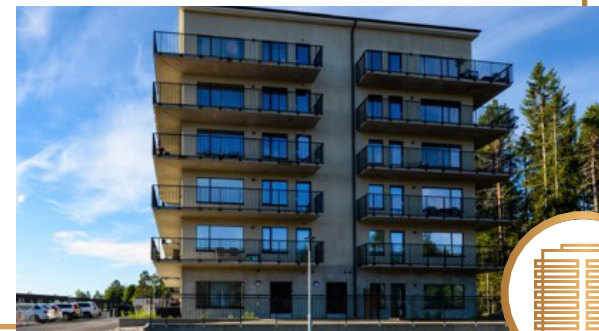
Sävenäs 131: 12 - 103 Lateral Low-Rise apartments

Lateral Low-Rise – variation and space efficiency

K-Fastigheter's neighborhood-structure multi-family dwellings can be constructed up to ten stories high. There are two standard space-efficient apartment formats for Lateral Low-Rise buildings: one bedroom, a living room and a kitchen totaling 49 square meters and two bedrooms, a living room and a kitchen totaling 59 square meters. It is also possible to have apartment alternatives that are either larger or smaller. To meet market demand and make 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, with opportunities for underground garages and commercial premises on the ground floor, for example.

Structural details:

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



GÄVLE

Fredriksskans 2:79 - 92 Apartment Block apartments

Apartment Block – residential buildings for any location

K-Fastigheter's Apartment Blocks are square-footprint multi-family dwellings that can be from four to ten stories high. The Apartment Blocks have four apartments on each floor: two with one bedroom, a living room and a kitchen totaling 62 square meters and two with two bedrooms, a living room and a 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 because multiple designs are available for the ground floor. For example, 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 visually 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 facade color can be individualized and there is a selection of balcony railings to choose from.

K-FASTIGHETER – MORE THAN A PROPERTY COMPANY

K-Fast Holding AB (“K-Fastigheter”) is a project development, construction and property company focused primarily on rental housing properties, which, as of 30 September 2022, accounted for 91 percent of the market value of the completed property portfolio and for 88 percent of the contractual rent. On 30 September 2022, K-Fastigheter’s property holding had a total lettable area of approximately 270,000 square meters distributed over 3,452 apartments and some 170 commercial contracts with total contractual rental income of approximately SEK 423 million annually. The project portfolio also comprises over 6,800 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January to September 2022, approximately 47 percent of Group profit before tax was derived from project development and construction, and approximately 53 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 aim is to ensure growth in net asset value and profit from property management while maintaining a stable and sound financial position, and balanced financial risk-taking, meaning:

- 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 Group’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 aim of meeting requirements corresponding to those set by the Swedish Miljöbyggnad Silver environmental certification system, which is administrated by the Sweden Green Building Council.

Since early 2019, electricity in K-Fastigheter’s properties has been procured exclusively from suppliers offering electricity from renewable sources, mainly wind power. Since the second quarter of 2021, K-Fastigheter has been installing photovoltaic panels on all new-build Lateral Low-Rise buildings and Apartment Blocks. The Group has also begun installing photovoltaic panels on its production facilities.

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

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

Johan Hammarqvist

Head of IR and Communications
E-mail: johan.hammarqvist@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/.

This information is such that K-Fast Holding AB is obliged to disclose in accordance with the EU’s Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 11.00 a.m. CET on 10 November 2022.



RECONCILIATION TABLE

Property-related key performance indicators

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 -Sep 2022	2021 Jan-Dec	Definition	Motivation
Rental value, SEK m								
A Contract value on an annual basis at the end of the period, SEK m	422.5	290.2	422.5	290.2	422.5	318.2	Closing annual rent plus estimated market rent for vacant space.	This rental value is used to illustrate the Group's potential income.
B Vacancy value on an annual basis at the end of the period, SEK m	10.1	8.5	10.1	8.5	10.1	9.8		
A+B Rental value at the end of the period, SEK m	432.7	298.7	432.7	298.7	432.7	328.0		
Financial occupancy rate, %								
A Contract value on an annual basis at the end of the period, SEK m	422.5	290.2	422.5	290.2	422.5	318.2	Contractual annual rent for leases valid at the end of the period in relation to rental value.	This KPI illustrates the financial degree of utilization of K-Fastigheter's properties.
B Vacancy value on an annual basis at the end of the period, SEK m	10.1	8.5	10.1	8.5	10.1	9.8		
A/(A+B) Financial occupancy rate, %	97.7%	97.2%	97.7%	97.2%	97.7%	97.0%		
Average financial occupancy rate, %								
A Rental income for the period, SEK m	102.0	68.2	275.1	190.7	350.4	265.9	Rental income during the period in relation to the rental value during the period.	This KPI illustrates the financial degree of utilization of K-Fastigheter's properties.
B Rental value for the period, SEK m	105.8	72.5	287.4	208.0	366.2	286.7		
A/B Average financial occupancy rate in the period, %	96.4%	94.1%	95.7%	91.7%	95.7%	92.7%		
Surplus ratio, %								
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	69.3	49.8	186.6	127.6	235.2	176.1	Operating surplus in relation to rental income.	This KPI illustrates the profitability of the property management operations.
B Rental income for the period in accordance with the Income Statement, SEK m	102.0	68.2	275.1	190.7	350.4	265.9		
A/B Surplus ratio during the period, %	68.0%	73.0%	67.8%	66.9%	67.1%	66.2%		
Lettable area at the end of the period, m²	269,466	196,891	269,466	196,891	269,466	213,952	Total area available for lease	KPI to illustrate K-Fastigheter's capacity to achieve operational targets.
Total number of apartments under management at the end of the period	3,452	2,448	3,452	2,448	3,452	2,723	Total number of apartments under management at the end of the period.	
Number of construction starts for apartments in the period	161	79	706	535	1,167	996	Total number of construction starts for apartments in the period.	
Number of apartments in construction at the end of the period	1,976	1,634	1,976	1,634	1,976	1,820	Total number of apartments in ongoing construction at the end of the period.	
Number of apartments in project development at the end of the period	4,785	5,723	4,785	5,723	4,785	5,869	Total number of apartments in project development at the end of the period.	

Financial key performance indicators

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 -Sep 2022	2021 Jan-Dec	Definition	Motivation
Interest coverage ratio, multiple								
A Profit before changes in value for the period in accordance with the Income Statement, SEK m	12.8	21.4	53.4	75.7	104.3	126.6	Profit before changes in value with reversal of depreciation/amortization and impairment and net interest income, and divided by net interest income (incl. realized change in value of current derivative instruments).	The KPI highlights financial risk by illustrating the sensitivity of the Company's performance to fluctuations in interest rates.
B Depreciation/amortization and impairment during the period in accordance with the Income Statement, SEK m	-15.9	-13.7	-46.6	-38.7	-66.1	-58.2		
C Net interest income for the period in accordance with the Income Statement, SEK m	-34.6	-18.5	-81.3	-52.0	-104.9	-75.6		
(A-B-C)/-C Interest coverage ratio during the period, multiple	1.8	2.9	2.2	3.2	2.6	3.4		
Equity/assets ratio, %								
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	5,067.1	3,895.4	5,067.1	3,895.4	5,067.1	4,233.7	Equity as a percentage of total assets at the end of the period.	The KPI highlights financial risk by illustrating the scale of equity in relation to total assets.
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	14,346.1	10,615.5	14,346.1	10,615.5	14,346.1	11,482.7		
A/B Equity/assets ratio at the end of the period, %	35.3%	36.7%	35.3%	36.7%	35.3%	36.9%		
Debt-to-equity ratio, %								
A Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	7,758.1	5,518.4	7,758.1	5,518.4	7,758.1	5,943.9	Interest-bearing liabilities as a percentage of total assets at the end of the period.	The debt-to-equity ratio is used to illustrate K-Fastigheter's financial risk.
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	14,346.1	10,615.5	14,346.1	10,615.5	14,346.1	11,482.7		
A/B Debt-to-equity ratio at the end of the period, %	54.1%	52.0%	54.1%	52.0%	54.1%	51.8%		
Average interest, %								
A Interest expense calculated at annual rate at the end of the period, SEK m	131.8	73.4	131.8	73.4	131.8	87.8	Estimated annual interest for interest-bearing liabilities as a percentage of interest-bearing liabilities, at the end of the period excluding overdrafts and building credits.	Average interest is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.
B Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	5,762.3	4,140.4	5,762.3	4,140.4	5,762.3	4,750.3		
A/B Average interest rate at the end of the period, %	2.29%	1.77%	2.29%	1.77%	2.29%	1.85%		
Net investments, SEK m								
A Acquisitions during the period, SEK m	21.7	65.9	585.5	231.8	646.2	292.6	Total net investments in investment and business properties and construction in progress in the period.	KPI to illustrate K-Fastigheter's capacity to achieve operational targets.
B New construction projects during the period, SEK m	404.1	303.5	1,282.7	936.2	1,672.7	1,326.3		
C Extensions and remodeling during the period, SEK m	6.3	23.9	14.5	32.9	21.8	40.2		
D Sales during the period, SEK m	0.0	-24.1	-8.2	-40.7	-18.5	-51.0		
A+B+C+D Net investments during the period, SEK m	432.0	369.2	1,874.4	1,160.2	2,322.3	1,608.1		

Financial key performance indicators, cont.

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 -Sep 2022	2021 Jan-Dec	Definition	Motivation
Profit from property management, SEK m								
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	69.3	49.8	186.6	127.6	235.2	176.1	Gross profit from property management less central administration costs and depreciation, amortization and impairment attributable to the Property Management business area and net interest income.	This KPI illustrates the profitability of the property management operations.
B Central administration attributable to property management during the period in accordance with the Income Statement, SEK m	-1.7	-2.2	-10.9	-6.9	-14.2	-10.2		
C Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK m	-2.3	-1.2	-3.7	-2.5	-4.5	-3.3		
D Net interest income attributable to property management during the period in accordance with the Income Statement, SEK m	-32.5	-16.5	-72.0	-43.8	-89.4	-61.2		
A+B+C+D Profit from property management, SEK m	32.7	29.8	100.1	74.4	127.0	101.4		
Long-term net asset value (NAV), SEK m								
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	5,067.1	3,895.4	5,067.1	3,895.4	5,067.1	4,233.7	Reported equity with reversal of deferred tax, interest rate derivatives and non-controlling interests.	An established measure of K-Fastigheter's and other listed companies' long-term net asset value, facilitating analyses and comparisons.
B Derivatives at the end of the period in accordance with the Balance Sheet, SEK m	-404.0	-18.2	-404.0	-18.2	-404.0	-37.0		
C Deferred tax liability at the end of the period in accordance with the Balance Sheet, SEK m	1,020.0	702.9	1,020.0	702.9	1,020.0	796.4		
D Deferred tax asset at the end of the period in accordance with the Balance Sheet, SEK m	15.7	18.3	15.7	18.3	15.7	17.1		
A+B+C-D Long-term net asset value (NAV) at the end of the period, SEK m	5,667.4	4,561.8	5,667.4	4,561.8	5,667.4	4,976.1		
Period for which capital is tied up, years	2.3	2.5	2.3	2.5	2.3	2.8	The period for which capital is tied up with regard to liabilities to credit institutions pertaining to acquisition financing and completed investment and business properties at the end of the period.	This KPI is used to illustrate the financing risk for K-Fastigheter's interest-bearing liabilities.
Period of fixed-interest at the end of the period, years	3.3	4.2	3.3	4.2	3.3	4.4	The period of fixed-interest with regard to liabilities to credit institutions pertaining to acquisition financing and completed investment and business properties at the end of the period.	This KPI is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.

Share-related key performance indicators

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 -Sep 2022	2021 Jan-Dec	Definition	Motivation
Long-term net asset value (NAV), SEK								
A Long-term net asset value (NAV) at the end of the period in accordance with the Balance Sheet, SEK m	5,667.4	4,561.8	5,667.4	4,561.8	5,667.4	4,976.1	Long-term net asset value (NAV) in relation to the number of shares outstanding at the end of the period.	Used to illustrate K-Fastigheter's long-term net asset value per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, millions	215.3	215.3	215.3	215.3	215.3	215.3		
A/B Long-term net asset value (NAV) per share at the end of the period, SEK	26.32	21.19	26.32	21.19	26.32	23.11		
Growth in long-term net asset value (NAV) per share, %								
A Long-term net asset value (NAV) per share at the end of the period in accordance with the Balance Sheet, SEK m	26.32	21.19	26.32	21.19	26.32	23.11	Percentage change in long-term net asset value (NAV) per share during the period.	Used to illustrate growth in K-Fastigheter's long-term net asset value (NAV) per share in a manner that is uniform for listed companies.
B Long-term net asset value (NAV) per share at the end of the preceding period in accordance with the Balance Sheet, SEK m	25.93	19.46	23.11	17.00	21.19	17.00		
A/B-1 Growth in long-term net asset value (NAV) per share during the period, %	1.5%	8.9%	13.9%	24.6%	24.2%	35.9%		
Equity per share, SEK								
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,067.1	3,895.4	5,067.1	3,895.4	5,067.1	4,233.7	Equity less minority share of equity, in relation to the number of shares outstanding at the end of the period.	Used to illustrate K-Fastigheter's equity per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, millions	215.3	215.3	215.3	215.3	215.3	215.3		
A/B Equity per share at the end of the period, SEK	23.53	18.09	23.53	18.09	23.53	19.66		
Profit from property management per share, SEK								
A Profit from property management for the period in accordance with the Income Statement, SEK m	36.3	29.8	103.6	74.4	130.6	101.4	Profit from property management in relation to the average number of shares outstanding during the period.	Used to illustrate K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, millions	215.3	215.3	215.3	215.3	215.3	215.3		
A/B Profit from property management per share during the period, SEK	0.17	0.14	0.48	0.35	0.61	0.47		
Growth in profit from property management per share, %								
A Profit from property management during the period per share, SEK	0.17	0.14	0.48	0.35	0.61	0.47	Percentage change in profit from property management per share during the period.	Used to illustrate growth in K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
B Profit from property management for the preceding period per share, SEK	0.14	0.10	0.35	0.27	0.43	0.36		
A/B-1 Growth in profit from property management per share during the period, %	21.5%	36.0%	39.2%	25.9%	39.8%	29.8%		
Profit after tax per share for the period, SEK								
A Profit after tax for the period in accordance with the Income Statement, SEK m	115.8	311.5	813.2	682.6	1,175.0	1,044.4	Profit for the period in relation to the average number of shares outstanding in the period.	Used to illustrate K-Fastigheter's earnings per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, incl. dilution, millions	215.3	215.3	215.3	215.3	215.3	215.3		
A/B Profit after tax for the period, SEK/share	0.54	1.45	3.78	3.17	5.46	4.85		
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3		
Average number of shares outstanding during the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3		

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