

Q2

Interim report January - June 2022

K2A Knaust & Andersson Fastigheter AB (publ)



INTERIM REPORT JANUARY – JUNE 2022

APR-JUN 2022

- Rental income amounted to SEK 87.8 million (61.2)
- Net operating income amounted to SEK 62.0 million (43.3)
- Profit from property management amounted to SEK 79.0 million (7.6)
- Value changes from investment properties amounted to SEK 131.0 million (118.8)
- Net profit for the period amounted to SEK 184.3 million (93.9) and earnings per ordinary share amounted to SEK 1.96 (0.91)

JAN-JUN 2021

- Rental income increased to SEK 173.4 million (122.3)
- Net operating income amounted to SEK 111.1 million (82.6)
- Profit from property management amounted to SEK 124.0 million (19.3)
- Value changes from investment properties amounted to SEK 335.6 million (360.0)
- Net profit for the period amounted to SEK 423.3 million (301.3) and earnings per ordinary share¹ amounted to 4.56 SEK (3.17)
- Total number of apartments under management at the end of the period amounted to 4,602 (3,504)

Number of apartments in property and project portfolio

10,162

Property value

9,934 MSEK

EPRA NRV attributable to ordinary shareholders

2,768 MSEK

KEY FIGURES, SEK MILLION	2022	2021	2022	2021	2021 Jul-	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	2022 Jun	Jan-Dec
Rental income	87.8	61.2	173.4	122.3	323.8	272.7
Operating surplus	62.0	43.3	111.1	82.6	212.3	183.9
Profit from property management	79.0	7.6	124.0	19.3	272.4	167.6
Unrealised value change, investment properties	131.0	118.8	335.6	360.0	717.4	741.9
Profit after tax	184.3	93.9	423.3	301.3	878.5	756.5
Number of managed units	4,602	3,504	4,602	3,504	4,602	3,910
Number of units under production	1,522	1,979	1,522	1,979	1,522	2,025
Number of units in projects	4,038	3,151	4,038	3,151	4,038	3,808
Total number of units	10,162	8,634	10,162	8,634	10,162	9,743
Net loan-to-value ratio, %	60.3	58.2	60.3	58.2	60.3	59.0
Interest coverage ratio, 12 months, times	-	-	-	-	1.8	1.9
Long-term net reinstatement value (EPRA NRV)	3,737.8	2,853.1	3,737.8	2,853.1	3,737.8	3,365.9
EPRA NRV attributable to ordinary shareholders	2,768.3	1,882.7	2,768.3	1,882.7	2,768.3	2,396.4
EPRA NRV per ordinary share, SEK	32.24	21.93	32.24	21.93	32.24	27.91
Growth in EPRA NRV per ordinary share, %	-	-	-	-	47.0	54.6

Number of apartments added to the property and project portfolio (quarter)

236

Change in property value (quarter)

448 MSEK

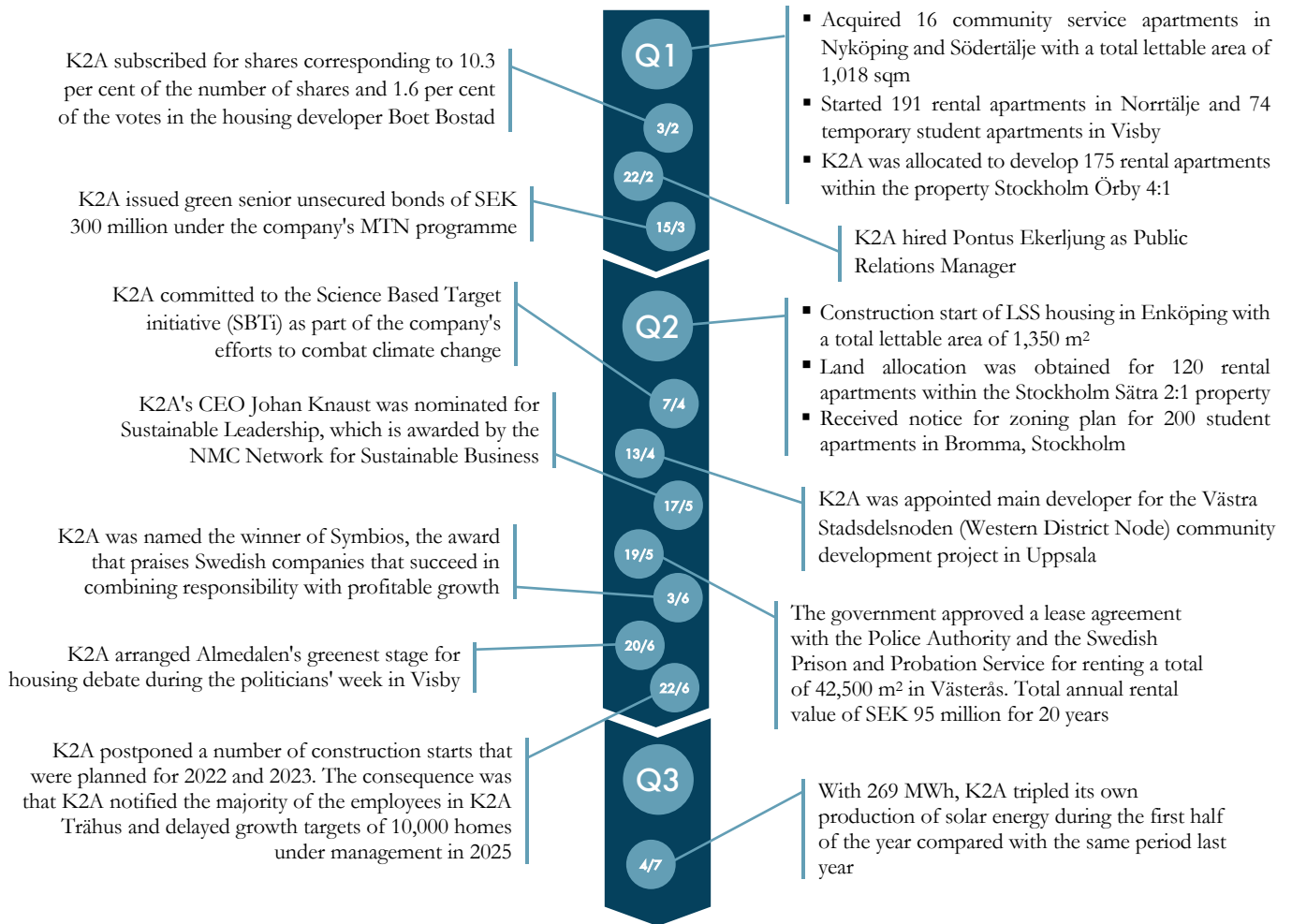
Growth in EPRA NRV attributable to ordinary shareholders (quarter)

130 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



Good position despite challenging operating environment

We find ourselves operating in an unsettled world. After a long period of low interest rates and generally favourable economic situation, the future now looks more uncertain and the stock market has reacted by devaluing many real estate companies, among these K2A.

Even if it is naturally easier to sail with a tailwind, I am proud that our preparations will also allow us to sail into the wind under difficult conditions. K2A is a company that is continuing to perform well. Letting is strong with low vacancy rates and growth in the coming years is assured.

My CEO statement in the previous interim report gave much space to Russia's war with Ukraine. And rightly so. Partly as it is an unspeakable human tragedy with many victims, and partly as it has a substantial impact on the wider world and also specifically on the construction industry.

Over the past quarter, the war has contributed to a market situation that is uncertain and difficult to assess, with price increases combined with uncertainty about the supply of some input goods. For this reason, we resolved in June to postpone most of our projects for which construction was due to start in 2022 and 2023.

We anticipate slower growth, mainly in 2024, as we are scaling back our rate of expansion, but we stand by our financial growth targets – an annual average growth of net operating income and EPRA NRV per ordinary share of 25 per cent and 20 per cent, respectively, between 2019 and 2025 – and I still believe these targets will be achieved. However, our operational growth target of 10,000 managed apartments by 2025 will be delayed.

As a result of the postponed construction starts, we issued redundancy notices in June to employees at our K2A Trähus subsidiary. The redundancies will affect about 80 people at our manufacturing facilities in Gävle and Valdemarsvik. No production will take place at these facilities from the end of 2022 and in all likelihood not in 2023 either.

We naturally deeply regret the need to issue redundancy notices to employees. However, it is essential that the projects we invest in are profitable if we are to grow in the long term. Nor will we put ourselves in a situation that could jeopardise our ability to fulfil our financial obligations.

On 30 June, we had a total of just over 1,500 apartments under construction, which are expected to be completed in 2022 and 2023. The time frame for these projects is unchanged, which ensures 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 that they are forward commitments negotiated at fixed prices.

The construction pause we have decided on does not affect Stockholm and we estimate that construction will start on our project in the Slakthusområdet area as planned in 2023. Stockholm is our most important market and I am pleased to note that we are gradually increasing our presence there. In 2022, we secured three highly attractive land allocations in Stockholm. This means K2A, when the project portfolio is completed, will manage just over 1,200 apartments in the City of Stockholm. When including Stockholm's neighbouring municipalities, this figure rises to 2,500 apartments, corresponding to almost one-fourth of the number of apartments in K2A's total property and project portfolio.

The financial turbulence that followed in the wake of rising interest rates led to increased concern in the property market. K2A's strategy to manage increased financial risk is to ensure good access to liquidity. K2A will focus on liquidity and prioritise financial stability ahead of expansion. K2A strengthened its liquidity with the issue of bonds for SEK 300 million in March 2022 as a proactive measure should the market situation deteriorate, which was the case.

On 30 June 2022, K2A had cash and cash equivalents of SEK 600 million and unutilised credit facilities of approximately SEK 1,200 million. This means K2A has at its disposal the requisite capital to finance the completion of ongoing projects under development. Healthy liquidity combined with K2A's decision to postpone construction starts also mean cash and cash equivalents intended to finance future growth can instead be used to manage any financial risks.

K2A's main source of finance has always been bank loans, which accounted for 79 per cent of total liabilities at the end of the first six months. K2A has a newly produced, green property portfolio in attractive locations. Secure, high-quality assets in the form of rental apartments and community service properties are things banks are happy to finance. K2A is already preparing to increase its share of bank loans if conditions in the bond market do not stabilise in the future. Borrowing costs for bank loans with collateral in rental apartments has not increased to the same extent as borrowing costs in the bond market. This means K2A should be able to reduce its average interest rate by increasing its share of bank loans when terms and conditions in the capital markets have deteriorated.

K2A's interest coverage ratio for the most recent 12-month period was 1.8. K2A believes that the expected rent increases in 2023 will not fully offset rising interest rates, which will probably have a negative impact on the interest coverage ratio. K2A has a number of options to avoid an excessively low interest coverage ratio. In addition to increasing the share of bank loans, we are also strengthening our surplus ratio, securing access to good liquidity and contracting derivatives. On 30 June 2022, K2A had a total of SEK 7,197 million in interest bearing liabilities and we entered into interest rate swaps during the second quarter with a nominal amount totalling SEK 1,000 million to increase the share of interest-rate hedged loans. The share of interest rate hedged loans at the end of the first six months amounted to 64 per cent and given that this excludes building loans the percentage of interest rate hedged liabilities was 72 per cent.

When times are hard, there is always a risk that sustainability work takes second place. This is not the case for K2A. We are the green real estate company, regardless of the economic climate, and our sustainability work continues unabated to future proof our business model and reduce risks in operations.

As we summarise the first half of 2022, we can see that we have tripled in-house production of solar energy compared with the same period in 2021. This means we produce electricity for 600 apartments. This is incredibly positive as we become less dependent on electricity price trends and move closer to our ambitious climate target: That our entire value chain is to be climate positive by 2027.

Finally, I would also like to highlight an important milestone for K2A that we reached during the second quarter. For the first time in our history, we were appointed main developer, which means we work with the municipal organisation during initiation, planning and implementation of an entire community development project. This concerns the Västra Stadsdelsnoden (Western District Node) in Uppsala, an area where the zoning plan is estimated to enable the development of 1,900 apartments, of which at least 30 per cent will be rental apartments.

To be part of creating a green city district from scratch is a tremendous opportunity for us to break new ground as a company and contribute towards sustainable development. We have also been offered the opportunity to construct about 200 apartments, and hope there will be even more in subsequent phases.

Taking all this into account, I look forward to the future with confidence. There is no doubt that the real estate sector is facing challenges in the period ahead when plans and targets must be re-assessed. K2A is a growth company, but our time horizon is measured in decades – not quarters – and there can be no doubt that the future of the real estate sector will be green.

Joban 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

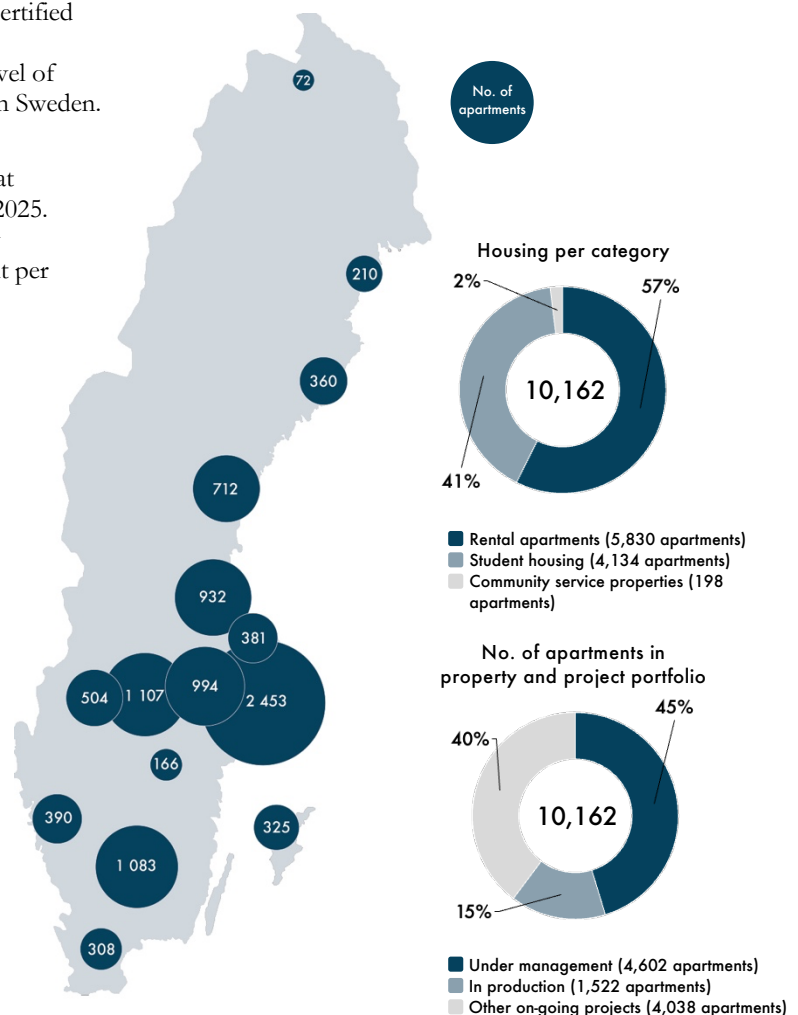
Over the long-term, dividends shall amount to maximum one third of average annual profit over the past three financial years. Over the next few years, K2A will prioritise growth over dividend, which could mean that low or no dividend is paid on ordinary shares. Preference shares shall be allotted in 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 10,162 apartments, including 4,602 managed apartments, with a total property value of SEK 9,934 million at the balance sheet date.



SUSTAINABILITY

K2A receives award for responsible business

As confirmation of K2A’s successful sustainability work, it was announced in early June that K2A was one of the winners of Symbiosis – an award for Swedish companies that successfully combine responsible and profitable growth. The award is presented by the company Cupole and is given to three Swedish companies that combine profitability with consideration for people and the planet and thereby demonstrate that business benefit and responsibility can effectively coexist. The jury’s motivation of its choice of K2A reads “Like a window into the future, K2A shows how a responsible profile can build both housing and growth in an ever-current industry”. In May, NMC The Swedish Association for Sustainable Business also presented the nominees for the *Sustainable Leadership* award. One of the three nominees was K2A’s CEO Johan Knaust. The winner will be announced in October.

Value chain with low environmental impact

With a focus on a sustainable planet, rational production and climate friendly housing, K2A has chosen to develop apartments in locally produced and certified Swedish timber as the main building material for its own production. K2A builds for long term ownership and therefore prioritises high quality equipment and materials that have a long life and are possible to recycle or reuse. The buildings are certified according to the Nordic Swan Ecolabel, providing tenants with high quality apartments, with an environmentally and health conscious choice of materials. In accordance with K2A’s sustainability strategy, the apartments are developed and built with optimised environmental and energy performance, conditions for sustainable lifestyles, and maintained or increased biodiversity. The company works proactively and climate proofs new developments and conversions for future emission scenarios, and ensures that the existing property portfolio is equipped for future climate-change challenges. In the housing projects developed under own management, rooftop solar panel systems are installed with the goal of making the properties self sufficient in electricity. K2A has electric car carpools in several locations

according to its own BoBil concept, which are exclusively for the company’s tenants. Features such as electronic notice boards in entrances with bus and train timetables promote climate friendly travel and coolers for grocery deliveries have been installed in a number of buildings to simplify everyday life for tenants.

Focus on re-use – surplus building materials became terrace furniture

K2A has the real estate sector’s most ambitious climate target, entailing that K2A’s entire value chain will be climate positive by 2027, a full 23 years before countries worldwide have achieved climate neutrality. As part of the strategy to reach the climate target, we work actively with resource efficiency when circular concepts such as re-use and recycling building materials are important components. In Barkarbystaden in Järfälla, just north of Stockholm, K2A has completed approximately 200 student apartments and here we can find examples of how waste can be circulated and become a resource. The architects were tasked with designing outdoor furniture to the building’s shared roof terrace using surplus material from construction. The initiative resulted in a pergola, planting boxes, deckchairs and tables with benches. This is a clear example of how resource efficiency means that economic and environmental sustainability can go hand in hand while the final result creates conditions for enhanced enjoyment for the company’s customers.

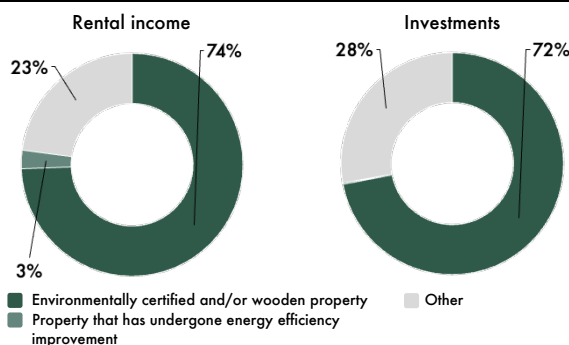
Launch of K2A’s BoBike electric cargobike pool

As part of work to reduce greenhouse gas emissions throughout K2A’s value chain and while creating conditions for sustainable daily lives for customers, K2A expanded the availability of sustainable mobility through the launch of its own BoBike electric cargobike pool during the second quarter. Initially, one electric cargobike is being tested at the Godisfabriken project in Gävle. Residents can rent the cargobike with the same app as used for the existing electric car pool.

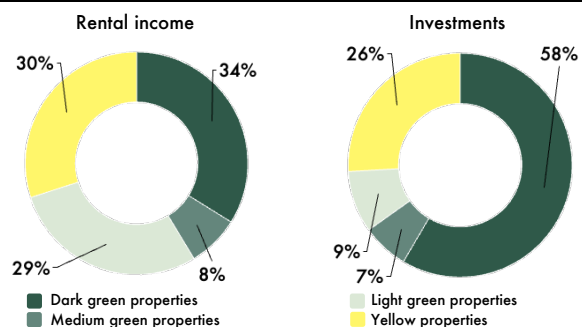
GREEN FINANCING FRAMEWORK FOLLOW-UP

GREEN FINANCING FRAMEWORK FOR SHARES

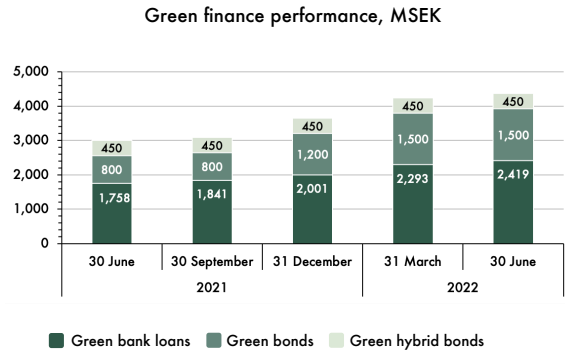
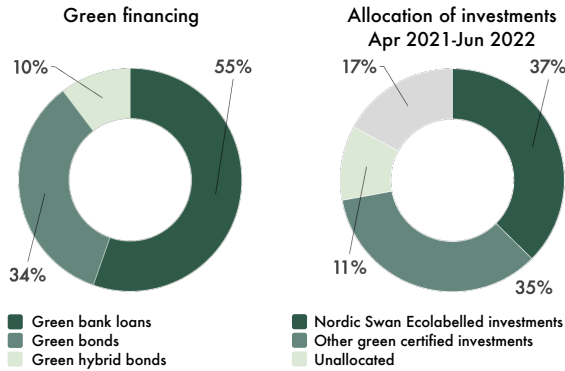
Breakdown according to definition in the green financing framework for shares, Apr 2021-Jun 2022



Breakdown according to CICERO shades of green, Apr 2021-Jun 2022

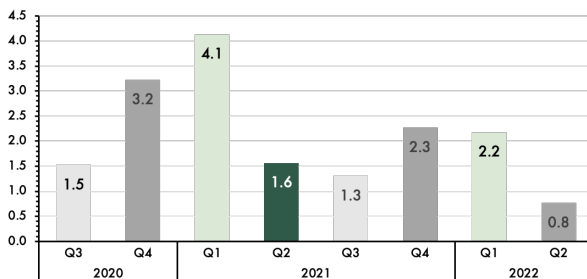


GREEN FINANCING FRAMEWORK



ENERGY EFFICIENCY

CO₂e emissions, kg per sqm (scope 1–3²)



Year	Quarter	Total CO ₂ e-emissions		Energy use
		tonne	kg/m ²	kWh/m ²
2021	Q3	143.6	1.5	16.7
	Q4	327.2	3.2	39.6
	Q1	460.3	4.1	50.3
	Q2	182.7	1.6	23.6
2022	Q3	142.0	1.3	15.2
	Q4	338.3	2.3	40.4
	Q1	465.4	2.2	32.6
	Q2	178.9	0.8	14.5

1) The difference energy use and CO₂-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	Certified properties under management, building				Ongoing	Total
	Certified	Ongoing	Coming	Total		
Nordic Swan	9	-	-	9	33	42
Miljöbyggnad nybyggnad						
- Silver	4	-	-	4	1	5
Miljöbyggnad iDrift						
- Silver	10	38	19	67	-	67
- Brons	26	6	-	32	-	32
Passivhus/other	1	-	-	1	5	6
Total	50	44	19	113	39	152

Exempel på gröna byggnader – Örebro Startbanan

During the second quarter, the move-in of K2A's 115 rental apartments in Södra Ladugårdsängen in Örebro started. The project is produced in Swedish certified wood and eco-labeled according to the Nordic Swan Ecolabel.



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.

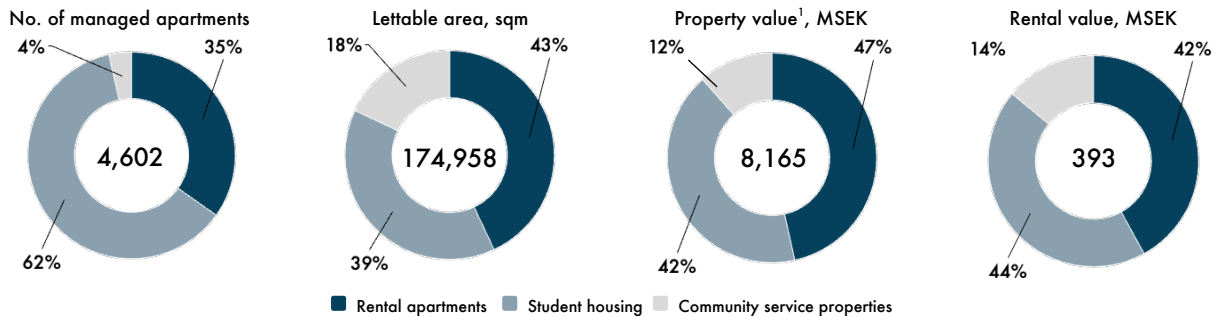
The investment objects comprise a total of 4,602 housing apartments and a lettable area of 174,958 sqm, of which 151,075 relates to housing apartments.

INVESTMENT OBJECTS AT THE BALANCE SHEET DATE

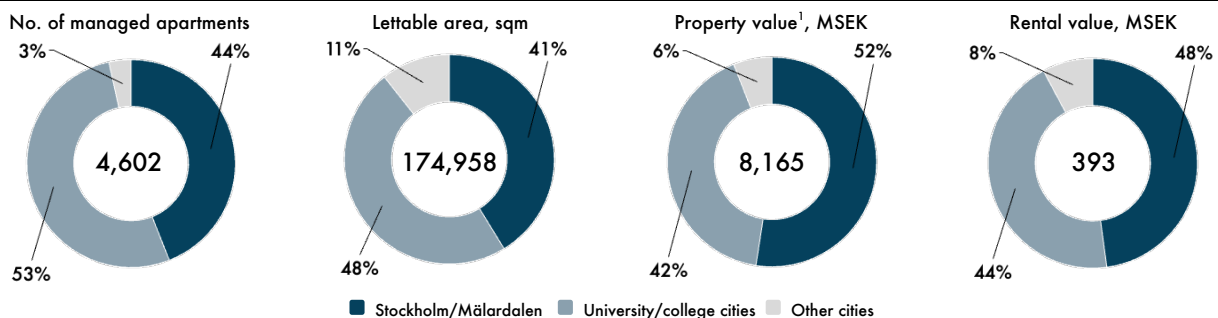
Investment objects per category	No. of apts.	Lettable area, sqm		Property value ¹		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Rental apartments	1,602	71,470	3,807	3,798	50,457	165	2,193	36	480	127	1,681
Student housing	2,838	63,328	4,852	3,421	50,176	173	2,535	40	591	128	1,876
Public properties	162	16,277	15,224	946	30,031	55	1,751	9	291	46	1,460
Total/average	4,602	151,075	23,883	8,165	46,670	393	2,247	86	489	300	1,717

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	2,026	68,051	4,154	4,283	59,321	188	2,606	38	528	147	2,035
Student cities	2,418	72,585	11,579	3,394	40,326	174	2,070	42	493	129	1,530
Other cities	158	10,439	8,150	488	26,252	31	1,655	6	320	25	1,327
Total/average	4,602	151,075	23,883	8,165	46,670	393	2,247	86	489	300	1,717

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 9 934.2 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 78,4 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 ¹	Completed	Total area, sqm	No. of apartments	Rental value MSEK
Investment properties on 1 January, 2022						
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	0	3.0
Sum				150,743	3,919	328.1
Investment properties, added first six months 2022						
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
Måsnaryd 1:4	Södertälje	C	2017	532	6	1.4
Skärvet 11	Växjö	R	2022	3,664	56	5.8
Barkarby 2:60, lott 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
Sum				29,651	767	70.4
Investment properties, divested first six months 2022						
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
Sum				-5,435	-84	-5.4
Acquired, not accessed properties (additional information, not included in p&l or balance sheet)						
Sidsjö 2:41	Sundsvall	R	1945/2010	1,650	27	2.6
Sum				1,650	27	2.6
Total				176,609	4,629	395.7

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



ONGOING PROJECTS

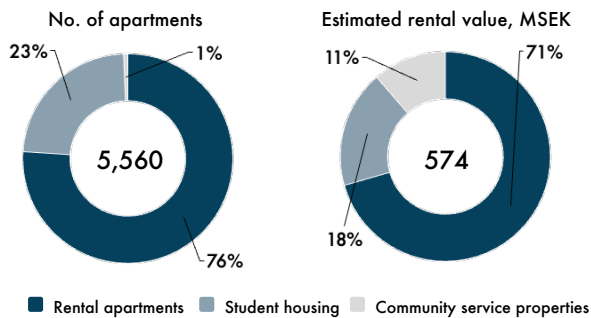
ONGOING PROJECTS

On-going projects per category	No. of apts.	Lettable area, sqm		Estimated rental value		Estimated investment	Worked-up investment	Property value
		Residential	Premises	MSEK	SEK/sqm	MSEK	inv. MSEK	MSEK ¹
Rental apartments	4,228	180,765	5,251	405	2,176	7,496	866	1,026
Student housing	1,296	35,494	1,185	104	2,830	1,653	301	595
Public properties	36	3,176	24,754	65	2,331	1,202	3	3
Total/average	5,560	219,435	31,190	574	2,289	10,351	1,170	1,624

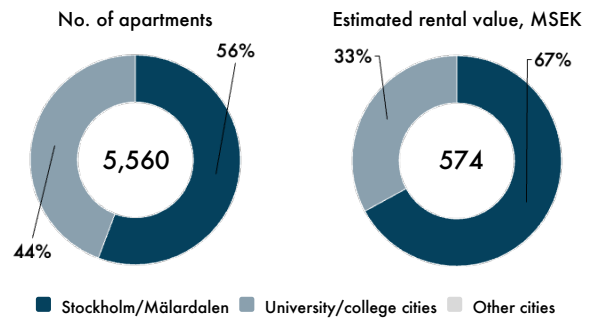
On-going projects geographic distribution	No. of apts.	Lettable area, sqm		Estimated rental value		Estimated investment	Worked-up investment	Property value
		Residential	Premises	MSEK	SEK/sqm	MSEK	MSEK	MSEK ¹
Stockholm/Mälardalen Valley	3,098	128,320	31,089	385	2,414	6,755	342	724
Student cities	2,462	91,115	101	189	2,071	3,596	828	900
Other cities	0	-	0	0	0	0	0	0
Total/average	5,560	219,435	31,190	574	2,289	10,351	1,170	1,624

1) Fair value pertains to the ongoing projects segment. The difference between the value given in this table and the information about fair value at the balance sheet date for the ongoing projects segment in Note 2 is due to the effects of IFRS 16 and the value given for ground leases, which totalled SEK 66,1 million at the balance sheet date.

ONGOING PROJECTS PER CATEGORY



ONGOING PROJECTS, GEOGRAPHICAL DISTRIBUTION



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 ¹	Status ²	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	3, 2022	2,573	100	6.6
Näcken 1	Lund	R		1, 2021	2, 2023	3,497	98	7.4
Sala backe 50:1 & 2	Uppsala	R		1, 2021	2, 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	3, 2023	5,400	115	9.5
Diskusen 2	Växjö	R		2, 2021	3, 2023	6,863	185	14.2
Kornknarren 2	Västerås	R		2, 2021	3, 2023	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	13.1
Äppellunden 1	Umeå	R		4, 2021	2, 2023	3,850	83	7.2
Korpralen 1, stage 1	Gotland	S		1, 2022	3, 2022	1,887	74	4.9
Rödalen 1	Norrträle	R		1, 2022	4, 2023	10,785	191	20.5
Bredsand 1:282	Enköping	C		2, 2022	3, 2023	1,350	0	3.2
Total						65,566	1,522	130.5
Other on-going projects								
Brynäs 19:21	Gävle	R	6	4, 2022	4, 2023	6,390	121	
Österport, stage 1	Växjö	R	6	1, 2023	4, 2024	5,610	110	
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	
Österport ³ , stage 2	Växjö	R	6	2023	2025	5,610	110	
Stora Sköndal	Stockholm	R	6	2024	2026	7,900	248	
Björksätra	Stockholm	R	1	2024	2026	5,200	120	
Brohuvudet 13-16	Sundsvall	S	6	2024	2026	1,811	85	
Förseglet 9, lot D	Västerås	R	6	2024	2026	5,240	136	
Österport ³ , stage 3	Växjö	R	6	2024	2026	5,814	114	
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	7,007	187	
Harklövern 1, stage 2	Karlstad	R	6	2025	2027	3,195	88	
Torpa-Sjöbo 2:1, stage 1	Borås	R	3	2025	2027	10,200	274	
Isaberg 1 (projekt)	Stockholm	R	1	2026	2028	3,400	95	
Skutkrossen 16 (projekt)	Stockholm	R	1	2026	2028	3,000	70	
Visborg 1:9 (part of)	Gotland	R, S	5	2026	2028	3,763	175	
Sidsjöhöjden 4 (new construction)	Sundsvall	R	6	2026	2028	2,250	60	
Trädan 27	Växjö	S	6	2026	2028	1,935	90	
Sätra	Västerås	R	6	2026	2028	6,960	180	
Juliana 8	Västerås	S	2	2026	2028	975	45	
Jakobsbergsplatsen ³	Västerås	C	3	2026	2028	1,900	36	
Ekersvägen ³	Örebro	R	1	2026	2028	10,500	200	
Torpa Sjöbo 2:1, stage 2	Borås	R	3	2026	2028	4,150	110	
Sum						130,929	3,495	
Total						196,495	5,017	

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	2022	2029	23,520	400
Sum						54,130	543
Total						250,625	5,560

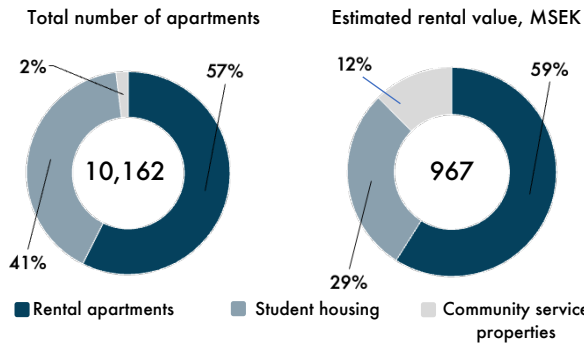
1) C=Community service properties, S=Student housing, R=Rental apartments, F=Future projects

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)

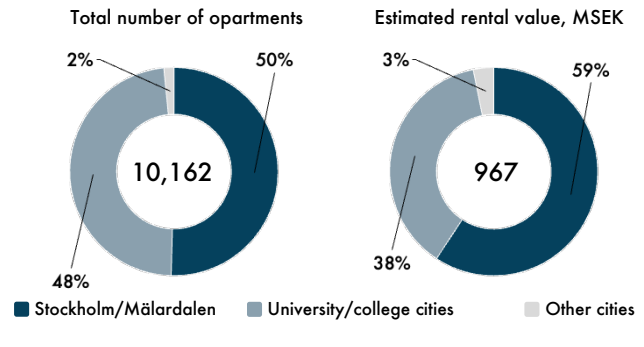
3) The project pertains to a site that include parts of several properties where the property has not been subdivided, which is why the final property designation is not yet known.

TOTAL PROPERTY AND PROJECT PORTFOLIO

Total property and project portfolio per category

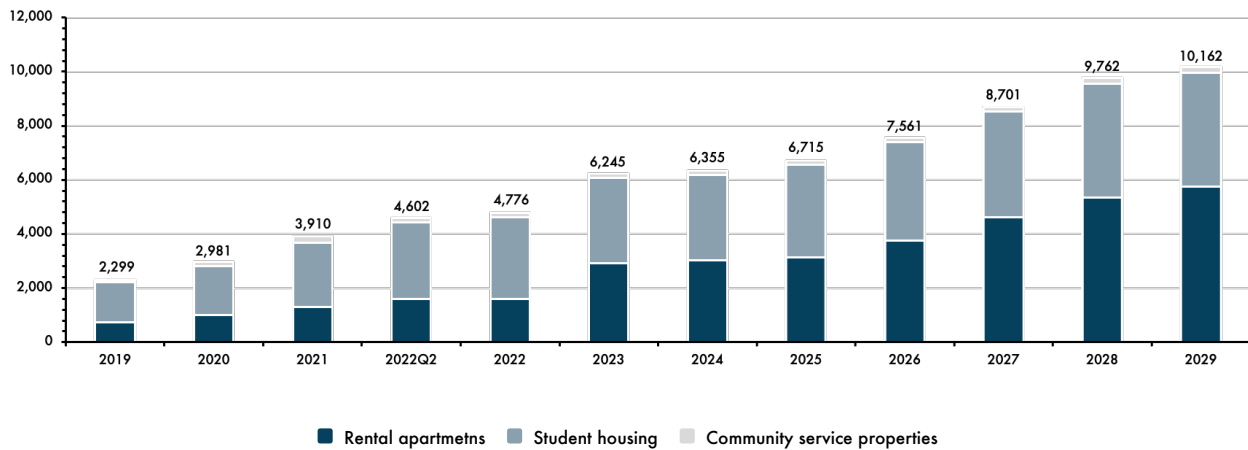


Total property and project portfolio, geographic distribution



K2A's existing ongoing projects are scheduled for completion during the period up to and including 2029. Based on the assumptions of time frame, space and number of apartments presented in the project table in this interim report, K2A's property management portfolio is expected grow to 10,000 apartments by 2029.

Number of apartments at the end of each period after the gradual completion of ongoing projects up to and including 2029



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 yet accessed investment properties	On-going projects in production	Group	Total
Rental value	393.1	2.6	130.5		526.2
Vacancies	-7.1	0.0	-2.1		-9.2
Rental income	386.0	2.6	128.4		516.9
Total property costs, including administration	-111.2	-0.8	-36.9		-149.0
Operating surplus	274.8	1.7	91.4		367.9
Central administration, property management				-18.0	-18.0
Net interest income/expense					-191.9
Profit from property management					158.0
Remaining investments	47.8	45.0	1,574.0		1,666.7

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 net operating income, MSEK
Rental value	+/- 5 per cent	+/- 26.3
Occupancy rate	+/- 2 percentage points	+/- 10.5
Property cost	+/- 10 per cent	+/- 14.9
Interest expense	+/- 1 percentage point	+/- 53.3

THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK million	Note	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jul- 2022 Jun	2021 Jan-Dec
Rental income		87.8	61.2	173.4	122.3	323.8	272.7
<i>Property costs</i>							
Operating costs		-16.4	-12.7	-40.9	-29.3	-73.9	-62.3
Maintenance		-3.1	-1.5	-7.7	-3.4	-12.8	-8.5
Property tax		-0.6	-0.5	-1.3	-1.1	-3.0	-2.7
Depreciation		-0.3	-0.1	-0.5	-0.1	-0.7	-0.4
Property administration		-5.4	-3.1	-12.0	-5.9	-21.0	-15.0
Total property costs		-25.9	-17.9	-62.3	-39.7	-111.4	-88.8
Operating surplus		62.0	43.3	111.1	82.6	212.3	183.9
Central administration, property management		-4.2	-4.8	-9.7	-9.0	-20.5	-19.8
Central administration, project development		-15.5	-10.6	-27.9	-19.1	-47.3	-38.5
Gain/loss from joint ventures		71.1	0.5	109.0	4.6	232.3	127.8
- whereof operating surplus		0.1	0.5	-0.1	1.0	0.2	1.2
- whereof value change, investment properties		71.0	-	109.1	3.6	232.1	126.6
Net interest income/expense		-34.3	-20.8	-58.5	-39.8	-104.5	-85.8
Profit/loss from property management		79.0	7.6	124.0	19.3	272.4	167.6
<i>Value changes</i>							
Investment properties, unrealised	2	131.2	118.8	335.8	360.0	717.6	741.9
Investment properties, realised		-0.2	-	-0.2	-	-0.2	-
Participations in other companies		-0.0	-	-0.8	-	7.4	8.2
Derivatives		8.9	0.9	56.8	13.3	68.1	24.6
Profit/loss before tax		218.9	127.3	515.6	392.6	1,065.3	942.3
Current tax		0.1	0.0	-0.2	-0.0	-0.7	-0.5
Deferred tax		-34.8	-33.4	-92.2	-91.3	-186.1	-185.3
Net profit/loss for the period/year		184.3	93.9	423.3	301.3	878.5	756.5
Net profit/loss for the period/year attributable to:							
Parent Company shareholders		184.3	93.9	423.3	301.2	877.6	755.5
Non-controlling interests		0.0	0.0	0.0	0.1	0.9	1.0
<i>Earnings per share</i>							
Earnings per ordinary share, before and after dilution, SEK		1.96	0.91	4.56	3.17	9.49	8.10
Average number of outstanding ordinary shares, before and after dilution		85,865,300	85,490,712	85,865,300	85,450,977	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.

During 2021, the company carried out a bonus issue where four new shares were allotted for each share held. This means that the number of shares has been recalculated retroactively, which also affects key figures based on earnings per share

THE GROUP'S STATEMENT OF FINANCIAL POSITION

SEK million	Note	2022-06-30	2021-06-30	2021-12-31
ASSETS				
<i>Intangible and tangible assets</i>				
Investment properties	3	9,934.2	7,064.6	8,458.4
Owner-occupied properties		13.0	15.8	14.4
Equipment		17.8	11.4	17.9
Licences		5.8	1.0	6.3
Total tangible assets		9,970.7	7,092.9	8,497.0
<i>Financial assets</i>				
Participations in joint ventures		389.2	144.4	267.7
Participations in other companies		154.4	81.0	101.0
Other non-current receivables		128.8	58.5	148.3
Derivatives		106.7	14.3	25.6
Total financial assets		779.0	298.2	542.6
Total non-current assets		10,749.8	7,391.0	9,039.6
<i>Current assets</i>				
Inventories		16.0	21.6	15.8
Accounts receivable		1.5	0.8	1.5
Tax assets		3.2	2.0	1.5
Receivables from joint ventures		5.9	7.2	6.8
Other receivables		116.7	75.2	107.1
Prepaid expenses and accrued income		17.0	16.1	11.8
Cash and cash equivalents		599.7	742.5	379.2
Total current assets		760.0	865.3	523.6
Total assets		11,509.7	8,256.3	9,563.2
EQUITY AND LIABILITIES				
<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		1,326.4	963.9	965.6
Equity attributable to Parent Company shareholders		3,266.4	2,474.5	2,905.6
Equity attributable to non-controlling interests		0.7	1.5	0.7
Total equity		3,267.1	2,476.0	2,906.2
<i>Non-current liabilities</i>				
Deferred tax liabilities		577.5	391.4	485.3
Non-current lease liabilities		142.4	74.6	81.7
Non-current interest-bearing liabilities		6,227.9	4,245.5	4,345.4
Total non-current liabilities		6,947.7	4,711.5	4,912.4
<i>Current liabilities</i>				
Current interest-bearing liabilities		948.8	872.9	1,456.8
Current lease liabilities		13.1	11.6	12.6
Accounts payable		74.8	58.2	100.7
Tax liabilities		5.0	2.9	5.1
Other liabilities		72.0	55.9	49.4
Accrued expenses and deferred income		181.4	67.4	120.0
Total current liabilities		1,294.9	1,068.9	1,744.5
Total liabilities		8,242.7	5,780.4	6,656.9
Total equity and liabilities		11,509.7	8,256.3	9,563.2

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			
Opening equity, 1 Jan 2021	118.0	917.9	-	726.1	1.4	1,763.5
Profit/loss for the period				301.2	0.1	301.3
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	-	-	-	-7.0	-	-7.0
Cost, hybrid bond	-	-	-	-11.8	-	-11.8
Resolved dividend, ordinary shares	-	-	-	-8.5	-	-8.5
Resolved dividend, preference shares	-	-	-	-36.1	-	-36.1
Total transactions with owners	0.6	24.0	450.0	-63.4	-	411.1
Closing equity, 30 Jun 2021	118.6	941.9	450.0	963.8	1.5	2,476.0
Opening equity, 1 Jan 2022	547.9	941.9	450.0	965.6	0.7	2,906.2
Profit/loss for the period				423.3	0.0	423.3
Payment, hybrid bond	-	-	-	-13.5	-	-13.5
Resolved dividend, ordinary shares	-	-	-	-12.9	-	-12.9
Resolved dividend, preference shares	-	-	-	-36.1	-	-36.1
Total transactions with shareholders	-	-	-	-62.5	-	-62.5
Closing equity, 30 Jun 2022	547.9	941.9	450.0	1,326.4	0.7	3,267.1

THE GROUP'S CASH FLOW STATEMENT

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jul- 2022 Jun	2021 Jan-Dec
<i>Operating activities</i>						
Profit/loss from property management	79.0	7.6	124.0	19.3	272.4	167.6
Adjustments for non-cash items	-64.5	3.5	-98.5	2.3	-210.3	-109.5
Tax paid	-	-	-	-	-0.7	-0.7
Change in inventories	-1.7	-9.6	-0.2	-5.8	5.5	0.0
Change in operating receivables	-16.8	-80.5	-15.8	-102.1	-55.9	-142.2
Change in operating liabilities	-1.9	-19.5	-17.0	-24.2	157.3	150.2
Cash flow from operating activities	-6.0	-98.5	-7.5	-110.4	168.2	65.3
<i>Investing activities</i>						
Acquisition of investment properties	-156.8	-236.5	-515.7	-425.7	-1,072.7	-982.7
Investments in investment properties	-248.9	-220.1	-580.2	-443.0	-1,077.0	-939.8
Deposits paid for acquisition of investment properties	-	-0.1	-	-6.2	-90.0	-96.3
Divested investment properties	85.9	-	85.9	-	85.9	-
Investments in other non-current assets, net	-0.2	-46.3	-56.4	-46.9	-78.0	-68.6
Cash flow from investing activities	-320.1	-503.0	-1,066.4	-921.9	-2,231.8	-2,087.3
<i>Financing activities</i>						
New share issue	-	26.2	-	26.2	-	26.2
Costs for new share issue	-	-0.1	-	-0.1	-1.5	-1.5
Issue of hybrid bond	-	-	-	450.0	-	450.0
Costs for issue of hybrid bond	-	-	-	-7.0	-0.5	-7.5
Loans raised	516.9	1,177.8	1,508.6	1,178.8	2,420.0	2,090.1
Repayment of loans	-107.5	-235.6	-140.1	-246.8	-374.8	-481.5
Repayment of lease liability	-2.8	-2.7	-5.5	-5.2	-11.3	-10.9
Acquisition of participations, non-controlling interests	-	-	-	-	-10.9	-10.9
Investments in derivatives	-24.3	-	-24.3	-	-24.3	-
Payment, hybrid bond	-6.6	-6.7	-13.4	-6.7	-26.9	-20.2
Dividend, ordinary shares	-12.9	-8.5	-12.9	-8.5	-12.9	-8.5
Dividend, preference shares	-9.0	-9.0	-18.0	-18.0	-36.1	-36.1
Cash flow from financing activities	353.7	941.5	1,294.4	1,362.7	1,920.8	1,989.1
Cash flow for the period	27.6	339.9	220.5	330.4	-142.8	-32.9
Cash and cash equivalents at the beginning of the period/year	572.1	402.5	379.2	412.1	742.5	412.1
Cash and cash equivalents at the end of the period/year	599.7	742.5	599.7	742.5	599.7	379.2

SEGMENT REPORTING

	INVESTMENT PROPERTIES		ONGOING PROJECTS		UNDISTRIBUTED ITEMS		GROUP	
	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun
SEK million								
INCOME STATEMENT								
Rental income	171.8	121.9	1.6	0.4	-	-0.0	173.4	122.3
Property costs	-59.9	-42.5	-2.4	-0.8	-0.0	3.6	-62.3	-39.7
Operating surplus	111.9	79.4	-0.8	-0.4	-0.0	3.6	111.1	82.6
Central administration	-9.7	-9.0	-27.9	-19.1	-	-	-37.5	-28.1
Gain/loss from joint ventures	-	-	-	-	109.0	4.6	109.0	4.6
- whereof operating surplus	-	-	-	-	-0.1	1.0	-0.1	1.0
- whereof value change, investment properties	-	-	-	-	109.1	3.6	109.1	3.6
Net interest income/expense	-35.9	-25.7	0.7	-0.1	-23.3	-14.0	-58.5	-39.8
Profit/loss from property management	66.3	44.8	-28.0	-19.5	85.7	-5.9	124.0	19.3
<i>Value changes, unrealised</i>								
Properties	17.2	256.4	318.6	107.2	-0.0	-1.8	335.8	360.0
Fastigheter, realiserade	-0.2	-	-	-	-	-	-	-
Participations in other companies	-	-	-	-	-0.8	-	-0.8	-
Derivatives	-	-	-	-	56.8	13.3	56.8	13.3
Profit/loss before tax	83.3	301.2	290.6	87.8	141.7	5.6	515.8	392.6
Current tax	-	-	-	-	-	-	-0.2	-0.0
Deferred tax	-	-	-	-	-	-	-92.2	-91.3
Profit/loss for the period	83.3	301.2	290.6	87.8	141.7	5.6	423.5	301.3
BALANCE SHEET								
Non-current assets	8,243.7	5,535.6	2,235.2	1,612.5	270.9	243.0	10,749.8	7,391.0
Current assets	185.7	305.7	102.0	195.4	472.2	364.2	760.0	865.3
Total assets	8,429.4	5,841.2	2,337.2	1,808.0	743.1	607.1	11,509.7	8,256.3
Non-current liabilities	4,808.7	3,064.2	1,099.6	1,174.8	1,039.5	472.5	6,947.7	4,711.5
Current liabilities	902.8	812.0	203.9	214.6	188.2	42.4	1,294.9	1,068.9
Total liabilities	5,711.5	3,876.2	1,303.5	1,389.4	1,227.7	514.8	8,242.7	5,780.4

THE GROUP'S KEY FIGURES

	2022	2021	2022	2021	2021 Jul-	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	2022 Jun	Jan-Dec
Property-related key figures						
Number of managed apartments	4,602	3,504	4,602	3,504	4,602	3,910
Number of apartments under production	1,522	1,979	1,522	1,979	1,522	2,025
Number of apartments in projects	4,038	3,151	4,038	3,151	4,038	3,808
Total number of apartments	10,162	8,634	10,162	8,634	10,162	9,743
Lettable area housing apartments, tsqm	134.8	98.6	134.8	98.6	134.8	110.4
Lettable area public properties, tsqm	38.3	26.3	38.3	26.3	38.3	38.4
Lettable area other, tsqm	1.9	1.7	1.9	1.7	1.9	1.8
Total lettable area, tsqm	175.0	126.7	175.0	126.7	175.0	150.6
Economic occupancy rate, per cent	96.4	89.3	97.1	91.4	96.1	93.2
Surplus ratio, per cent	70.6	70.8	64.1	67.5	65.6	67.4
<i>Cash flows from investment activities, SEK million</i>						
Investments in new construction, extension and refurbishment	248.9	220.1	580.2	443.0	1,077.0	939.8
Acquisitions	156.8	236.6	515.7	432.0	1,162.7	1,079.0
Financial key figures						
Return on equity, per cent					26.9	26.0
Equity/assets ratio, per cent	28.4	30.0	28.4	30.0	28.4	30.4
Loan-to-value ratio, per cent	62.4	62.0	62.4	62.0	62.4	60.7
Net loan-to-value ratio, per cent	60.3	58.2	60.3	58.2	60.3	59.0
Average interest rate, per cent	2.3	2.2	0.0	2.2	2.3	2.0
Interest-coverage ratio, 12 months, times	-	-	-	-	1.8	1.9
Fixed-rate period, number of months	29	30	29	30	29	28
Average loan maturity, number of months	27	27	27	27	27	27
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	18.0	18.0	36.1	36.1
Dividend per preference share, SEK	5.00	5.00	10.00	10.00	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	85,490,712	85,865,300	85,450,977	85,865,300	85,659,841
Profit from property management per ordinary share, SEK	0.74	-0.10	1.08	-0.12	2.44	1.24
Earnings per ordinary share, SEK	1.96	0.91	4.56	3.17	9.49	8.10
Adjusted earnings per ordinary share, SEK	1.96	0.91	4.56	3.18	9.50	8.11
Equity, SEK million	3,267.1	2,476.0	3,267.1	2,476.0	3,267.1	2,906.2
Equity attributable to ordinary shareholders, SEK million	2,297.5	1,505.6	2,297.5	1,505.6	2,297.5	1,936.7
Equity per ordinary share, SEK	26.76	17.53	26.76	17.53	26.76	22.55
EPRA NRV, SEK million	3,737.8	2,853.1	3,737.8	2,853.1	3,737.8	3,365.9
EPRA NRV attributable to ordinary shareholders, SEK million	2,768.3	1,882.7	2,768.3	1,882.7	2,768.3	2,396.4
EPRA NRV per ordinary share, SEK	32.24	21.93	32.24	21.93	32.24	27.91
Growth in EPRA NRV per ordinary share (12 months), %					47.0	54.6

PARENT COMPANY'S COMPREHENSIVE INCOME IN SUMMARY

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jul- 2022 Jun	2021 Jan-Dec
Operating income	12.1	7.1	25.1	13.5	43.7	32.2
Operating expenses	-29.2	-20.3	-57.2	-37.0	-102.0	-81.8
Operating profit/loss	-17.1	-13.3	-32.2	-23.6	-58.3	-49.7
Profit/loss from financial items	-9.3	-6.4	26.9	-1.1	252.0	224.0
Profit/loss after financial items	-26.4	-19.6	-5.3	-24.7	193.8	174.4
Appropriations	-	-	-	-	8.4	8.4
Profit/loss before tax	-26.4	-19.6	-5.3	-24.7	202.2	182.8
Tax	-1.8	-0.2	-11.7	-2.8	-5.6	3.3
Net profit/loss for the period/year	-28.3	-19.8	-17.0	-27.5	196.7	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	2022-06-30	2021-06-30	2021-12-31
ASSETS			
Intangible assets	5.8	1.0	6.3
Tangible assets	2.8	1.3	2.2
Financial assets	2,273.4	469.2	2,138.9
Non-current assets	2,281.9	471.6	2,147.4
Current assets	2,140.5	2,333.7	1,876.5
Total assets	4,422.4	2,805.3	4,024.0
EQUITY AND LIABILITIES			
Restricted equity	547.9	118.6	547.9
Non-restricted equity	956.3	1,265.5	1,035.8
Total equity	1,504.3	1,384.1	1,583.7
Non-current liabilities	1,501.0	797.2	1,190.3
Current liabilities	1,417.1	624.0	1,249.9
Total liabilities	2,918.1	1,421.2	2,440.3
Total equity and liabilities	4,422.4	2,805.3	4,024.0

PERFORMANCE ANALYSIS

JANUARY-JUNE 2022

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

Rental income and occupancy rate

During the period, rental income increased to SEK 173.4 million (122.3). The increase corresponded to growth of 39.9 per cent in rental income. During the period, the economic occupancy rate was 97.1 per cent (91.4).

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 8,9 per cent in the comparable portfolio. At 30 June 2022, the lettable area in K2A's property portfolio was 175.0 tsqm, compared with 126.7 tsqm at 30 June 2021, up 38.1 per cent. On June 30 2022, the total rental value of investment objects was SEK 393.1 million (277.1) on an annual basis, up 41.9 per cent.

Rental income

	2022	2021	
SEK million	Jan-Jun	Jan-Jun	Change, %
Student housing	74.6	55.3	34.7
Rental apartments	69.8	50.0	39.6
Public properties	29.0	17.0	70.9
Total income	173.4	122.3	41.7

Property costs

During the period, total property costs increased to SEK 62.3 million (39.7), up 56.8 per cent. The increase is explained below.

Property costs, Jan-Jun 2022

SEK million	Student housing	Rental apts.	Public properties	Total
Operating costs	-20.8	-14.9	-5.2	-40.9
Maintenance	-3.8	-2.5	-1.4	-7.7
Property tax	-1.0	-0.3	-0.0	-1.3
Depreciation/amortisation	-	-0.5	-	-0.5
Direct property costs	-25.6	-18.2	-6.6	-50.4
Property administration				-11.9
Total property costs				-62.3

Property costs, Jan-Jun 2021

SEK million	Student housing	Rental apts.	Public properties	Total
Operating costs	-14.4	-12.1	-2.7	-29.3
Maintenance	-1.5	-1.3	-0.5	-3.4
Property tax	-0.9	-0.2	-0.0	-1.1
Depreciation/amortisation	-0.0	-0.1	-	-0.1
Direct property costs	-16.9	-13.7	-3.3	-33.8
Property administration				-5.9
Total property costs				-39.7

During the period, operations and maintenance costs, including property tax, amounted to SEK -50.4 million (-33.8), up 49.1 per cent. The increase was due to the fact that K2A managed a larger property portfolio year-on-year, increased costs for electricity, snow removal and a non-recurring cost for the restoration of the property Gävle Kungsbäck 2:21 after flooding in the autumn of 2021. Property costs rose 5.8 per cent in the comparable portfolio (excluding Kungsbäck).

Property administration costs amounted to SEK -12.0 million (-5.9). The increase was due to the fact that K2A managed a larger property portfolio and increased costs in connection with the establishment of our own landlords in a number of locations.

Net operating income and surplus ratio

During the period, the Net operating income was SEK 111.1 million (82.6) up 34.5 per cent. The surplus ratio for the past 12 months was 65.6 per cent (68.2). The lower surplus ratio was due to higher property costs during the period, and higher vacancies primarily in the third quarter of 2021.

Central administration

Central administration costs amounted to SEK -37.5 million (-28.1), vilket motsvarade en ökning av kostnaderna med 33.8 procent. The increase was due to strengthening of the organisation. The number of employees at the head office rose by 19 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 -9.7 million (-9.0) and SEK -27.9 million (-19.1), respectively.

Profit from joint ventures

The share of profit during the period was SEK 109.0 million (4.6). The year-on-year increase was largely due to value changes attributable to joint projects, which amounted to SEK 109.1 million (3,6).

Net interest income/expense

Net interest expense amounted to SEK -58.5 million (-39.8). The year-on-year increase in interest bearing liabilities led to higher interest expense. The average interest rate on the balance sheet date was 2.3 per cent (2.2). 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 335.6 million (360.0).

Value change, investment properties

	2022	2021
SEK million	Jan-Jun	Jan-Jun
Investment objects	17.0	252.8
Ongoing projects	318.6	107.2
Total value change	335.6	360.0
Total as a percentage of opening balance	3.5	6.2

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 56.8 million (13.3), 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 -0.2 Mkr (0.0), which relates to estimated tax expense in newly acquired companies. Deferred tax amounted to SEK -92.2 Mkr (-91.3) 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 June 2022, the group's accumulation of tax loss carryforwards amounted to SEK 311.8 million (214.7). Deferred tax is recognised on a net basis on the consolidated balance sheet.

Deferred tax liabilities recognised on balance sheet

Mkr	2022-06-30	2021-06-30
Properties	619.1	428.8
Tax loss carryforwards	-63.9	-43.9
Untaxed reserves	2.0	1.7
Derivatives	17.0	3.1
Other items	3.4	1.8
Total	577.5	391.4

Profit for the period

Profit after tax for the period totalled 423.3 Mkr (301.3) and earnings per ordinary share were SEK 4.56 (3.17). During 2021, the company carried out a bonus issue where four new shares were allotted for each share held. As a result, earnings per share have been adjusted retroactively

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 136 employees (131). 47 people (40), of whom 15 (17) 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 89 people (91) 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 and C Interior Design AB for a total amount of SEK 6.6 million (2.3). These companies are owned by four people who hold shares in K2A. During the period, the Group purchased ongoing legal services from Advokatfirman Lindahl for SEK 1.9 million (2.4), of which SEK 1.4 million (1.5) was invoiced to the Parent Company. Sten Gejrot is chairman of K2A's Board and a partner of Advokatfirman Lindahl.



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

At 30 June 2022, the value of K2A's assets were SEK 11,509.7 million (9,563.2), of which investment properties accounted for SEK 9,934.2 million (8,458.4). Cash and cash equivalents amounted to SEK 599.7 million (379.2). Equity amounted to SEK 3,267.1 million (2,906.2).

Interest bearing liabilities

At 30 June 2022, K2A had interest bearing liabilities (excluding lease liabilities) of SEK 7,176.6 million (5,802.2). The group's net loan-to-value ratio was 60.3 per cent (59.0). At period end, the average interest rate was 2.32 per cent (2.02). Overall, the fair value of liabilities does not deviate materially from their carrying amounts.

At the balance sheet date, the average interest period was 29 months (28) and the average loan maturity was 27 months (27). K2A has derivative contracts totalling SEK 2,075.0 million (1,175.0). At period end, loan repayments over the next 12 months amounted to SEK 77.1 Mkr (54.0). Accrued borrowing costs of SEK 20.5 million (20.5) reduced interest bearing liabilities on the balance sheet.

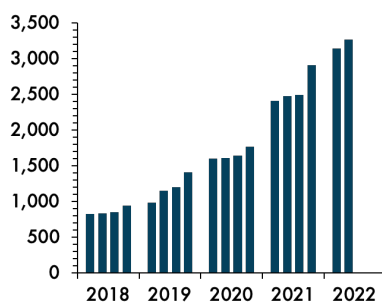
INTEREST AND AVERAGE LOAN MATURITY

Due year	Fixed rate		Loan maturity, MSEK		
	Volume, MSEK	Interest, %	Commitment	Drawn	Undrawn
Variable interest rate	2,619.4	2.84	-	-	-
2022	-	-	850.4	605.9	244.5
2023	297.9	1.78	2,207.6	1,678.9	528.7
2024	628.7	1.52	2,190.0	1,816.2	373.8
2025	1,670.6	1.54	2,750.9	2,745.0	5.9
2026	1,505.5	2.72	305.5	305.5	-
2027	-	-	45.7	45.7	-
2028	475.0	2.31	-	-	-
Total/average	7,197.1	2.32	8,350.0	7,197.1	1,152.9

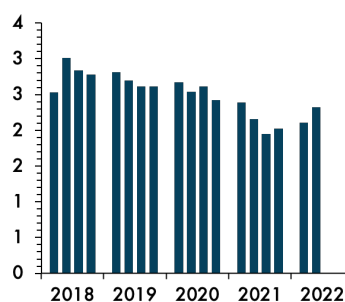
GREEN HYBRID BONDS AND GREEN HYBRID BONDS

Instrument	First issue date	Maturity date	Time to maturity, years	Nom. amount MSEK	Base rate	Base rate margin, %	Current rate, %
20/23 FRN C	2020-08-01	2023-08-01	1.1	400	Stibor 3M	3.95	4.44
MTN 101	2021-06-01	2024-06-01	2.0	400	Stibor 3M	3.25	3.70
MTN 102	2021-10-01	2025-04-01	2.8	400	Stibor 3M	3.00	3.07
MTN 103	2022-03-18	2024-12-24	2.5	300	Stibor 3M	4.40	5.20
Total outstanding bonds				1,500			
Hybrid bonds	2020-01-21		-	450	Stibor 3M	5.95	6.07
Total outstanding hybrids				450			

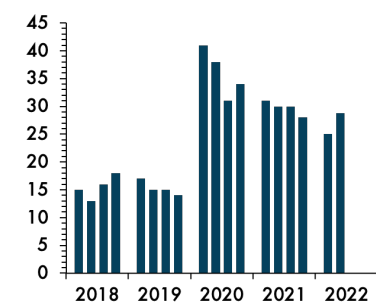
Equity, MSEK



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 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	2022-06-30	2021-03-31
Discount rate, apartments	5.6	5.7
Discount rate, public properties	6.6	7.2
Yield requirement for assessment of residual value		
Apartments	3.6	3.8
Public properties	4.6	5.3
Total	3.8	3.9

The property portfolio value increased SEK 445.7 million (1,254.8) compared with the end of 2021.

During the period, SEK 762.0 million (367.0) 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, in accordance with IFRS 16 Leasing, of SEK 78.4 million (73.5) and SEK 66.1 million (1.5), respectively.

Change in property portfolio for Jan-Jun 2022

Fair value, SEK million	Investment objects	On-going projects	Total
Property portfolio at start of period	7,844.1	1,642.5	9,486.6
Acquisition of properties	-	16.8	16.8
Asset acquisitions via subsidiaries	-280.1	420.1	140.0
Divestments	-85.9	-	-85.9
Investments	4.1	239.5	243.6
Unrealised value changes	-2.3	133.5	131.2
Realiserade värdeförändringar förvaltningsobjekt	-0.2	-	-0.2
Right-of-use assets	2.0	-	2.0
Reclassified	762.0	-762.0	-
Property portfolio at period-end	8,243.7	1,690.4	9,934.2

Change in property portfolio for Jan-Jun 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	-	8.0	8.0
Asset acquisitions via subsidiaries	408.6	21.6	430.2
Investments	3.6	453.0	456.6
Unrealised value changes	252.8	107.2	360.0
Right-of-use assets	27.0	-	27.0
Reclassified	367.0	-367.0	-
Property portfolio at period-end	5,535.7	1,529.0	7,064.6

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-June 2021. For further information in the Annual Report 2021, Note 35.

The group, MSEK	2021-01-01 – 2021-06-30	
	Previously reported	After correction
<i>Income statement</i>		
Property costs		
Depreciation/amortization	-3.7	3.6
Total property costs	-43.3	3.6
Net operating income	79.0	82.6
Profit from property management	15.7	19.3
Value change, investment properties, unrealized	363.6	-3.6
Profit before tax	392.6	392.6
<i>Consolidated cash flow statement</i>		
Operating activities		
Profit from property management	15.7	19.3
Adjustment for non-cash items	5.9	2.3
Cash flow from operating activities	-110.4	-110.4

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 flow¹

	Change	Effect on cash flow, SEK million
Rental value	+/- 5 per cent	+/- 26
Occupancy rate	+/- 2 percentage points	+/- 11
Property cost	+/- 10 per cent	-/+ 13
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 properties	Apartments
Expected normalised rent year 16, SEK/sqm	2,681	3,279
Current rent, SEK/sqm	1,919	2,398
Remaining duration rental contracts, years	8.9	e.t.
Expected long-term vacancy year 16, per cent	3.1	1.3
Current vacancy, per cent	4.4	1.8
Expected normalised operating profit year 16, SEK/sqm	2,156	2,406
Discount rate, per cent	6.6	5.6
Yield requirement for assessment of residual value year 16, per cent	4.6	3.6

		Public properties	Apartments
Sensitivity analysis - value changes, SEK million ¹			
Expected normalised rent	+/- 5%	+/- 31	+/- 234
Expected long-term vacancies	+/- 5%	-/+ 31	-/+ 234
Expected property costs	+/- 5%	-/+ 5	-/+ 53
Discount rate, per cent	+/- 1%	-/+ 108	-/+ 723
Yield requirement for assessment of residual value	+/- 1%	-/+ 147	-/+ 1,421

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 Tråhus' 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 shares	B shares	D shares	Preference shares	Total no. of shares	% of total no. of shares	% of total no. of votes
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	6,011,000	-	19,499	8,442,499	9.6	16.5
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	5,163,280	-	17,659	7,357,739	8.4	14.7
Länsförsäkringar Fastighetsfond	-	6,730,322	-	-	6,730,322	7.7	3.7
SEB Fonder	-	6,434,706	-	425	6,435,131	7.3	3.5
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
Swedbank Försäkring	-	1,310,035	-	18,877	1,328,912	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
Avanza Pension	-	841,795	-	156,715	998,510	1.1	0.5
Handelsbanken Liv	-	655,278	-	6,250	661,528	0.8	0.4
LK Finans	-	636,999	-	-	636,999	0.7	0.3
Adrigo Fonder	-	582,907	-	-	582,907	0.7	0.3
Carnegie Fonder	-	528,440	-	2,660	531,100	0.6	0.3
Christian Lindberg	-	375,000	-	-	375,000	0.4	0.2
Handelsbanken Sverige Index	-	364,965	-	-	364,965	0.4	0.2
Other	-	4,463,648	-	1,472,794	5,936,442	6.8	3.2
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 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, June 15, 2022

K2A Knaust & Andersson Fastigheter AB (publ)

Sten Gejrot

Chairman

Ludwig Holmgren

Member

Claes-Henrik Julander

Member

Johan Knaust

CEO and Member

Ingrid Lindquist

Member

Johan Ljungberg

Member

Johan Thorell

Member

This interim report has not been audited.

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 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jul- 2022 Jun	2021 Jan-Dec
Profit from property management per ordinary share						
Profit from property management	79.0	7.6	124.0	19.3	272.4	167.6
Dividend, preference shares	-9.0	-9.0	-18.0	-18.0	-36.1	-36.1
Hybrid bond expenses	-6.9	-6.7	-13.5	-11.8	-27.0	-25.4
Adjusted profit from property management	63.1	-8.2	92.5	-10.6	209.2	106.1
Weighted average number of ordinary shares	85,865,300	85,490,712	85,865,300	85,450,977	85,865,300	85,659,841
Profit from property management per ordinary share, SEK	0.74	-0.10	1.08	-0.12	2.44	1.24
Earnings per ordinary share						
Profit after tax	184.3	93.9	423.3	301.3	878.5	756.5
Dividend, preference shares	-9.0	-9.0	-18.0	-18.0	-36.1	-36.1
Hybrid bond expenses	-6.9	-6.7	-13.5	-11.8	-27.0	-25.4
Profit after preferred dividend and hybrid bond expenses	168.4	78.1	391.7	271.4	815.4	695.0
Weighted average number of ordinary shares	85,865,300	85,490,712	85,865,300	85,450,977	85,865,300	85,659,841
Adjusted earnings per ordinary share, SEK	1.96	0.91	4.56	3.18	9.50	8.11
Less non-controlling interest, SEK	0.00	0.00	0.00	0.00	-0.01	-0.01
Earnings per ordinary share, SEK	1.96	0.91	4.56	3.17	9.49	8.10
Equity per ordinary share						
Equity	3,267.1	2,476.0	3,267.1	2,476.0	3,267.1	2,906.2
Less non-controlling interests	-0.7	-1.5	-0.7	-1.5	-0.7	-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	2,297.5	1,505.6	2,297.5	1,505.6	2,297.5	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	26.76	17.53	26.76	17.53	26.76	22.55
EPRA NRV per ordinary share						
EPRA NRV	2,768.3	1,882.7	2,768.3	1,882.7	2,768.3	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	32.24	21.93	32.24	21.93	32.24	27.91
Surplus ratio						
Rental income	87.8	61.2	173.4	122.3	323.8	272.7
Operating surplus	62.0	43.3	111.1	82.6	212.3	183.9
Surplus ratio, per cent	70.6	70.8	64.1	67.5	65.6	67.4
Return on equity						
Profit after tax, rolling 12-month period	878.5	458.0	878.5	458.0	878.5	756.5
Closing equity	3,267.1	2,476.0	3,267.1	2,476.0	3,267.1	2,906.2
Return on equity, per cent	26.9	18.5	26.9	18.5	26.9	26.0
Equity/assets ratio						
Equity	3,267.1	2,476.0	3,267.1	2,476.0	3,267.1	2,906.2
Total assets	11,509.7	8,256.3	11,509.7	8,256.3	11,509.7	9,563.2
Equity/assets ratio, per cent	28.4	30.0	28.4	30.0	28.4	30.4

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASUREMENTS, CONT'D

SEK million	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jul- 2022 Jun	2021 Jan-Dec
Interest-bearing liabilities						
Non-current interest-bearing liabilities	6,227.9	4,245.5	6,227.9	4,245.5	6,227.9	4,345.4
Non-current lease liabilities	142.4	74.6	142.4	74.6	142.4	81.7
Current interest-bearing liabilities	948.8	872.9	948.8	872.9	948.8	1,456.8
Current lease liabilities	13.1	11.6	13.1	11.6	13.1	12.6
Interest-bearing liabilities	7,332.1	5,204.6	7,332.1	5,204.6	7,332.1	5,896.5
Lease liabilities	-155.4	-86.2	-155.4	-86.2	-155.4	-94.3
Interest-bearing liabilities excluding leases	7,176.6	5,118.4	7,176.6	5,118.4	7,176.6	5,802.2
Net debt						
Interest-bearing liabilities excluding leases	7,176.6	5,118.4	7,176.6	5,118.4	7,176.6	5,802.2
Cash and cash equivalents	-599.7	-742.5	-599.7	-742.5	-599.7	-379.2
Net debt	6,576.9	4,375.9	6,576.9	4,375.9	6,576.9	5,423.0
Loan-to-value ratio						
Interest-bearing liabilities excluding leases	7,176.6	5,118.4	7,176.6	5,118.4	7,176.6	5,802.2
Total assets	11,509.7	8,256.3	11,509.7	8,256.3	11,509.7	9,563.2
Loan-to-value ratio, per cent	62.4	62.0	62.4	62.0	62.4	60.7
Net loan-to-value ratio						
Net debt	6,576.9	4,375.9	6,576.9	4,375.9	6,576.9	5,423.0
Total assets less cash and cash equivalents	10,910.0	7,513.9	10,910.0	7,513.9	10,910.0	9,184.0
Net loan-to-value ratio, per cent	60.3	58.2	60.3	58.2	60.3	59.0
Interest-coverage ratio, 12 months						
Operating surplus	-	-	-	-	212.3	183.9
Administrative expenses, property management	-	-	-	-	-20.5	-19.8
Net interest income/expense	-	-	-	-	-104.5	-85.8
Interest-coverage ratio (12 months), times	-	-	-	-	1.8	1.9
EPRA NRV						
Equity	3,267.1	2,476.0	3,267.1	2,476.0	3,267.1	2,906.2
Derivatives	-106.7	-14.3	-106.7	-14.3	-106.7	-25.6
Deferred tax	577.5	391.4	577.5	391.4	577.5	485.3
EPRA NRV	3,737.8	2,853.1	3,737.8	2,853.1	3,737.8	3,365.9
Less non-controlling interests	-0.7	-1.5	-0.7	-1.5	-0.7	-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	2,768.3	1,882.7	2,768.3	1,882.7	2,768.3	2,396.4
Growth in EPRA NRV per ordinary share						
OB EPRA NRV attributable to ordinary shareholders, SEK	-	-	-	-	21.93	18.06
CB EPRA NRV attributable to ordinary shareholders, SEK	-	-	-	-	32.24	27.91
Growth in EPRA NRV per ordinary share (12 months), per cent	-	-	-	-	47.04	54.55

FINANCIAL CALENDAR

FINANCIAL REPORTS AND COMPANY EVENTS

Q3 Interim Report, January-September 2022	26 October 2022
Q4 Interim Report, January-December 2022	14 February 2023

DIVIDEND, PREFERRED SHARES

Last trading day, including right to dividend payment	7 September 2022
Record date for dividend payment	9 September 2022
Expected date of payment from Euroclear	14 September 2022
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

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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 and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above on June 15, 2022.

