

Q3

Interim report January - September 2023

K2A Knaust & Andersson Fastigheter AB (publ)

INTERIM REPORT JANUARY - SEPTEMBER 2023

JUL-SEP 2023

- Rental income amounted to SEK 105.8 million (96.3)
- Net operating income amounted to SEK 77.5 million (67.3)
- Profit from property management amounted to SEK 7.7 million (16.7)
- Value changes from investment properties amounted to SEK -166.4 million (-30.4)
- Net profit for the period amounted to SEK -150.6 million (10.1) and earnings per ordinary share amounted to SEK -1.99 (-0.08)

JAN-SEP 2023

- Rental income increased to SEK 327.5 million (269.7)
- Net operating income amounted to SEK 227.7 million (178.4)
- Profit from property management amounted to SEK 19.3 million (140.8)
- Value changes from investment properties amounted to SEK -481.9 million (305.2)
- Net profit for the period amounted to SEK -371.2 million (433.4) and earnings per ordinary share amounted to -5.00 SEK (4.48)
- Total number of apartments under management at the end of the period amounted to 5,126 (4,885)

Number of apartments in property and project portfolio

9,167

Property value

9,011 MSEK

EPRA NRV attributable to ordinary shareholders

1,804 MSEK

KEY FIGURES, SEK MILLION	2023	2022	2023	2022	2022 Oct-	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2023 Sep	Jan-Dec
Rental income	105.8	96.3	327.5	269.7	432.5	374.7
Operating surplus	77.5	67.3	227.7	178.4	292.3	243.0
Profit from property management	7.7	16.7	19.3	140.8	6.2	127.6
Value change, investment properties	-166.4	-30.4	-481.9	305.2	-785.5	1.5
Profit after tax	-150.6	10.1	-371.2	433.4	-645.4	159.1
Number of managed units	5,126	4,885	5,126	4,885	5,126	5,012
Number of units under production	368	1,448	368	1,448	368	1,348
Number of units in projects	3,673	3,539	3,673	3,539	3,673	3,517
Total number of units	9,167	9,872	9,167	9,872	9,167	9,877
Net loan-to-value ratio, %	64.4	61.6	64.4	61.6	64.4	63.8
Interest coverage ratio, 12 months, times	-	-	-	-	1.6	1.8
Long-term net reinstatement value (EPRA NRV)	2,772.5	3,709.1	2,772.5	3,709.1	2,772.5	3,383.5
EPRA NRV attributable to ordinary shareholders	1,803.6	2,739.7	1,803.6	2,739.7	1,803.6	2,414.3
EPRA NRV per ordinary share, SEK	21.01	31.91	21.01	31.91	21.01	28.12
Growth in EPRA NRV per ordinary share, %	-	-	-	-	-34.2	0.7

Number of apartments under management added (last 12 months)

241

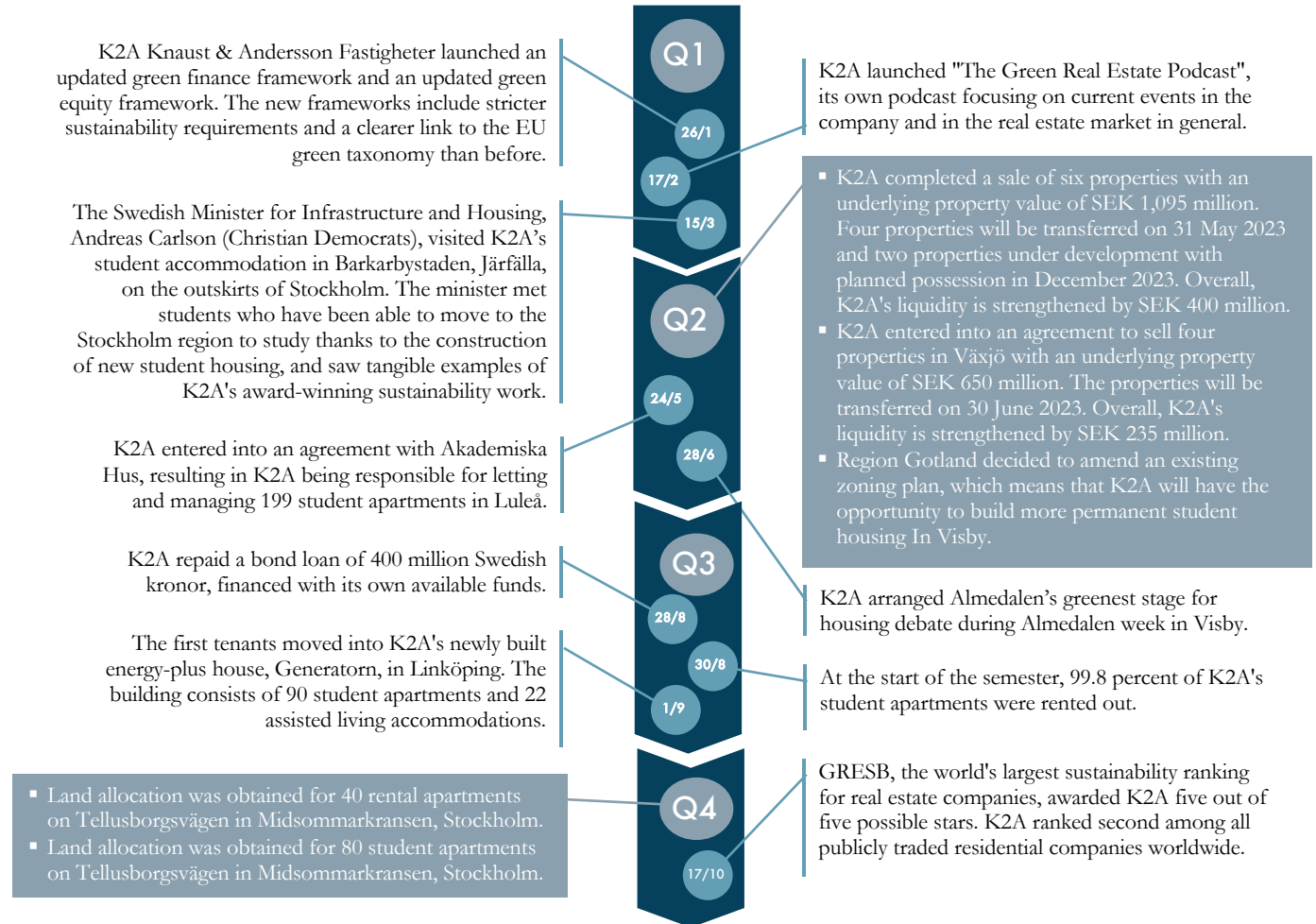
Rental value, properties under management

449 MSEK

Growth in operating surplus 12 months, since last year

28 %

EVENTS 2023



CEO'S COMMENTS

In our year-end report for 2022, I wrote that 2023 will be a year of consolidation for K2A. By then, we already had a year behind us in which we had made significant efforts to adapt to the change in conditions: we had increased access to capital, put new construction starts on hold, reduced fixed costs and hedged our liabilities.

The plan communicated at that time meant focusing on completing ongoing production projects, carrying out efficiency improvements in management to strengthen the surplus ratio, and securing additional liquidity by disposing of assets to strengthen the balance sheet and financial key ratios.

All projects in production nearing completion

During the third quarter, two major projects were completed in Växjö and Linköping. The latter is probably the largest wooden energy-plus building built in Sweden. If we add the apartments completed after the end of the third quarter, this means a total of 498 new apartments since mid-year and a total of 935 new apartments in 2023.

Efficient management: greater volume accommodated in the same organisation

During the year, we increased the number of properties managed by our own management organisation, but despite greater management volume, the size of the management organisation is basically the same as it was a year ago. This generated synergies while we continued to work on smarter management through centralisation and digitalisation. The surplus ratio for the period January to September has increased to 69,5 percent, compared to 66.2 percent in the corresponding period in 2022.

Our profit from property management in 2023 has been lower compared to 2022. However, a key detail in this context is this includes the total profit from joint ventures, including changes in the value of investment properties. K2A's profit from property management for the period January to September 2023 amounted to SEK 19.3 million, but includes a negative item of SEK 31.3 million due to valuechanges in the JV. It may seem counter-intuitive that profit from property management includes changes in value, but these are the accounting rules we have to deal with. Adjusted for changes in value, profit from property management is SEK 50.6 million, up from SEK 34.5 million in the same period in 2022.

Further sales expected in 2023

In the wake of rising interest rates, the share price of most housing companies has fallen sharply, and K2A is by no means an exception. As many observers have noted, swings – both up and down – are always sizeable during dramatic periods and price movements tend to be amplified, becoming self-fulfilling prophecies.

A clear sign that there is still confidence in the Swedish housing market are the major differences between the stock market's valuation of property companies and the transaction market's valuation of residential property.

My view is that the transaction market makes a major distinction between different properties based on location, quality and sustainability factors. The significant sales made by K2A in spring 2023 were made at book value. I am convinced that this would not have been possible without the type of assets characteristic of K2A: attractive locations, stringent environmental requirements and high standards.

Our aim is to complete further sales by the end of 2023, and we continue to see substantial interest in our assets.

Plan remains in place for the future

I feel confident that our plan is right for us going forward, even though the challenges in the industry persist.

The bond market is not closed, but we do not view the price at which we can refinance our bonds as being acceptable to us – nor do we expect this to change over the coming year. By repaying the bonds instead of looking to refinance, we strengthen our key ratios as well as our income statement and balance sheet going forward.

The first repayment was made in August, when we repaid green bond loans of SEK 400 million. The next instalment, for the same amount, is due in June. I envision that, in the near future, K2A will be a company with a significantly lower loan-to-value ratio than today, and we are preparing to repay all outstanding bonds unless market conditions change.

However, the loan-to-value ratio does not provide the entire picture, and the key for K2A is to focus on the interest coverage ratio in the short term, ensure access to liquidity and focus on strengthening the current cash flow in the longer term. The interest coverage ratio has decreased from 1.8 at the end of 2022 to 1.6 at the end of the third quarter of 2023. The negative impact on the interest coverage ratio was expected, but K2A's higher surplus ratio combined with interest rate swap contracts has provided robust protection against the rapidly rising interest rates. K2A holds interest rate swap contracts with a total notional value of SEK 3,575 million. Excluding construction credit, the share of interest-rate hedged loans was 98 percent at 30 September 2023. In a way, K2A has already deployed its parachute, which means that the interest coverage ratio has not fallen rapidly, but decreased at a slower pace to then level off. K2A still estimates that the interest coverage ratio in 2023 and 2024 will not fall below the company's risk limit of 1.5.

Equipped for the future

During this challenging year, our focus on sustainability has proved to be crucial to the attractiveness of our assets, and it will continue to form an integral part of K2A in the future.

When GRESB, the world's largest sustainability ranking for property companies, presented its comparison, K2A was ranked second among listed housing companies globally. In the third quarter, we renewed our Nasdaq Green Equity Designation and received an overall rating of Excellent – the highest rating.

We are sticking to our plan and will continue to do so going forward. This is a challenging period, but I am confident that the strategy we have adopted, focused on strengthening the balance sheet, is the right path for K2A based on current circumstances in our surroundings.

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 housing. 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

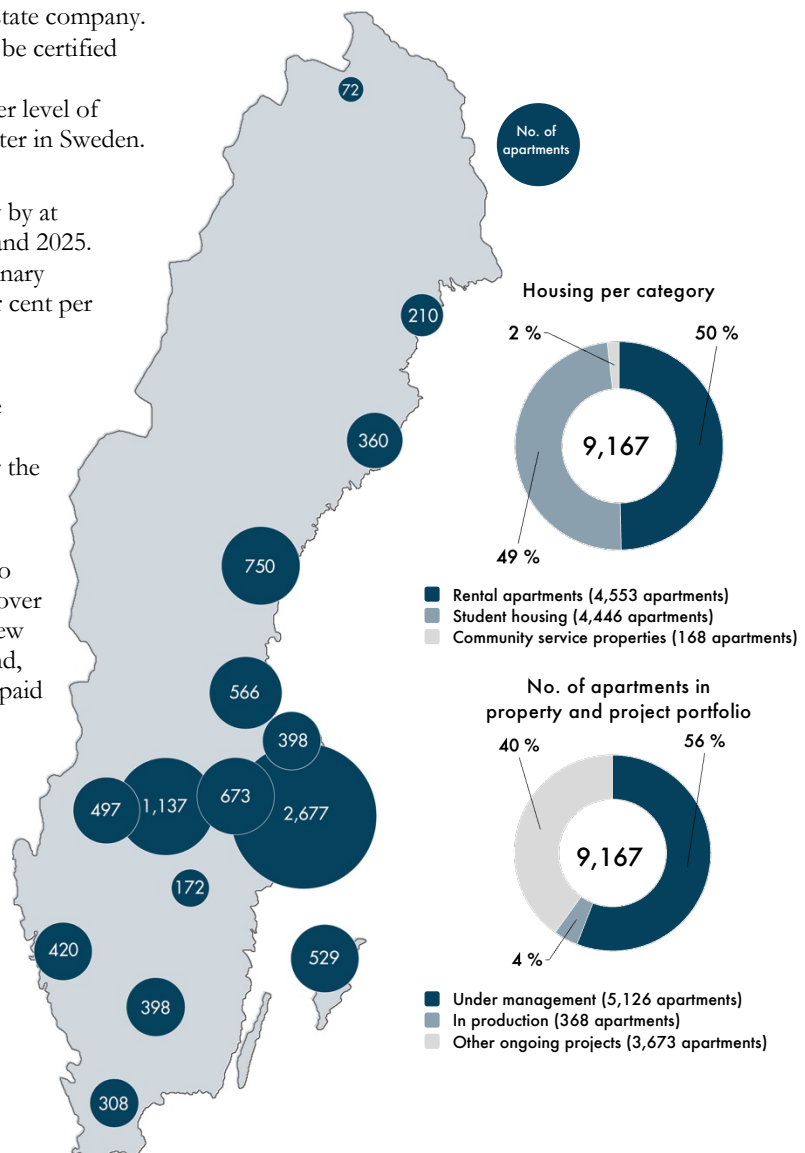
Over the long-term, dividends shall amount to maximum one third of average annual profit over the past three financial years. Over the next few years, K2A will prioritise growth over dividend, which could mean that low or no dividend is paid on ordinary shares. Preference shares shall be allotted in 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 9,167 apartments, including 5,126 managed apartments, with a total property value of SEK 9,011 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. 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. In residential projects developed in-house K2A installs rooftop solar panels with the aim of making the properties self-sufficient in electricity. 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. 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.

Roadmap for a climate-positive K2A in 2027

At the beginning of the third quarter, the K2A Board of Directors approved the *Roadmap for a climate-positive K2A in 2027*. Climate targets have been divided up between different units at the company, and work is now proceeding on analysing data, continuing to anchor the work within the company and optimising operational performance. The company's sustainability policy has been updated with regard to the roadmap, a new procedure with a carbon budget for each new construction project has been introduced and collaboration has been initiated with Myrspöven to further optimise the company's energy use by means of AI.

Second best on the world's stock exchanges according to GRESB

K2A received the top rating of five out of five stars in GRESB, the world's biggest sustainability ranking for property companies. The ranking is updated annually and K2A, with 90 out of 100 points, was rated second among all listed housing companies compared.

GRESB (Global Real Estate Sustainability Benchmark) is a benchmarking tool that measures and evaluates the sustainability performance of property companies from an investor perspective. It is used by more than 170 institutional and financial investors and encompasses around 1,800 property companies and funds from over 70 countries. The evaluation looks at a large number of sustainability aspects linked to areas including the environment, social sustainability, governance and monitoring.

Portfolio 100 percent inventoried for climate risk

During the autumn, a supplementary climate risk inventory was carried out regarding the exposure of K2A's portfolio to the future climate. The inventory was carried out by Sweco and is consistent with Step 1 of the EU Taxonomy. It helps us prioritise sites for further climate adaptation efforts. The work this autumn means that 100 percent of K2A's portfolio has now been inventoried regarding climate risk.

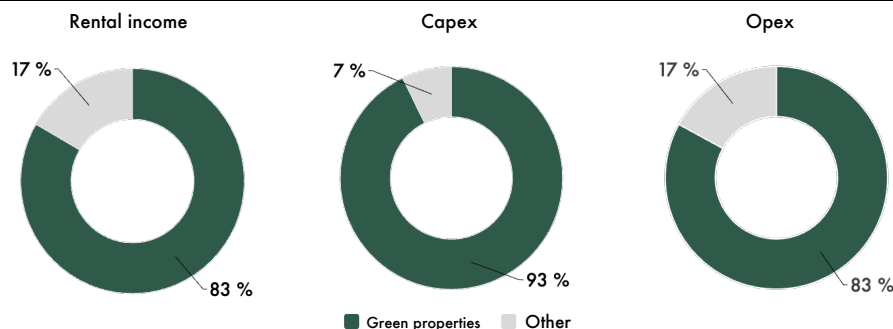
Renewal of Nasdaq Green Equity Designation

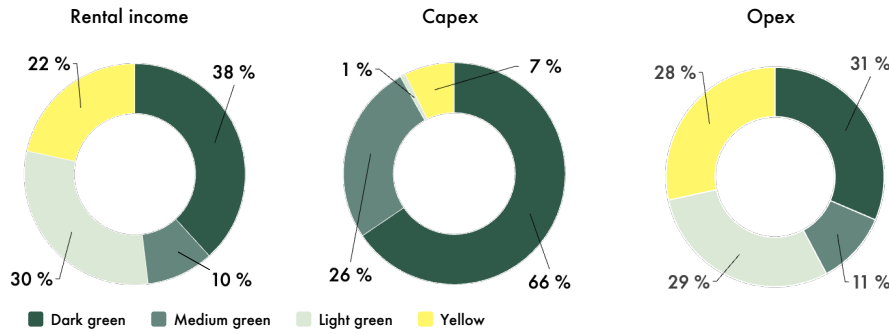
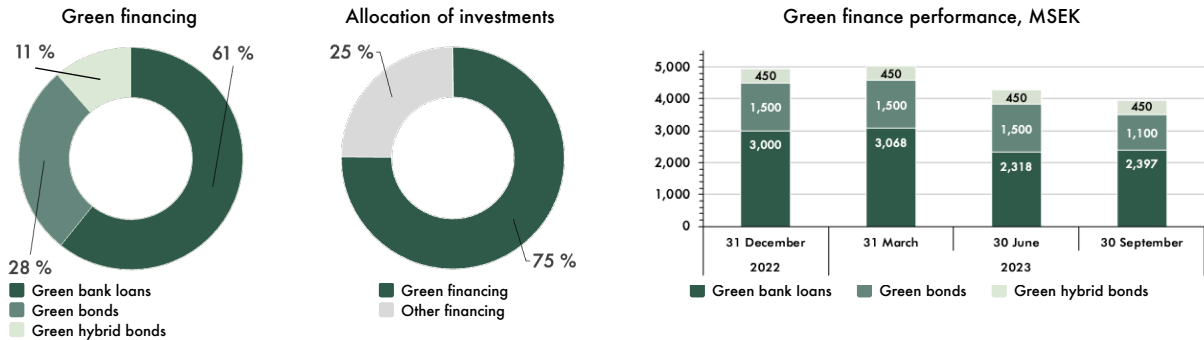
K2A renewed its Nasdaq Green Equity Designation in 2023. Seventy percent of the company's turnover and eighty percent of its investments are classified as green. K2A's environmental management achieves a rating of Excellent – the highest rating – in the overall assessment.

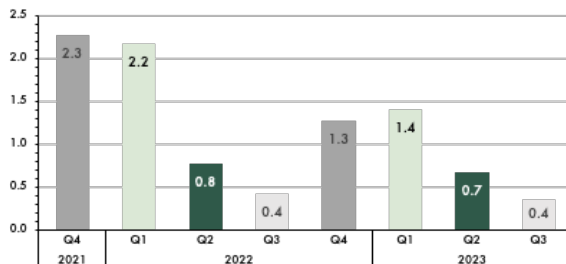
GREEN FINANCING FRAMEWORK FOLLOW-UP

GREEN FINANCING FRAMEWORK FOR SHARES, JAN–JUN 2023

Breakdown according to definition in the green financing framework for shares



Breakdown according to CICERO Shades of Green

GREEN FINANCING FRAMEWORK

ENERGY EFFICIENCY

 CO₂e emissions, kg per sqm (scope 1-3¹)


Year	Quarter	Total CO ₂ e emission		Energy use kWh/sqm ²
		tonne	kg/sqm	
2021	Q4	338.3	2.3	33.3
2022	Q1	465.4	2.2	39.0
	Q2	178.9	0.8	15.6
	Q3	104.2	0.4	10.5
	Q4	320.7	1.3	30.9
2023	Q1	348.4	1.4	31.5
	Q2	187.7	0.7	14.4
	Q3	84.6	0.4	11.3

- 1) 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 operation's other indirect emissions from sources such as business trips. Scope 3 does not include tenants and new production activities on a quarterly basis. For complete results in scope 3, see the latest annual report.
- 2) From Q1 2023, energy statistics are reported with normal year-corrected district heating. Historical energy statistics have been updated according to the same principle.

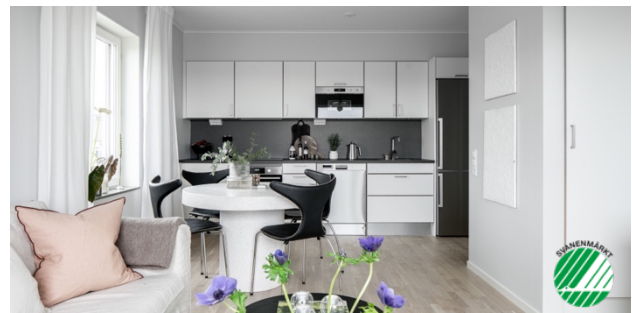
GREEN BUILDINGS

Certification and level, no. of buildings	Certified properties under management			Ongoing	Total
	Certified	Ongoing	Total		
Nordic Swan Eco-label	20	45	65	36	101
Miljöbyggnad nybyggnad					
- Silver	-	2	2	-	2
Miljöbyggnad iDrift					
- Silver	15	34	49	-	49
- Brons	33	7	40	-	40
Passivhouse/other	3	-	3	-	3
Total	71	88	159	36	195

Example of green buildings – Växjö Diskusen

At Diskusen in Växjö, K2A has completed 185 rental apartments that were ready for occupancy September 2023.

The project is produced in Swedish certified wood and will receive the Nordic Swan Eco-label.



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.

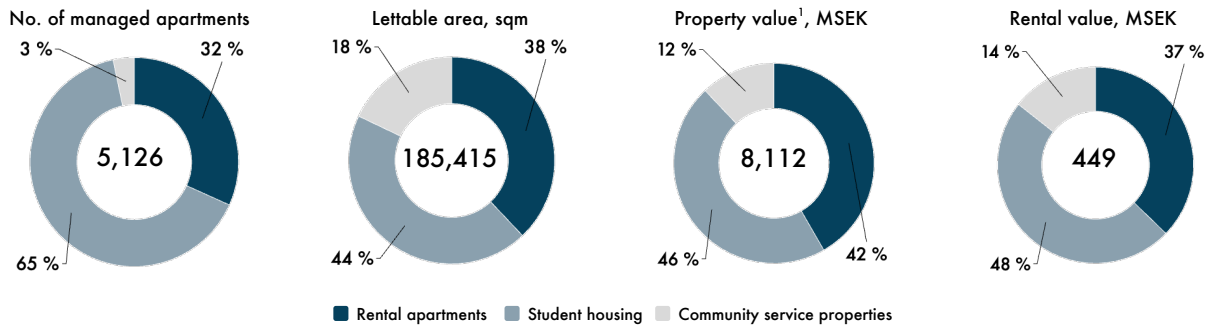
The investment objects comprise a total of 5,126 housing apartments and a lettable area of 185,415 sqm, of which 160,253 relates to housing apartments.

INVESTMENT OBJECTS AT THE BALANCE SHEET DATE

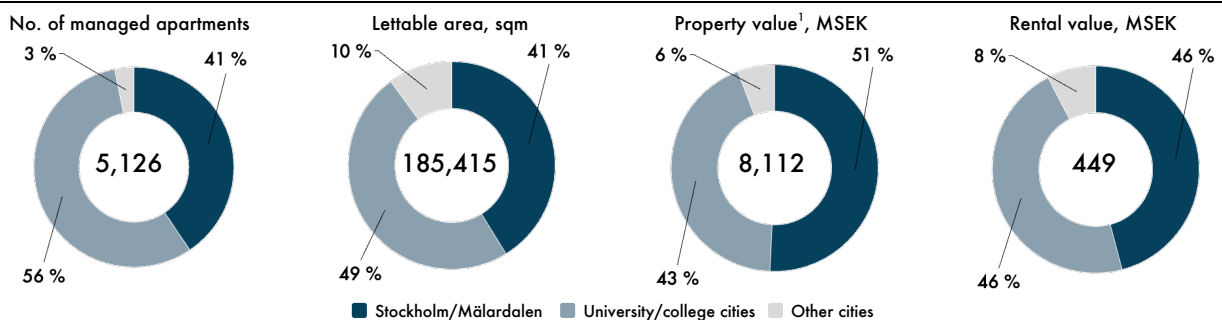
Investment objects per category	No. of apts.	Lettable area, sqm		Property value ¹		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Rental apartments	1,626	67,801	2,518	3,383	48,108	167	2,377	35	498	130	1,846
Student housing	3,332	76,590	5,210	3,752	45,864	217	2,655	50	612	162	1,975
Community service properties	168	15,862	17,434	977	29,352	65	1,939	10	290	55	1,649
Total/average	5,126	160,253	25,162	8,112	43,750	449	2,421	95	511	346	1,868

Investment objects geographic distribution	No. of apts.	Lettable area, sqm		Property value ¹		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Stockholm/Mälardalen	2,078	70,458	5,963	4,114	53,840	206	2,696	38	496	165	2,158
Student cities	2,890	79,356	11,049	3,526	39,001	209	2,307	50	558	154	1,699
Other cities	158	10,439	8,150	472	25,364	34	1,847	6	342	28	1,496
Total/average	5,126	160,253	25,162	8,112	43,750	449	2,421	95	511	346	1,868

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 9,011 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 141.8 million at the balance sheet date.

Information about management objects and ongoing projects in this report is based on assessments and assumptions regarding economic occupancy rate, size, focus and scope of ongoing projects and when in time projects are expected to be started and completed. Data on rental value and property costs are estimates and refer to a full year. Property costs do not include costs for property management. Assumptions about economic occupancy rate refer to long-term vacancy cleared of project vacancy and temporary initial vacancy during the move-in period in connection with completion. Information on property value refers to fair value as of the balance sheet date. The assessments and assumptions involve uncertainty factors and the data should not be seen as a forecast. The information on ongoing projects is reviewed regularly and assessments and assumptions are adjusted as a result of ongoing projects being completed or added and conditions changing. For projects where construction has not started, financing has not been procured, which means that financing ongoing projects is a factor of uncertainty.

PROPERTIES UNDER MANAGEMENT

Property	Municipality	Category	Completed	Total area, sqm	No. of apartments	Rental value MSEK
On 1 January, 2023						
Rental apartments		R		75,393	1,629	172.2
Student housing		S		77,873	3,216	206.4
Community service properties		C		31,501	162	61.4
Future projects		F		2,416	5	5.1
Sum				187,184	5,012	445.0
Added 2023						
Bredsand pre-school	Enköping	C	2023	1,350	-	1.5
LSS Oxelösund 2	Oxelösund	C	2023	445	6	1.7
Sirenen	Lund	R	2023	3,497	98	7.9
Skrinet	Luleå	R	2023	4,600	95	8.7
Galaxen	Västerås	R	2023	6,747	155	14.6
Äppellunden	Umeå	R	2023	3,852	83	7.4
Diskusen	Växjö	R	2023	6,863	185	18.7
Generatorn	Linköping	S, C	2023	3,177	112	9.4
Sum				30,531	734	69.9
Divested 2023						
Havsmannen	Västerås	R	2019	5,076	114	14.2
Hinderbanan etapp 2	Gävle	R	2021	4,440	107	8.9
Brynäs 19:20	Gävle	R	2021	4,847	138	11.0
Ekologen	Växjö	R	2018	5,332	75	9.1
Soluppgången	Växjö	R	2022	4,816	60	9.0
Skärvet 11	Växjö	R	2022	3,664	56	6.4
Biologen	Växjö	R	2022	4,124	70	7.4
Sum				32,299	620	66.1
Total				185,415	5,126	448.9

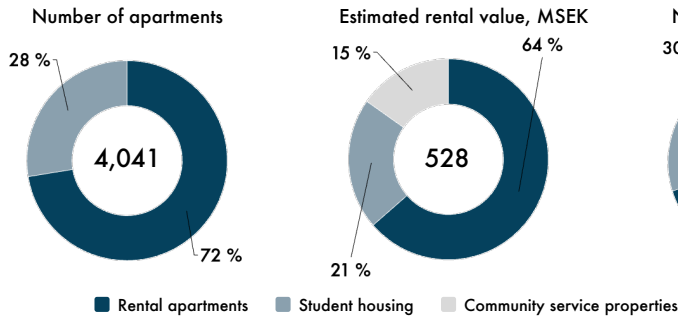
1) C=Community service properties, S=Student housing, R=Rental apartments, F=Future projects



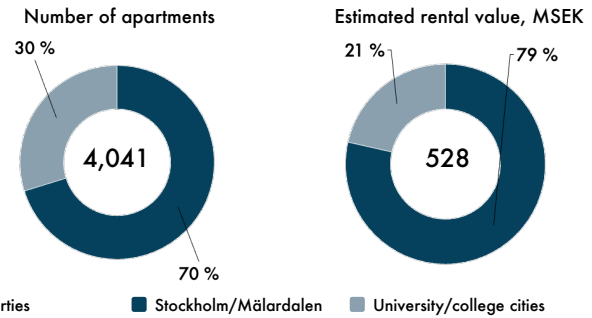
Generatorn (Linköping)

ONGOING PROJECTS PER BALANCE SHEET DAY

ONGOING PROJECTS PER CATEGORY

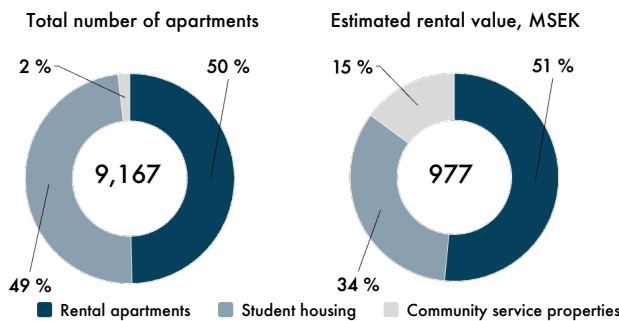


ONGOING PROJECTS, GEOGRAPHICAL DISTRIBUTION

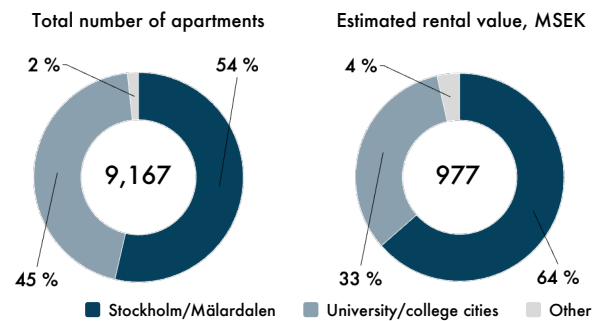


TOTAL PROPERTY AND PROJECT PORTFOLIO PER BALANCE SHEET DAY

Total property and project portfolio per category



Total property and project portfolio, geographic distribution

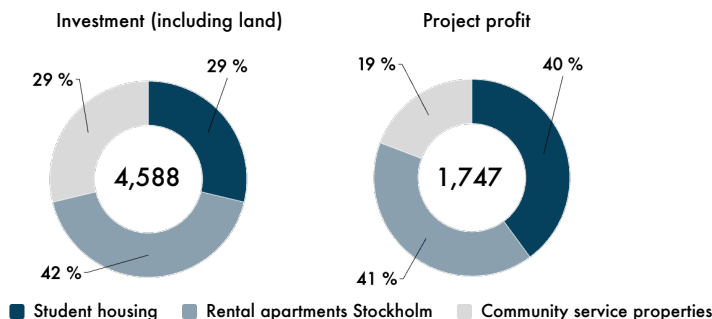


ONGOING PROJECT DEVELOPMENT IN PRIORITISED AREAS

As a result of increased production costs, K2A has identified prioritised areas where the profitability is still judged to be sufficient to justify the start of production. The table below shows ongoing projects in these areas, distributed per category. The projects listed in the table below correspond to the other ongoing projects in the prioritized areas in the table on the next page. The table below deviates with 74 temporarily erected housing units on the property Gotland Visby Korpralen 1.

Per category	No. of apartments	Lettable area, sqm			Rental value		Property value at completion		Investment, MSEK	Profit	
		Residential	Premises	Total	MSEK	SEK/sqm	MSEK	SEK/sqm		MSEK	%
Student housing	1,028	23,661	315	23,976	97	4,046	2,016	84,084	1,319	697	53
Rental apartments, Stockholm	1,022	35,418	1,855	37,273	121	3,245	2,663	71,446	1,949	714	37
Community service properties	-	-	26,480	26,480	80	3,036	1,656	62,537	1,320	336	25
Total/average	2,050	59,079	28,650	87,729	298	3,401	6,335	72,211	4,588	1,747	38

Distribution per category, MSEK



ONGOING PROJECTS

Projects in production	Municipality	Category ¹	Status ²	Construction		Total area, sqm	No. of apartments	Rental value MSEK
				start	Completed			
Spiran	Luleå	R		2, 2021	4, 2023	5,400	115	10.1
Planeten	Västerås	R		2, 2021	1, 2024	2,463	62	5.2
Magasinet	Norrköping	R		1, 2022	1, 2024	10,785	191	19.4
Sum						18,648	368	34.7
Other ongoing projects in prioritised areas								
Perrongen	Stockholm	S	6	2024	2026	6,562	247	
Slakthus preschool	Stockholm	C	6	2024	2026	1,230	-	
Slakthushallen (gym)	Stockholm	C	6	2024	2026	2,130	-	
Åkroken	Sundsvall	S	6	2024	2026	1,892	86	
Trätornet	Stockholm	R	4	2025	2027	4,170	115	
Stinsen	Nynäshamn	R	3	2025	2027	6,414	180	
Havet	Örebro	S	6	2025	2027	1,024	36	
Korpralen	Gotland	S	1	2025	2027	1,672	76	
Sandstugan	Stockholm	R	3	2026	2028	4,149	120	
Kärnhuset	Stockholm	S	4	2026	2028	1,958	89	
Timmerfallet	Stockholm	S	2	2026	2028	4,400	200	
Juliana	Västerås	S	6	2026	2028	990	45	
Visborg	Gotland	S	1	2026	2028	3,850	175	
Skogsliden	Stockholm	R	4	2027	2029	3,425	92	
Verkstan	Stockholm	R	1	2027	2029	2,780	80	
Bätvarvet	Stockholm	R	1	2027	2029	3,400	95	
Imperiet	Stockholm	R	-	2027	2030	7,000	188	
Ateljén	Stockholm	R	2	2028	2030	5,935	152	
Sum						62,981	1,976	
Other ongoing projects								
Baronen	Sundsvall	R	6	2026	2028	7,071	187	
Förseglet	Västerås	R	6	2026	2028	5,420	145	
Brinken, stage 1	Borås	R	4	2026	2028	7,639	201	
Ekersvägen	Örebro	R	3	2026	2028	10,500	240	
Harklövern, stage 2	Karlstad	R	6	2026	2028	3,128	81	
Lugnet	Sundsvall	R	6	2027	2029	2,558	70	
Brinken, stage 2	Borås	R	2	2028	2030	9,894	213	
Sum						46,210	1,137	
Total per balance-sheet day						127,839	3,481	
Co-owned projects, number of apartments and area attributable to K2A								
Flogsta	Uppsala	S	4	2025	2027	7,850	160	
Ångpannan (prioritised project)	Västerås	C	6	2024	2027	23,150	-	
Viby	Upplands-Bro	R	6	2024	2030	23,520	400	
Sum						54,520	560	
Total						182,359	4,041	

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)

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 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 are based on the purchase price.

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

EARNINGS CAPACITY PER BALANCE SHEET DAY

SEK million	Investment objects	Acquired, not accessed investment properties	Ongoing projects in production	Group	Total
Rental value	448.9	-	34.7		483.6
Vacancies	-7.9	-	-0.5		-8.4
Rental income	441.0	-	34.2		475.2
Total property costs, including administration	-124.3	-	-9.6		-133.9
Operating surplus	316.7	-	24.7		341.4
Central administration, property management				-18.5	-18.5
Net interest income/expense					-206.4
Profit from property management					116.5
Remaining investments	55.0	-	553.9		608.9

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	+/- 24.2
Occupancy rate	+/- 1 percentage point	+/- 4.8
Property cost	+/- 10 per cent	-/+ 13.4
Interest expense	+/- 1 percentage point	-/+ 26.6

THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK million	Note	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Oct- 2023 Sep	2022 Jan-Dec
Rental income		105.8	96.3	327.5	269.7	432.5	374.7
<i>Property costs</i>							
Operating costs		-18.4	-19.6	-65.9	-60.5	-93.9	-88.4
Maintenance		-2.8	-2.1	-8.5	-9.8	-13.6	-14.8
Property tax		-0.8	-1.1	-2.5	-2.4	-4.0	-3.9
Depreciation		-0.4	-0.3	-1.1	-0.7	-1.5	-1.1
Property administration		-5.9	-5.9	-21.8	-17.8	-27.4	-23.4
Total property costs		-28.2	-29.0	-99.9	-91.3	-140.3	-131.7
Operating surplus		77.5	67.3	227.7	178.4	292.3	243.0
Central administration, property management		-3.6	-4.4	-12.1	-14.0	-14.4	-16.3
Central administration, project development		-6.8	-10.6	-26.5	-38.4	-30.8	-42.7
Gain/loss from joint ventures		-15.1	-2.8	-31.1	106.2	-65.5	71.8
- whereof operating surplus		-0.1	-0.0	0.2	-0.1	-0.1	-0.4
- whereof value change, investment properties		-15.0	-2.8	-31.3	106.3	-65.4	72.2
Net interest income/expense		-44.3	-32.9	-138.6	-91.4	-175.4	-128.1
Profit/loss from property management		7.7	16.7	19.3	140.8	6.2	127.6
<i>Value changes</i>							
Investment properties, unrealised	2	-158.0	-28.7	-463.5	307.1	-767.1	3.5
Investment properties, realised		-8.4	-1.7	-18.4	-1.9	-18.4	-2.0
Participations in other companies		-	-7.0	-	-7.8	-	-7.8
Derivatives		-12.2	42.0	-7.4	98.8	-13.2	92.9
Profit/loss before tax		-170.9	21.4	-469.9	537.0	-792.6	214.3
Current tax		0.2	-0.1	-0.1	-0.3	-0.1	-0.3
Deferred tax		20.2	-11.2	98.8	-103.3	147.2	-54.9
Net profit/loss for the period/year		-150.6	10.1	-371.2	433.4	-645.4	159.1
<i>Net profit/loss for the period/year attributable to:</i>							
Parent Company shareholders		-150.6	10.3	-370.8	433.6	-645.0	159.5
Non-controlling interests		-	-0.3	-0.3	-0.3	-0.4	-0.4
<i>Earnings per share</i>							
Earnings per ordinary share, before and after dilution, SEK		-1.99	-0.08	-5.00	4.48	-8.40	1.08
Average number of outstanding ordinary shares, before and after dilution		85,865,300	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300

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	2023-09-30	2022-09-30	2022-12-31
ASSETS				
<i>Intangible and tangible assets</i>				
Investment properties	2	9,011.1	10,228.1	10,149.7
Owner-occupied properties		22.5	25.9	25.8
Equipment		15.7	17.7	17.5
Licences		4.3	5.4	5.2
Total intangible and tangible assets		9,053.6	10,277.1	10,198.3
<i>Financial assets</i>				
Participations in joint ventures		320.8	386.4	352.0
Participations in other companies		153.4	153.4	153.4
Other non-current receivables		26.8	114.2	39.6
Derivatives		203.5	148.7	142.9
Total financial assets		704.6	802.7	687.8
Total non-current assets		9,758.2	11,079.8	10,886.1
<i>Current assets</i>				
Inventories		1.6	8.1	2.3
Accounts receivable		2.0	1.4	1.2
Tax assets		3.6	3.9	3.0
Receivables from joint ventures		51.3	4.9	10.7
Other receivables		119.1	95.3	120.1
Prepaid expenses and accrued income		41.4	21.9	20.4
Cash and cash equivalents		223.5	378.8	298.0
Total current assets		442.5	514.4	455.6
Total assets		10,200.7	11,594.2	11,341.7
EQUITY AND LIABILITIES				
<i>Equity</i>				
Share capital		547.9	547.9	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		594.6	1,328.7	1,045.9
Equity attributable to Parent Company shareholders		2,534.6	3,268.7	2,985.8
Equity attributable to non-controlling interests		-	0.4	0.3
Total equity		2,534.6	3,269.1	2,986.1
<i>Non-current liabilities</i>				
Deferred tax liabilities		441.4	588.6	540.2
Non-current lease liabilities		194.4	163.7	189.1
Non-current interest-bearing liabilities		4,161.6	6,088.6	5,109.6
Total non-current liabilities		4,797.4	6,840.9	5,838.9
<i>Current liabilities</i>				
Current interest-bearing liabilities		2,489.6	1,196.2	2,233.7
Current lease liabilities		33.3	16.9	20.5
Accounts payable		46.9	65.7	76.3
Tax liabilities		5.3	6.1	7.3
Other liabilities		152.5	58.0	39.9
Accrued expenses and deferred income		141.1	141.1	138.9
Total current liabilities		2,868.7	1,484.1	2,516.6
Total liabilities		7,666.1	8,325.0	8,355.6
Total equity and liabilities		10,200.7	11,594.2	11,341.7

THE GROUP'S STATEMENT OF CHANGES IN EQUITY

SEK million	Attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Other contributed capital	Hybrid bond	Retained earnings		
Opening equity, 1 Jan 2022	547.9	942.0	450.0	965.6	0.7	2,906.2
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
Total transactions with shareholders	-	-	-	-70.5	-	-70.5
Closing equity, 30 Sep 2022	547.9	942.0	450.0	1,328.7	0.4	3,269.1
Opening equity, 1 Jan 2023	547.9	942.0	450.0	1,045.9	0.3	2,986.1
Profit/loss for the period				-370.8	-0.3	-371.2
Payment, hybrid bond	-	-	-	-31.4	-	-31.4
Resolved dividend, ordinary shares	-	-	-	-12.9	-	-12.9
Resolved dividend, preference shares	-	-	-	-36.1	-	-36.1
Total transactions with shareholders	-	-	-	-80.4	-	-80.4
Closing equity, 30 Sep 2023	547.9	942.0	450.0	594.6	0.0	2,534.6

THE GROUP'S CASH FLOW STATEMENT

SEK million	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Oct- 2023 Sep	2022 Jan-Dec
<i>Operating activities</i>						
Profit/loss from property management	7.7	16.7	19.3	140.8	6.1	127.6
Adjustments for non-cash items	26.2	7.4	76.6	-91.1	124.8	-42.8
Tax paid	-	-	-0.5	-	-1.1	-0.6
Change in inventories	0.1	7.9	0.7	7.7	6.5	13.5
Change in operating receivables	72.3	31.9	-43.5	16.1	2.1	61.7
Change in operating liabilities	71.7	-41.7	44.9	-58.7	6.2	-97.4
Cash flow from operating activities	178.0	22.2	97.3	14.7	144.6	62.0
<i>Investing activities</i>						
Investments in investment properties	-81.6	-196.3	-234.0	-776.5	-347.0	-889.5
Acquisition of investment properties	0.3	-126.3	-304.5	-642.0	-350.5	-687.9
Deposits, investment properties	-	-0.1	-	-0.1	0.1	-
Divested investment properties	-13.3	1.0	1,262.1	86.9	1,262.1	86.8
Investments in licences	-	-0.0	-0.1	-0.2	-0.3	-0.4
Investments in equipment	-0.1	-0.4	-0.5	-2.8	-0.5	-2.8
Divestments of equipment	-	-	0.1	0.3	0.2	0.4
Lending to joint ventures	-19.2	-	-37.0	-	-39.6	-2.6
Participations in other companies	-	-6.0	-	-60.2	-0.0	-60.2
Cash flow from investing activities	-113.9	-328.0	686.2	-1,394.4	524.5	-1,556.1
<i>Financing activities</i>						
Loans raised	40.2	103.9	631.4	1,612.5	706.4	1,687.6
Repayment of loans	-417.6	1.0	-1,333.7	-139.0	-1,353.6	-159.0
Repayment of lease liability	-7.7	-4.0	-18.3	-9.6	-22.5	-13.8
Transaction derivatives	-0.0	-	-68.0	-24.3	-68.0	-24.3
Payment, hybrid bond	-10.7	-6.9	-29.5	-20.3	-37.8	-28.6
Dividend, ordinary shares	-	-	-12.9	-12.9	-12.9	-12.9
Dividend, preference shares	-9.0	-9.0	-27.1	-27.1	-36.1	-36.1
Cash flow from financing activities	-404.9	84.9	-858.0	1,379.4	-824.4	1,412.9
Cash flow for the period	-340.8	-220.9	-74.5	-0.3	-155.4	-81.2
Cash and cash equivalents at the beginning of the period/year	564.3	599.7	298.0	379.2	378.8	379.2
Cash and cash equivalents at the end of the period/year	223.5	378.8	223.5	378.8	223.5	298.0

SEGMENT REPORTING

SEK million	INVESTMENT PROPERTIES		ONGOING PROJECTS		UNDISTRIBUTED ITEMS		GROUP	
	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep
INCOME STATEMENT								
Rental income	325.9	268.1	1.6	1.6	0.0	-0.0	327.5	269.7
Property costs	-98.1	-88.5	-1.7	-2.1	-0.0	-0.7	-99.9	-91.3
Operating surplus	227.8	179.7	-0.2	-0.5	0.0	-0.8	227.7	178.4
Central administration	-12.1	-14.0	-26.5	-38.4	-	-	-38.6	-52.5
Gain/loss from joint ventures	-	-	-	-	-31.1	106.2	-31.1	106.2
- whereof operating surplus	-	-	-	-	0.2	-0.1	0.2	-0.1
- whereof value change, investment properties	-	-	-	-	-31.3	106.3	-31.3	106.3
Net interest income/expense	-97.2	-57.4	-0.4	1.5	-41.1	-35.5	-138.6	-91.4
Profit/loss from property management	118.5	108.2	-27.0	-37.4	-72.2	70.0	19.3	140.8
<i>Value changes</i>								
Investment properties, unrealised	-221.7	3.5	-241.8	303.6	0.0	-	-463.5	307.1
Investment properties, realised	-18.8	-0.2	0.4	-1.7	0.0	-	-18.4	-1.9
Participations in other companies	-	-	-	-	-	-7.8	-	-7.8
Derivatives	-	-	-	-	-7.4	98.8	-7.4	98.8
Profit/loss before tax	-121.9	111.5	-268.4	264.5	-79.5	161.0	-469.9	537.0
Current tax	-	-	-	-	-	-	-0.1	-0.3
Deferred tax	-	-	-	-	-	-	98.8	-103.3
Profit/loss for the period	-	-	-	-	-	-	-371.2	433.4
BALANCE SHEET								
Non-current assets	8,253.6	8,397.1	1,139.3	2,371.4	365.2	311.3	9,758.2	11,079.8
Current assets	157.9	79.7	93.4	52.8	191.2	381.9	442.5	514.4
Total assets	8,411.5	8,476.8	1,232.7	2,424.2	556.4	693.2	10,200.7	11,594.2
Non-current liabilities	3,704.2	4,479.2	506.0	1,351.6	587.2	1,010.2	4,797.4	6,840.9
Current liabilities	2,091.0	1,154.9	226.2	160.2	551.5	169.0	2,868.7	1,484.1
Total liabilities	5,795.1	5,634.0	732.2	1,511.7	1,138.8	1,179.3	7,666.1	8,325.0
Total equity	-	-	-	-	-	-	2,534.6	3,269.1
Total equity and liabilities	-	-	-	-	-	-	10,200.7	11,594.2

THE GROUP'S KEY FIGURES

	2023	2022	2023	2022	2022 Oct-	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2023 Sep	Jan-Dec
Property-related key figures						
Number of managed apartments	5,126	4,885	5,126	4,885	5,126	5,012
Number of apartments under production	368	1,448	368	1,448	368	1,348
Number of apartments in projects	3,673	3,539	3,673	3,539	3,673	3,517
Total number of apartments	9,167	9,872	9,167	9,872	9,167	9,877
Lettable area housing properties, tsqm	152.1	144.2	152.1	144.2	152.1	155.7
Lettable area community service properties, tsqm	33.3	38.6	33.3	38.6	33.3	31.5
Total lettable area, tsqm	185.4	182.8	185.4	182.8	185.4	187.2
Economic occupancy rate, per cent	97.2	98.4	97.4	97.5	97.7	97.9
Surplus ratio, per cent	73.3	69.9	69.5	66.2	67.6	64.8
<i>Cash flows from investment activities, SEK million</i>						
Investments in new construction, extension and refurbishment	-81.6	-196.3	-234.0	-776.5	-347.0	-889.5
Acquisitions	0.3	-126.3	-304.5	-642.0	-350.4	-687.9
Divestments	-13.3	1.0	1,262.1	86.9	1,262.1	86.8
Financial key figures						
Return on equity, per cent	-	-	-	-	-25.5	5.3
Equity/assets ratio, per cent	24.8	28.2	24.8	28.2	24.8	26.3
Loan-to-value ratio, per cent	65.2	62.8	65.2	62.8	65.2	64.7
Net loan-to-value ratio, per cent	64.4	61.6	64.4	61.6	64.4	63.8
Average interest rate, per cent	3.2	2.9	3.2	2.9	3.2	3.1
Interest-coverage ratio, 12 months, times	-	-	-	-	1.6	1.8
Fixed-rate period, number of months	21	25	21	25	21	23
Average loan maturity, number of months	20	25	20	25	20	23
Share-related key figures						
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	85,865,300	85,865,300	85,865,300
Profit from property management per ordinary share, SEK	-0.15	0.00	-0.46	1.07	-0.82	0.71
Earnings per ordinary share, SEK	-1.99	-0.08	-5.00	4.48	-8.40	1.08
Adjusted earnings per ordinary share, SEK	-1.99	-0.08	-5.00	4.48	-8.40	1.08
Equity, SEK million	2,534.6	3,269.1	2,534.6	3,269.1	2,534.6	2,986.1
Equity attributable to ordinary shareholders, SEK million	1,565.7	2,299.8	1,565.7	2,299.8	1,565.7	2,016.9
Equity per ordinary share, SEK	18.23	26.78	18.23	26.78	18.23	23.49
EPRA NRV, SEK million	2,772.5	3,709.1	2,772.5	3,709.1	2,772.5	3,383.5
EPRA NRV attributable to ordinary shareholders, SEK million	1,803.6	2,739.7	1,803.6	2,739.7	1,803.6	2,414.3
EPRA NRV per ordinary share, SEK	21.01	31.91	21.01	31.91	21.01	28.12
Growth in EPRA NRV per ordinary share (12 months), %	-	-	-	-	-34.2	0.7

PARENT COMPANY'S COMPREHENSIVE INCOME IN SUMMARY

SEK million	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Oct- 2023 Sep	2022 Jan-Dec
Operating income	14.8	12.4	48.8	37.5	69.1	57.8
Operating expenses	-24.1	-24.5	-79.7	-81.7	-103.8	-105.8
Operating profit/loss	-9.2	-12.0	-30.9	-44.2	-34.7	-48.0
Profit/loss from financial items	-12.5	23.9	-24.8	50.7	-49.1	26.5
Profit/loss after financial items	-21.7	11.8	-55.7	6.5	-83.7	-21.5
Appropriations	-	-	-	-	26.1	26.1
Profit/loss before tax	-21.7	11.8	-55.7	6.5	-57.6	4.6
Tax	0.9	-8.7	-3.3	-20.3	1.4	-15.6
Net profit/loss for the period/year	-20.8	3.2	-59.0	-13.8	-56.3	-11.1

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	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Intangible assets	4.3	5.4	5.2
Tangible assets	2.6	2.8	2.6
Financial assets	2,380.4	3,003.2	2,319.8
Non-current assets	2,387.3	3,011.4	2,327.7
Current assets	1,883.7	1,421.1	1,929.8
Total assets	4,271.0	4,432.5	4,257.5
EQUITY AND LIABILITIES			
Restricted equity	547.9	547.9	547.9
Non-restricted equity	806.1	951.5	945.5
Total equity	1,354.1	1,499.4	1,493.5
Non-current liabilities	722.5	1,511.7	1,113.3
Current liabilities	2,194.4	1,421.4	1,650.8
Total liabilities	2,916.9	2,933.1	2,764.0
Total equity and liabilities	4,271.0	4,432.5	4,257.5

PERFORMANCE ANALYSIS

The profit and cash flow items below refer to the period January to September 2023. The comparative items refer to the corresponding period of the previous year. The amounts of the balance sheet items and comparison figures refer to the position at the end of the period this year and the previous year.

Rental income and occupancy rate

During the period, rental income increased to SEK 327.5 million (269.7). The increase represented growth of 21.4 per cent in rental income. During the period, the economic occupancy rate was 97.4 per cent (97.5).

The increase in rental income is primarily attributable to rent hikes and larger property portfolio compared to the same period in 2022. For like-for-like portfolios, rental income increased by 7.2 per cent, of which income from re-invoiced costs contributed with 0.4 percentage points. During the second quarter the property portfolio was reduced due to the sale of eight properties.

At 30 September 2023, the lettable area in K2A's property portfolio was 185.4 thousand sqm, compared with 182.8 thousand sqm at 30 September 2022, representing an increase of 1.5 per cent. At 30 September 2023, the total rental value of investment properties was SEK 448.9 million (409.5) on an annual basis, representing growth of 9.6 per cent.

Rental income

SEK million	2023	2022	Change, %
	Jan-Sep	Jan-Sep	
Student housing	155.6	117.0	33.0
Rental apartments	123.3	109.6	12.6
Community service properties	48.6	43.1	12.8
Total income	327.5	269.7	21.4

Property costs

During the period, total property costs increased to SEK 99.9 million (91.3), up 9.4 per cent. The increase is attributable to a larger property portfolio and is explained below.

Property costs, Jan-Sep 2023

SEK million	Student housing	Rental apts.	Community service	Total
			properties	
Operating costs	-34.3	-24.8	-6.9	-65.9
Maintenance	-3.8	-2.9	-1.8	-8.5
Property tax	-1.6	-0.9	-0.0	-2.5
Depreciation/amortisation	-	-1.1	-	-1.1
Direct property costs	-39.6	-29.7	-8.7	-78.1
Property administration				-21.8
Total property costs				-99.9

Property costs, Jan-Sep 2022

SEK million	Student housing	Rental apts.	Community service	Total
			properties	
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
Direct property costs	-37.2	-27.4	-8.8	-73.4
Property administration				-17.8
Total property costs				-91.3

Operating and maintenance costs, including property tax, amounted to SEK -76.9 million (-72.7), representing an increase of 5.8 per cent. The increase can mainly be explained by K2A managing a larger property portfolio compared to the corresponding period in 2022. In the comparative period, operating costs were charged with SEK -1.9 million for restoration of the Gävle Kungsbäck 2:21 property. Electricity subsidies had a positive impact of SEK 3.4 million on net operating income in the second quarter. Operating costs in like-for-like portfolios increased by 0.4 per cent.

Property administration costs amounted to SEK -21.8 million (-17.8). The increase was due to the fact that K2A strengthened the organisation.

Net operating income and surplus ratio

During the period, the net operating income was SEK 227.7 million (178.4) up 27.6 per cent. The surplus ratio for the past 12 months was 67.6 per cent (65.3).

Central administration

Central administration costs amounted to SEK -38.6 million (-52.5), which corresponded to a reduction in costs of -26.4 per cent. During the period, joint ventures were invoiced a total of SEK 6.0 million for project management services, which has been reported as a cost reduction by central administration. K2A assesses that the corresponding invoicing will take place quarterly during 2023. The central costs are allocated between K2A's two business areas – property management and project development – and costs during the period amounted to SEK -12.1 million (-14.0) and SEK -26.5 million (-38.4), respectively.

Profit from joint ventures

The share of profit during the period was SEK -31.1 million (106.2). The year-on-year change was largely due to value changes attributable to joint projects, which amounted to SEK -31.3 million (106.3).

Net interest income/expense

Net interest expense amounted to SEK -138.6 million (-91.4). The year-on-year higher interest rates led to higher interest expense.

The average interest rate on the balance sheet date was 3.2 per cent (2.9). The interest-coverage ratio for the past 12 months was 1.6 (1.8).

Value changes

During the period, unrealised changes in the value of investment properties amounted to SEK -463.5 million (307.1).

Value change, investment properties

SEK million	2023	2022
	Jan-Sep	Jan-Sep
Investment objects	-221.7	3.5
Ongoing projects	-241.8	303.6
Total value change	-463.5	307.1
Total as a percentage of opening balance	-4.6	3.2

K2A has interest rate swaps for loans with a total nominal value of SEK 3,575.0 million (2,075.0). During the period, unrealised changes in the value of derivatives amounted to SEK -7.4 million (98.8).

Taxes

Current tax for the period amounted to SEK -0.1 million (-0.3), which relates to estimated tax expense in newly acquired companies. Deferred tax amounted to SEK 98.8 million (-103.3) 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 2023, the group's accumulation of tax loss carryforwards amounted to SEK 387.3 million (334.0). Deferred tax is recognised on a net basis on the consolidated balance sheet.

Deferred tax liabilities recognised on balance sheet

SEK million	2023-09-30	2022-09-30
Properties	492.2	627.6
Tax loss carryforwards	-80.4	-68.5
Untaxed reserves	0.7	2.0
Derivatives	28.5	25.6
Other items	0.4	2.0
Total	441.4	588.6

General information

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

Organisation and employees

At period-end, K2A had a total of 54 employees (130). 48 people (48), of whom 19 (20) 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 6 people (82) refer to employees in the K2A Tråhus subsidiary.

Significant related party transactions during the period

During the period, the Group (Parent Company) purchased project management services from Samhed Fastighets AB, Ljungskär AB, Ludwig Holmgren Capital AB and C Interior Design AB for a total amount of SEK 4.3 million (8.6). 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 3.3 million (2.1), of which SEK 1.1 million (1.6) was invoiced to the Parent Company. Sten Gejrot is chairman of K2A's Board and a partner of Advokatfirman Lindahl.

Roundings

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



Hinderbanan (Gävle)

FINANCING

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 2023, the value of K2A's assets were SEK 10,200.7 million (11,594.2), of which investment properties accounted for SEK 9,011.1 million (10,228.1). Cash and cash equivalents amounted to SEK 223.5 million (378.8). Equity amounted to SEK 2,534.6 million (3,269.1).

Interest bearing liabilities

On 30 September 2023, K2A had interest bearing liabilities (excluding lease liabilities) of SEK 6,651.2 million (7,284.8). The group's net loan-to-value ratio was 64.4 per cent (61.6).

At period end, the average interest rate was 3.2 per cent (2.9). The realisable fair value of liabilities does not deviate materially from their carrying amounts.

On the balance sheet date, the average interest period was 21 months (25) and the average loan maturity was 20 months (25). K2A has derivative contracts totalling SEK 3,575.0 million (2,075.0).

At period end, loan repayments over the next 12 months amounted to SEK 70.3 million (77.1). Accrued transaction costs of SEK 8.7 million (17.9) reduced interest bearing liabilities on the balance sheet.

Interest rate structure	MSEK	%
Fixed interest rate	2,103	31.6
Interest-secured loans	3,575	53.7
Variable interest rate	982	14.7
Total	6,660	100.0

Interest rate swaps contract maturity	Nominal amount, MSEK	Fixed interest (average), %
2025	1,900	0.94
2026	1,200	1.27
2028	475	0.21
Total/average	3,575	0.95

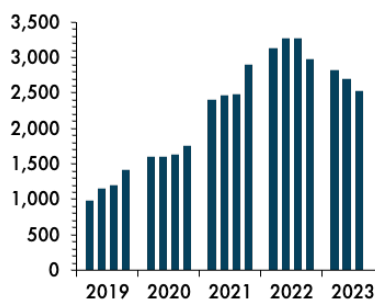
INTEREST AND AVERAGE LOAN MATURITY

Due year	Fixed rate		Loan maturity, MSEK		
	Volume, MSEK	Interest, per cent	Commitment	Drawn	Undrawn
Variable interest rate	982	6.37	-	-	-
2023	223	1.84	722	651	72
2024	475	1.55	2,154	2,113	41
2025	3,009	2.59	2,907	2,907	-
2026	1,496	3.12	741	741	-
2028	475	2.50	348	248	100
Total/average	6,660	3.16	6,873	6,660	213

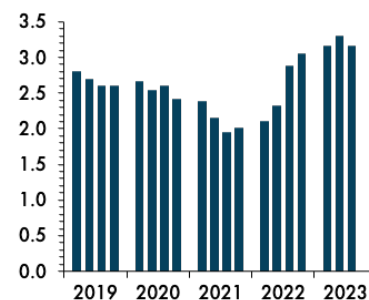
GREEN BONDS AND GREEN HYBRID BONDS

Sr unsecured FRN Green Bonds	First issue date	Maturity date	Time to maturity, yrs	Nom. amount MSEK	Base rate	Base rate margin, %	Current rate, %
MTN 101	2021-06-01	2024-06-01	0.7	400	Stibor 3M	3.25	7.28
MTN 102	2021-10-01	2025-04-01	1.5	400	Stibor 3M	3.00	6.89
MTN 103	2022-03-18	2024-12-18	1.2	300	Stibor 3M	4.40	8.46
Total outstanding bonds				1,100			
Hybrid bonds	2021-01-21	2026-04-21 (First Call Date)		450	Stibor 3M	5.95	9.86
Total outstanding hybrids				450			

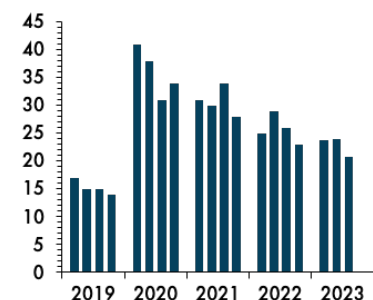
Equity, MSEK



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 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 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 apply 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 by independent property valuers. Sensitivity analysis regarding reported values can be found in the section Opportunities and risks on page 25. For further information on K2A's valuation method, see the annual report for 2022 (Note 15).

Sensitivity analysis - valuation

Key figures, per cent	2023-09-30	2022-09-30
Discount rate, apartments	6.2	5.9
Discount rate, community service properties	7.7	7.0
Yield requirement		
Apartments	4.0	3.6
Community service properties	5.5	4.9
Weighted average	4.2	3.7

The value of the property portfolio has decreased by SEK -1,159.8 million compared to 31 December 2022. The decrease is mainly explained by the sale of eight investment properties in the second quarter totalling SEK 1,265 million.(before transaction costs and deviations in the resignation balance).

During the period, SEK 1,341.5 million (1,463.8) 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 141.8 million (91.6).

Change in property portfolio for Jan-Sep 2023

Fair value, SEK million	Investment objects	On-going projects	Total
Property portfolio at start of period	8,369.0	1,780.7	10,149.7
Acquisition of properties	-	-	-
Asset acquisitions via subsidiaries	-	313.1	313.1
Divestments	-1,260.2	-11.3	-1,271.6
Investments	8.9	257.9	266.8
Acquisition/extension right-of-use assets	34.9	-	34.9
Value changes			
Unrealised	-207.9	-241.8	-449.7
Realised	-18.8	0.4	-18.4
Right-of-use assets	-13.8	-	-13.8
Reclassified	1,341.5	-1,341.5	-
Property portfolio at period-end	8,253.7	757.4	9,011.1

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
Acquisition/extension right-of-use assets	18.6	63.2	81.7
Value changes			
Unrealised	9.9	303.6	313.5
Realised	-0.2	-1.7	-1.9
Right-of-use assets	-6.4	-	-6.4
Reclassified	1,463.8	-1,463.8	-
Property portfolio at period-end	8,397.2	1,831.0	10,228.2

Note 3 Significant events after the end of the period

Land allocation was obtained for 40 rental apartments on Tellusborgsvägen in Midsommarkransen, Stockholm.

Land allocation was obtained for 80 student apartments on Tellusborgsvägen in Midsommarkransen, Stockholm.

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 flow¹

	Change	Effect on cash flow, SEK million
Rental value	+/- 5 per cent	+/- 24
Occupancy rate	+/- 1 percentage points	+/- 5
Property cost	+/- 10 per cent	-/+ 13
Interest expense	+/- 1 percentage point	-/+ 13

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

Rental income and vacancies, increased property costs, project management and risks related to pandemics are the operational risks K2A has identified and describes together with the management of the risks in the company's latest Annual Report.

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

	Community service properties	Apartments
Expected normalised rent year 16, SEK/sqm	2,778	3,439
Current rent, SEK/sqm	1,938	2,504
Remaining duration rental contracts, years	7.0	n/a
Expected long-term vacancy year 16, per cent	3.2	1.6
Current vacancy, per cent	4.5	2.2
Expected normalised operating profit year 16, SEK/sqm	2,283	2,481
Discount rate, per cent	7.7	6.2
Yield requirement for assessment of residual value year 16, per cent	5.6	3.9

Sensitivity analysis value changes, SEK million, effect on real value¹

	Change	Community service properties	Apartments
Expected normalised rent	+/- 5%	+/- 25	+/- 256
Expected long-term vacancies	+/- 3%	-/+ 15	-/+ 153
Expected property costs	+/- 5%	-/+ 4	-/+ 62
Discount rate	+/- 0.25%	-/+ 23/23	-/+ 181/187
Yield requirement for assessment of residual value	+/- 0.25%	-/+ 18/20	-/+ 233/266

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.

The outside world

The ongoing war in Ukraine and the sanctions imposed as a consequence may continue to affect, for example, interest rates, inflation and exchange rates and lead to lower growth and disruptions in the global economy, financial markets and global trade. In addition, the invasion may lead to a continued high level of prices for energy and the materials needed for the company's operations, as well as disruptions and delays in deliveries.

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-shares	B-shares	D-shares	Preference-shares	Total no. of shares	% of total no. of shares	% of total votes
Johan Knaust and companies	2,841,840	15,453,015	6,806,160	93,085	25,194,100	28.7	27.7
Johan Ljungberg and companies	2,412,000	9,289,661	-	13,864	11,715,525	13.4	18.3
Johan Thorell and companies	2,412,000	6,666,496	-	19,499	9,097,995	10.4	16.8
Claes-Henrik Julander and companies	2,176,800	5,194,622	-	17,659	7,389,081	8.4	14.7
SEB Fonder	-	5,048,480	-	-	5,048,480	5.8	2.8
Länsförsäkringar Fastighetsfond	-	3,995,918	-	-	3,995,918	4.6	2.2
Verdipapirfondet Odin Eiendom	-	3,738,190	-	-	3,738,190	4.3	2.0
Enter Sverige	-	3,240,913	-	-	3,240,913	3.7	1.8
Ludwig Holmgren	762,000	1,195,419	-	2,032	1,959,451	2.2	4.8
Humle fonder	-	1,525,671	-	-	1,525,671	1.7	0.8
Swedbank Försäkring	-	1,362,262	-	15,071	1,377,333	1.6	0.8
Swedbank Fonder	-	1,260,000	-	-	1,260,000	1.4	0.7
Avanza Pension	-	944,330	-	173,294	1,117,624	1.3	0.6
Cliens Kapitalförvaltning	-	1,033,261	-	-	1,033,261	1.2	0.6
Diskretionär fond	-	921,593	-	-	921,593	1.1	0.5
Handelsbanken Liv	-	663,071	-	2,390	665,461	0.8	0.4
LK Finans	-	636,999	-	-	636,999	0.7	0.3
Handelsbanken Fonder	-	391,110	-	-	391,110	0.4	0.2
Christian Lindberg	-	375,000	-	-	375,000	0.4	0.2
Nordea Liv	-	343,817	-	12,314	356,131	0.4	0.2
Other	-	5,174,672	-	1,455,592	6,630,264	7.6	3.6
Total	10,604,640	68,454,500	6,806,160	1,804,800	87,670,100	100.0	100.0

SIGNATURES OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO confirm that this 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, 8 November 2023

K2A Knaust & Andersson Fastigheter AB (publ)

Sten Gejrot <i>Chairman</i>	Ludwig Holmgren <i>Member</i>	Claes-Henrik Julander <i>Member</i>
Johan Knaust <i>CEO and Member</i>	Ingrid Lindquist <i>Member</i>	Johan Ljungberg <i>Member</i>
Johan Thorell <i>Member</i>		

This interim report has been subject to a review by the company's auditors.

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 2023 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 8 November 2023

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.

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. The measure is defined in IFRS.

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 bearing liability less leases

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

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

Adjusted 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	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Oct- 2023 Sep	2022 Jan-Dec
Profit from property management per ordinary share						
Profit from property management	7.7	16.7	19.3	140.8	6.2	127.6
Dividend, preference shares	-9.0	-9.0	-27.1	-27.1	-36.1	-36.1
Hybrid bond expenses	-11.2	-8.0	-31.4	-21.5	-40.1	-30.2
Adjusted profit from property management	-12.6	-0.3	-39.2	92.2	-70.1	61.3
Weighted average number of ordinary shares	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300
Profit from property management per ordinary share, SEK	-0.15	-0.00	-0.46	1.07	-0.82	0.71
Earnings per ordinary share (IFRS-measurement)						
Profit after tax	-150.6	10.1	-371.2	433.4	-645.4	159.1
Dividend, preference shares	-9.0	-9.0	-27.1	-27.1	-36.1	-36.1
Hybrid bond expenses	-11.2	-8.0	-31.4	-21.5	-40.1	-30.2
Profit after preferred dividend and hybrid bond expenses	-170.8	-6.9	-429.6	384.8	-721.7	92.8
Weighted average number of ordinary shares	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300	85,865,300
Adjusted earnings per ordinary share, SEK	-1.99	-0.08	-5.00	4.48	-8.40	1.08
Less non-controlling interest, SEK	0.00	0.00	0.00	0.00	0.01	0.00
Earnings per ordinary share, SEK	-1.99	-0.08	-5.00	4.48	-8.40	1.08
Equity per ordinary share						
Equity	2,534.6	3,269.1	2,534.6	3,269.1	2,534.6	2,986.1
Less non-controlling interests	-	-0.4	-	-0.4	-	-0.3
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	1,565.7	2,299.8	1,565.7	2,299.8	1,565.7	2,016.9
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	18.23	26.78	18.23	26.78	18.23	23.49
EPRA NRV per ordinary share						
EPRA NRV	1,803.6	2,739.7	1,803.6	2,739.7	1,803.6	2,414.3
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	21.01	31.91	21.01	31.91	21.01	28.12
Surplus ratio						
Rental income	105.8	96.3	327.5	269.7	432.5	374.7
Operating surplus	77.5	67.3	227.7	178.4	292.3	243.0
Surplus ratio, per cent	73.3	69.9	69.5	66.2	67.6	64.8
Return on equity						
Profit after tax, rolling 12-month period	-645.4	867.0	-645.4	867.0	-645.4	159.1
Closing equity	2,534.6	3,269.1	2,534.6	3,269.1	2,534.6	2,986.1
Return on equity, per cent	-25.5	26.5	-25.5	26.5	-25.5	5.3
Equity/assets ratio						
Equity	2,534.6	3,269.1	2,534.6	3,269.1	2,534.6	2,986.1
Total assets	10,200.7	11,594.2	10,200.7	11,594.2	10,200.7	11,341.7
Equity/assets ratio, per cent	24.8	28.2	24.8	28.2	24.8	26.3

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASUREMENTS, CONT'D

SEK million	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Oct- 2023 Sep	2022 Jan-Dec
Interest-bearing liabilities excluding leases						
Non-current interest-bearing liabilities	4,161.6	6,088.6	4,161.6	6,088.6	4,161.6	5,109.6
Non-current lease liabilities	194.4	163.7	194.4	163.7	194.4	189.1
Current interest-bearing liabilities	2,489.6	1,196.2	2,489.6	1,196.2	2,489.6	2,233.7
Current lease liabilities	33.3	16.9	33.3	16.9	33.3	20.5
Interest-bearing liabilities	6,878.9	7,465.4	6,878.9	7,465.4	6,878.9	7,552.9
Lease liabilities	-227.7	-180.6	-227.7	-180.6	-227.7	-209.6
Interest-bearing liabilities excluding leases	6,651.2	7,284.8	6,651.2	7,284.8	6,651.2	7,343.3
Net debt						
Interest-bearing liabilities excluding leases	6,651.2	7,284.8	6,651.2	7,284.8	6,651.2	7,343.3
Cash and cash equivalents	-223.5	-378.8	-223.5	-378.8	-223.5	-298.0
Net debt	6,427.7	6,906.0	6,427.7	6,906.0	6,427.7	7,045.3
Loan-to-value ratio						
Interest-bearing liabilities excluding leases	6,651.2	7,284.8	6,651.2	7,284.8	6,651.2	7,343.3
Total assets	10,200.7	11,594.2	10,200.7	11,594.2	10,200.7	11,341.7
Loan-to-value ratio, per cent	65.2	62.8	65.2	62.8	65.2	64.7
Net loan-to-value ratio						
Net debt	6,427.7	6,906.0	6,427.7	6,906.0	6,427.7	7,045.3
Total assets less cash and cash equivalents	9,977.2	11,215.3	9,977.2	11,215.3	9,977.2	11,043.7
Net loan-to-value ratio, per cent	64.4	61.6	64.4	61.6	64.4	63.8
Interest-coverage ratio, 12 months						
Operating surplus	-	-	-	-	292.3	243.0
Administrative expenses, property management	-	-	-	-	-14.4	-16.3
Net interest income/expense	-	-	-	-	-175.4	-128.1
Interest-coverage ratio (12 months), times	-	-	-	-	1.6	1.8
EPRA NRV						
Equity	2,534.6	3,269.1	2,534.6	3,269.1	2,534.6	2,986.1
Derivatives	-203.5	-148.7	-203.5	-148.7	-203.5	-142.9
Deferred tax	441.4	588.6	441.4	588.6	441.4	540.2
EPRA NRV	2,772.5	3,709.1	2,772.5	3,709.1	2,772.5	3,383.5
Less non-controlling interests	-	-0.4	-	-0.4	-	-0.3
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	1,803.6	2,739.7	1,803.6	2,739.7	1,803.6	2,414.3
Growth in EPRA NRV per ordinary share, 12 months						
OB EPRA NRV attributable to ordinary shareholders, SEK	-	-	-	-	31.91	27.91
CB EPRA NRV attributable to ordinary shareholders, SEK	-	-	-	-	21.01	28.12
Growth in EPRA NRV per ordinary share, %	-	-	-	-	-34.2	0.7

FINANCIAL CALENDAR

FINANCIAL REPORTS AND COMPANY EVENTS

Year-end Report, 2023	14 February 2024
Annual report	3 April 2024
Q1 Interim Report, January-March 2024	25 April 2024
Annual general meeting	25 April 2024
Q2 Interim Report, January-June 2024	17 July 2024
Q3 Interim Report, January-September 2024	13 November 2024
Year-end Report, 2024	13 February 2025

SUGGESTED DIVIDEND, PREFERRED SHARES

Last trading day, including right to dividend payment	6 December 2023
Record date for dividend payment	8 December 2023
Expected date of payment from Euroclear	13 December 2023
Last trading day, including right to dividend payment	6 March 2024
Record date for dividend payment	8 March 2024
Expected date of payment from Euroclear	13 March 2024

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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 8 November 2023.



K2A Knaust & Andersson Fastigheter AB (publ)

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