







# K-FAST HOLDING AB INTERIM REPORT

# JANUARY - JUNE 2022

*"I have said it many times before, but K-Fastigheter is so much more than a property company. With an infinite investment horizon, minimizing risk is more important than maximizing profit. Quite simply, we strive to generate a maximum risk-adjusted return, regardless of where we are in the economic cycle."*



Emilienhaven in Vallensbaek. Our first in-house project in Denmark where tenants are moving in under phase one in June 2022.

<b>Number of apartments under management</b>  <b>3,258</b> UNITS Q2 2022 <b>2,723</b> UNITS Q4 2021	<b>Investment properties, value</b>  <b>11,631.6</b> SEK M Q2 2022 <b>9,603.7</b> SEK M Q4 2021
<b>Number of homes in production</b>  <b>2,009</b> UNITS Q2 2022 <b>1,820</b> UNITS Q4 2021	<b>Long term Net Asset Value</b>  <b>5,583.2</b> SEK M Q2 2022 <b>4,976.1</b> SEK M Q4 2021
<b>Rental income</b>  <b>93.9</b> SEK M Q2 2022 <b>63.0</b> SEK M Q2 2021	<b>Profit from property management</b>  <b>41.3</b> SEK M Q2 2022 <b>25.1</b> SEK M Q2 2021

## THE QUARTER AND PERIOD IN BRIEF

### April– June

- Rental income totaled SEK 93.9 million (63.0) in the quarter, an increase of 49 percent year-on-year.
- Income from project development and construction operations totaled SEK 505.0 million (459.1), of which SEK 204.1 million (187.4) related to intra-group projects.
- Consolidated gross profit for the quarter amounted to SEK 94.1 million (75.1), of which operating surplus attributable to property management was SEK 67.4 million (42.3) and gross profit from project and contracting operations totaled SEK 26.7 million (32.8).
- Profit before value changes amounted to SEK 34.7 million (28.9) in the quarter.
- Profit from property management amounted to SEK 41.3 million (25.1), an increase of 65 percent year-on-year. Profit from property management per share was SEK 0.19 (0.12).
- Unrealized value changes for investment properties amounted to SEK 316.4 million (235.2), and to SEK 125.4 million (0.2) for derivatives and other items.
- Profit for the quarter was SEK 369.2 million (202.9), corresponding to SEK 1.71 (0.94) per share.

### January– June

- Rental income in the period amounted to SEK 173.2 million (122.5), up 41 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 41 percent to 3,258 (2,305) in the period.
- Income from project development and construction operations totaled SEK 969.6 million (831.1), of which SEK 399.2 million (334.3) related to intra-group projects. SEK 570.4 million (496.8) related to external projects, of which Prefab's external income amounted to SEK 567.4 million (495.6).
- Consolidated gross profit for the period amounted to SEK 152.3 million (126.7), of which operating surplus attributable to property management was SEK 117.3 million (77.8) and gross profit from project and contracting operations totaled SEK 34.9 million (48.9).
- Profit before value changes amounted to SEK 40.6 million (54.3) in the period.

- Profit from property management amounted to SEK 67.3 million (44.6), up 51 percent year-on-year. Profit from property management per share was SEK 0.31 (0.21).
- Unrealized value changes for investment properties amounted to SEK 556.4 million (398.1), and to SEK 305.2 million (26.7) for derivatives and other items. Unrealized value changes in investment properties comprised SEK 417.4 million (290.2) from construction projects in progress and SEK 138.9 million (107.9) from property management.
- Profit for the period was SEK 697.4 million (371.1) corresponding to SEK 3.24 (1.72) per share.
- At the end of the period, the value of investment properties totaled SEK 11,631.6 million (9,603.7), an increase of 21 percent on 31 December 2021 and up 45 percent compared to 30 June 2021.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,583.2 million (4,976.1), corresponding to SEK 25.93 per share (23.11), an increase of 12 percent compared to 31 December 2021 and up 33 percent compared to 30 June 2021.
- The interest coverage ratio for the period amounted to a multiple of 2.5 (3.4) and for rolling 12 months to a multiple of 3.0 (3.0). The equity-asset ratio was 35.7 percent (36.9), and the debt-to-equity ratio was 53.0 percent (51.8).

### Significant events in the second quarter

- K-Fastigheter's Annual Report 2021 was published on 4 April 2022.
- On 8 April 2022, K-Fastigheter announced the appointment of Stefan Paulsson as acting CEO of K-Prefab AB for the period to 31 December 2022. Kaj Grönvall, CEO of K-Prefab AB, has been forced to take timeout from his position as CEO due to an eye condition. Stefan Paulsson previously was Deputy CEO and Chief Operating Officer of K-Prefab. As acting CEO of K-Prefab AB, Stefan Paulsson will join the Group's management team.
- On 20 April 2022, K-Fastigheter's associated company Novum Samhällsfastigheter AB signed an agreement regarding the sale of an upcoming construction. Possession is planned during 2022. Expected income for K-Fastigheter amounts to approximately SEK 25.0 million, which is expected to be recognized as income in the latter half of 2022.
- K-Fastigheter's Annual General Meeting was held on 12 May 2022. 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.

Key performance indicators*	2022	2021	2021
	Jan–Jun	Jan–Jun	Jan–Dec
Rental income, SEK m	173.2	122.5	265.9
Project and construction income, SEK m	570.4	496.8	976.1
Gross profit, SEK m	152.3	126.7	277.9
Profit from property management, SEK m	67.3	44.6	101.4
Profit for the period, SEK m	697.4	371.1	1,044.4
Net investments in investment properties, SEK m	1,442.4	791.0	1,608.1
Investment properties, SEK m	11,631.6	8,043.6	9,603.7
Long-term net asset value (NAV), SEK m	5,583.2	4,190.0	4,976.1
Number of apartments under management	3,258	2,305	2,723
Number of construction starts, apartments	545	456	996
Number of apartments under construction	2,009	1,699	1,820
Number of apartments under project development	5,273	5,522	5,869
Interest coverage ratio, multiple	2.5	3.4	3.4
Equity/assets ratio, %	35.7%	37.2%	36.9%
Debt-to-equity ratio, %	53.0%	51.7%	51.8%
Profit from property management, SEK per share	0.31	0.21	0.47
Growth in profit from property management per share, %	51.1%	20.1%	29.8%
Long-term net asset value (NAV), SEK per share	25.93	19.46	23.11
Growth in long-term net asset value (NAV), per share, %	12.2%	14.4%	35.9%
Earnings per share, SEK**	3.24	1.72	4.85
Number of shares outstanding at the end of the period, millions***	215.3	215.3	215.3
Average number of shares outstanding during the period, millions***	215.3	215.3	215.3

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

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

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

- On 24 May 2022, K-Fastigheter announced that planning permission has been obtained for the Group's new commercial concept, K-Commercial. The building in central Hässleholm will cover a gross area of approximately 8,000 square meters and be home to K-Fastigheter's new head office, for example. Construction began during the second quarter and is expected to be complete by the end of 2023/beginning of 2024.
- On 9 June 2022, K-Fastigheter announced that Jimmy Fröberg has been appointed Head of Group Accounting. Fröberg joins K-Fastigheter from Stena Fastigheter, where he was Group Accounting Manager. Prior roles include authorized public accountant at PWC and Group Financial Controller at Serneke. Jimmy Fröberg will join the Group's management team and take up his new position on 5 September 2022.

The table to the right shows completed acquisitions of building rights and investment properties, construction starts and completed projects in the second quarter 2022 and up until publication of this report.

### Significant events after the end of the period

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



### Acquired investment properties

Properties	Municipality	Transfer date	Number of apartments	Area (m <sup>2</sup> )	Yearly rental value (SEK m)	Purchase price (SEK m)
Høje-Taastrup 4ee 4ef	Høje-Taastrup (DK)	Apr 2022	36	3,612	8.4	DKK 110 m

### Acquired building rights

Properties	Municipality	Construction scheduled to commence	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK million)	Purchase price (SEK m)
1bt Pederstrup By	Ballerup (DK)	Jun 2022	153	11,077	28.5	DKK 80.5 m
Kröset 16*	Kävlinge	Q4 2022	36	3,100	Property right	10.1
Stataren 2 / Olympia 14**	Höganäs	2023/2024	130	14,500	18.1	50.8

\*JV with Er-Ho Bygg. \*\* Property not yet transferred.

### Projects where construction has commenced

Property	Municipality	Expected completion	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK million)
Kohagen 1 – phase 2	Vänersborg	Q2 2024	80	5,467	10.1
Skymningen 2	Höganäs	Q4 2023	41	2,836	5.6
Oppeby Gård 1:9*	Nyköping	Q2 2024	27	1,740	3.2
1bt Pederstrup By	Ballerup (DK)	Q2 2024–Q3 2025	153	11,077	28.5
Rusthällaren 3 & 4	Hässleholm	Q1 2024	Commercial	8,000	13.8 Business properties**

\*K-Fastigheter's share of the construction in the JV with Kilenkryset. \*\*Approximately 50 percent is expected to be external lets.

### Project completions

Property	Municipality	Move in	Number of apartments	Area (m <sup>2</sup> )	Rental value (SEK million)
Magasinet 1&4 - Byggmax	Hässleholm	Apr 2022	Commercial	2,487	2.5
Hammar 9:197 – phase 2	Kristianstad	Apr 2022	24	1,572	2.9
Oppeby Gård 1:17 – phase 2	Nyköping	May 2022	28	1,996	3.2
Kokhuset 1	Hässleholm	Jun 2022	38	2,808	4.8
Vallensbaek Strand – phase 1	Vallensbaek (DK)	Jun 2022	42	3,462	8.2
Fullerö 21:103	Uppsala	Jun 2022	40	2,472	4.5

### Important information regarding tables on page 3 and 7

Information on completed investment properties includes estimates and judgments. Contractual rent refers to the contract value on the balance sheet date recalculated at an annualized rate. Rental value refers to contractual rent plus estimated rent for vacancies. Property costs refer to budgeted property costs on an annual basis and are exclusive of property administration. The estimates and judgments involve uncertainties and the disclosures above should not be viewed as a forecast.

Details of construction projects and project development in progress on page 3 and page 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.

## COMMENTS FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

***There is a great deal of uncertainty on the world's stock exchanges where most sectors have performed poorly due to their sensitivity to higher interest rates, sharp rises in inflation and ongoing supply chain challenges. K-Fastigheter, which is classified as a growth company in the property sector, has been punished hard on the stock exchange during the first half of the year. Aside from the weak share price performance, this is a market situation where our business model is highly efficient and our uniqueness stands out.***

I have said it many times before, but K-Fastigheter is so much more than a property company. With an infinite investment horizon, minimizing risk is more important than maximizing profit. Quite simply, we strive to generate a maximum risk-adjusted return, regardless of where we are in the economic cycle. A long-term approach is the backbone of our business model, and this has made it easy to resist the temptation of issuing financial instruments that would eat up cash flow and expose us to unnecessary risk at a time when cash flow is increasingly valued. By also avoiding financing through bonds and the accompanying refinancing risk, we are well placed to face the future.

Cost inflation is high, especially for construction-related products, which in many cases has risen far more than average inflation, even though costs for reinforcement bars and timber fell by double-digit percentages in the last weeks of the second quarter. Rising construction costs combined with the abolition of investment support and impending higher interest expenses, make the calculations for a general housing developer less attractive – irrespective of the title format. It should be stressed that K-Fastigheter has never used investment support because, in our opinion, the structure of the previous support did not promote the production of the housing for which we see sustainable long-term demand. Consequently, our upcoming production starts are completely unaffected by the withdrawal of investment support. It is also worth clarifying that no part of our portfolio is subject to rent control after the verdict observed by the market which established that rent under this model may only be increased by half of the annual increase. Our assessment is that over a period of 4-5 years we will always be at least fully compensated for inflation in upcoming rent increases, and this is supported by looking at historical rent increases in relation to inflation.

Share analysts usually focus on industries and companies that have the ability to pass increased costs to the next stage. In contrast, I have personally always been interested in companies and management teams that successfully respond to rising prices with increased efficiency and savings, and can thereby further increase their competitiveness when everyone else is increasing their prices. Thanks

to this approach, at K-Fastigheter we have successfully managed to keep production costs at levels equivalent to those we began 2021 with. I would like to say that this has been possible because we own and control the entire ecosystem from Project Development and Construction through to Prefab and Property Management. This puts us in a very favorable position compared to companies that are dependent on external suppliers.

As described above, the conditions for the industry as a whole are far worse when it comes to developing new housing while at the same time the cost pressure from higher interest rates is viewed as a dark cloud on our previously clear horizon. My observation is that building rights, which were previously the hottest thing you could lay your hands on, will soon be the first thing companies want to dispose of, partly because the calculation is no longer as attractive and partly because, as an asset class, building rights do not generate any cash flow to counter rising interest rates. In a classic free market economy, lower demand and greater supply mean prices should find their way down. And this is what I am referring to above, when I say that a favorable situation is around the corner for K-Fastigheter. After all, building rights are our most important asset for future growth. Stagnant or falling prices for building rights coupled with production costs that are resisting cost inflation are factors that bode well for continued good fundamental development. Building rights currently account for a high proportion, up to 20 percent, of our total cost, which means that any fall in prices may reduce our total cost.

I rarely miss an opportunity to mention our internal KPI that we term PTV or “production to value”, which describes our total cost in relation to market value, and the PTV for our concept buildings in production amounted to 70 percent at the end of the second quarter. We consider the difference between total cost and market value to be our gross margin in Project Development. As described above, I am confident that we can control the “P”, i.e. the production costs, moving forward, which may possibly benefit from lower costs for building rights. However, the future for the “V”, which stands for market value, is not clear. It is therefore important that I introduce one of our other truly important KPIs, “yield on cost”. This KPI describes the

relationship between expected net operating income and total cost, which amounted to 5.6 percent in our 2,009 apartments in production at the end of the second quarter. During the second quarter, we started construction of 301 apartments in four different projects, half of the apartments are located in Ballerup outside of Copenhagen. The average yield on cost for these 301 apartments is also 5.6 percent. This KPI is unaffected by fluctuations in market value and is very important because we will not sell our properties, instead we will invest in stable cash flows. The development of these stable cash flows is relatively simple for K-Fastigheter to forecast as we know when all of our 2,009 apartments in production will be complete and start generating cash flow.

Over the remainder of the year, we will complete one or more projects by the end of each month, and at the end of the second quarter we had 3,258 apartments under management with a rolling rental value of SEK 402.3 million.

Thanks to our unique business model, we are also creating positive cash flows in Prefab and Construction, where K-Prefab accounts for the majority of positive cash flows generated by a continued strong external market with secure order books that span over one year from now and where we expect to end the year with Prefab's highest annual sales to date. On the external market are we currently in the middle of a large and wide-ranging delivery of 5,000 concrete elements for the Stockholm bypass infrastructure project. K-Prefab, which is subject to

normal seasonal variations, reported gross profit of SEK 36.5 million for the first half-year. The margin is down slightly due to a higher proportion of internal projects that have been priced at a lower margin than external projects, to reduce the cost.

Despite tougher new market conditions compared with when we introduced our current operational and financial targets, I am confident that we will live up to these targets in both the short and long term. During the first half of the year, we delivered growth in profit from property management of as much as 51 percent and growth in net asset value per share of 12 percent. In addition, we are coming out of the second quarter with a financial letting ratio as high as 97.8 percent and growth in profit of 89 percent.

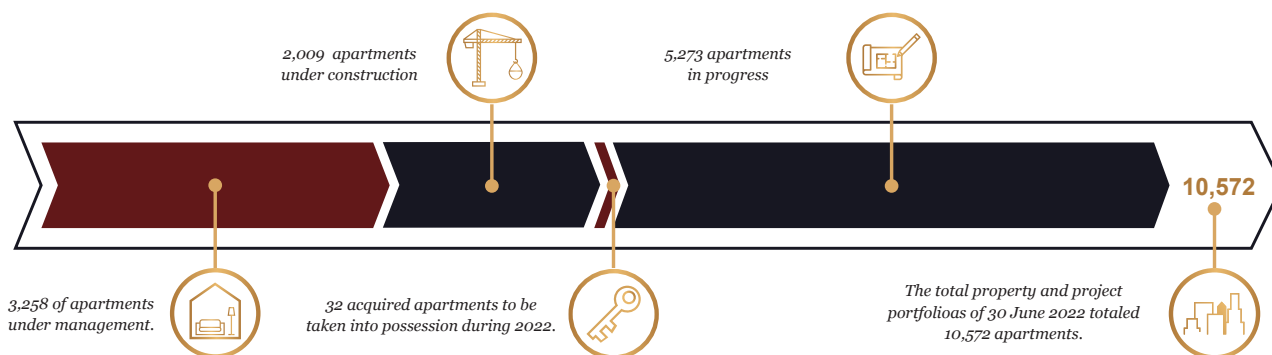
With a credit portfolio in which all of the long-term financing for completed investment properties is provided by major Swedish and Nordic banks and has an average credit term of 2.5 years, combined with 63 percent of the debt portfolio being hedged and our interest rate sensitivity at the end of the quarter totaling only SEK 20.9 million in the event of a 100 basis point rise in interest rates, we feel secure in the prevailing interest rate situation.

As always, we are maintaining a high tempo in all of our business areas, which are progressing at an even pace. Project Development is currently actively working on planning permission documents and applications for approximately 1,600 apartments, and construction

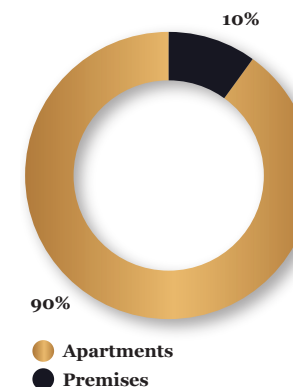
of 545 apartments began during the year. K-Prefab has full order books and looks set to deliver record sales with internal projects accounting for one-third and the external market accounting for two-thirds respectively. The Construction business area is also at an all-time high with as many as 2,009 apartments in production, of which 545 began being constructed during the first half of the year. I would also like to mention here that construction on our first project in the K-Commercial concept began during the quarter. The first project was Kv. Rusthällaren, which covers 17 stories and 8,000 square meters of non-residential floor area in central Häsleholm. The Property Management business area is growing every month now that we have increased the rate of completed projects. The conditions look undeniably good for achieving our goal of 5,000 apartments under management by the end of 2023. Despite strong growth and new market conditions, we have been successful at maintaining or improving our KPIs.

I am convinced that all of our business areas will grow with positive cash flows, even in a market climate with high inflation and normalized interest rates. ■

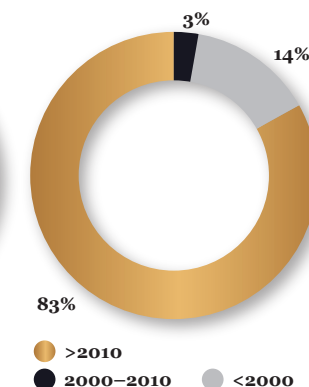
- Jacob Karlsson, July 2022



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



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



# PROPERTY PORTFOLIO AND VALUATION

## Property portfolio

On 30 June 2022, the Group's property portfolio comprised 101 completed investment properties<sup>1</sup> distributed over a total of 208,423 square meters of residential and 46,951 square meters of commercial space.

In addition, the Group had 27 ongoing construction projects, distributed over 135,091 square meters of residential and 1,140 square meters of commercial space, as well as the construction of Håssleholm Rusthållaren 3 & 4, which 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 28 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 16 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 83 percent of properties were constructed after 2010. Newsec assesses that all are located in category A or B positions in the communities where the Group operates. As of 30 June 2022, contractual rent amounted to SEK 393.3 million, with an estimated operating surplus of SEK 296.0 million, corresponding to a surplus ratio of some 75 percent. For newly produced concept buildings, the corresponding potential surplus ratio is some 81 percent, and approximately 68 percent for other properties in the portfolio. Of the contractual rent, 87 percent pertains to housing or related rentals (such as parking) divided between the 3,258 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 160 commercial contracts, with the largest tenant comprising approximately 2 percent of total contractual rental income and the 10 largest commercial tenants comprising approximately 5 percent of total contractual rental income.

K-Fastigheter's management operations are divided into three regions: South, West and East. Of the property holding, 91 percent of property values are located in region South, encompassing Skåne, Denmark and southern Småland. Region West encompasses Halland and the Västra Götaland region. Region East includes the Mälardalen region and Nyköping and Gävle. On 30 June 2022, 96 percent of the market value and contractual rent related to investment properties in Sweden and 4 percent related to investment properties in Denmark.

## Valuation

Each quarter, K-Fastigheter conducts an external or internal valuation of all completed investment properties and properties in construction. As of 30 June 2022, all properties have been valued by an independent external valuer. The valuation forms the basis for fair value recognized in the Consolidated Statement of Financial Position and the 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 11,631.6 million (9,603.7), distributed over completed investment properties of SEK 8,521.5 million (6,923.4), undeveloped land and building rights of SEK 667.2 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,424.9 million (1,940.0). During the period, SEK 886.8 million (641.7) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 563.8 million (165.9). Sales of building rights totaling SEK 8.2 million (16.6) were completed in the period.

Unrealized changes in value for Investment properties totaled SEK 556.4 million (398.1) for the period, distributed over SEK 138.9 million (107.9) for properties under management and SEK 417.4 million (290.2) for construction projects in progress.

At the end of the period the direct return requirement in the valuation of new construction in progress amounted to 3.75 percent (3.87) compared to 3.77 percent at the end of 2021. On completion, the estimated market value of the new construction projects in progress amounted to SEK 6,171.7 million (4,765.0).

At the end of the period, the average direct return requirement for properties under management amounted to 3.78 percent (4.05) compared to 3.82 percent at the end of 2021. For the full property portfolio, including undeveloped land, building rights and ongoing construction, the average direct return was 3.77 percent (3.97), compared to 3.80 percent at the end of 2021.

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

Property-related key performance indicators	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>Opening carrying amount, investment properties</b>	<b>9,603.7</b>	<b>6,853.5</b>	<b>6,853.5</b>
+ Acquisitions	563.8	165.9	292.6
+ New construction	878.6	632.7	1,326.3
+ Extensions and rebuilds	8.2	9.0	40.2
- Divestments	-8.2	-16.6	-51.0
- Other reclassifications and obsolescence	29.4	1.0	3.1
Unrealized value changes	556.1	398.1	1,139.1
<i>of which, completed investment properties</i>	<i>145.0</i>	<i>111.6</i>	<i>434.5</i>
<i>of which, undeveloped land and building rights</i>	<i>-6.3</i>	<i>-3.6</i>	<i>-2.9</i>
<i>of which, ongoing construction</i>	<i>417.4</i>	<i>290.2</i>	<i>707.4</i>
<b>Closing carrying amount, investment properties</b>	<b>11,631.6</b>	<b>8,043.6</b>	<b>9,603.7</b>
<i>of which, completed investment properties</i>	<i>8,521.5</i>	<i>5,440.0</i>	<i>6,923.4</i>
<i>of which, undeveloped land and building rights</i>	<i>667.2</i>	<i>741.1</i>	<i>722.3</i>
<i>of which, site leaseholds</i>	<i>18.0</i>	<i>18.0</i>	<i>18.0</i>
<i>of which, construction in progress</i>	<i>2,424.9</i>	<i>1,844.5</i>	<i>1,940.0</i>
Rental value, SEK million	402.3	281.4	328.0
Rental income at end of period, SEK/m <sup>2</sup>	1,540	1,441	1,487
Direct property costs, SEK/m <sup>2</sup>	381	386	374
Operating surplus, SEK/m <sup>2</sup>	1,159	1,054	1,113
Financial letting ratio at the end of the period	97.8%	96.2%	97.0%
Average financial letting ratio over period	95.3%	90.4%	92.7%
Surplus ratio over period	67.8%	63.6%	66.2%
Lettable area, m <sup>2</sup>	255,374	187,854	213,952
Number of homes under management	3,258	2,305	2,723
Direct return on completed investment properties	3.78%	4.05%	3.82%
Direct return requirement, construction in progress	3.75%	3.87%	3.77%
Direct return requirement, all valued properties	3.77%	3.97%	3.80%
<i>Of which housing</i>	<i>3.63%</i>	<i>3.82%</i>	<i>3.67%</i>
<i>of which premises</i>	<i>5.14%</i>	<i>5.00%</i>	<i>5.06%</i>

### Investment properties

Per building category	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Letting ratio	Contractual rent	Property costs		Operating surplus	
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	%	SEK m	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>
Concept buildings	2,053	127,369	2,240	129,609	5,358.6	41,344	232.3	1,793	98.4%	228.6	32.6	251	196.1	1,513
Other	1,205	81,054	30,990	112,044	3,052.3	27,242	159.5	1,424	97.4%	155.4	39.9	356	115.6	1,031
<b>Total excluding development properties</b>	<b>3,258</b>	<b>208,423</b>	<b>33,230</b>	<b>241,653</b>	<b>8,410.9</b>	<b>34,806</b>	<b>391.9</b>	<b>1,622</b>	<b>98.0%</b>	<b>384.1</b>	<b>72.4</b>	<b>300</b>	<b>311.6</b>	<b>1,290</b>
Development properties	0	0	13,721	13,721	110.6	8,061	10.4	761	88.6%	9.3	3.2	231	6.1	444
<b>Total including development properties</b>	<b>3,258</b>	<b>208,423</b>	<b>46,951</b>	<b>255,374</b>	<b>8,521.5</b>	<b>33,369</b>	<b>402.3</b>	<b>1,575</b>	<b>97.8%</b>	<b>393.3</b>	<b>75.6</b>	<b>296</b>	<b>317.7</b>	<b>1,244</b>

### Per geographical region

South	2,997	193,398	35,968	229,366	7,759.3	33,829	365.4	1,593	97.9%	357.6	68.9	300	288.7	1,258
West	117	5,664	10,163	15,827	374.0	23,631	19.0	1,201	94.7%	18.0	3.5	220	14.5	917
East	144	9,361	820	10,181	388.2	38,130	17.9	1,761	99.2%	17.8	3.2	315	14.6	1,431
<b>Total</b>	<b>3,258</b>	<b>208,423</b>	<b>46,951</b>	<b>255,374</b>	<b>8,521.5</b>	<b>33,369</b>	<b>402.3</b>	<b>1,575</b>	<b>97.8%</b>	<b>393.3</b>	<b>75.6</b>	<b>296</b>	<b>317.7</b>	<b>1,244</b>

Property administration	21.7	85
<b>Operating surplus incl. property administration</b>	<b>296.0</b>	<b>1,159</b>

### Construction projects in progress<sup>1)</sup>

By concept building	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>2)</sup>		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount
Concept buildings	1,930	128,947	0	128,947	5,908.7	45,823	269.8	2,093	4,135.6	2,091.8	2,780.5
Other	79	6,144	1,140	7,284	262.9	36,095	12.5	1,720	218.7	122.6	152.4
<b>Total</b>	<b>2,009</b>	<b>135,091</b>	<b>1,140</b>	<b>136,231</b>	<b>6,171.7</b>	<b>45,303</b>	<b>282.4</b>	<b>2,073</b>	<b>4,354.3</b>	<b>2,214.4</b>	<b>2,932.9</b>

### Per geographical region

South	1,148	78,706	0	78,706	3,463.7	44,008	162.6	2,066	2,472.2	1,383.0	1,747.4
West	442	28,573	0	28,573	1,449.0	50,712	63.5	2,224	984.9	450.6	690.0
East	419	27,812	1,140	28,952	1,259.0	43,485	56.2	1,943	897.3	380.7	495.5
<b>Total</b>	<b>2,009</b>	<b>135,091</b>	<b>1,140</b>	<b>136,231</b>	<b>6,171.7</b>	<b>45,303</b>	<b>282.4</b>	<b>2,073</b>	<b>4,354.3</b>	<b>2,214.4</b>	<b>2,932.9</b>

### Project development in progress<sup>1)</sup>

By concept building	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>2)</sup>		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount
Concept buildings	5,251	317,733	686	318,419	13,445.1	42,225	594.1	1,866	10,036.4	84.1	84.1
Other	22	1,740	0	1,740	49.9	28,670	2.6	1,494	43.9	0.0	0.0
<b>Total</b>	<b>5,273</b>	<b>319,473</b>	<b>686</b>	<b>320,159</b>	<b>13,495.0</b>	<b>42,151</b>	<b>596.7</b>	<b>1,864</b>	<b>10,080.3</b>	<b>84.1</b>	<b>84.1</b>

### Per geographical region

South	2,470	147,069	686	147,755	6,024.6	40,774	283.9	1,922	4,462.8	54.1	54.1
West	1,240	75,350	0	75,350	3,017.2	40,042	114.9	1,525	2,337.3	7.4	7.4
East	1,563	97,054	0	97,054	4,453.2	45,884	197.9	2,039	3,280.2	22.6	22.6
<b>Total</b>	<b>5,273</b>	<b>319,473</b>	<b>686</b>	<b>320,159</b>	<b>13,495.0</b>	<b>42,151</b>	<b>596.7</b>	<b>1,864</b>	<b>10,080.3</b>	<b>84.1</b>	<b>84.1</b>

### Summary<sup>1)</sup>

	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Carrying amount
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	SEK m
Completed investment properties	3,258	208,423	46,951	255,374	8,521.5	33,369	402.3	1,575	8,521.5
Construction projects in progress	2,009	135,091	1,140	136,231	6,171.7	45,303	282.4	2,073	2,932.9
Project development in progress	5,273	319,473	686	320,159	13,495.0	42,151	596.7	1,864	84.1
New construction projects other									46.6
Undeveloped land									28.6
Acquired but not yet possessed	32	3,307	0	3,307	145.4	43,976	6.8	2,050	0.0
Site leaseholds									18.0
<b>Total</b>	<b>10,572</b>	<b>666,294</b>	<b>48,777</b>	<b>715,071</b>	<b>28,333.6</b>	<b>39,623</b>	<b>1,288.1</b>	<b>1,801</b>	<b>11,631.6</b>

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

<sup>2)</sup> Accrued investment refers to the total costs incurred in each construction project. The carrying amount refers to the consolidated value adjusted for Group eliminations and includes the calculated change of SEK 962.0 million in the value of investment properties.

## CURRENT EARNINGS ABILITY

The table to the right presents the earnings ability of K-Fastigheter's property management operations on a 12-month basis as per 30 June 2022. Earnings ability is not a forecast for the current year or the next twelve months but is to be viewed solely as a theoretical snapshot and is presented for illustrative purposes only. Current earnings ability does not include an assessment of future rent trends, vacancy rates, property costs, interest rates, value changes, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 30 June 2022 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. Transactions and completion of ongoing new construction projects with a transfer and completion date after 30 June 2022 have therefore not been included in the calculation.

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

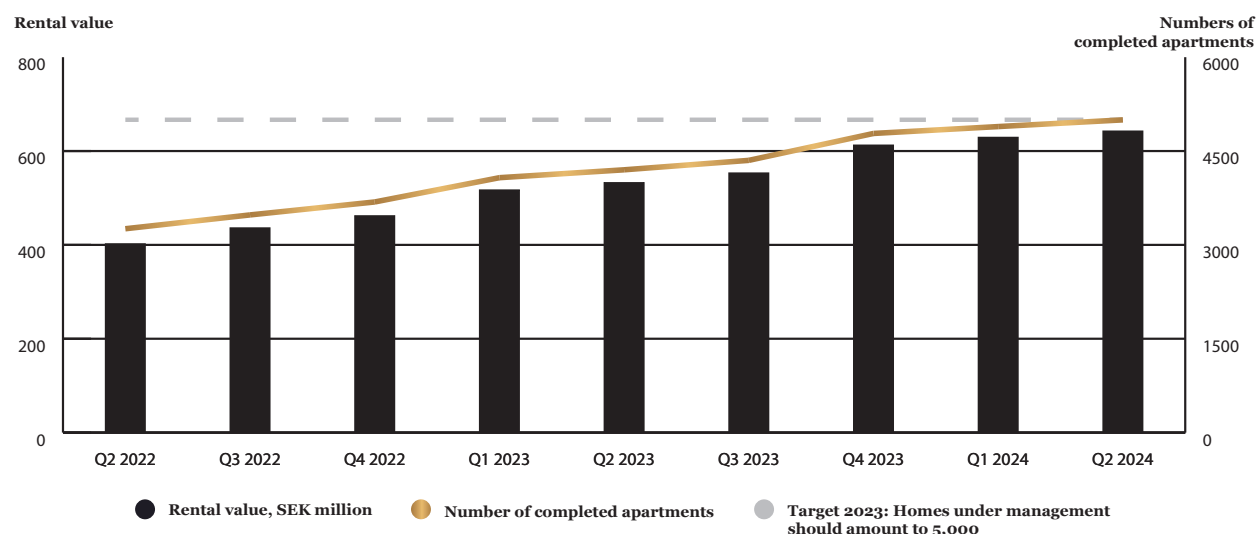
Earnings ability is based on contract rental income from the property portfolio, estimated property costs on an annual basis based on historical outcomes for properties under management, as well as property costs and central administration costs relating to the Property Management business area estimated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

SEK m	2022 30 Jun	2021 31 Dec	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	402.3	328.0	265.1	196.6	133.4
Vacancy	-9.0	-9.8	-23.4	-6.1	-0.9
Rental income	393.3	318.2	241.7	190.5	132.5
Operating costs	-58.8	-42.7	-35.6	-27.0	-19.4
Maintenance	-13.2	-11.0	-9.0	-7.3	-5.6
Property tax/ground rent	-3.7	-3.5	-3.0	-2.6	-1.6
Property administration	-21.7	-22.7	-19.2	-15.0	-12.8
Operating surplus	296.0	238.2	174.9	138.6	93.0
Central administration	-18.3	-10.2	-11.2	-9.6	-4.3
Net interest income	-94.0	-73.0	-51.4	-46.9	-29.0
Profit from property management	183.7	155.0	112.3	82.1	59.7

### Expected rental trend and number of apartments

The following diagram illustrates current rental values for completed investment properties as of 30 June 2022 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 30 June 2022 at a pace with these properties being completed or handed over.

The information about completed properties, construction projects in progress and acquired but not yet handed over investment properties includes estimates and judgments. Rental value refers to contractual rent plus estimated rent for vacancies. The estimates and judgments involve uncertainties and the disclosures in the table should not be viewed as a forecast.



## FINANCING

### *Liabilities and derivatives portfolio*

At the end of the period, K-Fastigheter financed its assets exclusively through bilateral loans with Nordic banks. At the end of the period, consolidated interest-bearing liabilities amounted to SEK 7,326.7 million (5,943.9), of which SEK 1,365.9 million (947.5) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 4,920.2 million (4,017.8), construction credits of SEK 1,346.7 million (1,057.9), leasing liabilities of SEK 93.1 million (92.7), operating and acquisition credits of SEK 716.7 million (525.6) and a promissory note relating to the acquisition of K-Prefab of SEK 250.0 m (250.0). The debt-to-equity ratio for the Group amounted to 53.0 percent (51.8).

At the end of the period, the Group had contracted credit agreements of SEK 8,622.2 million (7,282.4), of which SEK 4,920.2 million (4,017.8) related to the financing of completed investment and business properties, of which SEK 1,177.5 million (790.2) mature for renegotiation within the next 12 months. Beyond the financing of completed business properties, contracted credit agreements comprise building credits of SEK 2,614.5 million (2,132.1) and operating and acquisition credits of SEK 837.5 million (882.5), of which SEK 337.5 million and SEK 100 million relate to acquisition financing of K-Prefab and Mjögåcks Entreprenad AB respectively. At the end of the period, building credits and operating and acquisition credits had been utilized at an amount of SEK 1,346.7 million (1,057.9) and SEK 716.7 million (525.6) respectively.

As per 30 June 2022, the average credit term for the Group's interest-bearing liabilities, relating to acquisition financing and completed investment properties and operational premises was 2.5 years (2.8).

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 3,271.8 million (3,200.0) at the end of the period. At the end of the period, the fair value of the interest derivative portfolio was SEK 353.1 million (36.4). The average interest period for the Group's interest-bearing liabilities related to acquisition financing, investment and business properties was 3.6 years (4.4), and the average interest rate was 1.81 percent (1.85), including the effects of interest rate derivatives, and 1.88 percent (1.40) excluding the effects of interest rate derivatives. The total proportion of variable interest in relation to interest bearing liabilities related to acquisition financing, investment and business properties was 37 percent (29), and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 20.9 million (14.0).

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

Financial targets	Financial targets	Financial covenants	Actual 30 Jun 2022
Debt-to-equity ratio, %	max. 70%		53.0 %
Equity/assets ratio, %	min. 25%	min. 25%	35.7 %
Interest coverage ratio, multiple*	min. multiple of 1.75	min. multiple of 1.50	multiple of 3.0

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

### *Credit and interest maturity structure, 30 Jun 2022 (excl. construction credits and operating credits)*

Term	Interest maturity		Credit maturity		Derivatives maturity		
	Amount, SEK million	Average interest, %	Credit agreements, SEK million	Utilized, SEK million	Interest-rate derivatives	Interest, %	Value, SEK million
0–1 years	2,435.9	1.88%	1,177.5	1,177.5	100.0	0.50%	0.1
1–2 years	200.0	1.79%	889.0	889.0	200.0	0.42%	6.3
2–3 years	300.0	1.74%	1,170.7	1,170.7	300.0	0.37%	16.1
3–4 years	100.0	2.39%	1,990.1	1,990.1	100.0	1.02%	5.1
4–5 years	400.0	1.74%	264.2	264.2	400.0	0.37%	38.2
> 5 years	2,171.8	2.07%	116.2	116.2	2,171.8	0.70%	287.2
<b>Total</b>	<b>5,607.7</b>	<b>1.81%</b>	<b>5,607.7</b>	<b>5,607.7</b>	<b>3,271.8</b>		<b>353.1</b>

## COMPREHENSIVE INCOME JANUARY–JUNE 2022

The following profit and cash flow items relate to the period 1 January - 30 June 2022. Comparative items relate to the corresponding period in the previous year. Balance Sheet items and comparative figures relate to the position at the end of the period in the current and previous year. All amounts are indicated in SEK million.

The impact of the Covid-19 pandemic and the war in Ukraine on management, project and construction operations has been limited to date, and K-Fastigheter has not experienced any significant impact on its results of operations or financial position in the period up until the publication of this report.

### **Income**

For the second quarter 2022, comprehensive income amounted to SEK 404.5 million (336.5) and SEK 756.8 million (623.0) in the period. Rental income amounted to SEK 93.9 million (63.0) for the second quarter and to SEK 173.2 million (122.5) for the period, which is an increase of 49 and 41 percent respectively year-on-year. The increase was primarily due to more apartments under management, which increased by 41 percent to 3,258 (2,305). The financial letting ratio gradually improved in the period and was 97.8 percent (96.2) at the end of the period.

Income from project and construction operations for the second quarter amounted to SEK 505.0 million (459.1) and to SEK 969.6 million (831.1) for the period, of which SEK 399.2 million (334.3) related to construction for Group companies that has been capitalized for the Group's own purposes. The increase was due to higher activity in the construction of apartments for proprietary management and at the end of the period 2,009 apartments (1,699) were in production, which was an increase of 18 percent compared to the corresponding period in 2021. External income for project and contracting sales amounted to SEK 570.4 million (496.8) in the period, of which Prefab's income was SEK 567.4 million (495.6). In Prefab, total income for the period amounted to SEK 668.3 million (529.2), of which SEK 97.2 million (31.5) related to intra-Group sales. The increase is partly due to organic growth, primarily from increased intra-Group sales as all of the intra-Group constructions are placed in

Prefab, and partly due to the acquisitions of Strängnäs Prefab and GH Sydgv. The level of activity at Prefab is still high and occupancy for the coming year is good.

### **Operating costs**

Property management costs totaled SEK 63.9 million (45.5) for the period, corresponding to an increase of 40 percent year-on-year. Operating surplus amounted to SEK 117.3 million (77.8). The increase in costs and operating surplus were primarily due to more properties under management. The surplus ratio for the second quarter amounted to 71.8 percent (67.2) and to 67.8 percent (63.6) for the period. The surplus ratio in the period was positively affected by a gradually increased letting ratio. The average letting ratio was 95.3 percent (90.4) in the period, and 97.8 percent (96.2) at the end of the period. Operating costs for management operations normally vary according to a seasonal pattern, where costs are higher in the first and fourth quarters compared to the other quarters, which also affects the surplus ratio for these periods.

Costs relating to the project and construction operations comprise direct project-related costs and fixed costs associated with the Construction and Prefab organization. Operations related to external construction and production is 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 -1.5 million (14.0) and SEK 36.5 million (34.9) for Prefab. Gross profit in the Construction business area in the period was positively impacted by high activity in intra-Group projects and negatively impacted by increased organization costs incurred to support future growth. Prefab's gross profit was positively affected by increased income from external and intra-Group sales, while increased raw materials prices, mainly on steel, cement and mold materials, fuel prices and increased personnel costs associated with the Covid-19 pandemic, had a negative effect on profit.

### **Central administration costs, depreciation/amortization and impairment**

Central administration, which includes Group-wide management, business development, project development, IR/communications and market, HR, IT and finance, amounted to SEK 36.6 million (18.6) for the period. The increase is driven in almost equal proportion by non-recurring costs (for example investment in a new Group wide accounting system) and continuous investments in the organization to support future growth.

Depreciation/amortization and impairment for the period amounted to SEK 30.8 million (25.0), of which depreciation/amortization and impairment attributable to Prefab's operations was SEK 28.0 million (22.5), of which SEK 5.5 million (5.5) was attributable to amortization of intellectual property rights for the period. Total depreciation/amortization in the period was SEK 29.6 M (22.7). Impairment for the period amounted to SEK 1.1 million (2.3) and relates to obsolescence of construction components in connection with the Group's K-Fast 2.0 renovation program of SEK 0.3 million (0.7) and impairment of receivables of SEK 0.8 million (1.6).

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

Profit from participations in associated and jointly controlled companies amounted to SEK 2.4 million (4.6). Profit was primarily affected by K-Fastigheter's share of profit in PVS Mark & VA Holding AB, Mjölback's Entreprenad AB and Novum Samhällsfastigheter AB, which amounted to SEK 3.2 million in the period.

### **Net interest income**

Net interest income for the period was SEK -46.7 million (-33.4). At the end of the period, the average interest rate was 1.81 percent (1.76), including the effects of interest rate derivatives. Interest expenses in the period compared to the equivalent period in the previous year, were negatively affected by increased interest-bearing liabilities

relating to acquisition of investment properties and new construction. Additional interest expenses relating to acquisition credits totaled SEK 5.9 million (5.4). The interest coverage ratio amounted to 2.5 (3.4) for the period and 3.0 (3.0) for the rolling 12 months. The ratio was affected by weaker profits in the construction operations during the first half of the year, higher costs in general for central administration and lower net interest income.

### ***Profit from property management***

Profit from property management amounted to SEK 41.3 million (25.1) for the second quarter and to SEK 67.3 million (44.6) for the period, an increase of 65 and 51 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.31 (0.21), which is an increase of 51 percent year-on-year. The increase is primarily due to higher rental income resulting from more apartments under management and to a gradual improvement in the surplus ratio resulting from a higher average financial letting ratio.

### ***Value changes***

Unrealized value changes in investment properties for the fourth quarter were SEK 316.4 million (235.2) and SEK 556.4 million (398.1) for the period, distributed over SEK 138.9 million (107.9) for properties under management and SEK 417.4 million (290.2) for construction projects in progress. The increase relating to ongoing new construction was mainly due to increased activity in project development and construction of apartments for property management. The increase in properties under management was mainly due to improved net operating income, partly due to annual rent increases and to a lesser extent to lower direct return requirements, despite the continued stable market situation for much of spring. In total, the increase in the period corresponded to 1.6 percent of the total value of properties under management at the end of the period.

The average direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 3.77 percent (3.97) at the end of the period, which can be compared to 3.80 percent at the end of 2021. The decrease was partly attributable to a lower direct return due to the stable market price development, and because K-Fastigheter's property portfolio increasingly consists of a relatively higher proportion of residential units in better locations. For more information, see Property portfolio and Valuation.

Changes in the value of derivatives and other items amounted to SEK 305.2 million (26.7) for the period. The trend in the period was primarily caused by higher market rates, which had a positive impact on the market value of the Group's interest rate derivatives. The fair value of the Group's interest rate and derivatives derivatives was SEK 342.1 million (-0.5) at the end of the period. The value change in interest rate derivatives does not affect cash flow, and at maturity the value of the derivatives is always zero.

### ***Tax***

Current tax for the period amounted to SEK 8.5 million (5.6). Deferred tax amounted to SEK 196.2 million (102.4), affected by unrealized value changes in properties totaling SEK 556.4 million (398.1). Tax has been calculated at 20.6 percent on current taxable profit.

### ***Profit, comprehensive income and other comprehensive income for the period***

Profit for the second quarter was SEK 369.2 million (202.9), and SEK 697.4 million (371.1) for the period, corresponding to SEK 3.24 (1.72) per share. Comprehensive income for the period totaled SEK 709.9 million (372.6). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 12.5 million (1.5) in the period. The full amount relates to items that can be reversed in a later period.



## FINANCIAL POSITION AS PER 30 JUNE 2022

### ***Intangible assets***

Intangible assets comprise goodwill and other intangible assets primarily arising in the connection with the acquisition of K-Prefab. At the end of the period, goodwill amounted to SEK 443.6 million (440.6) and other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 38.6 million (44.1).

### ***Investment properties***

At the end of the period, the value of investment properties totaled SEK 11,631.6 million (9,603.7), distributed over completed investment properties of SEK 8,521.5 million (6,923.4), undeveloped land and building rights of SEK 667.2 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,424.9 million (1,940.0). For more information, see Property portfolio and Valuation.

### ***Business properties and equipment***

The value of business properties and equipment amounted to SEK 453.0 million (448.4) at the end of the period and SEK 194.4 million (189.8) respectively. In the period, further investments were made to Prefab's facilities with the aim of increasing the production capacity.

### ***Cash and cash equivalents***

At the end of the period, cash and cash equivalents amounted to SEK 52.1 million (94.0). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 120.8 million (356.9). After the end of the quarter, credit agreements were signed with a higher limit totaling SEK 250.0 million.

### ***Equity and Net Asset Value***

At the end of the period, Group equity attributable to Parent Company shareholders amounted to SEK 4,943.5 million (4,233.7), corresponding to SEK 22.96 per share (19.66). The increase is explained by the comprehensive income for the period of SEK 709.9 million (372.6). At the end of the period, the Group's equity/asset ratio was 35.7 percent (36.9).

At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,583.2 million (4,976.1), corresponding to SEK 25.93 per share (23.11), which is an increase of 12 percent compared to 31 December 2021 and up 33 percent on 30 June 2021.

### ***Interest-bearing liabilities and interest rate derivatives***

At the end of the period, consolidated interest-bearing liabilities amounted to SEK 7,326.7 million (5,943.9), of which SEK 1,365.9

million (947.5) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to 53.0 percent (51.8). The increase in interest-bearing liabilities was primarily due to financing of ongoing new construction, as well as acquisitions in the period. For more information, see Financing.



# COMPREHENSIVE INCOME

## SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2022 Apr– Jun	2021 Apr– Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jul –2022 Jun	2021 Jan–Dec
Rental income	93.9	63.0	173.2	122.5	316.6	265.9
Project and construction income	300.8	271.7	570.4	496.8	1,049.7	976.1
<b>Net sales</b>	<b>394.7</b>	<b>334.7</b>	<b>743.5</b>	<b>619.3</b>	<b>1,366.3</b>	<b>1,242.1</b>
Other operating income	9.8	1.7	13.3	3.7	20.3	10.7
Operating costs	-23.1	-10.1	-42.7	-23.4	-71.6	-52.3
Maintenance	-3.8	-4.2	-6.9	-7.0	-12.2	-12.4
Property tax	-1.6	-1.4	-3.2	-3.0	-5.9	-5.7
Property administration	-5.8	-5.3	-11.1	-12.1	-21.7	-22.7
Property management costs	-34.2	-20.9	-63.9	-45.5	-111.5	-93.1
Project and contracting costs	-276.1	-240.4	-540.7	-450.7	-971.7	-881.8
<b>Gross profit</b>	<b>94.1</b>	<b>75.1</b>	<b>152.3</b>	<b>126.7</b>	<b>303.4</b>	<b>277.9</b>
<i>of which, gross profit from property management (operating surplus)</i>	<i>67.4</i>	<i>42.3</i>	<i>117.3</i>	<i>77.8</i>	<i>215.6</i>	<i>176.1</i>
<i>of which, gross profit from project and contracting operations</i>	<i>26.7</i>	<i>32.8</i>	<i>34.9</i>	<i>48.9</i>	<i>87.8</i>	<i>101.8</i>
Central administration	-19.0	-10.2	-36.6	-18.6	-58.8	-40.7
Depreciation/Amortization and Impairment	-15.9	-19.6	-30.8	-25.0	-63.9	-58.2
Profit from participations in associated and jointly controlled companies	-0.9	1.1	2.4	4.6	21.1	23.3
Net interest income	-23.6	-17.5	-46.7	-33.4	-88.9	-75.6
<b>Profit before value changes</b>	<b>34.7</b>	<b>28.9</b>	<b>40.6</b>	<b>54.3</b>	<b>112.9</b>	<b>126.6</b>
<i>of which, profit from property management</i>	<i>41.3</i>	<i>25.1</i>	<i>67.3</i>	<i>44.6</i>	<i>124.1</i>	<i>101.4</i>
Change in value of investment properties	316.4	235.2	556.4	398.1	1,297.3	1,139.1
Changes in value of derivatives and other	125.4	0.2	305.2	26.7	344.5	66.0
<b>Profit before tax</b>	<b>476.6</b>	<b>264.4</b>	<b>902.1</b>	<b>479.1</b>	<b>1,754.7</b>	<b>1,331.7</b>
Tax on profit for the period	-107.4	-61.4	-204.9	-108.0	-384.0	-287.3
<b>Profit for the period</b>	<b>369.2</b>	<b>202.9</b>	<b>697.4</b>	<b>371.1</b>	<b>1,370.7</b>	<b>1,044.4</b>
Other comprehensive income	10.4	-2.2	12.5	1.5	14.7	3.8
<b>Comprehensive income for the period</b>	<b>379.6</b>	<b>200.7</b>	<b>709.9</b>	<b>372.6</b>	<b>1,385.4</b>	<b>1,048.1</b>
<b>Profit after tax per share, SEK/share*</b>	<b>1.71</b>	<b>0.94</b>	<b>3.24</b>	<b>1.72</b>	<b>6.37</b>	<b>4.85</b>

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

## Segment reporting

2022 Jan–Jun	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
<b>Gross profit</b>	<b>117.3</b>	<b>0.0</b>	<b>-1.5</b>	<b>36.5</b>	<b>0.0</b>	<b>152.3</b>
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 interest income	-39.5	0.0	-0.1	-7.1	0.0	-46.7
<b>Profit before value changes</b>	<b>67.3</b>	<b>-9.2</b>	<b>-12.2</b>	<b>-7.8</b>	<b>2.4</b>	<b>40.6</b>
Value change, properties	138.9	417.4	0.0	0.0	0.0	556.4
Changes in value of derivatives and other	312.3	0.0	-7.1	0.0	0.0	305.2
<b>Profit before tax</b>	<b>518.5</b>	<b>408.3</b>	<b>-19.3</b>	<b>-7.8</b>	<b>2.4</b>	<b>902.1</b>
Tax	-92.9	-86.0	1.5	1.6	-28.9	-204.7
<b>Profit for the period</b>	<b>425.6</b>	<b>322.3</b>	<b>-17.8</b>	<b>-6.2</b>	<b>-26.5</b>	<b>697.4</b>
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
2021 Jan–Jun	Property Management	Project development	Construction	Prefab	Other	Group
Income	123.3	0.0	304.7	529.2	-334.3	623.0
Expenses	-45.5	0.0	-290.6	-494.4	334.3	-496.3
<b>Gross profit</b>	<b>77.8</b>	<b>0.0</b>	<b>14.0</b>	<b>34.9</b>	<b>0.0</b>	<b>126.7</b>
Central administration costs	-4.6	-4.6	-4.6	-4.6	0.0	-18.6
Depreciation/Amortization and Impairment	-1.3	0.0	-1.2	-22.5	0.0	-25.0
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	4.6	4.6
Net interest income	-27.3	0.0	0.0	-6.1	0.0	-33.4
<b>Profit before value changes</b>	<b>44.6</b>	<b>-4.6</b>	<b>8.1</b>	<b>1.7</b>	<b>4.6</b>	<b>54.3</b>
Value change, properties	107.9	290.2	0.0	0.0	0.0	398.1
Changes in value of derivatives and other	26.7	0.0	0.0	0.0	0.0	26.7
<b>Profit before tax</b>	<b>179.2</b>	<b>285.5</b>	<b>8.1</b>	<b>1.7</b>	<b>4.6</b>	<b>479.1</b>
Tax	-27.7	-59.8	0.0	0.0	-20.5	-108.0
<b>Profit for the period</b>	<b>151.5</b>	<b>225.8</b>	<b>8.1</b>	<b>1.7</b>	<b>-15.9</b>	<b>371.1</b>
Total assets	8,158.1	0.0	29.6	1,277.9	174.8	9,640.3
Total liabilities	5,014.9	0.0	84.2	917.0	41.7	6,057.9

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

# FINANCIAL POSITION

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>ASSETS</b>			
<b>Tangible non-current assets</b>			
Intangible assets	482.2	490.2	484.7
Investment properties	11,631.6	8,043.6	9,603.7
Business properties	453.0	394.0	448.4
Equipment	194.4	168.8	189.8
<b>Total non-current assets</b>	<b>12,761.2</b>	<b>9,096.6</b>	<b>10,726.6</b>
<b>Financial non-current assets</b>			
Holdings in associated and jointly controlled companies and other non-current receivables	264.5	57.3	243.5
Derivative instruments	342.1	0.0	37.0
Deferred tax receivables	22.5	16.4	17.1
<b>Total financial non-current assets</b>	<b>629.1</b>	<b>73.7</b>	<b>297.5</b>
<b>Total non-current assets</b>	<b>13,390.4</b>	<b>9,170.4</b>	<b>11,024.1</b>
<b>Current assets</b>			
Inventories	73.9	52.0	51.7
Accounts receivable	133.4	128.2	105.3
Other receivables	180.2	210.3	207.6
Cash and cash equivalents	52.1	79.5	94.0
<b>Total current assets</b>	<b>439.6</b>	<b>470.0</b>	<b>458.6</b>
<b>Total assets</b>	<b>13,830.0</b>	<b>9,640.3</b>	<b>11,482.7</b>

SEK m	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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	3,513.2	2,152.1	2,803.4
<b>Total Equity</b>	<b>4,943.5</b>	<b>3,582.4</b>	<b>4,233.7</b>
<b>Non-current liabilities</b>			
Deferred tax liability	1,004.3	623.5	796.4
Long-term interest-bearing liabilities	5,960.8	4,039.7	4,996.4
Derivative instruments	0.0	0.5	0.0
Other provisions and non-current liabilities	18.7	8.0	13.7
<b>Total non-current liabilities</b>	<b>6,983.8</b>	<b>4,671.7</b>	<b>5,806.5</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	1,365.9	946.0	947.5
Accounts payable	214.4	166.1	177.2
Other current liabilities	322.3	274.1	317.8
<b>Total current liabilities</b>	<b>1,902.6</b>	<b>1,386.2</b>	<b>1,442.5</b>
<b>Total equity and liabilities</b>	<b>13,830.0</b>	<b>9,640.3</b>	<b>11,482.7</b>

## Consolidated statement of changes in Equity in summary

SEK m	2022 30 Jun	2021 30 Jun	2021 31 Dec
<b>Total Equity at the beginning of the period</b>	<b>4,233.7</b>	<b>3,209.8</b>	<b>3,209.8</b>
Repurchase of own shares	0.0	0.0	-24.3
Profit for the period	697.4	371.1	1,044.4
Other comprehensive income	12.5	1.5	3.8
<b>Total Equity at the end of the period*</b>	<b>4,943.5</b>	<b>3,582.4</b>	<b>4,233.7</b>

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

## CASH FLOW STATEMENT

### Summary Consolidated Cash Flow Statement

SEK m	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
<b>Operating activities</b>					
Gross profit adjusted for central administration, depreciation/amortization and impairment	59.2	45.3	84.9	83.1	179.0
Adjustment for items not affecting cash flow	14.1	16.6	27.2	22.7	45.7
Dividend received	0.0	1.1	3.2	4.6	0.0
Net interest income	-23.6	-17.5	-46.7	-33.5	-74.8
Tax paid	2.3	-1.0	-7.3	-2.9	-4.3
<b>Cash flow from operating activities before changes in working capital</b>	<b>52.1</b>	<b>44.6</b>	<b>61.3</b>	<b>74.1</b>	<b>145.6</b>
Change in operating receivables	6.8	-20.5	-10.3	11.7	37.1
Change in operating liabilities	-9.8	11.4	21.7	88.7	142.5
<b>Cash flow from operating activities</b>	<b>49.1</b>	<b>35.4</b>	<b>72.6</b>	<b>174.5</b>	<b>325.3</b>
<b>Investing activities</b>					
Investments in Group, associated and jointly controlled companies	-6.0	-21.8	-9.6	-674.6	-858.8
Property investments	-222.0	-35.2	-523.0	-166.2	-330.3
Investments in construction in progress	-520.6	-350.0	-939.6	-619.1	-1,326.3
Investments in machinery and equipment	-11.3	-6.9	-8.5	-13.3	-50.4
Divestments of properties	11.0	0.0	14.7	0.4	51.0
Change in other financial non-current assets	-1.0	-1.9	-10.8	-0.5	-0.5
<b>Cash flow from investing activities</b>	<b>-749.9</b>	<b>-415.8</b>	<b>-1,476.9</b>	<b>-1,473.4</b>	<b>-2,515.4</b>
<b>Financing activities</b>					
Borrowings	596.1	399.3	1,445.7	927.1	1,909.6
Loan amortizations	-42.8	-15.7	-83.6	-56.5	-133.2
Capital contributions	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>553.3</b>	<b>383.6</b>	<b>1,362.1</b>	<b>870.6</b>	<b>1,776.3</b>
<b>Cash flow for the period</b>	<b>-147.5</b>	<b>3.2</b>	<b>-42.1</b>	<b>-428.3</b>	<b>-413.8</b>
Translation differences in cash and cash equivalents	0.0	-0.1	0.2	0.1	0.1
Opening cash and cash equivalents	199.4	76.3	94.0	507.6	507.6
<b>Opening cash and cash equivalents</b>	<b>52.1</b>	<b>79.5</b>	<b>52.1</b>	<b>79.5</b>	<b>94.0</b>

Cash and cash equivalents in the Cash Flow Statement refer in their entirety to cash and bank balances.

## PARENT COMPANY STATEMENTS

### Parent Company Income Statement in summary

SEK m	2022 Jan–Jun	2021 Jan–Jun	2021 Jan–Dec
<b>Operating income</b>			
Net sales	0.0	0.0	0.1
Administration costs	-36.9	-18.6	-40.3
Amortization and depreciation	-0.1	-0.1	-0.2
<b>Gross profit</b>	<b>-37.0</b>	<b>-18.7</b>	<b>-40.4</b>
Profit from participations in associated and jointly controlled companies	3.2	0.0	-0.2
Net financial items	317.5	29.0	69.5
<b>Profit before appropriations and tax</b>	<b>283.7</b>	<b>10.3</b>	<b>28.9</b>
Appropriations	0.0	0.0	87.9
Tax on profit for the period	-64.3	-5.5	-23.3
<b>Profit for the period</b>	<b>219.4</b>	<b>4.9</b>	<b>93.5</b>

### Parent Company Balance Sheet in summary

Assets, SEK m	2022 30 Jun	2021 30 Jun	2021 30 Dec
<b>Non-current assets</b>			
Tangible non-current assets	0.1	0.3	0.2
Participations in Group companies	1,141.3	976.9	1,009.0
Receivables from Group companies	840.7	858.6	849.6
Shares in associated companies and other non-current securities holdings	198.5	0.3	190.2
Derivative instruments	348.7	0.0	36.4
Deferred tax receivables	0.0	10.3	0.0
<b>Total non-current assets</b>	<b>2,529.4</b>	<b>1,846.3</b>	<b>2,085.5</b>
<b>Current assets</b>			
Receivables from Group companies	1,151.1	1,059.5	1,208.5
Receivables from associated companies	3.4	8.1	5.4
Other current receivables	69.6	67.7	61.4
Cash and cash equivalents	141.6	64.7	69.0
<b>Total current assets</b>	<b>1,365.7</b>	<b>1,199.9</b>	<b>1,344.2</b>
<b>Total assets</b>	<b>3,895.1</b>	<b>3,046.3</b>	<b>3,429.7</b>
<b>Equity and liabilities, SEK m</b>	<b>2022 30 Jun</b>	<b>2021 30 Jun</b>	<b>2021 30 Dec</b>
<b>Equity</b>			
Restricted equity	57.4	57.4	57.4
Unrestricted equity	1,795.3	1,487.3	1,575.9
<b>Total Equity</b>	<b>1,852.7</b>	<b>1,544.7</b>	<b>1,633.3</b>
<b>Non-current liabilities</b>			
Deferred tax liability	71.8	0.0	7.5
Long-term interest-bearing liabilities	1,104.0	840.7	931.7
Derivative instruments	0.0	0.4	0.0
Other provisions and non-current liabilities	2.4	2.4	2.4
<b>Total non-current liabilities</b>	<b>1,178.3</b>	<b>843.5</b>	<b>941.6</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	122.8	17.9	17.9
Liabilities to Group companies	728.9	628.4	823.3
Other current liabilities	12.4	11.8	13.6
<b>Total current liabilities</b>	<b>864.1</b>	<b>658.0</b>	<b>854.8</b>
<b>Total equity and liabilities</b>	<b>3,895.1</b>	<b>3,046.3</b>	<b>3,429.7</b>

## KEY PERFORMANCE INDICATORS

In the Interim Report, K-Fastigheter presents certain financial measures that are not defined in accordance with IFRS.

K-Fastigheter believes that these measures provide valuable additional information to investors and management as they enable assessment of the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be considered as a replacement for measures defined in accordance with IFRS. The table to the right presents financial measures that are not defined in accordance with IFRS.

Key performance indicators (definitions and information about KPIs can be found at [k-fastigheter.com/en/investors/](https://k-fastigheter.com/en/investors/))

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

Property-related key performance indicators	2022		2021		2021 Jul	
	Apr– Jun	Apr– Jun	Jan– Jun	Jan– Jun	–2022 Jun	2021 Jan–Dec
Rental value, SEK m	402.3	281.4	402.3	281.4	402.3	328.0
Financial letting ratio, %	97.8%	96.2%	97.8%	96.2%	97.8%	97.0%
Average financial letting ratio, %	95.8%	91.2%	95.3%	90.4%	95.1%	92.7%
Surplus ratio, %	71.8%	67.2%	67.8%	63.6%	68.1%	66.2%
Lettable area, m <sup>2</sup>	255,374	187,854	255,374	187,854	255,374	213,952
Number of apartments under management	3,258	2,305	3,258	2,305	3,258	2,723
Number of construction starts, apartments	301	160	545	456	1,085	996
Number of apartments under construction	2,009	1,699	2,009	1,699	2,009	1,820
Number of apartments under project development	5,273	5,522	5,273	5,522	5,273	5,869
<b>Financial key performance indicators</b>						
Interest coverage ratio, multiple	3.1	3.8	2.5	3.4	3.0	3.4
Equity/assets ratio, %	35.7%	37.2%	35.7%	37.2%	35.7%	36.9%
Debt-to-equity ratio, %	53.0%	51.7%	53.0%	51.7%	53.0%	51.8%
Period for which capital is tied up, years	2.5	2.4	2.5	2.4	2.5	2.8
Period of fixed-interest, years	3.6	4.4	3.6	4.4	3.6	4.4
Average interest, %	1.81%	1.76%	1.81%	1.76%	1.81%	1.85%
Net investments, SEK m	735.0	376.2	1,442.4	791.0	2,259.5	1,608.1
Profit from property management, SEK m	41.3	25.1	67.3	44.6	124.1	101.4
Long-term net asset value (NAV), SEK m	5,583.2	4,190.0	5,583.2	4,190.0	5,583.2	4,976.1
<b>Share-related key performance indicators</b>						
Long-term net asset value (NAV), SEK/share	25.93	19.46	25.93	19.46	25.93	23.11
<i>Growth in long-term net asset value (NAV), %</i>	6.8%	6.9%	12.2%	14.4%	33.3%	35.9%
Equity per share, SEK	22.96	16.64	22.96	16.64	22.96	19.66
Profit from property management per share, SEK	0.19	0.12	0.31	0.21	0.58	0.47
<i>Growth in profit from property management per share, %</i>	64.7%	21.3%	51.1%	20.1%	45.1%	29.8%
Profit after tax per share, SEK	1.71	0.94	3.24	1.72	6.37	4.85
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	215.3	215.3	215.3	215.3	215.3

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

## OTHER INFORMATION

### *Opportunities and risks for the Group*

Preparing financial reports in accordance with IFRS requires Group management to make assessments, estimates and judgments that affect how accounting principles are applied and the carrying amounts for assets, liabilities, income and expenses. The estimates and judgments are based on historical experience and other factors that appear reasonable under the prevailing circumstances. The results of these estimates and judgments are then applied in estimating the carrying amounts of assets and liabilities, which would not otherwise be evident from other sources. Actual outcomes may deviate from these estimates and judgments.

K-Fastigheter's operations, financial position and profit can be affected, directly or indirectly, by a number of risks, uncertainties and external factors, where the effect on the Group's operating profit can be controlled to varying degrees. To limit risk exposure the Group applies internal regulatory frameworks, policies and control systems. K-Fastigheter's significant risks, exposure and management are described in the Annual Report 2021.

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

The Covid-19 pandemic receded in the first six months of 2022 due to a milder variant of the virus and rising vaccination rates. The restrictions have gradually been eased as a result. At the time of preparing the current Interim Report, the effect on K-Fastigheter's operations remains limited.

At the time of preparing the current Interim Report, the war in the Ukraine has been underway for over five months. To date, the war has had limited effect on K-Fastigheter's operations, and has mainly affected the pricing of certain input goods, especially steel and energy prices and the indirect effects of increased energy and fuel prices.

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

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

### *Market outlook*

K-Fastigheter's offering meets the market's demand for quality housing at the right cost. The Group's concept buildings, developed in-house, generates conditions for cost control and financial efficiency throughout the chain, from building rights to property management. It is the Group's view that demand remains favorable in Skåne, particularly in the Öresund region and in the Västra Götaland, Copenhagen and Mälardalen regions, and areas with structural housing shortages.

Sensitivity analysis (SEK m)	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	222.6
Rental value +/- 1%	4.0	106.4
Operating and maintenance costs +/- 1%	0.7	19.0
Long-term vacancy ratio +/- 1%	4.0	106.4

Change in value of completed investment properties and building rights	-10%	+10%
Property value, SEK m	-918.9	918.9
Debt-to-equity ratio, %	57%	50%



### ***Seasonal variations***

Property management is associated with certain seasonal variations primarily in tariff-related heating costs. With regard to construction operations, seasonality is mainly associated with weather and holiday periods, which means that the first quarter, the summer months, and December return weaker performance than the rest of the year.

### ***Organization and employees***

The Group's Parent Company is K-Fast Holding AB. At the end of the period, the Group consisted of 82 wholly-owned subsidiaries and 13 associated company groups. The number of employees amounted to 729 (651), of which 71 were women (55) and 658 were men (596).

Operations are organized into four business areas: Project Development, Construction, Prefab and Property Management, where the relevant Business Area Managers report to the CEO, and are part of Group management.

There are also Group-wide functions for Business Development, Accounting and Finance, IT, IR/Communication, Market, Legal and HR. The Group's Business Development, Heads of Treasury, Finance, IR/Communications, Markets and HR are members of the Group management team.

The head office is located in Hässleholm, Sweden. There are also offices in Malmö, Gothenburg, Stockholm, Helsingborg, Kristianstad and Landskrona, as well as production facilities in Hässleholm, Osby, Östra Grevie, Kävlinge, Bollebygd, Vara, Hultsfred, Borensberg, Strängnäs and Katrineholm.

### ***Accounting principles***

K-Fast Holding AB adheres to the IFRS standards adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.

The Group and Parent Company measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are measured at fair value through the Income Statement. In K-Fastigheter's assessment, the reported value of financial assets and financial liabilities valued at amortized cost represents a good approximation of fair value. The Parent Company measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are valued at the lower of cost and net realizable value. For further details, see Note 22, Financial risk and finance policies in the 2021 Annual Report.

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

### ***Related-party transactions***

The Group's related parties include all Board Members, the CEO and members of management, as well as individuals and companies closely related to them. Transactions with related-parties totaled SEK 0.3 million (3.3) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 0.3 million (3.1).

In addition to the above transactions, construction services were procured from associated company PVS Mark & VA totaling SEK 18.7 million (12.9) in the period. All transactions are priced at market terms.



## OTHER INFORMATION

### *Signatures*

This Interim Report has not been subject to review by the company's auditors. The Board of Directors and the CEO provide their assurance that the Interim Report provides a true and fair view of the operations, financial position and profit of the Parent Company and the Group, describing the significant risks and uncertainties faced by the Parent Company and the companies within the Group.

***Hässleholm, Sweden, 28 July 2022***

***Erik Selin***

Chairman of the Board

***Ulf Johansson***

Board Member

***Christian Karlsson***

Board Member

***Sara Mindus***

Board Member

***Jesper Mårtensson***

Board Member

***Jacob Karlsson***

Board Member and CEO



### **PRESENTATION OF THE INTERIM REPORT**

*K-Fastigheter's President and CEO, Jacob Karlsson, and CFO, Martin Larsson, will comment on the Group's Interim Report for the second quarter 2022 on Thursday 28 July 2022 at 3.00 p.m. CEST.*

*The presentation materials (slides + audio) will be available at [k-fastigheter.com/en/for-investors/presentations](https://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](mailto:ir@k-fastigheter.se) with answers being compiled on an ongoing basis during the day and being published on: [www.k-fastigheter.com](https://www.k-fastigheter.com)*

### **CALENDAR**

*Interim Report January- September 2022 – 10 November 2022*

*Year-end report 2022 – 16 February 2023*

*2022 Annual Report – week comm. 3 April 2023*

*Interim Report January- March 2023 – 2 May 2023*

*Annual General Meeting 2022 – 11 May 2022*

*Interim Report Jan-Jun 2023 – 25 July 2023*

*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 2022, K-Fastigheter's market capitalization was SEK 3,910.6 million. At the end of the quarter, there were approximately 6,800 shareholders.

On 30 June 2022, there were a total 215,331,168 shares in K-Fast Holding distributed between 22,500,000 Class A shares and 192,831,168 Class B shares respectively. The total number of votes on 30 June 2022 was: 305,331,168. All KPIs and share-related information in this report have been adjusted for the number of shares after the share split in June 2021.

Each Class A share 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 2021 – 30 June 2022, approximately 30.8 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged approximately 121,500 shares and the average price paid was SEK 66.54. The highest price paid during the period was SEK 96.30 on 19 November, and the lowest price paid was SEK 19.90 on 30 June 2022. On 30 June 2022, the share price was SEK 20.28 (last paid). Market value of all shares in the company, based on the last price paid for a Class B share on 30 June 2022, amounted to SEK 4,366.9 million.

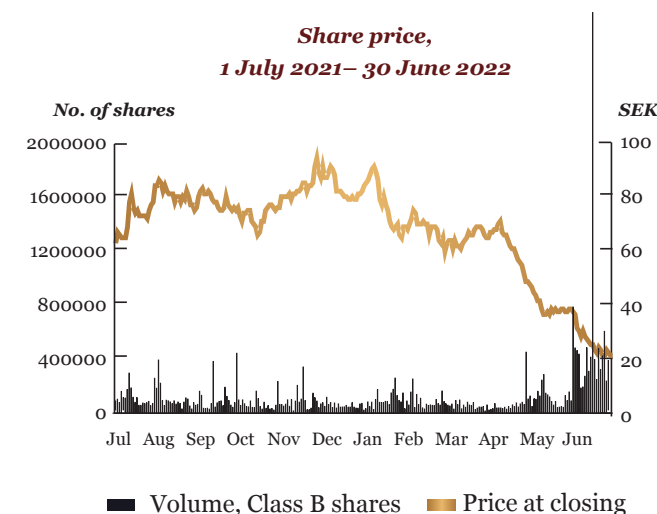
### Share capital

The AGM 2021 authorized the Board to decide to repurchase the company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings. The AGM 2021 also authorized the Board to carry out one or more new share issues of Class B shares, subject to a total maximum of 24,000,000 new shares. No new shares were issued in the period.

More information about the share capital can be found at [k-fastigheter.com/en](http://k-fastigheter.com/en)

Marketplace	Nasdaq Stockholm
Name of share	K-FAST Holding B
Ticker	KFAST B
ISIN code	SE0016101679
Segment	Large Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	215,331,168
Total number of Class B shares listed on Nasdaq Stockholm	192,831,168
Closing price 30 Jun 2022	SEK 20,28
Market price 30 Jun 2022*	SEK 4,366.9 million.

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



Source: Nasdaq

### TEN LARGEST SHAREHOLDERS (IN ORDER OF TOTAL VOTING POWER) AS PER 30 JUNE 2022

Name	Number of Class A shares*	Number of Class B shares*	Total number of shares	Percentage of share capital%	Percentage of votes %
Jacob Karlsson AB	11,250,000	63,751,361	75,001,361	34.8%	39.3%
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	9,237,864	9,237,864	4.3%	3.0%
AP4	0	5,380,525	5,380,525	2.5%	1.8%
SEB funds	0	3,646,888	3,646,888	1.7%	1.2%
Nergården families**	0	2,868,600	2,868,600	1.3%	0.9%
ER-HO Förvaltning AB	0	2,283,000	2,283,000	1.1%	0.7%
Sara Mindus	0	1,700,000	1,700,000	0.8%	0.6%
AP2	0	1,665,685	1,665,685	0.8%	0.5%
<b>Ten largest shareholders</b>	<b>22,500,000</b>	<b>167,193,530</b>	<b>189,693,530</b>	<b>88.1%</b>	<b>91.6%</b>
Other shareholders	0	25,637,638	25,637,638	11.9%	8.4%
<b>Total</b>	<b>22,500,000</b>	<b>192,831,168</b>	<b>215,331,168</b>	<b>100.0%</b>	<b>100.0%</b>
Of whom, Board of Directors and Group Management	22,500,000	131,479,783	153,979,783	71.5%	79.9%

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

\*\* Through Mjöbäcksvillan Entreprenad Holding AB and Väst kustStugan AB.

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

## K-FASTIGHETER'S CONCEPT BUILDINGS



### HÖGANÄS

#### *Stubbarp 33:27- 91 Low-Rise apartments*

#### ***Low-Rise – flexible buildings with a wide range of choice***

K-Fastigheter's flexible one to three-story multi-family dwellings can be constructed either as semi-detached houses, terraced houses or link houses with one or two-story apartments. The apartments are available in four sizes: one bedroom, living room and kitchen totaling 60 square meters; two bedrooms, living room and kitchen totaling 75 square meters; three bedrooms, living room and kitchen totaling 90 square meters; and three bedrooms, living room and kitchen totaling 94 square meters.

#### ***Structural details:***

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



### GÖTEBORG

#### *Sävenäs 131:12 - 103 Lateral Low-Rise apartments*

#### ***Lateral Low-Rise – variation and space efficiency***

K-Fastigheter's neighborhood-structure multi-family dwellings can be constructed up to ten stories in height. There are two standard space-efficient apartment formats within Lateral Low-Rise buildings: one bedroom, living room and kitchen totaling 49 square meters and two bedrooms, living room and kitchen totaling 59 square meters. It is also possible to include apartment alternatives that are either larger or smaller. To meet market demand and offer the best possible use of building rights, K-Fastigheter has chosen to make its Lateral Low-Rise as adaptable as possible with regard to floor plans and with opportunities for underground garages and commercial premises on the ground floor.

#### ***Structural details:***

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



### KRISTIANSTAD

#### *Hammar 9:197 - 48 Apartment Block apartments*

#### ***Apartment Block – residential buildings for all locations***

K-Fastigheter's apartment blocks are square-footprint multi-family dwellings which can be constructed with heights of four to ten stories. The Apartment Blocks have four apartments on each floor: two with one bedroom, living room and kitchen totaling 62 square meters and two with two bedrooms, living room and kitchen totaling 71 square meters. All apartments are equipped with spacious 27 square-meter balconies facing two directions. The Apartment Block is particularly suited for construction on difficult terrain, and multiple designs are available for the ground floor. On plots with uneven terrain, the ground floor can be constructed to include a semi-basement. K-Fastigheter has continued to develop the Apartment Block concept on the basis of this experience, resulting in the concept Apartment Block Plus. Apartment Block Plus is a rectangular structure containing six apartments per story. Apartment Block Plus is a hybrid, which allows for more choice, and can be built as a freestanding apartment block, or as two buildings connected at the gables, which creates a structure similar to K-Fastigheter's Lateral Low-Rise housing units.

#### ***Structural details:***

Entirely concrete structure with sandwich exterior walls, uniform walls separating apartments and floor units. The roof is available in three options: pent, pitched or hipped. The façade color can be individualized and there is a selection of balcony railings to choose from.

# K-FASTIGHETER – MORE THAN A PROPERTY COMPANY

K-Fast Holding AB ("K-Fastigheter") is a project development, construction and property company focused primarily on rental housing properties, which, as of 30 June 2022, accounted for 90 percent of the property value of the completed property portfolio and 87 percent of the contractual rent. As of 30 June 2022, K-Fastigheter's property portfolio encompasses a lettable area of approximately 255,000 square meters distributed between more than 3,258 homes and 160 commercial contracts with an annual rental value of approximately SEK 393 million. The project portfolio comprises some 7,300 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - June 2022, 39 percent of Group profit after tax was derived from project development and construction, and 61 percent from property management.

## Overarching goals

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

## Operational goals



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



The number of apartments to be managed by the Company and on which construction has commenced is to amount to 1,300 annually before the end of 2023.



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

## Financial targets

- Over an economic cycle, growth in long-term net asset value per share is to average at least 20 percent annually, including any value transfers.
- Over an economic cycle, annual growth in profit per share from property management is to average at least 20 percent.

The aim is to ensure growth in NAV and profit from property management while maintaining a stable and sound financial position, and balanced financial risk-taking, meaning:

- Over time, the equity/assets ratio at Group level is not to be less than 25 percent.
- Over time, the interest coverage ratio is not to be less than a multiple of 1.75.
- Over time, the debt-to-equity ratio is not to exceed 70 percent relative to the market value of the Group's investment properties.

## Sustainability and value creation

For K-Fastigheter, sustainability is a concept that spans more dimensions than focusing solely on environmental impact. K-Fastigheter values commitment in its own operations, and commitment to sustainability issues that are high on the agenda of the company's customers, suppliers and public authorities.

K-Fastigheter mainly pursues initiatives in product development, procurement and social sustainability. K-Fastigheter's business concept is to construct concept buildings, that is, a limited number of alternative buildings that can be adapted to each location. The foundation is a systematic working method, providing optimal resource utilization and ensuring both superior quality and a beneficial working environment. By using an industrial process in proprietary production facilities, consumption of materials, logistics and other resources can be planned in detail, reducing waste, streamlining flows and lowering costs in areas that do not create value.

K-Fastigheter's concept buildings are constructed with the ambition of meeting requirements corresponding to those set by the Swedish Miljöbyggnad Silver environmental certification system, which is administered by the Sweden Green Building Council.

Since early 2019, electricity in K-Fastigheter's properties has been procured exclusively from suppliers offering electricity from renewable sources, mainly wind power. From the second quarter 2021, K-Fastigheter will be installing photo voltaic cells on all new build Lateral Low-Rise buildings and Apartment Blocks. The Group will also install solar panels on its production plants.

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

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*This report and other financial information and press releases can be found on the company's website, [k-fastigheter.com/for-investerare..](http://k-fastigheter.com/for-investerare..)*

*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 2.00 p.m. CEST on 28 July 2022.*



K-FASTIGHETER