

# Q1

Interim report January - March 2022

K2A Knaust & Andersson Fastigheter AB (publ)



# INTERIM REPORT JANUARY – MARCH 2022

## JAN-MAR 2022

- Rental income amounted to SEK 85.6 million (61.2)
- Net operating income amounted to SEK 49.1 million (39.3)
- Profit from property management amounted to SEK 45.0 million (11.7)
- Value changes from investment properties amounted to SEK 204.6 million (241.2)
- Net profit for the period amounted to SEK 239.0 million (207.4) and earnings per ordinary share amounted to SEK 2.60 (2.25)

Number of apartments in property and project portfolio	Property value	EPRA NRV attributable to ordinary shareholders
<b>9,926</b>	<b>9,487 MSEK</b>	<b>2,638 MSEK</b>

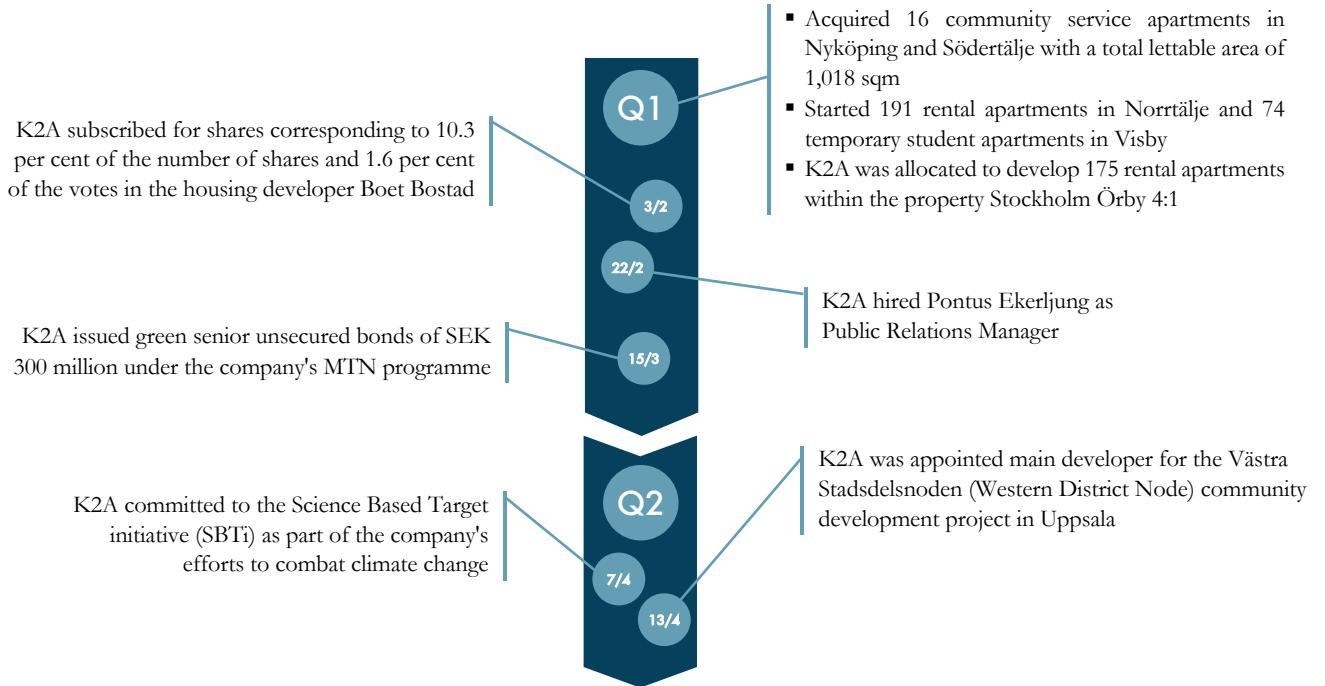
KEY FIGURES, SEK MILLION	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
Rental income	85.6	61.2	297.1	272.7
Operating surplus	49.1	39.3	193.7	183.9
Profit from property management	45.0	11.7	200.9	167.6
Value change, investment properties	204.6	241.2	705.3	741.9
Profit after tax	239.0	207.4	788.1	756.5
Number of managed apartments	4,379	3,103	4,379	3,910
Number of apartments under production	1,829	1,675	1,829	2,025
Number of apartments in projects	3,718	3,562	3,718	3,808
Total number of apartments	9,926	8,340	9,926	9,743
Net loan-to-value ratio, per cent	59.6	55.6	59.6	59.0
Interest coverage ratio, 12 months, times	-	-	1.9	1.9
Long-term net reinstatement value (EPRA NRV)	3,607.9	2,753.4	3,607.9	3,365.9
EPRA NRV attributable to ordinary shareholders	2,638.3	1,783.0	2,638.3	2,396.4
EPRA NRV per ordinary share, SEK	30.73	20.88	30.73	27.91
Growth in EPRA NRV per ordinary share, per cent	-	-	47.2	54.6

Number of apartments added to the property and project portfolio (quarter)	Change in property value (quarter)	Growth in EPRA NRV attributable to ordinary shareholders (quarter)
<b>183</b>	<b>1,028 MSEK</b>	<b>242 MSEK</b>

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 9 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



# Strong quarter for K2A despite bleak macro environment

The event that overshadowed everything else in the first quarter of 2022 was, of course, Russia's full-scale invasion of Ukraine and the unspeakable suffering and devastation that followed.

Like many others, I have been deeply affected by the human tragedies caused by the war and I am concerned about future developments in Ukraine.

As a property owner, we have a special opportunity to contribute help by providing apartments to those fleeing to Sweden. K2A was quick to contact the municipalities in which we operate to discuss the needs they saw in the future and offered to provide apartments. We also conducted fund raising through which K2A, together with its employees and customers, donated about SEK 450,000 to UNHCR.

The war in Ukraine is impacting the construction sector in Sweden and making it difficult to obtain certain materials. The increased global turbulence is also affecting the financial markets and may make financing more costly. However, I can confidently say that K2A has a stable financial position and healthy liquidity. In March, we successfully issued green bonds totalling SEK 300 million, despite turbulence in the capital markets. A proactive measure and a sign of strength that reduces risk in the company.

K2A is the green real estate company and our sustainability work has continued to move forwards. During the final quarter of 2021, we set the sector's most ambitious climate target: Our entire value chain is to be climate positive by 2027. We have continued to work so that all emissions that can be reduced will be reduced – preferably to zero. During the first quarter, we successfully reduced our CO<sub>2</sub> emissions in the existing property portfolio by 35 per cent.

K2A has committed to the Science Based Target initiative, which means K2A's climate targets have been validated as based on science and contribute to slowing climate change in line with the Paris Agreement. We also joined the UN's sustainable business network Global Compact, which means K2A supports the UN's international principles on human rights, labour, environment and anti-corruption.

Clearly, there is immense interest in climate-friendly construction in the market. At the major real estate and investment event, MIPIM, the opening speech was given by the former French president François Hollande. Hollande had a clear message: The real estate industry will need to take more responsibility for sustainability in the future. Specifically, he highlighted construction in timber and the climate benefits this offers.

It is little wonder that politicians have begun to wake up to emissions from the real estate sector. In Sweden and Europe as a whole, the construction and real estate sector is responsible for one fifth of emissions – and the vast bulk of housing related emissions are from new housing construction. As of 1 January 2022, companies that construct new buildings must prepare climate declarations, where we report the building's impact on the climate. It is a welcome step in the right direction, though I am surprised that we have

not seen more proposals from politicians for ways we can reduce emissions from the residential property sector.

In terms of earnings, the first quarter was a good start to the year for K2A. It is clear that rental apartments in attractive locations and with reasonable rents remain an attractive product. Adjusted for vacancies in connection with occupancy, only about 60 apartments were vacant and unlet at the end of the first quarter. We are maintaining a high rate of investment, which totalled about SEK 750 million in the first quarter.

More than 450 apartments were completed during the quarter, which means the number of managed apartments rose 12 per cent to 4,379 as of 31 March 2022. Barkarbystaden in Järfälla, just north of Stockholm, with more than 200 apartments is the largest project completed during the first quarter. In Barkarbystaden, we were able to use wooden façades, which produced buildings that are not only pleasant to live in but also more environmentally friendly and particularly beautiful to look at.

During the quarter, we entered two new markets as projects began in Norrtälje and Visby – two towns with a housing shortage.

Concurrently, we are on the verge of starting some of the most important and exciting projects in K2A's history. During the first quarter, the zoning plan entered legal force for the Ångpannan 10 and 12 properties in Västerås. K2A and SBB are to work together to construct a police station with a judicial centre at this site. A comprehensive project with a lettable area of 42,500 square metres.

Stockholm remains one of K2A's key markets. During the first quarter of this year, we were delighted to receive a land allocation linked to the City of Stockholm's special venture targeting rental apartments. We will construct apartments that will be part of the transformation of Örbyleden in south Stockholm into the vibrant Örbystråket town street.

Finally, I would like to highlight internal developments at K2A. Since the end of the year, the Group has gained another five employees. New local offices have opened this year in Växjö, Sundsvall and north Stockholm. I am proud that K2A is a workplace that attracts competent personnel, and where the company's environmental profile and special K2A spirit appeals to value driven and motivated employees.

*Johan Knaust, CEO*



# THIS IS K2A

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

## Mission statement

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

## Objectives

### Overall objective

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

### Sustainability targets

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

### Operational targets

- In 2022, K2A shall commence the construction of at least 1,000 new apartments, including at least 500 under own management.
- Thereafter, K2A's long-term target is to commence the construction of 700-1,000 apartments per year.
- By the end of 2025, K2A shall manage at least 10,000 apartments, or hold investment properties with a property value of more than SEK 20 billion.

### 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

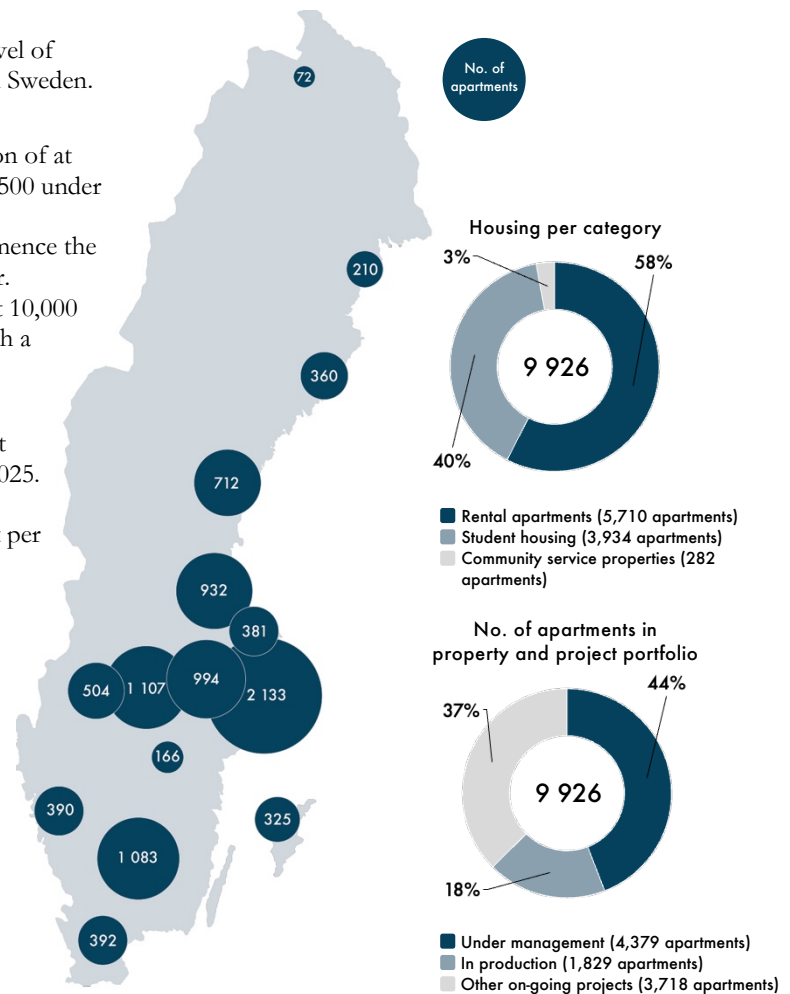
Over the long-term, dividends shall amount to maximum one third of average annual profit over the past three financial years. Over the next few years, K2A will prioritise growth over dividend, which could mean that low or no dividend is paid on ordinary shares. Preference shares shall be allotted in 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 9,926 apartments, including 4,379 managed apartments, with a total property value of SEK 9,487 million at the balance sheet date.



# SUSTAINABILITY

## K2A enables customers to keep within the planetary boundaries

On 7 April, the Cross-Party Committee on Environmental Objectives (*Miljömålsberedningen*) submitted the Sweden's global climate footprint (*Sveriges globala klimatavtryck*) interim report to the government. The Committee proposes that Sweden should introduce consumer-based emission targets, which would cap consumption by Swedes and include such items as transportation and food. Consumption based GHG emissions in Sweden currently total nine tonnes of CO<sub>2</sub>e per person. The Swedish Society for Nature Conservation has estimated that Sweden must reduce its consumption based GHG emissions from nine tonnes per person and year to one tonne by 2030 if consumption is to be within the planet's sustainable boundaries. Emissions from apartments are currently 1.2 tonnes of CO<sub>2</sub>e per person, which means every individual will also need to make lifestyle changes even in relation to housing to achieve the target. Tenants in a K2A apartment have already substantially reduced their housing related emissions. An average K2A apartment emits 230 kg of CO<sub>2</sub>e, which is about 80 per cent less than Sweden's average for housing emissions. Thanks to energy efficient buildings, own-generated electricity on the properties and electric carpools, K2A enables customers to stay below one tonne of CO<sub>2</sub>e per year.

## 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. Building with timber also contributes to a healthy work environment in the company's self-produced apartments. K2A builds for longterm ownership and therefore prioritises high-quality equipment and materials that have a long life and are possible to recycle or reuse. The production method is 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 climateproofs new developments and conversions for future emission scenarios, and ensures that the existing property portfolio is equipped for future climatechange 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 an electric car carpool 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 climatefriendly travel and coolers for grocery deliveries have been installed in a number of buildings to simplify everyday life for tenants.

## K2A's climate target approved by the Science Based Targets initiative

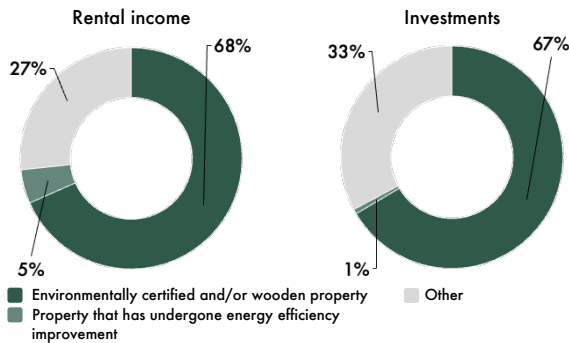
In its latest report, the UN's Intergovernmental Panel on Climate Change (IPCC) highlights the responsibility of the construction and real estate sector in the transition to climate neutrality. IPCC particularly states that zero-energy and carbon-zero buildings must be in place during this decade if the sector is to stand a chance of halving its emissions by 2030. 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 company's climate efforts, K2A committed to the Science Based Target initiative (SBTi) during the first quarter of 2022. The approval of SBTi provides confirmation that the company's climate target is based on science and in line with the goal of the Paris Agreement to halve GHG emissions by 2030. SBTi is the second international initiative that K2A has committed to recently. At year-end, the company also joined the largest global sustainability initiative, the United Nations Global Compact (UNGC). Membership of the UNGC means K2A supports the UN's international principles on human rights, labour, environment and anti-corruption.



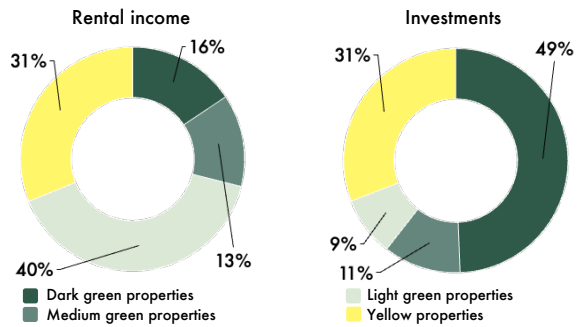
# GREEN FINANCING FRAMEWORK FOLLOW-UP

## GREEN FINANCING FRAMEWORK FOR SHARES

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

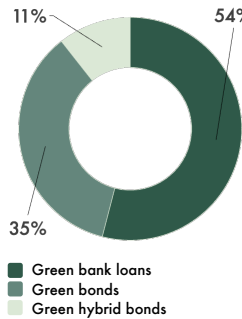


Breakdown according to framework, Apr 2021-Mar 2022

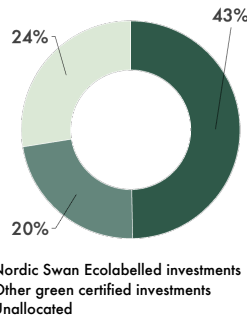


## GREEN FINANCING FRAMEWORK

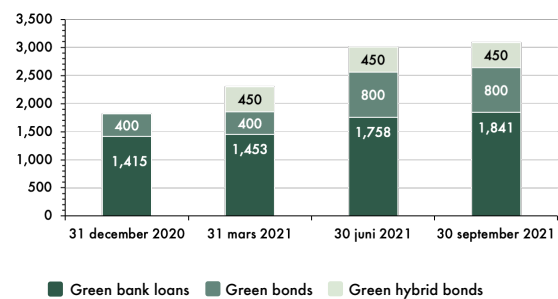
Green financing at the balance sheet date



Allocation of investments Apr 2021-Mar 2022



Green finance performance, MSEK



## GREEN BUILDINGS

Certified properties under management

Certification	Certified properties under management			Total	On-going		Total
	Certi-fied	On-going	Coming		On-going	Total	
Nordic Swan	9	-	-	9	39	48	
Miljöbyggnad nybyggnad							
Silver	4	-	-	4	1	5	
Miljöbyggnad iDrift							
Silver	10	38	19	67	-	67	
Bronse	25	7	-	32	-	32	
Passivhus/other	1	-	-	1	6	7	
<b>Total</b>	<b>49</b>	<b>45</b>	<b>19</b>	<b>113</b>	<b>46</b>	<b>159</b>	

## ENERGY EFFICIENCY

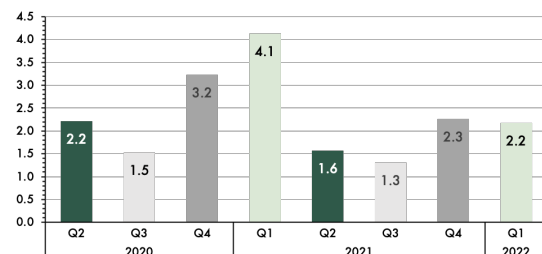
Year		Total CO <sub>2</sub> e-emissions		Energy use kWh/sqm
		tonne	kg/sqm	
2020	Q2	185.9	2.2	26.6
	Q3	143.6	1.5	16.7
	Q4	327.2	3.2	39.6
2021	Q1	460.3	4.1	50.3
	Q2	182.7	1.6	23.6
	Q3	142.0	1.3	15.2
	Q4	338.3	2.3	40.4
	Q1	465.4	2.2	32.6

Example of green buildings – Sundsvall Förrådet 4



- 237 newly developed student- and community services apartments
- Constructed with environmental certification (Nordic Swan Ecolabel)
- Completed in second quarter 2022

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



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

# 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.

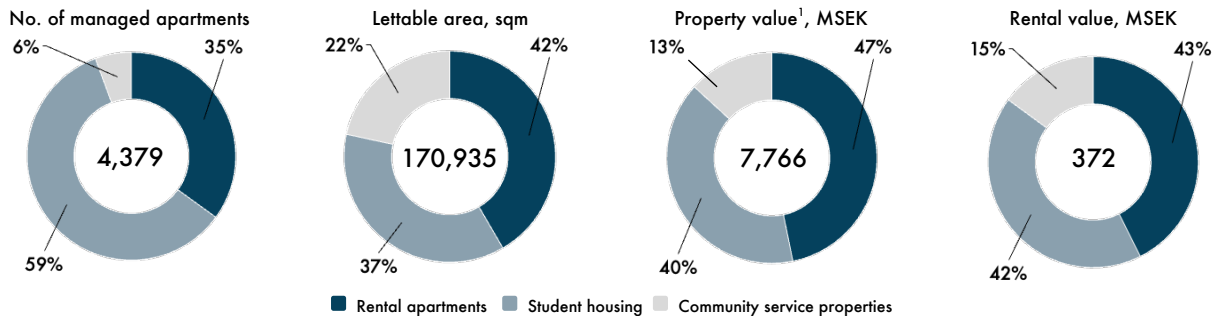
The investment objects comprise a total of 4,379 housing apartments and a lettable area of 170,935 sqm, of which 147,051 relates to housing apartments.

## INVESTMENT OBJECTS AT THE BALANCE SHEET DATE

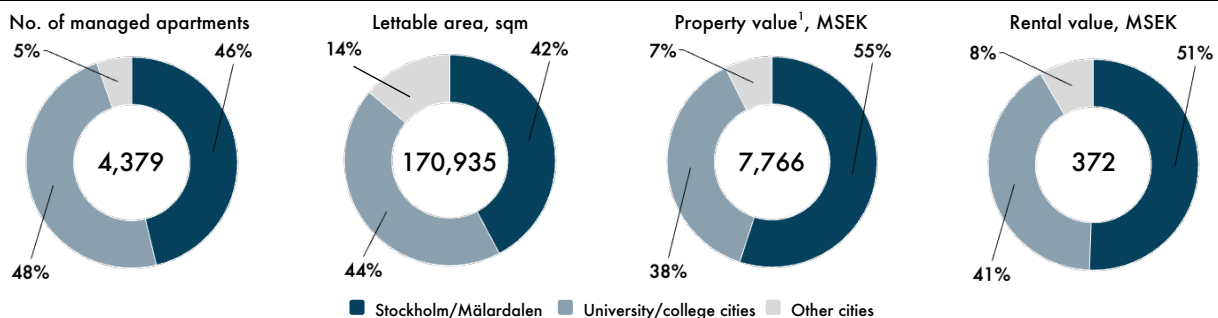
Investment objects per category	No. of apts.	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Rental apartments	1,532	67,346	3,807	3,634	51,075	158	2,226	34	482	122	1,712
Student housing	2,601	58,408	4,437	3,105	49,407	158	2,511	37	596	116	1,847
Public properties	246	21,297	15,639	1,027	27,794	56	1,507	9	256	46	1,251
<b>Total/average</b>	<b>4,379</b>	<b>147,051</b>	<b>23,883</b>	<b>7,766</b>	<b>45,431</b>	<b>372</b>	<b>2,175</b>	<b>81</b>	<b>475</b>	<b>284</b>	<b>1,662</b>

Investment objects geographic distribution	No. of apts.	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Property costs		Operating surplus	
		Residential	Premises	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm	MSEK	SEK/sqm
Stockholm/Mälardalen	2,026	68,051	4,154	4,270	59,140	188	2,606	38	528	147	2,035
Student cities	2,116	63,501	11,579	2,927	38,982	152	2,031	37	491	112	1,495
Other cities	237	15,499	8,150	569	24,052	31	1,321	6	262	25	1,052
<b>Total/average</b>	<b>4,379</b>	<b>147,051</b>	<b>23,883</b>	<b>7,766</b>	<b>45,431</b>	<b>372</b>	<b>2,175</b>	<b>81</b>	<b>475</b>	<b>284</b>	<b>1,662</b>

## INVESTMENT OBJECTS PER CATEGORY



## INVESTMENT OBJECTS, GEOGRAPHICAL DISTRIBUTION



1) The property value pertains to investment objects. At the balance sheet date, the total value of all investment properties, including the fair value of ongoing projects, was SEK 9 486,6 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 78,2 million at the balance sheet date.

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

## PROPERTIES UNDER MANAGEMENT

Property	Municipality	Category	Completed	Total area, sqm	No. of apartments	Rental value MSEK
<b>Investment properties on 31 December, 2021</b>						
Rental apartments		R		57,809	1,301	133.9
Student housing		S		56,534	2,396	136.5
Community service properties		C		34,733	222	49.8
Future projects		F		1,666	0	3.0
<b>Sum</b>				<b>150,743</b>	<b>3,919</b>	<b>323.2</b>
<b>Investment properties, added first quarter 2022</b>						
Soluppgången 1	Växjö	R	2022	4,816	60	8.7
Lilla Berg 1:4 & 1:5	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, lot A	Järfälla	S	2022	6,311	205	21.3
Starbanan 3	Örebro	R	2022	3,198	115	7.0
<b>Sum</b>				<b>20,192</b>	<b>460</b>	<b>48.6</b>
<b>Total</b>				<b>170,935</b>	<b>4,379</b>	<b>371,8</b>



Växjö Skärvet

## ONGOING PROJECTS AT THE BALANCE SHEET DATE

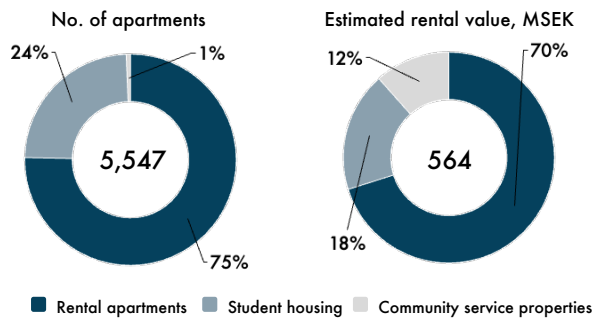
## ONGOING PROJECTS

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	MSEK	MSEK <sup>1</sup>
Rental apartments	4,178	179,689	5,251	395	2,138	7,375	640	773
Student housing	1,333	36,114	1,600	103	2,741	1,639	524	800
Public properties	36	3,176	24,754	65	2,331	1,202	3	3
<b>Total/average</b>	<b>5,547</b>	<b>218,979</b>	<b>31,605</b>	<b>564</b>	<b>2,250</b>	<b>10,216</b>	<b>1,168</b>	<b>1,576</b>

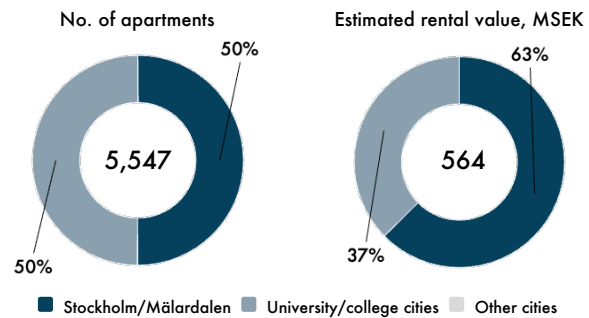
On-going projects geographic distribution	No. of apts.	Lettable area, sqm		Estimated rental value		Estimated investment	Worked-up investment	Property value
		Residential	Premises	MSEK	SEK/sqm	MSEK	MSEK	MSEK <sup>1</sup>
Stockholm/Mälardalen	2,778	118,820	31,089	353	2,356	6,250	244	576
Student cities	2,769	100,159	516	211	2,093	3,966	924	1,001
Other cities	-	-	-	-	-	-	-	-
<b>Total/average</b>	<b>5,547</b>	<b>218,979</b>	<b>31,605</b>	<b>564</b>	<b>2,250</b>	<b>10,216</b>	<b>1,168</b>	<b>1,576</b>

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 66,2 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	Status	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
Biologen 3	Växjö	R		1, 2020	2, 2022	4,124	70	6.7
Förrådet 4	Sundsvall	S, C		3, 2020	2, 2022	5,335	237	15.1
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
Intervall 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	Norrköping	R		1, 2022	4, 2023	10,785	191	20.5
<b>Total</b>						<b>73,675</b>	<b>1,829</b>	<b>149.1</b>
<b>Other on-going projects</b>								
Trädan 27	Växjö	S	6	3, 2022	3, 2023	1,935	90	
Harklövern 1, stage 2	Karlstad	R	6	3, 2022	1, 2024	3,195	88	
Sidsjöhöjden 4 (new construction)	Sundsvall	R	6	3, 2022	1, 2024	2,250	60	
Bredsand 1:282	Enköping	C	6	3, 2022	3, 2023	1,350	0	
Alliero 25	Sundsvall	R	6	4, 2022	4, 2024	7,007	187	
Österport <sup>3</sup> , stage 1	Växjö	R	6	4, 2022	3, 2024	5,610	110	
Brohuvudet 13-16	Sundsvall	S	6	4, 2022	2, 2024	1,811	85	
Brynäs 19:21	Gävle	R	6	4, 2022	4, 2023	6,390	121	
Förseglet 9, lott D	Västerås	R	6	4, 2022	4, 2024	5,240	136	
Vansta 5:28	Nynäshamn	R	2	2023	2025	5,480	140	
Sätra	Västerås	R	5	2023	2025	6,960	180	
Juliana 8	Västerås	S	2	2023	2025	975	45	
Ekersvägen <sup>3</sup>	Örebro	R	1	2023	2025	10,500	200	
Jakobsbergsplatsen <sup>3</sup>	Västerås	C	3	2023	2025	1,900	36	
Österport <sup>3</sup> , stage 2	Växjö	R	6	2023	2025	5,610	110	
Slakthusområdet <sup>3</sup>	Stockholm	S	6	2023	2025	6,175	250	
Slakthusområdet <sup>3</sup>	Stockholm	C	6	2023	2025	3,430	0	
Torpa-Sjöbo 2:1, stage 1	Borås	R	3	2023	2025	10,200	274	
Visborg 1:9 (del av)	Gotland	S	5	2023	2025	3,763	175	
Stora Sköndal <sup>3</sup>	Stockholm	R, S	4	2024	2026	7,900	248	
Korpralen 1, stage 2	Gotland	S	1	2024	2026	1,634	76	
Torpa Sjöbo 2:1, stage 2	Borås	R	3	2024	2026	4,150	110	
Isaberg 1 (projekt)	Stockholm	R	1	2024	2026	3,400	95	
Österport <sup>3</sup> , stage 3	Växjö	R	6	2024	2026	5,814	114	
Örbyleden	Stockholm	R	2	2025	2027	7,100	175	
Skutkrossen 16 (projekt)	Stockholm	R	1	2026	2028	3,000	70	
<b>Sum</b>						<b>122,779</b>	<b>3,175</b>	
<b>Total per balance-sheet day</b>						<b>196,454</b>	<b>5,004</b>	
<b>Co-owned projects, number of apartments and area attributable to K2A</b>								
Viby 19:3	Upplands-Bro	R	6	2022	2029	23,520	400	
Ångpannan 12	Västerås	C	6	2023	2025	21,250	-	
Flogsta 22:3	Uppsala	S	4	2024	2026	9,360	143	
<b>Sum</b>						<b>54,130</b>	<b>543</b>	
<b>Total</b>						<b>250,584</b>	<b>5,547</b>	

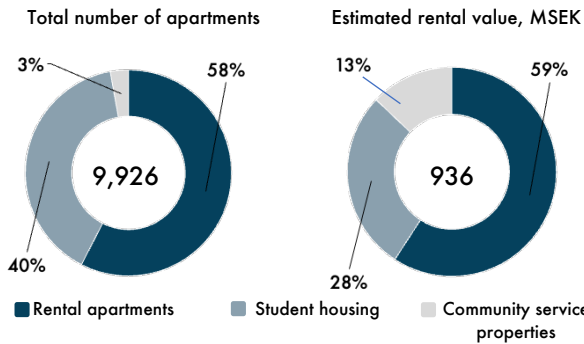
1) C=Community service properties, S=Student housing, R=Rental apartments, F=Future projects

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)

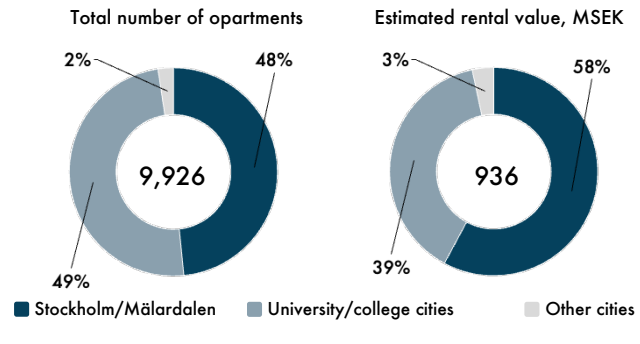
3) The project pertains to a site that include parts of several properties where the property has not been subdivided, which is why the final property designation is not yet known.

## TOTAL PROPERTY AND PROJECT PORTFOLIO AT THE BALANCE SHEET DATE

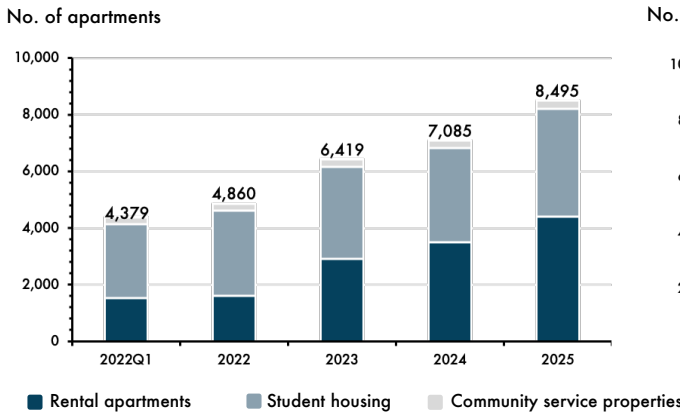
Total property and project portfolio per category



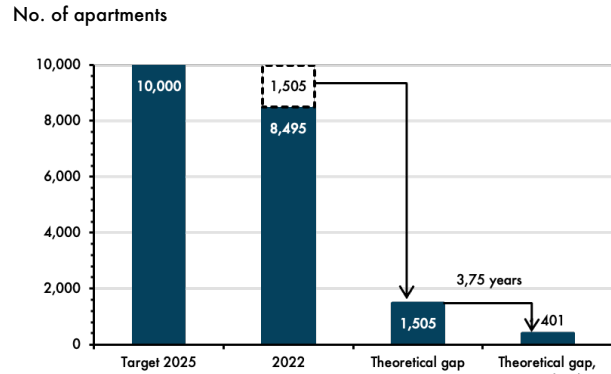
Total property and project portfolio, geographic distribution



No. of apartments after gradual completion of ongoing projects up and including 2025



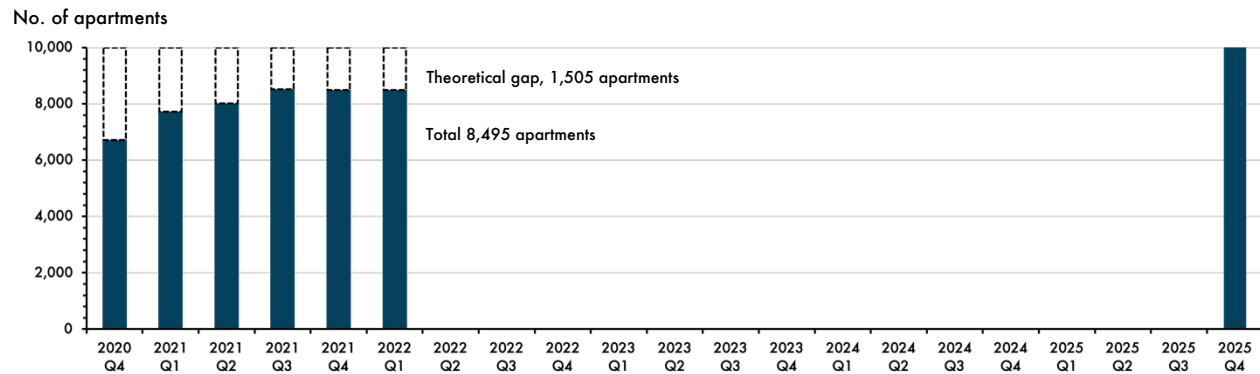
Operational target: 10,000 apartments by the end of 2025



K2A's existing ongoing projects are scheduled for completion during the period up to and including 2025, except for seven projects that will be gradually developed by 2026, 2028 and 2029, respectively (which is why the number of apartments in the pie charts above deviates from the value for 2025 in the bar charts above). 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 8,495 apartments by 2025.

However, K2A's growth target is to manage 10,000 apartments or have a property value of SEK 20 billion by the end of 2025. Subsequently, there were not enough building permits to develop 1,505 apartments in K2A's project portfolio (the theoretical gap) at the balance sheet date. With 3.75 years remaining until the end of 2025, the gap of 1,505 apartments in the project portfolio means that K2A, in addition to completing ongoing projects, needs to add 401 apartments per year on average until the end of 2025 to achieve the operational target.

Estimated number of completed apartments by the end of 2025 and the theoretical gap between the operational target of 10,000 apartments



K2A is continuously adding building permits to the project portfolio and during the quarter, the project portfolio with house building permits was expanded, which means that the theoretical gap was reduced from 1,513 apartments on 31 December 2021 to 1,505 at 31 March 2022.

# 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 investment properties <sup>1</sup>	On-going projects in production	Group	Total
Rental value	371.8	-	149.1		520.9
Vacancies	-6.5	-	-2.7		-9.2
Rental income	365.3	-	146.4		511.7
Total property costs, including administration	-103.1	-	-41.9		-145.0
Operating surplus	262.2	-	104.5		366.7
Central administration, property management				-18.0	-18.0
Net interest income/expense					-151.1
Profit from property management					197.6
<b>Remaining investments</b>	<b>89.0</b>	<b>-</b>	<b>1,879.9</b>		<b>1,968.9</b>

1) These investment objects have not been added on the balance sheet.

## 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	+/- 26.0
Occupancy rate	+/- 2 percentage points	+/- 10.4
Property cost	+/- 10 per cent	+/- 14.5
Interest expense	+/- 1 percentage point	+/- 56.8

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

SEK million	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
Rental income		85.6	61.2	297.1	272.7
<i>Property costs</i>					
Operating costs		-24.5	-16.6	-70.2	-62.3
Maintenance		-4.6	-1.8	-11.2	-8.5
Property tax		-0.7	-0.6	-2.8	-2.7
Depreciation		-0.2	-0.1	-0.4	-0.4
Property administration		-6.6	-2.8	-18.7	-15.0
<b>Total property costs</b>		<b>-36.5</b>	<b>-21.9</b>	<b>-103.4</b>	<b>-88.8</b>
<b>Operating surplus</b>		<b>49.1</b>	<b>39.3</b>	<b>193.7</b>	<b>183.9</b>
Central administration, property management		-5.5	-4.2	-21.1	-19.8
Central administration, project development		-12.4	-8.4	-42.4	-38.5
Gain/loss from joint ventures		37.9	4.1	161.7	127.8
- whereof operating surplus		-0.2	0.5	0.5	1.2
- whereof value change, investment properties		38.1	3.6	161.2	126.6
Net interest income/expense		-24.2	-19.0	-90.9	-85.8
Profit/loss from property management		45.0	11.7	200.9	167.6
<i>Value changes, unrealised</i>					
Value change, investment properties	2	204.6	241.2	705.3	741.9
Value change, participations in other companies		-0.7	-	7.4	8.2
Value change, derivatives		47.8	12.4	60.1	24.6
<b>Profit/loss before tax</b>		<b>296.7</b>	<b>265.3</b>	<b>973.7</b>	<b>942.3</b>
Current tax		-0.3	-0.0	-0.8	-0.5
Deferred tax		-57.4	-57.9	-184.8	-185.3
<b>Net profit/loss for the period/year</b>		<b>239.0</b>	<b>207.4</b>	<b>788.1</b>	<b>756.5</b>
<i>Net profit/loss for the period/year attributable to:</i>					
Parent Company shareholders		239.0	207.3	787.2	755.5
Non-controlling interests		-0.0	0.1	0.9	1.0
<i>Earnings per share</i>					
Earnings per ordinary share, before and after dilution, SEK		2.60	2.25	8.44	8.10
Average number of outstanding ordinary shares, before and after dilution		85,865,300	85,410,800	85,771,910	85,659,841

Net profit for the period/year corresponds to comprehensive income for the 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	2022-03-31	2021-03-31	2021-12-31
<b>ASSETS</b>				
<i>Intangible and tangible assets</i>				
Investment properties	3	9,486.6	6,446.5	8,458.4
Owner-occupied properties		13.7	16.5	14.4
Equipment		18.7	11.6	17.9
Licences		6.1	1.1	6.3
<b>Total tangible assets</b>		<b>9,525.1</b>	<b>6,475.6</b>	<b>8,497.0</b>
<i>Financial assets</i>				
Participations in joint ventures		318.1	143.9	267.7
Participations in other companies		154.4	35.0	101.0
Other non-current receivables		127.8	58.5	148.3
Derivatives		73.5	13.4	25.6
<b>Total financial assets</b>		<b>673.8</b>	<b>250.7</b>	<b>542.6</b>
<b>Total non-current assets</b>		<b>10,198.9</b>	<b>6,726.3</b>	<b>9,039.6</b>
<i>Current assets</i>				
Inventories		14.3	12.0	15.8
Accounts receivable		2.7	0.9	1.5
Tax assets		2.4	1.9	1.5
Receivables from joint ventures		2.0	2.4	6.8
Other receivables		149.9	22.4	107.1
Prepaid expenses and accrued income		15.4	13.8	11.8
Cash and cash equivalents		572.1	402.4	379.2
<b>Total current assets</b>		<b>758.8</b>	<b>455.8</b>	<b>523.6</b>
<b>Total assets</b>		<b>10,957.7</b>	<b>7,182.1</b>	<b>9,563.2</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
Share capital		547.9	118.0	547.9
Other contributed capital		942.0	917.9	942.0
Hybrid bond		450.0	450.0	450.0
Retained earnings including net profit/loss for the period/year		1,198.0	921.3	965.6
<b>Equity attributable to Parent Company shareholders</b>		<b>3,137.9</b>	<b>2,407.3</b>	<b>2,905.6</b>
<b>Equity attributable to non-controlling interests</b>		<b>0.7</b>	<b>1.5</b>	<b>0.7</b>
<b>Total equity</b>		<b>3,138.6</b>	<b>2,408.8</b>	<b>2,906.2</b>
<i>Non-current liabilities</i>				
Deferred tax liabilities		542.7	357.9	485.3
Non-current lease liabilities		143.3	60.1	81.7
Non-current interest-bearing liabilities		5,139.1	3,406.8	4,345.4
<b>Total non-current liabilities</b>		<b>5,825.1</b>	<b>3,824.8</b>	<b>4,912.4</b>
<i>Current liabilities</i>				
Current interest-bearing liabilities		1,625.1	767.6	1,456.8
Current lease liabilities		12.9	11.2	12.6
Accounts payable		101.1	85.9	100.7
Tax liabilities		4.4	2.3	5.1
Other liabilities		31.2	25.0	49.4
Accrued expenses and deferred income		219.2	56.5	120.0
<b>Total current liabilities</b>		<b>1,994.0</b>	<b>948.5</b>	<b>1,744.5</b>
<b>Total liabilities</b>		<b>7,819.1</b>	<b>4,773.3</b>	<b>6,656.9</b>
<b>Total equity and liabilities</b>		<b>10,957.7</b>	<b>7,182.1</b>	<b>9,563.2</b>

## 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 2021	118.0	917.9	-	726.1	1.4	1,763.5
Profit/loss for the period				207.3	0.1	207.4
New issue, hybrid bond	-	-	450.0	-	-	450.0
Costs for issue of hybrid bond	-	-	-	-7.0	-	-7.0
Cost, hybrid bond	-	-	-	-5.1	-	-5.1
Total transactions with owners	-	-	450.0	-12.1	-	437.9
Closing equity, 31 Mar 2021	118.0	917.9	450.0	921.3	1.5	2,408.8
Opening equity, 1 Jan 2022	547.9	941.9	450.0	965.6	0.7	2,906.2
Profit/loss for the period				239.0	-0.0	239.0
Payment, hybrid bond	-	-	-	-6.6	-	-6.6
Total transactions with shareholders	-	-	-	-6.6	-	-6.6
Closing equity, 31 Mar 2022	547.9	941.9	450.0	1,197.9	0.7	3,138.6

## THE GROUP'S CASH FLOW STATEMENT

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
<i>Operating activities</i>				
Profit/loss from property management	45.0	11.7	200.9	167.6
Adjustments for non-cash items	-34.0	-1.2	-142.3	-109.5
Tax paid	-	-	-0.7	-0.7
Change in inventories	1.5	3.8	-2.3	0.0
Change in operating receivables	1.0	-21.6	-119.6	-142.2
Change in operating liabilities	-15.0	-4.7	139.8	150.2
Cash flow from operating activities	-1.5	-11.9	75.7	65.3
<i>Investing activities</i>				
Acquisition of investment properties	-358.9	-189.2	-1,152.3	-982.7
Investments in investment properties	-331.3	-222.9	-1,048.2	-939.8
Deposits paid for acquisition of investment properties	-	-6.2	-90.1	-96.3
Investments in other non-current assets, net	-56.2	-0.6	-124.1	-68.6
Cash flow from investing activities	-746.3	-418.8	-2,414.8	-2,087.3
<i>Financing activities</i>				
New share issue	-	-	26.2	26.2
Costs for new share issue	-	-	-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	991.8	1.0	3,080.9	2,090.1
Repayment of loans	-32.6	-11.2	-502.9	-481.5
Repayment of lease liability	-2.8	-2.6	-11.1	-10.9
Acquisition of participations, non-controlling interests	-	-	-10.9	-10.9
Payment, hybrid bond	-6.7	-	-26.9	-20.2
Dividend, ordinary shares	-	-	-8.5	-8.5
Dividend, preference shares	-9.0	-9.0	-36.1	-36.1
Cash flow from financing activities	940.7	421.2	2,508.6	1,989.1
Cash flow for the period	192.9	-9.6	169.5	-32.9
Cash and cash equivalents at the beginning of the period/year	379.2	412.1	402.5	412.1
Cash and cash equivalents at the end of the period/year	572.1	402.5	572.1	379.2

## SEGMENT REPORTING

SEK million	INVESTMENT PROPERTIES		ONGOING PROJECTS		UNDISTRIBUTED ITEMS		GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
<b>INCOME STATEMENT</b>								
Rental income	84.1	60.7	1.4	0.4	-	-	85.6	61.2
Property costs	-35.4	-21.3	-1.0	-0.5	0.0	-	-36.5	-21.9
Operating surplus	48.7	39.4	0.4	-0.1	0.0	-	49.1	39.3
Central administration	-5.5	-4.2	-12.4	-8.4	-	-	-17.9	-12.7
Gain/loss from joint ventures	-	-	-	-	37.9	4.1	37.9	4.1
- whereof operating surplus	-	-	-	-	-0.2	0.5	-0.2	0.5
- whereof value change, investment properties	-	-	-	-	38.1	3.6	38.1	3.6
Net interest income/expense	-16.9	-12.2	-0.1	-0.1	-7.2	-6.6	-24.2	-19.0
Profit/loss from property management	26.4	23.0	-12.0	-8.6	30.7	-2.6	45.0	11.7
<i>Value changes, unrealised</i>								
Properties	19.4	194.0	185.1	49.0	-	-	204.6	241.2
Participations in other companies	-	-	-	-	-0.7	-	-0.7	-
Derivatives	-	-	-	-	47.8	12.4	47.8	12.4
Profit/loss before tax	45.8	217.0	173.1	40.4	77.8	9.8	296.7	265.3
Current tax	-	-	-	-	-	-	-0.3	-0.0
Deferred tax	-	-	-	-	-	-	-57.4	-57.9
Profit/loss for the period	-	-	-	-	-	-	239.0	207.4
<b>BALANCE SHEET</b>								
Non-current assets	7,844.0	4,852.1	2,116.7	1,678.7	238.2	195.5	10,198.9	6,726.3
Current assets	121.3	178.1	104.8	58.8	532.7	219.0	758.8	455.8
Total assets	7,965.3	5,030.2	2,221.5	1,737.4	770.9	414.5	10,957.7	7,182.1
Non-current liabilities	3,735.5	2,414.6	1,183.7	1,169.2	905.9	241.0	5,825.1	3,824.8
Current liabilities	1,544.5	805.0	331.3	114.5	118.1	29.0	1,994.0	948.5
Total liabilities	5,280.0	3,219.6	1,515.1	1,283.8	1,024.0	269.9	7,819.1	4,773.3

## THE GROUP'S KEY FIGURES

	2022	2021	2021 Apr-	2021
	Jan-Mar	Jan-Mar	2022 Mar	Jan-Dec
<b>Property-related key figures</b>				
Number of managed apartments	4,379	3,103	4,379	3,910
Number of apartments under production	1,829	1,675	1,829	2,025
Number of apartments in projects	3,718	3,562	3,718	3,808
Total number of apartments	9,926	8,340	9,926	9,743
Lettable area housing apartments, tsqm	125.8	87.6	125.8	110.4
Lettable area public properties, tsqm	43.3	26.3	43.3	38.4
Lettable area other, tsqm	1.9	1.7	1.9	1.8
Total lettable area, tsqm	170.9	115.6	170.9	150.6
Economic occupancy rate, per cent	97.8	93.1	94.5	93.2
Surplus ratio, per cent	57.4	64.3	65.2	67.4
<i>Cash flows from investment activities, SEK million</i>				
Investments in new construction, extension and refurbishment	331.3	222.9	1,048.2	939.8
Acquisitions	358.9	195.4	1,242.4	1,079.0
<b>Financial key figures at the balance-sheet date</b>				
Return on equity, %			25.1	26.0
Equity/assets ratio, %	28.6	33.5	28.6	30.4
Loan-to-value ratio, %	61.7	58.1	61.7	60.7
Net loan-to-value ratio, %	59.6	55.6	59.6	59.0
Average interest rate, %	2.1	2.4	2.1	2.0
Interest-coverage ratio, 12 months, times	-	-	1.9	1.9
Fixed-rate period, no. of months	24	31	24	28
Average loan maturity, no. of months	27	27	27	27
<b>Share-related key figures</b>				
Total number of preference shares outstanding	1,804,800	1,804,800	1,804,800	1,804,800
Average number of preference shares outstanding	1,804,800	1,804,800	1,804,800	1,804,800
Total dividend preference shares, SEK million	9.0	9.0	36.1	36.1
Dividend per preference share, SEK	5.00	5.00	20.00	20.00
Total number of ordinary shares outstanding	85,865,300	85,410,800	85,865,300	85,865,300
Average number of ordinary shares outstanding	85,865,300	85,410,800	85,771,910	85,659,841
Profit from property management per ordinary share, SEK	0.34	-0.03	1.61	1.24
Earnings per ordinary share, SEK	2.60	2.25	8.44	8.10
Adjusted earnings per ordinary share, SEK	2.60	2.26	8.45	8.11
Equity, SEK million	3,138.6	2,408.8	3,138.6	2,906.2
Equity attributable to ordinary shareholders, SEK million	2,169.0	1,438.4	2,169.0	1,936.7
Equity per ordinary share, SEK	25.26	16.84	25.26	22.55
EPRA NRV, SEK million	3,607.9	2,753.4	3,607.9	3,365.9
EPRA NRV attributable to ordinary shareholders, SEK million	2,638.3	1,783.0	2,638.3	2,396.4
EPRA NRV per ordinary share, SEK	30.73	20.88	30.73	27.91
Growth in EPRA NRV per ordinary share (12 months), %			47.2	54.6

## PARENT COMPANY'S COMPREHENSIVE INCOME IN SUMMARY

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
Operating income	12.9	6.4	38.7	32.2
Operating expenses	-28.0	-16.7	-93.1	-81.8
Operating profit/loss	-15.1	-10.3	-54.4	-49.7
Profit/loss from financial items	36.2	5.2	255.0	224.0
Profit/loss after financial items	21.1	-5.1	200.6	174.4
Appropriations	-	-	8.4	8.4
Profit/loss before tax	21.1	-5.1	209.0	182.8
Tax	-9.9	-2.7	-3.9	3.3
Net profit/loss for the period/year 1	11.3	-7.7	205.1	186.1

Net profit/loss for the period/year corresponds to comprehensive income for the 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	2022-03-31	2021-03-31	2021-12-31
<b>ASSETS</b>			
Intangible assets	6.1	1.2	6.3
Tangible assets	2.8	1.4	2.2
Financial assets	2,186.7	468.3	2,138.9
Non-current assets	2,195.7	470.8	2,147.4
Current assets	1,803.5	1,879.8	1,876.5
Total assets	3,999.2	2,350.7	4,024.0
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	547.9	118.0	547.9
Non-restricted equity	1,040.4	1,312.6	1,035.8
Total equity	1,588.4	1,430.7	1,583.7
Non-current liabilities	1,496.8	396.3	1,190.3
Current liabilities	967.4	523.7	1,249.9
Total liabilities	2,464.2	920.0	2,440.3
Total equity and liabilities	4,052.6	2,350.7	4,024.0

# PERFORMANCE ANALYSIS

## JANUARY-MARCH 2022

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

### Rental income and occupancy rate

During the period, rental income increased to SEK 85.6 million (61.2). The increase corresponded to growth of 39.9 per cent in rental income. During the period, the economic occupancy rate was 97.8 per cent (93.1).

The increase in rental income was mainly due to the fact that K2A managed a larger property portfolio in 2021 compared with the year-earlier period, lower vacancies as well as rental increases. Rental income rose by 0.9 per cent in the comparable portfolio. At 31 March 2022, the lettable area in K2A's property portfolio was 170.9 tsqm, compared with 115.6 tsqm at 31 March 2021, up 47.7 per cent. On March 31 2022, the total rental value of investment objects was SEK 371.8 million (253.4) on an annual basis, up 46.7 per cent.

#### Rental income

	2022	2021	Change,
SEK million	Jan-Mar	Jan-Mar	%
Student housing	37.4	28.1	33.0
Rental apartments	33.6	24.6	36.7
Public properties	14.6	8.5	72.1
<b>Total income</b>	<b>85.6</b>	<b>61.2</b>	<b>39.9</b>

### Property costs

During the period, total property costs increased to SEK 36.5 Mkr (21.9), up 66.9 per cent. The increase is explained below.

#### Property costs, Jan-Mar 2022

SEK million	Student housing	Rental apts.	Public properties	Total
Operating costs	-11.5	-9.3	-3.7	-24.5
Maintenance	-2.7	-1.4	-0.5	-4.6
Property tax	-0.5	-0.2	-0.0	-0.7
Depreciation/amortisation	-0.0	-0.1	-	-0.2
Direct property costs	-14.7	-11.0	-4.2	-29.9
<b>Property administration</b>				<b>-6.6</b>
<b>Total property costs</b>				<b>-36.5</b>

#### Property costs, Jan-Mar 2021

SEK million	Student housing	Rental apts.	Public properties	Total
Operating costs	-8.7	-6.2	-1.6	-16.6
Maintenance	-0.7	-0.8	-0.4	-1.8
Property tax	-0.5	-0.0	-0.0	-0.6
Depreciation/amortisation	-0.0	-0.0	-	-0.1
Direct property costs	-9.9	-7.2	-2.0	-19.0
<b>Property administration</b>				<b>-2.8</b>
<b>Total property costs</b>				<b>-21.9</b>

During the period, operations and maintenance costs, including property tax, amounted to SEK -29.7 million (-19.0), up 46.9 per cent. The increase was due to the fact that K2A managed a larger property portfolio year-on-year, increased costs for snow electricity, 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 14.1 per cent in the comparable portfolio.

Property administration costs amounted to SEK -6.6 million (-2.8). 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 49.1 million (39.3) up 24.9 per cent. The surplus ratio for the past 12 months was 65.2 per cent (67.8). The lower surplus ratio was due to higher property costs during the period, and higher vacancies primarily in the second quarter of 2021.

### Central administration

Central administration costs amounted to SEK -17.9 million (-12.7), vilket motsvarade en ökning av kostnaderna med 41,2 procent. The increase was due to strengthening of the organisation. The number of employees at the head office rose by 16 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 -5,5 million (-4,2) and SEK -12,4 million (-8,4), respectively.

### Profit from joint ventures

The share of profit during the period was SEK 37.9 million (4.1). The year-on-year increase was largely due to value changes attributable to joint projects, which amounted to SEK 38,1 million (3,6).

### Net interest income/expense

Net interest expense amounted to SEK -24.2 million (-19.0). The year-on-year increase in interest bearing liabilities led to higher interest expense. The average interest rate on the balance sheet date was 2.1 per cent (2.4). The interest-coverage ratio for the past 12 months was 1.9 (2.0).

### Value changes

During the period, unrealised changes in the value of investment properties amounted to SEK 204,6 million (241,2). The higher value changes were mainly attributable to lower yield requirements.

#### Value change, investment properties

	2022	2021
SEK million	Jan-Mar	Jan-Mar
Investment objects	19.4	192.2
Ongoing projects	185.1	49.0
<b>Total value change</b>	<b>204.6</b>	<b>241.2</b>
<b>Total as a percentage of opening balance</b>	<b>2.4</b>	<b>4.2</b>

K2A has interest rate swaps for loans with a total nominal value of SEK 1,075.0 million (1,175.0). During the period, unrealised changes in the value of derivatives amounted to SEK 47,8 million (12,4), due to changes in long-term market rates. Unrealised value changes have no impact on cash flow.

## Taxes

Current tax for the period amounted to -0.3 Mkr (0.0), which relates to estimated tax expense in newly acquired companies. Deferred tax amounted to SEK -57.4 Mkr (-57.9) and was mainly impacted by unrealised changes in the value of properties and derivatives. The corporation tax rate is 20.6 per cent.

On 31 March 2022, the group's accumulation of tax loss carryforwards amounted to SEK 282.8 million (205.4). Deferred tax is recognised on a net basis on the consolidated balance sheet.

### Deferred tax liabilities recognised on balance sheet

Mkr	2022-03-31	2021-03-31
Properties	580.2	394.9
Tax loss carryforwards	-57.9	-42.0
Untaxed reserves	2.0	0.3
Derivatives	15.1	2.9
Other items	3.4	1.8
<b>Total</b>	<b>542.7</b>	<b>357.9</b>

## Profit for the period

Profit after tax for the period totalled 239.0 Mkr (207.4) and earnings per ordinary share were SEK 2.60 (2.25). 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 137 employees (131). 45 people (40), of whom 18 (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 92 people (91) refer to employees in the K2A Trähus subsidiary, or the company's manufacturing facilities for wooden apartment 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 3.8 million (1.0). 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 0.6 million (1.1), of which SEK 0.6 million (0.5) was invoiced to the Parent Company. Sten Gejrot is a member 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 31 March 2022, the value of K2A's assets were SEK 10,957.7 million (9,563.2), of which investment properties accounted for SEK 9,486.6 million (8,458.4). Cash and cash equivalents amounted to SEK 572.1 million (379.2). equity amounted to SEK 3,138.6 million (2,906.2).

## Interest bearing liabilities

At 31 March 2022, K2A had interest bearing liabilities (excluding lease liabilities) of SEK 6,764.1 million (5,802.2). The group's net loan-to-value ratio was 59.6 per cent (59.0). At period end, the average interest rate was 2.11 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 25 months (28) and the average loan maturity was 27 months (27). K2A has derivative contracts totalling SEK 1,075.0 million (1,175.0). At period end, loan repayments over the next 12 months amounted to SEK 73.8 Mkr (54.0). Accrued borrowing costs of SEK 23.3 million (20.5) reduced interest bearing liabilities on the balance sheet.

During the quarter, K2A issued senior unsecured green bonds of SEK 300 million under the company's existing MTN programme. The bonds have a 2 years and 9 months maturity, a 3-month STIBOR rate plus 440 basis points and a maturity date of 18 December 2024. The bonds were issued on 18 March 2022.

## INTEREST AND AVERAGE LOAN MATURITY AT THE BALANCE SHEET DATE

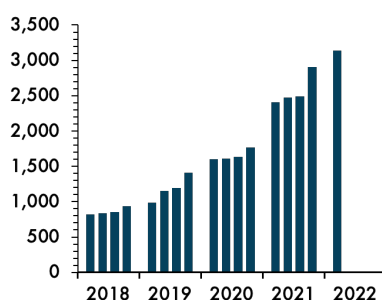
Due year	Fixed rate		Loan maturity, MSEK		
	Volume, MSEK	Interest, per cent	Commitment	Drawn	Undrawn
Variable interest rate	3,035.6	2.47	-	-	-
2022	138.2	1.43	1,393.9	1,108.0	285.9
2023	328.1	1.75	2,176.2	1,591.1	585.1
2024	631.9	1.52	2,498.3	1,978.1	520.3
2025	1,673.0	1.65	1,846.7	1,759.0	87.7
2026	505.8	1.97	305.8	305.8	-
2027	-	-	45.6	45.6	-
2028	475.0	2.75	-	-	-
<b>Total/average</b>	<b>6,787.5</b>	<b>2.11</b>	<b>8,266.4</b>	<b>6,787.5</b>	<b>1,478.9</b>

## GREEN HYBRID BONDS AND GREEN HYBRID BONDS

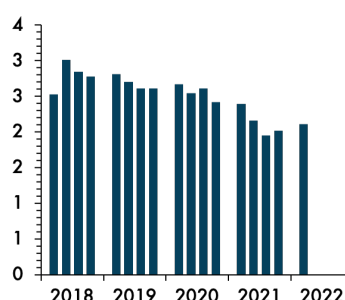
Instrument	First issue date	Maturity date	Time to maturity, yrs <sup>1</sup>	Nom. amount MSEK	Base rate	Base rate margin, %	Current rate, %
MTN 101	2021-06-01	2024-06-01	2.2	400	Stibor 3M	3.25	3.18
MTN 102	2021-10-01	2025-04-01	3.0	400	Stibor 3M	3.00	3.07
MTN 103	2022-03-18	2024-12-24	2.8	300	Stibor 3M	4.40	4.48
<b>Total outstanding bonds</b>				<b>1,500</b>			
<b>Hybrid bonds</b>	<b>2020-01-21</b>	<b>2026-04-21</b>	<b>4.1</b>	<b>450</b>	<b>Stibor 3M</b>	<b>5.95</b>	<b>5.88</b>
<b>Total outstanding hybrids</b>				<b>450</b>			

1) Per 31 mar 2022

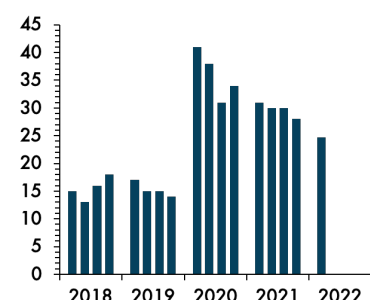
Equity, MSEK



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 25. For further information on K2A's valuation method, see the annual report for 2021 (Note 15).

### Sensitivity analysis - valuation

Key figures, per cent	2022-03-31	2022-03-31
Discount rate, apartments	5.6	6.5
Discount rate, public properties	6.6	7.2
Yield requirement for assessment of residual value		
Apartments	3.6	3.9
Public properties	4.6	5.3
<b>Total</b>	<b>3.7</b>	<b>4.0</b>

The property portfolio value increased SEK 963,5 million (655,7) compared with the end of 2021.

During the period, SEK 689.0 million (11.0) was 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 78.2 million (58.0) and SEK 66.2 million (1.5), respectively.

### Change in property portfolio for Jan-Mar 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	-	-	-
Asset acquisitions via subsidiaries	381.1	0.0	381.1
Divestments	-	-	-
Investments	22.3	355.6	377.9
Unrealised value changes	19.4	185.1	204.6
Right-of-use assets	-	64.7	64.7
Reclassified	689.0	-689.0	-
<b>Property portfolio at period-end</b>	<b>7,844.1</b>	<b>1,642.5</b>	<b>9,486.6</b>

### Change in property portfolio for Jan-Mar 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	160.6	21.6	182.3
Divestments	-	-	-
Investments	1.9	220.6	222.5
Unrealised value changes	192.2	49.0	241.2
Right-of-use assets	9.8	-	9.8
Reclassified	11.0	-11.0	-
<b>Property portfolio at period-end</b>	<b>4,852.2</b>	<b>1,594.3</b>	<b>6,446.5</b>

## Not 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-March 2021. For further information in the Annual Report 2021, Note 35.

	2021-01-01 - 2021-03-31		
	Previously reported	After Correction	After correction
<b>The group, MSEK</b>			
<b>Income statement</b>			
Property costs			
Depreciation/amortization	-1.9	1.8	-0.1
Total property costs	-23.6	1.8	-21.9
Net operating income	37.5	1.8	39.3
Profit from property management	10.0	1.8	11.7
Value change, investment properties, unrealized	243.0	-1.8	241.2
Profit before tax	265.3	-	265.3
<b>Consolidated cash flow statement</b>			
Operating activities			
Profit from property management	10.0	1.8	11.7
Adjustment for non-cash items	0.6	-1.8	-1.2
<b>Cash flow from operating activities</b>	<b>-11.9</b>	<b>-</b>	<b>-11.9</b>

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

No significant events occurred after the end of the period.

# OPPORTUNITIES AND RISKS

## Cash flow risks and opportunities

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

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

	Change	Effect on cash flow, SEK million
Rental value	+/-5 per cent	+/- 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	2,653	3,249
Current rent, SEK/sqm	1,923	2,387
Remaining duration rental contracts, years	9.0	e.t.
Expected long-term vacancy year 16, per cent	3.0	1.3
Current vacancy, sqm	4.1	1.8
Expected normalised operating profit year 16, SEK/sqm	2,140	2,393
Discount rate, per cent	6.6	5.6
Yield requirement for assessment of residual value year 16, per cent	4.6	3.6

### Sensitivity analysis - value changes, SEK million

	Change	Effect on real value	
		Public properties	Apartments
Expected normalised rent	+/- 5%	+/- 31	+/- 235
Expected long-term vacancies	+/- 5%	-/+ 31	-/+ 235
Expected property costs	+/- 5%	-/+ 5	-/+ 53
Discount rate, per cent	+/- 1%	-/+ 108	-/+ 728
Yield requirement for assessment of residual value	+/- 1%	-/+ 145	-/+ 1434

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.

## Effects of covid-19

K2A has not observed any significant negative consequences for the business during 2020-2022 which can be linked to the outbreak of covid-19 or its negative consequences for society and the economy. During part of 2021, operations were marginally affected, mainly in the form of lower supply and higher prices for certain inputs in production as well as increased vacancies for student housing at a number of university and college locations that conducted distance education.

## 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.

## 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.

Number of votes/total number of votes. A shares carry 10 votes per share, while B, D and preference shares carry 1 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 PEF) 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 and companies	2,841,840	17,402,015	6,806,160	94,025	27,144,040	31.0	28.8
Länsförsäkringar Fastighetsfond	-	8,574,652	-	-	8,574,652	9.8	4.7
Johan Ljungberg and companies	2,412,000	5,795,000	-	13,864	8,220,864	9.4	16.3
Johan Thorell and companies	2,412,000	5,711,000	-	19,499	8,142,499	9.3	16.3
Claes-Henrik Julander and companies	2,176,800	5,086,280	-	17,659	7,280,739	8.3	14.7
SEB Fonder	-	6,484,436	-	-	6,484,436	7.4	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	-	1,635,755	-	-	1,635,755	1.9	0.9
Swedbank Försäkring	-	1,281,936	-	19,189	1,301,125	1.5	0.7
Avanza Pension	-	899,833	-	159,900	1,059,733	1.2	0.6
Cliens Kapitalförvaltning	-	1,033,261	-	-	1,033,261	1.2	0.6
Handelsbanken Liv	-	651,278	-	6,490	657,768	0.8	0.4
LK Finans	-	636,999	-	-	636,999	0.7	0.3
Carnegie Fonder	-	600,165	-	5,460	605,625	0.7	0.3
Erik Selin Fastigheter	-	500,000	-	-	500,000	0.6	0.3
IKC Fastighetsfond	-	475,429	-	-	475,429	0.5	0.3
Christian Lindberg	-	375,000	-	-	375,000	0.4	0.2
Handelsbanken Sverige Index	-	372,627	-	-	372,627	0.4	0.2
Other	-	3,858,740	-	1,466,682	5,325,422	6.1	2.9
<b>Total</b>	<b>10,604,640</b>	<b>68,454,500</b>	<b>6,806,160</b>	<b>1,804,800</b>	<b>87,670,100</b>	<b>100.0</b>	<b>100.0</b>

# SIGNATURES OF THE BOARD OF DIRECTORS

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

Stockholm, April 29, 2022

K2A Knaust & Andersson Fastigheter AB (publ)

Johan Thorell

*Chairman*

Sten Gejrot

*Member*

Ludwig Holmgren

*Member*

Claes-Henrik

Julander

*Member*

Johan Knaust

*CEO and Member*

Ingrid Lindquist

*Member*

Johan Ljungberg

*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 percent 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 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
<b>Profit from property management per ordinary share</b>				
Profit from property management	45.0	11.7	200.9	167.6
Dividend, preference shares	-9.0	-9.0	-36.1	-36.1
Hybrid bond expenses	-6.6	-5.1	-26.9	-25.4
Adjusted profit from property management	29.4	-2.4	137.9	106.1
Weighted average number of ordinary shares	85,865,300	85,410,800	85,771,910	85,659,841
Profit from property management per ordinary share, SEK	0.34	-0.03	1.61	1.24
<b>Earnings per ordinary share</b>				
Profit after tax	239.0	207.4	788.1	756.5
Dividend, preference shares	-9.0	-9.0	-36.1	-36.1
Hybrid bond expenses	-6.6	-5.1	-26.9	-25.4
Profit after preferred dividend and hybrid bond expenses	223.3	193.3	725.1	695.0
Weighted average number of ordinary shares	85,865,300	85,410,800	85,771,910	85,659,841
Adjusted earnings per ordinary share, SEK	2.60	2.26	8.45	8.11
Less non-controlling interest, SEK	0.00	0.00	-0.01	-0.01
Earnings per ordinary share, SEK	2.60	2.25	8.44	8.10
<b>Equity per ordinary share</b>				
Equity	3,138.6	2,408.8	3,138.6	2,906.2
Less non-controlling interests	-0.7	-1.5	-0.7	-0.7
Less value of preference shares	-518.9	-518.9	-518.9	-518.9
Less hybrid bond	-450.0	-450.0	-450.0	-450.0
Equity attributable to ordinary shareholders	2,169.0	1,438.4	2,169.0	1,936.7
No. of ordinary shares at period-end	85,865,300	85,410,800	85,865,300	85,865,300
Equity per ordinary share, SEK	25.26	16.84	25.26	22.55
<b>EPRA NRV per ordinary share</b>				
EPRA NRV	2,638.3	1,783.0	2,638.3	2,396.4
No. of ordinary shares at period-end	85,865,300	85,410,800	85,865,300	85,865,300
EPRA NRV per ordinary share, SEK	30.73	20.88	30.73	27.91
<b>Surplus ratio</b>				
Rental income	85.6	61.2	297.1	272.7
Operating surplus	49.1	39.3	193.7	183.9
Surplus ratio, per cent	57.4	64.3	65.2	67.4
<b>Return on equity</b>				
Profit after tax, rolling 12-month period	788.1	409.0	788.1	756.5
Closing equity	3,138.6	2,408.8	3,138.6	2,906.2
Return on equity, per cent	25.1	17.0	25.1	26.0
<b>Equity/assets ratio</b>				
Equity	3,138.6	2,408.8	3,138.6	2,906.2
Total assets	10,957.7	7,182.1	10,957.7	9,563.2
Equity/assets ratio, per cent	28.6	33.5	28.6	30.4

# RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASUREMENTS, CONT'D

SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Apr- 2022 Mar	2021 Jan-Dec
<b>Interest-bearing liabilities</b>				
Non-current interest-bearing liabilities	5,139.1	3,406.8	5,139.1	4,345.4
Non-current lease liabilities	143.3	60.1	143.3	81.7
Current interest-bearing liabilities	1,625.1	767.6	1,625.1	1,456.8
Current lease liabilities	12.9	11.2	12.9	12.6
Interest-bearing liabilities	6,920.4	4,245.7	6,920.4	5,896.5
Lease liabilities	-156.2	-71.3	-156.2	-94.3
Interest-bearing liabilities excluding leases	6,764.1	4,174.4	6,764.1	5,802.2
<b>Net debt</b>				
Interest-bearing liabilities excluding leases	6,764.1	4,174.4	6,764.1	5,802.2
Cash and cash equivalents	-572.1	-402.4	-572.1	-379.2
Net debt	6,192.1	3,771.9	6,192.1	5,423.0
<b>Loan-to-value ratio</b>				
Interest-bearing liabilities excluding leases	6,764.1	4,174.4	6,764.1	5,802.2
Total assets	10,957.7	7,182.1	10,957.7	9,563.2
Loan-to-value ratio, per cent	61.7	58.1	61.7	60.7
<b>Net loan-to-value ratio</b>				
Net debt	6,192.1	3,771.9	6,192.1	5,423.0
Total assets less cash and cash equivalents	10,385.6	6,779.7	10,385.6	9,184.0
Net loan-to-value ratio, per cent	59.6	55.6	59.6	59.0
<b>Interest-coverage ratio, 12 months</b>				
Operating surplus	-	-	193.7	183.9
Administrative expenses, property management	-	-	-21.1	-19.8
Net interest income/expense	-	-	-90.9	-85.8
Interest-coverage ratio (12 months), times	-	-	1.9	1.9
<b>EPRA NRV</b>				
Equity	3,138.6	2,408.8	3,138.6	2,906.2
Derivatives	-73.5	-13.4	-73.5	-25.6
Deferred tax	542.7	357.9	542.7	485.3
EPRA NRV	3,607.9	2,753.4	3,607.9	3,365.9
Less non-controlling interests	-0.7	-1.5	-0.7	-0.7
Less value of preference shares	-518.9	-518.9	-518.9	-518.9
Less hybrid bond	-450.0	-450.0	-450.0	-450.0
EPRA NRV attributable to ordinary shareholders	2,638.3	1,783.0	2,638.3	2,396.4
<b>Growth in EPRA NRV per ordinary share</b>				
OB EPRA NRV attributable to ordinary shareholders, SEK	-	-	20.88	18.06
CB EPRA NRV attributable to ordinary shareholders, SEK	-	-	30.73	27.91
Growth in EPRA NRV per ordinary share (12 months), per cent	-	-	47.2	54.6

# FINANCIAL CALENDAR

## FINANCIAL REPORTS AND COMPANY EVENTS

Annual General Meeting 2022	29 April 2022
Q2 Interim Report, January-June 2022	15 July 2022
Q3 Interim Report, January-September 2022	26 October 2022
Q4 Interim Report, January-December 2022	14 February 2023

## SUGGESTED DIVIDEND, PREFERRED SHARES

Last trading day, including right to dividend payment	8 June 2022
Record date for dividend payment	10 June 2022
Expected date of payment from Euroclear	15 June 2022
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

## SUGGESTED DIVIDEND, ORDINARY SHARES

Last trading day, including right to dividend payment	29 April 2022
Record date for dividend payment	3 May 2022
Expected date of payment from Euroclear	6 May 2022

For further information, please contact:

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

The information in this report is such that K2A Knaust & Andersson Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on April 29, 2022.



**K2A Knaust & Andersson Fastigheter AB (publ)**

Nybrogatan 59, 114 40 Stockholm, [info@k2a.se](mailto:info@k2a.se), [www.k2a.se](http://www.k2a.se), org.nr 556943-7600