

## CORPORATE GOVERNANCE

*K-Fast Holding AB is a Swedish public limited liability company whose Class B shares have been listed on the Nasdaq Stockholm exchange since 29 November 2019.*



# CORPORATE GOVERNANCE REPORT

This Corporate Governance Report is not included in the formal Annual Report, and constitutes a separate report. The Corporate Governance Report has been reviewed by the company's auditor.

Through great openness, K-Fast Holding AB's Board of Directors and management seek to help individual shareholders follow the company's decision-making paths and to clarify where the organization's responsibilities and authorities lie. This includes maintaining an efficient organizational structure, systems for internal control and risk management, as well as transparent internal and external reporting.

The Corporate Governance Report has been prepared in accordance with the provisions of the Annual Accounts Act and the Swedish Code of Corporate Governance ("the Code"). The company has followed the Code, Nasdaq Stockholm's Regulations for Issuers and generally accepted stock market practice since the company's listing on the Nasdaq Stockholm exchange in 2019. The Code is based on the principle of "follow or explain". This means that K-Fastigheter does not have to comply with every rule in the Code at all times, but can choose other solutions judged to better respond to the circumstances of the individual case, provided that the company openly reports every such deviation, describes the solution instead chosen by the company and states the reasons. The Code also means that some information shall be made available on the company's website.

The Board's opinion is that K-Fastigheter followed the Code in 2023 with the following exception: The year of birth of Board members was not reported as this information is of no significance for assessing expertise and experience. Education, Board assignments and work experience are reported as these are of significance in assessing expertise and experience.

## Articles of Association

The company's name is K-Fast Holding AB and the company is public (publ) with the corporate ID number 556827-0390. The company's Board of Directors has its registered office in the Municipality of Hässleholm, Sweden. The object of the company's operations shall be, directly or indirectly via subsidiaries, to own and manage properties and securities, to conduct construction operations and related operations. Amendments to the Articles of Association are to be made in accordance with the provisions of the Companies Act. The latest changes were decided by the AGM 2021. The Articles of Association can be found at [www.k-fastigheter.com](http://www.k-fastigheter.com).

## Corporate governance structure

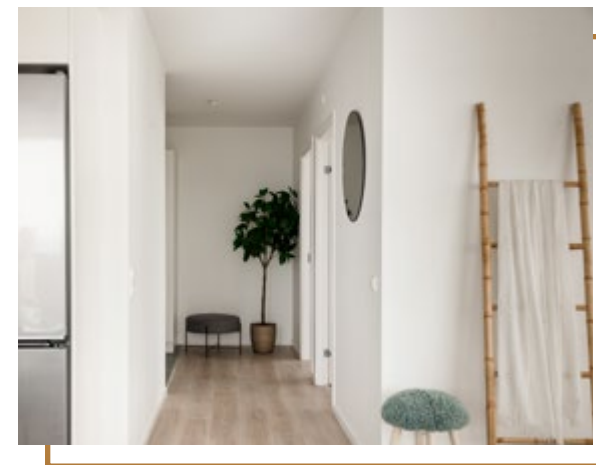
The objective of corporate governance is to ensure that the company is managed in as efficient a manner as possible for shareholders, but also to ensure that K-Fastigheter complies with applicable regulations. Corporate governance also aims to engender order and method, both for the Board and Group management. By having a clear structure and clear rules and processes, the Board is able to ensure that the focus of management is on developing the business, and to thereby generate value for shareholders.

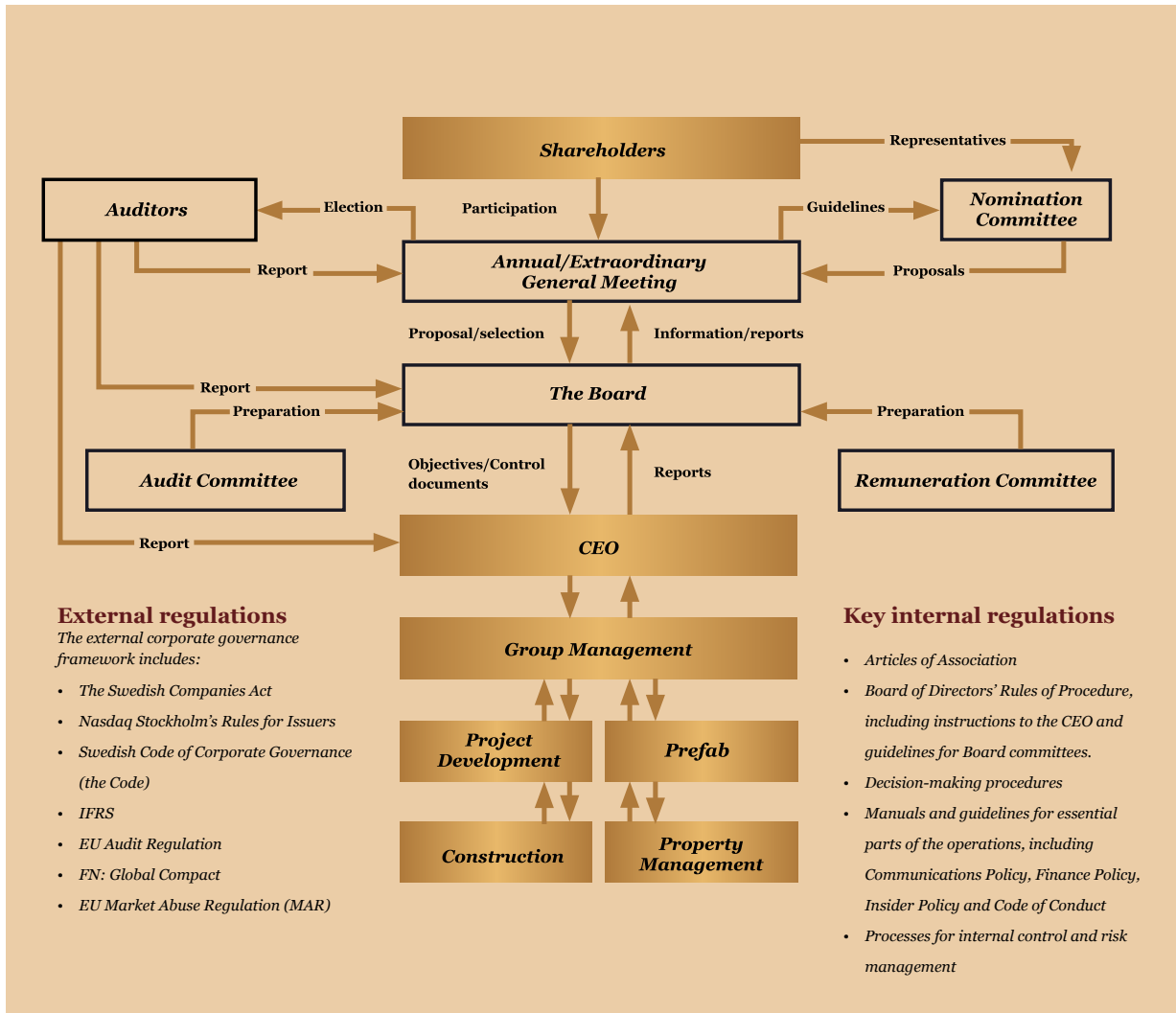
The Board and management strive for the Company to live up to the requirements imposed by public authorities, Nasdaq Stockholm, shareholders and other stakeholders. The Board also follows the ongoing debate on the subject and the recommendations issued by various operators, including the Swedish Securities Council or auditors.

At K-Fastigheter, corporate governance is primarily exercised through General Meetings and the Board. In a broader perspective, the issues also include Group management and its tasks, as well as the control and reporting functions within the Group.

Ultimately, the shareholders in K-Fast Holding AB make decisions regarding the Group's governance. At the AGM, shareholders appoint the Board of Directors, the Chairman of the Board and the auditors, determines the compensation paid to these, a decision is also made as to how the Nomination Committee shall be appointed. The Board is responsible to the owners for the Group's organization and the management of the Group's affairs. Shareholders exert their influence through the AGM and Extraordinary General Meetings.

Management and responsibility is divided between the Board and the CEO in accordance with Swedish legislation, primarily the Companies Act and the Annual Accounts Act, Nasdaq Stockholm's Rules for Issuers, the Articles of Association and internal instructions and policy documents. The auditors report their audit to the AGM.





## Shareholder influence

According to the Companies Act, the AGM is the company's highest decision-making body. At the AGM, shareholders exercise their right to vote in matters such as the adoption of Income Statements and Balance Sheets, the disposition of the company's profit, approving discharge from liability for the members of the Board and the CEO, the election of Board members and auditors and the determination of fees to Board members and auditors. Board members are appointed and discharged in accordance with the Companies Act, and the Articles of Association contain no specific rules for this.

## General Meetings

The AGM shall be held within six months of the end of each financial year. Beyond the AGM, Extraordinary General Meetings may be convened if the company's Board, auditors or holders of at least 10 percent of all shares in K-Fast Holding AB request this.

In accordance with K-Fast Holding AB's Articles of Association, notice of a General Meeting shall be published by means of an advertisement in Post- och Inrikes Tidningar (Official Swedish Gazette) and with the notice being presented accessibly on the company's website [www.k-fastigheter.com](http://www.k-fastigheter.com). That fact that such notice has been issued shall be advertised in Swedish financial daily Dagens Industri.

Resolutions of the AGM are normally approved through a simple majority. In certain matters, the Swedish Companies Act stipulates that proposals must be approved by a larger proportion of the shares represented and the votes cast at the Meeting.

## Right to participate in Annual General Meeting

Shareholders wishing to attend the AGM must be included in the register maintained by Euroclear Sweden AB five working days before the AGM and announce their intention to participate to K-Fastigheter no later than the date specified in the notice convening the AGM. It is usually possible for shareholders to register for the AGM in several different ways, which are stated in the notice convening the AGM. To participate in the AGM, besides registering the intention to attend, nominee-registered shares must be registered under the shareholder's name in the register maintained by Euroclear Sweden AB by no later than four banking days prior to the AGM. Shareholders not present in person at the AGM may exercise their rights at the AGM through a proxy or, following a Board decision, via postal ballot. Shareholders who are present in person at the AGM, or proxies for absent shareholders, may have at most two assistants.

## Shareholder initiatives

A shareholder wishing to have a matter addressed by the AGM must request this in writing from K-Fastigheter's Board of Directors. The matter will be raised at the AGM if the request has been received by the Board by no later than one week before the earliest date of convening the AGM according to the Companies Act, or at a later date, but in sufficient time for the matter to be included in the notice convening the AGM.

## Voting rights

K-Fast Holding AB has two share classes: Class A and Class B shares. Class A shares entitle the holder to five votes per share and Class B shares entitle the holder to one vote per share. Both Class A and Class B shares entitle holders to equal participation in the company's assets and earnings.

On 31 December 2023, there were a total 239,331,168 shares in K-Fast Holding distributed between 22,500,000 Class A shares, corresponding to 112,500,000 votes, and 216,831,168 Class B shares, corresponding to 216,831,168 votes. The total number of votes on 31 December 2023 was 329,331,168. Class B shares represented 65.6 percent of the votes and 90.6 percent of the share capital.

Additional information about the share and shareholders can be found on page 158–163.

## 2023 Annual General Meeting

The AGM was held on 15 May 2023 in Hässleholm, Sweden. In addition to physical attendance, voting was also possible by postal ballot. A total of 97 shareholders, corresponding to some 91.8 percent of the total number of votes in the company, participated in the AGM. Minutes from the AGM are available on the company's website. At the Meeting shareholders reached resolutions

regarding matters including:

- not to pay a dividend for the 2022 financial year
- re-election according to the Nomination Committee's proposal of Ulf Johansson, Christian Karlsson, Jacob Karlsson, Sara Mindus, Jesper Mårtensson and Erik Selin as Board members, and Erik Selin as Board Chairman for the period until the end of the next AGM
- re-election according to the Nomination Committee's proposal of Ernst & Young Aktiebolag as auditor until the end of the next AGM with Peter von Knorring as Authorized Public Accountant
- Board fees of SEK 200,000 for the ensuing term of office for Board members not employed by K-Fastigheter. Erik Selin will not receive any Board fees
- authorize the Board, in the period until the AGM 2024, on

one or more occasions and with or without preferential rights for shareholders, to decide on one or more new share issues departing from shareholders' preferential rights of a maximum of 24,000,000 new Class B shares corresponding to one tenth of the total number of shares in the company

- authorize the Board, in the period until the AGM 2023, on one or more occasions, to decide to acquire Class B shares in the company corresponding to a maximum of one tenth of the total number of shares in the company.

## Extraordinary General Meeting 2023

An Extraordinary General Meeting was held on 24 October 2023 in Hässleholm. In addition to physical attendance, voting was also possible by postal ballot. A total of 30 shareholders, corresponding to approximately 86.9 percent of the total number of votes in the company, participated in the AGM. Minutes from the AGM are available on the company's website. At the Meeting shareholders adopted resolutions regarding the following matters:

- Adopting the Board's proposal regarding a directed new issue of 5,820,000 Class B shares to Erik Selin Fastigheter AB. This was part of the directed new issue decided by the Board on 28 September 2023 relating to 24,000,000 Class B shares under the mandate for a new issue adopted at the AGM 2023.

## 2024 Annual General Meeting

The AGM of K-Fast Holding AB will be held on 14 May 2024. Information regarding the AGM will be published at [www.k-fastigheter.com](http://www.k-fastigheter.com).

Ahead of the 2024 AGM, the Board proposes that no dividend be paid for the 2023 financial year.

## Nomination Committee

At the Extraordinary General Meeting on 19 August 2019, resolutions were reached regarding principles for the appointment of a Nomination Committee. K-Fastigheter's Nomination Committee for the AGM 2024 was appointed in accordance with these principles.

The Nomination Committee shall comprise the Board Chairman and representatives of the three largest shareholders in terms of votes at the end of the third quarter in the year before the AGM. A complete description of the principles for appointing and instructing the Nomination Committee can be found on the company's website, k-fastigheter.com.

The composition of the Nomination Committee has been published through a separate press release on 13 November 2023, as well as on K-Fastigheter's website, where shareholders can also read about their opportunity to submit proposals to the Nomination Committee.

The Nomination Committee is tasked with preparing and submitting proposals to the next AGM regarding the appointment of the Chairman of the Board and other Board members, as well as on remuneration to the Chairman of the Board and other members. The Nomination Committee is also tasked with evaluating the Board's work, based primarily on the report presented to the Nomination Committee by the Chairman of the Board. The Nomination Committee also proposes auditors for election and the fees to be paid to them.

### Nomination Committee ahead of the 2024 Annual General Meeting

Name / representing	Percentage of votes, 30 September 2023
Stefan Alvarsson / Jacob Karlsson AB	37.3%
Shahram Rahi / Erik Selin Fastigheter AB	37.1%
Olof Nyström / Fourth AP-Fund	3.6%
Erik Selin, Chairman of the Board of K-Fast Holding AB	

\* Independent in relation to the company and management/largest shareholder in terms of votes.

The Board shall be composed of individuals with expedient experience and competencies appropriate for K-Fast Holding AB's operations with the aim of identifying and understanding the risks that may arise in the operations and the regulatory frameworks that govern them. The Nomination Committee must take into account K-Fastigheter's diversity policy, which agrees with item 4.1 of the Code, in its proposal regarding the election of Board members

The Nomination Committee shall take the policy into account with the aim of achieving a suitable composition of the Board. When new Board members are elected, the suitability of the individual member shall be scrutinized to achieve a Board with a combined expertise sufficient for the company to be governed effectively. In accordance with point 4.1 of the Swedish Corporate Governance Code, the company's Board shall have an expedient composition with regard to the company's operations, stage of development and conditions otherwise, characterized by versatility and breadth relating to Directors' competencies, experience and background, and an even distribution between the sexes.

In addition to Jacob Karlsson AB and Erik Selin Fastigheter Aktiebolag, who at the time of determining the right to appoint members of the Nomination Committee each represented 37.3 percent and 37.1 percent of the votes respectively, there were no other shareholder representing more than 10 percent of the votes.



**Peter von Knorring**  
Auditor K-Fastigheter

*Auditor in Charge for K-Fastigheter since 2023. Authorized Public Accountant and member*

*of FAR. Included in EY's sector group Real Estate, Hospitality and Construction (RHC).*

*Examples of other major assignments: CA Fastigheter, Hyresbostäder i Norrköping, Telenor Sverige AB, Nimlas Group. Examples of former major assignments: Heimstaden, Heimstaden Bostad, Siemens Energy.*

## External auditors

In accordance with the company's Articles of Association, adopted on 19 May 2021, the AGM of the company shall appoint one or two auditors, with or without deputy auditors, or one or two registered firms of auditors. The company's auditors are appointed for the period extending until the end of the next AGM.

The auditor shall review K-Fastigheter's Annual Report and accounting, as well the administration of the company by the Board and the CEO. K-Fast Holding AB is the Parent Company of a group and K-Fastigheter's auditor also reviews the Consolidated Accounts, as well as the mutual relationships between the Group

companies. After each financial year, the auditor shall submit an Audit Report for the Group and Parent Company to the AGM.

The most recent election of auditor took place at the Annual General Meeting on 15 May 2023, when Ernst & Young AB was reelected. Peter von Knorring is the Authorized Public Accountant.

## Composition of the Board of Directors

Board members are normally appointed by at the AGM for the period until the end of the ensuing AGM. In accordance with K-Fast Holding AB's Articles of Association, the Board shall comprise at least three and at most eight members without deputies. In accordance with the Code, the Chairman of the Board shall be appointed by the AGM. At most one Board member elected by the AGM may be a member of K-Fastigheter's management or the management of a subsidiary. The majority of the members elected by the AGM shall be independent in relation to K-Fastigheter and Group management. At least two of the Board members who are independent in relation to K-Fastigheter and Group management should also be independent in relation to K-Fastigheter's major shareholders. More information about the company's Board of Directors can be found on page 51.

## Responsibilities of the Board of Directors

The Board of Directors is the company's second-highest decision making body after the AGM. In accordance with the Companies Act, the Board is responsible for K-Fastigheter's organization and the management of the company's affairs.

The Board shall continuously assess K-Fastigheter's financial situation. The Board shall ensure that the accounting, management of funds and financial conditions of K-Fastigheter in other regards are controlled in a satisfactory manner.

In accordance with the Code, the tasks of the Board include determining the company's overarching objectives and strategy, appointing, evaluating and where necessary dismissing the CEO, identifying how sustainability issues affect the company's risks and business opportunities, establishing required guidelines for the company's conduct in society to ensure its long-term capacity to add value, ensuring that there are appropriate systems for the evaluation and control of the company's operations and the risks associated with the company's operations, ensuring there is satisfactory control of the company's compliance with laws and other regulations that apply to the company's operations, as well as the company's

compliance with internal guidelines and ensuring that the company's publication of information is characterized by openness and is correct, relevant and reliable.

## Board of Directors 2023

Since the AGM on 2 April 2019, the Board has comprised six members. The Board has a quorum when more than half of the number of Board members are present. In the event of a tied vote, the Chairman of the Board has the casting vote. The Board of K-Fast Holding AB consists of individuals with broad experience and competences relating to the property sector, legal, business development, sustainability issues and financing. A number of the members have experience of Board work in other listed companies.

All Board members have undergone Nasdaq Stockholm's training for Directors and senior executives. The Board receives information on an ongoing basis regarding regulatory changes and issues related to operations and the Board's responsibilities in a listed company.

In addition to the complete Board of Directors acting as signatory for K-Fastigheter, two Board members in unison may sign or one Board member in unison with the company's Deputy CEO/CFO.

### Board of Directors, composition, attendance and compensation

Name	Elected	Independent in relation to:		Attendance			Remuneration
		The company and senior executives	Major shareholders	Board meetings	Audit Committee	Remuneration Committee	Meetings of the Board of Directors and Committees
Erik Selin, Chairman of the Board	2018	Yes	No	12 of 13	6 of 6	0 of 1	-
Ulf Johansson, member	2019	Yes	Yes	13 of 13	6 of 6	1 of 1	200,000
Christian Karlsson, member	2019	No	No	13 of 13	-	-	200,000
Jacob Karlsson, member	2010	No	No	13 of 13	-	-	-
Sara Mindus, member	2019	Yes	Yes	12 of 13	6 of 6	1 of 1	200,000
Jesper Mårtensson, member	2018	Yes	No	13 of 13	-	-	200,000

If certain tasks are delegated to one or more Board members, or to other parties, the Board shall proceed with care and continuously assess whether the delegation of responsibility can be maintained.

The Chairman of the Board shall ensure that the work of the Board is performed efficiently and that the Board fulfills its duties.

### **Board of Directors' Rules of Procedure**

In its work, the Board follows written Rules of Procedure. The Rules of Procedure are adopted annually and, among other things, regulate functions and the distribution of work between the Board members and the CEO and between the Board and its various committees, as well as certain procedural issues concerning the convening of Board meetings. The Rules of Procedure also stipulate that the Board shall appoint an Audit Committee and a Remuneration Committee. The Chairman of the Board is also the Chairman of the committees. The Board meets in accordance with a schedule set annually. In addition to these regular meetings, the Board convenes if the Chairman considers it necessary or if a Board member or the CEO requests it. In accordance with the Companies Act, the Board has also established instructions for the CEO, including instructions on both internal reporting to the Board as well as on the company's external reporting to the market.

### **Audit Committee**

The Board has appointed an Audit Committee comprising three members: Ulf Johansson, Sara Mindus and Erik Selin. Erik Selin is the Chairman of the Board and Sara Mindus is the Deputy Chairman of the Committee.

The Audit Committee shall, without this affecting the Board's responsibilities and tasks in other regards, including the monitoring of the company's financial reporting, monitor the

efficiency of the company's internal control and risk management, keep itself informed regarding the audit of the Annual Report and consolidated accounts and on the conclusions of the Swedish Inspectorate of Auditors' quality control. The Committee shall also review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with other services than auditing.

### **Remuneration Committee**

The Board has appointed a Remuneration Committee consisting of three members: Ulf Johansson, Sara Mindus and Erik Selin. Erik Selin is the Chairman of the Committee.

The principal tasks of the Remuneration Committee are to prepare Board decisions relating to remuneration principles, remuneration and other employment terms for Board members, the CEO and Group management, and to follow and evaluate programs for variable remuneration for management, and to follow and evaluate the application of remuneration guidelines for senior executives

adopted by the AGM, as well as applicable remuneration structures and remuneration levels.

### **Chairman of the Board of Directors**

The Board's Rules of Procedure state, among other things, that the Chairman of the Board shall ensure that the work of the Board is carried out efficiently and that the Board fulfills its obligations. This includes organizing and leading the work of the Board and fostering the best possible conditions for that work. In addition, the CEO shall ensure that Board members continuously update and deepen their knowledge of the company and that new members receive appropriate introduction and training. The Chairman of the Board shall be available as an adviser and discussion partner for the CEO, but shall also evaluate the work of the CEO and report on this assessment to the Board. In addition, the Chairman of the Board is tasked with ensuring that the work of the Board is evaluated annually and to inform the Nomination Committee regarding this evaluation.



## BOARD YEAR 2023

### First quarter

#### Meeting 1, 16 February 2023

- Year-end Report 2023
- Rules of Procedure for the Board
- Instruction to the CEO, Instruction to the Audit and Remuneration Committee

#### Meeting 2, 30 March 2023

- Audit Report
- Notice convening the Annual General Meeting
- Approve Annual Report and Corporate Governance Report and Sustainability Report
- Market and competition
- Evaluation of the Board's and CEO's work
- Evaluation of bonus-related considerations

### Second quarter

#### Meeting 3, 2 May 2023

- Interim Report January-March 2023

#### Meeting 4, 15 May 2023

- (statutory Board meeting)

#### Meeting 5, 19 May 2023

- Financing matters

#### Meeting 6, 25 June 2023

- Financing matters

### Third quarter

#### Meeting 7, 25 July 2023

- Interim Report January-June 2023

#### Meeting 8, 17 September 2023

- Capital-related matters

#### Meeting 9, 22 September 2023

- Financing matters

#### Meeting 10, 27 September 2023

- Capital-related matters

#### Meeting 11, 28 September 2023

- Capital-related matters

### Fourth quarter

#### Meeting 12, 9 November 2023

- Internal control, Risk management
- Policy compliance and adopting policy documents
- Interim Report January-September 2023
- Financing matters

#### Meeting 13, 20 December 2023

- Evaluation of salary review and bonus-related considerations
- Determining authorization scheme
- Evaluation of the need for a special review function
- Approve policy documents

At the AGM on 15 May 2023, Erik Selin was elected Chairman of the Board. The Chairman of the Board does not participate in the operational management of the company.

## Work of the Board of Directors

During the financial year 2023, the Board held thirteen meetings where minutes were kept. The company's CEO and/or Deputy CEO and CFO should, as a general rule, attend Board meetings in a reporting role. company employees, the auditor or other external consultants shall be co-opted to Board meetings to participate and to present matters when necessary. Board member Christian Karlsson is the Secretary of the Board of Directors.

At its meetings, the Board addressed fixed agenda items to be included in each Board meeting in accordance with the Board's Rules of Procedure. These include the business situation, budget, interim reports and annual accounts.

In addition to the scheduled meetings, the work of the Board includes ongoing financial review, evaluation of strategy, recommendations regarding remuneration levels, acquisition matters, as well as accounting and auditing issues.

In December 2023, the Board evaluated its work. The evaluation and the subsequent discussion by the Board will serve as basis for the ongoing development of the Board's working methods and for ensuring that the Board can make decisions that are as well-informed as possible. The evaluation of the Board follows the guidelines for Board evaluation in the Code.

## Attendance at Board meetings

See information on page 46.

## CEO

The company's CEO is Jacob Karlsson. In accordance with the provisions of the Companies Act, the CEO is responsible for the ongoing management of K-Fastigheter in accordance with the Board's guidelines and instructions.

Measures that, in view of the scope and nature of the company's operations, are unusual or of great importance, fall beyond the ongoing management and should therefore, as a general rule, be prepared and presented to the Board for decision. The CEO shall also take the actions necessary for the company's bookkeeping to be performed in accordance with legislation and for assets to be managed satisfactorily.

In relation to the Board, the CEO is a subordinate corporate body, and the Board itself can also determine matters included in ongoing management. The work and role of the CEO and the division of work between the Board and the CEO is set out in written Instructions to the CEO from the Board and the Board continuously evaluates the work of the CEO. For the presentation of the CEO, see page 54. For remuneration to the CEO, see page 50.

## Conflict of interest

Board members or the CEO shall not address matters relating to contracts between themselves and the company or the Group. Nor is such individual permitted to address matters relating to contracts between the company and third parties, where a significant conflict of interest could arise for such individual in relation to the company. Contracts as outlined above correspond to court proceedings or other litigation process. It is the responsibility of Board members and the CEO, where applicable, to provide information in the event that a conflict of interest arises.

# REMUNERATION REPORT

## K-FAST HOLDING AB FINANCIAL YEAR 1 JANUARY 2023–31 DECEMBER 2023

***K-Fast Holding AB (“K-Fastigheter”) is a public limited company whose Class B shares are listed on the Nasdaq Stockholm. The Board of K-Fastigheter is required to propose guidelines for salary and other remuneration to Board members, the CEO and Deputy CEO to the AGM. Remuneration corresponds to transfer of securities and transfer of rights to acquire securities from the company at a future date. The guidelines relate to the period starting from the date of the AGM where the guidelines are adopted.***

The Board shall propose new remuneration guidelines as required when material changes to the guidelines occur, subject to a minimum of every four years. The applicable guidelines for remuneration to senior executives were adopted at the AGM on 19 May 2020. The guidelines are published on K-Fastigheter’s website, [k-fastigheter.com/en/corporate-governance/remuneration](https://k-fastigheter.com/en/corporate-governance/remuneration). New guidelines will be adopted at the 2024 AGM.

The Board of K-Fastigheter is obliged to report paid and outstanding remuneration as stated in the guidelines for each financial year.

This report describes how the Guidelines were applied in 2023. The report also contains information about K-Fastigheter’s

remuneration to the CEO and Deputy CEO. The report has been prepared in accordance with the company’s Act and the Swedish Corporate Governance Board’s rules governing remuneration to senior executives and incentive programs.

### Total remuneration

Total remuneration to individual executives are shown in the table below.

K-Fastigheter’s overarching goal is to generate long-term value growth for its shareholders. Over a business cycle, value creation is measured as growth in long-term net asset value per share. This will take place through project development, construction and management of rental apartments in select locations, and through local operations close to the company’s partners and

tenants in the locations where the company is established, and by collaborating with public sector operators. Sustainability is central to K-Fastigheter’s operations, focusing on environmental considerations by including energy-efficient solutions in the properties, and by being a responsible employer that attract and develops its employees. In order to support the company’s business strategy, long-term interests and sustainability, and generate positive long-term value growth for its shareholders, the company shall offer competitive remuneration on market terms, but not be a salary leader in relation to comparable employers.

The Board assesses that total remuneration encompassed by the Guidelines and which has been paid out in the financial year complies with the Guidelines.

Executives	Basic remuneration, SEK	Variable remuneration, SEK	Other remuneration, SEK	Relative proportion basic and variable remuneration, %
Chairman of the Board	0	0	0	-
Ulf Johansson, Board Member	200,000	0	0	-
Christian Karlsson, Board Member	200,000	0	0	-
Sara Mindus, Board Member	200,000	0	0	-
Jesper Mårtensson, Board Member	200,000	0	0	-
Jacob Karlsson, CEO	2,424,000	0	143,196	-
Martin Larsson, Deputy CEO	1,347,540	150,000	408,166	10%

## Annual change in remuneration

The annual change in remuneration to individual executives in the company's profit and average remuneration included in the measure 'full time equivalents' for the company's other employees in the last five financial years is reported below.

### Board Members<sup>1</sup>

#### Erik Selin<sup>2</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	0	0	0	0	0
Variable remuneration	0	0	0	0	0
Other remuneration	0	0	0	0	0

#### Ulf Johansson<sup>3</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	200,000	200,000	200,000	200,000	200,000
Variable remuneration	0	0	0	0	0
Other remuneration	0	0	0	0	0

#### Christian Karlsson<sup>4</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	200,000	200,000	200,000	200,000	200,000
Variable remuneration	0	0	0	0	0
Other remuneration	0	0	0	0	0

#### Sara Mindus<sup>5</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	200,000	200,000	200,000	200,000	200,000
Variable remuneration	0	0	0	0	0
Other remuneration	0	0	0	0	0

<sup>1</sup> Decisions relating to Directors' fees are made by the AGM.

<sup>2</sup> Elected Chairman at AGM 2019.

<sup>3</sup> Elected Board member at AGM 2019.

<sup>4</sup> Elected Board member at AGM 2019.

#### Jesper Mårtensson<sup>6</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	200,000	200,000	200,000	200,000	200,000
Variable remuneration	0	0	0	0	0
Other remuneration	0	0	0	0	0

### CEO and deputy CEO

#### Jacob Karlsson<sup>7</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	2,424,000	1,215,487	1,207,606	1,219,411	1,219,679
Variable remuneration	0	0	0	0	0
Other remuneration	143,196	142,827	191,778	170,302	137,526

#### Martin Larsson<sup>8</sup>

SEK	2023	2022	2021	2020	2019
Basic remuneration	1,347,540	1,055,042	1,097,423	928,747	910,864
Variable remuneration	150,000	190,000	0	150,000	0
Other remuneration	408,166	390,388	372,888	346,382	362,333

### K-Fastigheter's profit

The annual change in K-Fastigheter's profit over the last five financial years is presented below.

SEK m	2023	2022	2021	2020	2019
Profit for the year	-398.1	907.4	1,044.4	474.5	365.3

<sup>5</sup> Elected Board member at AGM 2019.

<sup>6</sup> Elected Chairman in 2018 and re-elected Board member at AGM 2019.

<sup>7</sup> CEO and Board member.

<sup>8</sup> Deputy CEO since 2019. Employed in 2018.

### Average remuneration for K-Fastigheter's other employees

The annual change in average remuneration for the measure 'full-time equivalents' for K-Fastigheter's other employees over the last five financial years is presented below

SEK	2023	2022	2021	2020	2019
Average remuneration	472,780	455,426	422,126	498,951	421,918

### **Remuneration from other Group company**

No remuneration to executives has been paid from other Group companies.

### **Shares and warrants**

No shares or warrants were allocated or offered to executives.

### **Recovery of variable remuneration**

No demands for recovery of variable remuneration were presented.

### **Departures from decision-making process**

K-Fastigheter's Board has instituted a Remuneration Committee with the primary task of preparing Board decisions relating to remuneration principles, remuneration and other employment terms for the CEO and senior executives. Accordingly, the Remuneration Committee shall propose guidelines for remuneration to Board members, the CEO and senior executives, which the Board presents to the AGM for adoption at least every four years. The decision-making process is described in the Guidelines. There were no departures from the decision-making process.

### **Departures from the Guidelines**

There were no departures from the Guidelines.

### **Comments from the AGM**

There were no comments from the AGM in relation to the AGM's consideration of an earlier report. Accordingly, the Board has not considered any such comments.

### **Information in the Annual Report**

The information referred to in Chap. 5, §§ 40–44 of the Annual Accounts Act (1995:1554) is reported on pages 81–82 of K-Fastigheter's Annual Report for 2023.



# INTERNAL CONTROL AND RISK MANAGEMENT

## BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL

The Board's responsibility for internal control is regulated by the Companies Act, the Annual Accounts Act – which includes a requirement to provide information on the most important elements of K-Fastigheter's system for internal control and risk management in conjunction with the financial reporting to be included each year in the Corporate Governance Report – as well as by the Code. The Board shall safeguard that K-Fastigheter has good internal control and formalized procedures ensuring compliance with established principles for financial reporting and internal control and that appropriate systems are in place for the assessment and control of K-Fastigheter's operations and the risks with which the company and its operations are associated.

The overall purpose of internal control is to ensure, to a reasonable extent, that K-Fastigheter's operational strategies and objectives are followed up and that the owners' investment is protected. The internal control should also ensure that the external financial reporting is, with reasonable certainty, reliable and prepared in accordance with generally accepted accounting principles, compliance with applicable laws and regulations and compliance with the demands made on listed companies. The control environment constitutes the basis for internal control, which also includes risk assessment, control activities, information and communication, as well as follow-up.

## CONTROL ENVIRONMENT

The Board bears the overall responsibility for internal control regarding financial reporting. To create and maintain a functioning control environment, the Board has adopted a number of policies and governance documents regulating financial reporting. These consist primarily of the Board's Rules of Procedure, instructions for the CEO, instructions for the committees established by the Board and instructions for financial reporting.

The Board has also adopted a specific authorization structure and finance policy. K-Fastigheter also maintains a finance manual containing principles, guidelines and procedural outlines for accounting and financial reporting. The Board has also established an Audit Committee tasked primarily with overseeing the company's financial reporting, monitoring the efficacy of K-Fastigheter's internal control, internal audit (if such a function has been established) and risk management, as well as with reviewing and monitoring the auditor's impartiality and independence.

The responsibility for the day-to-day work of maintaining the control environment rests primarily with K-Fastigheter's Deputy CEO and CFO, who reports to the Board on an ongoing basis and in accordance with established instructions. The Group's finance department plays an important role with regard to reliable financial information. It is responsible for complete, accurate and timely financial reporting. The Group Finance Director reports to the company's Deputy CEO and CFO who, in turn, reports to the CEO and the Board.

In addition to internal review and reporting, K-Fastigheter's external auditors are required to report to the CEO and Board during the financial year. The auditors' reports provide the Board with a good comprehension of, and reliable data regarding, the financial reporting in the Annual Report.

## NEED FOR INTERNAL AUDIT

The efficacy of internal auditing is largely dependent on the company's organizational structure and the size of the organization. K-Fastigheter has a relatively small organization, the administration of which is managed from the company's offices in Hässleholm. Group management reviews the Income Statement and Balance Sheet on a continuous basis. Combined, this means that maintaining a specific internal audit unit is not considered to be justified.

## RISK ASSESSMENT AND CONTROL ACTIVITIES

The risk assessment includes identifying and evaluating the risk of material errors in K-Fastigheter's business processes, which include accounting and reporting at the Group and subsidiary levels. Risk assessment is performed on an ongoing basis and in accordance with established guidelines, focusing on the company's essential business processes. Within the Board, the Audit Committee is primarily responsible for the continuous assessment of the company's risk situation, after which the Board conducts an annual review of the risk situation.

Control activities are aimed at identifying and limiting risks. The Board is responsible for internal control and the review by Group management. This involves both internal and external control activities, as well as an analytical review of the company's policies and governance documents. Control activities are reviewed and documented at the process and role levels by means of a web application developed by the company, referred to as ICT (Internal Control Tools). ICT ensures that, in their specific roles, K-Fastigheter's employees have access to relevant information (and knowledge) at the right time to be able to conduct the stipulated control activities, and that assessment can be conducted systematically to ensure that the control system is maintained. The Group-wide guidelines for internal control are reviewed within all business areas and central units during the year, partly through an ongoing review of essential processes, partly through ICT for internal control, after which a report is presented to the Board.

Uniform accounting and reporting instructions are applied by all units within K-Fastigheter.

## INFORMATION AND COMMUNICATION

K-Fastigheter has information and communication paths aimed at promoting the accuracy of its financial reporting and enabling reporting and feedback from the operations to the Board and management, through, for example, governance documents in the form of internal policies, guidelines and instructions regarding financial reporting having been made available and known to the employees affected. The Board will receive further information relating to risk management, internal control and financial reporting from meetings and reports from the company's Auditors.

K-Fastigheter ensures that all employees acquaint themselves with the policies and instructions relevant to their work in the company. Among other things, such policies include laws and regulations applicable to the company's dissemination of information and the specific requirements imposed on individuals active in a listed company regarding, for example, insider information and trading. To prevent market abuse, K-Fastigheter has established procedures for appropriate handling and limiting the dissemination of information that has yet to be made public.

The Board tasks K-Fastigheter's CEO with overall responsibility for dealing with issues of insider information and the Board has appointed the company's Deputy CEO and CFO as responsible for managing insider logging. To coordinate and determine matters involving the assessment of possible insider information, the company maintains an Insider Committee consisting of the CEO, the Deputy CEO and CFO, the Head of Investor Relations and Board member Christian Karlsson.

K-Fastigheter's IR function is managed and supervised by the company's Deputy CEO and CFO and the company's Communications and IR Manager. The principal tasks of the IR function are to support the CEO and other senior executive in relation to various stakeholders, primarily capital market operators. The IR function also works together with the CEO in preparing K-Fastigheter's financial reports, shareholders' meetings, capital market presentations and other regular reporting.

The Board has adopted a Communication Policy specifying what is to be communicated, by whom and in what manner that information is to be published, ensuring that external information is accurate and complete. Instructions have also been prepared regarding how financial information should be communicated between management and other employees. Good information security procedures are also prerequisite to the accurate dissemination of information.

Financial information is provided in the form of:

- Interim and Year-end Reports, which are published as press releases
- Annual Report
- such press releases that K-Fastigheter is required to publish under applicable laws or the Rules of Nasdaq Stockholm
- presentations and telephone conferences for financial analysts, investors and the media in connection with Year-end and Interim Reports being published
- meetings with analysts and investors

All financial reports, presentations and press releases are published on the company's website [www.k-fastigheter.com](http://www.k-fastigheter.com), at the time of publication.

## FOLLOW-UP

Compliance with, and the efficacy of the internal controls are monitored on an ongoing basis through K-Fastigheter's tool for internal control.

The CEO ensures that the Board continuously receives reports on the company's operations, including the progress of its earnings and financial position, as well as information on significant events, including individual projects. The CEO also reports on these matters to the Board.

The Board and Audit Committee review the annual and quarterly reports and conduct financial assessments in accordance with and approved plan. The Audit Committee reviews the financial reporting and other related issues and discusses these regularly with the external auditors.

## WHISTLEBLOWER FUNCTION

K-Fastigheter has a whistleblower function for reporting cases of misconduct. The whistleblower function is available for all employees through K-Fastigheter's intranet and website. To ensure anonymity and correct processing of the information, the function is administrated by an external party.

# BOARD OF DIRECTORS



**Erik Selin**

Chairman of the Board since 2018. Chairman of the Audit Committee and the Remuneration Committee.

**Education:** Upper-secondary education focusing on business administration.

**Additional experience:** Erik Selin has more than 25 years of experience of the real estate industry, including as founder of Erik Selin Fastigheter AB and Fastighets AB Balder.

**Other ongoing assignments include:** Board member and CEO of Fastighets AB Balder, Chairman of the Board in Brinova Fastigheter AB, Norion Bank and Swedish Logistic Property AB. Board member of Hexatronic Group AB, I.A. Hedin Bil AB and Neudi&Co.

**Shareholding in K-Fastigheter, including related parties:** 11,250,000 Class A shares and 68,570,000 Class B shares.

**Independent:** Independent in relation to the company and management, but not in relation to major shareholders.



**Ulf Johansson**

Board member since 2019. Member of the Audit Committee and Remuneration Committee.

**Education:** MBA from Uppsala University.

**Additional experience:** Since the early 1990s, Ulf Johansson has held positions as CFO at Diligenta International, Asticus, Platzer Fastigheter, Fastighets AB Balder and Stena Fastigheter.

**Other ongoing assignments include:** Board Member in Stensborg Konsult AB and GUL Förvaltning AB.

**Shareholding in K-Fastigheter, including related parties:** 57,000 Class B shares.

**Independent:** Independent in relation to the company, management and major shareholders.



**Christian Karlsson**

Board member since 2019.

**Education:** Master of Laws from Lund University.

**Additional experience:** Lawyer, partner and Chairman of the Board in Advokatfirman VICI.

**Other ongoing assignments include:** Chairman of Björklunda Invest Sverige AB, Björklunda Service AB, Vittsjöluft Ventilation AB and plus four golf AB. Board member of Sparbanken Skåne AB and Björklunda Terminalen AB. Deputy board member in Betongteknik i Västervik AB and PCG Invest AB.

**Shareholding in K-Fastigheter, including related parties:** 31,254 Class B shares.

**Independent:** Independent in relation to the company, management and major shareholders.



**Sara Mindus**

Board member since 2019. Member of the Audit Committee and Remuneration Committee.

**Education:** Master of Laws and Bachelor of Business Administration from Stockholm University.

**Additional experience:** Sara Mindus has more than 20 years' experience of business law at Advokatfirman Vinge and as partner of Hannes Snellman Attorneys.

**Other ongoing assignments include:** Board Member and CEO in Sara Mindus AB. Board member of Besqab AB (publ), TF Bank AB (publ), Dreams AB, Colibri Ventures AB, Duco Förvaltning AB and Faboss Invest AB. Deputy Board member of several companies in the Mindustri AB Group.

**Shareholding in K-Fastigheter, including related parties:** 1,875,000 Class B shares.

**Independent:** Independent in relation to the company, management and major shareholders.



**Jesper Mårtensson**

Board member since 2018.

**Education:** MA in Economics from University of Gothenburg.

**Additional experience:** Jesper Mårtensson has about 20 years' experience of the real estate industry in positions as Head of Business Development & Finance i Erik Selin Fastigheter AB, CFO at SveaReal AB and Key Account Financial Manager at Newsec Asset Management.

**Other ongoing assignments include:** Chairman of Tommy Byggare AB and Frenbo AB. Board member of several companies in the Erik Selin Fastigheter Aktiebolag Group.

**Shareholding in K-Fastigheter, including related parties:** 250,000 Class B shares.

**Independent:** Independent in relation to the company and management, but not in relation to major shareholders.



**Jacob Karlsson**

Founder of K-Fastigheter. President and CEO since 2010.

**Education:** Courses with financial orientation at Mid Sweden University, Linnaeus University and Lund University.

**Additional experience:** Prior to founding K-Fastigheter in 2010, Jacob Karlsson was investment adviser at Länsförsäkringar.

**Other ongoing assignments include:** Board member of HOMEstate AB, Mjölback's Entreprenad AB, Novum Samhällsfastigheter AB, Swedish Logistic Property AB and Doxa AB.

**Shareholding in K-Fastigheter, including related parties:** 11,250,000 Class A shares and 65,352,000 Class B shares.

**Independent:** Dependent in relation to the company, management and major shareholders.

Shareholding based on information as of 20 March 2024.

# GROUP MANAGEMENT



**Jacob Karlsson**

*Born: 1986. Founder of K-Fastigheter. President and CEO since 2010.*

**Education:** Courses with financial orientation at Mid Sweden University, Linnaeus University and Lund University.

**Additional experience:** Prior to founding K-Fastigheter in 2010, Jacob Karlsson was investment adviser at Länsförsäkringar.

**Other ongoing assignments include:** Board member of HOMEstate AB, Mjölby's Entreprenad AB, Novum Samhällsfastigheter AB, Swedish Logistic Property AB and Doxa AB.

**Shareholding in K-Fastigheter, including related parties:** 11,250,000 Class A shares and 65,352,000 Class B shares.



**Martin Larsson**

*Born 1977. CFO since 2018 and deputy CEO since 2019.*

**Education:** Bachelor's degree in international macroeconomics and Master's degree in international financial economics from Lund University.

**Additional experience:** Experience from Swedish and international banking operations since the early 2000's.

**Other ongoing assignments include:** Owner and Board member of Martin Larsson Holding AB. Board member in Emrahus AB and Embra Group AB.

**Shareholding in K-Fastigheter, including related parties:** 446,174 Class B shares.



**Leif Astikainen**

*Born: 1967. COO of the Group since 2023. HR Manager of the Group since 2021. Prior to that, Deputy CEO and Head of HR in the subsidiary K-Prefab AB.*

**Education:** SBL Corporate management, construction & property at SSE Executive Education and Swedish Defense University's management program.

**Additional experience:** HR and management in the Finja group 2004–2020. Worked in DINOL and EFTEC and Major in the Swedish Armed Forces.

**Other ongoing assignments include:** -

**Shareholding in K-Fastigheter, including related parties:** 40,000 Class B shares.



**Åsa Fredin**

*Born 1985. Project Development, Business Area Manager since 2016.*

**Education:** Upper secondary school.

**Additional experience:** Åsa Fredin was previously at the city-planning department at Hässleholm municipality, Sweden.

**Other ongoing assignments include:** Owner and Board member of Åsa Fredin AB. Board member and deputy Board member of several of K-Fast Holding AB's wholly and partly owned companies.

**Shareholding in K-Fastigheter, including related parties:** 353,574 Class B shares.



**Martin Johansson**

*Born 1974. Property Management, Business Area Manager since 2021.*

**Education:** M.Sc. (Eng.), Lund University

**Additional experience:** Experience from, among others, Akademiska Hus and from operational property management in roles such as property manager and head of property management with both commercial premises and housing.

**Other ongoing assignments include:** -

**Shareholding in K-Fastigheter, including related parties:** 61,500 Class B shares.



**Eric Johansson**

*Born 1989. Construction Business Area Manager since 2019.*

**Education:** Secondary education in technology & business.

**Additional experience:** Eric Johansson held positions including calculation engineer and project developer at Peab PGS AB.

**Other ongoing assignments include:** : Owner, Board member and CEO of AALTO Holding AB. Board member and deputy Board Member of several of K-Fast Holding AB's wholly and partly owned companies.

**Shareholding in K-Fastigheter, including related parties:** 240,000 Class B shares.



**Stefan Paulsson**

*Born 1982. CEO of K-Prefab AB and Head of Business Area Prefab since 2023.*

**Education:** M.Sc. (Eng.), Lund University.

**Additional experience:** Employed in what is now K-Prefab AB since 2006. Has held positions such as Structural Engineer, Head of Design Department, Regional Manager, Deputy CEO and COO.

**Other ongoing assignments include:** -

**Shareholding in K-Fastigheter, including related parties:** 40,000 Class B shares.



**Jimmy Fröberg**

*Born 1985. Head of Group Accounting since 2022.*

**Education:** Bachelor's degree in Economics – Auditor/Controller at Kristianstad University.

**Additional experience:** Jimmy Fröberg was previously Group Accounting Manager at Stena Fastigheter. Prior to that, he worked as Group financial controller at Serneke and as Certified Public Accountant at PwC.

**Other ongoing assignments include:** -

**Shareholding in K-Fastigheter, including related parties:** -

Shareholding based on information as of 20 March 2024.

# GROUP MANAGEMENT



**Camilla  
Wiksten**

*Born: 1975. Legal Counsel since 2021.*

**Education:** Master of Laws from Lund University.

**Additional experience:** Legal Counsel at RWE Renewables, Ingka Group and IKEA Centres. Attorney at Kilpatrick Townsend. Clerk at the District Court of Stockholm.

**Other ongoing assignments include:-**

**Shareholding in K-Fastigheter, including related parties:** 24,062 Class B shares.



**Johan  
Hammarqvist**

*Born 1975. Head of Investor Relations and Corporate Communications since 2022.*

**Education:** Ecological Economics at Mälardalen University.

**Additional experience:** Head of Communications at Eolus Vind AB (publ). Prior to that, political editor at Norra Skåne.

**Other ongoing assignments include:** Board member and owner of Hammarqvist Konsult AB.

**Shareholding in K-Fastigheter, including related parties:** 4,600 Class B shares.



**Magnus  
Persson**

*Born: 1978. Business Development manager since 2021.*

**Education:** Independent courses at Kristianstad University and Real Estate Science at Malmö University.

**Additional experience:** BoKlok/Skanska including Marketing area manager, Business Development manager and part of BoKlok's Swedish management team, Länsförsäkringar fastighetsförmedling, Modulenthus and NCC.

**Other ongoing assignments include: -**

**Shareholding in K-Fastigheter, including related parties:** 70,500 Class B shares.



**Henrik  
Gustafsson**

*Born: 1970. Head of Procurement since 2023.*

**Education:** M.Sc. (Eng.), Lund University.

**Additional experience:** Head of Procurement since 2017 in the subsidiary K-Prefab AB. Prior to that, a range of positions at AB Sydsten, including Head of Business Area and Deputy CEO.

**Other ongoing assignments include:** Board member in a wholly-owned subsidiary of K-Fast Holding AB.

**Shareholding in K-Fastigheter, including related parties:** 56,200 Class B shares.



**Mathias  
Holm**

*Born: Born: 1975. Head of Group IT since 2023.*

**Education:** Courses in business administration focused on the service sector, environmental accounting and leadership at Dalarna University and courses in business administration and economics focusing on the Baltics at Gotland University.

**Additional experience:** Head of IT at Huddinge Samhällsfastigheter, Head of IT at Grafair Flight Management AB, Systems Manager at Fastighetsnåra IT for Järfällahus.

**Other ongoing assignments include: -**

**Shareholding in K-Fastigheter, including related parties:** 4,000 Class B shares.

Shareholding based on information as of 20 March 2024.