

# Q3

Interim report January – September 2022

K2A Knaust & Andersson Fastigheter AB (publ)



# INTERIM REPORT JANUARY – SEPTEMBER 2022

## JUL-SEP 2022

- Rental income amounted to SEK 96.3 million (70.7)
- Net operating income amounted to SEK 67.3 million (51.7)
- Profit from property management amounted to SEK 16.7 million (16.4)
- Value changes from investment properties amounted to SEK -28.7 million (10.5)
- Net profit for the period amounted to SEK 10.1 million (21.6) and earnings per ordinary share amounted to SEK -0.08 (0.06)

## JAN-SEP 2022

- Rental income increased to SEK 269.7 million (193.1)
- Net operating income amounted to SEK 178.4 million (134.3)
- Profit from property management amounted to SEK 140.8 million (35.7)
- Value changes from investment properties amounted to SEK 307.1 million (370.5)
- Net profit for the period amounted to SEK 433.4 million (322.9) and earnings per ordinary share<sup>1</sup> amounted to 4.48 SEK (3.23)
- Total number of apartments under management at the end of the period amounted to 4,885 (3,754)

Number of apartments in property and project portfolio

**9,872**

Property value

**10,228 MSEK**

EPRA NRV attributable to ordinary shareholders

**2,740 MSEK**

KEY FIGURES, SEK MILLION	2022	2021	2022	2021	2021 Oct-	2021
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2022 Sep	Jan-Dec
Rental income	96.3	70.7	269.7	193.1	349.3	272.7
Operating surplus	67.3	51.7	178.4	134.3	228.0	183.9
Profit from property management	16.7	16.4	140.8	35.7	272.7	167.6
Unrealised value change, investment properties	-28.7	10.5	307.1	370.5	678.5	741.9
Profit after tax	10.1	21.6	433.4	322.9	867.0	756.5
Number of managed units	4,885	3,754	4,885	3,754	4,885	3,910
Number of units under production	1,448	1,913	1,448	1,913	1,448	2,025
Number of units in projects	3,539	3,770	3,539	3,770	3,539	3,808
Total number of units	9,872	9,437	9,872	9,437	9,872	9,743
Net loan-to-value ratio, %	61.6	60.6	61.6	60.6	61.6	59.0
Interest coverage ratio, 12 months, times	-	-	-	-	1.8	1.9
Long-term net reinstatement value (EPRA NRV)	3,709.1	2,872.3	3,709.1	2,872.3	3,709.1	3,365.9
EPRA NRV attributable to ordinary shareholders	2,739.7	1,901.4	2,740.2	1,901.4	2,739.7	2,396.4
EPRA NRV per ordinary share, SEK	31.91	22.14	31.91	22.14	31.91	27.91
Growth in EPRA NRV per ordinary share, %	-	-	-	-	44.1	54.6

Number of apartments added to the property and project portfolio (last 12 months)

**890**

Change in property value (last 12 months)

**2,649 MSEK**

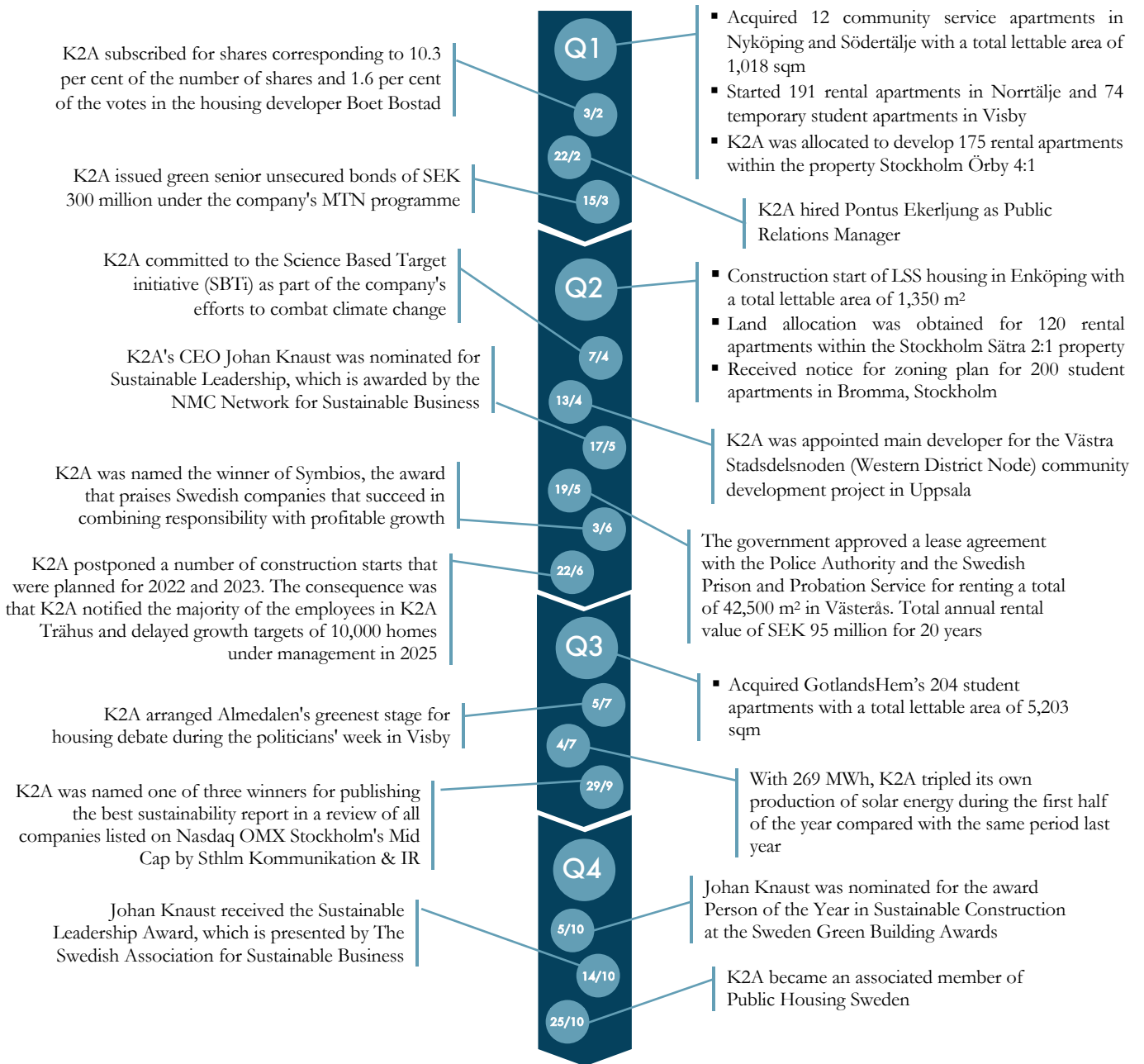
Growth in EPRA NRV attributable to ordinary shareholders (last 12 months)

**838 MSEK**

A right of use asset that was previously reported as Depreciation among property costs is, as of October 2021, reported under Change in value of investment properties. The correction has not had any effect on the Group's balance sheet or equity. Note 3 reports the effects in the income statement and cash flow analysis.

Due to rounding, the figures presented in this interim report may not always add up to exact totals and percentages may differ from the exact percentages.

# EVENTS 2022



## CEO statement

There is no doubt that the past six months have been turbulent for the Swedish real estate market. Rising interest rates, increased inflation and other external factors have led to concerns and a sharp decline in real estate shares, and K2A's shares have been no exception.

When K2A was founded in 2013, it was with the aim of building a company that develops apartments with a view to managing them indefinitely. We have persevered and have grown development by development, investment by investment, construction start by construction start at the pace that our finances allowed. Throughout this time, we have been careful to build in attractive locations in growing housing markets. This has enabled us to create a strong portfolio of 4,885 homes under management and a further 1,448 under construction.

K2A's financial risk management strategy is principally based on good access to liquidity. As the operating environment changes, with rising interest rates and other challenges for the real estate sector, this strategy becomes even more important and more central to our decisions. This is why we acted early to reduce financial risk in the company. Just a few weeks after Russia invaded Ukraine, we issued SEK 300 million of green bonds to ensure access to capital. Since then, we have continued to be proactive, by reducing the workforce and postponing several planned project start-ups. At present, it is not possible to predict when project development will resume due to the turbulent environment. However, we believe that the housing shortage in the locations where we operate will persist and that the postponed investments will remain attractive projects in the future.

At 30 September, we had a total of 1,448 homes under construction, which are expected to be completed in 2022 and 2023. These are projects that started in 2020 and 2021. The timetable for these projects remains unchanged, ensuring growth in these years. Furthermore, these projects are affected to a very limited extent by price increases, either due to the high percentage of completion or because they are forward transactions negotiated at fixed prices. These investments represent the vast majority of the investments to be completed and financed by K2A, while the projects not yet started are future opportunities.

Over the last 12 months, our portfolio has grown by 1,131 homes, an increase of 30 per cent. As I mentioned earlier, we have a further 1,448 homes nearing completion in the ongoing projects under construction. Most will be completed in 2023. Applications for investment support (Sv. *Investeringsstöd*) have been submitted for all housing in ongoing projects and the majority have already been approved. This investment support allows for lower rent and, consequently, a lower risk of vacancies. The additional housing will help strengthen cash flow in our management operations. Our housing is consistently in top locations and of a high standard, and all homes will be environmentally certified.

Our vacancy rate has been low for some time. The portfolio is essentially fully let, which is a strong indication that our

focus on high standards and good locations is valued by customers. We also have an efficient organisation for the entire customer acquisition chain, and our housing queue is key to quickly filling vacancies that arise at the start of a new academic year. At 30 September, we had over 80,000 people registered in our housing queue, which is double the number at the start of the year.

K2A is the green real estate company and has the most ambitious emissions targets in the sector. That's something I'm proud of. But as well as being a pioneer, K2A also aims to inspire others. This year, for the first time, we organised our own full day of debate on housing and social issues during Almedalen Week in Visby, Gotland, bringing together representatives from politics and business. This is a key tool for engaging more people in the important discussion about how to reduce emissions from the construction and property sector, which account for more than a fifth of Sweden's greenhouse gas emissions.

Our sustainability work also continues to be recognised outside our organisation. In October, I was proud to receive this year's *Sustainable Leadership* award from NMC The Swedish Association for Sustainable Business. A few weeks prior, K2A was one of three companies to receive the award for Best Sustainability Report of the Year 2021, and earlier this year we won the *Symbios* award for our ability to combine sustainability work with financial returns.

The capital market's interest in investing in green assets continues to grow, supporting access to liquidity for companies at the forefront of sustainability efforts.

I like to say that environmental sustainability future-proofs our business. However, rising electricity prices have made it clear that being proactive on sustainability offers business benefits in the shorter term too. In 2022, we generated three times as much solar electricity as we did in the same period in 2021, while also reducing our energy use through smarter working practices, digitalisation and by optimising our operations. This results in both a reduced carbon footprint and lower overall electricity and heating costs.

K2A will continue to grow development by development, investment by investment, construction start by construction start at the pace that our finances allow. The pace will be slower amid current global economic conditions than in more prosperous times. By avoiding short-term risks, we are laying the foundations for our long-term growth, which is fundamental for a company whose time horizon is measured in decades, not quarters.

*Johan Knaust, CEO*



# THIS IS K2A

**K2A Knaust & Andersson Fastigheter AB (publ) is a real estate company with a focus on long-term management of own produced rental apartments for all types of apartments. The company develops and offers modern, functional apartments with efficient customer oriented management.**

## Mission statement

K2A's mission is to own, develop and provide long-term management of rental apartments and community service properties in Stockholm, the Mälardalen and several university/college cities across Sweden.

## Objectives

### Overall objective

K2A shall generate a competitive risk adjusted return for its shareholders.

### Sustainability targets

- K2A shall be climate positive by 2027.
- K2A shall be the most sustainable real estate company.
- All of K2A's investment properties shall be certified and undergo a climate risk assessment.
- K2A's customers shall experience a higher level of housing satisfaction than the average renter in Sweden.

### Financial targets

- Average net operating income shall grow by at least 25 per cent per year between 2019 and 2025.
- Average EPRA NRV attributable to ordinary shareholders shall grow by at least 20 per cent per year between 2019 and 2025.

### Financial risk limits

- The long-term loan-to-value ratio for the group shall not exceed 70 per cent.
- The long-term interest coverage ratio for the group shall not be less than 1.5 times.

### Dividend policy

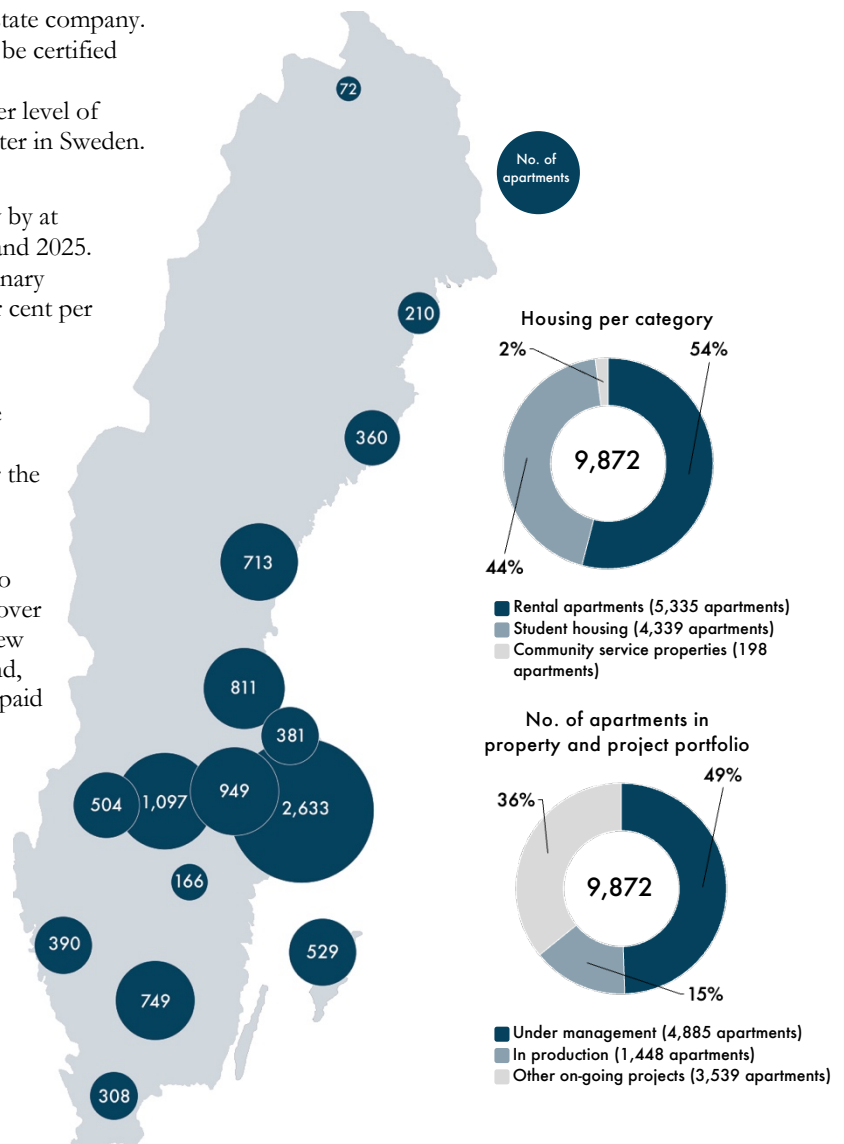
Over the long-term, dividends shall amount to maximum one third of average annual profit over the past three financial years. Over the next few years, K2A will prioritise growth over dividend, which could mean that low or no dividend is paid on ordinary shares. Preference shares shall be allotted in accordance with the Articles of Association.

## To achieve its targets, K2A shall

- Focus on Stockholm, the Mälardalen and a number of university/college cities, and identify acquisition candidates and obtain land allocations for the development of rental apartments.
- Focus on prime residential locations, student housing close to campuses and community service properties with low counterparty and/or business risk.
- Focus on the development of high quality, space efficient and functional rental apartments suitable for industrially produced building volumes.
- Produce apartments under own management in manufacturing facilities controlled by K2A.

## Property and project portfolio

K2A's operations are concentrated to Stockholm, the Mälardalen and a selected number of university/college cities. The property and project portfolio comprises 9,872 apartments, including 4,885 managed apartments, with a total property value of SEK 10,228 million at the balance sheet date.



# SUSTAINABILITY

## Low-carbon value chain

K2A focuses on a sustainable planet, efficient construction and low-carbon living, developing homes primarily built using locally produced and certified Swedish timber. K2A aims to be the long-term owner and manager of the properties it builds. Therefore, it makes financial sense to place an emphasis on high-quality, long-lasting fittings and materials that can be recycled or reused. Our buildings are Nordic Swan Ecolabel-certified, providing tenants with high-quality homes built with materials chosen for minimum impact on the environment and health. In line with K2A's sustainability strategy, the homes are developed and built for optimal environmental and energy performance, to support sustainable lifestyles and to help maintain or increase biodiversity. The company is proactive and climate-proofs new developments and redevelopments for future climate scenarios, ensuring that the existing property portfolio is equipped for future climate change challenges. Residential projects developed in-house install rooftop solar panels with the aim of making the properties self-sufficient in electricity. In the period January to September 2022, K2A increased its generation of solar electricity by 200 per cent on 2021, corresponding to total generation of 526 MWh during the period. K2A has carpools in several locations that use electric vehicles based on its own BoBil concept, exclusively for the company's tenants. Features such as digital displays in building entrances with real-time bus and train timetables also promote low-carbon travel. And cool boxes have been installed in a number of buildings, where grocery deliveries can be placed, making everyday life easier for tenants and reducing individual car journeys for shopping.

## K2A wins award for best sustainability report 2021

It's important to K2A to highlight the company's systematic and active sustainability work and to communicate the efforts it makes. It was gratifying that K2A was named one of three winners for the best sustainability report in September following a review of all companies listed on Nasdaq OMX Stockholm's Mid Cap list. The sustainability reports of listed companies for 2021 were reviewed and compared by Sthlm Kommunikation & IR, which is behind the award. This is the fifth consecutive year that the agency has chosen the best three sustainability reports on the Stockholm Stock Exchange.

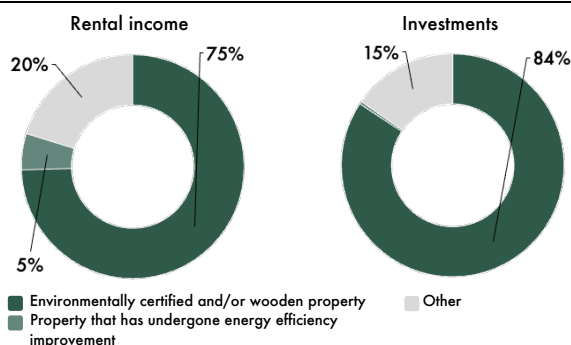
## K2A certified as Nasdaq ESG Transparency Partner

K2A has been committed to focusing on sustainability since the company's inception in 2013, endeavouring to get better every year at transparently demonstrating how it contributes to sustainable social development. In August, K2A was certified as a Nasdaq ESG Transparency Partner, which is Nasdaq's accreditation specifically for companies that demonstrate a commitment to market transparency and raising environmental standards. The certification is based on the sustainability data compiled and reported by the company for 2021. The Nasdaq Genium Consolidation Feed allows current and prospective investors to access the data and compare us with other companies.

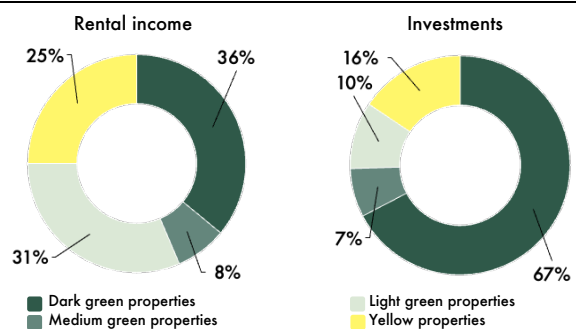
# GREEN FINANCING FRAMEWORK FOLLOW-UP

## GREEN FINANCING FRAMEWORK FOR SHARES, JUL 2021 – SEP 2022

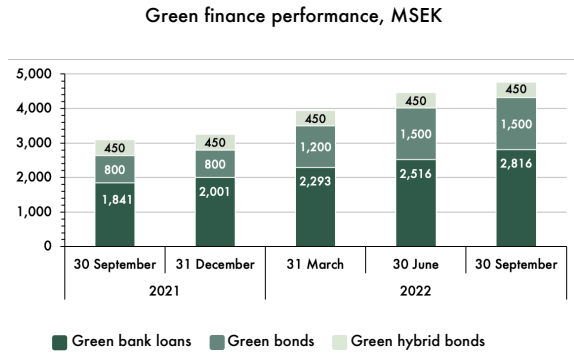
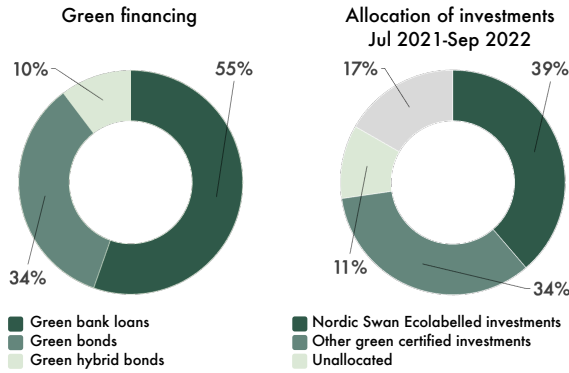
Breakdown according to definition in the green financing framework for shares



Breakdown according to CICERO shades of green

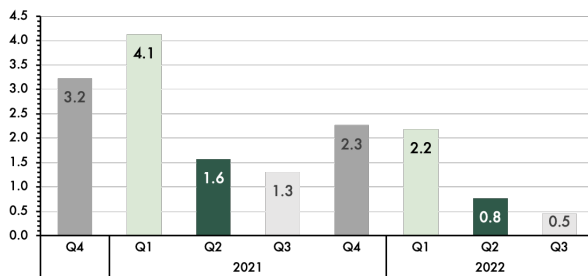


## GREEN FINANCING FRAMEWORK



## ENERGY EFFICIENCY

CO<sub>2</sub>e emissions, kg per sqm (scope 1–3<sup>2</sup>)



Year	Quarter	Total CO <sub>2</sub> e-emissions		Energy use kWh/sqm
		tonne	kg/sqm	
2020	Q4	327.2	3.2	39.6
2021	Q1	460.3	4.1	50.3
	Q2	182.7	1.6	23.6
	Q3	142.0	1.3	15.2
	Q4	338.3	2.3	40.4
2022	Q1	465.4	2.2	32.6
	Q2	178.9	0.8	14.5
	Q3	112.1	0.5	9.7

1) The difference in energy use and CO<sub>2</sub>-emissions in this report compared to earlier reports is due to adjusted emission factors from property electricity.  
 2) Scope 1 refers to the company's direct emissions from own sources as company vehicles and boilers. Scope 2 refers to the company's indirect emissions from purchased energy. Scope 3 refers to the company's indirect emissions from sources such as construction materials and business travel.

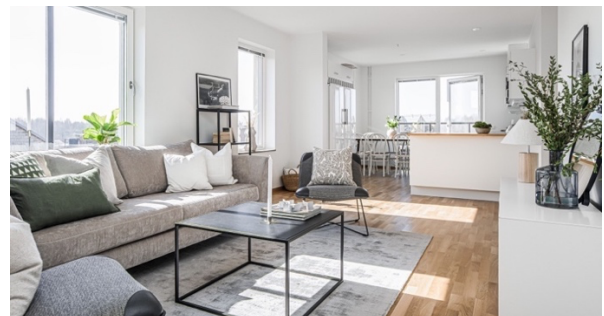
## GREEN BUILDINGS

Certification and level, no. of buildings	Certified properties under management				Ongoing	Total
	Certified	Ongoing	Coming	Total		
Nordic Swan Eco-label	13	23	-	36	41	77
Miljöbyggnad nybyggnad						
- Silver	3	8	-	11	-	11
Miljöbyggnad iDrift						
- Silver	11	49	-	60	-	60
- Brons	32	9	-	41	-	41
Passive house/other	3	-	-	3	-	3
<b>Total</b>	<b>62</b>	<b>89</b>	<b>-</b>	<b>151</b>	<b>41</b>	<b>192</b>

### Example of green buildings – Växjö Biologen

K2A's 70 rental apartments at Biologen next to the lake Trummen in Växjö were completed in the spring of 2022. The property borders K2A's property Ekologen.

The project is produced in Swedish certified wood and has the environmental label MB Nybyggnad Silver.



# PROPERTY AND PROJECT PORTFOLIO

K2A's activities with investment objects and projects are concentrated to Stockholm, the Mälardalen and a selected number of university/college cities.

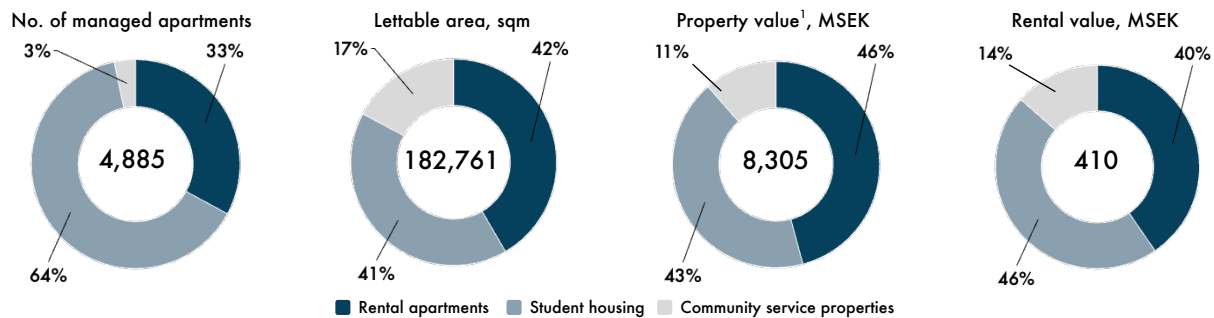
The investment objects comprise a total of 4,885 housing apartments and a lettable area of 182,761 sqm, of which 158,135 relates to housing apartments.

## INVESTMENT OBJECTS AT THE BALANCE SHEET DATE

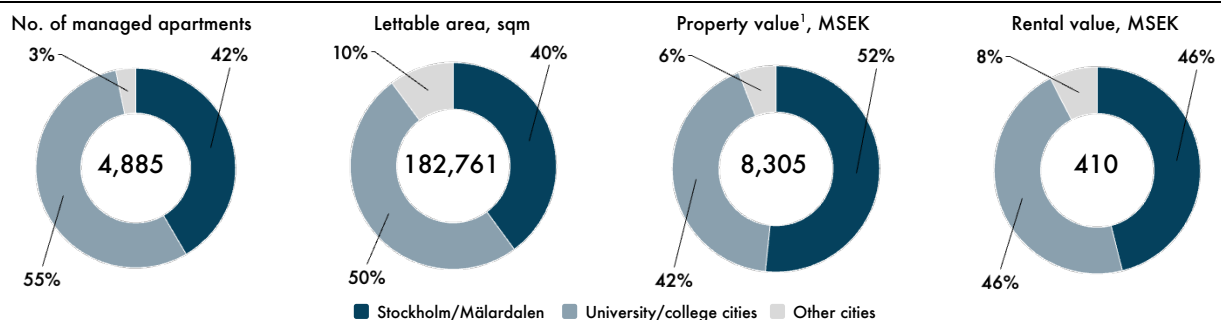
Investment objects per category	No. of apts.	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Rental apartments	1,607	72,220	3,807	3,806	50,057	166	2,188	36	478	128	1,679
Student housing	3,116	70,053	5,180	3,552	47,216	188	2,499	45	597	138	1,833
Community service properties	162	15,862	15,639	947	30,063	55	1,751	9	291	46	1,460
<b>Total/average</b>	<b>4,885</b>	<b>158,135</b>	<b>24,626</b>	<b>8,305</b>	<b>45,441</b>	<b>410</b>	<b>2,241</b>	<b>90</b>	<b>495</b>	<b>312</b>	<b>1,705</b>

Investment objects geographic distribution	No. of apts.	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Stockholm/Mälardalen	2,031	68,801	4,154	4,289	58,785	189	2,597	38	525	148	2,029
Student cities	2,696	78,895	12,322	3,528	38,679	189	2,076	46	506	139	1,522
Other cities	158	10,439	8,150	488	26,252	31	1,655	6	320	25	1,327
<b>Total/average</b>	<b>4,885</b>	<b>158,135</b>	<b>24,626</b>	<b>8,305</b>	<b>45,441</b>	<b>410</b>	<b>2,241</b>	<b>90</b>	<b>495</b>	<b>312</b>	<b>1,705</b>

## INVESTMENT OBJECTS PER CATEGORY



## INVESTMENT OBJECTS, GEOGRAPHICAL DISTRIBUTION



1) The property value pertains to investment objects. At the balance sheet date, the total value of all investment properties, including the fair value of ongoing projects, was SEK 10,228.1 million. The difference between the property value given in this table and the information about fair value at the balance sheet date for the investment objects segment in Note 2 is essentially due to the effects of IFRS 16 and the value given for ground leases and rental contracts, which totalled SEK 91.6 million at the balance sheet date.

Information about investment objects in the interim report is based on estimates and assumptions of rental value, economic occupancy rate and property costs. Information about rental value and property costs is based on estimates and pertains to the full year. Property administration is not included in property costs. Assumptions of the economic occupancy rate pertain to long-term vacancy excluding project vacancy and temporary initial vacancy during the occupancy period in connection with completion. Information about property value pertains to fair value at the balance sheet date. These estimates and assumptions are subject to uncertainty and the information set out above should not be considered a forecast.

## PROPERTIES UNDER MANAGEMENT

Property	Municipality	Category	Completed	Total area, sqm	No. of apartments	Rental value MSEK
<b>On 1 January, 2022</b>						
Rental apartments		R		57,809	1,301	133.9
Student housing		S		56,534	2,396	136.5
Community service properties		C		34,733	222	54.7
Future projects		F		1,666	-	3.0
<b>Sum</b>				<b>150,743</b>	<b>3,919</b>	<b>328.1</b>
<b>Added, first nine months 2022</b>						
Soluppgången 1	Växjö	R	2022	4,816	60	8.7
Lilla Berg 1:4 & 1:5 (LSS Motala)	Motala	C	2022	505	6	1.4
Centrum 15:7	Enköping	C	2017	680	6	1.6
Svarvaren 10	Nyköping	C	2020	486	6	1.4
Mäsnaryd 1:4	Södertälje	C	2017	532	6	1.4
Skärvet 11	Växjö	R	2022	3,664	56	5.8
Barkarby 2:60, lot 1 A (Barkarbystaden)	Järfälla	S, C	2022	6,311	205	21.3
Startbanan 3	Örebro	R	2022	3,198	115	7.0
Biologen 3	Växjö	R	2022	4,124	70	6.7
Förrådet 4	Sundsvall	S	2022	5,335	237	15.1
Korpralen 1, etapp 1	Visby	S	2022	1,850	74	5.3
Rekylen 1, Järnvägen 6 & 7	Visby	S	1994/-99/2000	5,203	204	9.9
Development properties	Stockholm	S	-	750	5	1.3
<b>Sum</b>				<b>37,454</b>	<b>1,050</b>	<b>86.8</b>
<b>Divested, first nine months 2022</b>						
LSS Eslöv	Eslöv	C	1915 to 2010	-1,480	-13	-1.5
Care properties Malmö, Sjöbo and Burlöv		C	1980/-87/-99	-3,955	-71	-4.0
<b>Sum</b>				<b>-5,435</b>	<b>-84</b>	<b>-5.4</b>
<b>Acquired, not accessed properties (additional information - not included in p&amp;l or balance sheet)</b>						
Sidsjö 2:41	Sundsvall	R	1945/2010	1,650	27	2.6
<b>Sum</b>				<b>1,650</b>	<b>27.0</b>	<b>2.6</b>
<b>Total</b>				<b>184,412</b>	<b>4,912</b>	<b>412.1</b>

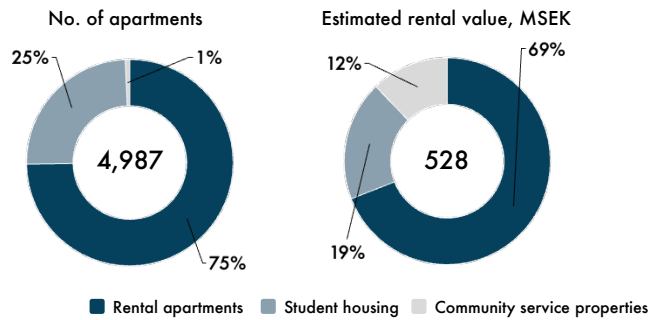
1) C=Community service properties, S=Student housing, R=Rental apartments, F=Future projects



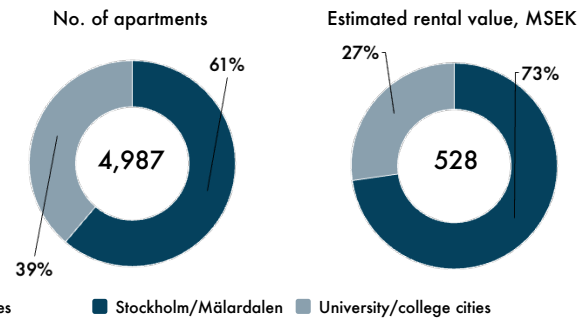
Lund Parasollet

## ONGOING PROJECTS

## ONGOING PROJECTS PER CATEGORY



## ONGOING PROJECTS, GEOGRAPHICAL DISTRIBUTION



The estimated investment for the projects under construction and what remains to be paid are shown in the table below.

On-going projects in production, SEK million	Total investment	30 September 2022		
		Paid	Remaining payments	Equity*
Projects developed in-house	1 385	1 095	289	-54
Forward transactions	1 315	97	1 218	245
<b>Total</b>	<b>2 700</b>	<b>1 193</b>	<b>1 508</b>	<b>190</b>

\* The amount K2A must contribute that is not financed with a bank loan. The amount is net after reception of government investment support.

The information about ongoing projects in the interim report is based on estimates of the size, focus and scope of ongoing projects, and when the project is expected to start and finish. In addition, the information is based on assumptions of future project costs and rental value. These estimates and assumptions should not be considered a forecast. The estimates and assumptions are subject to uncertainty regarding the implementation, design and size, time frames, project costs and future rental value of the projects. The information about ongoing projects is periodically reviewed and estimates and assumptions are adjusted as ongoing projects are completed or added, and as circumstances change. For projects where construction has not yet started, financing has not been procured, which means that financing of ongoing projects is subject to uncertainty.

## ONGOING PROJECTS

Projects in production	Municipality	Category <sup>1</sup>	Status <sup>2</sup>	Construction		Total area, sqm	No. of apartments	Rental value MSEK
				start	Completed			
Bottenhavet 21 (new construction)	Örebro	S		4, 2018	4, 2023	1,024	36	2.3
Hortonomen 1	Växjö	S		4, 2020	4, 2022	2,573	100	6.6
Näcken 1	Lund	R		1, 2021	2, 2023	3,497	98	7.2
Sala backe 50:1 & 2	Uppsala	R		1, 2021	1, 2023	11,350	216	21.4
Glidet 1	Luleå	R		2, 2021	2, 2023	4,600	95	8.1
Vallan 1	Luleå	R		2, 2021	4, 2023	5,400	115	9.6
Diskusen 2	Växjö	R		2, 2021	3, 2023	6,863	185	14.2
Kornknarren 2	Västerås	R		2, 2021	1, 2024	2,463	62	5.0
Intervallat 7-9	Linköping	S		3, 2021	3, 2023	3,177	112	7.1
Forntiden 2	Västerås	R		4, 2021	2, 2023	6,747	155	13.4
Äppellunden 1	Umeå	R		4, 2021	2, 2023	3,852	83	7.0
Röddalen 1	Norrträle	R		1, 2022	3, 2023	10,785	191	20.5
Bredsand 1:282	Enköping	C		2, 2022	3, 2023	1,350	0	2.4
<b>Sum</b>						<b>63,681</b>	<b>1,448</b>	<b>124.9</b>

## Other on-going projects

Slakthusområdet (student housing)	Stockholm	S	6	2023	2025	6,175	250	
Slakthusområdet (preschool)	Stockholm	C	6	2023	2025	1,130	0	
Slakthusområdet (gym)	Stockholm	C	6	2023	2025	2,300	0	
Stora Sköndal	Stockholm	R	4	2024	2026	7,900	248	
Björksåtra	Stockholm	R	1	2024	2026	5,200	120	
Brohuvudet 13-16	Sundsvall	S	6	2024	2026	1,850	86	
Förseglet 9, lot D	Västerås	R	6	2024	2026	5,420	145	
Örvbyleden	Stockholm	R	2	2025	2027	7,100	175	
Timmerfallet	Stockholm	S	1	2025	2027	4,300	200	
Vansta 5:28	Nynäshamn	R	2	2025	2027	5,480	140	
Korpralen 1, stage 2	Gotland	S	1	2025	2027	1,634	76	
Alliero 25	Sundsvall	R	6	2025	2027	7,022	187	
Harklövern 1, stage 2	Karlstad	R	6	2025	2027	3,282	88	
Torpa-Sjöbo 2:1, stage 1	Borås	R	3	2025	2027	10,200	274	
Skutkrossen 16 (projekt)	Stockholm	R	1	2026	2028	3,000	70	
Visborg 1:9 (del av)	Gotland	R	1	2026	2028	3,763	175	
Sidsjöhöjden 4 (new production)	Sundsvall	R, S	5	2026	2028	2,250	60	
Trädan 27	Växjö	R	6	2026	2028	1,935	90	
Såtra	Västerås	S	6	2026	2028	6,240	126	
Juliana 8	Västerås	R	6	2026	2028	975	45	
Jakobsbergsplatsen	Västerås	S	2	2026	2028	1,900	36	
Ekersvägen <sup>3</sup>	Örebro	C	3	2026	2028	10,500	200	
Isaberg 1 (projekt)	Stockholm	R	1	2027	2029	3,400	95	
Torpa Sjöbo 2:1, stage 2	Borås	R	2	2027	2029	4,150	110	
<b>Sum</b>						<b>107,106</b>	<b>2,996</b>	

## Total per balance-sheet day

170,787 4,444

## Co-owned projects, number of apartments and area attributable to K2A

Flogsta 22:3	Uppsala	S	4	2024	2026	9,360	143	
Ångpannan 12	Västerås	C	6	2023	2026	21,250	-	
Viby 19:3	Upplands-Bro	R	6	2023	2029	23,520	400	
<b>Sum</b>						<b>54,130</b>	<b>543</b>	

## Total

224,917 4,987

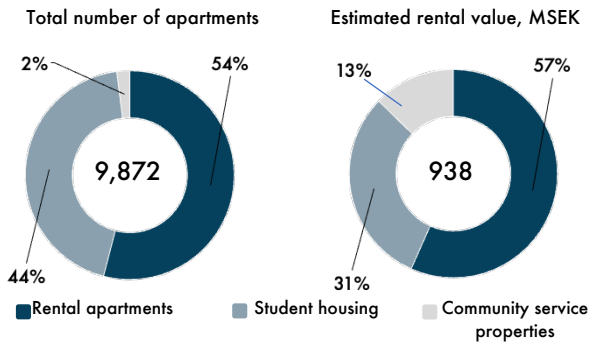
1) C=Community service properties, S=Student housing, R=Rental apartments, F=Future projects

2) Depending on the current phase of each zoning plan, K2A takes a percentage of the assumed fair value of the building permits into account. 1 = Planning notification (25 per cent), 2 = Start memorandum (50 per cent), 3 = Planning programme (50 per cent), 4 = Public consultation (75 per cent), 5 = Exhibition (75 per cent), 6 = Zoning plan approved (100 per cent)

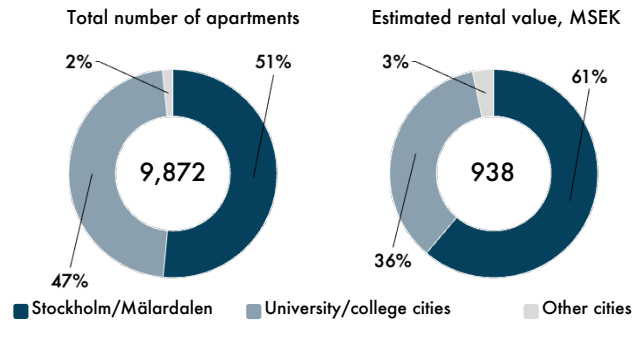
3) The project pertains to a site that include parts of several properties where the property has not been subdivided, which is why the final property designation is not yet known.

## TOTAL PROPERTY AND PROJECT PORTFOLIO

Total property and project portfolio per category



Total property and project portfolio, geographic distribution



# EARNING CAPACITY PROPERTY MANAGEMENT OPERATIONS

In order to provide an overview of K2A's future expected earning capacity at profit from property management level, a table has been created. The earning capacity is based on the company's investment objects (including agreed but not yet accessed acquisitions) as well as the earning capacity from ongoing projects in production after these have been completed and occupied.

## Assumptions

The rental value of each investment object and ongoing project in production that is included in current earnings is presented in the "Property and project portfolio" section of the interim report.

Rental value and property costs are based on full year estimates. Vacancy refers to an assumed long-term vacancy rate.

The earning capacity refers to property management operations, which include investment objects (including agreed but not yet accessed acquisitions) and ongoing projects in production. Projects in which construction has not yet started are not included. For that reason, only estimated central administrative costs attributable to property management operations are included. Central costs attributable to project development have therefore been excluded. Additional investments refer to estimates of total production costs for the investment objects and ongoing projects in production that are included in current earnings, less the accumulated portion that K2A had invested by the balance sheet date. Additional investments for acquired but not yet accessed investment objects is based on the purchase price.

For more information, refer to the "Property and project portfolio" section in the interim report.

## EARNINGS CAPACITY

SEK million	Investment objects	Acquired, not accessed investment properties	On-going projects in production	Group	Total
Rental value	409.5	2.6	124.9		537.0
Vacancies	-7.5	0.0	-2.0		-9.6
Rental income	402.0	2.6	122.9		527.5
Total property costs, including administration	-116.9	-0.8	-35.7		-153.4
Operating surplus	285.1	1.7	87.2		374.0
Central administration, property management				-18.0	-18.0
Net interest income/expense					-234.9
Profit from property management					121.2
Remaining investments	54.0	45.0	1,487.3		1,586.3

## SENSITIVITY ANALYSIS

The table below shows the theoretical income effect on profit from property management on the group's earning capacity. The theoretical income effect on profit from property management has been estimated by changing one of the following factors at a time:

	Change	Effect on operating surplus, SEK million
Rental value	+/-5 per cent	+/- 26.9
Occupancy rate	+/- 2 percentage points	+/- 10.7
Property cost	+/-10 per cent	-/+ 15.3
Interest expense	+/- 1 percentage point	-/+ 64.5

## THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK million	Note	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Oct- 2022 Sep	2021 Jan-Dec
Rental income		96.3	70.7	269.7	193.1	349.3	272.7
<i>Property costs</i>							
Operating costs		-19.6	-13.3	-60.5	-42.6	-80.3	-62.3
Maintenance		-2.1	-1.0	-9.8	-4.3	-13.9	-8.5
Property tax		-1.1	-0.5	-2.4	-1.6	-3.5	-2.7
Depreciation		-0.3	-0.1	-0.7	-0.2	-0.9	-0.4
Property administration		-5.9	-4.2	-17.8	-10.1	-22.7	-15.0
<b>Total property costs</b>		<b>-29.0</b>	<b>-19.1</b>	<b>-91.3</b>	<b>-58.8</b>	<b>-121.3</b>	<b>-88.8</b>
Operating surplus		67.3	51.7	178.4	134.3	228.0	183.9
Central administration, property management		-4.4	-5.1	-14.0	-14.1	-19.8	-19.8
Central administration, project development		-10.6	-7.5	-38.4	-26.6	-50.4	-38.5
Gain/loss from joint ventures		-2.8	0.2	106.2	4.8	229.3	127.8
- whereof operating surplus		-0.0	0.2	-0.1	1.2	-0.0	1.2
- whereof value change, investment properties		-2.8	-	106.3	3.6	229.3	126.6
Net interest income/expense		-32.9	-22.8	-91.4	-62.6	-114.5	-85.8
Profit/loss from property management		16.7	16.4	140.8	35.7	272.7	167.6
<i>Value changes</i>							
Investment properties, unrealised	2	-28.7	10.5	307.1	370.5	678.5	741.9
Investment properties, realised		-1.7	-	-1.9	-	-1.9	-
Participations in other companies		-7.0	-	-7.8	-	0.4	8.2
Derivatives		42.0	4.3	98.8	17.6	105.8	24.6
Profit/loss before tax		21.4	31.2	537.0	423.8	1,055.5	942.3
Current tax		-0.1	-0.3	-0.3	-0.3	-0.5	-0.5
Deferred tax		-11.2	-9.3	-103.3	-100.6	-188.0	-185.3
<b>Net profit/loss for the period/year</b>		<b>10.1</b>	<b>21.6</b>	<b>433.4</b>	<b>322.9</b>	<b>867.0</b>	<b>756.5</b>
<i>Net profit/loss for the period/year attributable to</i>							
Parent Company shareholders		10.3	21.0	433.6	322.2	867.0	755.5
Non-controlling interests		-0.3	0.6	-0.3	0.7	0.0	1.0
<i>Earnings per share</i>							
Earnings per ordinary share, before and after dilution, SEK		-0.08	0.06	4.48	3.23	9.35	8.10
Average number of outstanding ordinary shares, before and after dilution		85,865,300	85,865,300	85,865,300	85,590,602	85,865,300	85,659,841

Net profit for the period/year corresponds to comprehensive income for the period/year and thus only one income statement is presented without a separate statement of other comprehensive income.

## THE GROUP'S STATEMENT OF FINANCIAL POSITION

SEK million	Note	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>				
<i>Intangible and tangible assets</i>				
Investment properties	3	10,228.1	7,578.7	8,458.4
Owner-occupied properties		25.9	15.1	14.4
Equipment		17.7	14.3	17.9
Licences		5.4	1.5	6.3
<b>Total tangible assets</b>		<b>10,277.1</b>	<b>7,609.6</b>	<b>8,497.0</b>
<i>Financial assets</i>				
Participations in joint ventures		386.4	144.6	267.7
Participations in other companies		153.4	82.2	101.0
Other non-current receivables		114.2	143.1	148.3
Derivatives		148.7	18.6	25.6
<b>Total financial assets</b>		<b>802.7</b>	<b>388.5</b>	<b>542.6</b>
<b>Total non-current assets</b>		<b>11,079.8</b>	<b>7,998.1</b>	<b>9,039.6</b>
<i>Current assets</i>				
Inventories		8.1	11.7	15.8
Accounts receivable		1.4	1.4	1.5
Tax assets		3.9	2.4	1.5
Receivables from joint ventures		4.9	7.2	6.8
Other receivables		95.3	97.8	107.1
Prepaid expenses and accrued income		21.9	16.6	11.8
Cash and cash equivalents		378.8	239.8	379.2
<b>Total current assets</b>		<b>514.4</b>	<b>376.9</b>	<b>523.6</b>
<b>Total assets</b>		<b>11,594.2</b>	<b>8,375.0</b>	<b>9,563.2</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Share capital		547.9	118.6	547.9
Other contributed capital		942.0	942.0	942.0
Hybrid bond		450.0	450.0	450.0
Retained earnings including net profit/loss for the period/year		1,328.7	977.6	965.6
<b>Equity attributable to Parent Company shareholders</b>		<b>3,268.7</b>	<b>2,488.2</b>	<b>2,905.6</b>
<b>Equity attributable to non-controlling interests</b>		<b>0.4</b>	<b>2.1</b>	<b>0.7</b>
<b>Total equity</b>		<b>3,269.1</b>	<b>2,490.3</b>	<b>2,906.2</b>
<i>Non-current liabilities</i>				
Deferred tax liabilities		588.6	400.7	485.3
Non-current lease liabilities		163.7	73.2	81.7
Non-current interest-bearing liabilities		6,088.6	3,903.4	4,345.4
<b>Total non-current liabilities</b>		<b>6,840.9</b>	<b>4,377.3</b>	<b>4,912.4</b>
<i>Current liabilities</i>				
Current interest-bearing liabilities		1,196.2	1,265.0	1,456.8
Current lease liabilities		16.9	12.3	12.6
Accounts payable		65.7	78.3	100.7
Tax liabilities		6.1	3.5	5.1
Other liabilities		58.0	47.5	49.4
Accrued expenses and deferred income		141.1	100.9	120.0
<b>Total current liabilities</b>		<b>1,484.1</b>	<b>1,507.4</b>	<b>1,744.5</b>
<b>Total liabilities</b>		<b>8,325.0</b>	<b>5,884.7</b>	<b>6,656.9</b>
<b>Total equity and liabilities</b>		<b>11,594.2</b>	<b>8,375.0</b>	<b>9,563.2</b>

## THE GROUP'S STATEMENT OF CHANGES IN EQUITY

SEK million	Attributable to Parent Company shareholders			Retained earnings	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Hybrid bond			
<b>Opening equity, 1 Jan 2021</b>	<b>118.0</b>	<b>917.9</b>	<b>-</b>	<b>726.1</b>	<b>1.4</b>	<b>1,763.5</b>
Profit/loss for the period				322.2	0.7	322.9
New share issue, Series B ordinary shares	0.6	25.5	-	-	-	26.1
Costs for new issue of Series B ordinary shares	-	-1.5	-	-	-	-1.5
New issue, hybrid bond	-	-	450.0	-	-	450.0
Costs for issue of hybrid bond	-	-	-	-7.5	-	-7.5
Cost, hybrid bond	-	-	-	-18.6	-	-18.6
Resolved dividend, ordinary shares	-	-	-	-8.5	-	-8.5
Resolved dividend, preference shares	-	-	-	-36.1	-	-36.1
<b>Total transactions with owners</b>	<b>0.6</b>	<b>24.0</b>	<b>450.0</b>	<b>-70.7</b>	<b>-</b>	<b>403.8</b>
<b>Closing equity, 30 Sep 2021</b>	<b>118.6</b>	<b>941.9</b>	<b>450.0</b>	<b>977.6</b>	<b>2.1</b>	<b>2,490.3</b>
<b>Opening equity, 1 Jan 2022</b>	<b>547.9</b>	<b>941.9</b>	<b>450.0</b>	<b>965.6</b>	<b>0.7</b>	<b>2,906.2</b>
Profit/loss for the period				433.6	-0.3	433.4
Payment, hybrid bond	-	-	-	-21.5	-	-21.5
Resolved dividend, ordinary shares	-	-	-	-12.9	-	-12.9
Resolved dividend, preference shares	-	-	-	-36.1	-	-36.1
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-70.5</b>	<b>-</b>	<b>-70.5</b>
<b>Closing equity, 30 Sep 2022</b>	<b>547.9</b>	<b>941.9</b>	<b>450.0</b>	<b>1,328.7</b>	<b>0.4</b>	<b>3,269.1</b>

## THE GROUP'S CASH FLOW STATEMENT

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Oct- 2022 Sep	2021 Jan-Dec
<i>Operating activities</i>						
Profit/loss from property management	16.7	16.4	140.8	35.7	272.7	167.6
Adjustments for non-cash items	7.4	2.9	-91.1	5.2	-205.8	-109.5
Tax paid	-	-	-	-	-0.7	-0.7
Change in inventories	7.9	9.9	7.7	4.1	3.5	0.0
Change in operating receivables	31.9	-30.9	16.1	-133.0	6.8	-142.2
Change in operating liabilities	-41.7	94.5	-58.7	70.4	21.1	150.2
Cash flow from operating activities	22.2	92.9	14.7	-17.5	97.5	65.3
<i>Investing activities</i>						
Acquisition of investment properties	-126.3	-341.7	-642.0	-767.4	-857.3	-982.7
Investments in investment properties	-196.3	-181.2	-776.5	-624.1	-1,092.1	-939.8
Deposits paid for acquisition of investment properties	-0.1	-86.1	-0.1	-92.3	-4.0	-96.3
Divested investment properties	1.0	-	86.9	-	86.9	-
Investments in other non-current assets, net	-6.4	-3.5	-62.8	-50.4	-81.0	-68.6
Cash flow from investing activities	-328.0	-612.4	-1,394.4	-1,534.2	-1,947.5	-2,087.3
<i>Financing activities</i>						
New share issue	-	-	-	26.2	-	26.2
Costs for new share issue	-	-1.5	-	-1.5	0.0	-1.5
Issue of hybrid bond	-	-	-	450.0	-	450.0
Costs for issue of hybrid bond	-	-	-	-7.0	-0.5	-7.5
Loans raised	103.9	257.9	1,612.5	1,436.6	2,266.0	2,090.1
Repayment of loans	1.0	-221.2	-139.0	-468.0	-152.6	-481.5
Repayment of lease liability	-4.0	-2.6	-9.6	-7.8	-12.7	-10.9
Acquisition of participations, non-controlling interests	-	-	-	-	-10.9	-10.9
Investments in derivatives	-	-	-24.3	-	-24.3	-
Payment, hybrid bond	-6.9	-6.7	-20.3	-13.4	-27.1	-20.2
Dividend, ordinary shares	-	-	-12.9	-8.5	-12.9	-8.5
Dividend, preference shares	-9.0	-9.0	-27.1	-27.1	-36.1	-36.1
Cash flow from financing activities	84.9	16.8	1,379.4	1,379.5	1,988.9	1,989.1
Cash flow for the period	-220.9	-502.6	-0.3	-172.2	139.0	-32.9
Cash and cash equivalents at the beginning of the period/year	599.7	742.5	379.2	412.1	239.8	412.1
Cash and cash equivalents at the end of the period/year	378.8	239.8	378.8	239.8	378.8	379.2

## SEGMENT REPORTING

SEK million	INVESTMENT PROPERTIES		ONGOING PROJECTS		UNDISTRIBUTED ITEMS		GROUP	
	2022 Jan-Sep	2021 Jan-Sep	2022 Jan-Sep	2021 Jan-Sep	2022 Jan-Sep	2021 Jan-Sep	2022 Jan-Sep	2021 Jan-Sep
<b>INCOME STATEMENT</b>								
Rental income	268.1	192.3	1.6	0.8	-0.0	-0.1	269.7	193.1
Property costs	-88.5	-62.9	-2.1	-1.3	-0.7	5.4	-91.3	-58.8
Operating surplus	179.7	129.4	-0.5	-0.5	-0.8	5.4	178.4	134.3
Central administration	-14.0	-14.1	-38.4	-26.6	-	-	-52.5	-40.6
Gain/loss from joint ventures	-	-	-	-	106.2	4.8	106.2	4.8
- whereof operating surplus	-	-	-	-	-0.1	1.2	-0.1	1.2
- whereof value change, investment properties	-	-	-	-	106.3	3.6	106.3	3.6
Net interest income/expense	-57.4	-40.8	1.5	-0.4	-35.5	-21.4	-91.4	-62.6
Profit/loss from property management	108.2	74.6	-37.4	-27.5	70.0	-11.4	140.8	35.7
<i>Value changes, unrealised</i>								
Investment properties, unrealised	3.5	292.0	303.6	83.9	0.0	-3.6	307.1	370.5
Investment properties, realised	-0.2	-	-1.7	-	-	-	-	-
Participations in other companies	-	-	-	-	-7.8	-	-7.8	-
Derivatives	-	-	-	-	98.8	17.6	98.8	17.6
Profit/loss before tax	111.5	366.5	264.5	56.5	161.0	2.7	538.9	423.8
Current tax	-	-	-	-	-	-	-0.3	-0.3
Deferred tax	-	-	-	-	-	-	-103.3	-100.6
Profit/loss for the period	-	-	-	-	-	-	435.3	322.9
<b>BALANCE SHEET</b>								
Non-current assets	8,397.1	6,119.3	2,371.4	1,629.2	311.3	249.7	11,079.8	7,998.1
Current assets	79.7	238.9	52.8	95.6	381.9	42.5	514.4	376.9
Total assets	8,476.8	6,358.1	2,424.2	1,724.8	693.2	292.1	11,594.2	8,375.0
Non-current liabilities	4,479.2	3,025.4	1,351.6	924.6	1,010.2	427.3	6,840.9	4,377.3
Current liabilities	1,154.9	1,118.9	160.2	341.8	169.0	46.8	1,484.1	1,507.4
Total liabilities	5,634.0	4,144.3	1,511.7	1,266.3	1,179.3	474.1	8,325.0	5,884.7
Total equity	-	-	-	-	-	-	3,269.1	2,490.3
Total equity and liabilities	-	-	-	-	-	-	11,594.2	8,375.0

## THE GROUP'S KEY FIGURES

	2022	2021	2022	2021	2021 Oct-	2021
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2022 Sep	Jan-Dec
<b>Property-related key figures</b>						
Number of managed apartments	4,885	3,754	4,885	3,754	4,885	3,910
Number of apartments under production	1,448	1,913	1,448	1,913	1,448	2,025
Number of apartments in projects	3,994	3,770	3,994	3,770	3,994	3,808
Total number of apartments	10,327	9,437	10,327	9,437	10,327	9,743
Lettable area housing apartments, tsqm	142.3	107.6	142.3	107.6	142.3	110.4
Lettable area public service properties, tsqm	38.6	35.7	38.6	35.7	38.6	38.4
Lettable area other, tsqm	1.9	1.8	1.9	1.8	1.9	1.8
Total lettable area, tsqm	182.8	145.1	182.8	145.1	182.8	150.6
Economic occupancy rate, per cent	98.4	92.7	97.5	91.9	97.5	93.2
Surplus ratio, per cent	69.9	73.0	66.2	69.5	65.3	67.4
<i>Cash flows from investment activities, SEK million</i>						
Investments in new construction, extension and refurbishment	196.3	181.2	776.5	624.1	1,092.1	939.8
Acquisitions	126.3	427.8	642.0	859.7	861.2	1,079.0
<b>Financial key figures</b>						
Return on equity, per cent	-	-	-	-	26.5	26.0
Equity/assets ratio, per cent	28.2	29.7	28.2	29.7	28.2	30.4
Loan-to-value ratio, per cent	62.8	61.7	62.8	61.7	62.8	60.7
Net loan-to-value ratio, per cent	61.6	60.6	61.6	60.6	61.6	59.0
Average interest rate, per cent	2.9	2.0	2.9	2.0	2.9	2.0
Interest-coverage ratio, 12 months, times	-	-	-	-	1.8	1.9
Fixed-rate period, number of months	26	34	26	34	26	28
Average loan maturity, number of months	25	30	25	30	25	27
<b>Share-related key figures</b>						
Total number of preference shares outstanding	1,804,800	1,804,800	1,804,800	1,804,800	1,804,800	1,804,800
Average number of preference shares outstanding	1,804,800	1,804,800	1,804,800	1,804,800	1,804,800	1,804,800
Total dividend preference shares, SEK million	9.0	9.0	27.1	27.1	36.1	36.1
Dividend per preference share, SEK	5.00	5.00	15.00	15.00	20.00	20.00
Total number of ordinary shares outstanding	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300
Average number of ordinary shares outstanding	85,865,300	85,865,300	85,865,300	85,590,602	85,865,300	85,659,841
Profit from property management per ordinary share, SEK	0.00	0.01	1.07	-0.12	2.43	1.24
Earnings per ordinary share, SEK	-0.08	0.06	4.48	3.23	9.35	8.10
Adjusted earnings per ordinary share, SEK	-0.08	0.07	4.48	3.24	9.35	8.11
Equity, SEK million	3,269.1	2,490.3	3,269.1	2,490.3	3,269.1	2,906.2
Equity attributable to ordinary shareholders, SEK million	2,299.8	1,519.3	2,300.3	1,519.3	2,299.8	1,936.7
Equity per ordinary share, SEK	26.78	17.69	26.79	17.69	26.78	22.55
EPRA NRV, SEK million	3,709.1	2,872.3	3,709.1	2,872.3	3,709.1	3,365.9
EPRA NRV attributable to ordinary shareholders, SEK million	2,739.7	1,901.4	2,740.2	1,901.4	2,739.7	2,396.4
EPRA NRV per ordinary share, SEK	31.91	22.14	31.91	22.14	31.91	27.91
Growth in EPRA NRV per ordinary share (12 months), %	-	-	-	-	44.1	54.6

## PARENT COMPANY'S COMPREHENSIVE INCOME IN SUMMARY

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Oct- 2022 Sep	2021 Jan-Dec
Operating income	13.2	8.9	37.5	22.4	48.1	32.2
Operating expenses	-23.2	-19.4	-81.7	-56.5	-105.8	-81.8
Operating profit/loss	-10.0	-10.6	-44.2	-34.1	-57.7	-49.7
Profit/loss from financial items	69.4	-3.9	50.7	-5.0	325.3	224.0
Profit/loss after financial items	59.4	-14.5	6.5	-39.2	267.6	174.4
Appropriations	-	-	-	-	8.4	8.4
Profit/loss before tax	59.4	-14.5	6.5	-39.2	276.1	182.8
Tax	-16.7	-0.9	-20.3	-3.8	-21.3	3.3
Net profit/loss for the period/year	42.7	-15.4	-13.8	-42.9	254.7	186.1

Net profit/loss for the period/year corresponds to comprehensive income for the period/year and thus only one income statement is presented without a separate statement of other comprehensive income.

## PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK million	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
Intangible assets	5.4	1.5	6.3
Tangible assets	2.8	1.5	2.2
Financial assets	3,003.2	473.5	2,138.9
Non-current assets	3,011.4	476.5	2,147.4
Current assets	1,421.1	2,358.3	1,876.5
<b>Total assets</b>	<b>4,432.5</b>	<b>2,834.8</b>	<b>4,024.0</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	547.9	118.6	547.9
Non-restricted equity	951.5	1,242.8	1,035.8
Total equity	1,499.4	1,361.4	1,583.7
Non-current liabilities	1,511.7	798.8	1,190.3
Current liabilities	1,421.4	674.6	1,249.9
Total liabilities	2,933.1	1,473.4	2,440.3
<b>Total equity and liabilities</b>	<b>4,432.5</b>	<b>2,834.8</b>	<b>4,024.0</b>

# PERFORMANCE ANALYSIS

## JANUARY-SEPTEMBER 2022

Comparative figures for the income statement refer to 1 January-31 September 2021.

### Rental income and occupancy rate

During the period, rental income increased to SEK 269.7 million (193.1). The increase corresponded to growth of 39.7 per cent in rental income. During the period, the economic occupancy rate was 97.5 per cent (91.9).

The increase in rental income was mainly due to the fact that K2A managed a larger property portfolio in 2022 compared with the year-earlier period, lower vacancies as well as rental increases. Rental income rose by 8.6 per cent in the comparable portfolio, of which lower vacancies contributed with 6.7 percentage points. On 30 September 2022, the lettable area in K2A's property portfolio was 182.8 tsqm, compared with 145.1 tsqm on 30 September 2021, up 26.0 per cent. On September 30 2022, the total rental value of investment objects was SEK 409.5 million (307.6) on an annual basis, up 33.1 per cent.

#### Rental income

SEK million	2022	2021	Change, %
	Jan-Sep	Jan-Sep	
Student housing	117.0	85.9	36.3
Rental apartments	109.6	78.8	39.0
Public service properties	43.1	28.4	51.7
<b>Total income</b>	<b>269.7</b>	<b>193.1</b>	<b>39.7</b>

### Property costs

During the period, total property costs increased to SEK 91.3 million (58.8), up 55.3 per cent. The increase is explained below.

#### Property costs, Jan-Sep 2022

SEK million	Student housing	Rental apts.	Public service properties	Total
Operating costs	-30.8	-22.8	-6.9	-60.5
Maintenance	-4.5	-3.3	-1.9	-9.8
Property tax	-1.9	-0.5	-0.0	-2.4
Depreciation/amortisation	-	-0.7	-	-0.7
<b>Direct property costs</b>	<b>-37.2</b>	<b>-27.4</b>	<b>-8.8</b>	<b>-73.4</b>
<b>Property administration</b>				<b>-17.8</b>
<b>Total property costs</b>				<b>-91.3</b>

#### Property costs, Jan-Sep 2021

SEK million	Student housing	Rental apts.	Public service properties	Total
Operating costs	-20.8	-17.7	-4.1	-42.6
Maintenance	-2.0	-1.6	-0.7	-4.3
Property tax	-1.4	-0.2	0.0	-1.6
Depreciation/amortisation	-0.1	-0.1	-	-0.2
<b>Direct property costs</b>	<b>-24.3</b>	<b>-19.6</b>	<b>-4.7</b>	<b>-48.7</b>
<b>Property administration</b>				<b>-10.1</b>
<b>Total property costs</b>				<b>-58.8</b>

During the period, operations and maintenance costs, including property tax, amounted to SEK -72.7 million (-48.5), up 49.9 per cent. The increase was due to the fact that K2A managed a larger property portfolio year-on-year, increased costs for electricity, property administration and a cost for the restoration of the property Gävle Kungsbäck 2:21 after flooding in the autumn of 2021. Property costs rose 9.9 per cent in the comparable portfolio (excluding Kungsbäck).

Property administration costs amounted to SEK -17.8 million (-10.1). The increase was due to the fact that K2A managed a larger property portfolio and strengthened the organisation.

### Net operating income and surplus ratio

During the period, the Net operating income was SEK 178.4 million (134.3) up 32.9 per cent. The surplus ratio for the past 12 months was 65.3 per cent (68.6). The lower surplus rate is mainly explained by growth driven costs for operation and maintenance of SEK -10.2 million, higher costs for electricity of SEK -6.5 million, and costs for restoring the Gävle Kungsbäck property of SEK -2.3 million (including the fourth quarter 2021).

### Central administration

Central administration costs amounted to SEK -52.5 million (-40.6), which corresponded to an increase in costs of 29.1 per cent. The increase was due to strengthening of the organisation. The number of employees at the head office rose by 8 people year-on-year. The central costs are allocated between K2A's two business areas – property management and project development – and costs during the period amounted to SEK -14.0 million (-14.1) and SEK -38.4 million (-26.6), respectively.

### Profit from joint ventures

The share of profit during the period was SEK 106.2 million (4.8). The year-on-year increase was largely due to value changes attributable to joint projects, which amounted to SEK 106.3 million (3.6).

### Net interest income/expense

Net interest expense amounted to SEK -91.4 million (-62.6). The year-on-year increase in interest bearing liabilities and higher interest rates led to higher interest expense. The average interest rate on the balance sheet date was 2.9 per cent (2.0). The interest-coverage ratio for the past 12 months was 1.8 (1.9).

## Value changes

During the period, unrealised changes in the value of investment properties amounted to SEK 307.1 million (370.5). The value changes are primarily contributable to properties in the Stockholm area.

### Value change, investment properties

SEK million	2022	2021
	Jan-Sep	Jan-Sep
Investment objects	3.5	286.6
Ongoing projects	303.6	83.9
Total value change	307.1	370.5
Total as a percentage of opening balance	3.2	6.4

K2A has interest rate swaps for loans with a total nominal value of SEK 2,075.0 million (1,175.0). During the period, unrealised changes in the value of derivatives amounted to SEK 98.8 million (17.6), due to changes in long-term market rates. Unrealised value changes have no impact on cash flow.

## Taxes

Current tax for the period amounted to -0.3 MSEK (-0.3), which relates to estimated tax expense in newly acquired companies. Deferred tax amounted to SEK -103.3 MSEK (-100.6) and was mainly impacted by unrealised changes in the value of properties and derivatives. The corporation tax rate is 20.6 per cent.

On 30 September 2022, the group's accumulation of tax loss carryforwards amounted to SEK 334.0 million (228.2). Deferred tax is recognised on a net basis on the consolidated balance sheet.

### Deferred tax liabilities recognised on balance sheet

MSEK	2022-09-30	2021-09-30
Properties	627.6	439.8
Tax loss carryforwards	-68.5	-46.7
Untaxed reserves	2.0	1.8
Derivatives	25.6	4.0
Other items	2.0	1.8
Total	588.6	400.7

# General information

This document is a translation of the Swedish interim report, in the event of discrepancies, the Swedish original will supersede the translation.

## Organisation and employees

At period-end, K2A had a total of 130 employees (132). 48 people (40), of whom 20 (16) are women, are employed in project development, finance, communication and property management, with placement at K2A's head office in Stockholm or in other locations where K2A has investment objects. The remaining 82 people (92) refer to employees in the K2A Trähus subsidiary, or the company's manufacturing facilities for wooden apartments.

## Significant related party transactions during the period

During the period, the Group (Parent Company) purchased project management services from Samhed Fastighets AB, Ljungskär AB, iBoP AB, Ludwig Holmgren Capital AB and C Interior Design AB for a total amount of SEK 8.6 million (3.8). These companies are owned by people who hold shares in K2A. During the period, the Group purchased ongoing legal services from Advokatfirman Lindahl for SEK 2.1 million (3.4), of which SEK 1.6 million (1.9) was invoiced to the Parent Company. Sten Gejrot is chairman of K2A's Board and a partner of Advokatfirman Lindahl.



# FINANCING

Amounts relating to the balance sheet in brackets on this page show results as of 31 December 2021, other figures show results corresponding to the quarter of the previous year.

## Risk limits

K2A shall have limited financial risk. The most significant types of financial risk for K2A are financing risk, interest rate risk and liquidity risk. K2A's overall financial risk limits refer to:

- The long-term loan-to-value ratio for the group shall not exceed 70 per cent
- The long-term interest coverage ratio for the group shall not be less than 1.5 times

## Assets and equity

On 30 September 2022, the value of K2A's assets were SEK 11,594.2 million (9,563.2), of which investment properties accounted for SEK 10,228.1 million (8,458.4). Cash and cash equivalents amounted to SEK 378.8 million (379.2). Equity amounted to SEK 3,269.1 million (2,906.2).

## Interest bearing liabilities

On 30 September 2022, K2A had interest bearing liabilities (excluding lease liabilities) of SEK 7,284.8 million (5,802.2). The group's net loan-to-value ratio was 61.6 per cent (59.0).

At period end, the average interest rate was 2.9 per cent (2.0). Overall, the fair value of liabilities does not deviate materially from their carrying amounts.

On the balance sheet date, the average interest period was 25 months (28) and the average loan maturity was 25 months (27). K2A has derivative contracts totalling SEK 2,075.0 million (1,075.0). At period end, loan repayments over the next 12 months amounted to SEK 77.1 million (54.0). Accrued borrowing costs of SEK 17.9 million (20.5) reduced interest bearing liabilities on the balance sheet.

Derivative contract maturity	Nominal amount, MSEK	Fixed interest (average), %
2025	400	0.08
2026	1,200	1.27
2028	475	0.21
<b>Total/average</b>	<b>2,075</b>	<b>0.80</b>

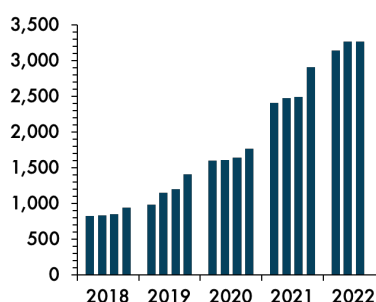
## INTEREST AND AVERAGE LOAN MATURITY

Due year	Fixed rate		Loan maturity, MSEK		
	Volume, MSEK	Interest, per cent	Commitment	Drawn	Undrawn
<b>Variable interest rate</b>	<b>2,753.9</b>	<b>3.92</b>	-	-	-
2022	-	-	712.1	467.6	244.5
2023	274.2	1.78	2,254.6	1,783.0	171.6
2024	625.6	1.52	2,010.7	1,855.8	154.9
2025	1,669.4	1.66	2,849.5	2,845.6	3.8
2026	1,504.7	3.14	304.7	304.7	-
2027	-	-	46.0	46.0	-
2028	475.0	2.80	-	-	300.0
<b>Total/average</b>	<b>7,302.7</b>	<b>2.89</b>	<b>8,177.6</b>	<b>7,302.7</b>	<b>874.9</b>

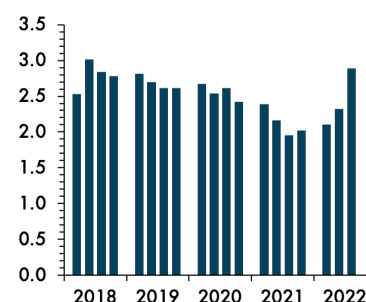
## GREEN BONDS AND GREEN HYBRID BONDS

	First issue date	Maturity date	Time to maturity, yrs	Nom. amount MSEK	Base rate	Base rate margin, %	Current rate, %
<b>Senior unsecured FRN Green Bonds</b>							
20/23 FRN C	2020-08-01	2023-08-01	0.8	400	Stibor 3M	3.95	5.22
MTN 101	2021-06-01	2024-06-01	1.7	400	Stibor 3M	3.25	4.52
MTN 102	2021-10-01	2025-04-01	2.5	400	Stibor 3M	3.00	4.89
MTN 103	2022-03-18	2024-12-24	2.2	300	Stibor 3M	4.40	6.03
<b>Total outstanding bonds</b>				<b>1,500</b>			
<b>Hybrid bonds</b>	2021-01-21	2026-04-21 (First Call Date)		450	Stibor 3M	5.95	7.23
<b>Total outstanding hybrids</b>				<b>450</b>			

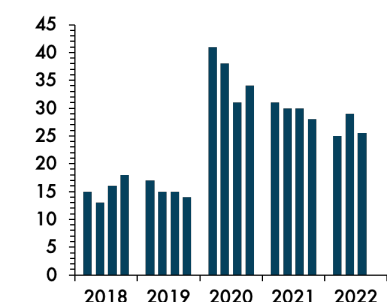
Equity, MSEK



Average interest rate, per cent



Fixed interest period, months



# NOTES

## Note 1 Accounting policies

K2A Knaust & Andersson Fastigheter AB (publ) complies with the IFRS (International Financial Reporting Standards) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34 Interim Financial Reporting have been provided in the financial statements and their related notes, and in other sections of the interim report.

The Parent Company applies RFR 2, Accounting for Legal Entities, and prepares its interim report in accordance with Chapter 9 of the Swedish Annual Accounts Act.

The Group and the parent company applies the same accounting policies and valuation methods as in the most recent Annual Report.

## Note 2 Investment properties

Valuation of properties takes place at the end of each quarter with the support of independent property valuers. Sensitivity analysis regarding reported values can be found in the section Opportunities and risks on page 26. For further information on K2A's valuation method, see the annual report for 2021 (Note 15).

### Sensitivity analysis - valuation

Key figures, per cent	2022-09-30	2021-09-30
Discount rate, apartments	5.9	5.7
Discount rate, public service properties	7.0	7.2
Yield requirement		
Apartments	3.6	3.8
Public service properties	4.4	5.2
Total	3.7	3.9

The property portfolio value increased SEK 1,688.0 million (1,769.0) compared with the end of 2021.

During the period, SEK 1,463.8 million (630.0) has been transferred (without consideration) from the Ongoing project segment to Management objects. The fair value of investment properties and ongoing projects includes the right-of-use value of land lease agreements and leases and other right-of-uses, in accordance with IFRS 16 Leasing, of SEK 157.9 million (73.2).

### Change in property portfolio for Jan-Sep 2022

Fair value, SEK million	Investment objects	On-going projects	Total
Property portfolio at start of period	6,732.3	1,726.1	8,458.4
Acquisition of properties	-	16.8	16.8
Asset acquisitions via subsidiaries	227.3	420.1	647.4
Divestments	-85.9	-1.0	-86.9
Investments	37.9	767.6	805.5
Unrealised value changes	3.5	303.6	307.1
Realised value changes	-0.2	-1.7	-1.9
Right-of-use assets	18.5	63.2	81.7
Reclassified	1,463.8	-1,463.8	-
Property portfolio at period-end	8,397.2	1,831.0	10,228.2

### Change in property portfolio for Jan-Sep 2021

Fair value, SEK million	Investment objects	On-going projects	Total
Property portfolio at start of period	4,476.7	1,306.1	5,782.8
Acquisition of properties	-	48.0	48.0
Asset acquisitions via subsidiaries	695.2	50.9	746.1
Divestments	-	-	-
Investments	3.9	600.5	604.4
Unrealised value changes	286.6	83.9	370.5
Right-of-use assets	27.0	-	27.0
Reclassified	630.0	-630.0	-
Property portfolio at period-end	6,119.3	1,459.4	7,578.7

## Note 3 Correction

A right-of-use asset was previously reported as Depreciation among property costs, Is reported as of October 2021 under Change in value of investment properties. The summary below shows the effects in the income statement and cash flow analysis for the period January-September 2021. For further information in the Annual Report 2021, Note 35.

	2021-01-01 - 2021-09-30		
	Previously reported	After Correction	Correction
<b>The group, MSEK</b>			
<i>Income statement</i>			
Property costs			
Depreciation/amortization	-5.6	5.4	-0.2
Total property costs	-64.2	5.4	-58.8
Net operating income	128.9	5.4	134.3
Profit from property management	30.4	5.4	35.7
<i>Value changes</i>			
Value change, investment properties, unrealized	375.8	-5.4	370.5
Profit before tax	423.8	-	423.8
<i>Consolidated cash flow statement</i>			
<i>Operating activities</i>			
Profit from property management	30.4	5.4	35.7
Adjustment for non-cash items	10.6	-5.4	5.2
Cash flow from operating activities	-17.5	-	-17.5

## Note 4 Significant events after the end of the period

No significant events occurred after the end of the period.

# OPPORTUNITIES AND RISKS

## Cash flow risks and opportunities

K2A's cash flow is mainly impacted by the performance of profit from property management and investing activities. In turn, profit from property management is mainly impacted by the performance of rental value, occupancy rate, property costs and interest expense.

### Sensitivity analysis - cash flow<sup>1</sup>

	Change	Effect on cash flow, SEK million
Rental value	+/- 5 per cent	+/- 27
Occupancy rate	+/- 2 percentage points	+/- 11
Property cost	+/- 10 per cent	-/+ 14
Interest expense	+/- 1 percentage point	-/+ 24

1) Rental income, occupancy rate and property costs are estimated on the past 12-month outcome. The sensitivity analysis for interest expense includes the effect of derivatives.

## Financial risk

The most significant types of financial risk for K2A are interest rate risk, financing risk and liquidity risk. Interest rate risk is defined as a not affectable increase in interest expense. Interest rate risk is expressed as the change in costs for the interest bearing liabilities, expressed in SEK, if the interest rate changed by 1 percentage point. Financing risk refers to the risk that the cost of raising new loans or other financing becomes higher and/or that the refinancing of maturing loans becomes more difficult to obtain, or can only be obtained on unfavourable terms. Liquidity risk refers to the risk that K2A is unable to meet its anticipated and/or unforeseen payment obligations. K2A needs access to liquidity in order to finance ongoing projects and its day-to-day operations, to pay interest and repay loans. K2A's growth target presumes good access to liquid funds so that several projects can be started and run in parallel.

The carrying amount of receivables, cash and cash equivalents, accounts payable, interest bearing liabilities and other liabilities is a reasonable approximation of their fair value.

## Operational risk

K2A is in an expansion phase and has identified a number of growth-oriented targets. Risks and opportunities linked to achieving the growth targets include: continued access to new projects, key individuals, risk management in projects (regarding time, cost and quality), as well operational continuity and capacity in the company's own manufacturing facilities

## Opportunities and risks in the value of properties

K2A recognises investment properties at fair value. Changes in the fair value of properties are recognised in profit or loss. Historically, changes in the fair value of properties have had a material effect on K2A's net profit for the period or year, which means that profit can be volatile. The value of the properties is determined by supply and demand, where the price is mainly dependent on the expected Net operating income of the properties and the buyer's yield requirement.

Growing demand leads to lower yield requirements and therefore pushes prices up, while declining demand has the opposite effect. Similarly, a positive trend for the Net operating income pushes prices up, while a negative trend has the opposite effect.

### Material non-observable input to real-value valuation

	Public service properties	Apartments
Expected normalised rent year 16, SEK/sqm	2,840	3,228
Current rent, SEK/sqm	1,949	2,367
Remaining duration rental contracts, years	8.9	n/a
Expected long-term vacancy year 16, per cent	3.2	1.4
Current vacancy, per cent	4.7	1.9
Expected normalised operating profit year 16, SEK/sqm	2,295	2,345
Discount rate, per cent	7.0	5.9
Yield requirement for assessment of residual value year 16, per cent	4.6	3.4

Sensitivity analysis value changes, SEK million <sup>1</sup>	Effect on real value	Public service properties	Apartments
Expected normalised rent	+/- 5%	+/- 34	+/- 274
Expected long-term vacancies	+/- 5%	-/+ 34	-/+ 274
Expected property costs	+/- 5%	-/+ 6	-/+ 65
Discount rate, per cent	+/- 1%	-/+ 118	-/+ 821
Yield requirement for assessment of residual value	+/- 1%	-/+ 166	-/+ 1,810

1) The ongoing projects segment is not included in the summary.

## Parent Company

The Parent Company provides project management, rental administration as well as Group and company accounting. The Parent Company is also responsible for matters related to the credit market, such as borrowing and financial risk management, as well as reporting and providing information to the stock market. The Parent Company is indirectly affected by the operations of subsidiaries, which means that the Parent Company is exposed to the risks and opportunities specified for the Group.

## Ukraine

The ongoing war in Ukraine and the sanctions imposed as a consequence could significantly affect, for example, interest rates, inflation and exchange rates and lead to lower growth and disruption in the global economy, financial markets and global trade. In addition, the invasion can lead to an increase in energy prices and the materials needed for the company's operations, as well as to disruptions and delays in deliveries.

Price increases and uncertainties regarding the availability of materials have contributed to K2A deciding to postpone the majority of construction starts in 2022 and 2023 and notified personnel operating in K2A Trähus' production facilities.

## THE SHARE AND SHAREHOLDERS

The company has four classes of shares: A, B and D ordinary shares, and preference shares. Ordinary A shares carry ten votes per share, while ordinary B and D shares and preference shares carry one vote per share.

Ordinary A and D shares are not traded on any stock market or trading venue. Ordinary B shares (K2A B) and preference shares (K2A PREF) have been listed on NASDAQ Stockholm's Main Market since 20 June 2019.

### LARGEST SHAREHOLDERS AT THE BALANCE SHEET DATE

	A-aktier	B-aktier	D-aktier	Preferens-aktier	Totalt antal aktier	% av totalt antal aktier	% av totalt antal röster
Johan Knaust med bolag	2,841,840	17,452,015	6,806,160	94,025	27,194,040	31.0	28.8
Johan Thorell med bolag	2,412,000	6,166,496	-	19,499	8,597,995	9.8	16.6
Johan Ljungberg med bolag	2,412,000	5,995,000	-	13,864	8,420,864	9.6	16.5
Claes-Henrik Julander med bolag	2,176,800	5,194,622	-	17,659	7,389,081	8.4	14.7
Länsförsäkringar Fastighetsfond	-	6,586,825	-	-	6,586,825	7.5	3.6
SEB Fonder	-	5,351,532	-	425	5,351,957	6.1	2.9
Verdipapirfondet Odin Eiendom	-	3,238,190	-	-	3,238,190	3.7	1.8
Enter Sverige	-	2,525,174	-	-	2,525,174	2.9	1.4
Ludwig Holmgren	762,000	1,316,730	-	2,032	2,080,762	2.4	4.9
Humle fonder	-	1,535,755	-	-	1,535,755	1.8	0.8
Avanza Pension	-	1,191,141	-	162,961	1,354,102	1.5	0.7
Swedbank Försäkring	-	1,302,535	-	18,782	1,321,317	1.5	0.7
Swedbank Fonder	-	1,260,000	-	-	1,260,000	1.4	0.7
Cliens Kapitalförvaltning	-	1,033,261	-	-	1,033,261	1.2	0.6
Adrigo Fonder	-	734,637	-	-	734,637	0.8	0.4
Handelsbanken Liv	-	660,378	-	6,290	666,668	0.8	0.4
LK Finans	-	636,999	-	-	636,999	0.7	0.3
Carnegie Fonder	-	459,929	-	1,660	461,589	0.5	0.3
Nordea Liv	-	392,058	-	14,292	406,350	0.5	0.2
Christian Lindberg	-	375,000	-	-	375,000	0.4	0.2
Övriga	-	5,046,223	-	1,453,311	6,499,534	7.4	3.5
<b>Summa</b>	<b>10,604,640</b>	<b>68,454,500</b>	<b>6,806,160</b>	<b>1,804,800</b>	<b>87,670,100</b>	<b>100.0</b>	<b>100.0</b>

# SIGNATURES OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO confirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, October 26, 2022

K2A Knaust & Andersson Fastigheter AB (publ)

Sten Gejrot	Ludwig Holmgren	Claes-Henrik Julander
<i>Chairman</i>	<i>Member</i>	<i>Member</i>

Johan Knaust	Ingrid Lindquist	Johan Ljungberg
<i>CEO and Member</i>	<i>Member</i>	<i>Member</i>

Johan Thorell  
*Member*

This interim report has been audited.

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## REVIEW REPORT

To the Board of Directors of K2A Knaust & Andersson Fastigheter AB (publ), corp. id. 556943-7600

### Introduction

We have reviewed the condensed interim financial information (interim report) of K2A Knaust & Andersson Fastigheter AB (publ) as of 30 September 2022 and 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 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 International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information 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 practices and consequently does 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

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 26 October 2022

KPMG AB

Peter Dahllöf  
*Authorised Public Accountant*

# DEFINITIONS

## Adjusted earnings per ordinary share

Net profit for the period/year less preferred dividends paid out during the period and less hybrid bond expenses relative to the weighted average number of ordinary shares outstanding during the period. Adjusted profit after tax per ordinary share is used to show the ordinary shareholders' proportion of the company's profit after tax per share.

## Adjusted interest bearing liability

Interest bearing liabilities less current and non-current lease liabilities.

## Currency

MSEK and SEK million corresponds to one million Swedish crowns.

## Earnings per ordinary share

Profit attributable to Parent Company shareholders less preferred dividends paid out during the period and less hybrid bond expenses relative to the weighted average number of ordinary shares outstanding during the period. Profit after tax per ordinary share is used to show Parent Company shareholders' proportion of the company's profit after tax per share.

## EPRA

The European Public Real Estate Association is a stakeholder organisation for listed real estate companies and investors in Europe, that sets standards with regard to financial statements.

## EPRA NRV

Recognised equity with reversal of interest rate derivatives and deferred tax. EPRA NRV is used to provide stakeholders with information about K2A's long-term NRV computed in a uniform manner for listed real estate companies.

## EPRA NRV attributable to ordinary shareholders

EPRA NRV less the value of all preference shares outstanding and hybrid bonds. The value of all preference shares outstanding was calculated as SEK 287.50 multiplied by the number of preference shares at the balance sheet date. SEK 287.50 corresponds to the amount per preference share that the holder has a preferential right to, before ordinary shares, in the event of the company's dissolution. EPRA NRV attributable to ordinary shareholders is used to clarify the proportion of EPRA NRV considered attributable to ordinary shareholders after the proportion attributable to preference shareholders, hybrid bond holders and non-controlling interests has been deducted.

## EPRA NRV per ordinary share

EPRA NRV attributable to ordinary shareholders divided by the number of ordinary shares outstanding at the balance sheet date. EPRA NRV per ordinary share is used to show the ordinary shareholders' proportion of the company's EPRA NRV attributable to the ordinary shareholders per share.

## Equity/assets ratio

Equity at period end relative to total assets at period end. The equity/assets ratio is used to show K2A's interest rate sensitivity and financial stability.

## Equity per ordinary share

Equity less the value of all preference shares outstanding at the balance sheet date as well as hybrid bonds relative to the number of ordinary shares outstanding at the balance sheet date. The value of all preference shares outstanding was calculated as SEK 287.50 multiplied by the number of preference shares at the balance sheet date. SEK 287.50 corresponds to the amount per preference share that the holder has a preferential right to, before ordinary shares, in the event of the company's dissolution. Equity per share is used to show the ordinary shareholders' proportion of the company's equity per share.

## IFRS

International Financial Reporting Standards. International reporting standards that have applied for listed companies in the EU since 2005.

## Interest coverage ratio

Net operating income less central administrative costs attributable to property management relative to net interest income (over the past 12 months). The interest-coverage ratio is used to show how sensitive the company's earnings are to interest rate fluctuations.

## Lettable area

Total area available for letting.

## Loan-to-value ratio

Interest bearing liabilities relative to total assets. Interest bearing liabilities include current and non-current interest bearing liabilities. All items pertain to the balance sheet date. The loan-to-value ratio is used to show K2A's financial risk.

## Net debt

Interest bearing liabilities less cash and cash equivalents.

## Net loan-to-value ratio

Net debt relative to total assets adjusted for cash and cash equivalents at period end. The net loan-to-value ratio is used to show K2A's financial risk.

## Net operating income

Rental income less property costs. This key figure is a relevant indicator for measuring the profitability of the management before central costs, financial income and expense, and unrealised value changes are taken into account.

## Occupancy rate, economic

Rental income in relation to rental value. Newly added investment properties are excluded from the calculation in the quarter in which they were added and the quarter thereafter. The key figure is stated as a percentage and is relevant for measuring vacancies, where a high occupancy rate in per cent means a low financial vacancy.

## Profit from property management

Profit before value changes and tax. Profit from property management is a relevant key figure for measuring the profitability of the management after financial income and expense are taken into account, but not unrealised value changes.

## Profit from property management per ordinary share

Profit from property management less preferred dividends paid out during the period and hybrid bond expenses relative to the weighted average number of ordinary shares outstanding during the period. Profit from property management per ordinary share is used to show the ordinary shareholders' proportion of profit from property management per share.

## Rental value

Contract value plus estimated market rent for unlet space. Rental value is used to show the Group's revenue growth potential.

## Required yield

The required rate of return on the residual value. Required yield is a relevant key figure for determining the reasonableness of how the properties are valued.

## Return on equity

Profit for the period (over the past 12 months) as a percentage of equity at the balance sheet date. Return on equity is used to show K2A's ability to generate a profit on the shareholders' capital in the Group.

## Rounding

Since amounts have been rounded to the next MSEK, the totals in the tables are not always accurate.

## Surplus ratio

Net operating income adjusted for depreciation and block rental agreements relative to rental income (over the past 12 months). This key figure is a relevant indicator for measuring the profitability of the management before financial income and expense, and unrealised value changes are taken into account.

# RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASUREMENTS

K2A Knaust & Andersson Fastigheter AB (publ) applies the ESMA Guidelines on Alternative Performance Measures (ESMA/2015/1415). The Guidelines define an Alternative Performance Measure (APM) as “a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework”, which in K2A’s case, is IFRS or the Swedish Annual Accounts Act. The starting point for these APMs is that they are used by management to assess the financial performance of the company, and can therefore provide useful financial information to shareholders and other stakeholders. The following table shows how the APMs are calculated. See the preceding section for definitions and the purpose of the key figures.

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Oct- 2022 Sep	2021 Jan-Dec
<b>Profit from property management per ordinary share</b>						
Profit from property management	16.7	16.4	140.8	35.7	272.7	167.6
Dividend, preference shares	-9.0	-9.0	-27.1	-27.1	-36.1	-36.1
Hybrid bond expenses	-8.0	-6.8	-21.5	-18.6	-28.2	-25.4
Adjusted profit from property management	-0.3	0.6	92.2	-10.0	208.3	106.1
Weighted average number of ordinary shares	85,865,300	85,865,300	85,865,300	85,590,602	85,865,300	85,659,841
Profit from property management per ordinary share, SEK	-0.00	0.01	1.07	-0.12	2.43	1.24
<b>Earnings per ordinary share</b>						
Profit after tax	10.1	21.6	433.4	322.9	867.0	756.5
Dividend, preference shares	-9.0	-9.0	-27.1	-27.1	-36.1	-36.1
Hybrid bond expenses	-8.0	-6.8	-21.5	-18.6	-28.2	-25.4
Profit after preferred dividend and hybrid bond expenses	-6.9	5.8	384.8	277.2	802.6	695.0
Weighted average number of ordinary shares	85,865,300	85,865,300	85,865,300	85,590,602	85,865,300	85,659,841
Adjusted earnings per ordinary share, SEK	-0.08	0.07	4.48	3.24	9.35	8.11
Less non-controlling interest, SEK	0.00	-0.01	0.00	-0.01	0.00	-0.01
Earnings per ordinary share, SEK	-0.08	0.06	4.48	3.23	9.35	8.10
<b>Equity per ordinary share</b>						
Equity	3,269.1	2,490.3	3,269.1	2,490.3	3,269.1	2,906.2
Less non-controlling interests	-0.434	-2.1	-	-2.1	-0.4	-0.7
Less value of preference shares	-518.9	-518.9	-518.9	-518.9	-518.9	-518.9
Less hybrid bond	-450.0	-450.0	-450.0	-450.0	-450.0	-450.0
Equity attributable to ordinary shareholders	2,299.8	1,519.3	2,300.3	1,519.3	2,299.8	1,936.7
Number of ordinary shares at period-end	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300
Equity per ordinary share, SEK	26.78	17.69	26.79	17.69	26.78	22.55
<b>EPRA NRV per ordinary share</b>						
EPRA NRV	2,739.7	1,901.4	2,740.2	1,901.4	2,739.7	2,396.4
Number of ordinary shares at period-end	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300
EPRA NRV per ordinary share, SEK	31.91	22.14	31.91	22.14	31.91	27.91
<b>Surplus ratio</b>						
Rental income	96.3	70.7	269.7	193.1	349.3	272.7
Operating surplus	67.3	51.7	178.4	134.3	228.0	183.9
Surplus ratio, per cent	69.9	73.0	66.2	69.5	65.3	67.4
<b>Return on equity</b>						
Profit after tax, rolling 12-month period	867.0	448.3	867.0	448.3	867.0	756.5
Closing equity	3,269.1	2,490.3	3,269.1	2,490.3	3,269.1	2,906.2
Return on equity, per cent	26.5	18.0	26.5	18.0	26.5	26.0
<b>Equity/assets ratio</b>						
Equity	3,269.1	2,490.3	3,269.1	2,490.3	3,269.1	2,906.2
Total assets	11,594.2	8,375.0	11,594.2	8,375.0	11,594.2	9,563.2
Equity/assets ratio, per cent	28.2	29.7	28.2	29.7	28.2	30.4

# RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASUREMENTS, CONT'D

SEK million	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Oct- 2022 Sep	2021 Jan-Dec
<b>Interest-bearing liabilities</b>						
Non-current interest-bearing liabilities	6,088.6	3,903.4	6,088.6	3,903.4	6,088.6	4,345.4
Non-current lease liabilities	163.7	73.2	163.7	73.2	163.7	81.7
Current interest-bearing liabilities	1,196.2	1,265.0	1,196.2	1,265.0	1,196.2	1,456.8
Current lease liabilities	16.9	12.3	16.9	12.3	16.9	12.6
Interest-bearing liabilities	7,465.4	5,253.9	7,465.4	5,253.9	7,465.4	5,896.5
Lease liabilities	-180.6	-85.5	-180.6	-85.5	-180.6	-94.3
Interest-bearing liabilities excluding leases	7,284.8	5,168.3	7,284.8	5,168.3	7,284.8	5,802.2
<b>Net debt</b>						
Interest-bearing liabilities excluding leases	7,284.8	5,168.3	7,284.8	5,168.3	7,284.8	5,802.2
Cash and cash equivalents	-378.8	-239.8	-378.8	-239.8	-378.8	-379.2
Net debt	6,906.0	4,928.5	6,906.0	4,928.5	6,906.0	5,423.0
<b>Loan-to-value ratio</b>						
Interest-bearing liabilities excluding leases	7,284.8	5,168.3	7,284.8	5,168.3	7,284.8	5,802.2
Total assets	11,594.2	8,375.0	11,594.2	8,375.0	11,594.2	9,563.2
Loan-to-value ratio, per cent	62.8	61.7	62.8	61.7	62.8	60.7
<b>Net loan-to-value ratio</b>						
Net debt	6,906.0	4,928.5	6,906.0	4,928.5	6,906.0	5,423.0
Total assets less cash and cash equivalents	11,215.3	8,135.2	11,215.3	8,135.2	11,215.3	9,184.0
Net loan-to-value ratio, per cent	61.6	60.6	61.6	60.6	61.6	59.0
<b>Interest-coverage ratio, 12 months</b>						
Operating surplus	-	-	-	-	228.0	183.9
Administrative expenses, property management	-	-	-	-	-19.8	-19.8
Net interest income/expense	-	-	-	-	-114.5	-85.8
Interest-coverage ratio (12 months), times	-	-	-	-	1.8	1.9
<b>EPRA NRV</b>						
Equity	3,269.1	2,490.3	3,269.1	2,490.3	3,269.1	2,906.2
Derivatives	-148.7	-18.6	-148.7	-18.6	-148.7	-25.6
Deferred tax	588.6	400.7	588.6	400.7	588.6	485.3
EPRA NRV	3,709.1	2,872.3	3,709.1	2,872.3	3,709.1	3,365.9
Less non-controlling interests	-0.4	-2.1	-	-2.1	-0.4	-0.7
Less value of preference shares	-518.9	-518.9	-518.9	-518.9	-518.9	-518.9
Less hybrid bond	-450.0	-450.0	-450.0	-450.0	-450.0	-450.0
EPRA NRV attributable to ordinary shareholders	2,739.7	1,901.4	2,740.2	1,901.4	2,739.7	2,396.4
<b>Growth in EPRA NRV per ordinary share</b>						
OB EPRA NRV attributable to ordinary shareholders, SEK	32.24	21.93	22.14	16.05	22.14	18.06
CB EPRA NRV attributable to ordinary shareholders, SEK	31.91	22.14	31.91	22.14	31.91	27.91
Growth in EPRA NRV per ordinary share (12 months), per cent	44.09	37.95	44.09	37.95	44.09	54.55

# FINANCIAL CALENDAR

## FINANCIAL REPORTS AND COMPANY EVENTS

Q4 Interim Report, January-December 2022	14 February 2023
Annual report 2022	Week 14 2023
Q1 Interim Report, January-March 2023	27 April 2023
Annual General Meeting 2023	27 April 2023
Q2 Interim Report, January-June 2023	17 July 2023
Q3 Interim Report, January-September 2023	8 November 2023
Q4 Interim Report, January-December 2023	14 February 2024

## DIVIDEND, PREFERRED SHARES

Last trading day, including right to dividend payment	7 December 2022
Record date for dividend payment	9 December 2022
Expected date of payment from Euroclear	14 December 2022
Last trading day, including right to dividend payment	8 March 2023
Record date for dividend payment	10 March 2023
Expected date of payment from Euroclear	15 March 2023

For further information, please contact:

Johan Knaust, CEO, +46 707 40 04 50, [johan.knaust@k2a.se](mailto:johan.knaust@k2a.se)  
 Christian Lindberg, deputy CEO, +46 707 23 39 48, [christian.lindberg@k2a.se](mailto:christian.lindberg@k2a.se)  
 Ola Persson, CFO, +46 708 32 99 93, [ola.persson@k2a.se](mailto:ola.persson@k2a.se)

The information in this report is such that K2A Knaust & Andersson Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on October 26, 2022.



**K2A Knaust & Andersson Fastigheter AB (publ)**  
 Nybrogatan 59, 114 40 Stockholm, [info@k2a.se](mailto:info@k2a.se), [www.k2a.se](http://www.k2a.se), org.nr 556943-7600