

TEN SUCCESSFUL YEARS – PLATFORM FOR CONTINUED GROWTH

*Year-end report
January–December 2020*

Presenters: Jacob Karlsson, CEO, and Martin Larsson, CFO

26 February 2021



K-FASTIGHETER

SUSTAINED HIGH ACTIVITY IN 2020

- High transaction rate
- K-Fastigheter acquired Finja Prefab, the largest single transaction in the Group's history
- No. of completed homes during the year: 299
- No. of apartments in houses acquired in 2020: 258
- Riktad emission om totalt 2,000,000 new B shares

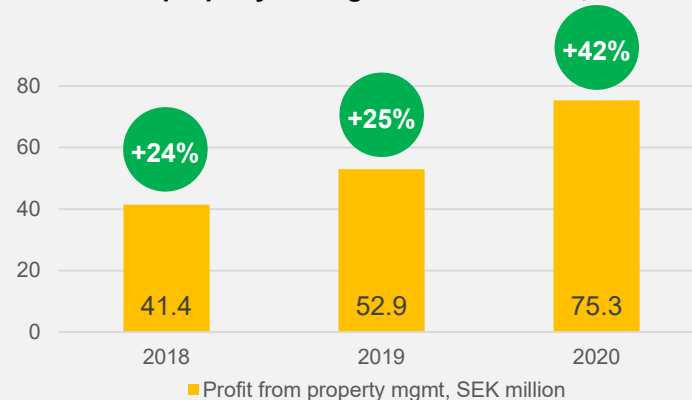
- Anniversary year for K-Fastigheter: 10 years since start and 1 year as a listed company
- Limited effect of COVID-19 pandemic
- The Board of Directors proposes that no dividend be paid for the 2020 financial year
- Revised operational target for the number of construction-started apartments for own management, from 1,000 to 1,300

Property value:
SEK 6,853.3 million (+56%)*
 Long-term net asset value (NAV):
SEK 3,661.2 million (+44%)*
 Profit from property management:
SEK 75.3 million (+42%)*
 Comprehensive income for the year:
SEK 473.1 million (+30%)*

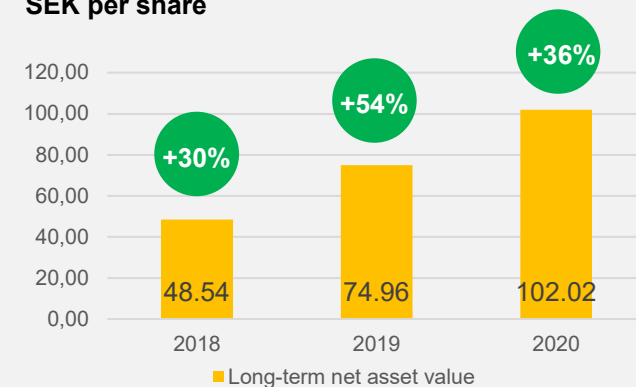
* in comparison with 2019

- Share of contracted rents relating to rental property amounted to 86% of Group total rental income (target: 80%)
- No. of construction started apartments amounted to 912 (target: 1,000 by end of 2023)
- No. of homes managed 31 Dec 2020: 2,237 (target: <5,000 homes by end of 2023)
- Growth in long-term NAV per share: 36.1% (54)
- Growth in profit from property mgmt./share 6.3% (25)

Profit from property management 2018–2020, SEK m



Long-term net asset value (NAV) 2018-2020, SEK per share



Q4 HIGHLIGHTS

- K-Fastigheter signed an agreement to acquire Finja Prefab
- Acquisition of apartment buildings with 29 apartments in Landskrona
- Acquisition of building rights for 100 apts in Hässleholm, 100 apts in Önnared, Gothenburg, and 125 apts in Västerås
- Acquisition of building rights for about 148 apartments in Greve, south of Copenhagen
- Acquisition of development properties in Falkenberg and Helsingborg

Finja Prefab

- The largest single transaction in the Group's history
- Access to the business as of 25 January 2021
- Reported as a separate business area from 1 January 2021

Covid-19

- Continued limited impact, with few delayed rent payments

No. of construction starts, apartments:
193 (+50%)*

Rental income:

SEK 56.2 million (+26%)*

Profit from property management:

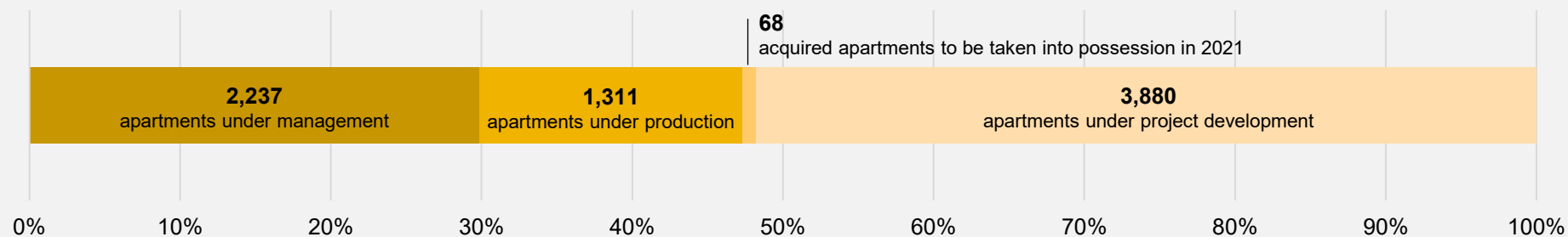
SEK 19.1 million (+122%)*

Profit from
property management per share:

SEK 0.53 (+75%)*

* change as of Q4-19

Total property and project portfolio as of 31 December 2020: 7,496 apartments



NEW BA AS OF JANUARY 2021: PREFAB



Finja Prefab AB

- Sweden's third largest producer of prefabricated concrete
- K-Fastigheter gets access to seven modern and well-invested production facilities in its focus areas: South, West and East
- Cost-effective production of all concrete elements required for K-Fastigheter's concept buildings
- Competent employees for production, assembly and construction
- Sustainability focus – climate-positive concrete frames

Building rights in central Hässleholm

- Acquisition of Limkokaren AB with building rights that enables the construction of up to 150 apartments in the Group's proprietary concept buildings

Finja Prefab – key data *

SEK million	2020	2019	2018
Net sales	881.4	1,054.4	897.1
Profit after financial items	36.1	81.6	65.3
Total assets**	340,6	304.9	325.4
No. of employees	549	556	543

* Multi-year summary prepared according to K3. Figures for 2020 are unaudited. Total assets are excluding production sites, which were acquired by K-Fastigheter from Finja AB in connection with taking possession of Finja Prefab.

Transaction in summary, SEK million

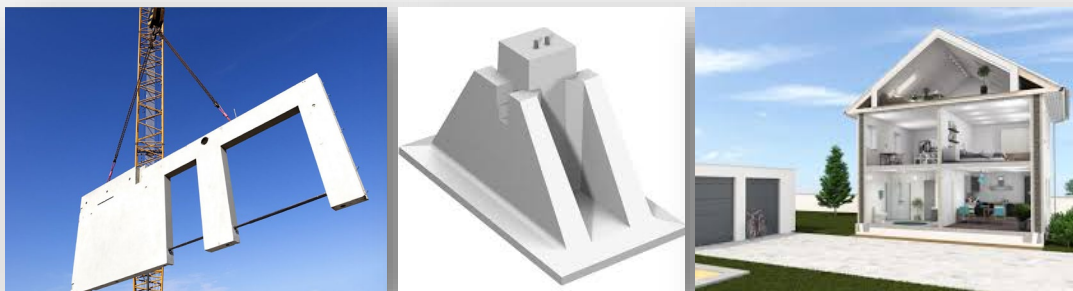
Operations, Finja Prefab	530
Operational properties	378
Building rights in Hässleholm	22

Total purchase price, SEK 930 million, financed by

Loan through Handelsbanken	450
Promissory note	250
Existing cash balances	230

STRONG PRODUCT OFFERING

- Prefabricated concrete frames to all types of concrete buildings. Our wish is to build safe and comfortable buildings
- Climate positive concrete frames
- Capacity to produce all concrete elements required for K-Fastigheter's three concept buildings (Low-Rise, Lateral Low-Rise and Apartment Block)



HOUSING



INDUSTRIAL BUILDINGS



PUBLIC BUILDINGS



BUSINESSES & TRADE



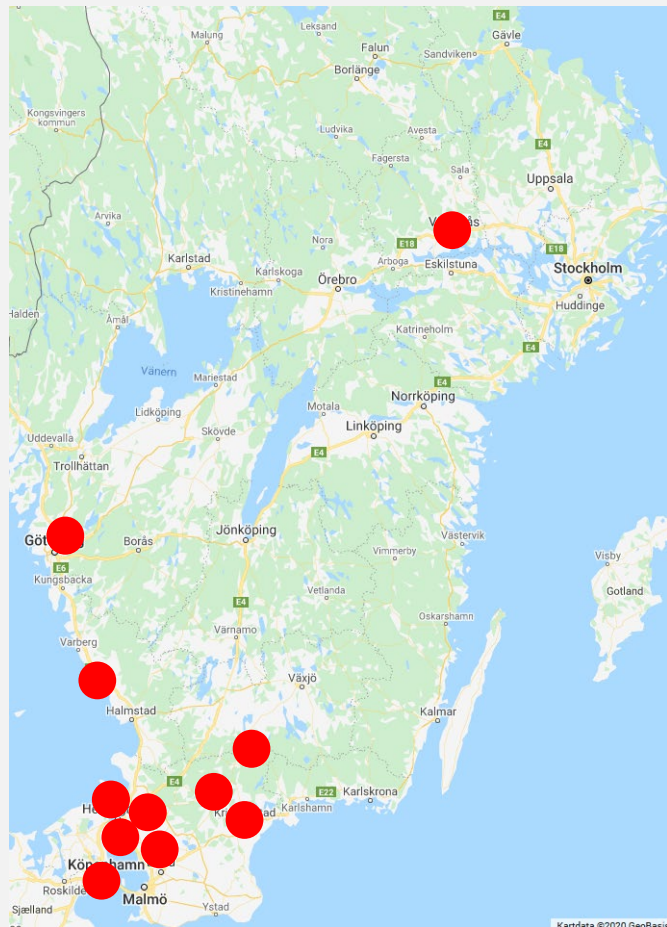
DISTRIBUTION PLANTS



AGRICULTURE



NEW PROJECTS IN Q4-20



CONSTRUCTION STARTS
HÖGANÄS (42 apartments),
KRISTIANSTAD (48 apts),
KÄVLINGE (65 apts) and
ÄLMHULT (38 apts)

ACQUIRED BUILDING RIGHTS
HÄSSLEHOLM (ca 100 apts),
VÄSTERÅS (ca 125 apts) and
ÖNNERED, GBG (ca 100 apts)

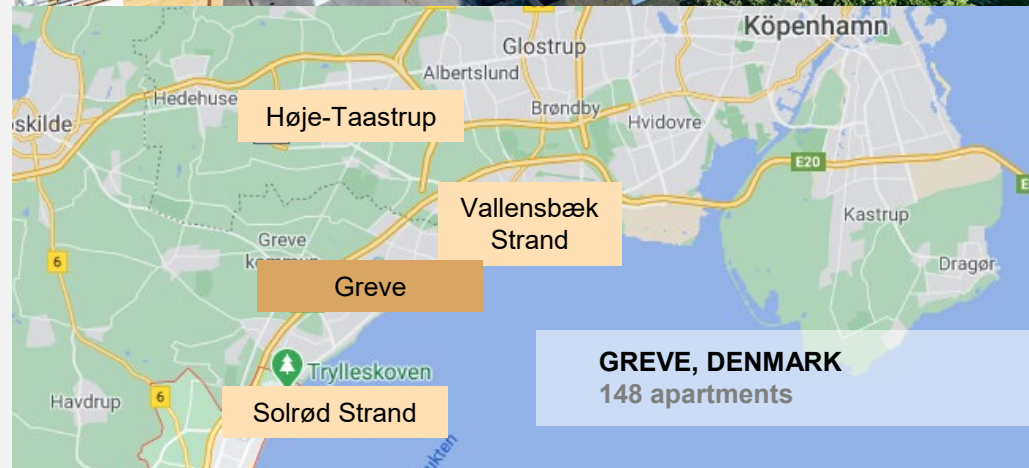
GREVE, DENMARK
 148 apartments

ACQUIRED DEVELOPMENT PROPERTIES
FALKENBERG (ca 145 apts) and
HELSINGBORG (ca 100 apts)

ACQUIRED RESIDENTIAL BUILDINGS
LANDSKRONA
 29 apartments



LANDSKRONA
 29 apartments



GREVE, DENMARK
 148 apartments

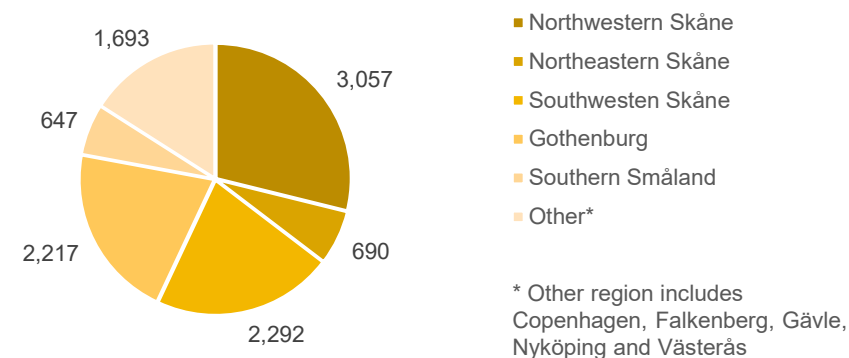
PROJECT DEVELOPMENT

- K-Fastigheter continuously identifies and evaluates potential building rights and undeveloped land that may be suitable for the Group's concept buildings, this to ensure necessary planning and allow the Group to generate additional profitability
- The number of apartments in project development continued to increase, 3,880, to be compared with 1,340 in the corresponding quarter of 2019. During the fourth quarter of 2020, building rights were acquired for about 718 apartments
- The business area recorded a strong quarterly result from value development for ongoing new construction, SEK 101.2 million
- Project development is the core of K-Fastigheter's business model by creating employment and growth for the Construction business area, which in turn creates growth and profit for the Property Management business area, with attractive properties with strong cash flows

Ongoing project development, 31 December 2020

Number of units	3,880
Lettable area, total square meters	268,796
Property value, SEK million	10,595.3
Rental value, SEK million	478.2

Ongoing project development:
Property value, SEK 10,595.3 million, by geography



CONSTRUCTION

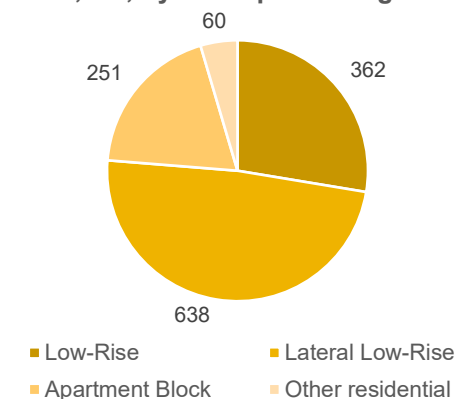
- New property construction is carried out with a high degree of prefabrication, which enables high cost and quality control as well as guarantees production and delivery times
- Construction is ongoing in Gothenburg, Gävle, Helsingborg, Hässleholm, Höganäs, Kristianstad, Kävlinge, Malmö, Nyköping, Vallensbæk, Växjö and Älmhult.
On 31 December 2020: 20 construction sites to build 1,311 apartments
- The number of construction starts during the **full year 2020** corresponded to 176% of the number during the **full year 2019**
- Standardized and repetitive construction increases productivity, predictability and cost-efficiency while achieving continuous quality improvement through feedback of experience throughout the value chain
- With the Group's "K-Fast 2.0", vacant apartments are renovated so that surfaces, plumbing, mains and technical installations correspond to the standard found in the concept buildings produced in-house. The Group owns about 535 apartments in its older portfolio, of which 84 apartments were renovated

Ongoing construction, 31 December 2020

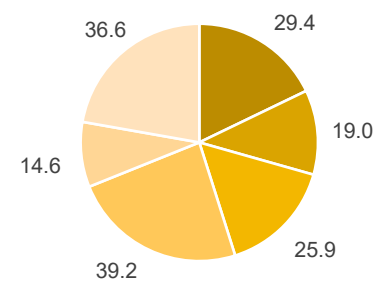
Number of units	1,311
Lettable area, total square meter	86,197
Property value, SEK million	3,592.7
Rental value, SEK million	164.7
Production-to-value (PtV)	73%

Production-to-Value is defined as estimated investment / property value and illustrates the potential value created at completion

No. of apartments under construction, 1,311, by concept building

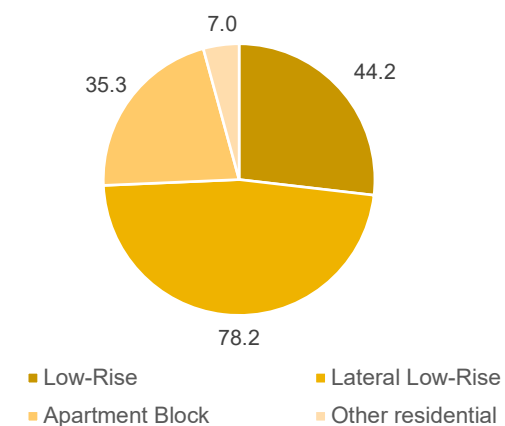


Rental value ongoing construction, SEK 164,7m by geography



- Northwestern Skåne
- Northeastern Skåne
- Southwestern Skåne
- Gothenburg
- Southern Småland
- Other

Rental value ongoing construction, SEK 164.7m, by concept building



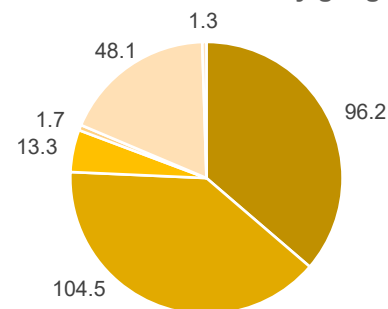
PROPERTY MANAGEMENT

- K-Fastigheter has an eternal perspective on its property ownership and is therefore a long-term partner for municipalities as well as suppliers and tenants. Local government is the key to being able to offer a high level of service and availability
- New development and construction of rental apartments is solely for own long-term property management, which contributes to a high level of operational reliability and optimization, as well as efficiency in maintenance and repairs
- The number of apartments as of 31 December 2020 amounted to 2,237, an increase of 31% compared with the corresponding quarter in 2019
- Profit from property management 2020 during the fourth quarter increased by 122% compared with 2019. Rental income in the quarter increased by 26% and the rental value as of December 31, 2020 amounted to SEK 265.1 million, an increase of 35% compared with December 31, 2019
- The occupancy rate was 91.2% as of 31 December 2020
- Stable profit margin 62.7% (62.8)

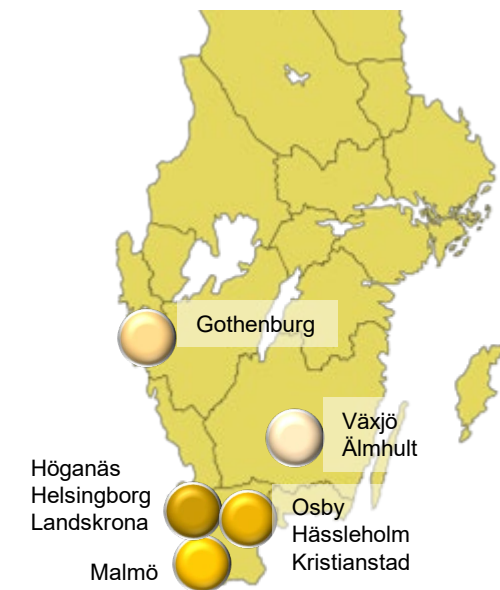
Property portfolio, 31 December 2020

Number of apartments under management	2,237
Lettable area, square meters	169,545
Property value, SEK million	5,067.2
Rental value, SEK million	265.1
Rental income from housing, share of Group's total rental income	86%
Location A/B location, share of property value	100%
Construction year >2010, share of property value	82%
Economic occupancy rate	91%
Surplus ratio	63%

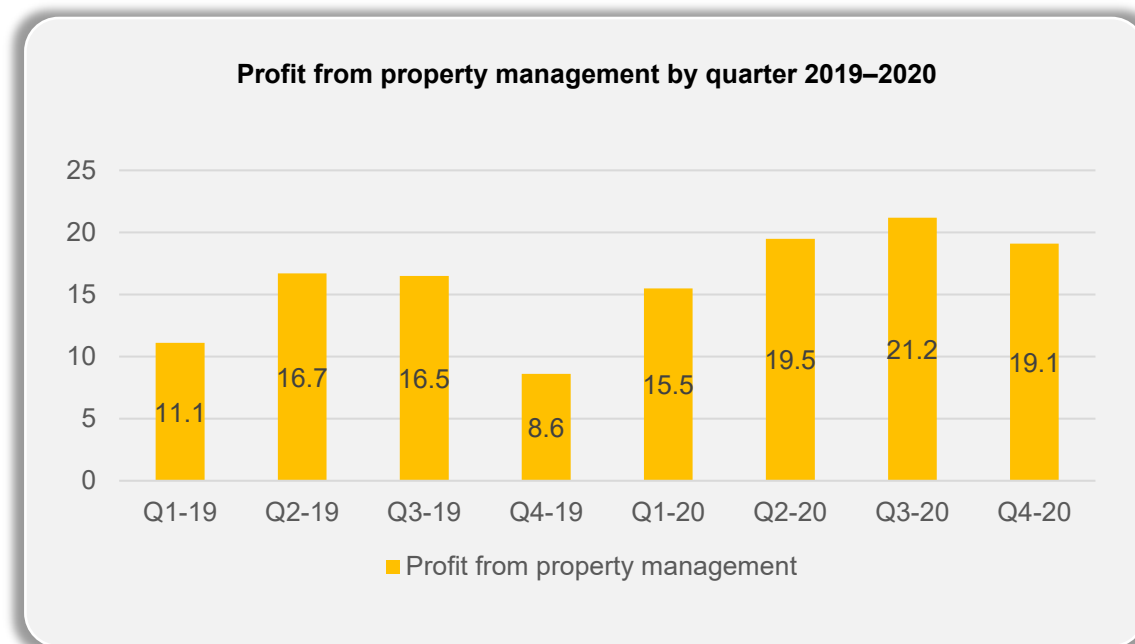
Rental value of SEK 265 m by geography



- Northwestern Skåne
- Southwestern Skåne
- Southern Småland
- Northeastern Skåne
- Gothenburg
- Other



ROBUST PROFIT FROM PROPERTY MANAGEMENT



Profit from property management for the Full-year 2020 amounted to SEK 75.3 million (52.9)

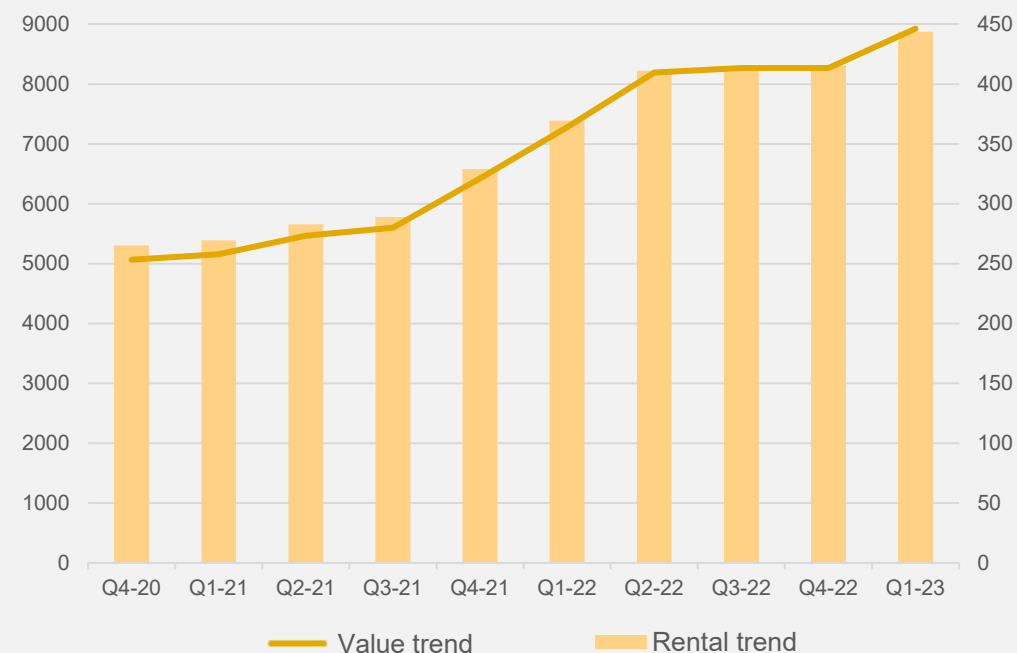


THE GROUP

- Limited effects from ongoing COVID-19 pandemic
- Sustained strong interest from sellers of building rights and properties. K-Fastigheter will continue to be active in transaction market
- Completed a directed new issue of 2 million class B shares at a subscription price of SEK 252 per share, raising SEK 504 million before issue expenses, to expand the Group's project portfolio of building rights
- In 2020, K-Fastigheter completed 299 apartments and started construction of 912 apartments
- At the end of 2020, K-Fastigheter had 2,237 apartments under management, 1,311 apartments under production, 3,880 under project development and 68 acquired apartments to be taken into possession during 2021, in total 7,496 apartments
- At the end of 2020, the number of employees amounted to 76 (68), of whom 21 women and 55 men
- The 2021 Annual General Meeting will be held on 19 May 2021 in Hässleholm, Sweden
- Finja Prefab is reported as a separate business area from 1 January 2021

Value creation in K-Fastigheter

- Expected rental trend and assessed value trend, SEK million



The diagram illustrates current rental value and property value for completed investment properties as of 31 December 2020 plus expected rental value and assessed value of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 31 December 2020 at a pace with these properties being completed or handed over. The assessments and assumptions involve uncertainties, and the disclosures below should not be viewed as a forecast. Please also refer to information about the assessment on page 26 in Year-end report 2020.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	2020 Oct-Dec	2019 Oct-Dec	2020 Full-year	2019 Full-year
Rental income	56.2	44.7	203.9	156.8
Project and contracting sales	0.0	9.5	10.2	28.6
Other income	0.4	0.9	1.0	1.9
Net sales	56.5	55,1	215.1	187.3
Gross operating income	37.8	31.3	145.1	111.0
<i>Of which, gross profit from property mgmt. (operating surplus)</i>	<i>35.2</i>	<i>28.1</i>	<i>137.0</i>	<i>107.3</i>
<i>Of which, gross profit from project and contracting operations</i>	<i>2.6</i>	<i>3.3</i>	<i>8.1</i>	<i>3.7</i>
Central administration	-9.9	-15.7	-33.6	-42.1
Impairment and depreciation	-3.7	-12.2	-8.5	-15.2
Profit from participations in Group, associated and jointly controlled companies	-1.0	19.6	2.6	61.0
Net interest income	-11.7	-10.2	-47.7	-35.3
Profit before changes in value	11.6	12.9	57.9	79.3
<i>Of which, profit from property management</i>	<i>19.1</i>	<i>8.6</i>	<i>75.3</i>	<i>52.9</i>
Change in value of investment properties	211.7	148.0	577.8	339.8
Change in value of derivatives and other	8.0	32.2	-24.2	12.7
Profit before tax	231.2	193.2	611.4	431.8
Income tax	-60.2	-25.2	-136.9	-66.5
Profit for the period	171.1	167.9	474.5	365.3

Development in Property Management

- No. of apartments under mgmt amounted to 2,237, an increase of 31% at year-end
- Rental income in the year increased by 30%, to SEK 203.9 million
- Rental value at year-end increased by 35% to SEK 265.1 million
- Surplus ratio in the year 67.2% (68.4%) – 68.0% *excl. Folkparken*
- Average financial letting ratio over the year: 92.0% (96.8%)
- Financial letting ratio at year-end: 91.2% (96.9%) – 97.4% *excl. Folkparken*
- Net interest income increased by 35% to SEK -47.7 million
- Profit from property management increased by 42% to SEK 75.3 million – SEK 2.18/share, +6.3%
- Unrealized value changes in investment properties SEK 169.9 million (153.4) – direct return amounted to 4.08% (4.25)

Development Project Development and Construction

- At end of the year, 20 ongoing construction projects, totalling 1,311 apts, +87%
- Total investments in 2020 amounted to SEK 855.1 million (505.6) in new construction, extensions and remodeling, +69%
- Income from project development and construction operations increased by 49% to SEK 448.8 million, of which 98% was related to construction of own investment properties
- Unrealized value changes related to ongoing construction amounted to SEK 407.9 million (186.4) – direct return amounted to 3.96% (4.02)

Central administration, up 17%, increase in line with implicit strategy to prepare organization for expected growth

Limit earnings from **associated and jointly controlled companies**

Negative **unrealized value change from derivatives and other** of SEK 24.2 million – primarily attributable to lower market rates and stronger SEK

Profit for the year: SEK 474.5 million (+30%) – SEK 13.72/share, -3%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	2020 31 Dec	2019 31 Dec
Assets		
Investment properties	6,853.5	4,396.7
Other short-term and long-term assets	298.5	198.0
Cash and cash equivalents	507.6	779.0
Total assets	7,659.6	5,373.7
Equity and liabilities		
Total equity	3,209.8	2,238.5
Deferred tax liability	451.2	310.3
Interest-bearing liabilities	3,847.8	2,644.3
Other short-term and long-term liabilities	150.8	180.6
Total equity and liabilities	7,659.6	5,373.7

Investment properties: SEK 6,853.5 million, +56%

- completed investments properties: SEK 5,067.2 million (3,606,9)
 - undeveloped land and building rights: SEK 725.7 million (342.1)
 - construction in progress: SEK 1,060.6 million (447.7)
- Acquisitions SEK 1,034.2 million and investments in ongoing construction SEK 855.1 million, +78%

Interest-bearing liabilities: SEK 3,848.4 million, +45%

- SEK 3,145.1 million, first mortgages for completed investment properties
 - SEK 681.2 million, construction credits (limit SEK 1,712 million)
- Financing of acquisitions and ongoing construction

Equity: SEK 3,209.8 million, +43%

Long-term net asset value: SEK 3,661.2 million – SEK 102.02 per share, +36%

Cash: SEK 507.6 million (+ unutilized overdraft facility SEK 90.0 million)

Financial position

Equity/assets ratio:	41.9% (41.7%)
Loan-to-value ratio:	46.7% (40.2%)
Interest coverage ratio, multiple:	2.6 (2.8)

Key credit data

Average credit term for interest-bearing liabilities:	2.6 years (3.2)
Swap portfolio:	1,907.0 million
Average interest period on interest-bearing liabilities:	3.8 years (3.3)
Average interest:	1.77% (1.90)
Share of loan with variable interest rates:	40% (48)



COVID-19 EFFECTS

Limited effects

Property Management

- Minor ren relief, repayable in 2021
- No increase in rent losses of late payments

Project Development and Construction

- Planning and construction projects according to plan

Financial position

- Suspended yield compression during spring 2020
- Cautiousness related to value of commercial properties
- Strong increase of price at the end of 2020 – sustained yield compression?
- Successful new share issue in August 2020
- Continued access to financing through our partner banks
- Lower rated and margins are anticipated

Financial targets

- | | Outcome | Targets |
|--|----------------|-----------------|
| • Long-term net asset value per share: | +36% | > 20% per annum |
| • Profit per share from property mgmt: | +6% | > 20% per annum |

Operational targets

- | | | |
|---------------------------------|-------|---------------------------------------|
| • Rental income from housing: | 86% | > 80% |
| • No. of construction starts: | 912 | > 1,300 by the end of 2023* |
| • No. of apartments under mgmt: | 2,237 | > 5,000 by the end of 2023 |

Financial position

- | | | |
|--------------------------------------|-------|-----------|
| • Loan-to-value ratio | 46.7% | max. 70% |
| • Equity/assets ratio: | 41.9% | min. 25% |
| • Interest coverage ratio, multiple: | 2.6 | min. 1.75 |

SHAREHOLDERS AS PER 31 DECEMBER 2020

Name	Number class A shares*	Number class B shares*	Percentage of share capital	Percentage of votes
Jacob Karlsson AB	1,875,000	10,625,000	34.8%	39.3%
Erik Selin Fastigheter AB	1,875,000	10,625,000	34.8%	39.3%
Capital Group	0	2,154,310	6.0%	4.2%
Länsförsäkringar funds	0	1,758,378	4.9%	3.5%
AP4	0	902,376	2.5%	1.8%
Handelsbanken funds	0	734,406	2.0%	1.4%
SEB funds	0	660,339	1.8%	1.3%
Nergården families (Väst kuststugan AB and Mjölby Entreprenad Holding AB)	0	478,100	1.3%	0.9%
AP2	0	432,462	1.2%	0.8%
Er-Ho Förvaltning AB	0	380,500	1.1%	0.7%
10 largest shareholders	3,750,000	28,750,871	90.6%	93.3%
Other shareholders	0	3,387,657	9.4%	6.7%
Total	3,750,000	32,138,528	100.0%	100.0%

Total number of outstanding shares: 35,888,528

Total number of votes: 50,888,528

* Each class A share conveys five votes, each class B share conveys one vote

Sources: Euroclear Sweden and K-Fastigheter



K-FASTIGHETER

Our three concept buildings are constructed solely for long-term proprietary ownership and active property management



Low-Rise (Sw. *Låghus*)

- Semi-detached, terraced or link houses up to three-stories, of which apartments in one or two stories
- Standardized foundation
- Four floor plans in each construction which can be combined freely



Lateral Low-Rise (Sw. *Lamellhus*)

- Adaptable and area efficient houses
- Multi-dwelling houses in a block structure with up to 10 stories
- Can be produced in several sizes and layouts
- Adaptable floor plans, opportunities for underground parking and ground floor commercial premises



Apartment Block (Sw. *Punkthus*)

- Multi-dwelling houses in a quadratic shape can be constructed with 4 to 10 stories
- Four apartments on each floor with spacious corner balconies of 27 sqm per apartment
- Apartment Block Plus is a rectangular house allowing six apartments per story
- Ground floor is adaptable and can be constructed with e.g. both a basement and duplex when built on a sloping site



Much more than your average property company

Our vision is to become one of the Nordic region's largest players and a leading property owner of sustainably constructed, innovative and cost-efficient concept buildings meeting the wishes and requirements of tenants seeking to establish a home for many years to come. The housing offered by the Group is to be distinguished by the best combination of high standard, home comfort and security in the market.



K-Fastigheter is a project development, construction and property company that, applying a cross-functional approach, achieves profitability at each stage.

For the full-year 2020, the Group reports approximately 60 percent of EBIT from project development and construction, and remaining 40 percent is related to property-related operations.

Operational targets



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



The number of apartments to be managed by the K-Fastigheter and on which construction has commenced is to amount to 1,000 a year by the end of 2023.



At the end of 2023, K-Fastigheter is to manage at least 5,000 apartments in the Nordic region.

NB! Target revised beginning of 2021

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 earnings per share from property management is to average at least 20 percent

The target is for growth in net asset value and profit from property management to be generated while maintaining a stable and sound financial position and with balanced financial risk-taking, meaning that::

- The equity/assets ratio should amount to at least 25 percent
- The interest coverage ratio should be a multiple of at least 1.75
- The loan-to-value ratio may amount to at most 70 percent relative the market value of the Group's investment properties

Current and future portfolio as of 31 December 2020

Under management:	2,237
Under production:	1,311
Acquired properties:	68
Under project development:	3,880

Total no. of apartments: 7,496



SUMMARY

- 1 → K-Fastigheter is present throughout the entire value chain, from project development and identification of interesting building rights to construction and long-term property management
- 2 → High quality real estate portfolio with a large proportion of newly produced area in attractive locations in expanding cities/municipals
- 3 → Properties in locations with long-term demand for rental apartments, primarily in the Öresund region and in western Sweden
- 4 → High and profitable historical growth with a significant project portfolio creates visibility for future growth
- 5 → As of 29 November 2019, K-Fastigheter's class B shares is traded on Nasdaq Stockholm, Mid cap. Total market cap, approx SEK 9 billion



Total no. of A shares: 3,750,000
Total no. of B shares on Nasdaq Stockholm: 32,138,528
Total no. of outstanding shares: 35,888,528
Total no. of votes: 50,888,528

Thank you

Q&A?

ir@k-fastigheter.se

Interim report Jan – Mar 2021:
7 May 2021

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