

K-FAST HOLDING AB INTERIM REPORT

JANUARY
– JUNE

2023

“My faith in rental housing and the wisdom of long-term ownership and management of rental properties remains unshakable.”



K-FASTIGHETER



The Oden neighborhood in Hässleholm. 43 Apartment Block Plus apartments with tenants moving in June 2023.

Number of apartments under management



4,002 UNITS
Q2 2023
3,708 UNITS
Q4 2022

Investment properties, value



14,258.1 SEK M
Q2 2023
13,094.6 SEK M
Q4 2022

Number of homes in production



1,962 UNITS
Q2 2023
2,058 UNITS
Q4 2022

Long-term net asset value



5,636.2 SEK M
Q2 2023
5,768.3 SEK M
Q4 2022

Rental income



117.1 SEK M
Q2 2023
93.9 SEK M
Q2 2022

Profit from property management



33.0 SEK M
Q2 2023
41.3 SEK M
Q2 2022

THE QUARTER AND PERIOD IN BRIEF

April–June

- Rental income totaled SEK 117.1 million (93.9) in the quarter, an increase of 25 percent year-on-year.
- Income from project and contracting operations totaled SEK 527.0 million (505.0), of which SEK 347.4 million (204.1) related to intra-Group projects.
- Consolidated gross profit for the quarter amounted to SEK 116.0 million (94.1), of which operating surplus attributable to property management was SEK 78.1 million (67.4) and gross profit from project and contracting operations totaled SEK 37.9 million (26.7).
- Profit before changes in value amounted to SEK 25.6 million (34.7) in the quarter.
- Profit from property management amounted to SEK 33.0 million (41.3), a decrease of 20 percent year-on-year. Profit from property management per share was SEK 0.15 (0.19).
- Changes in value for investment properties amounted to SEK 40.5 million (316.4), and to SEK 39.2 million (125.4) for derivatives.
- Profit for the quarter was SEK 74.5 million (369.2), corresponding to SEK 0.23 (1.71) per share.

January–June

- Rental income in the period amounted to SEK 231.5 million (173.2), up 34 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 23 percent to 4,002 (3,258) in the period. Agreed rent increases for 2023 took effect from April 2023 onwards.
- Income from project development and construction operations totaled SEK 1,094.3 million (969.6), of which SEK 735.0 million (399.2) related to intra-group projects and SEK 359.3 million (570.4) to external projects, of which Prefab's external income totaled SEK 352.8 million (567.4).
- Consolidated gross profit for the period amounted to SEK 221.7 million (152.3), of which operating surplus attributable to property management was SEK 151.4 million (117.3) and gross profit from project and contracting operations totaled SEK 70.3 million (34.9).
- Profit before value changes amounted to SEK 50.3 million (40.6) in the period.
- Profit from property management amounted to SEK 65.1 million (67.3), a decrease of 3 percent in year-on-year terms. Profit from property management per share was SEK 0.30 (0.31).
- Changes in value for investment properties amounted to SEK

- 182.4 million (556.4), and to SEK -15.0 million (305.2) for derivatives. Unrealized value changes in investment properties comprised SEK 217.5 million (417.4) from construction projects in progress and SEK -399.9 million (138.9) from property management.
- Profit for the period was SEK -121.3 million (697.4), corresponding to SEK -0.68 (3.24) per share.
- At the end of the period, the value of investment properties totaled SEK 14,258.1 million (13,094.6), an increase of 9 percent on 31 December 2022 and up 23 percent compared to 30 June 2022.
- At the end of the period, long-term net asset value (NAV) amounted to SEK 5,636.2 million (5,768.3), corresponding to SEK 26.17 per share (26.79), a decrease of 2 percent compared to 31 December 2022 and up 1 percent on 30 June 2022.
- The interest coverage ratio for the period amounted to a multiple of 2.0 (2.5) and for the rolling 12 months to a multiple of 2.0 times (3.0). The equity-asset ratio was 31.0 percent (33.9), and the debt-to-equity ratio was 58.9 percent (55.4).

Significant events in the second quarter

The table on page six shows completed acquisitions of building rights and investment properties, construction starts and completed projects and renovations carried out using K-Fastigheter's renovation concept in the first quarter of 2023 and up until publication of this report.

- On 2 May 2023, K-Fastigheter published its Interim Report for the period January to March 2023.
- On 3 May 2023, K-Fastigheter announced that Leif Astikainen had been appointed to the new position of Chief Operating Officer of K-Fast Holding AB. Leif already holds the role of HR Manager for the Group, deputy CEO of K-Prefab AB and is part of Group management.
- On 3 May 2023, K-Fastigheter announced that Henrik Gustafsson had been appointed to the new position of Chief Procurement Officer for the Group. Henrik was previously Chief Procurement Officer for K-Prefab AB and will join Group management.
- K-Fastigheter's Annual General Meeting was held on 15 May 2023. All Board members were re-elected for another year and Erik Sehlin was re-elected Chairman. The Annual General Meeting authorized the Board to, in the period until the next AGM, issue a maximum of 24,000,000 new Class B shares, and repurchase a

maximum of one tenth of the total number of Class B shares in the company.

- On 27 June 2023, K-Fastigheter announced its intention to initiate a collaboration with the Titania Group relating to building rights in Vallentuna for a total of 74 apartments.

Significant events after the end of the period

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

Key performance indicators*	2023	2022	2022
	Jan–Jun	Jan–Jun	Jan–Dec
Rental income, SEK m	231.5	173.2	384.2
Project and contracting income, SEK m	1,094.3	969.6	2,038.8
Gross profit, SEK m	221.7	152.3	323.1
Profit from property management, SEK m	65.1	67.3	130.7
Value change in investment properties, SEK m	-182.4	556.4	699.0
Profit for the period, SEK m	-121.3	697.4	907.4
Net investments in investment properties, SEK m	1,279.0	1,442.4	2,707.0
Investment properties, SEK m	14,258.1	11,631.6	13,094.6
Long-term net asset value (NAV), SEK m	5,636.2	5,583.2	5,768.3
Number of apartments under management	4,002	3,258	3,708
Number of construction starts, apartments	199	545	1,012
Number of apartments under construction	1,962	2,009	2,058
Number of apartments in project development	4,293	5,273	4,046
Interest coverage ratio, multiple (period)	2.0	2.5	2.2
Equity/assets ratio, %	31.0%	35.7%	33.9%
Debt-to-equity ratio, %	58.9%	53.0%	55.4%
Loan-to-value ratio, completed investment properties, %	59.2%	57.0%	58.2%
Profit from property management, SEK per share	0.30	0.31	0.61
Growth in profit from property management per share, %	-3.3%	51.1%	28.9%
Long-term net asset value (NAV), SEK per share	26.17	25.93	26.79
Growth in long-term net asset value (NAV), per share, %	-2.3%	12.2%	15.9%
Earnings per share, SEK**	-0.68	3.24	4.13

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

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

COMMENTS FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

I am able to conclude that K-Fastigheter's business model stands strong in changing market conditions. Even if some improvements can be seen in the construction and property sector, uncertainty remains due to factors such as inflation and rising interest rates. We have not yet arrived at a new normal for the sector, and forecast construction starts emphasize this. The forecasts suggest some 21,000 housing starts are planned for 2023, although I personally believe the figure will settle at closer to 15,000. Our target of starting construction of 1,000 apartments in 2023 makes us an aggressive market operator looking ahead. Demand for new housing remains strong and rental apartments represent a key part of the housing market. My faith in rental housing and the wisdom of long-term ownership and management of rental properties remains unshakable.

The slowing construction cycle generates both opportunities and challenges for K-Fastigheter as a Group. The challenges mainly relate to the Prefab operations, where around two thirds of sales have been external. Reduced construction means decreased activity in our plants, and even if we can offset this through internal projects in the range of SEK 500 million we will not be able to fully offset the external shortfall in relation to potential production capacity. In 2023, activity levels are positive in the Prefab operations, while there is increased uncertainty ahead of 2024. Against this background, we are gradually adapting our work force to correspond to requisite staffing levels for the volumes we currently expect to produce in the first half of 2024. I can conclude that internal projects are allowing the Prefab operations to manage the weaker construction cycle better than our sector colleagues. This highlights the symbiosis between Group business areas and the strength of our business model.

In other parts of the operations, the cyclical trend gives rise to

opportunities. Building rights that were previously not a good fit with K-Fastigheter in terms of cost are now priced at a different level. The acquisition of our first building right in Lund is an example of an opportunity that has opened up as a result of the change in the cyclical trend. In the quarter, we continued to acquire building rights and, in addition to Lund, completed transactions that added two projects in Gothenburg and one in Kävlinge to our portfolio. These are additional to acquisitions in Eskilstuna and Ale earlier in the year. In the quarter, we also announced the signing of a Letter of Intent for a collaboration agreement with Titania. This initial collaboration relates to building rights for 74 rental apartments in Vallentuna outside Stockholm, to be owned through a jointly held company. I hope that this will ultimately lead to further similar collaborations of this kind, and I am also open to partnering with other operators in line with our existing collaboration with Kilenkrysset.

On the construction side, I predict downward price pressure as construction and development assignments fall which, alongside lower costs for building rights, should at least partly offset higher interest rates on construction credits. Overall, I anticipate continued opportunities for K-Fastigheter to acquire building rights and start construction of projects that meet our return requirement. Several of the acquired projects have an estimated yield on cost in excess of 6 percent. We want to maintain a high rate of expansion and see positive potential for achieving this through the aforementioned acquisitions of building rights and new construction starts, and are open to using different methods to achieve this. As a step in this process, we continuously review a range of opportunities aimed at strengthening the Balance Sheet by raising new capital or divesting properties that are not in line with the construction of the Group's concept buildings, all with the aim of capitalizing on opportunities that arise on the market.

Most of our construction starts in 2023 will occur in the fourth quarter, in line with the completion of a large number of projects this fall. This planning allows us to optimize capacity in the

construction organization, allowing new construction starts to begin once a large number of projects have been handed over. In the second quarter our construction organization completed and handed over 169 apartments to the management organization. Our housing portfolio comprised a total of 4,002 apartments at the end of the quarter, with 1,962 apartments currently in production. Our land bank includes 4,293 apartments in various stages of development through the Project Development business area.

Profit from property management during the first six months of the year amounted to SEK 65 million, a decrease of 3 percent year-on-year. Profit from property management in the quarter was positively affected by rent increases in the holding that became effective from 1 April. At the same time, like other property owners, we have not been able to fully offset the cost and interest rate increases, which reduces overall profit. This needs to be compensated for over time and in several stages. I believe that new production of rental apartments is more beneficial for property owners than older holdings, as the properties are more energy efficient and have lower operating costs (excluding interest), and that rent increases are proceeding from a higher starting rent. Profit from property management was also negatively affected by a lower occupancy rate in the quarter plus costs for establishing a proprietary letting organization for new production, something that was previously handled by an external party.

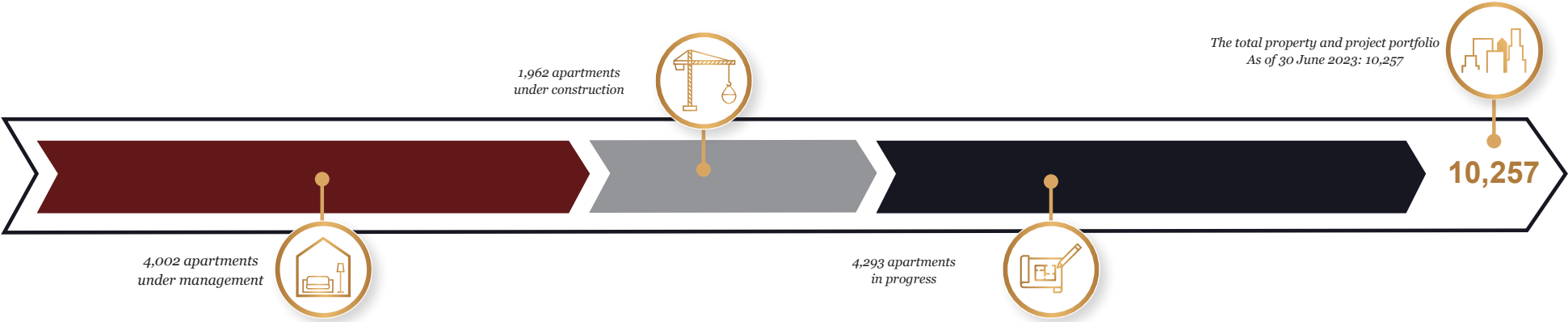
Our financial occupancy rate was 94.5 percent at the end of the quarter. The fact that vacancies increased in the quarter was due to slower letting of new production. This was mainly in locations where we, in line with other operators, have added a large number of new housing units in a short period. Accordingly, this relates to a degree of sluggishness on the market for new production in some locations, and not to any structural problem. From 8 May, we have also been handling letting of new production through our own organization, which I consider favorable for increasing occupancy. I expect our intensive efforts to gradually reduce vacancies over the coming six months, in parallel with the work aimed at letting the apartments to be completed during the fall/winter. Since our own letting organization has fully taken over letting operations from mid-May up until the reporting date, I can conclude that our existing holding generates positive net letting (i.e. more signed than terminated contracts). This will not fully feed through financially until in two to three months' time.

Since summer 2022, when property values were at their peak, the value of comparable properties in the existing holding and ongoing construction has fallen by some 5 percent, of which approximately 1 percent in the second quarter 2023. This corresponds to SEK 534 million for completed properties since the peak in summer 2022, and SEK 93 million in Q2 2023. All our completed properties and properties under construction are valued by external valuers

each quarter. By continuously completing properties, starting new construction and acquiring new building rights, the Group's overall property value increased despite the lower valuations. At the end of the quarter, total property value amounted to SEK 14.3 billion. This is an additional strength associated with our business model that I want to emphasize. By continuously completing projects, we have created SEK 494 million in unrealized values in ongoing new construction since the end of Q2 2022 - end of Q2 2023. Accordingly, we have almost fully offset falling valuations by creating value in completed projects. This is a safety feature inherent in our unique business model which ensures that we remain more stable in times when the surrounding world is shaky.

Finally, a few words about our financing: At the end of the quarter, 76 percent of interest-bearing liabilities related to acquisition financing and completed investment and business properties were hedged at an average interest rate of 3.20 percent. The period of fixed interest was 2.9 years, which allows us to securely manage higher interest rates until the new normal for interest rate levels emerges. I feel confident that our business model, in combination with the thoughtful and long-term management of our credit and derivatives portfolio without bond financing, paves the way for continued expansion. ■

- Jacob Karlsson, CEO, July 2023



PROPERTY PORTFOLIO AND VALUATION

Property portfolio

On 30 June 2023, the Group's property portfolio comprised 115 completed investment properties¹ distributed over a total of 259,582 square meters of residential and 46,667 square meters of commercial space. In addition, the Group had 22 ongoing construction projects, distributed over 129,269 square meters of residential and 1,826 square meters of commercial space, as well as the construction of Hässleholm Rusthållaren 3 & 4. Rusthållaren encompass 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 26 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, 58 percent was built after 2020 and a total of 86 percent 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 June 2023, contractual rent amounted to SEK 498.9 million, with an estimated operating surplus of SEK 361.4 million, corresponding to a surplus ratio of some 72 percent. The corresponding potential surplus ratio is approximately 77 percent for newly produced concept buildings and approximately 67 percent for other properties in the portfolio. Of the contractual rent, 89 percent pertains to housing or related rentals (such as parking) divided between the 4,002 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 180 commercial contracts, with the largest tenant accounting for approximately 2 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. 88 percent of property values are located in region South, encompassing Skåne, Denmark and southern Småland. Region West encompasses Halland and the Västra Götaland region. Region East includes the Mälardalen region and Nyköping and Gävle. As of 30 June 2023, 92 percent

of the market value and 93 percent of the contractual rent related to investment properties in Sweden and 8 percent of the market value and 7 percent of the contractual rents related to investment properties in Denmark.

Valuation

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

At the end of the period, the value of investment properties totaled SEK 14,258.1 million (13,094.6), distributed over completed investment properties of SEK 10,131.9 million (9,775.3), undeveloped land and building rights of SEK 768.4 million (695.1), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 3,339.8 million (2,606.1). During the period, SEK 1,133.1 million (886.8) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 145.9 million (563.8). There were no divestments in the period (8.2).

Unrealized change in value in investment properties for the period was SEK -182.4 million (556.4), of which SEK -399.9 million (138.9) for properties under management and SEK 217.5 million (417.4) for construction in progress. During the second quarter of 2023, the direct return requirement in external valuations of completed properties and properties under construction increased by approximately 0.05 percentage points due to changed market conditions. All in all, the change means that the market value for completed properties and properties under construction during the quarter decreased by 0.6 percent. Since the second quarter 2022, the corresponding downturn was some 5.0 percent for comparable investment properties, negatively affected by an increased direct return requirement from some 0.45 to 0.55 percentage points and

Property-related KPIs	2023 30 Jun	2022 30 Jun	2022 31 Dec
Opening carrying amount, investment properties	13,094.6	9,603.7	9,603.7
+ Acquisitions	145.9	563.8	830.3
+ New construction	1,096.0	878.6	1,857.4
+ Extensions and rebuilds	37.1	8.2	28.8
- Divestments	0.0	-8.2	-9.5
- Other reclassifications, exchange rate fluctuations and obsolescence	66.9	29.4	84.8
Unrealized changes in value	-182.4	556.4	699.0
of which, completed investment properties	-399.9	138.9	5.1
of which, ongoing construction	217.5	417.4	693.9
Closing carrying amount, investment properties	14,258.1	11,631.9	13,094.6
of which, completed investment properties	10,131.9	8,521.5	9,775.3
of which, undeveloped land and building rights	768.4	667.2	695.1
of which, site leaseholds	18.0	18.0	18.0
of which, construction in progress	3,339.8	2,424.9	2,606.1
Rental value, SEK m	528.1	402.3	488.6
Rental income at end of period, SEK/m ²	1,629	1,540	1,652
Direct property costs, SEK/m ²	449	381	400
Operating surplus, SEK/m ²	1,180	1,159	1,253
Financial occupancy rate at the end of the period	94.5%	97.8%	97.3%
Average financial occupancy rate over period	93.5%	95.3%	95.8%
Surplus ratio over period	65.4%	67.8%	65.6%
Lettable area, m ²	306,249	255,374	287,869
Number of homes under management	4,002	3,258	3,708
Direct return requirement, completed investment properties	4.20%	3.78%	4.03%
Direct return requirement, construction in progress	4.16%	3.75%	4.01%
Direct return requirement, all valued properties	4.18%	3.77%	4.02%
of which housing	4.08%	3.63%	3.90%
of which premises	5.42%	5.14%	5.45%

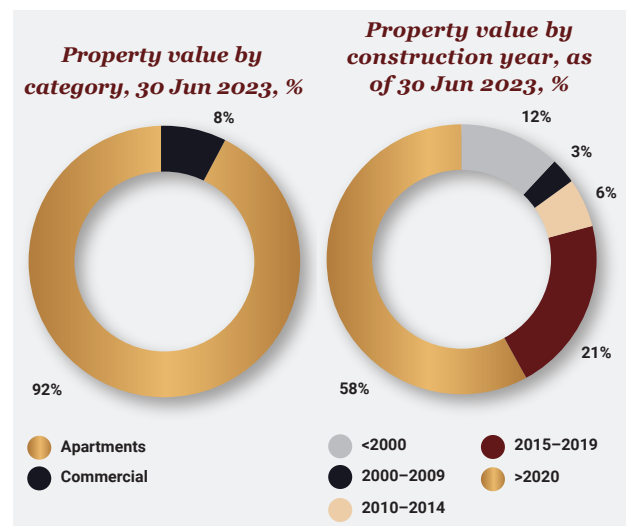
¹ Investment properties are properties held for the purpose of generating rental income, value growth, or a combination of both.

increased costs for operations and maintenance, offset by increased rents and expectations of future rent inflation.

At the end of the period, the direct return requirement in the valuation of construction in progress amounted to 4.16 percent (3.75) compared to 4.01 percent at the end of 2022. On completion, the estimated market value of the construction in progress amounted to SEK 6,139.7 million (6,251.4).

At the end of the period, the average direct return requirement for properties under management amounted to 4.20 percent (3.78) compared to 4.03 percent at the end of 2022. For the full property portfolio, including undeveloped land, building rights and construction in progress, the average direct return was 4.18 percent (3.77), compared to 4.02 percent at the end of 2022. 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 last nine months, 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 2022 Annual Report (Valuation section and Note 16 Investment properties).



Acquired/divested investment properties in the second quarter 2023

Property	Municipality	Transfer date/ Completion	Number of apartments	Area, m ²	Yearly rental value SEK m	Purchase price SEK m
—	—	—	—	—	—	—

Acquired/transferred building rights

Property	Municipality	Scheduled construction start	Number of apartments	Area, m ²	Estimated annual rental value, SEK m	Purchase price SEK m
Part of Sandryggen 1*	Lund	2024	83	4,980	13.8	36.0
Sävenäs 131:14*	Gothenburg	2023/2024	173	9,954	27.7	38.0
Gårdsten 7:5*	Gothenburg	2023/2024	124	7,239	16.8	30.0
Rickeby 1:48 */**	Vallentuna	2023/2024	74	2,324	9.9	14.6
Hackmästaren 1	Kävlinge	2024	25	1,625	3.3	7.0

*Property not yet transferred/ **JV alongside Titania Group

Projects where construction has commenced

Property	Municipality	Scheduled completion	Number of apartments	Area, m ²	Estimated annual rental value, SEK m
Viktoria 22	Helsingborg	Q4 2024	41 / commercial	3,182	8.9
Måsen phase 2*	Strängnäs	Q1/Q4 2026	105	6,587	15.1

*JV alongside Kilenkryssat Group (refers to K-Fastigheter's share)

Project completions

Property	Municipality	Move in	Number of apartments	Area, m ²	Rental value, SEK m
Spoven 1	Växjö	Apr/May 2023	83	4,697	9.2
Smörjhallen 1	Hässleholm	May 2023	37	2,863	5.2
Kommissarien 1 – phase 1	Hässleholm	May 2023	6	551	0.9
Oden 8	Hässleholm	June 2023	43	2,325	4.5

K-Fast 2.0

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Number of apartments renovated	8	8			16
Increase in rental value, SEK m	0.2	0.2			0.4

Important information regarding the tables on pages 6, 7 and 8

Information on completed investment properties includes estimates and judgments. Contractual rent refers to the contract value on the balance sheet date recalculated at an annualized rate. Rental value refers to contractual rent plus estimated rent for 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	2,633	164,849	2,240	167,089	6,485.5	38,815	312.4	1,869	95.0%	296.7	48.6	291	248.1	1,485
Other	1,369	94,733	30,886	125,619	3,536.1	28,149	204.6	1,629	93.9%	192.1	48.7	388	143.4	1,141
Total, excluding development properties	4,002	259,582	33,126	292,708	10,021.6	34,237	517.0	1,766	94.5%	488.8	97.4	333	391.5	1,337
Development properties	0	0	13,541	13,541	110.3	8,146	11.1	820	90.8%	10.1	3.5	256	6.6	489
Total, including development properties	4,002	259,582	46,667	306,249	10,131.9	33,084	528.1	1,724	94.5%	498.9	100.8	329	398.1	1,300
Per geographical region														
South	3,533	230,350	35,864	266,214	8,912.8	33,480	464.1	1,744	94.0%	436.2	89.1	335	347.1	1,304
West	177	9,642	9,983	19,625	471.1	24,005	26.7	1,362	95.4%	25.5	5.5	279	20.0	1,021
East	292	19,590	820	20,410	748.0	36,649	37.2	1,824	99.9%	37.2	6.3	307	30.9	1,515
Total	4,002	259,582	46,667	306,249	10,131.9	33,084	528.1	1,724	94.5%	498.9	100.8	329	398.1	1,300
Property administration													36.7	120
Operating surplus incl. property administration													361.4	1,180

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	1,962	129,269	686	129,955	6,090.9	46,870	299.7	2,306	4,511.2	2,641.7	3,798.2
Other	0	0	1,140	1,140	48.7	42,744	2.3	2,025	39.6	2.0	2.0
Total	1,962	129,269	1,826	131,095	6,139.7	46,834	302.0	2,304	4,550.8	2,643.7	3,800.2
Per geographical region											
South	913	62,240	686	62,926	2,850.2	45,294	143.4	2,279	2,159.7	1,394.4	1,880.1
West	382	24,594	0	24,594	1,267.0	51,517	59.0	2,400	901.1	728.8	1,015.3
East	667	42,435	1,140	43,575	2,022.5	46,414	99.6	2,285	1,490.0	520.5	904.8
Total	1,962	129,269	1,826	131,095	6,139.7	46,834	302.0	2,304	4,550.8	2,643.7	3,800.2

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	4,188	261,908	856	262,764	11,267.2	42,880	601.8	2,290	9,256.5	158.0	158.0
Other	105	6,718	0	6,718	339.9	50,591	16.7	2,493	258.7	0.0	0.0
Total	4,293	268,626	856	269,482	11,607.0	43,072	618.5	2,295	9,515.3	158.0	158.0
Per geographical region											
South	1,900	113,963	0	113,963	4,794.1	42,067	255.9	2,245	3,948.3	9.4	9.4
West	664	42,559	56	42,615	1,745.2	40,954	98.5	2,310	1,434.5	16.1	16.1
East	1,729	112,104	800	112,904	5,067.8	44,886	264.2	2,340	4,132.4	132.5	132.5
Total	4,293	268,626	856	269,482	11,607.0	43,072	618.5	2,295	9,515.3	158.0	158.0

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	4,002	259,582	46,667	306,249	10,131.9	33,084	528.1	1,724	10,131.9
New construction in progress	1,962	129,269	1,826	131,095	6,139.7	46,834	302.0	2,304	3,800.2
Project development in progress	4,293	268,626	856	269,482	11,607.0	43,072	618.5	2,295	158.0
New construction in progress, other									137.0
Undeveloped land									13.1
Site leaseholds									18.0
Total	10,257	657,476	49,349	706,825	27,878.6	39,442	1,448.6	2,049	14,258.1

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

²⁾ Accrued investment refers to the total costs incurred in each construction project. The carrying amount refers to the consolidated value adjusted for Group eliminations and includes the accrued change of SEK 1,083.1 million in the value of investment properties

CURRENT EARNINGS ABILITY

The table to the right presents the earnings ability for K-Fastigheter's completed investment properties and investment properties under construction as of 30 June 2023. Projects where construction has not started have not been included. Earnings ability is not a forecast for the current year or later periods 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 and properties under construction as of 30 June 2023 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. 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

SEK m	2018 31 Dec	2019 31 Dec	2020 31 Dec	2021 31 Dec	2022 31 Dec	2023 30 Jun	New construction projects in progress	Total
Rental value	133.4	196.6	265.1	328.0	488.6	528.1	302.0	830.1
Vacancy	-0.9	-6.1	-23.4	-9.8	-13.0	-29.2	-9.1	-38.3
Rental income	132.5	190.5	241.7	318.2	475.6	498.9	292.9	791.8
Operating costs	-19.4	-27.0	-35.6	-42.7	-69.6	-79.9	-37.6	-117.5
Maintenance	-5.6	-7.3	-9.0	-11.0	-15.5	-16.3	-6.1	-22.4
Property tax/ground rent	-1.6	-2.6	-3.0	-3.5	-4.3	-4.7	0.0	-4.7
Property administration	-12.8	-15.0	-19.2	-22.7	-25.2	-36.7	-15.7	-52.4
Operating surplus	93.0	138.6	174.9	238.2	361.0	361.4	233.4	594.8
Central administration	-4.3	-9.6	-11.2	-10.2	-12.3	-6.7		-6.7
Net interest income	-29.0	-46.9	-51.4	-73.0	-160.9	-202.3	-193.3	-395.6
Profit from property management	59.7	82.1	112.3	155.0	187.8	152.4	40.1	192.5

current earnings ability, nor in the item Profit from participations in associated companies.

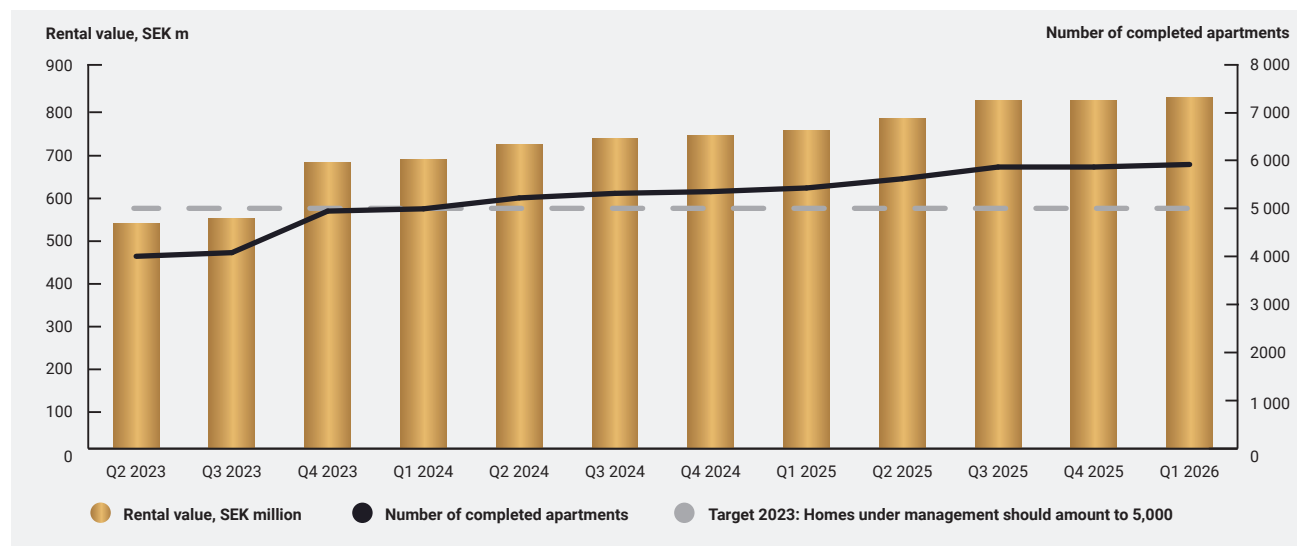
Earnings ability is based on contractual and estimated rental income from the property portfolio, estimated property costs for the year based on historical outcomes for properties under management, as well as property administration costs and

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.

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 June 2023 plus expected rental values of ongoing construction projects relating to investment properties as of 30 June 2023 at a pace with these properties being completed.

Information on completed investment properties and construction projects in progress 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 9,613.3 million (8,461.4), of which SEK 2,405.7 million (2,049.9) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 5,995.0 million (5,693.3), building credits of SEK 2,180.4 million (1,591.2), leasing liabilities of SEK 95.9 million (93.1), operating and acquisition credits of SEK 1,092.0 million (783.8) 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 58.9 percent (55.4) and the loan-to-value ratio for completed investment properties totaled 59.2 percent (58.2).

At the end of the period, the Group had contracted credit agreements of SEK 10,773.0 million (9,671.6), of which SEK 5,955.0 million (5,693.3) related to the financing of completed investment and business properties, of which SEK 1,540.2 million (1,706.9) mature for renegotiation within the next 12 months. In addition to the financing of completed investment and business properties, contracted credit agreements comprise building credits of SEK 3,424.3 million (2,867.1) and operating and acquisition credits of SEK 1,353.8 million (1,061.3), of which SEK 247.5 million (292.5) and SEK 81.3 million (93.8) relates to acquisition financing of K-Prefab and Mjölback's Entreprenad AB respectively. At the end of the period, building credits and operating and acquisition credits had been utilized at an amount of SEK 2,180.4 million (1,591.2) and SEK 1,092.0 million (783.8) respectively.

As per 30 June 2023, the average credit term for the Group's interest-bearing liabilities, relating to acquisition financing and completed investment properties and operational premises was 2.0 years (2.4).

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. Nominally, the swap portfolio totaled SEK 4,914.0 million (4,407.7) at the end of the period. The fair value of the interest derivative portfolio at the end of the period was SEK 395.5 million (404.9). The average interest period for the Group's interest-bearing liabilities related to acquisition financing, investment and business properties was 2.9 years (3.4), and the average interest rate was 3.20 percent (2.72), including the effects of interest rate derivatives, and 5.18 percent (3.85) excluding the effects of interest rate derivatives. The average interest expense in relation to contracted building credits amounted to 5.39 percent (3.92) at the end of the period. The total proportion of variable interest in relation to interest bearing liabilities related to acquisition financing, investment and business properties was 24 percent (27), and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 16.1 million (17.2).

In order to increase the degree of hedging and to hedge new loans as building credits are converted into long-term financing, during 2023 we have continued to focus 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. In the first half-year, we thereby

increased the swap portfolio by SEK 500 million, decreased the proportion of variable interest from 27 to 24 percent, and reduced interest sensitivity from SEK 17.2 million to SEK 16.1 million, while the debt portfolio relating to completed investment properties increased by 6 percent. 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 during the past year.

Otherwise, with regard to financing and financial risk, please refer to the 2022 Annual Report (Financing section and Note 22 Financial risks and finance policy).

Financial targets	Financial targets	Financial covenants	Actual 30 Jun 2023
Debt-to-equity, %	max. 70%		58.9%
Equity/assets ratio, %	min. 25%	min. 25%	31.0%
Interest coverage ratio, multiple*	min. multiple of 1.75	min. multiple of 1.50	multiple of 2.0

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

Credit and interest maturity structure, 30 Jun 2023 (excl. construction 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, SEK m	Interest, %	Value, SEK m
0-1 year	2,059.7	4.72%	1,990.2	1,990.2	200.0	0.42%	4.8
1-2 year	300.0	1.86%	1,568.7	1,568.7	300.0	0.37%	16.1
2-3 year	1,200.0	2.70%	2,424.0	2,424.0	1,200.0	1.21%	80.3
3-4 year	1,400.0	2.66%	243.5	243.5	1,400.0	1.17%	111.1
4-5 year	900.0	2.60%	317.6	317.6	900.0	1.11%	87.0
> 5 years	914.0	2.70%	229.8	229.8	914.0	1.21%	96.2
Total	6,773.7	3.20%	6,773.7	6,773.7	4,914.0		395.5

COMPREHENSIVE INCOME JANUARY–JUNE 2023

The following profit and cash flow items relate to the period 1 January – 30 June 2023. 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

For the second quarter 2023, comprehensive income amounted to SEK 303.4 million (404.5) and to SEK 599.8 million (756.8) for the period. Rental income amounted to SEK 117.1 million (93.9) for the second quarter and to SEK 231.5 million (173.2) for the period, a year-on-year increase of 25 and 34 percent respectively. The increase was primarily due to more apartments under management, which increased by 23 percent to 4,002 apartments (3,258). However, the increase only partly includes agreed rent increases for 2023, as these took effect from April 2023. The financial occupancy rate gradually decreased in the period and was 94.5 percent (97.8) at the end of the period. The letting ratio is generally slightly lower initially in the projects that have been completed and where tenants have moved in over the past year, while the financial letting ratio remains very high in the parts of the holding that have been under management for an extended period.

Income from project and construction operations for the second quarter amounted to SEK 527.0 million (505.0) and to SEK 1,094.3 million (969.6) for the period, of which SEK 735.0 million (399.2) related to construction for Group companies that has been capitalized for the Group's own purposes. The increase was due to continued high activity in the construction of apartments for proprietary management and at the end of the period 1,962 apartments (2,009) were in production, a decrease of 2 percent compared to the corresponding period in 2022. External income for project and contracting operations amounted to SEK 359.3 million (570.4) in the period, of which Prefab's income was SEK 352.8 million (567.4). In Prefab, total income for the period amounted to SEK 596.9 million (673.9), of which SEK 240.6 million (102.9) related to intra-Group sales. Despite an increasingly challenging market climate, Prefab has been able to maintain and increase total income, mainly through increased internal sales.

Operating costs

Property management costs totaled SEK 81.6 million (63.9) for the period, corresponding to an increase of 28 percent year-on-year. Costs for the period include potential electricity subsidies of SEK 3.2 million that K-Fastigheter has applied for. The operating surplus amounted to SEK 151.4 million (117.3), up 29 percent year-on-year. The increased costs compared to the corresponding period in the previous year was primarily due to a higher number of apartments under management, increased electricity, heating and water costs, and the fact that from the end of the first half of 2022 the company included central management-related costs in property administration. The surplus ratio for the second quarter was 66.7 percent (71.8), and 65.4 percent (67.8) in the period. The decrease in the surplus margin was mainly due to lower average occupancy, which was 93.5 percent (95.3) for 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 construction operations comprise direct project-related costs and fixed costs for the construction and Prefab organization. Costs for the period include potential electricity subsidies of SEK 3.0 million that K-Fastigheter has applied for. The part of operations involving external construction and production has been reported in the Income Statement. Project and contracting operations for Group property management activities have been capitalized as work for the Group's own purposes and have been reported net in the Income Statement under Project and contracting costs. Gross profit in the period for the Construction business area was SEK 12.6 million (-1.5) and SEK 42.1 million (36.5) for Prefab. During the period, gross profit in the Construction business area was positively impacted by a high level of activity in intra-Group projects. The Prefab business area's gross profit was positively affected by more stable costs compared to the first quarter 2022 when inflation gained momentum and the Covid-19 pandemic was still impacting operations.



Central administration costs, depreciation/amortization and impairment

Central administration, which includes Group-wide management, business development, procurement, IR/communications, marketing, HR, IT and finance, amounted to SEK 26.6 million (36.6) for the period. The decrease compared to the corresponding period in the previous year was partly due to lower non-recurring costs and to the fact that from the end of June 2022, management and project development costs have been allocated to property administration costs and project and construction costs.

Depreciation/amortization and impairment for the period amounted to SEK 50.3 million (30.8). Total depreciation/amortization was SEK 32.7 million (29.6), of which SEK 6.0 million (5.5) was attributable to amortization of intangible assets for the period. Total impairment for the period amounted to SEK 17.6 million (1.1), of which SEK 16.5 million was attributable to impairment of inventory and business properties in connection with the divestment of Prefab's operations in Borensberg.

Profit from participations in associated and jointly controlled companies

Profit/loss from participations in associated and jointly controlled companies amounted to SEK 2.6 million (2.4). The figure was primarily affected by K-Fastigheter's profit share in PVS Mark & VA Holding AB, Mjölback's Entreprenad AB and Novum Samhällsfastigheter AB, where PVS Mark & VA in particular made excellent progress in 2023.

Net financial items and net interest income

Net financial items amounted to SEK -97.1 million (-46.7) in the period, of which net interest income comprised SEK -102.8 million (-46.6). At the end of the period, the average interest rate was 3.20 percent (1.81), including the effects of interest rate derivatives. During the period, interest expenses on construction credits of SEK 77.4 million (22.5) were capitalized. The average interest expense in relation to contracted building credits amounted to 5.39 percent (2.12) at the end of the period. In year-on-year terms, interest expenses were negatively affected by increased interest-bearing liabilities relating to acquisitions of investment properties and new construction, as well as higher base rates. The interest coverage ratio for the period and on a rolling 12-month basis was a multiple of 2.0 (3.0), a figure affected by lower net interest income which was not fully offset by increased gross profit.

Profit from property management

Profit from property management amounted to SEK 33.0 million (41.3) for the second quarter and to SEK 65.1 million (67.3) for the period, a decrease of 20 and 3 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.30 for the period attributable to the Parent Company shareholders (0.31), which is a decrease of 3 percent year-on-year. The decrease was mainly due to lower net interest income which was not fully offset by increased gross profit, which was also negatively affected by relatively lower average occupancy in the period.

Changes in value

Unrealized changes in value for investment properties were SEK

40.5 million (316.4) for the second quarter and SEK -182.4 million (556.4) for the period, of which SEK -399.9 million (138.9) for properties under management and SEK 217.5 million (417.4) for construction in progress. During the second quarter 2023, the direct return requirement in external valuations of completed properties and properties under construction increased by approximately 0.05 percent due to changed market conditions. All in all, the change means that the market value for completed properties and properties under construction during the quarter decreased by 0.6 percent. Since the second quarter 2022, the corresponding downturn was some 5.0 percent for comparable investment properties, negatively affected by an increased direct return requirement from some 0.45 to 0.55 percentage points and increased costs for operations and maintenance, offset by increased rents and expectations of future rent inflation.

Unrealized value change investment properties, SEK m	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Completed investment properties	-399.9	138.9	5.1
New construction in progress	217.5	417.4	693.9
Total	-182.4	556.4	699.0

The average direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 4.18 percent (3.77) at the end of the period. 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 last twelve months, 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 value of derivatives amounted to SEK -15.0 million (305.2) for the period. The trend in the period was primarily caused by lower market rates, which had a negative 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 387.0

million (399.1) 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 -0.2 million (-8.5). Deferred tax was positive in the period, amounting to SEK 26.0 million (-196.2), mainly affected by unrealized value changes on properties.

Profit, comprehensive income and other comprehensive income for the period

Profit for the second quarter was SEK 74.5 million (369.2), and SEK -121.3 million (697.4) for the period, corresponding to SEK -0.68 (3.24) per share attributable to the Parent Company shareholders. Comprehensive income for the period totaled SEK -98.9 million (709.9). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 22.4 million (12.5) in the period. The full amount relates to items that can be reversed in a later period.



FINANCIAL POSITION AS PER 30 JUNE 2023

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 (443.6) and other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 31.4 million (36.6).

Investment properties

At the end of the period, the value of investment properties totaled SEK 14,258.1 million (13,094.6), distributed over completed investment properties of SEK 10,131.9 million (9,775.3), undeveloped land and building rights of SEK 768.4 million (695.1), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 3,339.8 million (2,606.1). For more information, see Property portfolio and Valuation.

Business properties and equipment

The value of business properties and equipment at the end of the period amounted to SEK 434.0 million (447.6) and SEK 186.9 million (193.6) respectively.

Cash and cash equivalents

At the end of the period, cash and cash equivalents amounted to SEK 16.0 million (35.4). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 261.7 million (277.4).

Equity and net asset value

At the end of the period, Group equity amounted to SEK 5,070.6 million (5,169.6), which corresponded to SEK 23.34 per share attributable to Parent Company shareholders (23.92). The decrease is explained by comprehensive income for the period of SEK -98.9 million (709.9). At the end of the period, the Group's equity/asset ratio was 31.0 percent (33.9).

At the end of the period, long-term net asset value (NAV) amounted to SEK 5,636.2 million (5,768.3), corresponding to SEK 26.17 per

share (26.79) attributable to Parent Company shareholders, a decrease of 2 percent compared to 31 December 2022.

Interest-bearing liabilities and interest rate derivatives

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 9,613.3 million (8,461.4), of which SEK 2,405.7 million (2,049.9) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to

58.9 percent (55.4). Of the Group's interest-bearing liabilities, SEK 5,995.0 million (5,693.3) related to completed investment properties and the loan-to-value ratio for completed investment properties was 59.2 percent (58.2). The increase in interest-bearing liabilities was primarily due to financing of construction in progress and completed new constructions, 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 387.0 million (399.1). For more information, see the Financing section.



COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income in summary

SEK m	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jul –2023 Jun	2022 Jan–Dec
Rental income	117.1	93.9	231.5	173.2	442.6	384.2
Project and contracting income	179.7	300.8	359.3	570.4	790.1	1,001.2
Net sales	296.8	394.7	590.8	743.5	1,232.7	1,385.4
Other operating income	6.6	9.8	9.0	13.3	16.3	20.6
Operating costs	-20.9	-23.1	-47.5	-42.7	-102.3	-97.5
Maintenance	-3.1	-3.8	-6.4	-6.9	-13.0	-13.5
Property tax	-2.6	-1.6	-5.1	-3.2	-10.3	-8.4
Property administration	-12.2	-5.8	-22.5	-11.1	-36.7	-25.2
Property management costs	-38.9	-34.2	-81.6	-63.9	-162.3	-144.7
Project and contracting costs	-148.5	-276.1	-296.4	-540.7	-694.0	-938.3
Gross profit	116.0	94.1	221.7	152.3	392.6	323.1
<i>of which, gross profit from property management (operating surplus)</i>	<i>78.1</i>	<i>67.4</i>	<i>151.4</i>	<i>117.3</i>	<i>286.0</i>	<i>251.9</i>
<i>of which, gross profit from project and contracting operations</i>	<i>37.9</i>	<i>26.7</i>	<i>70.3</i>	<i>34.9</i>	<i>106.5</i>	<i>71.2</i>
Central administration	-14.6	-19.0	-26.6	-36.6	-45.0	-54.9
Depreciation/amortization and impairment	-33.3	-15.9	-50.3	-30.8	-82.1	-62.6
Profit from participations in associated and jointly controlled companies	5.7	-0.9	2.6	2.4	2.7	2.5
Net financial items	-48.3	-23.6	-97.1	-46.7	-175.1	-124.8
<i>of which net interest income</i>	<i>-53.9</i>	<i>-23.9</i>	<i>-102.8</i>	<i>-46.6</i>	<i>-180.9</i>	<i>-124.8</i>
Profit before changes in value	25.6	34.7	50.3	40.6	93.1	83.3
<i>of which, profit from property management*</i>	<i>33.0</i>	<i>41.3</i>	<i>65.1</i>	<i>67.3</i>	<i>128.4</i>	<i>130.7</i>
Change in value of investment properties	40.5	316.4	-182.4	556.4	-39.8	699.0
Change in value, derivatives	39.2	125.4	-15.0	305.2	43.9	364.1
Profit before tax	105.3	476.6	-147.1	902.1	97.2	1,146.4
Tax on profit for the period	-30.8	-107.4	25.8	-204.7	-8.5	-239.0
Profit for the period	74.5	369.2	-121.3	697.4	88.7	907.4
Other comprehensive income	17.8	10.4	22.4	12.5	37.3	27.4
Comprehensive income for the period	92.3	379.6	-98.9	709.9	126.0	934.8
Comprehensive income for the period attributable to						
Parent Company shareholders	66.6	379.6	-125.1	709.9	81.6	916.6
Non-controlling interests	25.6	0.0	26.2	0.0	44.4	18.2
Profit after tax per share, SEK/share**	0.23	1.71	-0.68	3.24	0.21	4.13

* Profit from property management does not include any component attributable to non-controlling interests

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

Segment reporting

2023 Jan–Jun, SEK m	Property Management	Project development	Construction	Prefab	Other*	Group
Income	233.0	3.7	753.7	596.0	-986.7	599.7
Expenses	-81.6	-3.5	-741.1	-554.0	1,002.1	-378.0
Gross profit	151.4	0.2	12.6	42.1	15.4	221.7
Central administration costs	-3.4	-0.1	-7.1	-9.9	-6.2	-26.6
Depreciation/amortization and impairment	-1.3	0.0	-2.1	-45.9	-1.1	-50.3
Profit from holding in associated companies**	0.0	0.0	1.8	0.0	0.8	2.6
Net financial items	-81.7	0.0	-0.1	-15.1	-0.2	-97.1
Profit before changes in value	65.1	0.2	5.2	-28.8	8.7	50.3
Change in value, properties	-399.9	217.5	0.0	0.0	0.0	-182.4
Change in value, derivatives	-14.7	0.0	-0.4	0.0	0.0	-15.0
Profit before tax	-349.5	217.7	4.8	-28.8	8.7	-147.1
Tax	85.4	-44.8	-0.5	7.2	-21.5	25.8
Profit for the period	-264.1	172.9	4.3	-21.6	-12.9	-121.3
Total assets	14,725.4	0.0	40.9	1,256.7	311.7	16,334.8
Total liabilities	9,313.1	0.0	124.8	1,038.1	788.2	11,264.2

2022 Jan–Jun, SEK m	Property Management	Project development	Construction	Prefab	Other*	Group
Income	181.2	0.0	306.6	668.3	-399.2	756.8
Expenses	-63.9	0.0	-308.1	-631.8	399.2	-604.6
Gross profit	117.3	0.0	-1.5	36.5	0.0	152.3
Central administration costs	-9.2	-9.2	-9.2	-9.2	0.0	-36.6
Depreciation/amortization and impairment	-1.3	0.0	-1.4	-28.0	0.0	-30.8
Profit from holding in associated companies**	0.0	0.0	0.0	0.0	2.4	2.4
Net financial items	-39.5	0.0	-0.1	-7.1	0.0	-46.7
Profit before changes in value	67.3	-9.2	-12.2	-7.8	2.4	40.6
Change in value, properties	138.9	417.4	0.0	0.0	0.0	556.4
Change in value, derivatives	312.3	0.0	-7.1	0.0	0.0	305.2
Profit before tax	518.5	408.3	-19.3	-7.8	2.4	902.1
Tax	-92.9	-86.0	1.5	1.6	-28.9	-204.7
Profit for the period	425.6	322.3	-17.8	-6.2	-26.5	697.4
Total assets	12,034.5	0.0	33.3	1,430.1	332.0	13,830.0
Total liabilities	7,375.3	0.0	109.1	1,135.6	266.4	8,886.4

* Other comprises Group-wide items and eliminations.

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

FINANCIAL POSITION

Consolidated Statement of Financial Position in summary

SEK m	2023 30 Jun	2022 30 Jun	2022 31 Dec
ASSETS			
Property, plant and equipment			
Intangible assets	475.0	482.2	480.2
Investment properties	14,258.1	11,631.6	13,094.6
Business properties	434.0	453.0	447.6
Equipment	186.9	194.4	193.6
Total non-current assets	15,354.0	12,761.2	14,216.0
Financial non-current assets			
Holdings in associated and jointly controlled companies and other non-current receivables	271.8	264.5	245.8
Derivative instruments	387.0	342.1	399.1
Deferred tax asset	5.7	22.5	16.4
Total financial non-current assets	664.5	629.1	661.3
Total non-current assets	16,018.5	13,390.4	14,877.3
Current assets			
Inventories	38.3	73.9	60.2
Accounts receivable	76.4	133.4	93.2
Other receivables	185.6	180.2	205.8
Cash and cash equivalents	16.0	52.1	35.4
Total current assets	316.3	439.6	394.6
Total assets	16,334.8	13,830.0	15,272.0

SEK m	2023 30 Jun	2022 30 Jun	2022 31 Dec
EQUITY AND LIABILITIES			
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	3,594.8	3,513.2	3,720.0
Equity attributable to Parent Company shareholders	5,025.1	4,943.5	5,150.3
Non-controlling interests	45.5	0.0	19.3
Total Equity	5,070.6	4,943.5	5,169.6
Non-current liabilities			
Deferred tax liability	1,003.8	1,004.3	1,033.5
Non-current interest-bearing liabilities	7,207.6	5,960.8	6,411.5
Other provisions and non-current liabilities	97.7	18.7	74.7
Total non-current liabilities	8,309.2	6,983.8	7,519.8
Current liabilities			
Current interest-bearing liabilities	2,405.7	1,365.9	2,049.9
Accounts payable	187.0	214.4	198.3
Other current liabilities	362.3	322.3	334.5
Total current liabilities	2,955.0	1,902.6	2,582.7
Total liabilities	11,264.2	8,886.4	10,102.4
TOTAL EQUITY AND LIABILITIES	16,334.8	13,830.0	15,272.0

Consolidated Statement of Changes in Equity in summary

SEK m	2023 30 Jun	2022 30 Jun	2022 31 Dec
Total equity at the beginning of the period	5,169.6	4,233.7	4,233.7
Profit for the period	-121.3	697.4	907.4
Other comprehensive income	22.4	12.5	27.4
Shareholder contribution from non-controlling interests	0.0	0.0	1.1
Total equity at the end of the period*	5,070.6	4,943.5	5,169.6
* Of which of non-controlling interests	45.5	0.0	19.3

CASH FLOW STATEMENT

Consolidated Cash Flow Statement in summary

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating activities					
Profit before changes in value	25.6	34.7	50.3	40.6	83.3
Adjustment for items not affecting cash flow	27.5	15.0	47.2	28.0	56.4
Tax paid	-7.5	2.3	-17.0	-7.3	-7.1
Cash flow from operating activities before changes in working capital	45.6	52.1	80.5	61.3	132.7
Change in operating receivables	23.8	6.8	66.1	-10.3	24.4
Change in operating liabilities	12.2	-9.8	7.6	21.7	-6.9
Cash flow from operating activities	81.6	49.1	154.2	72.6	150.1
Investing activities					
Investments in intangible assets	-0.7	0.0	-0.7	0.0	-3.6
Investments in Group, associated and jointly controlled companies	-3.3	-6.0	-6.3	-9.6	-9.0
Property investments	-16.1	-222.0	-181.8	-523.0	-803.7
Investments in construction in progress	-544.9	-520.6	-1,109.9	-939.6	-1,941.8
Investments in machinery and equipment	2.7	-11.3	-3.6	-8.5	-20.8
Divestment of properties	16.4	11.0	16.4	14.7	14.7
Change in other financial non-current assets	-13.1	-1.0	-15.1	-10.8	-4.3
Dividend from associated companies	0.0	0.0	0.0	0.0	19.5
Cash flow from investing activities	-559.0	-749.9	-1,301.0	-1,476.9	-2,749.0
Financing activities					
Borrowings	537.6	596.1	1,236.1	1,445.7	2,719.0
Loan amortizations	-55.3	-42.8	-108.7	-83.6	-179.8
Capital contributions	0.0	0.0	0.0	0.0	1.1
Cash flow from financing activities	482.3	553.3	1,127.4	1,362.1	2,540.4
Cash flow for the period	4.9	-147.5	-19.4	-42.1	-58.6
Translation differences in cash and cash equivalents	0.0	0.0	0.0	0.2	0.0
Opening cash and cash equivalents	11.1	199.4	35.4	94.0	94.0
Opening cash and cash equivalents	16.0	52.1	16.0	52.1	35.4

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	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating income			
Net sales	33.0	0.0	32.7
Administration costs	-44.2	-36.9	-66.4
Amortization and depreciation	-0.3	-0.1	-0.4
Gross profit	-11.4	-37.0	-34.1
Profit from participations in associated and jointly controlled companies	0.0	3.2	19.5
Net financial items	72.4	317.5	398.7
Profit after financial items	61.0	283.7	384.0
Appropriations	0.0	0.0	-38.6
Tax on profit for the period	11.4	-64.3	-41.2
Profit for the period	72.3	219.4	304.2

Parent Company Balance Sheet in summary

Assets, SEK m	2023 30 Jun	2022 30 Jun	2022 31 Dec
Non-current assets			
Intangible non-current assets	2.4	0.0	2.3
Property, plant and equipment	0.1	0.1	0.1
Participations in Group companies	1,225.1	1,141.3	1,167.6
Receivables from Group companies	1,263.4	840.7	902.1
Participations in and receivables from associated companies and other non-current receivables and participations	215.1	198.5	203.8
Derivative instruments	387.0	348.7	401.7
Deferred tax asset	2.7	0.0	2.7
Total non-current assets	3,095.9	2,529.4	2,680.3
Current assets			
Receivables from Group companies	568.0	422.2	665.0
Receivables from associated companies	0.0	3.4	0.0
Other current receivables	70.5	69.6	81.4
Cash and cash equivalents	0.0	141.6	0.0
Total current assets	638.5	636.8	746.5
Total assets	3,734.4	3,166.2	3,426.9

Equity and liabilities, SEK m	2023 30 Jun	2022 30 Jun	2022 31 Dec
Equity			
Restricted equity	57.4	57.4	57.4
Unrestricted equity	1,952.3	1,795.3	1,880.1
Total Equity	2,009.7	1,852.7	1,937.5
Non-current liabilities			
Deferred tax liability	40.1	71.8	51.4
Non-current interest-bearing liabilities	926.5	1,104.0	748.8
Other provisions and non-current liabilities	0.0	2.4	0.0
Total non-current liabilities	966.6	1,178.3	800.2
Current liabilities			
Current interest-bearing liabilities	622.4	122.8	456.3
Liabilities to Group companies	115.0	0.0	216.2
Other current liabilities	20.7	12.4	16.7
Total current liabilities	758.1	135.2	689.2
Total equity and liabilities	3,734.4	3,166.2	3,426.9

KEY PERFORMANCE INDICATORS

In the Year-end 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 2022 Annual Report, the definitions of the alternative key performance indicators have not changed.

Property-related KPIs	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jul -2023 Jun	2022 Jan-Dec
Rental value, SEK m	528.1	402.3	528.1	402.3	528.1	488.6
Financial occupancy rate, %	94.5%	97.8%	94.5%	97.8%	94.5%	97.3%
Average financial occupancy rate, %	92.1%	95.8%	93.5%	95.3%	94.8%	95.8%
Surplus ratio, %	66.7%	71.8%	65.4%	67.8%	64.6%	65.6%
Loan-to-value ratio, completed investment properties, %	59.2%	57.0%	59.2%	57.0%	59.2%	58.2%
Lettable area, m ²	306,249	255,374	306,249	255,374	306,249	287,869
Number of apartments under management	4,002	3,258	4,002	3,258	4,002	3,708
Number of construction starts, apartments	146	301	199	545	666	1,012
Number of apartments under construction	1,962	2,009	1,962	2,009	1,962	2,058
Number of apartments in project development	4,293	5,273	4,293	5,273	4,293	4,046

Financial key performance indicators						
Interest coverage ratio, multiple	2.1	3.1	2.0	2.5	2.0	2.2
Equity/assets ratio, %	31.0%	35.7%	31.0%	35.7%	31.0%	33.9%
Debt-to-equity ratio, %	58.9%	53.0%	58.9%	53.0%	58.9%	55.4%
Period for which capital is tied up, years	2.0	2.5	2.0	2.5	2.0	2.4
Period of fixed-interest, years	2.9	3.6	2.9	3.6	2.9	3.4
Average interest, %	3.20%	1.81%	3.20%	1.81%	3.20%	2.72%
Net investments, SEK m	552.8	735.0	1,279.0	1,442.4	2,543.6	2,707.0
Profit from property management, SEK m	33.0	41.3	65.1	67.3	128.4	130.7
Long-term net asset value (NAV), SEK m	5,636.2	5,583.2	5,636.2	5,583.2	5,636.2	5,768.3

Share-related key performance indicators						
Long-term net asset value (NAV), SEK/share	26.17	25.93	26.17	25.93	26.17	26.79
Growth in long-term net asset value (NAV), %	1.1%	6.8%	-2.3%	12.2%	0.9%	15.9%
Equity per share, SEK	23.34	22.96	23.34	22.96	23.34	23.92
Profit from property management per share, SEK	0.15	0.19	0.30	0.31	0.60	0.61
Growth in profit from property management per share, %	-20.1%	64.7%	-3.3%	51.1%	3.5%	28.9%
Profit after tax for the period per share, SEK	0.23	1.71	-0.68	3.24	0.21	4.13

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

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 2022 Annual Report.

Effects of the war in Ukraine

At the time of preparing the current interim report, the war in the Ukraine has been underway for over a year. To date, the war has had a significant but not material 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 war in Ukraine on K-Fastigheter's future operations remains uncertain, but assessments will be carried out regularly and will be reported in future Interim Reports. Additional information may also be presented through 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 and Mälardalen regions, and in areas with structural housing shortages.

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.

Sensitivity analysis, SEK m	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	251.5
Rental value +/- 1%	5.3	125.7
Operating and maintenance costs +/- 1%	1.0	22.9
Long-term vacancy ratio +/- 1%	5.3	125.7

Value change in completed investment properties	-10%	+10%
Property value, SEK m	-1,013.2	1,013.2
Loan-to-value ratio, completed investment properties, %	66%	54%
Debt-to-equity ratio, %	63%	55%



Organization and employees

The Group's Parent Company is K-Fast Holding AB. At the end of the period, the Group consisted of 92 wholly-owned and partly-owned subsidiaries and 11 associated company groups. The number of employees amounted to 661 (729), of which 70 were women (71) and 591 were men (658).

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, Procurement, IT, IR/Communications, Marketing, Legal and HR. The Group's Legal Counsel, Heads of Business Development, Accounting, Finance, Procurement, IT, IR/Communications, Marketing 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, Växjö and Landskrona, as well as production facilities in Hässleholm, Osby, Östra Grevie, Bollebygd, Vara, Hultsfred, Strängnäs and Katrineholm.

Accounting principles

K-Fast Holding AB adheres to the IFRS standards adopted by the EU. This Year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting and the 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. The Parent Company measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are valued at the lower of cost and net realizable value. For further details, see Note 22, Financial risk and finance policies in the 2022 Annual Report.

For complete accounting principles, please refer to K-Fast Holding AB's 2022 Annual Report. No accounting principles have changed since the 2022 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 1.1 million (0.3) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 1.1 million (0.3).

In the second quarter 2023, K-Fast Holding AB entered into agreements with the Erik Selin Fastigheter Group relating to the acquisition of building rights in Göteborg Sävenäs 131:14 at a purchase price of SEK 38.0 million. Transfer is scheduled for the fourth quarter 2023.

In addition to the above transactions, construction services in the period were procured from associated company PVS Mark & VA totaling SEK 38.7 million (19.2), sales were made to PVS Mark & VA totaling SEK 0.7 million (0.6) and lettings to Homestate AB totaled SEK 0.8 million (1.1). All transactions were priced at market terms.



OTHER INFORMATION

Signatures

This Interim Report has not been subject to review by the company's auditors. The Board of Directors and President provide their assurance that the Interim Report provides a fair and accurate 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, 25 July 2023

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 second quarter of 2023 on Tuesday 25 July at 10.00 a.m.

The presentation materials (slides + audio) will be available at www.k-fastigheter.com/en/for-investors/presentations

The presentation will be held in Swedish with presentation materials in Swedish and English.

Questions may be addressed in writing to ir@k-fastigheter.se with answers being compiled on an ongoing basis during the day and being published on: www.k-fastigheter.com

CALENDAR

Interim Report January— September 2023, 9 November 2023

THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) have traded on Nasdaq Stockholm in the Real Estate segment since 29 November 2019. On 30 June 2023, K-Fastigheter's market value was SEK 3,723.6 million. At the end of the quarter, there were over 7,350 shareholders.

On 30 June 2023, 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 June 2023 was 305,331,168. Each Class A share conveys five votes and each Class B share conveys one vote. All shares carry equal rights to participate in the company's assets and earnings and to any surplus on liquidation. Neither Class A nor Class B shares are subject to any transfer restrictions.

Share price performance and trading

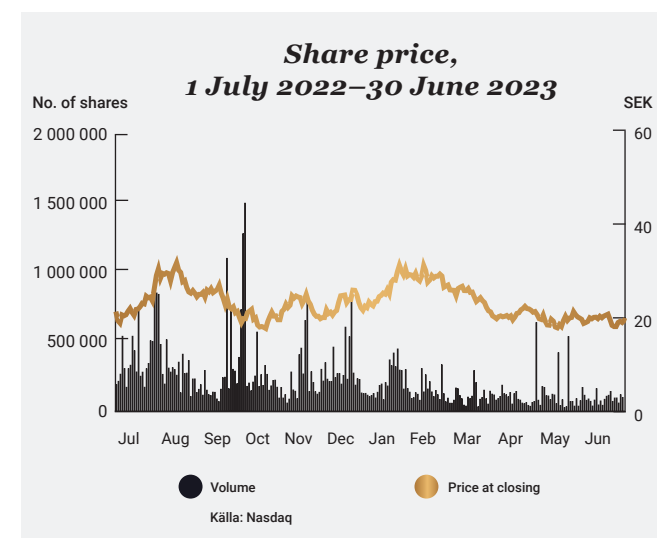
During the period 1 July 2022 – 30 June 2023, approximately 55.8 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged approximately 220,000 shares and the average price paid was SEK 23.20. The highest price paid during the period was SEK 32.86 on 15 August 2022, and the lowest price paid was SEK 17.01 on 13 October 2022. On 30 June 2023, the share price was SEK 19.31 (last paid). Market value of all shares in the company, based on the last price paid for a class B share on 30 June 2023, amounted to SEK 4,158.0 million.

Share capital

The 2023 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 AGM 2023 also authorized the Board to carry out one or more new share issues of Class B shares, subject to a total maximum of 24,000,000 new shares. No new shares were issued in the period.

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

Marketplace	Nasdaq Stockholm
Name of share	K-Fast Holding B
Ticker	KFAST B
ISIN code	SE0016101679
Segment	Mid Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	215,331,168
Total number of Class B shares listed on Nasdaq Stockholm	192,831,168
Closing price 30 Jun 2023	SEK 19.31
Market price 30 Jun 2023	SEK 4,158.0 million



Ten Largest Shareholders (In Order Of Total Voting Power) As Per 30 June 2023

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	7,800,747	7,800,747	3.6%	2.6%
Fourth AP Fund	0	6,602,766	6,602,766	3.1%	2.2%
SEB funds	0	3,625,100	3,625,100	1.7%	1.2%
Carnegie Fonder	0	3,050,907	3,050,907	1.4%	1.0%
Nergården families**	0	2,628,600	2,628,600	1.2%	0.9%
ER-HO Förvaltning AB	0	2,283,000	2,283,000	1.1%	0.7%
AP2	0	2,150,875	2,150,875	1.0%	0.7%
Ten largest shareholders	22,500,000	169,102,963	191,602,963	89.0%	92.2%
Other shareholders	0	23,728,205	23,728,205	11.0%	7.8%
Total	22,500,000	192,831,168	215,331,168	100.0%	100.0%
of whom, Board of Directors and Group management	22,500,000	131,809,988	154,309,988	71.7%	80.0%

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

** Through Mjölbackens Entreprenad Holding AB and Väst kustStugan AB.

The ownership structure as of 30 June 2023 is based on data from Euroclear Sweden and K-Fastigheter.

K-FASTIGHETER'S CONCEPT BUILDINGS



HÖGANÄS

Stubbarp – 127 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, homogenous separating walls and joists, with lightweight external wall units.



ÄLMHULT

Kedjan – 34 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 51 square meters and two bedrooms, a living room and a kitchen totaling 67 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:

Entirely concrete structure with sandwich exterior walls, homogenous separating walls and joists. Exterior walls can be constructed as half sandwich with a brick or slate façade, or alternatively lightweight construction towards the courtyard in order to minimize the load on potential underlying garages.



HELINGBORG

Nyponrosen – 64 Apartment Block apartments and 5 premises

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, prefab and property company focused primarily on rental housing properties, which, as of 30 June 2023, accounted for 92 percent of the property value of the completed property portfolio and for 89 percent of the contractual rent. As of 30 June 2023, K-Fastigheter’s property portfolio encompasses a lettable area of approximately 306,000 square meters distributed between more than 4,002 homes and 180 commercial contracts with an annual contracted rental value of some SEK 499 million. The project portfolio also comprises over 6,250 apartments under construction and in project development.

Overarching goals

K-Fastigheter’s overarching goal is to generate value for the company’s shareholders. Over a business cycle, value creation is measured as growth in long-term net asset value per share.

Operational targets



In the long term, rental income from housing is to comprise at least 80 percent of K-Fastigheter’s total rental income.



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:

- The Group equity/assets ratio shall amount to at least 25 percent.
- The interest coverage ratio shall amount to a minimum of 1.75 x.
- 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.

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 solar panels on all new-build

Lateral Low-Rise buildings and Apartment Blocks. The Group has also begun installing solar 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

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

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 9.00 a.m. CEST on 25 July 2023.



K-FASTIGHETER

RECONCILIATION TABLE

Property-related KPIs

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jul –2023 Jun	2022 Jan–Dec	Definition	Motivation
Rental value, SEK m								
A Contract value on an annual basis at the end of the period, SEK m	498.9	393.3	498.9	393.3	498.9	475.6	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	29.2	9.0	29.2	9.0	29.2	13.0		
A+B Rental value at the end of the period, SEK m	528.1	402.3	528.1	402.3	528.1	488.6		
Financial occupancy rate, %								
A Contract value on an annual basis at the end of the period, SEK m	498.9	393.3	498.9	393.3	498.9	475.6	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	29.2	9.0	29.2	9.0	29.2	13.0		
A/(A+B) Financial occupancy rate, %	94.5%	97.8%	94.5%	97.8%	94.5%	97.3%		
Average financial occupancy rate, %								
A Rental income for the period, SEK m	117.1	93.9	231.5	173.2	442.6	384.2	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	127.2	98.0	247.6	181.6	467.0	401.0		
A/B Average financial occupancy rate in the period, %	92.1%	95.8%	93.5%	95.3%	94.8%	95.8%		
Surplus ratio, %								
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	78.1	67.4	151.4	117.3	286.0	251.9	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	117.1	93.9	231.5	173.2	442.6	384.2		
A/B Surplus ratio during the period, %	66.7%	71.8%	65.4%	67.8%	64.6%	65.6%		
Loan-to-value ratio, completed investment properties,%								
A Interest-bearing liabilities related to completed investment properties at the end of the period in accordance with the Balance Sheet, SEK m	5,995.0	4,853.5	5,995.0	4,853.5	5,995.0	5,693.3	Interest-bearing liabilities related to completed investment properties as a percentage of total assets at the end of the period.	Loan-to-value ratio is used to illustrate K-Fastigheter's financial risk.
B Completed investment properties at the end of the period in accordance with the Balance Sheet, SEK million	10,131.9	8,521.5	10,131.9	8,521.5	10,131.9	9,775.3		
A/B Loan to value ration completed investment properties at the end of the period, %	59.2%	57.0%	59.2%	57.0%	59.2%	58.2%		
Lettable area at the end of the period, m²	306,249	255,374	306,249	255,374	306,249	287,869	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	4,002	3,258	4,002	3,258	4,002	3,708	Total number of apartments under management at the end of the period.	
Number of construction starts for apartments in the period	146	301	199	545	666	1,012	Total number of construction starts for apartments in the period.	
Number of apartments in ongoing construction at the end of the period	1,962	2,009	1,962	2,009	1,962	2,058	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	4,293	5,273	4,293	5,273	4,293	4,046	Total number of apartments in ongoing project development at the end of the period.	

Financial key performance indicators

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jul –2023 Jun	2022 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	25.6	34.7	50.3	40.6	93.1	83.3	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	-33.3	-15.9	-50.3	-30.8	-82.1	-62.6		
C Net interest income for the period in accordance with the Income Statement, SEK m	-53.9	-23.9	-102.8	-46.6	-180.9	-124.8		
(A-B-C)/-C Interest coverage ratio during the period, multiple	2.1	3.1	2.0	2.5	2.0	2.2		
Equity/assets ratio, %								
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	5,070.6	4,943.5	5,070.6	4,943.5	5,070.6	5,169.6	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	16,334.8	13,830.0	16,334.8	13,830.0	16,334.8	15,272.0		
A/B Equity/assets ratio at the end of the period, %	31.0%	35.7%	31.0%	35.7%	31.0%	33.9%		
Debt-to-equity ratio, %								
A Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	9,613.3	7,326.7	9,613.3	7,326.7	9,613.3	8,461.4	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	16,334.8	13,830.0	16,334.8	13,830.0	16,334.8	15,272.0		
A/B Debt-to-equity ratio at the end of the period, %	58.9%	53.0%	58.9%	53.0%	58.9%	55.4%		
Average interest, %								
A Interest expense calculated at annual rate at the end of the period, SEK m	217.0	101.6	217.0	101.6	217.0	173.2	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	6,773.7	5,607.7	6,773.7	5,607.7	6,773.7	6,379.5		
A/B Average interest rate at the end of the period, %	3.20%	1.81%	3.20%	1.81%	3.20%	2.72%		
Net investments, SEK m								
A Acquisitions during the period, SEK m	7.9	280.4	145.9	563.8	412.4	830.3	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	531.0	455.3	1,096.0	878.6	2,074.8	1,857.4		
C Extensions and remodeling during the period, SEK m	13.9	4.1	37.1	8.2	57.7	28.8		
D Sales during the period, SEK m	0.0	-4.9	0.0	-8.2	-1.3	-9.5		
A+B+C+D Net investments during the period, SEK m	552.8	735.0	1,279.0	1,442.4	2,543.6	2,707.0		

Financial key performance indicators, cont.

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jul –2023 Jun	2022 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	78.1	67.4	151.4	117.3	286.0	251.9	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	-1.6	-4.8	-3.4	-9.2	-6.5	-12.3		
C Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK m	-0.6	-0.1	-1.3	-1.3	-4.0	-4.1		
D Net interest income attributable to property management during the period in accordance with the Income Statement, SEK m	-42.9	-21.2	-81.7	-39.5	-147.0	-104.8		
A+B+C+D Profit from property management, SEK m	33.0	41.3	65.1	67.3	128.4	130.7		
Long-term net asset value (NAV), SEK m								
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,025.1	4,943.5	5,025.1	4,943.5	5,025.1	5,150.3	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	-387.0	-342.1	-387.0	-342.1	-387.0	-399.1		
C Deferred tax liability at the end of the period in accordance with the Balance Sheet, SEK m	1,003.8	1,004.3	1,003.8	1,004.3	1,003.8	1,033.5		
D Deferred tax asset at the end of the period in accordance with the Balance Sheet, SEK m	5.7	22.5	5.7	22.5	5.7	16.4		
A+B+C-D Long-term net asset value (NAV) at the end of the period, SEK m	5,636.2	5,583.2	5,636.2	5,583.2	5,636.2	5,768.3		
Period for which capital is tied up, years	2.0	2.5	2.0	2.5	2.0	2.4	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	2.9	3.6	2.9	3.6	2.9	3.4	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

	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun	2022 Jul –2023 Jun	2022 Jan–Dec	Definition	Motivation
Long-term net asset value (NAV), SEK								
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,636.2	5,583.2	5,636.2	5,583.2	5,636.2	5,768.3	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	26.17	25.93	26.17	25.93	26.17	26.79		
Growth in long-term net asset value (NAV) per share, %								
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK/share	26.17	25.93	26.17	25.93	26.17	26.79	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.
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the previous period in accordance with the Balance Sheet, SEK/share	25.89	24.27	26.79	23.11	25.93	23.11		
A/B-1 Growth in long-term net asset value (NAV) per share during the period, %	1.1%	6.8%	-2.3%	12.2%	0.9%	15.9%		
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	5,025.1	4,943.5	5,025.1	4,943.5	5,025.1	5,150.3	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	23.34	22.96	23.34	22.96	23.34	23.92		
Profit from property management per share, SEK								
Profit from property management attributable to Parent Company shareholders in the period in accordance with the Income Statement, SEK m	33.0	41.3	65.1	67.3	128.4	130.7	Profit from property management in relation to the average number of shares outstanding in 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	0.15	0.19	0.30	0.31	0.60	0.61		
Growth in profit from property management per share, %								
Profit from property management attributable to Parent Company shareholders in the period, SEK/ Share	0.15	0.19	0.30	0.31	0.60	0.61	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.
Profit from property management attributable to Parent Company shareholders in the preceding period, SEK/share	0.19	0.12	0.31	0.21	0.58	0.47		
A/B-1 Growth in profit from property management per share during the period, %	-20.1%	64.7%	-3.3%	51.1%	3.5%	28.9%		
Profit after tax per share for the period, SEK								
A Profit after tax attributable to Parent Company shareholders during the period in accordance with the Income Statement, SEK m	48.9	369.2	-147.5	697.4	44.3	889.2	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	0.23	1.71	-0.68	3.24	0.21	4.13		
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		