

K-FAST HOLDING AB GREEN FINANCING FRAMEWORK

JUNE 2025



K-FASTIGHETER



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BACKGROUND

About K-Fastigheter

K-Fast Holding AB (publ) ("K-Fastigheter" or the "Group") is a project development, construction and property management company. Through an integrated process, the Group's business is organized within two segments, Construction and Property Management.

The business segment Construction comprises the business areas Project Development, Prefab and Building. The goal in this segment is to deliver completed buildings within the framework of K-Fastigheter's own developed concept-buildings, as well as high-quality frame solutions. K-Fastigheter's own Prefab business, operating in the subsidiary K-Prefab, delivers sustainable infrastructure contracts in buildings, community service properties, industry and warehouses, infrastructure, and agriculture. To increase cost-efficiency, quality and short construction times, K-Fastigheter has developed the proprietary concept buildings: Low-Rise, Lateral Low-Rise and Apartment Block. In addition, K-Fastigheter has a fourth commercial concept building, K-Commercial, focusing on offices and commercial premises.

K-Fastigheter aims to start construction of 1,000 apartments annually with a target of gradual expansion to construction start of 1,200 properties annually by 2028. In order to increase the degree of self-financing and enable to increase new projects, the goal is to divest volumes, corresponding to 30-50 percentage of the new projects that the Group sets under development, which can be done from the existing portfolio or through the sale of new production.

Further, the business segment Property Management manages the Group's property portfolio with a primarily focus on the property units. As a landlord, K-Fastigheter creates attractive homes offering a high degree of comfort.

Based in Hässleholm, with production facilities and local offices in strategically selected locations, the Group had approximately 550 employees at the end of 2024.

Sustainability

K-Fastigheter's long-term perspective is fundamental to the Group's sustainability work, from planning to the final product. K-Fastigheter's work is characterized by a long-term perspective focusing on environmental, social and economic aspects in all decision-making processes. The overarching goal is to create great homes that can be used for many generations, which provides low environmental impact during their life cycle and contributes to a sustainable society and economic profitability.

The focus on concept buildings provides the opportunity to continuously optimize sustainability factors throughout the construction process. As part of the long-term environmental work, K-Fastigheter has developed a framework for building concept buildings based on:

1. Sustainable environmental focus across a lifecycle
2. Homes for the many
3. Long-term relationships

The board and the management team are responsible for the long-term sustainable strategy, and the consistent improvements. The foundation for K-Fastigheter's strategy is the United Nations 17 Sustainable Development Goals ("SDGs") for Agenda 2030. In 2025, K-Fastigheter's board and management team developed a new policy for the Group's sustainability work. The policy summaries guidelines for the constructing of K-Fastigheter's concept buildings. Based on this, K-Fastigheter can identify certain areas with the greatest impact and opportunity to contribute to SDG fulfillment. Further, the same sustainability governance and goals are applicable for the wholly-owned subsidiaries as for the parent company.

Further, K-Fastigheter expects suppliers, carriers, and contractors to focus on their sustainability work and work with environmental improvements and safety culture in a structured way. They must also comply with the UN Convention on Human Rights, work systematically with the workplace

environment, and comply with applicable collective agreements or other national rules to ensure fair working conditions. These requirements form a significant part of K-Fastigheter's evaluation when selecting suppliers and partners.

In 2024, K-Fastigheter welcomed the initiative 'Sustainable Construction Industry', established by the Swedish Bankers' Association, aimed at counteracting economic crime and illegal workers, thereby promoting human rights, by introducing new expectations on borrowers in the construction industry. K-Fastigheter was one of the first companies to declare its ambition to meet these new requirements for obtaining financing, which will apply to all new financing for the company's construction projects that have begun as of the second quarter of 2024.





Low-rise (Sw. Låghus)

- Semi-detached, terraced or link houses with up to three-storey apartments, of which one apartment with two storeys.
- Attractive floor plan combined with as little façade area as possible.
- Four floor plans in each construction which can be combined freely.



Lateral Low-rise (Sw. Lamellhus)

- Adaptable and area efficient houses with focus on spacious living area relative as little façade surface as possible.
- Multi-dwelling houses in a block structure with up to 10 storeys
- Can be produced in several sizes and layouts.
- Adaptable floor plans, opportunities for underground parking and ground floor commercial premises.



Apartment Block (Sw. Punkthus)

- Multi-dwelling houses in a quadratic or rectangular shape, which can be constructed with 4 to 10 storeys.
- Four apartments on each floor with spacious corner balconies of 27 m² per apartment.
- Ground floor is adaptable and can be constructed with e.g. both a basement and duplex when built on a sloping site.
- The Apartment Block is also available in a further development called Apartment Block Plus. The Plus design is a rectangular building with six apartments per floor and a building that provides more construction flexibility.



K-Commercial (Sw. K-kommersiellt)

- Multi-story building for commercial premises.
- Constructed with prefabricated concrete materials.
- The floor plan can be adjusted to such as restaurant, gym or traditional office spaces.



1. Sustainable environmental focus across a Lifecycle

K-Fastigheter strives to construct its buildings with a sustainable approach, including materials, and solutions from planning to the final product. Buildings are to be produced in financially and environmentally viable ways and work well

from a social perspective, now and in the future. This is the case regardless of K-Fastigheter maintains the property as an investment property or if the property is divested to a third party.

Concept buildings are part of a solution for a long-term sustainable economy. Although each site is unique, the Group can reuse experiences and solutions from previous projects, making the construction process more efficient. Combined with well-established materials and a high degree of prefabrication, this makes construction faster and safer than for the average project. K-Fastigheter's familiarity with the details of the building's infrastructure allows for minimization of waste and

optimization of property management for the completed building. Alongside K-Fastigheter's tenants, employees and collaboration partners, the Group works to realize solutions that contribute to reduce dependence on fossil fuels and other factors with a negative climate impact in parallel with the goals of improving quality and cost efficiency over time. To limit K-Fastigheter's long-term environmental impact and to keep property management costs down, the concept buildings have been designed to minimize energy as well as water use.

K-Fastigheter's own Prefab business has strengthened the Group's production capacity and supply chain, as well as its commitment to circularity and sustainable building materials.

The Prefab business, today operating under the brand K-Prefab, is a nationwide actor within prefabricated concrete elements and a full-service frame contractor. K-Prefab is certified by the international standard for environmental management systems, ISO 14001, and continuously work to minimize environmental footprint. Today, more than half of the fabrics are fossil free in terms of heating.

K-Fastigheter's focus on environmentally sustainable concrete solutions has gained market recognition and the acquisition increased control over a large part of the sustainability within the Group's value chain as concrete is a critical element of K-Fastigheter's concept houses. Concept houses with a high degree of prefabrication ensures conditions for optimal resource utilisation, including both high quality and a good labour environment. Prefabricated manufacturing methods are independent of weather conditions, require a smaller amount of material and contributes to reduced transportation of building materials. In addition, the estimated life span of K-Fastigheter's concept houses is about 100 years, meaning that the architecture, materials, and construction methods used today should be well-liked and should last for a very long time.





2. Homes for the many

All three of K-Fastigheter's concept buildings are constructed with an attractive and sustainable selection of materials and surfaces to create pleasant and sustainable living environments. All of the managed properties are, for example, equipped with

kitchen worktops and window sills in stone and with energy-efficient appliances, including a washing machine, dryer, dishwasher and built-in microwave as standard.

K-Fastigheter has developed a proprietary concept that the Group applies in raising the standard of the older apartments in its holdings. Surfaces and equipment are also adapted so that the long-term operating costs can be minimized in a way that meets the tenants' expectations of a modern living environment. By using the same selection of materials as for our newly-produced buildings, K-Fastigheter also generate increased volumes and better negotiating conditions for the Group's procurement organization.

Further, K-Fastigheter strives to remedy any errors that occur in the Group's properties. For certain types of reported faults, assistance from an external service provider is used. In 2024, 72 percentage of reported faults were completed by K-Fastigheter within 24 hours. This compares with 69 percentage in 2023.

In addition, K-Fastigheter annually report a Service Index as a measure of customer satisfaction. The Service Index consists of four categories, each of which weighs equal, and the scale is 0-100. The four categories are "Take the customer seriously", "Security", "Clean and tidy" and "Help when needed". In 2024, K-Fastigheter was above average in categories "Take the customer seriously" and "Help when needed" and under the average in the categories "Safety" and "Clean and tidy".



3. Long-term relationships

K-Fastigheter aims to support the employees' long-term development on the basis of individual needs, the Group's operations and future market requirements. Employees who enjoy going to work every day are fundamental to K-Fastigheter's success and

health, wellness and continued training also play an important role in the terms of employment. The Group have a digital system of measuring employee engagement throughout the company. In 2024, the response rate was high, and the Group achieved excellent results in several areas, including Meaningful participation, Manager relations and Colleague relations. In addition, each department produced an action plan based on its results alongside the employees and works to maintain and develop engagement in various areas.

An important part of K-Fastigheter's sustainability work is to encourage employees and other representatives, internally and externally, to behave in a manner compatible with K-Fastigheter's fundamental values. Accordingly, K-Fastigheter has introduced a number of policy documents, including a Code of Conduct that addresses areas such as sustainability, anti-corruption, business ethics, and a Whistleblower Policy.

Further, K-Fastigheter wants to contribute to healthy competition and counteract potential financial fraud and exploitation of personnel in the construction sector. With regards to that, K-Fastigheter has agreed and collaborates with the Swedish Bankers' Association's Sustainable Construction Industry initiative. This initiative strengthens and aligns with K-Fastigheter's approach to long-term relationships by among other things, enhance the control of suppliers' financial stability, profitability, working conditions and business ethics, as well as ensuring and improving the security on K-Fastigheter's construction sites.

Sustainable Development Goals (“SDG”)

K-Fastigheter adheres to the United Nations Global Compact ten principles on human rights, working conditions, climate, and anti-corruption. Sustainability is integrated into K-Fastigheter’s operations and the Group’s work are primarily governed by its Code of Conduct, which is based on the UN Global Compact and policy documents, which interact with the Group’s business concept, objectives and other policies to steer the business in a long-term sustainable direction.

K-Fastigheter strives to contribute where the company believes it can achieve the best results, and Group management has chosen to focus on the United Nations Sustainable Development Goals where K-Fastigheter can have the greatest impact today and which are relevant to the company’s stakeholders.



Goal 7 – K-Fastigheter has a clear ambition to increase usage and production of renewable energy. All Lateral Low-rise buildings and Apartment Block buildings that are constructed are fitted with solar panels. The Group has an ambition to install more solar panels on K-Prefabs production facilities in the future. All electricity in property management that is purchased comes from fossil free sources.



Goal 9 – The Group emphasize the importance of supporting technological development, and to promote sustainable industrialization. K-Fastigheter’s production stage is characterized by a high degree of prefabricated manufacturing methods that ensures conditions for optimal resource utilization. By owning K-Prefab, the Group controls the production stage and are able to work with reducing the climate impact from the concrete solutions used. K-Prefab is a leading supplier with Environmental Product Declarations (EPDs) that place K-Fastigheter in the forefront of the business. A particular example of reducing greenhouse gas emission is by replacing a proportion of cement with granulated blast furnace slag and fly ash. By improving the reduction of cement in its concrete, K-Fastigheter contributes to a more sustainable industrialization.



Goal 12 – Several of the sub-goals form natural elements in K-Fastigheter’s day-to-day operations and are included at all stages of the production. By working with a high degree of prefabrication and with concept houses managing and reducing the amount of waste and inputs, such as steel and cement, is a core element of K-Fastigheter’s business. Working with standardized concept houses with continuous improvements, K-Fastigheter becomes more cost-effective and competitive. The prefabricated manufacturing methods are independent of weather conditions which improve quality and safety.



GREEN FINANCING

Sustainability is integrated into K-Fastigheter's operations and the Group's work is mainly governed by its Code of Conduct, which is based on UN Global Compact, and policy documents, which shadow the Group's business concept, goals and other policies to ensure that operations are conducted in a long-term sustainable manner.

The aim of this Framework is to mobilize financing to support K-Fastigheter's sustainability efforts and the inherent contribution of K-Fastigheter's products to enable a transition towards a fossil free society with reduced energy consumption. K-Fastigheter strive to follow best market practice and this Framework, aligned with the ICMA Green Bond Principles from 2021 ("GBP")¹, and the LMA/LSTA/APLMA Green Loan Principles from 2025 ("GLP") defines the investments eligible for financing by green instruments such as bonds, loans and revolving credit facilities (collectively referred to as "Green Financing Instruments").

The Framework follows the four core components of the principles including key recommendations of external review:

- Use of Proceeds
- Process for Asset Evaluation and Selection
- Management of Proceeds

Moreover, the Framework outlines the process used to identify, select and report on eligible assets and the management of net proceeds of the Green Financing Instrument. The terms and conditions of the associated legal documentation for each Green Financing Instrument will provide a reference to this Framework. This Framework may over time be updated. However, new versions may have no implications for the Green Finance Instruments that have been arranged under this Framework.

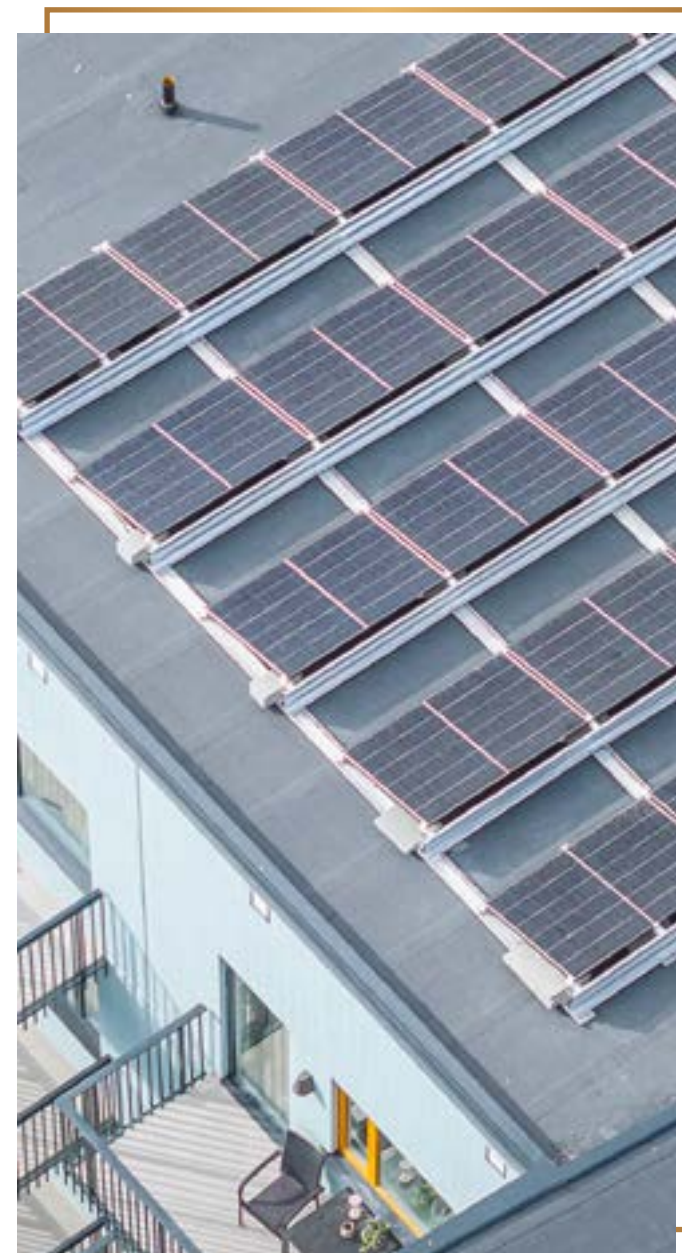
Hässleholm May 12th 2025

Jacob Karlsson

Chief Executive Officer

Martin Larsson

Chief Financial Officer



¹ The Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)

USE OF PROCEEDS

Allocation of net proceeds

An amount equivalent to the net proceeds of the Green Financing Instruments (the “Green Proceeds”) will finance or refinance, in whole or in part, investments undertaken by K-Fastigheter or its subsidiaries (“Green Assets”), in each case as determined by K-Fastigheter in accordance with the Green Asset categories defined in the next pages. Green Assets will form a portfolio of assets and projects eligible for financing and refinancing by Green Financing Instruments. The portfolio of Green Assets aims to enable climate change mitigation as well as provide distinct environmental benefits.

Financing and Refinancing

The Green Proceeds can finance both existing and new Green Assets financed by K-Fastigheter or its subsidiaries. New financing is defined as ongoing projects and investments made within the reporting year, while refinancing represent earlier investments. The distribution between new financing and refinancing will be reported on in K-Fastigheter annual Green Financing Report.

Exclusions

The Green Proceeds will not be allocated to assets for which the purpose is fossil energy production, nuclear energy generation, weapons and defense, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

EU Taxonomy alignment

K-Fast Holding AB (publ) is subject to the EU Taxonomy directive. The purpose of the taxonomy is to identify economic activities that can be defined as environmentally sustainable. The Green Asset categories of this Framework are expected to substantially contribute to EU’s Environmental Objective of Climate Change Mitigation. Further information on Taxonomy eligibility and alignment can be found in K-Fastigheter’s annual report,



GREEN ASSET CATEGORIES

GREEN BUILDINGS

Capital and operating expenditures related to the construction, acquisition, expansion, upgrade or modification of buildings which meet, or upon completion are expected to meet, the requirements for an Energy Performance Certificate (EPC) of B. ^{2,3}

ENERGY EFFICIENT BUILDINGS

Direct costs or investments in individual energy efficiency measures (e.g., material, installation, and labour costs) for installing energy efficient technologies or other energy saving measures during the construction, maintenance and service phase. Energy efficient technologies are such as electric heat pumps, onsite solar panels, LED lighting, ventilation systems, extension of district heating and cooling systems, and electric charging stations.

RENEWABLE ENERGY

Capital and operational expenditures related to the construction, acquisition and installation of products that generate renewable energy, such as solar energy technologies and wind energy generation facilities as well as associated infrastructure.

INVESTING IN GREEN AND ENERGY EFFICIENT BUILDINGS

K-Fastigheter's proprietary concept buildings allow control over all part of the production process, from early project development to the property management of the completed building. Through the repeated production of conceptual housing solutions, material waste can be eliminated benefiting both the environment and production finances. The Group's concept house is being built to the largest part in concrete, a material that is proven, durable and safe with beneficial environmental features. Efforts aimed at reducing the amount of cement in the manufacture elements are underway. For instance, optimization of recipes and by replacing cement with substitutes such as granulated blast furnace slag and fly ash are initiatives aimed at reducing the carbon footprint throughout the construction industry.

K-Fastigheter's unlimited time frame implies that the company is committed to continuously evaluating solutions from a life cycle perspective, including the choice of construction materials and methods. K-Fastigheter seeks to minimize energy and water consumption in K-Fastigheter's properties and to reduce the dependence on fossil fuels. When K-Fastigheter plans new residential buildings and neighbourhoods, the existing natural environment at the site is carefully considered. Green areas are sought after by tenants, and the Group strives to improve habitats after a construction project has been completed. K-Fastigheter actively work to be present locally in the properties and to foster safe and secure homes and neighbourhoods.



INVESTING IN RENEWABLE ENERGY GENERATION

Demand for fossil free energy is increasing, and K-Fastigheter participates in this trend by installing solar panels on suitable properties. Since the third quarter 2021, solar panels have been installed on all new build Lateral Low-Rise buildings and Apartment Blocks. Another example is K-Fastigheter's production facility in Hässleholm, which is self-sufficient in energy from renewable sources.



In 2024, the proportion of electricity production from own solar panel cells on managing properties was 24.8% of the electricity consumption. Purchased electricity comes from fossil free electricity generation.

² Prevailing at the time the building permit was issued.

³ May cover land held for development and its development costs, and development costs related to buildings under construction that will, once completed, reach the eligibility criteria for the category.

GREEN ASSET EVALUATION & SELECTION

Risk management procedures

K-Fastigheter's overall management of environmental, social, governance and financial risks is a core component of the company's decision-making processes. The process for evaluation and selection of Green Assets will follow the same standard decision-making process to ensure identification and management of environmental and social risks related to the projects. This includes for example assessing material climate risks where relevant, exploring new and sustainable construction components and materials, increasing own production of renewable energy, placing strict expectations on suppliers, and having a close dialogue with stakeholders such as municipalities and industry initiatives.

Green Asset evaluation & selection process

Assets shall comply with the eligibility criteria defined under the Green Asset Categories. The process of evaluating and selecting eligible Green Assets as well as the allocation of Green Proceeds to eligible Green Assets comprise the following steps:

- I Representatives from K-Fastigheter's different business segments, supported from time to time by external sustainability experts, evaluate potential Green Assets, their compliance with the Green Asset Categories, and their environmental benefits.
- II A list of the potential Green Assets is presented to K-Fastigheter's Green Financing Committee ("GFC"). The GFC is solely responsible for the decision to acknowledge the asset as green, in line with the Green Asset Criteria. Green Assets will be marked as green in a dedicated "Green Register". A decision to allocate Green Proceeds will require a consensus decision by the GFC. The decisions made by the GFC will be documented and filed.

Green Financing Committee (GFC)

The GFC is chaired by the Chief Financial Officer and includes the following members:

- Chief Executive Officer
- Chief Financial Officer
- Head of Business Area Construction

- Head of Business Area Property Management
- Head of Communications/IR

The GFC will convene every six months or when otherwise considered necessary. For the avoidance of doubt, the GFC holds the right to exclude any Green Asset already funded by Green Proceeds. If a Green Asset is sold, or for other reasons loses its eligibility, funds will then follow the procedure under Management of Proceeds until reallocated to other eligible Green Assets.

MANAGEMENT OF PROCEEDS

Tracking of Green Proceeds

An amount equal to net proceeds from issued Green Financing Instruments will be earmarked for financing and refinancing of Green Assets as defined in this Framework. K-Fastigheter aims to fully allocate an amount equal to net proceeds from a Green Financing Instrument towards Green Assets within two years from its issue date.

K-Fastigheter will follow a portfolio approach. As new projects are initiated, and existing projects may be sold, the portfolio of Green Assets will by nature be dynamic over time. After reaching full allocation, K-Fastigheter aims to ensure that the value of Green Assets at all times is equal to or exceeds the nominal value of outstanding Green Financing Instruments. If a Green Asset already funded by Green Financing Instruments is sold, or for other reasons loses its eligibility in line with the criteria of this Framework, K-Fastigheter will strive to replace it by another qualifying Green Assets as soon as practically possible. K-Fastigheter will use a Green Register to track the allocation towards Green Assets. The purpose of the Green Register is to ensure that Green Proceeds only support the financing of Green Assets or to repay Green Financing Instruments. The allocation of proceeds will be reviewed by an independent external party appointed by K-Fastigheter. If only one or several tranches of a loan facility are allocated towards Green Assets, only such tranches will be labelled as green, not the total loan facility.

Temporary holdings

Unallocated Green Proceeds may temporarily be placed in the liquidity reserve and managed accordingly by K-Fastigheter.

Exclusions

Temporary holdings will not be placed in entities with a business plan focused on fossil energy generation, nuclear energy generation, research, and/or development within weapons and defence, environmentally negative resource extraction, gambling or tobacco.



REPORTING & TRANSPARENCY

To enable the monitoring of performance and provide insight into prioritized areas, K-Fastigheter will annually and until maturity of the Green Financing Instruments issued, provide investors with a report (“Green Financing Report”) that describes the allocation of Green Proceeds and the environmental impact of the Green Assets. For any short-term financings that mature within an annual reporting cycle, reporting will be based on the average outstanding volume over that year. The Green Financing Report will be made available on K-Fastigheter’s website, www.k-fastigheter.com together with this Framework.

Allocation reporting

Allocation reporting will include the following information:

- I The nominal amount of Green Financing Instruments outstanding, divided into bonds, loans and revolving credit facilities
- II The amount of net proceeds awaiting allocation (if any)
- III Amounts allocated to each of the Green Asset categories
- IV The share of new financing versus refinancing
- V Examples of Green Assets funded by Green Financing Instruments

Impact reporting





The impact reporting aims to disclose the environmental impact of the Green Assets financed under this Framework, based on K-Fastigheter’s financing share of each asset.

As K-Fastigheter can finance a large number of smaller Green Assets in the same asset category, impact reporting will, to some extent, be aggregated.

The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis, e.g., if a Green Asset is not yet operational but under construction, K-Fastigheter will provide best estimates of future energy performance levels.

The impact assessment will, if applicable and relevant, be based on the Impact Reporting Metrics presented in the below.



Green Asset Categories	Example of selected Targets
Green buildings <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>	<ul style="list-style-type: none"> - Energy Performance Certificate B⁴ - Annual energy use avoided compared to the relevant national building regulation (kWh/m²)⁵ - Annual GHG emissions avoided (tonnes of CO₂ emissions)
Energy efficient buildings <div style="text-align: center;">  </div>	<ul style="list-style-type: none"> - Annual reduction in energy consumption
Renewable energy <div style="text-align: center;">  </div>	<ul style="list-style-type: none"> - Installed renewable energy capacity (kW) - Annual renewable energy generation (kWh) - Electric vehicle charging stations (number of charging points and percentage of parking spaces equipped with charging stations)

⁴ Prevailing at the time the building permit was issued.

⁵ Benchmarked to the guidelines according to the Swedish regulations for building works at the time the framework was established

EXTERNAL REVIEW

Second party opinion

S&P Global Ratings has provided a second party opinion to this Framework verifying its alignment with ICMA's Green Bond Principles 2021 ⁶ and the LMA/LSTA/APLMA Green Loan Principles from 2025.

Post-issuance review

An independent external party, appointed by K-Fastigheter will on an annual basis provide a limited assurance report confirming the amount of proceeds from Green Financing Instruments that have been allocated to Green Assets.

Publicly available documents

The Green Financing Framework and the second party opinion will be publicly available on K-Fastigheter's website, www.k-fastigheter.com, together with the post-issuance review and the annual Green Financing Report once they have been published.



⁶ The Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)