

# K-FAST HOLDING AB YEAR-END REPORT

JANUARY  
- DECEMBER

# 2022

*"I dare say that by controlling the entire chain from project development through prefab and construction, to management, we are better equipped than most in the industry to continue to launch rental housing projects."*



The Hammar development in Kristianstad with a total of 48 apartments in two apartment buildings - tenants moved in during spring 2022.

### Number of apartments under management



**3,708** UNITS  
Q4 2022

**2,723** UNITS  
Q4 2021

### Investment properties, value



**13,094.6** SEK M  
Q4 2022

**9,603.7** SEK M  
Q4 2021

### Number of homes in production



**2,058** UNITS  
Q4 2022

**1,820** UNITS  
Q4 2021

### Long-term net asset value



**5,768.3** SEK M  
Q4 2022

**4,976.1** SEK M  
Q4 2021

### Rental income



**109.1** SEK M  
Q4 2022

**75.3** SEK M  
Q4 2021

### Profit from property management



**27.1** SEK M  
Q4 2022

**27.0** SEK M  
Q4 2021



K-FASTIGHETER

## THE QUARTER AND PERIOD IN BRIEF

### October – December

- Rental income totaled SEK 109.1 million (75.3) in the quarter, an increase of 45 percent year-on-year.
- Income from project and contracting operations totaled SEK 573.4 million (487.9), of which SEK 354.8 million (212.3) related to intra-Group projects.
- Consolidated gross profit for the quarter amounted to SEK 92.9 million (87.8), of which operating surplus attributable to property management was SEK 65.3 million (48.5) and gross profit from project and contracting operations totaled SEK 27.6 million (39.3).
- Profit before changes in value amounted to SEK 30.0 million (51.0) in the quarter.
- Profit from property management amounted to SEK 27.1 million (27.0), an increase of 1 percent year-on-year. Profit from property management per share was SEK 0.13 (0.13).
- Changes in value for investment properties amounted to SEK 86.2 million (387.1), and to SEK -4.3 million (20.6) for derivatives.
- Profit for the quarter was SEK 94.2 million (361.8), corresponding to SEK 0.35 (1.68) per share.

### January – December

- Rental income in the period amounted to SEK 384.2 million (265.9), up 44 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 36 percent to 3,708 (2,723) in the period.
- Income from project and contracting operations totaled SEK 2,038.8 million (1,659.7), of which SEK 1,037.6 million (683.6) related to intra-group projects. SEK 1,001.2 million (976.1) related to external projects, of which Prefab's external income amounted to SEK 993.5 million (972.2).
- Consolidated gross profit for the period amounted to SEK 323.1 million (277.9), of which operating surplus attributable to property management was SEK 251.9 million (176.1) and gross profit from project and contracting operations totaled SEK 71.2 million (101.8).
- Profit before value changes amounted to SEK 83.3 million (126.6) in the period.
- Profit from property management amounted to SEK 130.7 million (101.4), up 29 percent year-on-year. Profit from property management per share was SEK 0.61 (0.47).
- Changes in value for investment properties amounted to SEK 699.0 million (1,139.1), and to SEK 364.1 million (66.0) for derivatives. Unrealized value changes in investment properties comprised SEK 693.9 million (707.4) from construction

projects in progress and SEK 5.1 million (431.7) from property management.

- Profit for the period was SEK 907.4 million (1,044.4), corresponding to SEK 4.13 (4.85) per share.
- At the end of the period, the value of the investment properties amounted to SEK 13,094.6 million (9,603.7) which is an increase of 36 percent compared to 31 December 2021.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,768.3 million (4,976.1), corresponding to SEK 26.79 per share (23.11), which is an increase of 16 percent compared to 31 December 2021.
- The interest coverage ratio for the period amounted to a multiple of 2.2 (3.4). The equity-asset ratio was 33.9 percent (36.9), and the debt-to-equity ratio was 55.4 percent (51.8).

### Significant events in the fourth quarter

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

- On 28 December 2022, K-Fastigheter announced the acquisition of the building rights for part of Almby 12:43 in Örebro. The building rights, which have a legally binding zoning plan, comprise approximately 300 apartments. It is expected that closing and construction will take place gradually between 2023 and 2025, and that the rental value after completion will amount to approximately SEK 41 million. K-Fast Kilen AB will acquire the building rights from Lantmännen Fastigheter AB, based on an underlying property value of SEK 111 million. K-Fast Holding AB holds 51 percent ownership of K-Fast Kilen AB, with Kilenkrysset owning the remaining 49 percent.
- On 29 December 2022, K-Fastigheter announced the acquisition of the building right of part of the property Vapenrocken 1 in Viksång, in Västerås. The building rights, which have a legally binding zoning plan in place, comprise approximately 180 rental apartments. It is expected that possession and construction will take place during the second half of the year and that the rental value on completion will be approximately SEK 26 million. The acquisition, based on an underlying property value of SEK 49 million, is carried out from Fastighets AB Balder and involves an exchange transaction in which K-Fastigheter divests the investment property Rådhuset 6 in Helsingborg to Balder simultaneously with gaining access to the building right. The sale

of Rådhuset 6, which primarily consists of commercial premises, is being made at an underlying property value of SEK 136 million. The underlying property value is without deduction for deferred tax and in line with the book value as of Q3 2022.

### Significant events after the end of the period

- On 19 January 2023, K-Fastigheter announced the appointment of Stefan Paulsson as CEO of K-Prefab AB. Stefan has been acting CEO since 11 April 2022.

Key performance indicators*	2022	2021
	Jan- Dec	Jan-Dec
Rental income, SEK m	384.2	265.9
Project and contracting income, SEK m	1,001.2	976.1
Gross profit, SEK m	323.1	277.9
Profit from property management, SEK m	130.7	101.4
Profit for the period, SEK m	907.4	1,044.4
Net investments in investment properties, SEK m	2,707.0	1,608.1
Investment properties, SEK m	13,094.6	9,603.7
Long-term net asset value (NAV), SEK m	5,768.3	4,976.1
Number of apartments under management	3,708	2,723
Number of construction starts, apartments	1,012	996
Number of apartments under construction	2,058	1,820
Number of apartments in project development	4,046	5,869
Interest coverage ratio, multiple	2.2	3.4
Equity/assets ratio, %	33.9%	36.9%
Debt-to-equity ratio, %	55.4%	51.8%
Profit from property management, SEK per share	0.61	0.47
Growth in profit from property management per share, %	28.9%	29.8%
Long-term net asset value (NAV), SEK per share	26.79	23.11
Growth in long-term net asset value (NAV), per share, %	15.9%	35.9%
Earnings per share, SEK**	4.13	4.85
Number of shares outstanding at the end of the period, millions	215.3	215.3
Average number of shares outstanding during the period, millions***	215.3	215.3

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

[k-fastigheter.com/en/investors/reconciliation-table-and-definitions](https://www.k-fastigheter.com/en/investors/reconciliation-table-and-definitions).

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

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

## COMMENTS FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

***In many respects, 2022 has been a challenging year amid soaring inflation, the war in the neighboring region, and rising interest rates. Society as a whole is facing harder economic times, as households grapple with rising food prices and volatile energy prices with high peaks, among other issues. Companies are also coping with higher prices of energy and other input goods. In the construction and real estate industry, the number of construction starts is now clearly down from the high levels that prevailed when economic conditions were different.***

We are sensitive to the current market situation, but we are also very confident in our business model. I dare say that by controlling the entire chain from project development through prefab and construction, to management, we are better equipped than most in the industry to continue to launch rental housing projects. This is, of course, provided that the construction starts meet our internal requirements on acquisition cost in relation to market value, what we have come to call PTV (production-to-value), and yield on cost. The internal efficiency, collaboration between, and integration of our business areas have played an important role in enabling us to face increased costs in 2022. I can't thank enough all the people in the entire Group who have made this possible through hard work and innovative thinking. In this regard, the acquisition of K-Prefab has been important for the Group as well as for K-Prefab, where there have been investments in efficiency, personnel, and climate since the acquisition.

K-Prefab has achieved record sales in 2022, but gross profit has declined due to increased costs for material and lower margins on internal projects. The company has successfully handled the tougher market environment, despite a decline in profit, and K-Prefab has secured order books of over SEK 1 billion for 2023. Along with the investments made since the acquisition, I am positive that K-Prefab will continue to deliver attractive frame solutions to external customers as well as within the Group. We are closely monitoring developments for the coming years, where the business will be affected by cost developments as well as the number of new construction projects in Sweden.

I strongly believe in rental property as a form of housing and am convinced that rental property is a wise long-term investment that can generate solid and stable cash flows. In difficult times, rental property tends to be a more attractive form of housing than owned property. Our new constructions compete in many ways with tenant-owned apartments. Given the interest rate fluctuation for both individuals and housing associations, rental property should strengthen its competitiveness, something that benefits a company

like K-Fastigheter, which has a large proportion of newer properties and which completes and starts construction of rental apartments at a high pace. We hope that the decline in construction can result in faster planning and building permit processes for municipalities as the pressure on them eases. Shorter planning and building permit processes are vital components in maintaining sufficient levels of construction in Sweden to meet ongoing demand.

K-Fastigheter is constantly evaluating the acquisition of building rights to expand our land bank. At the end of 2022, we completed two acquisitions of building rights in attractive cities. We acquired 180 building rights in Västerås from Balder in an exchange deal where K-Fastigheter divested an investment property in Helsingborg consisting mostly of commercial premises. In Örebro, K-Fast Kilen, a company in which K-Fastigheter holds 51 percent and Kilenkryssat holds 49 percent, acquired 300 building rights. I am hopeful to be able to make more acquisitions in 2023 if the right opportunities arise. At the end of the year, the Project Development business area was working on a portfolio equivalent to 4,046 apartments in various stages.

During the year, the Construction business area completed and handed over 840 apartments spread over 15 projects to our management organization. Six of these projects are equipped with photovoltaic panels. This is in line with the direction we have taken to ensure that from 2021 onwards, construction starts of Apartment Blocks and Lateral Low-Rise apartments will include photovoltaic panels. At the end of the year, the Construction business area recorded 2,058 apartments under construction.

In the full-year 2022, the number of apartments under management increased by 36 percent to a total of 3,708. The rental value of our portfolio has increased to nearly SEK 490 million, which represents a growth of 49 percent in 2022. In addition, ongoing construction at the end of the year will increase our rental value by 61 percent. The proportion of our property portfolio completed after 2010 continues to increase and accounts for

85 percent, with the majority of the properties completed in the last three years.

Over the year, the financial occupancy rate has increased and was 97.3 percent at the end of the year, helping our profit from property management, which was pressured at the year-end by increased operating costs related to electricity and heating and higher financing costs due to rising interest rates. This will be partially offset in the coming year by rent increases. However, the rent hikes for the coming year will not fully compensate for the cost increases, which will have to be compensated for gradually over time. There is a continuous effort to optimize the operation of our properties.

Given the current market conditions, the return requirements on our properties have increased, leading to lower valuations. Despite this, we manage to report positive value growth, which is a sign of strength. Once again, I would like to emphasize that this is due to our unique business model in which project development and construction at a production-to-value of 72 percent allows us to meet declining values in our management portfolio. How this develops in the future will depend on whether inflation can be

pushed down and how much the Riksbank (Swedish central bank) needs to raise interest rates in the future. It is reasonable to assume that valuations will fall further in the short term for the industry. In the long term, as I previously mentioned, I believe that investing in rental property is a wise move. Especially for a company like K-Fastigheter, which builds at costs that are below market value.

K-Fastigheter aims to have an average growth in long-term net asset value per share of 20 percent over a business cycle. On a year-on-year basis for 2022, we reached 16 percent compared to 36 percent for both 2020 and 2021. In the current market, I consider 16 percent to be a strong figure and can confirm that we are able to adapt in response to changing market conditions.

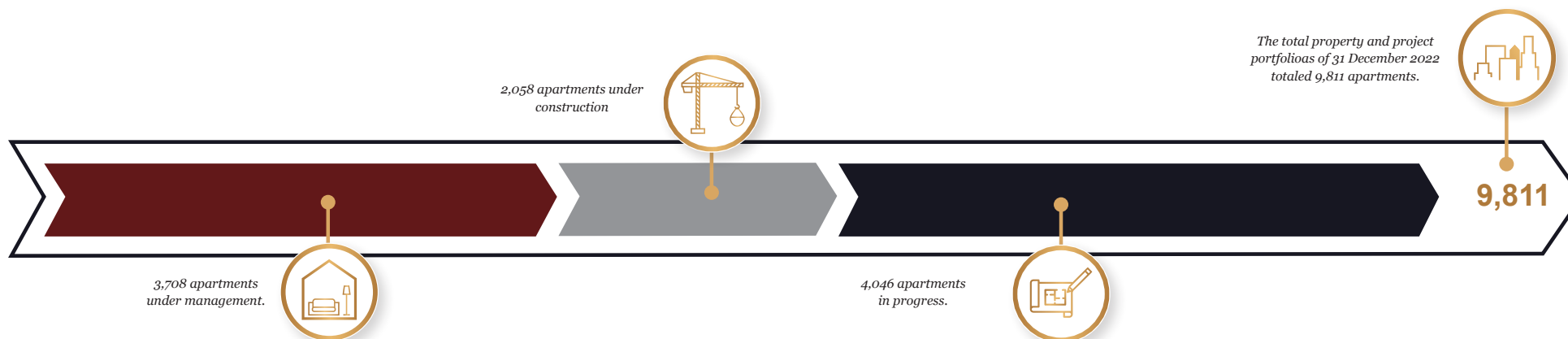
As I highlighted in the previous CEO comments, it is incredibly important to actively work on the credit and derivatives portfolio. Our credit portfolio comprises traditional bank loans spread across dozens of Nordic banks. Successful and long-term partnerships with many banks are crucial in times of market unrest.

Since 2019, a large proportion of our credit portfolio has been hedged with interest rate derivatives. At the end of the year, these

interest rate derivatives had a market value of slightly more than SEK 400 million. As a result, we can continue to restructure the derivatives portfolio and increase the degree of hedging at interest rates below current market interest rates. At the end of the year, our interest rate hedge stood at 73 percent, against 70 percent on 30 September 2022. The average interest rate at the end of the year was 2.72 percent, against 2.29 percent at the end of the third quarter. Our active work on the credit and derivatives portfolio and the fact that K-Fastigheter has no bond financing, with the associated refinancing risk, gives us a sense of security and confidence.

Even though market conditions have deteriorated over the past year, I strongly believe that K-Fastigheter, with its unique business model, will be able to continue to launch construction projects and generate good business even in the current market situation. There is an underlying need for new housing, and K-Fastigheter wishes to contribute to social progress by offering attractive rental housing in Sweden and Denmark. ■

- Jacob Karlsson, February 2023



## PROPERTY PORTFOLIO AND VALUATION

### Property portfolio

On 31 December 2022, the Group's property portfolio comprised 109 completed investment properties<sup>1</sup> distributed over a total of 241,270 square meters of residential and 46,599 square meters of commercial space. In addition, the Group had 25 ongoing construction projects, distributed over 135,434 square meters of residential and 1,140 square meters of commercial space, as well as the construction of Hässleholm 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 23 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 12 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 85 percent of properties were constructed after 2010. Newsec assesses that all of the properties are in category A or B locations in the communities where the Group operates. As of 31 December 2022, contractual rent amounted to SEK 475.6 million, with an estimated operating surplus of SEK 360.6 million, corresponding to a surplus ratio of some 76 percent. The corresponding potential surplus ratio is approximately 81 percent for newly produced concept buildings and approximately 70 percent for other properties in the portfolio. Of the contractual rent, 88 percent pertains to housing or related rentals (such as parking) divided between the 3,708 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 170 commercial contracts, with the largest tenant accounting for approximately 1 percent of total contractual rental income and the 10 largest commercial tenants accounting for approximately 5 percent of total contractual rental income.

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

South, West and East. 88 percent of property values are located in region South, encompassing Skåne, Denmark and southern

Småland. Region West encompasses Halland and the Västra Götaland region. Region East includes the Mälardalen region and Nyköping and Gävle. As of 31 December 2022, 92 percent of the market value and 93 percent of the contractual rent related to investment properties in Sweden and 8 percent of the market value and 7 percent of the contractual rents related to investment properties in Denmark.

### Valuation

Each quarter, K-Fastigheter conducts an external or internal valuation of all completed investment properties and properties under construction. As of 31 December 2022, all properties have been valued by an independent external valuer. The valuation forms the basis for fair value recognized in the Consolidated Statement of Financial Position and the change in value is recognized in the Consolidated Income Statement. All investment properties have been assessed as level 3 in the value hierarchy in accordance with IFRS 13 Fair Value Measurement.

At the end of the period, the value of investment properties totaled SEK 13,094.6 million (9,603.7), distributed over completed investment properties of SEK 9,775.3 million (6,923.4), undeveloped land and building rights of SEK 695.1 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,606.1 million (1,940.0). During the period, SEK 1,886.2 million (1,366.5) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 830.3 million (292.6). Sales of building rights totaling SEK 9.5 million (51.0) were completed in the period.

Unrealized change in value in investment properties for the period were SEK 699.0 million (1,139.1), of which SEK 5.1 million (431.7) for properties under management and SEK 693.9 million (707.4) for construction in progress. During the fourth quarter, the direct return requirement in the external valuations of both completed properties and properties under construction due to changes in market conditions, increased by approximately 0.20 percentage points. At the same time, assumptions regarding future cost and

Property-related key performance indicators	2022 Jan–Dec	2021 Jan–Dec
<b>Opening carrying amount, investment properties</b>	<b>9,603.7</b>	<b>6,853.5</b>
+ Acquisitions	830.3	292.6
+ New construction	1,857.4	1,326.3
+ Extensions and rebuilds	28.8	40.2
- Divestments	-9.5	-51.0
- Other reclassifications and obsolescence	84.8	3.1
Unrealized changes in value	699.0	1,139.1
of which, completed investment properties	5.1	431.7
of which, ongoing construction	693.9	707.4
<b>Closing carrying amount, investment properties</b>	<b>13,094.6</b>	<b>9,603.7</b>
of which, completed investment properties	9,775.3	6,923.4
of which, undeveloped land and building rights	695.1	722.3
of which, site leaseholds	18.0	18.0
of which, construction in progress	2,606.1	1,940.0
Rental value, SEK m	488.6	328.0
Rental income at end of period, SEK/m <sup>2</sup>	1,652	1,487
Direct property costs, SEK/m <sup>2</sup>	400	374
Operating surplus, SEK/m <sup>2</sup>	1,253	1,113
Financial occupancy rate at the end of the period	97.3%	97.0%
Average financial occupancy rate over period	95.8%	92.7%
Surplus ratio over period	65.6%	66.2%
Lettable area, m <sup>2</sup>	287,869	213,952
Number of homes under management	3,708	2,723
Direct return requirement, completed investment properties	4.03%	3.82%
Direct return requirement, construction in progress	4.01%	3.77%
Direct return requirement, all valued properties	4.02%	3.80%
of which housing	3.90%	3.67%
of which premises	5.45%	5.06%

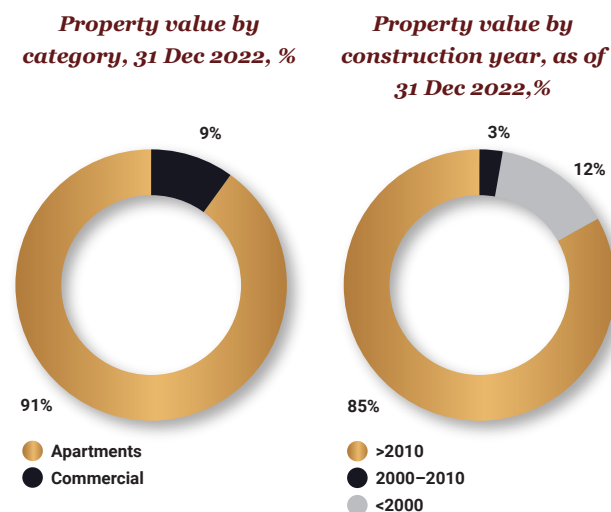
<sup>1</sup> Investment properties are properties held for the purpose of generating rental income, value growth, or a combination of both.

rent inflation as well as actual outcomes have increased. All in all, the change means that the market value for completed properties and properties under construction during the quarter decreased by 1.1 percent. For the whole period, the reduction for comparable properties is 0.5 percent and around 1.6 percent since the peak last summer.

At the end of the period the direct return requirement in the valuation of new construction in progress amounted to 4.01 percent (3.77). On completion, the estimated market value of the new construction projects in progress amounted to SEK 6,251.4 million (5,335.5).

At the end of the period, the average direct return requirement for properties under management amounted to 4.03 percent (3.82) 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 4.02 percent (3.80).

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



#### Acquired/divested investment properties during the fourth quarter

Property	Municipality	Transfer date/Completion	Number of apartments	Area, m <sup>2</sup>	Yearly rental value SEK m	Purchase price SEK m
Karlstrup By 56	Karlstrup (DK)	Nov 2022	32	3,302	7.6	136.8
Rådhuset 6 (contractual divestment)	Helsingborg	Fall 2023	7	3,242	7.7	136.0

#### Acquired building rights

Property	Municipality	Scheduled construction start	Number of apartments	Area, m <sup>2</sup>	Estimated annual rental value, SEK m	Purchase price SEK m
Part of Almby 12:43*	Örebro	2023	308	18,820	41.2	111.0
Part of Vapenrocken 1	Västerås	2023	188	11,844	26.3	49.0

\*JV with Kilenkryssset

#### Projects where construction has commenced

Property	Municipality	Scheduled completion	Number of apartments	Area, m <sup>2</sup>	Estimated annual rental value, SEK m
Limkokaren 17	Hässleholm	May 2024	70	4,403	9.0
Part of Magasinet 1	Hässleholm	May 2024	31	2,447	4.5
Notarien 21	Eskilstuna	Sep 2025	109	6,919	15.3
Alderholmen 4:34	Gävle	Feb-Apr 2025	96	5,659	14.7

#### Project completions

Property	Municipality	Move in	Number of apartments	Area, m <sup>2</sup>	Rental value, SEK m
Fredriksskans 2:79 phase 3-4 (of 4)	Gävle	Oct- Nov 2022	46	2,983	5.7
Stubbarp 39:1 phase 2 (of 2)	Höganäs	Oct 2022	16	1,288	2.1
Saltmästaren 2	Kävlinge	Nov 2022	65	3,878	7.7
Oppeby Gård 1:7 phase 3 (of 3)	Nyköping	Nov 2022	56	4,264	6.9
Getramsen 3	Kristianstad	Dec 2022	19	2,166	3.5
Kedjan 1 phase 1 (of 2)	Älmhult	Dec 2022	22	1,170	2.1

#### K-Fast 2.0

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Total 2022
Number of apartments renovated	5	3	3	6	17
Increase in rental value, SEK m	0.1	0.1	0.1	0.1	0.4

#### Important information regarding the tables on pages 6 and 7

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

Details of construction projects and project development in progress on pages 6 and 7 are based on assessments of the size, focus and scope of construction projects and project development in progress, and of when projects are scheduled to commence and be completed. These details are also based on estimates regarding future investments and rental value. These estimates and judgments should not be viewed as a forecast. The estimates and judgments entail uncertainties regarding the execution, design and scale, scheduling, project costs and future rental value of the projects. Details of projects in progress are reviewed regularly and estimates and judgments are adjusted as a result of projects in progress being completed or new ones being added, as well as due to changes in conditions. Financing has not been secured for projects where construction has yet to commence, meaning that financing of construction investments in project development represents a source of uncertainty.

## Investment properties

Per building category	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Occupancy rate	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	2,399	150,515	2,240	152,755	6,166.6	40,369	284.2	1,860	98.2%	279.2	40.6	266	238.6	1,562
Other	1,309	90,755	30,388	121,143	3,496.2	28,860	193.3	1,596	96.2%	185.9	45.7	378	140.2	1,157
<b>Total excluding development properties</b>	<b>3,708</b>	<b>241,270</b>	<b>32,628</b>	<b>273,898</b>	<b>9,662.8</b>	<b>35,279</b>	<b>477.5</b>	<b>1,743</b>	<b>97.4%</b>	<b>465.1</b>	<b>86.3</b>	<b>315</b>	<b>378.8</b>	<b>1,383</b>
Development properties	0	0	13,971	13,971	112.5	8,055	11.1	796	94.5%	10.5	3.4	244	7.1	508
<b>Total including development properties</b>	<b>3,708</b>	<b>241,270</b>	<b>46,599</b>	<b>287,869</b>	<b>9,775.3</b>	<b>33,958</b>	<b>488.6</b>	<b>1,697</b>	<b>97.3%</b>	<b>475.6</b>	<b>89.7</b>	<b>312</b>	<b>385.9</b>	<b>1,340</b>
<b>Per geographical region</b>														
South	3,299	216,015	35,366	251,381	8,635.6	34,353	431.3	1,716	97.4%	420.1	80.0	318	340.1	1,353
West	117	5,664	10,413	16,077	365.7	22,749	20.0	1,243	96.6%	19.3	4.0	247	15.3	954
East	292	19,591	820	20,411	774.0	37,921	37.3	1,828	97.0%	36.2	5.8	283	30.4	1,491
<b>Total</b>	<b>3,708</b>	<b>241,270</b>	<b>46,599</b>	<b>287,869</b>	<b>9,775.3</b>	<b>33,958</b>	<b>488.6</b>	<b>1,697</b>	<b>97.3%</b>	<b>475.6</b>	<b>89.7</b>	<b>312</b>	<b>385.9</b>	<b>1,340</b>
												Property administration	25.2	88
												<b>Operating surplus incl. property administration</b>	<b>360.6</b>	<b>1,253</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	Accrued	Carrying amount
Concept buildings	1,998	131,456	0	131,456	6,080.5	46,255	289.6	2,203	4,407.9	2,095.6	2,945.8
Other	60	3,978	1,140	5,118	170.9	33,383	9.0	1,766	165.7	112.5	122.9
<b>Total</b>	<b>2,058</b>	<b>135,434</b>	<b>1,140</b>	<b>136,574</b>	<b>6,251.4</b>	<b>45,773</b>	<b>298.6</b>	<b>2,187</b>	<b>4,573.6</b>	<b>2,208.1</b>	<b>3,068.7</b>
<b>Per geographical region</b>											
South	1,053	71,063	0	71,063	3,109.4	43,755	150.7	2,121	2,281.7	1,236.5	1,686.3
West	442	28,572	0	28,572	1,423.0	49,804	65.1	2,277	1,019.0	679.8	947.6
East	563	35,799	1,140	36,939	1,719.0	46,537	82.8	2,242	1,272.9	291.8	434.7
<b>Total</b>	<b>2,058</b>	<b>135,434</b>	<b>1,140</b>	<b>136,574</b>	<b>6,251.4</b>	<b>45,773</b>	<b>298.6</b>	<b>2,187</b>	<b>4,573.6</b>	<b>2,208.1</b>	<b>3,068.7</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	Accrued	Carrying amount
Concept buildings	4,024	253,707	1,415	255,122	11,547.8	45,264	575.2	2,255	8,797.4	95.0	95.0
Other	22	1,738	0	1,738	53.0	30,495	3.0	1,709	45.8	0.0	0.0
<b>Total</b>	<b>4,046</b>	<b>255,445</b>	<b>1,415</b>	<b>256,860</b>	<b>11,600.8</b>	<b>45,164</b>	<b>578.2</b>	<b>2,251</b>	<b>8,843.2</b>	<b>95.0</b>	<b>95.0</b>
<b>Per geographical region</b>											
South	1,954	116,995	615	117,610	5,259.7	44,721	261.1	2,220	3,975.6	35.6	35.6
West	599	38,446	0	38,446	1,727.9	44,944	90.3	2,348	1,262.6	6.3	6.3
East	1,493	100,004	800	100,804	4,613.2	45,765	226.8	2,250	3,605.0	53.1	53.1
<b>Total</b>	<b>4,046</b>	<b>255,445</b>	<b>1,415</b>	<b>256,860</b>	<b>11,600.8</b>	<b>45,164</b>	<b>578.2</b>	<b>2,251</b>	<b>8,843.2</b>	<b>95.0</b>	<b>95.0</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	3,708	241,270	46,599	287,869	9,775.3	33,958	488.6	1,697	9,775.3
Construction in progress	2,058	135,434	1,140	136,574	6,251.4	45,773	298.6	2,187	3,068.7
Project development in progress	4,046	255,445	1,415	256,860	11,600.8	45,164	578.2	2,251	95.0
Construction in progress, other									124.4
Undeveloped land									13.1
Site leaseholds									18.0
<b>Total</b>	<b>9,811</b>	<b>632,149</b>	<b>49,154</b>	<b>681,303</b>	<b>27,627.6</b>	<b>40,551</b>	<b>1,365.5</b>	<b>2,004</b>	<b>13,094.6</b>

<sup>1)</sup> Data relates to K-Fastigheter's share of any 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 accrued change of SEK 951.5 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 31 December 2022. Earnings ability is not a forecast for the current year or the next twelve months but is to be viewed solely as a theoretical snapshot and is presented for illustrative purposes only. Current earnings ability does not include an assessment of future rent trends, vacancy rates, property costs, interest rates, changes in value, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 31 December 2022 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. Transactions and completion of construction in progress with a transfer and completion date after 31 December 2022 have therefore not been included in the calculation.

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

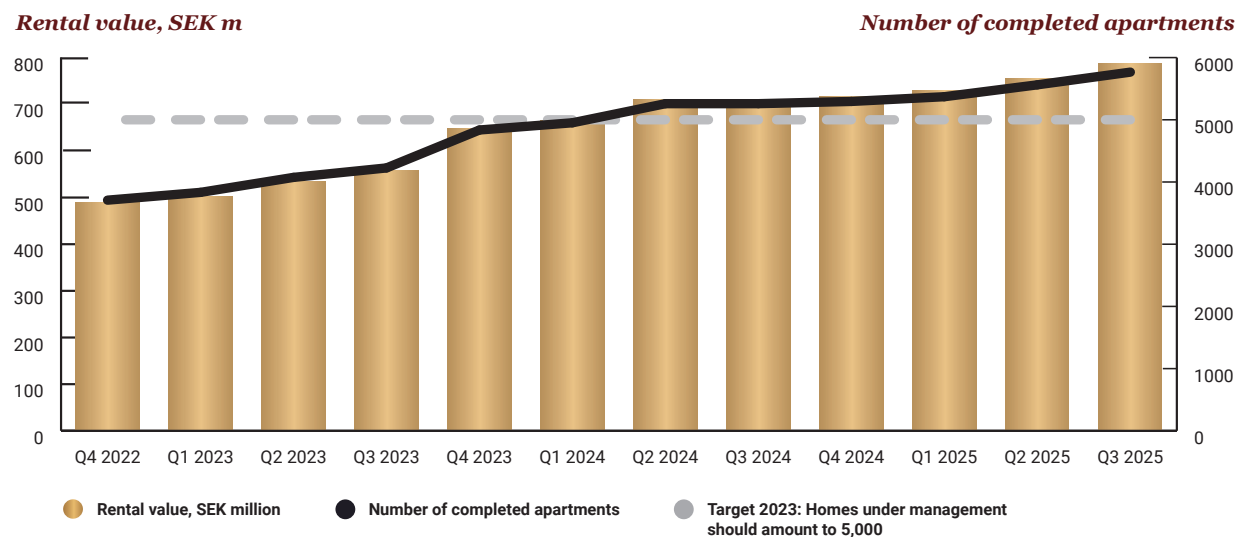
Earnings ability is based on contractual rental income from the property portfolio, estimated property costs for the year based on historical outcomes for properties under management, as well as property administration costs and central administration costs relating to the Property Management business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

SEK m	2022 31 Dec	2021 31 Dec	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	488.6	328.0	265.1	196.6	133.4
Vacancy	-13.0	-9.8	-23.4	-6.1	-0.9
Rental income	475.6	318.2	241.7	190.5	132.5
Operating costs	-69.6	-42.7	-35.6	-27.0	-19.4
Maintenance	-15.5	-11.0	-9.0	-7.3	-5.6
Property tax/ground rent	-4.3	-3.5	-3.0	-2.6	-1.6
Property administration	-25.2	-22.7	-19.2	-15.0	-12.8
Operating surplus	361.0	238.2	174.9	138.6	93.0
Central administration	-12.3	-10.2	-11.2	-9.6	-4.3
Net interest income	-160.9	-73.0	-51.4	-46.9	-29.0
Profit from property management	187.8	155.0	112.3	82.1	59.7

### Expected rental trend and number of apartments

The diagram to the right illustrates the number of apartments and current rental values for completed investment properties as of 31 December 2022 plus expected rental values of construction projects in progress of investment properties as of 31 December 2022 as these properties are completed or handed over.

Information on completed properties and construction projects in progress includes estimates and judgments. Rental value refers to contractual rent plus estimated rent for vacant spaces. The estimates and judgments involve uncertainties and the information in the diagram should not be viewed as a forecast.



## FINANCING

### *Liabilities and derivatives portfolio*

At the end of the period, K-Fastigheter financed its assets exclusively through bilateral loans with Nordic banks. Consolidated interest-bearing liabilities at the end of the period amounted to SEK 8,461.4 million (5,943.9), of which SEK 2,049.9 million (947.5) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 5,743.2 million (4,017.8), building credits of SEK 1,591.2 million (1,057.9), leasing liabilities of SEK 93.1 million (92.7), operating and acquisition credits of SEK 783.8 million (525.6) and a promissory note relating to the acquisition of K-Prefab of SEK 250.0 m (250.0). The debt-to-equity ratio for the Group amounted to 55.4 percent (51.8).

At the end of the period, the Group had contracted credit agreements of SEK 9,671.6 million (7,282.4), of which SEK 5,743.2 million (4,017.8) related to the financing of completed investment and business properties, of which SEK 1,706.9 million (790.2) is due for renegotiation within the next 12 months. Beyond the financing of completed business properties, contracted credit agreements comprise building credits of SEK 2,867.1 million (2,132.1) and operating and acquisition credits of SEK 1,061.3 million (882.5), of which SEK 292.5 million (382.5) and SEK 93.8 million (100.0) relate to acquisition financing of K-Prefab and Mjölback's Entreprenad AB respectively. At the end of the period, building credits and operating and acquisition credits had been utilized at an amount of SEK 1,591.2 million (1,057.9) and SEK 783.8 million (525.6).

The average period of capital tied up for the Group's interest-bearing liabilities relating to acquisition financing and completed investment and business properties amounted to 2.4 years (2.8) as of 31 December 2022.

K-Fastigheter currently works exclusively with variable interest rate loans. Interest rate derivatives, primarily interest rate swaps, are used to adjust the period of fixed interest. The swap portfolio

had a total nominal value of SEK 4,407.7 million (3,200.0) at the end of the period. The fair value of the interest derivative portfolio at the end of the period was SEK 404.9 million (36.4). The average interest period for the Group's interest-bearing liabilities related to acquisition financing, investment and business properties was 3.4 years (4.4), and the average interest rate was 2.72 percent (1.85), including the effects of interest rate derivatives, and 3.85 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 27 percent (29) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 17.2 million (14.0).

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

the proportion of variable interest from 30 to 27 percent and reduced interest sensitivity from SEK 17.4 million to SEK 17.2 million while the debt portfolio relating to completed investment properties increased by 11 percent to SEK 6,379.5 million. The average period of fixed interest has not been affected because the shorter terms in the swap portfolio have been mitigated by the higher degree of hedging and the total average interest rate has been positively impacted because the new swaps have lower fixed interest rates than the variable interest on the underlying loans in the debt portfolio. Efforts to restructure the swap portfolio will also continue in the future and are made possible thanks to the positive market value generated in the portfolio in the last year.

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

Financial targets	Financial targets	Financial covenants	Actual 31 Dec 2022
Debt-to-equity, %	max. 70%		55.4%
Equity/assets ratio, %	min. 25%	min. 25%	33.9%
Interest coverage ratio, multiple*	min. multiple of 1.75	min. multiple of 1.50	multiple of 2.2

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

### *Credit and interest maturity structure, 31 Dec 2022 (excl. construction credits and operating credits)*

Term	Interest maturity		Credit maturity		Derivatives maturity		
	Amount, SEK m	Average interest, %	Credit agreements, SEK m	Utilized, SEK m	Interest rate derivatives, SEK m	Interest, %	Value, SEK m
0-1 year	2,071.7	3.69%	1,706.9	1,706.9	100.0	0.69%	2.1
1-2 year	300.0	1.73%	1,545.1	1,545.1	300.0	0.33%	15.1
2-3 year	200.0	2.04%	1 697,0	1 697,0	200.0	0.64%	13.8
3-4 year	1,200.0	2.36%	866,1	866,1	1,200.0	0.96%	95.4
4-5 year	1,200.0	2.46%	344.6	344.6	1,200.0	1.06%	112.2
> 5 years	1,407.7	2.47%	219.8	219.8	1,407.7	1.07%	166.4
<b>Total</b>	<b>6,379.5</b>	<b>2.72%</b>	<b>6,379.5</b>	<b>6,379.5</b>	<b>4,407.7</b>		<b>404.9</b>

## COMPREHENSIVE INCOME JANUARY–DECEMBER 2022

The following profit and cash flow items relate to the period 1 January - 31 December 2022. Comparative items relate to the corresponding period in the previous year. Balance Sheet items and comparative figures relate to the position at the end of the period in the current and previous year. All amounts are indicated in SEK million.

### **Income**

For the fourth quarter 2022, comprehensive income amounted to SEK 334.5 million (353.4) and SEK 1,406.0 million (1,252.7) in the period. Rental income amounted to SEK 109.1 million (75.3) for the fourth quarter and to SEK 384.2 million (265.9) for the period, which is an increase of 45 and 44 percent respectively year-on-year. The increase was primarily due to more apartments under management, which increased by 36 percent to 3,708 (2,723). The financial occupancy rate gradually improved in the period and was 97.3 percent (97.0) at the end of the period.

Income from project and contracting operations amounted to SEK 573.4 million (487.9) in the fourth quarter and SEK 2,038.8 million (1,659.7) in the period, of which SEK 1,037.6 million (683.6) 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 2,058 apartments (1,820) were in production, which was an increase of 13 percent compared to the corresponding period in 2021. External income for project and contracting operations amounted to SEK 1,001.2 million (976.1) in the period, of which Prefab's income was SEK 993.5 million (972.2). In Prefab, total income for the period amounted to SEK 1,251.0 million (1,059.9), of which SEK 249.6 million (81.5) was related to intra-Group sales. The increase is partly due to organic growth, primarily from increased intra-Group sales as all of the intra-Group constructions are placed in Prefab, and partly due to the acquisitions of Strängnäs Prefab and GH Sydgolv. The level of activity at Prefab is still relatively high given the increasingly challenging construction environment and occupancy is good for 2023, partly due to increased intra-Group sales.

### **Operating costs**

Property management costs totaled SEK 144.7 million (93.1) for the period, corresponding to an increase of 55 percent year-on-year. The operating surplus amounted to SEK 251.9 million (176.1), up 43 percent year-on-year. The increase in costs was primarily due to higher number of apartments under management and the fact that from the end of June 2022 have included central management-related costs in property administration, which amounted to SEK 7.8 million for the last six months of the year. The surplus ratio for the fourth quarter was 59.8 percent (64.5), and 65.6 percent (66.2) in the period. The surplus ratio during the period was positively affected by gradual improvements in the average occupancy rate and negatively affected by general increases in costs, such as heating costs and the reallocation of intra-Group costs. The average occupancy rate was 95.8 percent (92.7) for the period, and 97.3 percent (97.0) 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.

The costs for the project and construction operations comprise direct project-related costs and fixed costs for the Construction and Prefab organization. The part of operations involving external construction and production has been reported in the Income Statement. Project and contracting operations for Group property management activities have been capitalized as work for the Group's own purposes and have been reported net in the Income Statement under Project and contracting costs. Gross profit in the period for the Construction business area was SEK 5.0 million (19.8) and SEK 66.3 million (81.9) 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 54.9 million (40.7) for the period. The increase is driven in almost equal measure by non-recurring costs and continuous investments in the organization to support future growth. However, in the second half of the year, costs have decreased in comparison with the period due to lower non-recurring costs and to the fact that from the end of June 2022, management and project development costs have been allocated to property administration costs and project and construction costs. The allocated costs, which include among other items management and staff costs in the Property Management business area and total costs in the Project Development business area, amounted to SEK 4.8 million and SEK 2.0 million respectively for the quarter and SEK 7.8 million and SEK 3.3 million for the second half of the year for Administration and Project Development respectively.

Depreciation/amortization and impairment for the period amounted to SEK 62.6 million (58.2), of which depreciation/amortization and impairment attributable to Prefab's operations was SEK 55.4 million (50.8), of which SEK 11.0 million (11.0) was attributable to amortization of intangible assets for the period. Total depreciation/amortization in the period was SEK 59.3 million (53.3). Impairment for the period amounted to SEK 3.2 M (4.9) and relates to obsolescence of construction components in connection with the Group's K-Fast 2.0 renovation program of SEK 3.0 M (1.3) and impairment of receivables of SEK 0.2 million (3.6).

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

Profit/loss from participations in associated and jointly controlled companies amounted to SEK 2.5 million (23.3). Profit/loss was primarily affected by K-Fastigheter's share of profit in PVS Mark & VA Holding AB, Mjögåcks Entreprenad AB and Novum Samhällsfastigheter AB, which amounted to SEK 3.8 million (22.0) in the period.

### ***Net interest income***

Net interest income for the period was SEK -124.8 million (-75.6). At the end of the period, the average interest rate was 2.72 percent (1.85), including the effects of interest rate derivatives. Interest expenses in the period compared to the equivalent period in the previous year, were negatively affected by increased interest-bearing liabilities relating to acquisitions of investment properties and new construction, as well as by higher base rates. The interest coverage ratio amounted to 2.2 (3.4) for the period. The ratio was affected by a lower net interest income that could not be fully compensated by the increased gross profit in property management, while central administration costs increased and gross profit for project and contracting activities decreased during the year.

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

Profit from property management amounted to SEK 27.1 million (27.0) for the fourth quarter and to SEK 130.7 million (101.4) for the period, an increase of 1 and 29 percent respectively year-on-year. Profit from property management per share amounted to SEK 0.61 for the period attributable to the Parent Company shareholders (0.47), which is an increase of 29 percent year-on-year. The increase can primarily be attributed to higher rental income as a result of more apartments under management.

### ***Changes in value***

Unrealized changes in value for investment properties were SEK 86.2 million (387.1) for the fourth quarter and SEK 699.0 million (1,139.1) for the period, of which SEK 5.1 million (431.7) for properties under

management and SEK 693.9 million (707.4) for construction in progress. During the fourth quarter, the direct return requirement in the external valuations of both completed properties and properties under construction due to changes in market conditions, increased by approximately 0.20 percentage points and by around 0.25 percentage points in total in the second half of the year. At the same time, both actual outcomes and assumptions regarding future cost and rent inflation have increased, which, together with continued efforts to continuously improve the operating surplus of our completed investment properties, has offset the impairment. All in all, the market value for completed properties and properties under construction during the quarter decreased by 1.1 percent. For the whole period, the decline for comparable properties is 0.5 percent and around 1.6 percent since the peak last summer. The fact that the change in the value of construction projects in progress is stable from one year to another, despite depreciation, is primarily due to an increase in the rate of internal construction.

The average direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 4.02 percent (3.80) at the end of the period, which can be compared to 3.80 percent at the end of 2021. The fact that the increase in the average direct return requirement during the period was not higher, taking into account the general increase during the fourth quarter, is primarily because K-Fastigheter's property portfolio increasingly consists of a higher proportion of homes in better locations. For more information, see the Property portfolio and Valuation sections.

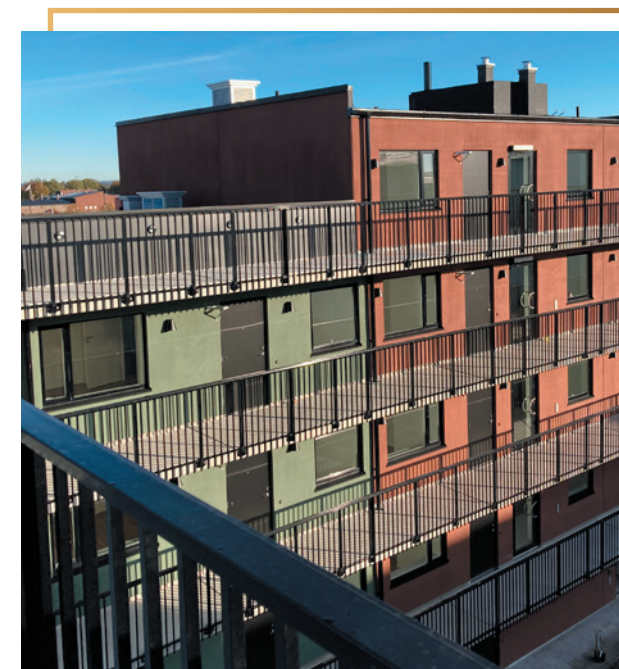
Changes in the value of derivatives amounted to SEK 364.1 million (66.0) for the period. The trend in the period was primarily caused by higher market rates, which had a positive impact on the market value of the Group's interest rate derivatives. The fair value of the Group's interest rate and exchange rate derivatives was SEK 399.1 million (37.0) at the end of the period. The change in value for interest rate derivatives does not affect cash flow, and at maturity the value of the derivatives is always zero.

### ***Tax***

Current tax for the period amounted to SEK 11.6 million (9.7). Deferred tax amounted to SEK 227.5 million (277.7), chiefly affected by unrealized changes in values in properties.

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

Profit for the fourth quarter was SEK 94.2 million (361.8), and SEK 907.4 million (1,044.4) for the period, corresponding to SEK 4.13 (4.85) per share attributable to the Parent Company shareholders. Comprehensive income for the period totaled SEK 934.8 million (1,048.1). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 27.4 million (3.8) in the period. The full amount relates to items that can be reversed in a later period.



## FINANCIAL POSITION AS OF 31 DECEMBER 2022

### ***Intangible assets***

Intangible assets comprise goodwill and other intangible assets primarily arising in connection with the acquisition of K-Prefab. At the end of the period, goodwill amounted to SEK 443.6 million (440.6) and other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 36.6 million (44.1).

### ***Investment properties***

At the end of the period, the value of investment properties totaled SEK 13,094.6 million (9,603.7), distributed over completed investment properties of SEK 9,775.3 million (6,923.4), undeveloped land and building rights of SEK 695.1 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,606.1 million (1,940.0). For more information, see Property portfolio and Valuation.

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

The value of business properties and equipment at the end of the period amounted to SEK 447.6 million (448.4) and SEK 193.6 million (189.8) respectively. During the period, further investments were made in Prefab's facilities with the aim of increasing the efficiency and production capacity.

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

At the end of the period, cash and cash equivalents amounted to SEK 35.4 million (94.0). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 277.4 million (356.9).

### ***Equity and net asset value***

At the end of the period, Group equity amounted to SEK 5,169.6 million (4,233.7), which corresponds to SEK 23.92 per share attributable to Parent Company shareholders (19.66). The increase is explained by the comprehensive income for the period of SEK 934.8 million (1,048.1). At the end of the period, the Group's equity/asset ratio was 33.9 percent (36.9).

At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,768.3 million (4,976.1), corresponding to SEK 26.79 per share (23.11) attributable to Parent Company shareholders, an increase of 16 percent compared to 31 December 2021.

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

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 8,461.4 million (5,943.9), of which SEK

2,049.9 million (947.5) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to 55.4 percent (51.8). The increase in interest-bearing liabilities was primarily due to financing of construction in progress and completed new constructions, as well as acquisitions in the period. The market value of the Group's interest rate and exchange rate derivatives at the end of the period totaled SEK 399.1 million (37.0). For more information, see the Financing section.



# COMPREHENSIVE INCOME

## Consolidated Statement of Comprehensive Income in summary

SEK m	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Rental income	109.1	75.3	384.2	265.9
Project and contracting income	218.6	275.6	1,001.2	976.1
<b>Net sales</b>	<b>327.8</b>	<b>350.9</b>	<b>1,385.4</b>	<b>1,242.1</b>
Other operating income	6.8	2.5	20.6	10.7
Operating costs	-34.0	-18.4	-97.5	-52.3
Maintenance	-3.5	-2.8	-13.5	-12.4
Property tax	-3.3	-1.2	-8.4	-5.7
Property administration	-7.1	-6.0	-25.2	-22.7
Property management costs	-47.9	-28.4	-144.7	-93.1
Project and contracting costs	-193.7	-237.1	-938.3	-881.8
<b>Gross profit</b>	<b>92.9</b>	<b>87.8</b>	<b>323.1</b>	<b>277.9</b>
<i>of which, gross profit from property management (operating surplus)</i>	<i>65.3</i>	<i>48.5</i>	<i>251.9</i>	<i>176.1</i>
<i>of which, gross profit from project and contracting operations</i>	<i>27.6</i>	<i>39.3</i>	<i>71.2</i>	<i>101.8</i>
Central administration	-6.5	-13.2	-54.9	-40.7
Depreciation/amortization and impairment	-15.9	-19.5	-62.6	-58.2
Profit from participations in associated and jointly controlled companies	3.0	19.5	2.5	23.3
Net interest income	-43.5	-23.6	-124.8	-75.6
<b>Profit before changes in value</b>	<b>30.0</b>	<b>51.0</b>	<b>83.3</b>	<b>126.6</b>
<i>of which, profit from property management*</i>	<i>27.1</i>	<i>27.0</i>	<i>130.7</i>	<i>101.4</i>
Change in value of investment properties	86.2	387.1	699.0	1,139.1
Change in value, derivatives	-4.3	20.6	364.1	66.0
<b>Profit before tax</b>	<b>111.8</b>	<b>458.7</b>	<b>1,146.4</b>	<b>1,331.7</b>
Tax on profit for the period	-17.6	-96.9	-239.0	-287.3
<b>Profit for the period</b>	<b>94.2</b>	<b>361.8</b>	<b>907.4</b>	<b>1,044.4</b>
Other comprehensive income	7.2	0.8	27.4	3.8
<b>Comprehensive income for the period</b>	<b>101.4</b>	<b>362.5</b>	<b>934.8</b>	<b>1,048.1</b>
<b>Comprehensive income for the period attributable to</b>				
Parent Company shareholders	83.2	362.5	916.6	1,048.1
Non-controlling interests	18.2	0.0	18.2	0.0
<b>Profit after tax per share, SEK/share**</b>	<b>0.35</b>	<b>1.68</b>	<b>4.13</b>	<b>4.85</b>

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

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

## Segment reporting

2022 Jan– Dec, SEK m	Property management	Project development	Construction	Prefab	Other*	Group
Income	396.6	3.2	792.9	1,251.0	-1,037.6	1,406.0
Expenses	-144.7	-3.3	-787.9	-1,184.7	1,037.6	-1,082.9
<b>Gross profit</b>	<b>251.9</b>	<b>-0.1</b>	<b>5.0</b>	<b>66.3</b>	<b>0.0</b>	<b>323.2</b>
Central administration costs	-12.3	-9.2	-15.2	-19.5	1.3	-54.9
Depreciation/amortization and impairment	-4.1	0.0	-3.1	-55.4	0.0	-62.6
Profit from holdings in associated companies**	0.0	0.0	0.0	0.0	2.5	2.5
Net interest income	-104.8	0.0	-0.2	-19.7	0.0	-124.8
<b>Profit before changes in value</b>	<b>130.7</b>	<b>-9.3</b>	<b>-13.5</b>	<b>-28.2</b>	<b>3.8</b>	<b>83.4</b>
Change in value, properties	5.1	693.9	0.0	0.0	0.0	699.0
Change in value, derivatives	365.8	0.0	-1.7	0.0	0.0	364.1
<b>Profit before tax</b>	<b>501.6</b>	<b>684.5</b>	<b>-15.2</b>	<b>-28.2</b>	<b>3.8</b>	<b>1,146.5</b>
Tax	-76.4	-142.9	-1.0	1.1	-19.7	-239.0
<b>Profit for the period</b>	<b>425.2</b>	<b>541.6</b>	<b>-16.2</b>	<b>-27.1</b>	<b>-15.9</b>	<b>907.4</b>
Total assets	13,608.2	0.0	40.6	1,311.7	311.5	15,272.0
Total liabilities	8,383.8	0.0	136.3	1,047.3	535.0	10,102.3

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

\* Other comprises Group-wide items and eliminations.

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

## FINANCIAL POSITION

### Consolidated Statement of Financial Position in summary

SEK m	2022 31 Dec	2021 31 Dec
<b>ASSETS</b>		
<b>Tangible non-current assets</b>		
Intangible assets	480.2	484.7
Investment properties	13,094.6	9,603.7
Business properties	447.6	448.4
Equipment	193.6	189.8
<b>Total non-current assets</b>	<b>14,216.0</b>	<b>10,726.6</b>
<b>Financial non-current assets</b>		
Holdings in associated and jointly controlled companies and other non-current receivables	245.8	243.5
Derivative instruments	399.1	37.0
Deferred tax asset	16.4	17.1
<b>Total financial non-current assets</b>	<b>661.3</b>	<b>297.5</b>
<b>Total non-current assets</b>	<b>14,877.3</b>	<b>11,024.1</b>
<b>Current assets</b>		
Inventories	60.2	51.7
Accounts receivable	93.2	105.3
Other receivables	205.8	207.6
Cash and cash equivalents	35.4	94.0
<b>Total current assets</b>	<b>394.6</b>	<b>458.6</b>
<b>Total assets</b>	<b>15,272.0</b>	<b>11,482.7</b>

SEK m	2022 31 Dec	2021 31 Dec
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	57.4	57.4
Other capital contributions	1,372.9	1,372.9
Profit brought forward including the profit for the period	3,739.3	2,803.4
<b>Total Equity</b>	<b>5,169.6</b>	<b>4,233.7</b>
<i>Of which of non-controlling interests</i>	19.3	0.0
<b>Non-current liabilities</b>		
Deferred tax liability	1,033.5	796.4
Non-current interest-bearing liabilities	6,411.5	4,996.4
Other provisions and non-current liabilities	74.7	13.7
<b>Total non-current liabilities</b>	<b>7,519.8</b>	<b>5,806.5</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	2,049.9	947.5
Accounts payable	198.3	177.2
Other current liabilities	334.5	317.8
<b>Total current liabilities</b>	<b>2,582.7</b>	<b>1,442.5</b>
<b>Total equity and liabilities</b>	<b>15,272.0</b>	<b>11,482.7</b>

### Consolidated Statement of Changes in Equity in summary

SEK m	2022 31 Dec	2021 31 Dec
<b>Total equity at the beginning of the period</b>	<b>4,233.7</b>	<b>3,209.8</b>
Repurchase of own shares	0.0	-24.3
Profit for the period	907.4	1,044.4
Other comprehensive income	27.4	3.8
Shareholder contribution from non-controlling interests	1.1	0.0
<b>Total equity at the end of the period*</b>	<b>5,169.6</b>	<b>4,233.7</b>
<i>* Of which of non-controlling interests</i>	19.3	0.0

## CASH FLOW STATEMENT

### Consolidated Cash Flow Statement in summary

SEK m	2022 Oct– Dec	2021 Oct– Dec	2022 Jan– Dec	2021 Jan– Dec
<b>Operating activities</b>				
Profit before changes in value	30.0	51.0	83.3	126.6
Adjustment for items not affecting cash flow	12.2	-11.5	56.4	23.3
Tax paid	3.9	1.4	-7.1	-4.3
<b>Cash flow from operating activities before changes in working capital</b>	<b>46.1</b>	<b>41.0</b>	<b>132.7</b>	<b>145.6</b>
Change in operating receivables	13.0	19.0	24.4	37.1
Change in operating liabilities	24.6	0.3	-6.9	142.5
<b>Cash flow from operating activities</b>	<b>83.7</b>	<b>60.3</b>	<b>150.1</b>	<b>325.3</b>
<b>Investing activities</b>				
Investments in intangible assets	-3.6	0.0	-3.6	0.0
Investments in Group, associated and jointly controlled companies	0.3	2.8	-9.0	-858.8
Property investments	-278.2	-72.2	-803.7	-330.3
Investments in construction in progress	-586.8	-389.1	-1,941.8	-1,326.3
Investments in machinery and equipment	-5.8	-25.1	-20.8	-50.4
Divestments of properties	0.0	8.7	14.7	51.0
Change in other financial non-current assets	4.7	1.3	-4.3	-0.5
Dividend from associated companies	19.5	0.0	19.5	0.0
<b>Cash flow from investing activities</b>	<b>-849.7</b>	<b>-473.5</b>	<b>-2,749.0</b>	<b>-2,515.4</b>
<b>Financing activities</b>				
Borrowings	804.3	411.0	2,719.0	1,909.6
Loan amortizations	-51.5	-38.4	-179.8	-133.2
	1.1	0.0	1.1	0.0
<b>Cash flow from financing activities</b>	<b>753.8</b>	<b>372.6</b>	<b>2,540.4</b>	<b>1,776.3</b>
<b>Cash flow for the period</b>	<b>-12.2</b>	<b>-40.5</b>	<b>-58.6</b>	<b>-413.8</b>
Translation differences in cash and cash equivalents	0.0	0.0	0.0	0.1
Opening cash and cash equivalents	47.7	134.5	94.0	507.6
<b>Opening cash and cash equivalents</b>	<b>35.4</b>	<b>94.0</b>	<b>35.4</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– Dec	2021 Jan– Dec
<b>Operating income</b>		
Net sales	32.7	0.1
Administration costs	-66.4	-40.3
Amortization and depreciation	-0.4	-0.2
<b>Gross profit</b>	<b>-34.1</b>	<b>-40.4</b>
Profit from participations in associated and jointly controlled companies	19.5	-0.2
Net financial items	398.7	69.5
<b>Profit before appropriations and tax</b>	<b>384.0</b>	<b>28.9</b>
Appropriations	-38.6	87.9
Tax on profit for the period	-41.2	-23.3
<b>Profit for the period</b>	<b>304.2</b>	<b>93.5</b>

### Parent Company Balance Sheet in summary

Assets, SEK m	2022 31 Dec	2021 31 Dec
<b>Non-current assets</b>		
Intangible non-current assets	2.3	0.0
Tangible non-current assets	0.1	0.2
Participations in Group companies	1,167.6	1,009.0
Receivables from Group companies	902.1	849.6
Participations in and receivables from associated companies and other non-current receivables and participations	203.8	190.2
Derivative instruments	401.7	36.4
Deferred tax asset	2.7	0.0
<b>Total non-current assets</b>	<b>2,680.3</b>	<b>2,085.5</b>
<b>Current assets</b>		
Receivables from Group companies	1,460.8	1,208.5
Receivables from associated companies	0.0	5.4
Other current receivables	81.4	61.4
Cash and cash equivalents	0.0	69.0
<b>Total current assets</b>	<b>1,542.3</b>	<b>1,344.2</b>
<b>Total assets</b>	<b>4,222.7</b>	<b>3,429.7</b>
<b>Equity and liabilities, SEK m</b>		
<b>Equity</b>		
Restricted equity	57.4	57.4
Unrestricted equity	1,880.1	1,575.9
<b>Total Equity</b>	<b>1,937.5</b>	<b>1,633.3</b>
<b>Non-current liabilities</b>		
Deferred tax liability	51.4	7.5
Non-current interest-bearing liabilities	748.8	931.7
Other provisions and non-current liabilities	0.0	2.4
<b>Total non-current liabilities</b>	<b>800.2</b>	<b>941.6</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	456.3	17.9
Liabilities to Group companies	1,012.0	823.3
Other current liabilities	16.7	13.6
<b>Total current liabilities</b>	<b>1,485.0</b>	<b>854.8</b>
<b>Total equity and liabilities</b>	<b>4,222.7</b>	<b>3,429.7</b>

## KEY PERFORMANCE INDICATORS

In the Year-end report, K-Fastigheter presents certain financial measures that are not defined in accordance with IFRS.

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

Definitions and information about KPIs can be found at [k-fastigheter.com/en/investors/](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 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Rental value, SEK m	488.6	328.0	488.6	328.0
Financial occupancy rate, %	97.3%	97.0%	97.3%	97.0%
Average financial occupancy rate, %	96.1%	94.8%	95.8%	92.7%
Surplus ratio, %	59.8%	64.5%	65.6%	66.2%
Lettable area, m <sup>2</sup>	287,869	213,952	287,869	213,952
Number of apartments under management	3,708	2,723	3,708	2,723
Number of construction starts, apartments	306	461	1,012	996
Number of apartments under construction	2,058	1,820	2,058	1,820
Number of apartments in project development	4,046	5,869	4,046	5,869

### Financial key performance indicators

Interest coverage ratio, multiple	2.1	4.0	2.2	3.4
Equity/assets ratio, %	33.9%	36.9%	33.9%	36.9%
Debt-to-equity ratio, %	55.4%	51.8%	55.4%	51.8%
Period for which capital is tied up, years	2.4	2.8	2.4	2.8
Period of fixed-interest, years	3.4	4.4	3.4	4.4
Average interest, %	2.72%	1.85%	2.72%	1.85%
Net investments, SEK m	832.5	447.9	2,707.0	1,608.1
Profit from property management, SEK m	27.1	27.0	130.7	101.4
Long-term net asset value (NAV), SEK m	5,768.3	4,976.1	5,768.3	4,976.1

### Share-related key performance indicators

Long-term net asset value (NAV), SEK/share	26.79	23.11	26.79	23.11
<i>Growth in long-term net asset value (NAV), %</i>	1.8%	9.1%	15.9%	35.9%
Equity per share, SEK	23.92	19.66	23.92	19.66
Profit from property management per share, SEK	0.13	0.13	0.61	0.47
<i>Growth in profit from property management per share, %</i>	0.5%	41.5%	28.9%	29.8%
Profit after tax for the period per share, SEK	0.35	1.68	4.13	4.85
Number of shares outstanding at the end of the period, millions	215.3	215.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	215.3	215.3	215.3

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

## OTHER INFORMATION

### *Opportunities and risks for the Group*

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

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

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

The Covid-19 pandemic receded during the first half of 2022 due to a milder variant of the virus and rising vaccination rates. At the time of preparing the present Year-end report, the effect on K-Fastigheter's operations is deemed to be limited.

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

The impact of the war in Ukraine on K-Fastigheter's future operations remains uncertain, but assessments will be carried out

regularly and will be reported in future Interim Reports. Additional information may also be presented through press releases.

### *Market outlook*

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

Sensitivity analysis, SEK m	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	241.3
Rental value +/- 1%	4.9	121.2
Operating and maintenance costs +/- 1%	0.9	21.1
Long-term vacancy ratio +/- 1%	4.9	121.2

Change in value of completed investment properties and building rights	-10%	+10%
Property value, SEK m	-1,047.0	1,047.0
Debt-to-equity ratio, %	59%	52%



### ***Seasonal variations***

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

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

The Group's Parent Company is K-Fast Holding AB. At the end of the period, the Group consisted of 90 wholly-owned and partly-owned subsidiaries and 11 associated company groups. The number of employees amounted to 732 (691), of which 69 were women (60) and 663 were men (631).

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

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

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

### ***Accounting principles***

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

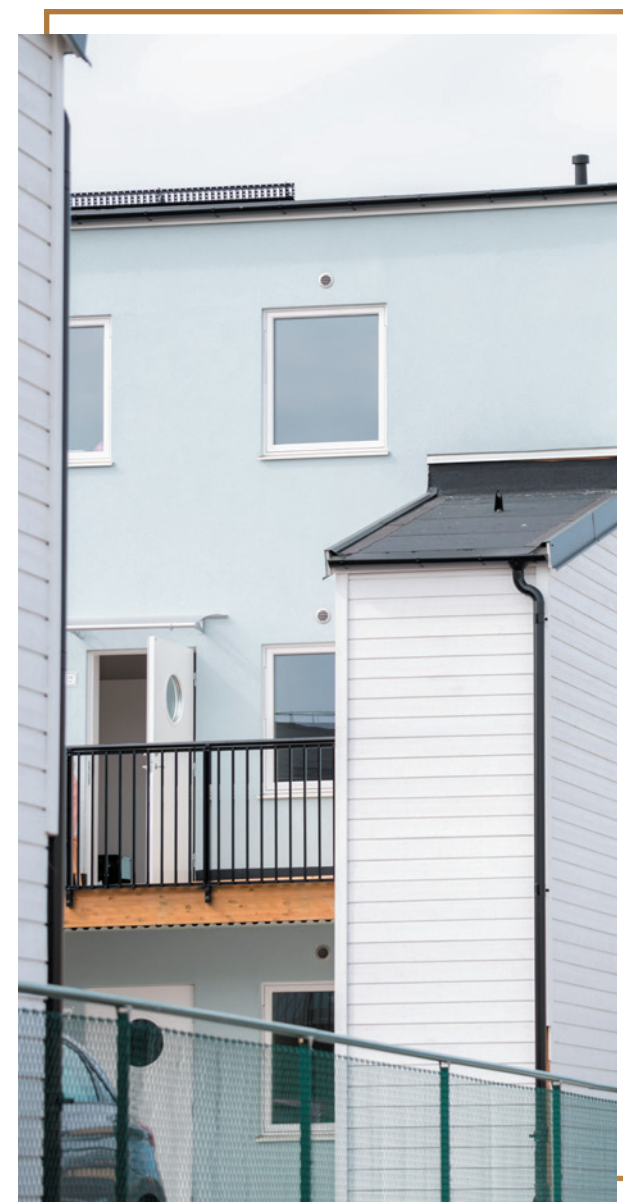
The Group and Parent Company measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are measured at fair value through the Income Statement. K-Fastigheter's assessment the carrying amount of financial assets and financial liabilities valued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

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

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

The Group's related parties include all Board Members, the CEO and members of corporate management, as well as individuals and companies closely related to them. These transactions totaled SEK 1.6 million (4.2) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 1.4 million (3.6) and transactions with the Jacob Karlsson AB Group comprised SEK 0.2 million (0.6).

In addition to the above transactions, construction services totaling SEK 46.0 million (26.9) were procured from associated company PVS Mark & VA in the period. All transactions were priced at market terms.



## OTHER INFORMATION

### **Signatures**

This Year-end report has not been subject to review by the company's auditors. The Board of Directors and the CEO provide their assurance that the Year-end 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, 16 February 2023***

***Erik Selin***

Chairman of the Board

***Ulf Johansson***

Board Member

***Christian Karlsson***

Board Member

***Sara Mindus***

Board Member

***Jesper Mårtensson***

Board Member

***Jacob Karlsson***

Board Member and CEO

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

*K-Fastigheter's President and CEO, Jacob Karlsson, and CFO, Martin Larsson, will comment on the Group's Year-end report for the fourth quarter of 2022 on Thursday 16 February at 10 am CET.*

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

### **CALENDAR**

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

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

*Annual General Meeting 2022, 11 May 2023*

*Interim Report January – June 2023, 25 July 2023*

*Interim Report January – September 2023, 9 November 2023*

## THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) have traded on Nasdaq Stockholm in the Real Estate segment since 29 November 2019. On 31 December 2022, K-Fastigheter's market capitalization was SEK 4,539.2 million. At the end of the quarter, there were over 7,600 shareholders.

On 31 December 2022, there were a total of 215,331,168 shares in K-Fast Holding AB, of which 22,500,000 Class A shares and 192,831,168 Class B shares. The total number of votes on 31 December 2022 was: 305,331,168. All KPIs and share-related information in this report have been adjusted for the number of shares after the share split in June 2021.

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

### Share price performance and trading

During the period 1 January – 31 December 2022, approximately 58.4 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 231,000 shares and the average price paid was SEK 38.55. The highest price paid during the period was SEK 92.05 on 4 January 2022 and the lowest price paid was SEK 17.01 on 13 October 2022. On 31 December 2022, the share price was SEK 23.54 (last paid). Market value of all shares in the company, based on the last price paid for a class B share on 31 December 2022, amounted to SEK 5,068.9 million.

### Share capital

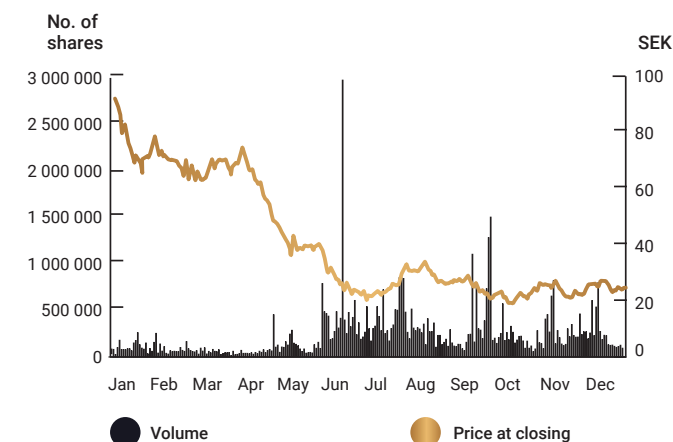
The 2021 AGM authorized the Board to decide to repurchase the Company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings. The

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	Mid Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	215,331,168
Total number of Class B shares listed on Nasdaq Stockholm	192,831,168
As of 31 December 2022	SEK 23.54
Market price 31 December 2022	SEK 5,068.9 million

### Share price, 1 January 2022 – 31 December 2022



Source: Nasdaq

### Ten largest shareholders (in order of total voting power) as per 31 December 2022

Name	Number of Class A shares*	Number of Class B shares*	Total number of shares	Percentage of share capital%	Percentage of votes %
Jacob Karlsson AB	11,250,000	64,301,361	75,551,361	35.1%	39.5%
Erik Selin Fastigheter AB	11,250,000	63,750,000	75,000,000	34.8%	39.3%
Capital Group	0	12,909,607	12,909,607	6.0%	4.2%
Länsförsäkringar funds	0	7,747,464	7,747,464	3.6%	2.5%
Fourth AP Fund	0	6,102,766	6,102,766	2.8%	2.0%
SEB funds	0	3,323,115	3,323,115	1.5%	1.1%
Carnegie Fonder	0	2,930,907	2,930,907	1.4%	1.0%
Nergården families**	0	2,868,600	2,868,600	1.3%	0.9%
ER-HO Förvaltning AB	0	2,283,000	2,283,000	1.1%	0.7%
VPF First Nordic Real Estate	0	1,869,612	1,869,612	0.9%	0.6%
<b>Ten largest shareholders</b>	<b>22,500,000</b>	<b>168,086,432</b>	<b>190,586,432</b>	<b>88.5%</b>	<b>91.9%</b>
Other shareholders	0	24,744,736	24,744,736	11.5%	8.1%
<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	132,066,480	154,566,480	71.8%	80.1%

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

\*\* Through Mjölback's Entreprenad Holding AB and Väst kustStugan AB.

The ownership structure as of 31 December 2022, based on data from Euroclear Sweden and K-Fastigheter.

## K-FASTIGHETER'S CONCEPT BUILDINGS



### NYKÖPING

#### *Oppeby Gård – 84 Low-Rise apartments*

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

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

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

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



### MALMÖ

#### *Dammsnäckan – 89 Lateral Low-Rise apartments*

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

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

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

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



### HÄSSLEHOLM

#### *Hällan – 38 Apartment Block apartments*

##### **Apartment Block – residential buildings for any location**

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

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

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

# K-FASTIGHETER – MORE THAN A PROPERTY COMPANY

K-Fast Holding AB (“K-Fastigheter”) is a project development, construction, prefab and property company focused primarily on rental housing properties, which, as of 31 December 2022, accounted for 91 percent of the property value of the completed property portfolio and for 88 percent of the contractual rent. As of 31 December 2022, K-Fastigheter’s property portfolio encompasses a lettable area of approximately 288,000 square meters distributed between more than 3,708 homes and 170 commercial contracts with an annual rental value of some SEK 476 million. The project portfolio also comprises over 6,100 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January to December 2022, approximately 56 percent of Group profit before tax was derived from project development and construction, and approximately 44 percent from property management.

## Overarching goals

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

### Operational goals



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



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



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

## Financial targets

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

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

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

## Sustainability and value creation

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

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

Since early 2019, electricity in K-Fastigheter’s properties has been procured exclusively from suppliers offering electricity from renewable

sources, mainly wind power. Since the second quarter of 2021, K-Fastigheter has been installing photovoltaic panels on all new-build Lateral Low-Rise buildings and Apartment Blocks. The Group has also begun installing photovoltaic panels on its production facilities.

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

## K-Fast Holding AB

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*This report and other financial information and press releases can be found on the company’s website: [k-fastigheter.com/en/investors/](https://www.k-fastigheter.com/en/investors/).*

*This information is such that K-Fast Holding AB is obliged to disclose in accordance with the EU’s Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 9:00 a.m. CET on 16 February 2022.*



K-FASTIGHETER

## RECONCILIATION TABLE

### Property-related key performance indicators

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec	Definition	Motivation
<b>Rental value, SEK m</b>						
A Contract value on an annual basis at the end of the period, SEK m	475.6	318.2	475.6	318.2		
B Vacancy value on an annual basis at the end of the period, SEK m	13.0	9.8	13.0	9.8	Closing annual rent plus estimated market rent for vacant space.	This rental value is used to illustrate the Group's potential income.
<b>A+B Rental value at the end of the period, SEK m</b>	<b>488.6</b>	<b>328.0</b>	<b>488.6</b>	<b>328.0</b>		
<b>Financial occupancy rate, %</b>						
A Contract value on an annual basis at the end of the period, SEK m	475.6	318.2	475.6	318.2		
B Vacancy value on an annual basis at the end of the period, SEK m	13.0	9.8	13.0	9.8	Contractual annual rent for leases valid at the end of the period in relation to rental value.	This KPI illustrates the financial degree of utilization of K-Fastigheter's properties.
<b>A/(A+B) Financial occupancy rate, %</b>	<b>97.3%</b>	<b>97.0%</b>	<b>97.3%</b>	<b>97.0%</b>		
<b>Average financial occupancy rate, %</b>						
A Rental income for the period, SEK m	109.1	75.3	384.2	265.9		
B Rental value for the period, SEK m	113.6	79.4	401.0	286.7	Rental income during the period in relation to the rental value during the period.	This KPI illustrates the financial degree of utilization of K-Fastigheter's properties.
<b>A/B Average financial occupancy rate in the period, %</b>	<b>96.1%</b>	<b>94.8%</b>	<b>95.8%</b>	<b>92.7%</b>		
<b>Surplus ratio, %</b>						
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	65.3	48.5	251.9	176.1		
B Rental income for the period in accordance with the Income Statement, SEK m	109.1	75.3	384.2	265.9	Operating surplus in relation to rental income.	This KPI illustrates the profitability of the property management operations.
<b>A/B Surplus ratio during the period, %</b>	<b>59.8%</b>	<b>64.5%</b>	<b>65.6%</b>	<b>66.2%</b>		
Lettable area at the end of the period, m <sup>2</sup>	287,869	213,952	287,869	213,952	Total area available for lease	KPI to illustrate K-Fastigheter's capacity to achieve operational targets.
Total number of apartments under management at the end of the period	3,708	2,723	3,708	2,723	Total number of apartments under management at the end of the period.	
Number of construction starts for apartments in the period	306	461	1,012	996	Total number of construction starts for apartments in the period.	
Number of apartments in construction at the end of the period	2,058	1,820	2,058	1,820	Total number of apartments in ongoing construction at the end of the period.	
Number of apartments in project development at the end of the period	4,046	5,869	4,046	5,869	Total number of apartments in ongoing project development at the end of the period.	

## Financial key performance indicators

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec	Definition	Motivation
<b>Interest coverage ratio, multiple</b>						
A Profit before changes in value for the period in accordance with the Income Statement, SEK m	30.0	51.0	83.3	126.6	<i>Profit before changes in value with reversal of depreciation/amortization and impairment and net interest income, and divided by net interest income (incl. realized change in value of current derivative instruments).</i>	<i>The KPI highlights financial risk by illustrating the sensitivity of the Company's performance to fluctuations in interest rates.</i>
B Depreciation/amortization and impairment during the period in accordance with the Income Statement, SEK m	-15.9	-19.5	-62.6	-58.2		
C Net interest income for the period in accordance with the Income Statement, SEK m	-43.5	-23.6	-124.8	-75.6		
<b>(A-B-C)/-C Interest coverage ratio during the period, multiple</b>	<b>2.1</b>	<b>4.0</b>	<b>2.2</b>	<b>3.4</b>		
<b>Equity/assets ratio, %</b>						
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	5,169.6	4,233.7	5,169.6	4,233.7	<i>Equity as a percentage of total assets at the end of the period.</i>	<i>The KPI highlights financial risk by illustrating the scale of equity in relation to total assets.</i>
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	15,272.0	11,482.7	15,272.0	11,482.7		
<b>A/B Equity/assets ratio at the end of the period, %</b>	<b>33.9%</b>	<b>36.9%</b>	<b>33.9%</b>	<b>36.9%</b>		
<b>Debt-to-equity ratio, %</b>						
A Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	8,461.4	5,943.9	8,461.4	5,943.9	<i>Interest-bearing liabilities as a percentage of total assets at the end of the period.</i>	<i>The debt-to-equity ratio is used to illustrate K-Fastigheter's financial risk.</i>
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	15,272.0	11,482.7	15,272.0	11,482.7		
<b>A/B Debt-to-equity ratio at the end of the period, %</b>	<b>55.4%</b>	<b>51.8%</b>	<b>55.4%</b>	<b>51.8%</b>		
<b>Average interest, %</b>						
A Interest expense calculated at annual rate at the end of the period, SEK m	173.2	87.8	173.2	87.8	<i>Estimated annual interest for interest-bearing liabilities as a percentage of interest-bearing liabilities, at the end of the period excluding overdrafts and building credits.</i>	<i>Average interest is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.</i>
B Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	6,379.5	4,750.3	6,379.5	4,750.3		
<b>A/B Average interest rate at the end of the period, %</b>	<b>2.72%</b>	<b>1.85%</b>	<b>2.72%</b>	<b>1.85%</b>		
<b>Net investments, SEK m</b>						
A Acquisitions during the period, SEK m	244.8	60.8	830.3	292.6	<i>Total net investments in investment and business properties and construction in progress in the period.</i>	<i>KPI to illustrate K-Fastigheter's capacity to achieve operational targets.</i>
B New construction projects during the period, SEK m	574.7	390.1	1,857.4	1,326.3		
C Extensions and remodeling during the period, SEK m	14.3	7.3	28.8	40.2		
D Sales during the period, SEK m	-1.3	-10.3	-9.5	-51.0		
<b>A+B+C+D Net investments during the period, SEK m</b>	<b>832.5</b>	<b>447.9</b>	<b>2,707.0</b>	<b>1,608.1</b>		

**Financial key performance indicators, cont.**

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec	Definition	Motivation
<b>Profit from property management, SEK m</b>						
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	65.3	48.5	251.9	176.1	Gross profit from property management less central administration costs and depreciation, amortization and impairment attributable to the Property Management business area and net interest income.	This KPI illustrates the profitability of the property management operations.
B Central administration attributable to property management during the period in accordance with the Income Statement, SEK m	-1.4	-3.3	-12.3	-10.2		
C Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK m	-0.5	-0.9	-4.1	-3.3		
D Net interest income attributable to property management during the period in accordance with the Income Statement, SEK m	-36.3	-17.4	-104.8	-61.2		
<b>A+B+C+D Profit from property management, SEK m</b>	<b>27.1</b>	<b>27.0</b>	<b>130.7</b>	<b>101.4</b>		
<b>Long-term net asset value (NAV), SEK m</b>						
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,150.3	4,233.7	5,150.3	4,233.7	Reported equity with reversal of deferred tax, interest rate derivatives and non-controlling interests.	An established measure of K-Fastigheter's and other listed companies' long-term net asset value, facilitating analyses and comparisons.
B Derivatives at the end of the period in accordance with the Balance Sheet, SEK m	-399.1	-37.0	-399.1	-37.0		
C Deferred tax liability at the end of the period in accordance with the Balance Sheet, SEK m	1,033.5	796.4	1,033.5	796.4		
D Deferred tax asset at the end of the period in accordance with the Balance Sheet, SEK m	16.4	17.1	16.4	17.1		
<b>A+B+C-D Long-term net asset value (NAV) at the end of the period, SEK m</b>	<b>5,768.3</b>	<b>4,976.1</b>	<b>5,768.3</b>	<b>4,976.1</b>		
Period for which capital is tied up, years	2.4	2.8	2.4	2.8	The period for which capital is tied up with regard to liabilities to credit institutions pertaining to acquisition financing and completed investment and business properties at the end of the period.	This KPI is used to illustrate the financing risk for K-Fastigheter's interest-bearing liabilities.
Period of fixed-interest at the end of the period, years	3.4	4.4	3.4	4.4	The period of fixed-interest with regard to liabilities to credit institutions pertaining to acquisition financing and completed investment and business properties at the end of the period.	This KPI is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.

### Share-related key performance indicators

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec	Definition	Motivation
<b>Long-term net asset value (NAV), SEK</b>						
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,768.3	4,976.1	5,768.3	4,976.1	Long-term net asset value (NAV) in relation to the number of shares outstanding at the end of the period.	Used to illustrate K-Fastigheter's long-term net asset value per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, millions	215.3	215.3	215.3	215.3		
<b>A/B Long-term net asset value (NAV) per share at the end of the period, SEK</b>	<b>26.79</b>	<b>23.11</b>	<b>26.79</b>	<b>23.11</b>		
<b>Growth in long-term net asset value (NAV) per share, %</b>						
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK/share	26.79	23.11	26.79	23.11	Percentage change in long-term net asset value (NAV) per share during the period.	Used to illustrate growth in K-Fastigheter's long-term net asset value (NAV) per share in a manner that is uniform for listed companies.
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the previous period in accordance with the Balance Sheet, SEK/share	26.32	21.18	23.11	17.00		
<b>A/B-1 Growth in long-term net asset value (NAV) per share during the period, %</b>	<b>1.8%</b>	<b>9.1%</b>	<b>15.9%</b>	<b>35.9%</b>		
<b>Equity per share, SEK</b>						
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,150.3	4,233.7	5,150.3	4,233.7	Equity less minority share of equity, in relation to the number of shares outstanding at the end of the period.	Used to illustrate K-Fastigheter's equity per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, millions	215.3	215.3	215.3	215.3		
<b>A/B Equity per share at the end of the period, SEK</b>	<b>23.92</b>	<b>19.66</b>	<b>23.92</b>	<b>19.66</b>		
<b>Profit from property management per share, SEK</b>						
Profit from property management attributable to Parent Company shareholders in the period in accordance with the Income Statement, SEK million	27.1	27.0	130.7	101.4	Profit from property management in relation to the average number of shares outstanding during the period.	Used to illustrate K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, millions	215.3	215.3	215.3	215.3		
<b>A/B Profit from property management per share during the period, SEK</b>	<b>0.13</b>	<b>0.13</b>	<b>0.61</b>	<b>0.47</b>		
<b>Growth in profit from property management per share, %</b>						
Profit from property management attributable to Parent Company shareholders in the period, SEK/ Share	0.13	0.13	0.61	0.47	Percentage change in profit from property management per share during the period.	Used to illustrate growth in K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
Profit from property management attributable to Parent Company shareholders in the preceding period, SEK/share	0.13	0.09	0.47	0.36		
<b>A/B-1 Growth in profit from property management per share during the period, %</b>	<b>0.5%</b>	<b>41.5%</b>	<b>28.9%</b>	<b>29.8%</b>		
<b>Profit after tax per share for the period, SEK</b>						
A Profit after tax attributable to Parent Company shareholders during the period in accordance with the Income Statement, SEK m	76.0	361.8	889.2	1,044.4	Profit for the period in relation to the average number of shares outstanding in the period.	Used to illustrate K-Fastigheter's earnings per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, incl. dilution, millions	215.3	215.3	215.3	215.3		
<b>A/B Profit after tax for the period, SEK/share</b>	<b>0.35</b>	<b>1.68</b>	<b>4.13</b>	<b>4.85</b>		
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3		
Average number of shares outstanding during the period, millions*	215.3	215.3	215.3	215.3		

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