

K-FAST HOLDING AB INTERIM REPORT

JANUARY
-SEPTEMBER **2023**

“Our business model stands strong in the current market conditions, where we are creating significant unrealized value in new construction projects which helps to offset lower values on completed investment properties.”



K-FASTIGHETER



Low-Rise with three bedrooms, one living room and a kitchen in the Limkokaren 16 neighborhood in Hässleholm.

Number of apartments under management



4,078 UNITS
Q3 2023

3,708 UNITS
Q4 2022

Investment properties, value



14,534.8 SEK M
Q3 2023

13,094.6 SEK M
Q4 2022

Number of homes in production



1,886 UNITS
Q3 2023

2,058 UNITS
Q4 2022

Long-term net asset value



5,702.7 SEK M
Q3 2023

5,768.3 SEK M
Q4 2022

Rental income



120.0 SEK M
Q3 2023

102.0 SEK M
Q3 2022

Profit from property management



28.9 SEK M
Q3 2023

36.3 SEK M
Q3 2022

THE QUARTER AND PERIOD IN BRIEF

July–September

- Rental income totaled SEK 120.0 million (102.0) in the quarter, an increase of 18 percent year-on-year.
- Income from project and contracting operations totaled SEK 437.6 million (495.8), of which SEK 310.1 million (283.7) related to intra-Group projects.
- Consolidated gross profit for the quarter amounted to SEK 87.0 million (77.9), of which operating surplus attributable to property management was SEK 81.1 million (69.3) and gross profit from project and contracting operations totaled SEK 5.9 million (8.6).
- Profit before changes in value amounted to SEK 11.3 million (12.8) in the quarter.
- Profit from property management amounted to SEK 28.9 million (36.3), a decrease of 20 percent year-on-year. Profit from property management per share was SEK 0.13 (0.17).
- Changes in value for investment properties amounted to SEK -170.8 million (56.4), and to SEK 5.1 million (63.3) for derivatives.
- Profit for the quarter was SEK -117.5 million (115.8), corresponding to SEK -0.56 (0.54) per share.

January–September

- Rental income in the period amounted to SEK 351.5 million (275.1), up 28 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 18 percent to 4,078 (3,452) in the period.
- Income from project development and construction operations totaled SEK 1,531.9 million (1,465.4), of which SEK 1,045.1 million (682.9) related to intra-group projects, SEK 486.8 million (782.5) to external projects, of which Prefab's external income totaled SEK 477.7 million (777.6).
- Consolidated gross profit for the period amounted to SEK 308.7 million (230.2), of which operating surplus attributable to property management was SEK 232.5 million (186.6) and gross profit from project and contracting operations totaled SEK 76.2 million (43.5).
- Profit before value changes amounted to SEK 61.6 million (53.4) in the period.
- Profit from property management amounted to SEK 94.0 million (103.6), a decrease of 9 percent in year-on-year terms. Profit from property management per share was SEK 0.44 (0.48).
- Changes in value for investment properties amounted to SEK -353.2 million (612.8), and to SEK -9.9 million (368.4) for derivatives. Unrealized value changes in investment properties comprised SEK 277.3 million (537.5) from construction projects in progress and SEK -630.5 million (75.3) from property management.
- Profit for the period was SEK -238.7 million (813.2) corresponding

to SEK -1.25 (3.78) per share.

- At the end of the period, the value of investment properties amounted to SEK 14,534.8 million (13,094.6), an increase of 11 percent compared to 31 December 2022 and up 20 percent compared to 30 September 2022.
- At the end of the period, long-term net asset value (NAV) amounted to SEK 5,702.7 million (5,768.3), corresponding to SEK 24.42 per share (26.79), a decrease of 9 percent compared to 31 December 2022 and up 7 percent on 30 June 2022.
- The interest coverage ratio for the period amounted to a multiple of 1.8 (2.2) and for the rolling 12 months to a multiple of 1.9 (2.6). The equity-asset ratio was 30.8 percent (33.9), and the debt-to-equity ratio was 59.5 percent (55.4).

Significant events in the third 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 third quarter of 2023 and up until publication of this report.

- On 25 July 2023, K-Fastigheter published its Interim Report for the period January to June 2023.
- On 11 September 2023, K-Fastigheter announced the appointment of Colliers to assist with the divestment of four properties in the Copenhagen region, comprising a total of 311 apartments. The sale forms part of efforts aimed at strengthening the Group's financial position and putting the conditions in place for continued expansion through the acquisition of building rights and project construction starts. K-Fastigheter will retain its presence in the Copenhagen region even after the potential divestment of the relevant properties, through a construction project relating to a total of 153 apartments in Ballerup. K-Fastigheter foresees continued positive potential for future acquisitions of building rights in the Copenhagen area.
- On 28 September 2023, K-Fastigheter completed a new issue of 18,180,000 new Class B shares with a settlement date of 2 October 2023. The subscription price was SEK 13.80 per share through an accelerated bookbuilding process. In addition to a strong support from existing shareholders several new institutional investors participated. The directed new issue raised SEK 250.9 million before issue expenses for K-Fastigheter. In connection with the directed new issue, an announcement was made that Erik Selin Fastigheter AB, in order to facilitate the required subscription under the directed new issue, and following an approval by the Extraordinary General Meeting on 24 October 2023, intends to subscribe for 5,820,000 new Class B shares,

raising SEK 80.3 million before issue expenses for K-Fastigheter with a settlement date of 26 October 2023.

Significant events after the end of the period

- On 2 October 2023, K-Fastigheter convened an Extraordinary General Meeting for 24 October 2023. The aim of the Extraordinary General Meeting was to authorize the Board's decision regarding the issue to Erik Selin Fastigheter AB.
- The Extraordinary General Meeting on 24 October 2023 resolved to approve the Board's decision relating to the new issue to Erik Selin Fastigheter AB.

Key performance indicators*	2023	2022	2022
	Jan–Sep	Jan–Sep	Jan–Dec
Rental income, SEK m	351.5	275.1	384.2
Project and contracting income, SEK m	1,531.9	1,465.4	2,038.8
Gross profit, SEK m	308.7	230.2	323.1
Profit from property management, SEK m	94.0	103.6	130.7
Value change in investment properties, SEK m	-353.2	612.8	699.0
Profit for the period, SEK m	-238.7	813.2	907.4
Net investments in investment properties, SEK m	1,764.5	1,874.4	2,707.0
Investment properties, SEK m	14,534.8	12,122.6	13,094.6
Long-term net asset value (NAV), SEK m	5,702.7	5,667.4	5,768.3
Number of apartments under management	4,078	3,452	3,708
Number of construction starts, apartments	199	706	1,012
Number of apartments under construction	1,886	1,976	2,058
Number of apartments in project development	4,290	4,785	4,046
Interest coverage ratio, multiple (period)	1.8	2.2	2.2
Equity/assets ratio, %	30.8%	35.3%	33.9%
Debt-to-equity ratio, %	59.5%	54.1%	55.4%
Loan-to-value ratio, completed investment properties, %	62.0%	55.4%	58.2%
Profit from property management, SEK per share**	0.44	0.48	0.61
Growth in profit from property management per share, %**	-9.3%	39.2%	28.9%
Long-term net asset value (NAV), SEK per share**	24.42	26.32	26.79
Growth in long-term net asset value (NAV), per share, %**	-8.8%	13.9%	15.9%
Earnings per share, SEK**/**	-1.25	3.78	4.13

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

** Adjusted for new issue of 18,180,000 Class B shares as of 28 September 2023.

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

COMMENTS FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

The market conditions remain challenging. Uncertainty relating to inflationary trends and the Riksbank's outlook for the base rate are hampering the prospects of the property sector, and construction starts are down sharply. Naturally, K-Fastigheter is also affected by these developments, although our ambition is to retain our position as an aggressive operator and to continue to capitalize on the opportunities that arise on a more challenging market.

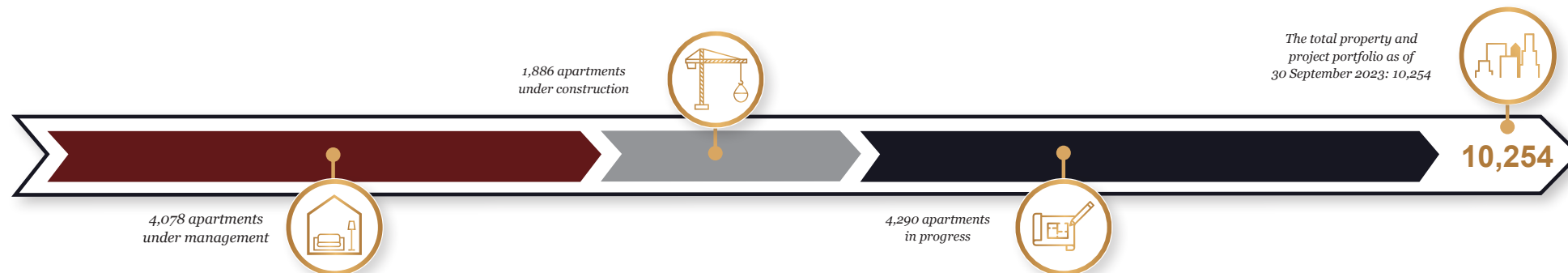
Towards the end of the quarter, K-Fastigheter completed a directed new issue. The issue raised a total of approximately SEK 331 million for the company. The issue was fully subscribed, which meant that 24,000,000 Class B shares were issued. I would like to thank our existing shareholders who subscribed to the new issue, and welcome our new shareholders to K-Fastigheter. The new issue means that K-Fastigheter is well-equipped for the future and we promise to live up to the confidence shown in us. The new capital supports K-Fastigheter's continued expansion and our intention to remain an aggressive operator. We are currently in the process of divesting a portfolio of four properties in the Copenhagen region to generate additional capital for continued growth, given the more challenging market conditions as banks are becoming more cautious and more equity is required in projects. Divesting properties not constructed according to our concepts, and using the capital raised for new construction of projects with our proprietary concept buildings generates value for our shareholders. At the same time, we review each specific project carefully, and any decision to start construction is determined by our liquidity, access to funding and, especially, whether we are able to meet our internal targets relating to direct returns in relation to total investment.

In the third quarter our construction organization completed and handed over 76 apartments to the management organization. Our housing portfolio comprised a total of 4,078 apartments at the end of the quarter, and 1,886 apartments are currently in production. Our land bank includes 4,290 apartments in various stages of

development through the Project Development business area. As previously announced, a majority of construction starts will take place in the fourth quarter. This coincides with many projects being completed in the fourth quarter, which frees up capacity in our organization for starting new construction. However, because the planning application process tends to be lengthy, some planned projects may shift into next year, meaning that we will not quite reach 1,000 construction starts for 2023 and that these projects will be started in 2024 instead. At a time of reduced construction, my hope is that municipalities can work to speed up planning and approvals processes. This is because long processing periods have delayed construction of new housing in Sweden.

In the Prefab operations, we are gradually adjusting headcount to match demand based on our order book and activity levels. We are also capitalizing on opportunities for collaboration between our production plants in order to optimize capacity. I believe that our operations are maintaining positive volume levels given the economic conditions, not least due to internal sales. In addition, volumes from external customers continue to increase, and it is pleasing to see new external housing projects.

Our rental value amounted to approximately SEK 524 million at the end of the third quarter. In one year, rental values increased by over SEK 90 million. By the end of the year, apartments completed in the fourth quarter will have added a further SEK 132 million to rental values, bringing the figure to SEK 656 million. ▶▶▶



This is excellent progress, with growth in the rental value of 25 percent in the coming quarter alone. Our organization continues to work hard to reduce vacancies. We have done this successfully for succession letting, where more contracts were signed than were terminated in the quarter. The occupancy rate was 95.2 percent at the end of the quarter. In some locations, some vacancies remain when tenants move in; this is due to demand not quite matching the strong construction activity seen in recent years. In the short term, this has had a negative impact on vacancy levels and profit from property management. Reducing the number of vacancies is a priority, and will take some time to resolve fully. In the long term, I am convinced that we can improve the numbers through hard work.

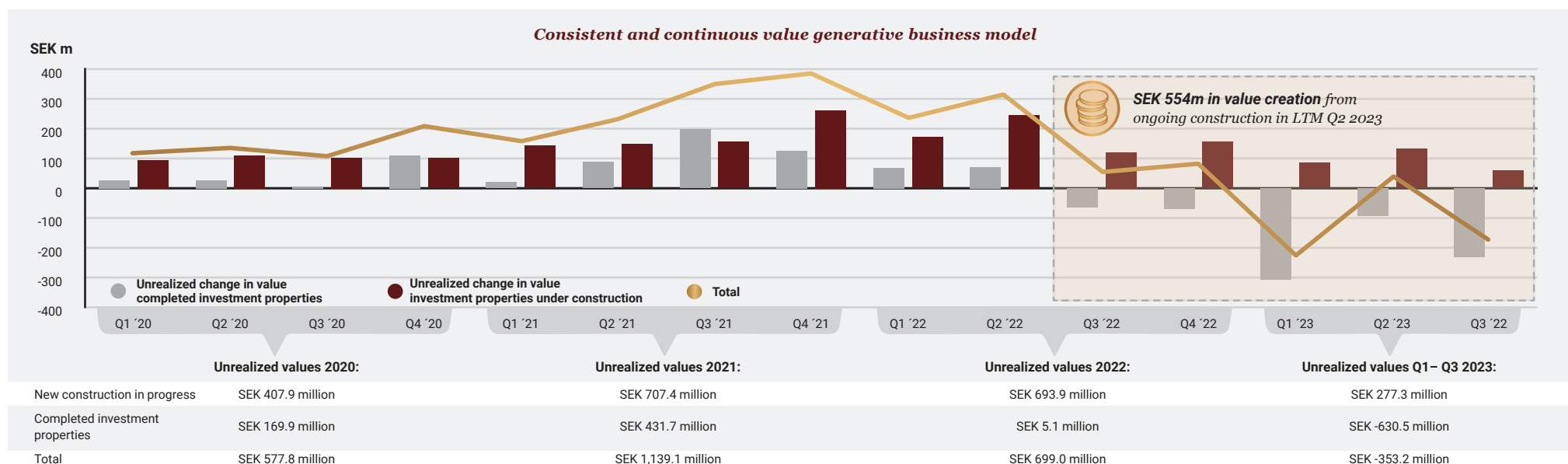
Our properties are valued quarterly by an external valuer. The challenging market conditions and the return requirement on properties are having a negative impact on market values. The market value of completed properties and properties under construction decreased by 1.2 percent in the quarter. From the end

of the second quarter 2022, when values were at their peak, we have seen a decline of just over 6 percent. However, our property values are increasing in overall terms as we are continuously completing properties, starting construction projects and acquiring new building rights. At the end of the quarter, the total property value amounted to just over SEK 14.5 billion. Our business model stands strong in the current market conditions, where we are creating significant unrealized value in new construction projects. This helps to offset lower values on completed investment properties. From the peak in property values in Q2 2022 to the end of Q3 2023, we created unrealized values in new construction of approximately SEK 554 million, providing us with a stable foundation. This evidences the unique qualities of our business model compared to other sector operators. Although the market value of our properties remains under pressure while interest rates on building credits are rising, we are still managing to maintain an acceptable production to value ratio (PtV). At the end of the period, PtV was 75%, explaining why K-Fastigheter is able to maintain a more aggressive stance compared to other operators.

Interest rates affect the entire property sector negatively and remain a key focus in the debate about Swedish property companies' performance. K-Fastigheter currently partners with around a dozen banks and has no bond financing, unlike many other sector operators. At the end of the quarter, 81 percent of our interest-bearing liabilities related to acquisition financing, and completed investment and business properties were hedged at an average interest rate of 3.29 percent. A period of fixed interest of 2.6 years provides room to maneuver until interest rates stabilize and become more predictable.

Our business model with symbiotic business areas that benefit each other represents a strength in the current market climate. This, combined with a structural need for new housing in the form of attractive new rental apartments, means that I take a positive view of the future despite the current market conditions. ■

- Jacob Karlsson, CEO, November 2023



PROPERTY PORTFOLIO AND VALUATION

Property portfolio

On 30 September 2023, the Group's property portfolio comprised 116 completed investment properties¹ distributed over a total of 264,986 square meters of residential and 46,667 square meters of commercial space. Furthermore, the Group had 21 ongoing construction projects, distributed over 125,362 square meters of residential space and 1,826 square meters of commercial space, as well as the construction of Hässleholm Rusthållaren 3 & 4. Rusthållaren encompasses 8,000 square meters of lettable area, much of which will be home to the Group's new head office. Furthermore, K-Fastigheter has 26 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 15 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 59 percent was built after 2020 and a total of 86 percent after 2010. Newsec assesses that all of the properties are in category A or B locations in the communities where the Group operates. As of 30 September 2023, contractual rent amounted to SEK 499.0 million, with an estimated operating surplus of SEK 355.3 million, corresponding to a potential surplus ratio of some 71 percent. For newly produced concept buildings, the corresponding potential surplus ratio is some 76 percent, and approximately 65 percent for other properties in the portfolio. Of the contractual rent, 89 percent pertains to housing or related rentals (such as parking) divided between the 4,078 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 180 commercial contracts, with the largest tenant accounting for approximately 2 percent of total contractual rental income and the 10 largest commercial tenants accounting for approximately 5 percent of total contractual rental income.

K-Fastigheter's management operations are divided into three regions: South, West and East. 88 percent of property values are located in region South, encompassing Skåne, Denmark and southern Småland. Region West encompasses Halland and the Västra Götaland region. Region East includes the Mälardalen

region and Nyköping and Gävle. As of 30 September 2023, 93 percent of the market value and 93 percent of the contractual rent related to investment properties in Sweden and 7 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 independent valuation of all completed investment properties and properties under construction. The valuation forms the basis for fair value recognized in the Consolidated Statement of Financial Position and the 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 14,534.8 million (13,094.6), distributed over completed investment properties of SEK 10,146.9 million (9,775.3), undeveloped land and building rights of SEK 749.9 million (695.1), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 3,619.9 million (2,606.1). During the period, SEK 1,618.5 million (1,297.1) was invested in new construction, extensions and remodeling. During the period, acquisitions totaled SEK 146.0 million (585.5). There were no divestments in the period (8.2).

Unrealized change in value in investment properties for the period was SEK -353.2 million (612.8), of which SEK -630.5 million (75.3) for properties under management and SEK 277.3 million (537.5) for construction in progress. During the third quarter, the direct return requirement in external valuations of completed properties and properties under construction increased by approximately 0.1 percentage points due to changed market conditions. In total, the change implied a decrease in the market value of completed properties and construction projects in progress of 1.2 percent in the quarter. Since the second quarter 2022, the corresponding downturn was approximately -6.2 percent for comparable investment properties,

Property-related KPIs	2023 30 Sep	2022 30 Sep	2022 31 Dec
Opening carrying amount, investment properties	13,094.6	9,603.7	9,603.7
+ Acquisitions	146.0	585.5	830.3
+ New construction	1,520.3	1,282.7	1,857.4
+ Extensions and rebuilds	98.2	14.5	28.8
- Divestments	0.0	-8.2	-9.5
- Other reclassifications, exchange rate fluctuations and obsolescence	28.9	31.8	84.8
Unrealized changes in value	-353.2	612.8	699.0
of which, completed investment properties	-630.5	75.3	5.1
of which, ongoing construction	277.3	537.5	693.9
Closing carrying amount, investment properties	14,534.8	12,122.6	13,094.6
of which, completed investment properties	10,146.9	9,090.6	9,775.3
of which, undeveloped land and building rights	749.9	584.4	695.1
of which, site leaseholds	18.0	18.0	18.0
of which, construction in progress	3,619.9	2,429.6	2,606.1
Rental value, SEK m	524.1	432.7	488.6
Rental income at end of period, SEK/m ²	1,601	1,568	1,652
Direct property costs, SEK/m ²	461	384	400
Operating surplus, SEK/m ²	1,140	1,184	1,253
Financial occupancy rate at the end of the period	95.2%	97.7%	97.3%
Average financial occupancy rate over period	93.3%	95.7%	95.8%
Surplus ratio over period	66.2%	67.8%	65.6%
Lettable area, m ²	311,653	269,466	287,869
Number of homes under management	4,078	3,452	3,708
Direct return requirement, completed investment properties	4.29%	3.83%	4.03%
Direct return requirement, construction in progress	4.22%	3.79%	4.01%
Direct return requirement, all valued properties	4.26%	3.82%	4.02%
of which housing	4.16%	3.69%	3.90%
of which premises	5.43%	5.32%	5.45%

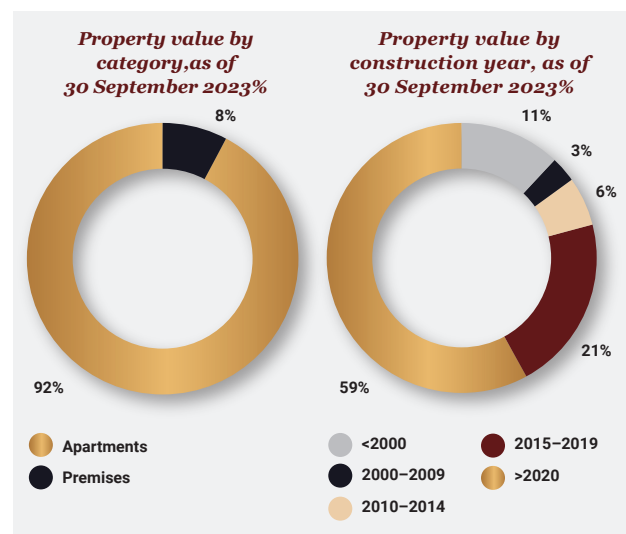
¹ Investment properties are properties held for the purpose of generating rental income, value growth, or a combination of both.

negatively affected by an increased direct return requirement of approximately 0.5 percentage points and increased costs for operations and maintenance, offset by increased rents and expectations of future rent inflation.

The average direct return requirement in the valuation of construction in progress amounted to 4.22 percent (3.79) at the end of the period, compared to 4.01 percent at the end of 2022. On completion, the estimated market value of the construction in progress amounted to SEK 5,867.0 million (6,011.7).

At the end of the period, the average direct return requirement for properties under management amounted to 4.29 percent (3.83) compared to 4.03 percent at the end of 2022. For the full property portfolio, including undeveloped land, building rights and construction in progress, the average direct return was 4.26 percent (3.82), compared to 4.02 percent at the end of 2022. The fact that the increase in the average direct return requirement during the period was not higher, taking into account the general increase during the last twelve months, is primarily because K-Fastigheter's property portfolio increasingly consists of a higher proportion of homes in better locations.

For further information on K-Fastigheter's valuation principles, see the 2022 Annual Report (Valuation section and Note 16 Investment properties).



Acquired/divested investment properties in the third quarter 2023

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

Acquired/transferred building rights

Property	Municipality	Scheduled construction start	Number of apartments	Area, m ²	Estimated annual rental value, SEK m	Purchase price SEK m
Gårdsten 7:5	Gothenburg	Q4 2023/Q1 2024	126	7,250	16.5	30.0

Projects where construction has commenced

Property	Municipality	Scheduled completion	Number of apartments	Area, m ²	Estimated annual rental value, SEK m
-	-	-	-	-	-

Project completions

Property	Municipality	Move in	Number of apartments	Area, m ²	Rental value, SEK m
Limkokaren 16	Hässleholm	July 2023	24	1,982	2.8
Trollet 2 (phase 1 of 3)	Växjö	July 2023	52	3,422	5.6

K-Fast 2.0

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Total 2023
Number of apartments renovated	8	8	11		27
Increase in rental value, SEK m	0.2	0.2	0.3		0.7

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

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

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

Information on page 8 in this Interim Report has not been subject to review by the company's auditors.

Investment properties

Per building category	No. of apartments	Lettable area, m ²			Property value		Rental value		Occupancy rate	Contractual rent	Property costs		Operating surplus	
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	%	SEK m	SEK m	SEK/m ²	SEK m	SEK/m ²
Concept buildings	2,709	170,253	2,240	172,493	6,595.0	38,233	313.5	1,818	96.1%	301.2	50.3	292	250.9	1,455
Other	1,369	94,733	30,886	125,619	3,443.2	27,410	199.6	1,589	94.1%	187.9	48.6	387	139.3	1,109
Total, excluding development properties	4,078	264,986	33,126	298,112	10,038.2	33,673	513.1	1,721	95.3%	489.1	98.9	332	390.2	1,309
Development properties	0	0	13,541	13,541	108.7	8,027	10.9	808	90.3%	9.9	3.5	256	6.4	473
Total, including development properties	4,078	264,986	46,667	311,653	10,146.9	32,558	524.1	1,682	95.2%	499.0	102.4	329	396.6	1,273

Per geographical region														
South	3,609	235,754	35,864	271,618	8,939.6	32,912	460.2	1,694	94.8%	436.3	90.6	334	345.6	1,273
West	177	9,642	9,983	19,625	466.3	23,761	26.6	1,358	96.9%	25.8	5.5	279	20.3	1,037
East	292	19,590	820	20,410	741.0	36,306	37.2	1,824	99.1%	36.9	6.3	307	30.6	1,501
Total	4,078	264,986	46,667	311,653	10,146.9	32,558	524.1	1,682	95.2%	499.0	102.4	329	396.6	1,273

Property administration	41.3	133
Operating surplus incl. property administration	355.3	1,140

Construction projects in progress¹⁾

By concept building	No. of apartments	Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ²⁾		
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	Estimated	Accrued	Carrying amount
Concept buildings	1,886	125,362	1,826	127,188	5,867.0	46,128	290.3	2,282	4,424.5	2,905.8	4,066.8
Other	0	0	0	0	0.0	0	0.0	0	0.0	0.0	0.0
Total	1,886	125,362	1,826	127,188	5,867.0	46,128	290.3	2,282	4,424.5	2,905.8	4,066.8

Per geographical region											
South	837	56,904	686	57,590	2,570.6	44,635	129.7	2,252	2,030.2	1,466.1	1,820.2
West	382	24,356	0	24,356	1,291.0	53,005	60.7	2,491	898.6	800.2	1,134.0
East	667	44,102	1,140	45,242	2,005.4	44,326	99.9	2,208	1,495.7	639.5	1,112.6
Total	1,886	125,362	1,826	127,188	5,867.0	46,128	290.3	2,282	4,424.5	2,905.8	4,066.8

Project development in progress¹⁾

By concept building	No. of apartments	Lettable area, m ²			Property value		Rental value		Investment (including land), SEK million ²⁾		
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	Estimated	Accrued	Carrying amount
Concept buildings	4,196	262,123	1,089	263,212	11,050.2	41,982	602.3	2,288	9,282.9	193.6	193.6
Other	94	5,642	0	5,642	293.8	52,082	14.7	2,612	229.2	1.3	1.3
Total	4,290	267,765	1,089	268,854	11,344.0	42,194	617.0	2,295	9,512.1	194.8	194.8

Per geographical region											
South	1,901	113,400	0	113,400	4,667.8	41,163	255.0	2,249	3,941.2	9.4	9.4
West	661	42,388	289	42,677	1,703.8	39,924	98.1	2,298	1,436.8	20.2	20.2
East	1,728	111,977	800	112,777	4,972.3	44,090	263.9	2,340	4,134.1	165.2	165.2
Total	4,290	267,765	1,089	268,854	11,344.0	42,194	617.0	2,295	9,512.1	194.8	194.8

Summary¹⁾

	No. of apartments	Lettable area, m ²			Property value		Rental value		Carrying amount
		Housing	Premises	Total	SEK m	SEK/m ²	SEK m	SEK/m ²	SEK m
Completed investment properties	4,078	264,986	46,667	311,653	10,146.9	32,558	524.1	1,682	10,146.9
New construction in progress	1,886	125,362	1,826	127,188	5,867.0	46,128	290.3	2,282	4,066.8
Project development in progress	4,290	267,765	1,089	268,854	11,344.0	42,194	617.0	2,295	194.8
New construction in progress, other									97.6
Undeveloped land									10.7
Site leaseholds									18.0
Total	10,254	658,112	49,582	707,694	27,357.9	38,658	1,431.4	2,023	14,534.8

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

²⁾ Accrued investment refers to the total costs incurred in each construction project. The carrying amount refers to the consolidated value adjusted for Group eliminations and includes the accrued change of SEK 1,081.1 million in the value of investment properties.

CURRENT EARNINGS ABILITY

The table to the right presents the earnings ability for K-Fastigheter's completed investment properties and investment properties under construction as of 30 September 2023. Projects where construction has not started have not been included. Earnings ability is not a forecast for the current year or later periods but is to be viewed solely as a theoretical snapshot and is presented for illustrative purposes only. Current earnings ability does not include an assessment of future rent trends, vacancy rates, property costs, interest rates, changes in value, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held and properties under construction as of 30 September 2023 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. The Income Statement for the management operations is also affected by developments in the value of the property portfolio, as well as by upcoming property acquisitions and/or divestments. Additional items affecting earnings include changes in the value of derivatives. None of the above has been taken into account in

SEK m	2018 31 Dec	2019 31 Dec	2020 31 Dec	2021 31 Dec	2022 31 Dec	2023 30 Sep	New construction in progress	Total
Rental value	133.4	196.6	265.1	328.0	488.6	524.1	290.3	814.4
Vacancy	-0.9	-6.1	-23.4	-9.8	-13.0	-25.1	-8.7	-33.8
Rental income	132.5	190.5	241.7	318.2	475.6	499.0	281.6	780.6
Operating costs	-19.4	-27.0	-35.6	-42.7	-69.6	-81.3	-36.0	-117.3
Maintenance	-5.6	-7.3	-9.0	-11.0	-15.5	-16.5	-5.9	-22.3
Property tax/ground rent	-1.6	-2.6	-3.0	-3.5	-4.3	-4.7	0.0	-4.7
Property administration	-12.8	-15.0	-19.2	-22.7	-25.2	-41.3	-16.9	-58.2
Operating surplus	93.0	138.6	174.9	238.2	361.0	355.3	222.8	578.1
Central administration	-4.3	-9.6	-11.2	-10.2	-12.3	-6.9		-6.9
Net interest income	-29.0	-46.9	-51.4	-73.0	-160.9	-199.8	-192.7	-392.5
Profit from property management	59.7	82.1	112.3	155.0	187.8	148.5	30.2	178.7

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

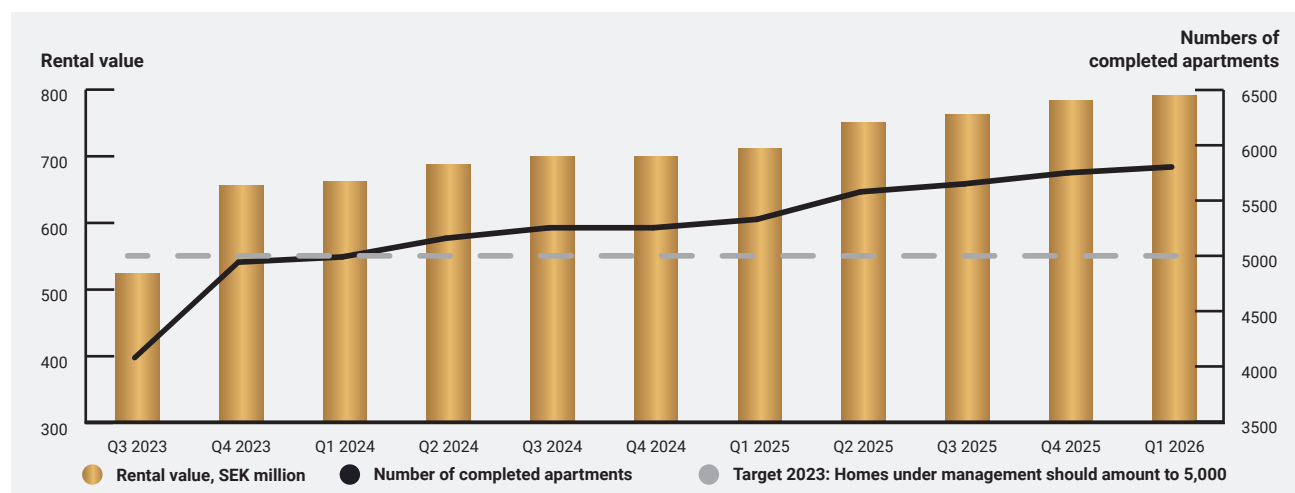
Earnings ability is based on contractual and estimated rental income from the property portfolio, estimated property costs for the year based on historical outcomes for properties under management, as well as property administration costs and

central administration costs relating to the Property Management business area estimated for the year based on the current scale of administration. Costs for interest-bearing liabilities have been based on current interest-bearing liabilities and current interest rates (including the effects of derivative instruments) at the end of the period.

Expected rental trend and number of apartments

The figure to the right illustrates the the number of apartments and current rental values for completed investment properties and expected rental values of ongoing construction projects relating to investment properties as of 30 September 2023 at a pace with these properties being completed.

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



FINANCING

Liabilities and derivatives portfolio

At the end of the period, K-Fastigheter financed its assets exclusively through bilateral loans with Nordic banks. Consolidated interest-bearing liabilities at the end of the period amounted to SEK 10,024.3 million (8,461.4), of which SEK 2,812.7 million (2,049.9) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment and business properties of SEK 6,338.6 million (5,743.2), building credits of SEK 2,177.6 million (1,591.2), leasing liabilities of SEK 93.7 million (93.1), operating and acquisition credits of SEK 1,164.0 million (783.8) and a promissory note relating to the acquisition of K-Prefab of SEK 250.0 m (250.0). The debt-to-equity ratio for the Group amounted to 59.5 percent (55.4) and the loan-to-value ratio for completed investment properties totaled 62.0 percent (58.2). The increase in the debt-to-equity ratio and loan-to-value ratio was primarily due to lower valuations of completed investment properties.

At the end of the period, the Group had contracted credit agreements of SEK 11,192.6 million (9,671.6), of which SEK 6,338.6 million (5,743.2) related to the financing of completed investment and business properties, of which SEK 1,954.5 million (1,706.9) mature for renegotiation within the next 12 months. In addition to the financing of completed investment and business properties, contracted credit agreements comprise building credits of SEK 3,429.0 million (2,867.1) and operating and acquisition credits of SEK 1,425.0 million (1,061.3), of which SEK 225.0 million (292.5) and SEK 75.0 million (93.8) relates to acquisition financing of K-Prefab and Mjööbäcks Entreprenad AB respectively. At the end of the period, building credits and operating and acquisition credits had been utilized at an amount of SEK 2,177.6 million (1,591.2) and SEK 1,164.0 million (783.8) respectively.

The average period of capital tied up for the Group's interest-bearing liabilities relating to acquisition financing and completed investment and business properties amounted to 2.8 years (2.4) as of 30 September 2023.

K-Fastigheter currently works exclusively with variable interest rate loans. Interest rate derivatives, primarily interest rate swaps, are used to adjust the period of fixed interest. Nominally, the swap portfolio totaled SEK 5,584.7 million (4,407.7) at the end of the period. At the end of the period, the fair value of the interest derivative portfolio was SEK 400.1 million (404.9). The average interest period for the Group's interest-bearing liabilities related to acquisition financing, investment and business properties was 2.6 years (3.4), and the average interest rate was 3.29 percent (2.72), including the effects of interest rate derivatives, and 5.47 percent (3.85) excluding the effects of interest rate derivatives. The average interest expense in relation to contracted building credits amounted to 5.89 percent (3.92) at the end of the period. The total proportion of variable interest in relation to interest bearing liabilities related to acquisition financing, investment and business properties was 19 percent (27) and the interest rate sensitivity in the event of a 1 percentage point shift in loan rates amounted to SEK 13.5 million (17.2).

In order to increase the degree of hedging and to hedge new loans as building credits are converted into long-term financing, during 2023 we have continued to focus on restructuring elements of the swap portfolio. This has been achieved by closing older swaps and using the accrued market value in new swaps with shorter terms but with a higher swap volume and fixed interest rates that are far lower than the market interest rate for equivalent swaps at a

given time and with a particular term. In combination with new swap contracts signed in 2023, we expanded the swap portfolio by SEK 1,177.0 million, decreased the proportion of variable interest from 27 to 19 percent, and reduced interest sensitivity from SEK 17.2 million to SEK 13.5 million, while the debt portfolio relating to completed investment properties increased by 13 percent. The average period of fixed interest has not been affected because the shorter terms in the swap portfolio have been mitigated by the higher degree of hedging and the total average interest rate has been positively impacted because the new swaps have lower fixed interest rates than the variable interest on the underlying loans in the debt portfolio. Efforts to restructure the swap portfolio will also continue in the future and are made possible thanks to the positive market value generated in the portfolio in recent years.

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

Financial targets	Financial targets	Financial covenants	Actual 30 Sep 2023
Debt-to-equity, %	max. 70%		59.5%
Equity/assets ratio, %	min. 25%	min. 25%	30.8%
Interest coverage ratio, multiple*	min. multiple of 1.75	min. multiple of 1.50	multiple of 1.9

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

Credit and interest maturity structure, 30 Sep 2023 (excl. Building credits and operating credits)

Term	Interest maturity		Credit maturity		Derivatives maturity		
	Amount, SEK m	Average interest, %	Credit agreements, SEK m	Utilized, SEK m	Interest rate derivatives, SEK m	Interest, %	Value, SEK m
0-1 year	2,003.9	4.76%	2,353.6	2,353.6	400.0	0.42%	11.3
1-2 year	100.0	1.71%	1,458.5	1,458.5	100.0	0.25%	6.3
2-3 year	2,200.0	2.77%	2,434.3	2,434.3	2,200.0	1.31%	138.2
3-4 year	1,000.0	2.84%	129.5	129.5	1,000.0	1.38%	74.8
4-5 year	1,000.0	2.48%	316.8	316.8	1,000.0	1.02%	104.4
> 5 years	884.7	3.57%	495.9	495.9	884.7	2.11%	65.0
Total	7,188.6	3.29%	7,188.6	7,188.6	5,584.7		400.1

COMPREHENSIVE INCOME JANUARY–SEPTEMBER 2023

The following profit and cash flow items relate to the period 1 January - 30 September 2023. Comparative items relate to the corresponding period in the previous year. Balance Sheet items and comparative figures relate to the position at the end of the period in the current and previous year. All amounts are indicated in SEK million.

Income

Comprehensive income amounted to SEK 247.9 million (314.7) for the third quarter of 2023 and to SEK 847.7 million (1,071.5) for the period. Rental income amounted to SEK 120.0 million (102.0) for the third quarter and to SEK 351.5 million (275.1) for the period, an increase of 18 percent and 28 percent respectively in year-on-year terms. The increase was primarily due to more properties under management, which increased by 18 percent to 4,078 (3,452) apartments. However, the increase only partly includes agreed rent increases for 2023, as these took effect from April 2023. The financial occupancy rate, which gradually declined in the first half year, improved in the third quarter and was 95.2 percent (97.7) at the end of the period. The letting ratio is generally slightly lower initially in the projects that have been completed and where tenants

have moved in over the past year, while the financial letting ratio remains very high in the parts of the holding that have been under management for an extended period.

Income from project and construction operations for the third quarter amounted to SEK 437.6 million (495.8) and amounted to SEK 1,531.9 million (1,465.4) for the period, of which SEK 1,045.1 million (682.9) related to construction for Group companies that has been capitalized for the Group's own purposes. The increase was due to continued high activity in the construction of apartments for proprietary management, and 1,886 apartments (1,976) were in production at the end of the period, of which approximately 900 will be completed in the fourth quarter 2023. External income for project and contracting operations amounted to SEK 486.8 million (782.5) in the period, of which Prefab's income was SEK 477.7 million (777.6). In Prefab, total income for the period amounted to SEK 789.3 million (924.5), of which SEK 308.0 million (141.7) related to intra-Group sales. Despite an increasingly challenging market climate, Prefab has been able to maintain total income relatively well, mainly through increased internal sales.

Operating costs

Property management costs totaled SEK 124.0 million (96.7) for the period, an increase of 28 percent in year-on-year terms. Costs for the period include potential electricity subsidies of SEK 3.2 million that K-Fastigheter has applied for. The operating surplus amounted to SEK 232.5 million (186.6), up 25 percent year-on-year. The increased costs compared to the corresponding period in the previous year were primarily due to more apartments under management and because the company included central management-related costs in property administration from the end of the first half 2022. The surplus ratio was 67.6 percent (68.0) for the third quarter, and 66.2 percent (67.8) for the period. The decrease in the surplus ratio was mainly due to lower average occupancy of 93.3 percent (95.7) for the period, and increased property administration costs for preparing the organization ahead of future expansion, particularly in the fourth quarter 2023

when tenants are scheduled to move in to some 900 apartments. Operating costs for management operations normally vary according to a seasonal pattern, where costs are higher in the first and fourth quarters compared to the other quarters, which also affects the surplus ratio for these periods.

Costs relating to the project and construction operations comprise direct project-related costs and fixed costs associated with the Construction and Prefab organization. Costs for the period include potential electricity subsidies of SEK 3.0 million. Operations related to external construction and production is reported in the Income Statement. Project and contracting operations for Group property management activities have been capitalized as work for the Group's own purposes and have been recognized net in the Income Statement under Project and contracting costs. Gross profit in the period for the Construction business area was SEK 25.7 million (3.9) and SEK 50.5 million (38.1) for Prefab. During the period, gross profit in the Construction business area was positively impacted by a high level of activity in intra-Group projects. The Prefab business area's gross profit was positively affected by more stable costs compared to 2022, and the negative impact of the Covid-19 pandemic on 2022.

Central administration costs, depreciation/amortization and impairment

Central administration, which includes Group-wide management, business development, legal, procurement, IR/communications, marketing, HR, IT and finance, amounted to SEK 41.9 million (48.4) for the period. The decrease compared to the corresponding period in the previous year was partly due to lower non-recurring costs and to the fact that from the end of June 2022, management and project development costs have been allocated to property administration costs and project and construction costs.

Depreciation/amortization and impairment for the period amounted to SEK 66.0 million (46.6).



Total depreciation/amortization was SEK 48.2 million (43.7), of which SEK 9.0 million (8.3) was attributable to amortization of intangible assets for the period. Total impairment for the period amounted to SEK 17.8 million (3.0), of which SEK 16.5 million was attributable to impairment of equipment and business properties in connection with the divestment of Prefab's operations in Borensberg.

Profit from participations in associated and jointly controlled companies

Profit/loss from participations in associated and jointly controlled companies amounted to SEK 5.9 million (-0.5). Profit/loss was primarily affected by K-Fastigheter's share of profit in PVS Mark & VA Holding AB, Mjölback's Entreprenad AB and Novum Samhällsfastigheter AB.

Net financial items and net interest income

Net financial items amounted to SEK -145.1 million (-81.3) in the period, of which net interest income comprised SEK -154.6 million (-81.3). At the end of the period, the average interest rate was 3.29 percent (2.29), including the effects of interest rate derivatives. During the period, interest expenses on construction credits of SEK 130.1 million (38.2) were capitalized. The average interest expense in relation to contracted building credits amounted to 5.89 percent (3.21) at the end of the period. Interest expenses in the period were negatively affected by increased interest-bearing liabilities for new construction, and higher base rates, in year-on-year terms. The interest coverage ratio for the period amounted to a multiple of 1.8 (2.2) and on a rolling 12-month basis was a multiple of 1.9 (2.6), a figure adversely affected by lower net interest income which was not fully offset by increased gross profit.

Profit from property management

Profit from property management amounted to SEK 28.9 million (36.3) for the third quarter, and to SEK 94.0 million (103.6) for the period, a decrease of 20 percent and 9 percent respectively year-on-year. Profit from property management per share amounted to SEK

0.44 for the period attributable to Parent Company shareholders (0.48), a decrease of 9 percent year-on-year. The decrease was mainly due to lower net interest income which was not fully offset by increased gross profit, which was also negatively affected by relatively lower average occupancy in the period.

Changes in value

Unrealized value changes on investment properties were SEK -170.8 million (56.4) for the third quarter and SEK -353.2 million (612.8) for the period, of which SEK -630.5 million (75.3) for properties under management and SEK 277.3 million (537.5) for construction in progress. During the third quarter, the direct return requirement in external valuations of completed properties and properties under construction increased by approximately 0.1 percentage points due to changed market conditions. All in all, the change means that the market value for completed properties and properties under construction during the quarter decreased by 1.2 percent. Since the second quarter 2022, the corresponding downturn was approximately -6.2 percent for comparable investment properties, negatively affected by an increased direct return requirement of approximately 0.5 percentage points and increased costs for operations and maintenance, offset by increased rents and expectations of future rent inflation.

Unrealized value change investment properties, SEK m	2023	2022	2022
	Jan-Sep	Jan-Sep	Jan-Dec
Completed investment properties	-630.5	75.3	5.1
New construction in progress	277.3	537.5	693.9
Total	-353.2	612.8	699.0

The average direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 4.26 percent (3.82) at the end of the period. The fact that the increase in the average direct return requirement during the period was not higher, taking into account the general increase during the last twelve months, is primarily because K-Fastigheter's property portfolio increasingly

consists of a higher proportion of homes in better locations. For more information, see the Property portfolio and Valuation sections.

Changes in the value of derivatives amounted to SEK -9.9 million (368.4) for the period. The trend in the period was primarily caused by lower market rates, which had a negative impact on the market value of the Group's interest rate derivatives. The fair value of the Group's interest rate and exchange rate derivatives was SEK 393.4 million (399.1) at the end of the period. The change in value for interest rate derivatives does not affect cash flow, and at maturity the value of the derivatives is always zero.

Tax

Current tax for the period amounted to SEK -0.6 million (4.8). Deferred tax was positive in the period, amounting to SEK 63.3 million (216.6), mainly affected by unrealized value changes on properties.

Profit, comprehensive income and other comprehensive income for the period

Profit for the third quarter was SEK -117.5 million (115.8), and SEK -238.7 million (813.2) for the period, corresponding to SEK -1.25 (3.78) per share attributable to the Parent Company shareholders. Comprehensive income for the period totaled SEK -226.8 million (833.4). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 12.0 million (20.2) in the period. The full amount relates to items that can be reversed in a later period.

FINANCIAL POSITION AS OF 30 SEPTEMBER 2023

Intangible assets

Intangible assets comprise goodwill and other intangible assets primarily arising in connection with the acquisition of K-Prefab. At the end of the period, goodwill amounted to SEK 443.6 million (443.6) and other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 29.6 million (36.6).

Investment properties

At the end of the period, the value of investment properties totaled SEK 14,534.8 million (13,094.6), distributed over completed investment properties of SEK 10,146.9 million (9,775.3), undeveloped land and building rights of SEK 749.9 million (695.1),

site leases of SEK 18.0 million (18.0) and construction in progress of SEK 3,619.9 million (2,606.1). For more information, see Property portfolio and Valuation.

Business properties and equipment

The value of business properties and equipment at the end of the period amounted to SEK 425.9 million (447.6) and SEK 181.8 million (193.6) respectively.

Cash and cash equivalents

At the end of the period, cash and cash equivalents amounted to SEK 34.5 million (35.4). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 261.0 million (277.4). Cash and

cash equivalents exclude net proceeds of SEK 325 million from the new issue completed in the quarter, as the proceeds were received on 2 October and 25 October 2023 respectively.

Equity and net asset value

At the end of the period, Group equity amounted to SEK 5,188.0 million (5,169.6), which corresponded to SEK 22.01 per share attributable to Parent Company shareholders (23.92). The change was in part due to total income for the period of SEK -226.8 million (833.4), and in part to the completed new issue, which increased share capital by a total of SEK 245.2 million after transaction expenses. At the end of the period, the Group's equity/asset ratio was 30.8 percent (33.9). Equity does not include the directed new issue to Erik Selin Fastigheter AB authorized by the Extraordinary General Meeting on 24 October 2023.

At the end of the period, long-term net asset value (NAV) amounted to SEK 5,702.7 million (5,768.3), corresponding to SEK 24.42 per share (26.79) attributable to Parent Company shareholders, a decrease of 9 percent compared to 31 December 2022.

Interest-bearing liabilities and interest rate derivatives

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 10,024.3 million (8,461.4), of which SEK 2,812.7 million (2,049.9) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to 59.5 percent (55.4). Of the Group's interest-bearing liabilities, SEK 6,338.6 million (5,743.2) related to completed investment and business properties, and the loan-to-value ratio for completed investment properties was 62.0 percent (58.2). The increase in interest-bearing liabilities and loan-to-value ratio was primarily due to financing of construction in progress and completed new constructions, as well as lower valuations of completed investment properties. The market value of the Group's interest rate and exchange rate derivatives at the end of the period totaled SEK 393.4 million (399.1). For more information, see the Financing section.



COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income in summary

SEK m	2023 Jul–Sep	2022 Jul–Sep	2023 Jan–Sep	2022 Jan–Sep	Oct 2022 –Sep 2023	2022 Jan–Dec
Rental income	120.0	102.0	351.5	275.1	460.6	384.2
Project and contracting income	127.5	212.2	486.8	782.5	705.5	1,001.2
Net sales	247.5	314.1	838.3	1,057.6	1,166.1	1,385.4
Other operating income	0.4	0.5	9.4	13.9	16.2	20.6
Operating costs	-25.6	-20.8	-73.1	-63.6	-107.1	-97.5
Maintenance	-3.9	-3.0	-10.3	-9.9	-13.8	-13.5
Property tax	-1.3	-1.9	-6.4	-5.1	-9.7	-8.4
Property administration	-11.7	-7.1	-34.2	-18.1	-41.3	-25.2
Property management costs	-42.5	-32.8	-124.0	-96.7	-172.0	-144.7
Project and contracting costs	-118.5	-203.9	-414.9	-744.6	-608.6	-938.3
Gross profit	87.0	77.9	308.7	230.2	401.7	323.1
<i>of which, gross profit from property management (operating surplus)</i>	<i>81.1</i>	<i>69.3</i>	<i>232.5</i>	<i>186.6</i>	<i>297.8</i>	<i>251.9</i>
<i>of which, gross profit from project and contracting operations</i>	<i>5.9</i>	<i>8.6</i>	<i>76.2</i>	<i>43.5</i>	<i>103.9</i>	<i>71.2</i>
Central administration	-15.3	-11.8	-41.9	-48.4	-48.5	-54.9
Depreciation/amortization and impairment	-15.7	-15.9	-66.0	-46.6	-81.9	-62.6
Profit from participations in associated and jointly controlled companies	3.3	-2.9	5.9	-0.5	8.9	2.5
Net financial items	-48.0	-34.6	-145.1	-81.3	-188.6	-124.8
<i>of which net interest income</i>	<i>-51.8</i>	<i>-34.6</i>	<i>-154.6</i>	<i>-81.3</i>	<i>-198.1</i>	<i>-124.8</i>
Profit before changes in value	11.3	12.8	61.6	53.4	91.6	83.3
<i>of which, profit from property management*</i>	<i>28.9</i>	<i>36.3</i>	<i>94.0</i>	<i>103.6</i>	<i>121.1</i>	<i>130.7</i>
Change in value of investment properties	-170.8	56.4	-353.2	612.8	-267.0	699.0
Change in value, derivatives	5.1	63.3	-9.9	368.4	-14.2	364.1
Profit before tax	-154.4	132.4	-301.5	1,034.6	-189.6	1,146.4
Tax on profit for the period	36.9	-16.7	62.7	-221.4	45.1	-239.0
Profit for the period	-117.5	115.8	-238.7	813.2	-144.5	907.4
Other comprehensive income	-10.4	7.8	12.0	20.2	19.2	27.4
Comprehensive income for the period	-127.8	123.5	-226.8	833.4	-125.3	934.8
Comprehensive income for the period attributable to						
Parent Company shareholders	-131.3	123.5	-256.4	833.4	-173.2	916.6
Non-controlling interests	3.5	0.0	29.7	0.0	47.9	18.2
Profit after tax per share, SEK/share**	-0.56	0.54	-1.25	3.78	-0.89	4.13

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

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

Segment reporting

2023 Jan–Sep, SEK m	Property Management	Project development	Construction	Prefab	Other*	Group
Income	356.6	5.1	1,084.5	789.3	-1,387.8	847.7
Expenses	-124.0	-5.1	-1,058.8	-738.8	1,387.8	-538.9
Gross profit	232.5	0.0	25.7	50.5	0.0	308.7
Central administration costs	-5.2	-0.1	-11.1	-14.7	-10.8	-41.9
Depreciation/amortization and impairment	-1.7	0.0	-3.3	-59.3	-1.7	-66.0
Profit from holding in associated companies**	0.0	0.0	0.0	0.0	5.9	5.9
Net financial items	-131.6	0.0	6.5	-19.7	-0.3	-145.1
Profit before changes in value	94.0	-0.1	17.8	-43.2	-6.9	61.6
Change in value, properties	-630.5	277.3	0.0	0.0	0.0	-353.2
Change in value, derivatives	-9.5	0.0	-0.5	0.0	0.0	-9.9
Profit before tax	-545.9	277.2	17.3	-43.2	-6.9	-301.5
Tax	131.8	-57.1	-4.0	8.8	-16.7	62.7
Profit for the period	-414.1	220.1	13.3	-34.4	-23.6	-238.7
Total assets	15,022.0	0.0	58.0	1,192.2	578.1	16,850.4
Total liabilities	9,765.2	0.0	146.1	958.3	792.8	11,662.4

2022 Jan–Sep, SEK m	Property Management	Project development	Construction	Prefab	Other*	Group
Income	283.4	2.8	700.5	924.5	-839.7	1,071.5
Expenses	-96.7	-1.3	-696.6	-886.4	839.7	-841.3
Gross profit	186.6	1.5	3.9	38.1	0.0	230.2
Central administration costs	-10.9	-9.2	-12.5	-14.8	-1.0	-48.4
Depreciation/amortization and impairment	-3.7	0.0	-2.1	-40.9	0.0	-46.6
Profit from holding in associated companies**	0.0	0.0	0.0	0.0	-0.5	-0.5
Net financial items	-68.5	0.0	-0.2	-12.6	0.0	-81.3
Profit before changes in value	103.6	-7.7	-10.8	-30.2	-1.5	53.4
Change in value, properties	75.3	537.5	0.0	0.0	0.0	612.8
Change in value, derivatives	371.7	0.0	-3.3	0.0	0.0	368.4
Profit before tax	550.6	529.8	-14.1	-30.2	-1.5	1,034.6
Tax	-99.9	-113.7	0.7	3.3	-11.9	-221.4
Profit for the period	450.7	416.1	-13.4	-26.9	-13.4	813.2
Total assets	12,634.7	0.0	41.8	1,375.0	294.6	14,346.1
Total liabilities	7,832.1	0.0	75.5	1,097.0	274.4	9,279.0

* Other comprises Group-wide items and eliminations.

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

FINANCIAL POSITION

Consolidated Statement of Financial Position in summary

SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
ASSETS			
Property, plant and equipment			
Intangible assets	473.2	479.4	480.2
Investment properties	14,534.8	12,122.6	13,094.6
Business properties	425.9	448.8	447.6
Equipment	181.8	194.7	193.6
Total non-current assets	15,615.6	13,245.5	14,216.0
Financial non-current assets			
Holdings in associated and jointly controlled companies and other non-current receivables	274.6	259.6	245.8
Derivative instruments	393.4	404.0	399.1
Deferred tax asset	11.1	15.7	16.4
Total financial non-current assets	679.1	679.3	661.3
Total non-current assets	16,294.8	13,924.8	14,877.3
Current assets			
Inventories	32.9	69.3	60.2
Accounts receivable	54.5	121.4	93.2
Other receivables	433.8	183.0	205.8
Cash and cash equivalents	34.5	47.7	35.4
Total current assets	555.7	421.3	394.6
Total assets	16,850.4	14,346.1	15,272.0

SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
EQUITY AND LIABILITIES			
Share capital			
Share capital	62.3	57.4	57.4
Other capital contributions	1,613.2	1,372.9	1,372.9
Profit brought forward including the profit for the period	3,463.5	3,636.8	3,720.0
Equity attributable to Parent Company shareholders	5,139.0	5,067.1	5,150.3
Non-controlling interests	49.0	0.0	19.3
Total Equity	5,188.0	5,067.1	5,169.6
Non-current liabilities			
Deferred tax liability	968.2	1,020.0	1,033.5
Non-current interest-bearing liabilities	7,211.6	6,328.9	6,411.5
Other provisions and non-current liabilities	92.9	17.6	74.7
Total non-current liabilities	8,272.7	7,366.6	7,519.8
Current liabilities			
Current interest-bearing liabilities	2,812.7	1,429.2	2,049.9
Accounts payable	192.9	190.8	198.3
Other current liabilities	384.1	292.3	334.5
Total current liabilities	3,389.8	1,912.4	2,582.7
Total liabilities	11,662.4	9,279.0	10,102.4
TOTAL EQUITY AND LIABILITIES	16,850.4	14,346.1	15,272.0

Consolidated Statement of Changes in Equity in summary

SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
Total equity at the beginning of the period	5,169.6	4,233.7	4,233.7
Profit for the period	-238.7	813.2	907.4
Other comprehensive income	12.0	20.2	27.4
Comprehensive income for the period	-226.8	833.4	934.8
New issue after deductions for transaction expenses	245.2	0.0	0.0
Total transactions with shareholders	245.2	0.0	0.0
Shareholder contribution from non-controlling interests	0.0	0.0	1.1
Total transactions with non-controlling interests	0.0	0.0	1.1
Total equity at the end of the period*	5,188.0	5,067.1	5,169.6
<i>* Of which of non-controlling interests</i>	<i>49.0</i>	<i>0.0</i>	<i>19.3</i>

CASH FLOW STATEMENT

Consolidated Cash Flow Statement in summary

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Operating activities					
Profit before changes in value	11.3	12.8	61.6	53.4	83.3
Adjustment for items not affecting cash flow	-2.3	16.2	44.9	44.2	56.4
Tax paid	-5.1	-3.6	-22.1	-11.0	-7.1
Cash flow from operating activities before changes in working capital	3.9	25.3	84.4	86.6	132.7
Change in operating receivables	33.7	21.7	99.8	11.4	24.4
Change in operating liabilities	28.9	-53.2	36.4	-31.5	-6.9
Cash flow from operating activities	66.4	-6.2	220.6	66.5	150.1
Investing activities					
Investments in intangible assets	-1.2	0.0	-1.9	0.0	-3.6
Investments in Group, associated and jointly controlled companies	0.0	0.2	-6.3	-9.3	-9.0
Property investments	-67.5	-2.5	-249.3	-525.6	-803.7
Investments in construction in progress	-424.3	-415.4	-1,534.2	-1,355.0	-1,941.8
Investments in machinery and equipment	-1.9	-6.5	-5.5	-15.1	-20.8
Divestment of properties	0.0	0.0	16.4	14.7	14.7
Change in other financial non-current assets	-0.9	1.8	-16.0	-9.0	-4.3
Dividend from associated companies	0.0	0.0	0.0	0.0	19.5
Cash flow from investing activities	-495.8	-422.4	-1,796.8	-1,899.3	-2,749.0
Financing activities					
Borrowings	498.4	469.0	1,734.5	1,914.7	2,719.0
Loan amortizations	-55.4	-44.6	-164.1	-128.2	-179.8
Capital contributions	4.8	0.0	4.8	0.0	1.1
Cash flow from financing activities	447.8	424.4	1,575.2	1,786.5	2,540.4
Cash flow for the period	18.4	-4.2	-1.0	-46.3	-58.6
Translation differences in cash and cash equivalents	0.0	-0.2	0.0	0.0	0.0
Opening cash and cash equivalents	16.0	52.1	35.4	94.0	94.0
Opening cash and cash equivalents	34.5	47.7	34.5	47.7	35.4

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

PARENT COMPANY STATEMENTS

Parent Company Income Statement in summary

SEK m	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Parent Company Income Statement in summary			
Operating income			
Net sales	52.0	22.5	32.7
Administration costs	-68.5	-50.1	-66.4
Amortization and depreciation	-0.4	-0.1	-0.4
Gross profit	-16.9	-27.7	-34.1
Profit from participations in associated and jointly controlled companies	0.0	3.5	19.5
Net financial items	120.5	386.4	398.7
Profit after financial items	103.7	362.2	384.0
Appropriations	0.0	0.0	-38.6
Tax on profit for the period	16.0	-57.4	-41.2
Profit for the period	119.7	304.8	304.2

Parent Company Balance Sheet in summary

Assets, SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
Parent Company Balance Sheet in summary			
Non-current assets			
Intangible non-current assets	3.3	0.0	2.3
Property, plant and equipment	0.1	0.1	0.1
Participations in Group companies	1,225.1	1,141.3	1,167.6
Receivables from Group companies	1,250.2	836.2	902.1
Participations in and receivables from associated companies and other non-current receivables and participations	214.4	201.7	203.8
Derivative instruments	392.8	408.2	401.7
Deferred tax asset	2.7	0.0	2.7
Total non-current assets	3,088.6	2,587.5	2,680.3
Current assets			
Receivables from Group companies	611.4	1,401.5	665.0
Receivables from associated companies	0.0	0.5	0.0
Other current receivables	313.5	72.2	81.4
Cash and cash equivalents	23.2	3.3	0.0
Total current assets	948.1	1,477.4	746.5
Total assets	4,036.7	4,064.9	3,426.9

Equity and liabilities, SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
Parent Company Balance Sheet in summary			
Equity and liabilities, SEK m			
Equity			
Restricted equity	62.3	57.4	57.4
Unrestricted equity	2,240.0	1,880.7	1,880.1
Total Equity	2,302.3	1,938.1	1,937.5
Non-current liabilities			
Deferred tax liability	35.4	64.9	51.4
Non-current interest-bearing liabilities	923.0	1,099.6	748.8
Other provisions and non-current liabilities	0.0	2.4	0.0
Total non-current liabilities	958.4	1,166.8	800.2
Current liabilities			
Current interest-bearing liabilities	720.3	166.3	456.3
Liabilities to Group companies	28.5	778.5	216.2
Other current liabilities	27.2	15.2	16.7
Total current liabilities	776.0	960.0	689.2
Total equity and liabilities	4,036.7	4,064.9	3,426.9

KEY PERFORMANCE INDICATORS

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

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

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

Compared with the 2022 Annual Report, the definitions of the alternative key performance indicators have not changed.



Property-related KPIs	2023	2022	2023	2022	Oct 2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	-2023 Sep	Jan-Dec
Rental value, SEK m	524.1	432.7	524.1	432.7	524.1	488.6
Financial occupancy rate, %	95.2%	97.7%	95.2%	97.7%	95.2%	97.3%
Average financial occupancy rate, %	92.0%	96.4%	93.3%	95.7%	94.0%	95.8%
Surplus ratio, %	67.6%	68.0%	66.2%	67.8%	64.7%	65.6%
Loan-to-value ratio, completed investment properties, %	62.0%	55.4%	62.0%	55.4%	62.0%	58.2%
Lettable area, m ²	311,653	269,466	311,653	269,466	311,653	287,869
Number of apartments under management	4,078	3,452	4,078	3,452	4,078	3,708
Number of construction starts, apartments	0	161	199	706	505	1,012
Number of apartments under construction	1,886	1,976	1,886	1,976	1,886	2,058
Number of apartments in project development	4,290	4,785	4,290	4,785	4,290	4,046

Financial key performance indicators						
Interest coverage ratio, multiple	1.5	1.8	1.8	2.2	1.9	2.2
Equity/assets ratio, %	30.8%	35.3%	30.8%	35.3%	30.8%	33.9%
Debt-to-equity ratio, %	59.5%	54.1%	59.5%	54.1%	59.5%	55.4%
Period for which capital is tied up, years	2.8	2.3	2.8	2.3	2.8	2.4
Period of fixed-interest, years	2.6	3.3	2.6	3.3	2.6	3.4
Average interest, %	3.29%	2.29%	3.29%	2.29%	3.29%	2.72%
Net investments, SEK m	485.5	432.0	1,764.5	1,874.4	2,597.1	2,707.0
Profit from property management, SEK m	28.9	36.3	94.0	103.6	121.1	130.7
Long-term net asset value (NAV), SEK m	5,702.7	5,667.4	5,702.7	5,667.4	5,702.7	5,768.3

Share-related key performance indicators						
Long-term net asset value (NAV), SEK/share*	24.42	26.32	24.42	26.32	24.42	26.79
Growth in long-term net asset value (NAV), %	-6.7%	1.5%	-8.8%	13.9%	-7.2%	15.9%
Equity per share, SEK*	22.01	23.53	22.01	23.53	22.01	23.92
Profit from property management per share, SEK*	0.13	0.17	0.44	0.48	0.56	0.61
Growth in profit from property management per share, %	-20.2%	21.5%	-9.3%	39.2%	-7.2%	28.9%
Profit after tax for the period per share, SEK*	-0.56	0.54	-1.25	3.78	-0.89	4.13
Number of shares outstanding at the end of the period, millions*	233.5	215.3	233.5	215.3	233.5	215.3
Average number of shares outstanding during the period, millions*	215.5	215.3	215.4	215.3	215.4	215.3

* Adjusted for new issue of 18,180,000 Class B shares as of 28 September 2023.

OTHER INFORMATION

Opportunities and risks for the Group

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

K-Fastigheter's operations, financial position and profit may be affected, directly or indirectly, by a number of risks, uncertainties and external factors, where the effect on the Group's operating profit can be controlled to a varying degree. To limit risk exposure the Group applies internal regulatory frameworks, policies and control systems. K-Fastigheter's significant risks, exposure and management are described in the 2022 Annual Report.

Effects of the war in Ukraine

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

The impact of the war in Ukraine on K-Fastigheter's future operations remains uncertain, but assessments will be carried out regularly and will be reported in future Interim Reports. Additional information may also be presented through press releases.

Market outlook

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

Seasonal variations

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

Sensitivity analysis, SEK m	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	253.1
Rental value +/- 1%	5.2	122.2
Operating and maintenance costs +/- 1%	1.0	22.8
Long-term vacancy ratio +/- 1%	5.2	122.2

Value change in completed investment properties	-10%	+10%
Property value, SEK m	-1,014.7	1,014.7
Loan-to-value ratio, completed investment properties, %	69%	56%
Debt-to-equity ratio, %	63%	56%



Organization and employees

The Group's Parent Company is K-Fast Holding AB. At the end of the period, the Group consisted of 93 wholly-owned and partly-owned subsidiaries and 11 associated company groups. The number of employees amounted to 630 (736), of which 69 were women (71) and 561 were men (665).

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

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

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

Accounting principles

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

The Group and Parent Company measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are measured at fair value through the Income Statement. In K-Fastigheter's assessment the carrying amount of financial assets and financial liabilities valued at amortized cost represents a good approximation of fair value. The Parent Company

measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are valued at the lower of cost and net realizable value. For further details, see Note 22, Financial risk and finance policies in the 2022 Annual Report.

For complete accounting principles, please refer to K-Fast Holding AB's 2022 Annual Report. No accounting principles have changed since the 2022 Annual Report.

Related-party transactions

The Group's related parties include all Board Members, the CEO and members of corporate management, as well as individuals and companies closely related to them. Transactions with related-parties totaled SEK 1.2 million (0.8) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 1.2 million (0.8).

In the third quarter 2023, K-Fast Holding AB entered into agreements with companies in the Erik Selin Fastigheter group relating to the acquisition of the building right Göteborg Sävenäs 131:14 for a purchase consideration of SEK 37.7 million. Possession is scheduled for the fourth quarter 2023.

In addition to the above transactions, construction services totaling SEK 43.5 million (31.0) were procured from associated company PVS Mark & VA in the period, while sales of SEK 0.8 million (0.6) were made to PVS Mark & VA, and lettings relating to Homestate AB totaled SEK 1.5 million (1.7), and to Novum Samhällsfastigheter AB totaled SEK 0.2 million (0.2). All transactions were priced at market terms.



OTHER INFORMATION

Signatures

The Board of Directors and the CEO provide their assurance that the Interim Report provides a true and fair view of the operations, financial position and performance of the Parent Company and the Group, describing the significant risks and uncertainties faced by the Parent Company and the companies within the Group.

Hässleholm, Sweden, 9 November 2023

Erik Selin

Chairman of the Board

Ulf Johansson

Board Member

Christian Karlsson

Board Member

Sara Mindus

Board Member

Jesper Mårtensson

Board Member

Jacob Karlsson

Board Member and CEO

PRESENTATION OF THE INTERIM REPORT

K-Fastigheter's President and CEO, Jacob Karlsson, and CFO, Martin Larsson, will comment on the Group's Interim Report for the third quarter of 2023 on Thursday 9 November at 10:00 AM CET.

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

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

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

CALENDAR

*Year-end report 2023, 15 February 2024
2023 Annual Report – week comm. 12 April 2024
Interim Report January – March 2024, 25 April 2024
Annual General Meeting 2024, 14 May 2024
Interim Report January – June 2024, 23 July 2024
Interim Report January – September 2024, 25 October 2024*

REVIEW REPORT

(THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL)

Introduction

We have reviewed the condensed Interim Report for K-Fast Holding AB (publ) as of 30 September 2023 and for the nine month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

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

Conclusion

On the basis of our review, nothing has come to our attention to cause us to consider that the Interim Report for the Group has not, for material purposes, been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Norrköping, Sweden, 9 November 2023

Ernst & Young AB

Peter von Knorring, Authorized Public Accountant

THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) were launched on Nasdaq Stockholm in the Real Estate segment on 29 November 2019. On 30 September 2023, K-Fastigheter's market capitalization was SEK 2,884.5 million. At the end of the quarter, there were over 6,940 shareholders.

On 30 September 2023, there were a total of 233,511,168 shares in K-Fast Holding AB, of which 22,500,000 Class A shares and 211,011,168 Class B shares. The total number of votes on 30 September 2023 was 323,511,168. Each Class A share conveys five votes and each Class B share conveys one vote. All shares carry equal rights to participate in the company's assets and earnings and to any surplus on liquidation. Neither Class A nor Class B shares are subject to any transfer restrictions.

Share price performance and trading

During the period 1 October 2022 to 30 September 2023, approximately 40.7 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 161,700 shares and the average price paid was SEK 21.77. The highest price paid during the period was SEK 32.74 on 17 January 2023, and the lowest price paid was SEK 13.60 on 29 September 2022. On 30 September 2023, the share price was SEK 13.67 (last paid). Market value of all shares in the company, based on the last price paid for a Class B share on 30 September 2023, amounted to SEK 3,192.1 million.

Share capital and new issue

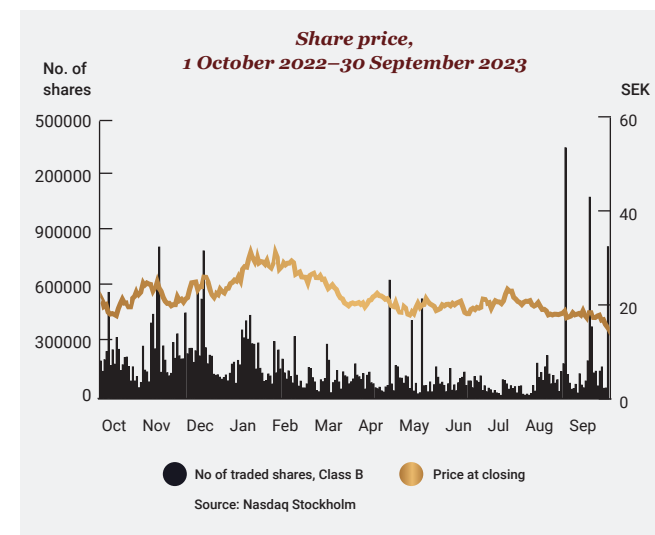
The 2023 AGM authorized the Board to decide to repurchase the company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings.

The AGM 2023 also authorized the Board to carry out one or more new share issues of Class B shares, subject to a total maximum of 24,000,000 new shares. As of 28 September 2023, K-Fastigheter

completed a directed new issue of 18,180,000 Class B shares at a subscription price of SEK 13.80 per share, raising proceeds of SEK 250.9 million before issue expenses for the company. In addition to a strong support from existing shareholders several new institutional investors participated. In connection with the directed new issue, and following an approval by the Extraordinary General Meeting on 24 October 2023, Erik Selin Fastigheter AB also subscribed for 5,820,000 new Class B shares, raising a further SEK 80.3 million for K-Fastigheter. After the directed new issue, 5,820,000 shares remain of the mandate authorized by the Annual General Meeting 2023, as the new issue directed at Erik Selin Fastigheter AB was not decided by the Board on the basis of authorization by the AGM. All key figures in the current Interim Report have been adjusted for the new issue as of 28 September 2023.

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

Marketplace	Nasdaq Stockholm
Name of share	K-Fast Holding B
Ticker	KFAST B
ISIN code	SE0016101679
Segment	Mid Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	233,511,168
Total number of Class B shares listed on Nasdaq Stockholm	211,011,168
Closing price 30 September 2023	SEK 13,67
Market price 30 September 2023	SEK 3,192.1 million



Ten largest shareholders (in order of total voting rights) as of 30 September 2023

Name	Number of Class A shares*	Number of Class B shares*	Total number of shares	Percentage of share capital	Percentage of votes %
Jacob Karlsson AB	11,250,000	64,351,361	75,601,361	32.4%	37.3%
Erik Selin Fastigheter AB	11,250,000	63,750,000	75,000,000	32.1%	37.1%
Capital Group	0	15,781,928	15,781,928	6.8%	4.9%
Fourth AP Fund	0	11,489,409	11,489,409	4.9%	3.6%
Länsförsäkringar funds	0	8,800,747	8,800,747	3.8%	2.7%
Carnegie Fonder	0	3,944,266	3,944,266	1.7%	1.2%
SEB funds	0	3,654,352	3,654,352	1.6%	1.1%
Clearance Capital	0	3,260,869	3,260,869	1.4%	1.0%
First Fondene	0	2,750,000	2,750,000	1.2%	0.9%
AP2	0	2,650,875	2,650,875	1.1%	0.8%
Ten largest shareholders	22,500,000	180,433,807	202,933,807	86.9%	90.5%
Other shareholders	0	30,577,361	30,577,361	13.1%	9.5%
Total	22,500,000	211,011,168	233,511,168	100.0%	100.0%
<i>of whom, Board of Directors and Group management</i>	22,500,000	131,784,988	154,284,988	66.1%	75.5%

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

The ownership structure as of 30 September 2023 is based on data from Euroclear Sweden, the subscription register for the new issue as of 28 September 2023, and from K-Fastigheter.

K-FASTIGHETER'S CONCEPT BUILDINGS



HELSINGBORG

Dirigenten – 15 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, homogeneous separating walls and joists, with lightweight external wall units.



ÄLMHULT

Kedjan – 34 Lateral Low-Rise apartments

Lateral Low-Rise – variation and space efficiency

K-Fastigheter's neighborhood-structure multi-family dwellings can be constructed up to ten stories high. There are two standard space-efficient apartment formats for Lateral Low-Rise buildings: one bedroom, a living room and a kitchen totaling 51 square meters and two bedrooms, a living room and a kitchen totaling 67 square meters. It is also possible to have apartment alternatives that are either larger or smaller. To meet market demand and make the best possible use of building rights, K-Fastigheter has chosen to make its Lateral Low-Rise as adaptable as possible with regard to floor plans, with opportunities for underground garages and commercial premises on the ground floor, for example.

Structural details:

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



HÄSSLEHOLM

Hällan – 39 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 30 September 2023, accounted for 92 percent of the property value of the completed property portfolio and for 89 percent of the contractual rent. As of 30 September 2023, K-Fastigheter’s property portfolio encompasses a lettable area of approximately 312,000 square meters distributed between more than 4,078 homes and 180 commercial contracts with an annual rental value of some SEK 499 million. The project portfolio also comprises over 6,200 apartments under construction and in project development.

Overarching goals

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

Operational targets



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



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

Financial targets

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

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

- The Group equity/assets ratio shall amount to at least 25 percent.
- The interest coverage ratio shall amount to a minimum of 1.75 x.
- Over time, the debt-to-equity ratio is not to exceed 70 percent relative to the market value of the Group’s investment properties.

Sustainability and value creation

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

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

Since early 2019, electricity in K-Fastigheter’s properties has been procured exclusively from suppliers offering electricity from renewable sources, mainly wind power. Since the second quarter of 2021, K-Fastigheter has been installing solar panels on all new-build

Lateral Low-Rise buildings and Apartment Blocks. The Group has also begun installing solar panels on its production facilities.

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

K-Fast Holding AB

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This report and other financial information and press releases can be found on the company’s website: [k-fastigheter.com/en/investors/](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 9 November 2023.



K-FASTIGHETER

RECONCILIATION TABLE

Property-related KPIs

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	Oct 2022 -Sep 2023	2022 Jan-Dec	Definition	Motivation
Rental value, SEK m								
A Contract value on an annual basis at the end of the period, SEK m	499.0	422.5	499.0	422.5	499.0	475.6		
B Vacancy value on an annual basis at the end of the period, SEK m	25.1	10.1	25.1	10.1	25.1	13.0	Closing annual rent plus estimated market rent for vacant space.	This rental value is used to illustrate the Group's potential income.
A+B Rental value at the end of the period, SEK m	524.1	432.7	524.1	432.7	524.1	488.6		
Financial occupancy rate, %								
A Contract value on an annual basis at the end of the period, SEK m	499.0	422.5	499.0	422.5	499.0	475.6		
B Vacancy value on an annual basis at the end of the period, SEK m	25.1	10.1	25.1	10.1	25.1	13.0	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.
A/(A+B) Financial occupancy rate, %	95.2%	97.7%	95.2%	97.7%	95.2%	97.3%		
Average financial occupancy rate, %								
A Rental income for the period, SEK m	120.0	102.0	351.5	275.1	460.6	384.2		
B Rental value for the period, SEK m	130.4	105.8	376.6	287.4	490.2	401.0	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.
A/B Average financial occupancy rate in the period, %	92.0%	96.4%	93.3%	95.7%	94.0%	95.8%		
Surplus ratio, %								
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	81.1	69.3	232.5	186.6	297.8	251.9		
B Rental income for the period in accordance with the Income Statement, SEK m	120.0	102.0	351.5	275.1	460.6	384.2	Operating surplus in relation to rental income.	This KPI illustrates the profitability of the property management operations.
A/B Surplus ratio during the period, %	67.6%	68.0%	66.2%	67.8%	64.7%	65.6%		
Loan-to-value ratio, completed investment properties, %								
A Interest-bearing liabilities related to completed investment properties at the end of the period in accordance with the Balance Sheet, SEK m	6,289.2	5,039.3	6,289.2	5,039.3	6,289.2	5,693.3		
B Completed investment properties at the end of the period in accordance with the Balance Sheet, SEK million	10,146.9	9,090.6	10,146.9	9,090.6	10,146.9	9,775.3	Interest-bearing liabilities related to completed investment properties as a percentage of total assets at the end of the period.	Loan-to-value ratio is used to illustrate K-Fastigheter's financial risk.
A/B Loan to value ration completed investment properties at the end of the period, %	62.0%	55.4%	62.0%	55.4%	62.0%	58.2%		
Lettable area at the end of the period, m ²	311,653	269,466	311,653	269,466	311,653	287,869	Total area available for lease	
Total number of apartments under management at the end of the period	4,078	3,452	4,078	3,452	4,078	3,708	Total number of apartments under management at the end of the period.	
Number of construction starts for apartments in the period	0	161	199	706	505	1,012	Total number of construction starts for apartments in the period.	KPI to illustrate K-Fastigheter's capacity to achieve operational targets.
Number of apartments in ongoing construction at the end of the period	1,886	1,976	1,886	1,976	1,886	2,058	Total number of apartments in ongoing construction at the end of the period.	
Number of apartments in project development at the end of the period	4,290	4,785	4,290	4,785	4,290	4,046	Total number of apartments in ongoing project development at the end of the period.	

Financial key performance indicators

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	Oct 2022 -Sep 2023	2022 Jan-Dec	Definition	Motivation
Interest coverage ratio, multiple								
A Profit before changes in value for the period in accordance with the Income Statement, SEK m	11.3	12.8	61.6	53.4	91.6	83.3	Profit before changes in value with reversal of depreciation/amortization and impairment and net interest income, and divided by net interest income (incl. realized change in value of current derivative instruments).	The KPI highlights financial risk by illustrating the sensitivity of the company's performance to fluctuations in interest rates.
B Depreciation/amortization and impairment during the period in accordance with the Income Statement, SEK m	-15.7	-15.9	-66.0	-46.6	-81.9	-62.6		
C Net interest income for the period in accordance with the Income Statement, SEK m	-51.8	-34.6	-154.6	-81.3	-198.1	-124.8		
(A-B-C)/-C Interest coverage ratio during the period, multiple	1.5	1.8	1.8	2.2	1.9	2.2		
Equity/assets ratio, %								
A Equity at the end of the period in accordance with the Balance Sheet, SEK m	5,188.0	5,067.1	5,188.0	5,067.1	5,188.0	5,169.6	Equity as a percentage of total assets at the end of the period.	The KPI highlights financial risk by illustrating the scale of equity in relation to total assets.
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	16,850.4	14,346.1	16,850.4	14,346.1	16,850.4	15,272.0		
A/B Equity/assets ratio at the end of the period, %	30.8%	35.3%	30.8%	35.3%	30.8%	33.9%		
Debt-to-equity ratio, %								
A Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	10,024.3	7,758.1	10,024.3	7,758.1	10,024.3	8,461.4	Interest-bearing liabilities as a percentage of total assets at the end of the period.	The debt-to-equity ratio is used to illustrate K-Fastigheter's financial risk.
B Total equity and liabilities at the end of the period in accordance with the Balance Sheet, SEK m	16,850.4	14,346.1	16,850.4	14,346.1	16,850.4	15,272.0		
A/B Debt-to-equity ratio at the end of the period, %	59.5%	54.1%	59.5%	54.1%	59.5%	55.4%		
Average interest, %								
A Interest expense calculated at annual rate at the end of the period, SEK m	236.4	131.8	236.4	131.8	236.4	173.2	Estimated annual interest for interest-bearing liabilities as a percentage of interest-bearing liabilities. At the end of the period excluding overdrafts and building credits.	Average interest is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.
B Interest-bearing liabilities at the end of the period in accordance with the Balance Sheet, SEK m	7,188.6	5,762.3	7,188.6	5,762.3	7,188.6	6,379.5		
A/B Average interest rate at the end of the period, %	3.29%	2.29%	3.29%	2.29%	3.29%	2.72%		
Net investments, SEK m								
A Acquisitions during the period, SEK m	0.1	21.7	146.0	585.5	390.8	830.3	Total net investments in investment and business properties and construction in progress in the period.	KPI to illustrate K-Fastigheter's capacity to achieve operational targets.
B New construction projects during the period, SEK m	424.3	404.1	1,520.3	1,282.7	2,095.0	1,857.4		
C Extensions and remodeling during the period, SEK m	61.1	6.3	98.2	14.5	112.6	28.8		
D Sales during the period, SEK m	0.0	0.0	0.0	-8.2	-1.3	-9.5		
A+B+C+D Net investments during the period, SEK m	485.5	432.0	1,764.5	1,874.4	2,597.1	2,707.0		

Financial key performance indicators, (cont.)

	2023 Jul–Sep	2022 Jul–Sep	2023 Jan–Sep	2022 Jan–Sep	Oct 2022 –Sep 2023	2022 Jan–Dec	Definition	Motivation
Profit from property management, SEK m								
A Gross profit from property management for the period in accordance with the Income Statement, SEK m	81.1	69.3	232.5	186.6	297.8	251.9	Gross profit from property management less central administration costs and depreciation, amortization and impairment attributable to the Property Management business area and net interest income.	This KPI illustrates the profitability of the property management operations.
B Central administration attributable to property management during the period in accordance with the Income Statement, SEK m	-1.8	-1.7	-5.2	-10.9	-6.6	-12.3		
C Depreciation/amortization and impairment attributable to property management during the period in accordance with the Income Statement, SEK m	-0.4	-2.3	-1.7	-3.7	-2.2	-4.1		
D Net interest income attributable to property management during the period in accordance with the Income Statement, SEK m	-49.9	-29.0	-131.6	-68.5	-167.9	-104.8		
A+B+C+D Profit from property management, SEK m	28.9	36.3	94.0	103.6	121.1	130.7		
Long-term net asset value (NAV), SEK m								
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,139.0	5,067.1	5,139.0	5,067.1	5,139.0	5,150.3	Reported equity with reversal of deferred tax, interest rate derivatives and non-controlling interests.	An established measure of K-Fastigheter's and other listed companies' long-term net asset value, facilitating analyses and comparisons.
B Derivatives at the end of the period in accordance with the Balance Sheet, SEK m	-393.4	-404.0	-393.4	-404.0	-393.4	-399.1		
C Deferred tax liability at the end of the period in accordance with the Balance Sheet, SEK m	968.2	1,020.0	968.2	1,020.0	968.2	1,033.5		
D Deferred tax asset at the end of the period in accordance with the Balance Sheet, SEK m	11.1	15.7	11.1	15.7	11.1	16.4		
A+B+C-D Long-term net asset value (NAV) at the end of the period, SEK m	5,702.7	5,667.4	5,702.7	5,667.4	5,702.7	5,768.3		
Period for which capital is tied up, years	2.8	2.3	2.8	2.3	2.8	2.4	The period for which capital is tied up with regard to liabilities to credit institutions pertaining to acquisition financing and completed investment and business properties at the end of the period.	This KPI is used to illustrate the financing risk for K-Fastigheter's interest-bearing liabilities.
Period of fixed-interest at the end of the period, years	2.6	3.3	2.6	3.3	2.6	3.4	The period of fixed-interest with regard to liabilities to credit institutions pertaining to acquisition financing and completed investment and business properties at the end of the period.	This KPI is used to illustrate the interest rate risk for K-Fastigheter's interest-bearing liabilities.

Share-related key performance indicators

	2023 Jul–Sep	2022 Jul–Sep	2023 Jan–Sep	2022 Jan–Sep	Oct 2022 –Sep 2023	2022 Jan–Dec	Definition	Motivation
Long-term net asset value (NAV), SEK								
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,702.7	5,667.4	5,702.7	5,667.4	5,702.7	5,768.3	Long-term net asset value (NAV) in relation to the number of shares outstanding at the end of the period.	Used to illustrate K-Fastigheter's long-term net asset value per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, millions	233.5	215.3	233.5	215.3	233.5	215.3		
A/B Long-term net asset value (NAV) per share at the end of the period, SEK	24.42	26.32	24.42	26.32	24.42	26.79		
Growth in long-term net asset value (NAV) per share, %								
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK/share	24.42	26.32	24.42	26.32	24.42	26.79	Percentage change in long-term net asset value (NAV) per share during the period.	Used to illustrate growth in K-Fastigheter's long-term net asset value (NAV) per share in a manner that is uniform for listed companies.
A Long-term net asset value (NAV) attributable to Parent Company shareholders at the end of the previous period in accordance with the Balance Sheet, SEK/share	26.17	25.93	26.79	23.11	26.32	23.11		
A/B-1 Growth in long-term net asset value (NAV) per share during the period, %	-6.7%	1.5%	-8.8%	13.9%	-7.2%	15.9%		
Equity per share, SEK								
A Equity attributable to Parent Company shareholders at the end of the period in accordance with the Balance Sheet, SEK m	5,139.0	5,067.1	5,139.0	5,067.1	5,139.0	5,150.3	Equity less minority share of equity, in relation to the number of shares outstanding at the end of the period.	Used to illustrate K-Fastigheter's equity per share in a manner that is uniform for listed companies.
B Number of shares outstanding at the end of the period, millions	233.5	215.3	233.5	215.3	233.5	215.3		
A/B Equity per share at the end of the period, SEK	22.01	23.53	22.01	23.53	22.01	23.92		
Profit from property management per share, SEK								
A Profit from property management attributable to Parent Company shareholders in the period in accordance with the Income Statement, SEK m	28.9	36.3	94.0	103.6	121.1	130.7	Profit from property management in relation to the average number of shares outstanding in the period.	Used to illustrate K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, millions	215.5	215.3	215.4	215.3	215.4	215.3		
A/B Profit from property management per share during the period, SEK	0.13	0.17	0.44	0.48	0.56	0.61		
Growth in profit from property management per share, %								
A Profit from property management attributable to Parent Company shareholders in the period, SEK/ Share	0.13	0.17	0.44	0.48	0.56	0.61	Percentage change in profit from property management per share during the period.	Used to illustrate growth in K-Fastigheter's profit from property management per share in a manner that is uniform for listed companies.
A Profit from property management attributable to Parent Company shareholders in the preceding period, SEK/share	0.17	0.14	0.48	0.35	0.61	0.47		
A/B-1 Growth in profit from property management per share during the period, %	-20.2%	21.5%	-9.3%	39.2%	-7.2%	28.9%		
Profit after tax per share for the period, SEK								
A Profit after tax attributable to Parent Company shareholders during the period in accordance with the Income Statement, SEK m	-121.0	115.8	-268.4	813.2	-192.4	889.2	Profit for the period in relation to the average number of shares outstanding in the period.	Used to illustrate K-Fastigheter's earnings per share in a manner that is uniform for listed companies.
B Average number of shares outstanding during the period, incl. dilution, millions	215.5	215.3	215.4	215.3	215.4	215.3		
A/B Profit after tax for the period, SEK/share	-0.56	0.54	-1.25	3.78	-0.89	4.13		
Number of shares outstanding at the end of the period, millions*	233.5	215.3	233.5	215.3	233.5	215.3		
Average number of shares outstanding during the period, millions*	215.5	215.3	215.4	215.3	215.4	215.3		

* Adjusted for new issue of 18,180,000 Class B shares as of 28 September 2023.