

Interim Report 31 March 2022

Q1

January–March

- Revenue for the quarter amounted to SEK 118.7 million (56.2), a year-on-year increase of 111 per cent.
- The Group's net operating income amounted to SEK 59.4 million (25.7), up 131 per cent year-on-year.
- Profit from property management for the quarter amounted to SEK 30.2 million (8.4), a year-on-year increase of 260 per cent.
- Changes in the value of investment properties amounted to of SEK 169.2 million (70.5) and changes in the value of derivatives to SEK 39.8 million (3.8).
- Profit for the quarter totalled SEK 188.6 million (65.6), corresponding to SEK 1.43 per share (1.29) before dilution.
- The loan-to-value ratio was 42.8 per cent at 31 March.
- The net reinstatement value (EPRA NRV) per share is SEK 35.40 (25.64), a 38 per cent increase compared with the preceding year.

Significant events after the end of the period

- A land allocation was awarded by the city of Malmö in the Öster om mässan block in Hyllie. The land allocation was awarded to KlaraBo and its partner OBOS Nya Hem and includes a completed detailed development plan comprising 21,500 square metres GFA, corresponding to just over 300 housing units. The volume of the development is distributed equally between KlaraBo and OBOS, and the start of construction is planned for spring 2024.
- Existing debt was refinanced with three of the Group's banks. The debt amounted to approximately SEK 1.5 billion out of a total interest-bearing liability of just over SEK 4 billion. As a result of this refinancing, the lock-in period has increased to 3.2 years, and the average loan margin has declined to 1.8 per cent, corresponding to annual savings of approximately SEK 3.4 million in financial expenses (excluding new borrowing costs). Nearly SEK 780 million in additional future borrowing against existing properties has also been secured to be used for investments and acquisitions. All other things remaining equal, the loan-to-value ratio will amount to 52.2 after utilisation. The SEK 780 million credit facility has an average margin of 1.6 per cent with a term of three years and can be utilised as needed. An additional SEK 400 million can be utilised in connection with future acquisitions. Finally, the company signed an unsecured revolving credit facility amounting to SEK 400 million to be used for future investments and acquisitions.



Bjuv

The period in brief

Significant events during the first quarter of 2022

- 126 rental apartments were acquired in the city of Umeå. The apartments have an underlying property value of SEK 175 million and total floor area of approximately 8,700 square metres. The acquisition was financed with bank loans and cash.
- A land allocation in the Anderstorg district was awarded by Skellefteå Municipality. The land allocation includes a completed detailed development plan with approximately 7,200 square metres GFA where the company will construct about 130 rental apartments.
- The Group won a land allocation competition in the Vikaholm district in Växjö Municipality. Vikaholm has been designated as a sustainable residential area and will have approximately 1,000 homes once it has been completed. KlaraBo's contribution comprises approximately 10,500 square metres GFA, corresponding to about 120 rental apartments.

Profit for the period	EPRA NRV/share	Real occupancy rate, housing units	Number of apartments in project development
SEK 188.6 m	SEK 35.4	98.7 %	1,697
SEK 65.6 million 2021	SEK 25.6 2021	99.1% 2021	1,103 2021

KPIs: For complete key performance indicators, refer to page 24.

	2022 Jan-Mar	2021 Jan-Mar
Rental revenue, SEK m	118.7	56.2
Profit from prop mgmt, SEK m	30.2	8.4
Profit for the period, SEK m	188.6	65.6
Surplus ratio, %	50.0	45.7
Real occupancy rate, %	98.7	100.0
Investment properties, SEK m	8,266.5	3,563.6
No. of apartments under mgmt	5,562	2,742
No. of apartments in project devt	1,697	1,103
Equity/assets ratio, %	49.6	33.7
Loan-to-value ratio, %	42.8	59.5
Interest-coverage ratio, multiple	2.3	2.0
Profit from property management per share, SEK	0.23	0.17
Earnings per share before dilution, SEK	1.43	1.29
Earnings per share after dilution, SEK	1.43	1.29
EPRA NRV per share, SEK	35.40	25.66
No. of shares at end of period before/after dilution, million	131.8	54.2
Weighted average number of shares during period before dilution, million	131.8	48.8
Weighted average number of shares during period after dilution, million	132.2	48.8

Comments from CEO Andreas Morfiadakis

Earnings capacity up 4 per cent and extended credit agreements at attractive levels

KlaraBo's revenue rose 111 per cent year-on-year to nearly SEK 119 million (56.2) in the first quarter. This increase was mainly driven by value-enhancing measures, completed new construction and acquisitions. Profit from property management increased 260 per cent to SEK 30.2 million (8.4), which impacted cash flow.

I am particularly pleased with our organic growth, meaning the earnings capacity of our management portfolio, of just over 4 per cent to nearly SEK 172 million (165) for properties on a like-for-like basis during the quarter.

We see promising opportunities to continue our journey of organic growth through measures including value-enhancing renovations of the existing portfolio, conversions of parts of the portfolio to new apartments and densification. The number of value-enhancing renovations has increased as we have grown, and we are renovating an average of about 100 apartments per year, which is increasing our cash flow and net operating income and thereby our property values.

Continued expansion and secured financing

KlaraBo's overall goal is to create value for the company's shareholders on a long-term basis by owning, developing and actively managing sought-after residential properties in growth regions with robust demand. During the quarter, we continued to expand geographically. Following the acquisition of a portfolio consisting of 126 rental apartments in Umeå as well as two land allocations for new construction of a total of 250 apartments in Skellefteå and Växjö, KlaraBo is now operating in three new cities.

After the end of the quarter, we were also awarded a land allocation in the Hyllie district of Malmö that had attracted considerable interest. In cooperation with OBOS Kärnhem, KlaraBo was entrusted to lead the Mallbo pilot project, which aims to offer financially accessible and environmentally sustainable homes for a broad range of target groups. Together with OBOS Kärnhem, the project comprises approximately 300 apartments, giving us a project portfolio of nearly 2,000 apartments.

We also completed a refinancing after the end of the quarter, which means that our average loan margin declined 0.1 percentage point to 1.8 per cent, compared with the end of the fourth quarter. At the same time our cash flow increased approximately SEK 3.4 million, all other things being equal. I see it as a sign of our strength that we were able to secure long-term financing on attractive terms, despite uncertainty in the credit market.

Outlook

The quarter was characterised by uncertainty in the aftermath of the pandemic and the outbreak of war in Ukraine. Interest and inflation have increased, and energy prices have remained volatile. Together, this has affected construction costs and costs for raw materials. This trend has persisted in the second quarter, and the prevailing uncertainty will likely continue to impact our operating environment in the near future.

Nevertheless, we can see that KlaraBo's offering is continuing to attract interest around the country, and the need for attractive apartments with reasonable rents remains high. We are continuing to monitor the market to identify attractive growth opportunities. With a nationwide management portfolio of approximately 5,500 apartments, two-thirds of which have improvement potential, we have a solid foundation for continued growth. Overall, I am therefore optimistic about our long-term growth potential.



Andreas Morfiadakis, CEO

Andreas Morfiadakis, CEO of KlaraBo

This is KlaraBo

KlaraBo is a property company that acquires, builds, owns and manages attractive housing units. The company was founded in 2017 and operates throughout the country. Our strategy is to acquire existing residential properties and land for new construction in growth regions. Our newly constructed housing units are developed in-house and are designed for a smart use of floor space, which promotes reasonable rents. The apartments and buildings are designed in accordance with local needs, in partnership with the municipality. Our new construction maintains a high standard of sustainability since the construction primarily uses timber. KlaraBo is a property owner with a long-term perspective.

The company concentrates on residential properties, which comprised 85 per cent of contracted rents on 31 March. As of 31 December, KlaraBo's property portfolio had a lettable area of approximately 427,609 square metres distributed across 5,562 apartments with contracted annual rent of about SEK 482 million. The portfolio also includes 1,697 apartments under construction and project development.

Overall goal

KlaraBo's overall goal is to create value for the company's shareholders on a long-term basis by owning, developing and actively managing sought-after residential properties in growth regions with robust demand. Value creation is measured as growth in net reinstatement value and profit from property management per share.

Operational goals

- KlaraBo has the goal of owning and managing at least 500,000 square metres of residential floor space by the end of 2025.
- KlaraBo's objective is to commence construction of at least 200 housing units in the period from 2021 to 2023, with a long-term goal of commencing construction of at least 500 housing units per year. The housing units are to mainly be self-developed and environmentally certified.
- The rental trend for our existing housing units that can be renovated is to significantly exceed the general annual rental increase through active management and investments.

Financial goals

- KlaraBo is to achieve average annual growth in EPRA NRV per share of at least 15 per cent including any value transfers over the course of a business cycle.
- KlaraBo is to achieve average annual growth in profit from property management per share of at least 12 per cent over the course of a business cycle.

Dividend policy

- KlaraBo has a long-term goal of distributing 50 per cent of the taxed profit from property management. However, KlaraBo will prioritise growth via new construction, investments in the existing portfolio, and acquisitions in the next few years, which is why a dividend may not be distributed.

Environmental goals

- Reduce energy consumption.
- Use renewable energy sources. KlaraBo works to reduce its dependence on fossil fuels by taking such measures as:

- always selecting electricity from renewable energy sources when procuring new electricity agreements;
- always selecting biogas instead of natural gas when procuring gas; and
- discussing with the supplier how to achieve the best possible fossil-free solution when procuring district heating.

Financial risk limitations

KlaraBo strives to limit its financial risk with the following overall risk limitations:

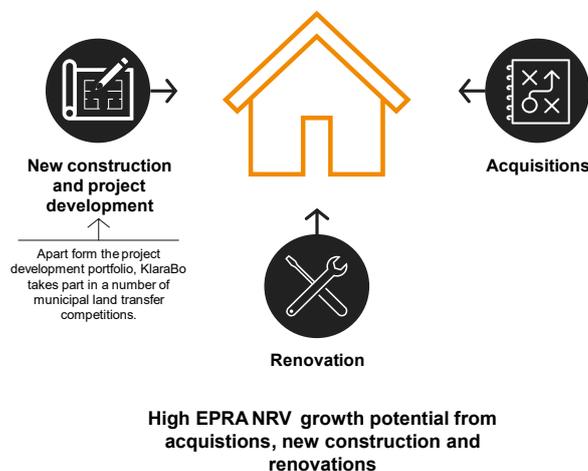
- The loan-to-value ratio is not to exceed 65 per cent of the market value of the properties over the long term.
- The equity/assets ratio is to exceed 25 per cent over the long term.
- The interest-coverage ratio is to exceed a multiple of 1.5 over the long term.

Strategy

KlaraBo will focus on:

- New construction, management of residential properties and acquisitions in municipalities in growth regions;
- Acquisitions of residential properties, preferably with the potential for renovation, and acquisitions of land and development rights for the new construction of housing units for long-term ownership;
- New construction of sustainable and environmentally certified, high-quality, functional, cost- and space-efficient housing units through self-developed and industrially produced KlaraBo buildings; and
- Value-creating measures in existing investment properties, increasing revenue and reducing costs.

KlaraBo's business model



OVERALL GOALS		Goal	Outcome 2022
Number of apartments	KlaraBo has the goal of owning and managing at least 500,000 square metres of residential floor space by the end of 2025.	>500,000 sq. m.	367,371
Development rights	KlaraBo's objective is to commence construction of at least 200 housing units in the period from 2021 to 2023, with a long-term goal of commencing construction of at least 500 housing units per year. The housing units are to mainly be self-developed and environmentally certified.	>200 housing units	
Rental value	The rental trend for our existing housing units that can be renovated is to significantly exceed the general annual rental increase through active management and investments.	>General rent increase	0.9 percent
EPRA NRV	KlaraBo is to achieve average annual growth in EPRA NRV per share of at least 15% including any value transfers over the course of a business cycle.	>15%	37.9%
Profit from property management	KlaraBo is to achieve average annual growth in profit from property management per share of at least 12% over the course of a business cycle.	>12%	32.7%
Dividend	KlaraBo has a long-term goal of distributing 50% of the taxed profit from property management. However, KlaraBo will prioritise growth via new construction, investments in the existing portfolio, and acquisitions in the next few years, which is why a dividend may not be distributed.	>50% of taxed profit from property management	proposal to the AGM that no dividend be paid

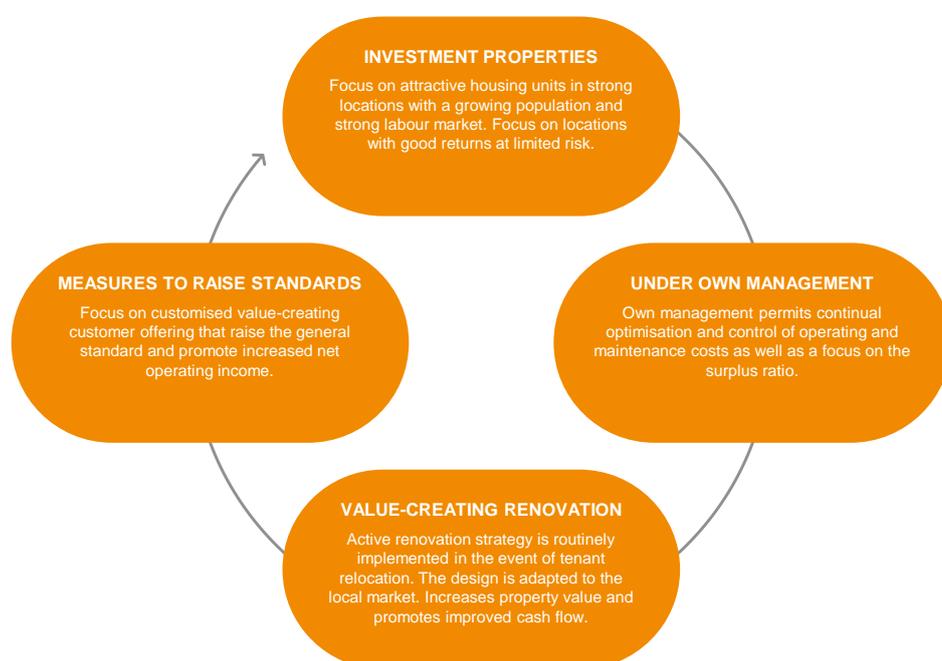
Property portfolio

Investment properties

KlaraBo's portfolio of investment properties reaches across Sweden, from Trelleborg in the south to Umeå in the north and Visby in the east. 85 per cent of the portfolio consists of residential properties. The properties are divided into four geographic regions: South, East, Central and North. The company focuses on investment properties in cities with growing populations and strong labour markets.

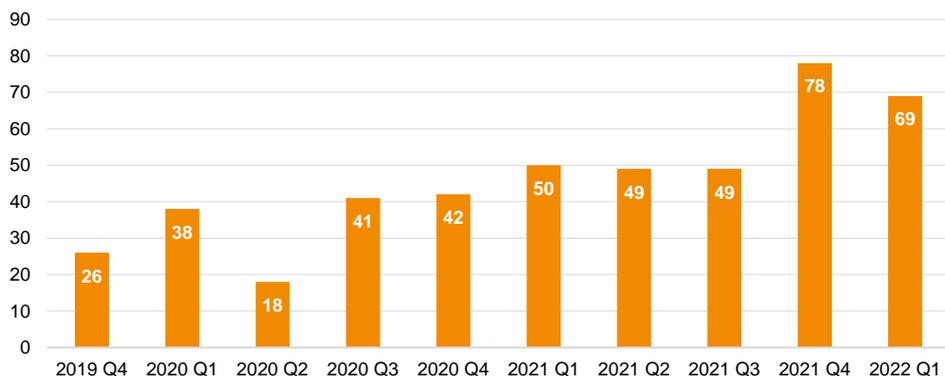
The property holdings consist of 206 properties with a total lettable area of approximately 427,600 square metres, excluding parking spaces and garages.

KlaraBo works on the basis of a customer-oriented property management model under its own management, which enables continual optimisation of operating costs and cost control.



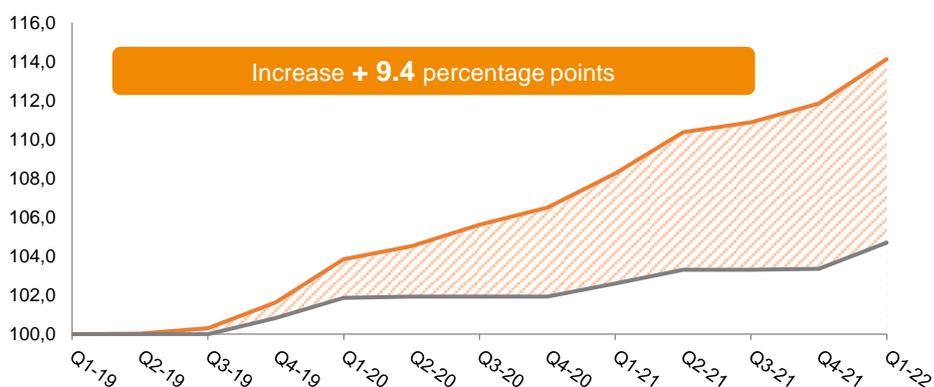
During the quarter, the company invested SEK 41.7 million (24.2) in existing investment properties through value-creating measures, with the primary investment measure being total renovation in order to create value. Total renovation means that the apartments are renovated in conjunction with natural turnover in the portfolio. Renovation measures are carried out when an existing tenant vacates the apartment and is concluded before a new tenant moves in. The renovation takes four to six weeks, and the apartment is advertised as vacant during that time, which has a temporary negative impact on the economic occupancy rate.

Number of total renovations performed



Rental value

Percentage points

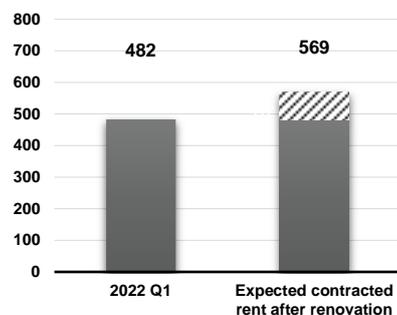


One of the company's operational goals is for the rental trend for housing units to exceed the general annual rental increase through active management and investments. The graph above shows the company's fulfilment of this goal, with the rental trend exceeding the general increase by 9.4 percentage points for portfolios on a like-for-like basis.



In addition to total renovation of apartments, KlaraBo focuses on adapting customer offerings through general measures to raise the standard of the apartments. This is achieved by offering existing tenants various choices that lead to increased customer satisfaction and simultaneously raise the actual rental value above the general annual rent negotiations.

Contracted annual rent, SEK m



The diagram above illustrates contracted annual rent for the existing management portfolio as of 31 March 2022, with an additional bar for expected contracted rent after renovation of the existing unrenovated portfolio.

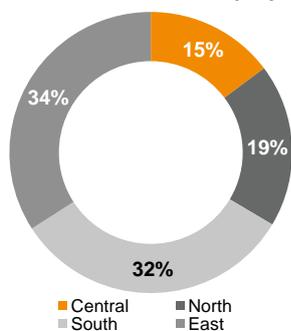
Investment properties excluding project development

Region	No. of properties	No. of apartments	Area, 000 sq. m.			Market value	
			RFA	Other	Total	SEK m	SEK/sq. m.
Central *	75	833	53.6	11.8	65.4	1,146	17,513
North	21	1,165	81.6	2.7	84.3	1,467	17,413
South	59	1,631	104.5	26.3	130.8	2,871	21,940
East	51	1,933	127.7	19.4	147.0	2,621	17,822
	206	5,562	367.4	60.2	427.6	8,105	18,954

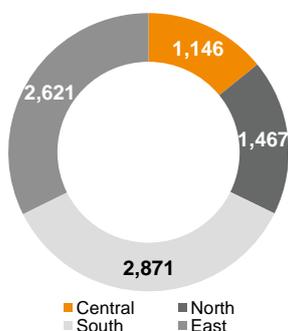
Region	Rental value		Economic occ. rate, %	Real occ. rate rate, %	Contracted nual rent, SEK m	Property expenses		Net oper income	
	SEK m	SEK/sq. m.				SEK m	SEK/sq. m.	SEK m	SEK/sq. m.
Central	78.5	1,200	90.8	97.5	71.3	27.2	416	44.0	673
North	96.2	1,141	94.2	98.0	90.6	35.3	419	55.3	656
South	165.3	1,263	94.4	98.2	156.0	50.9	389	105.0	803
East	173.4	1,179	94.8	99.9	164.5	53.2	362	111.3	757
	513.4	1,201	93.9	98.7	482.3	166.6	390	315.7	738

						30.0	70		
						196.6	460	285.7	668

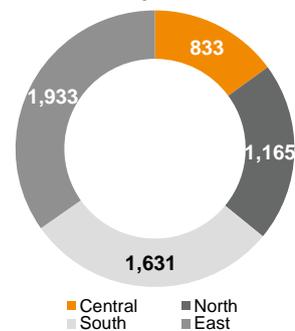
Rental revenue, residential properties



Market value, SEK m



No. of apartments



Växjö

Project development and new construction

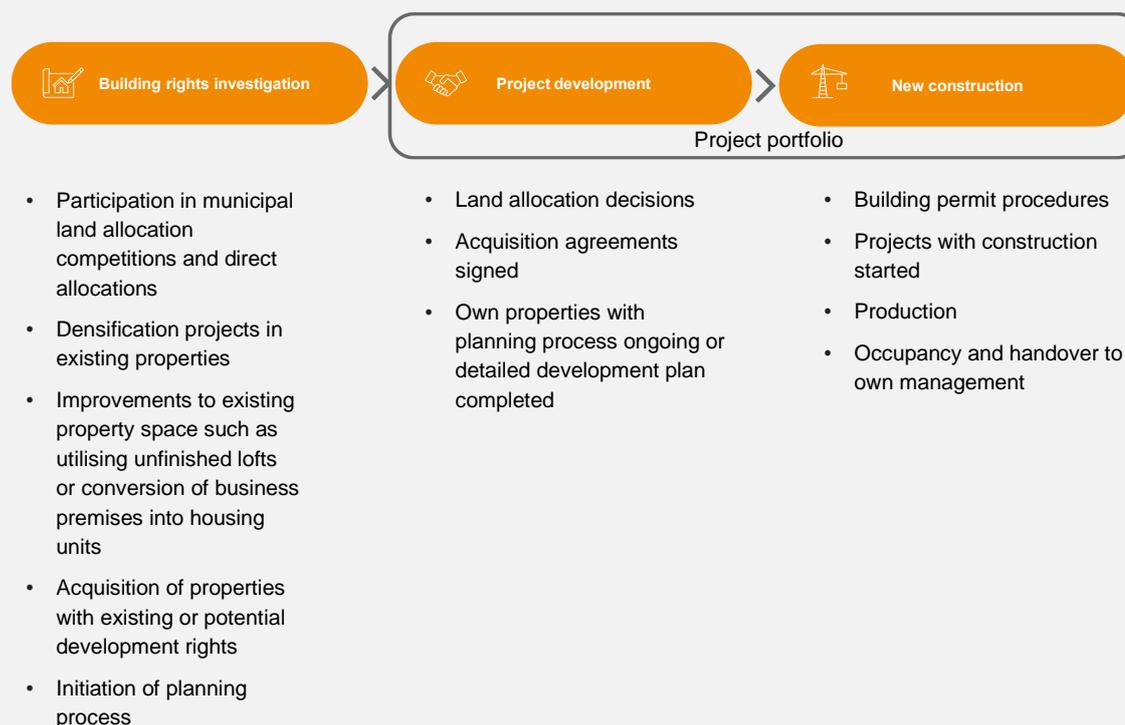
KlaraBo works with the entire value chain for rental apartments, from project development through construction to own management. For us, business development is about pursuing projects from idea to completed construction. We thus create value regardless of whether we focus on improving our existing properties or on entirely new project ideas.

Project development

To achieve the operational goals regarding new construction of rental units, development rights are continually being created.

This work is carried out by actively seeking prospects in the private sector and through participation in municipal land allocation competitions, canvassing of municipalities for direct allocations of land, densification of our own properties and acquisitions of properties with existing or potential development rights. The process is based on an analysis in which the population trend, the functional labour market and the payment capacity of the market are investigated.

The number of apartments in the project development portfolio is 1,697.



New construction

KlaraBo applies a tried and tested standardised model for the housing unit product. In a controlled industrial process, with timber as the main construction material, housing units are manufactured that are based on a number of basic apartment models, or “base apartments”. These well-planned and space-efficient base apartments form the foundation for all of the housing units that KlaraBo constructs, thereby achieving optimal use of resources. KlaraBo has developed a number of base apartments – everything from studios to three-bedroom apartments. These apartment layouts can be inverted and used in a variety of combinations to create an attractive offering for different market segments. This

construction approach leads to energy savings and quicker assembly with shorter construction time than traditional site-built construction, resulting in lower costs.

The completed apartment buildings exhibit a diversity of configurations. Even though the individual apartments have a common basis and are constructed using wooden frames, the exteriors and rooftops may have many different designs using a variety of materials.

The construction volumes are prefabricated by partners in indoor environments before being transported to the construction site. The buildings are produced using timber to the greatest extent possible, with a base slab serving as the foundation. The roofs are also constructed in volumes to the greatest possible extent and are delivered together with the apartment modules and can be designed as gable roofs, pent roofs or low-slope roofs depending on what is requested. The buildings are suited to having two to five floors, with balcony access solutions, but high-rise apartment buildings can also be produced.

On 31 March, KlaraBo had five ongoing projects with 168 apartments in production and a further 1,529 apartments under project development.

Project portfolio

Land allocations were awarded during the period in Skellefteå and Växjö, where approximately 220 new apartments will be produced. The land allocations were won against stiff competition, which is proof that the company's housing products are in high demand. KlaraBo's journey of growth continues through these land allocations, with new housing in strong cities in municipalities with high ambitions for sustainable growth. Hällefundran 8 was also completed during the period, with five new apartments ready for occupancy in January 2022 as a result of the conversion of unused storage areas.

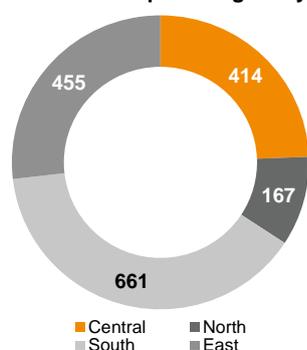
The information on the ongoing construction of new buildings below includes assessments and assumptions. Assessments and assumptions involve uncertainty, and the information should not be viewed as a forecast.

The calculations for several projects have been updated as a result of the prevailing world situation leading to uncertainty about suppliers' delivery capacity. Rising prices for materials, material shortages and long delivery times are resulting in a higher degree of uncertainty in current timetables. Every project is assessed individually, and will not be started until satisfactory profitability is achieved. All projects in progress are almost exclusively procured at fixed prices, which means that any general cost changes in the market have a smaller impact on production costs. Projects in progress are also currency hedged, so that changes in the EUR/SEK exchange rate do not affect these calculations. An average EUR/SEK exchange rate for the period has been used in the calculations for projects that have not been started.

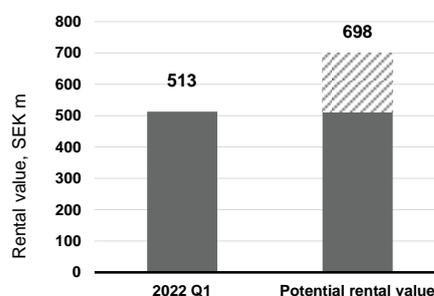
The project portfolio continues to show satisfactory profitability despite updates to the calculations. For a full overview of ongoing construction and project development as of 31 March, refer to page 11.

	No. of projects	No. of apts	Area, 000 sq. m.		Investment, SEK m		Rental value		Net oper inc, SEK m	Est. value on completion, SEK m
			GFA	RFA	Est.	Accumulated	SEK m	SEK/sq. m.		
Construction in progress	5	168	11.5	9.3	304.3	98.7	16.8	1,794	14.2	359.2
Project devt in progress	17	1,529	115.8	93.3	3,083.1	6.8	168.3	1,805	142.7	3,617.1
Total	22	1,697	127.2	102.6	3,387.5	105.6	185.1	1,804	156.8	3,976.4

Planned development rights by region



Rental value (SEK m)



The diagram on the left above shows the number of planned development rights by geographic region, while the diagram on the right above illustrates the rental value of the existing management portfolio as of 31 March 2022, with an additional bar for the expected rental value of the ongoing construction of new buildings upon completion.

Construction in progress and project development

Region	Project	Municipality	No. of apartments	Area, 000 sq. m.		Est. start	Est. occupancy	Rental value		Status	Owner share, %
				GFA	RFA			SEK m	SEK/sq. m.		
Construction in progress											
South	Bardisanen 14	Malmö	30	1.2	0.9	2021	2022	2.0	2,146	2	100
South	Räven 1	Höör	41	3.3	2.8	2021	2022	4.2	1,520	1	100
Central	Kvarnsveden 3:197	Borlänge	58	4.5	3.7	2021	2023	6.8	1,855	1	60
South	Bildsnidaren 1	Trelleborg	23	1.7	1.4	2021	2022	2.6	1,896	1	100
South	Navaren 8 & 10 vind	Helsingborg	16	0.8	0.6	2021	2023	1.2	1,908	1	100
Project devt in progress											
North	Härsta 9:3	Sundsvall	68	5.1	4.2	2022	2023	7.8	1,849	1	60
South	Aspeholm 13	Lund	20	1.4	1.2	2022	2023	2.3	1,884	2	100
South	Hällefundran 8 vind	Malmö	17	0.6	0.4	2022	2023	0.8	1,950	3	100
South	Gullbernahult 101 & 31	Karlskrona	48	3.8	3.2	2022	2023	5.6	1,750	2	60
South	Rödjan 7	Kävlinge	238	20.0	15.5	2023	2024	28.7	1,850	3	60
Central	Falun 9:22	Falun	135	10.0	8.7	2023	2024	16.1	1,850	3	60
South	Hässleholm 87:22	Hässleholm	62	5.0	4.3	2022	2024	7.0	1,650	3	100
Central	Letten 1	Karlstad	118	8.8	6.6	2022	2024	11.9	1,806	2	60
South	Lasarettet 8	Karlshamn	59	4.6	3.8	2023	2024	6.3	1,650	3	60
Central	Tellus 1	Motala	48	3.9	3.1	2022	2024	5.5	1,799	2	60
South	Såtra	Västerås	55	4.5	3.6	2023	2024	6.8	1,900	3	100
South	Fängelset 2	Kristianstad	107	7.5	6.0	2024	2025	11.4	1,890	3	100
East	Ekorren 1	Jönköping	74	6.0	4.8	2023	2024	8.2	1,700	2	100
East	Elefanten 30	Oskarshamn	39	2.5	2.0	2022	2023	3.2	1,601	2	100
East	Bogen 1	Gotland	222	14.2	12.2	2024	2025	21.4	1,750	3	100
North	Del av Sörböle 16:8	Skellefteå	99	7.2	5.7	2022	2024	11.3	2,004	3	100
East	Snickarglädjen 1	Växjö	120	10.6	8.0	2023	2024	13.9	1,750	3	100
Total			1,697	127.2	102.6			185.1	1,804		

Status:

- 1) Projects where construction started or permit obtained
- 2) Detailed devt plan in force, and/or where construction permit planning in progress
- 3) Projects where permit not granted but municipal decision on land transfer taken or acquisition agreement signed



Skellefteå

Current earnings capacity

Earnings capacity on a 12-month basis for KlaraBo's property management operations as of 31 December is presented in the table below. It is important to note that earnings capacity is not a forecast and should only be considered as a theoretical snapshot for the purposes of illustration. The current earnings capacity does not include an assessment of the future trends for rents, vacancy rate, property expenses, interest, value changes, purchases or sales of properties or other factors.

Earnings capacity is based on the contracted rental revenue of the property portfolio, assessed property expenses during a normal year based on historical outcomes as well as expenses for property administration and central administration assessed on an annual basis based on the current scale of administration. Data for properties acquired during the period have been adjusted to encompass the full year. Expenses for interest-bearing liabilities are based on the current interest-bearing liability and the Group's average interest rate level including the effects of derivatives.

Current earnings capacity is based on the properties owned on 31 March and their financing, whereupon current earnings capacity illustrates the annual earnings that property management operations have at that time. Transactions and the completion of ongoing new construction with possession and completion after 31 March are therefore not included in the calculation. Furthermore, value growth in the property portfolio and value changes concerning derivatives as well as forthcoming property acquisitions and/or property sales are not taken account of in the current earnings capacity.

Revenue pertaining to new acquisitions is based on actual contracted rent, and the costs are assumed based on the information provided in conjunction with the transactions.



Trelleborg

Current earnings capacity, 12 months

SEK m	Apr 1 2022	Like-for-like 2022-04-01	Jan 1 2022	Oct 1 2021	Jul 1 2021	Apr 1 2021
Rental revenue	482.3	472.4	464.6	454.2	449.5	231.8
Property expenses	-196.6	-192.3	-192.3	-190.9	-190.9	-101.0
Net oper income	285.7	280.1	272.4	263.3	258.6	130.8
Surplus ratio, %	59.2	59.3	58.6	58.0	57.5	56.4
Central administrative costs	-37.0	-35.0	-35.0	-34.7	-34.7	-20.4
Financial income and expenses	-74.9	-73.2	-72.3	-81.9	-82.4	-49.5
Profit from property management	173.8	171.9	165.1	146.7	141.5	60.9
Profit from property mgmt attributable to:						
Parent Company shareholders	173.8	171.9	165.1	146.7	141.5	60.9
Profit from prop mgmt per share, SEK	1.32	1.30	1.25	1.37	1.32	1.12
Number of shares, million	131.8	131.8	131.8	107.2	107.2	54.2
Interest-coverage ratio	3.32	3.35	3.28	2.79	2.72	2.23

Rental revenue continued its upward trend, increasing 3.8 per cent during the quarter. 69 apartments underwent ROT (repair, conversion, extension) renovations, which contributed to the healthy increase in rental revenue. This increase is also attributable to the acquisition in Umeå and general rent increases.

Central administrative costs rose SEK 2 million as a result of the company's continued growth through new land allocations and the acquisition in Umeå.

Financial expenses increased during the quarter as an effect of new loans for the acquisition in Umeå and as a result of the final payment of loans when the new construction in Motala was completed. The average interest rate, including derivatives, was 1.9 per cent on 31 March.

As cash flow improved, the company's interest-coverage ratio increased to 3.32 times, up approximately 1.2 per cent since the previous reporting period.

Profit from property management per share based on earning capacity increased during the period by 5.6 percent to SEK 1.32 per share.

Like-for-like comparison with the previous quarter

Rental revenue for properties on a like-for-like basis has increased SEK 7.8 million, corresponding to approximately 1.7 per cent, since the previous quarter. This is a clear demonstration of the company's business model based on continual value enhancement measures in the existing portfolio. Net operating income for properties on a like-for-like basis increased approximately 2.8 per cent as a result of higher cash flow and reduced maintenance costs for renovated properties. Profit from property management per share increased 4 per cent during the period, meaning organic growth, leading to an interest-coverage ratio of 3.35 times.

Condensed consolidated statement of comprehensive income

SEK m	Notes	2022 3 months Jan-Mar	2021 3 months Jan-Mar	2021 12 months Jan-Dec
Revenue	1	118.7	56.2	178.8
Costs	2	-59.3	-30.5	-82.0
Net operating income	3	59.4	25.7	96.8
Central administrative costs	4	-11.5	-6.4	-24.2
Operating profit/loss		47.8	19.3	72.6
Financial income/costs	5	-17.6	-10.9	-36.8
Profit from property management		30.2	8.4	35.7
Changes in value of properties	6	169.2	70.5	413.0
Changes in value of derivatives		39.8	3.8	-7.5
Profit/loss before tax		239.2	82.7	441.3
Tax expense	7	-50.7	-17.1	-96.2
Profit for the period		188.6	65.6	345.2
Other comprehensive income		-	-	-
Comprehensive income for the period		188.6	65.6	345.2
Comprehensive income for the period attributable to:				
Parent Company shareholders		188.6	63.0	260.0
Non-controlling interests		-	2.6	85.2
Earnings per share before dilution, SEK		1.43	1.29	6.34
Earnings per share after dilution, SEK		1.43	-	-
Surplus ratio		50.0%	45.7%	54.1%

Comprehensive income for the period is the same as profit for the period, since there is no other comprehensive income.

Earnings analysis, January–March 2022

The income statement items below pertain to the quarter from 1 January to 31 March 2022, which coincides with the total period for this report. Comparison items pertain to the year-earlier period. All amounts are in SEK million.

Note 1 Revenue

Revenue for the quarter amounted to SEK 118.7 million (56.2), a year-on-year increase of 62.5 per cent. Revenue for properties on a like-for-like basis increased by SEK 3.9 million, or 7 per cent. The increased revenue for properties on a like-for-like basis is attributable primarily to the Group's measures to increase rent. Acquisitions and the completion of new construction in Motala contributed SEK 58.6 million in revenue.

Note 2 Costs

The Group's costs encompass operating and maintenance costs, property tax, property administration, insurance and other property management costs. Operating costs primarily encompass heating, electricity and water consumption, and waste management.

Costs for the quarter amounted to SEK -59.3 million (-30.5), corresponding to an increase of SEK 28.8 million or 94 percent. The majority of the costs are attributable to the completion of new construction in Motala, the acquisition of Kuststaden and the portfolios in Gävle, Skokloster and Umeå.

KlaraBo's current forecast electricity volume is approximately 12,000 MWh/year. To achieve long-term sustainability, the company has signed a framework agreement with Vattenfall for delivery of green electricity certified under the Environmental Product Declarations (EPD) system. The agreement, which is flexible in terms of volumes, applies until 2023. At the end of March, approximately 75 per cent of the total volumes are included in the agreement with Vattenfall.

Despite a decline in electricity prices by approximately 13 per cent compared with the fourth quarter, the company had higher electricity costs in the first quarter. This is largely because the company had a smaller volume hedged, combined with higher consumption during the period. The company locked in approximately 20 per cent of its total volume at a fixed price for the first and second quarters of 2022. In general, electricity prices remained highly volatile in the quarter, and prices in the second quarter will likely continue to be volatile, with higher expenses than normal for the properties.

Although the start of 2022 was characterised by continued increases in material prices, this has not yet begun to impact our ongoing and planned maintenance or our ROT projects. The operations are continuing to focus on cost control and balancing their priorities when it comes to planning.

Other costs on a like-for-like basis were on a par with the first quarter last year.

Note 3 Net operating income and surplus ratio

Net operating income for the quarter amounted to SEK 59.4 million (25.7), a year-on-year increase of 131 per cent. The surplus ratio amounted to 50.0 per cent (45.7). Net operating income for properties on a like-for-like basis increased by SEK 3.8 million, corresponding to an increase of approximately 15 per cent. The higher net operating income for properties on a like-for-like basis is primarily attributable to the Group's ongoing standard improvements. Moreover, the completion of new construction in Motala and completed acquisitions brought in increased net operating income of SEK 29.7 million.

Note 4 Central administrative costs

Central administrative costs include costs for senior management and central support functions.

Central administration costs for the quarter totalled SEK -11.5 million (-6.4). The increase in costs compared to the same quarter last year is primarily attributable to an increase in personnel added when the acquisition of Kuststaden closed, higher central overhead costs in the form of HR, IT and IR support, and higher software costs, primarily as a result of the listing process, such as insider and whistleblower systems and program support for ESEF reporting.

Note 5 Financial income/expenses

Financial income/expenses for the period totalled SEK -17.6 million (-10.9) and consisted primarily of interest expenses on property credits and derivatives. The year-on-year increase is attributable to approximately SEK 8.0 million in new loans for new acquisitions and new construction.

Note 6 Changes in value

The Group's investment properties are appraised on a quarterly basis. Each appraisal object is appraised externally at least once a year by external, independent, authorised appraisers: Savills,

Newsec and Svefa. Each property is individually inspected and assessed based on the material available on the property and the appraisers' market information and assessments based on experience. Physical inspections of the properties are made on an ongoing basis. For other quarters, desktop appraisals are carried out by the same appraisers.

During the quarter, the appraisers saw that housing remained attractive, even with a certain degree of caution and uncertainty in the market. Housing is still an attractive asset class, and the transactions were carried out at a good level.

The market value at the end of the quarter generated a positive change in value of SEK 169.2 million (70.5) for the quarter. The majority of this increase in value is attributable to higher rental value as a result of value-enhancing measures. A minor adjustment yield requirement was also made for the portfolio in Visby.

The Group's derivatives are also subject to quarterly market valuations. The change in value for the quarter amounted to SEK 39.8 million (3.8), and is primarily attributable to the Group's interest-rate derivatives. Since interest rates continued to rise during the quarter, the interest-rate derivatives were appraised at a higher value than at the start of the quarter, which had a positive impact on the change in value.

Note 7 Tax expense

The tax expense for the quarter totalled SEK -50.7 million (-17.1), of which SEK -37.7 million (-15.3) pertained to deferred tax attributable to the change in the value of properties, which had no direct impact on liquidity. The remainder comprises deferred tax attributable to derivatives and current tax. Current tax is reduced by paying Group contributions, equalising interest and utilising existing loss carryforwards. Current tax for the period amounted to SEK -4.8 million (-1.8).

Parent Company

The Parent Company does not own any properties. The company maintains Group-wide functions for administration, management, financing and project development.

Sales in the Parent Company mainly pertain to invoicing of services to Group companies.

Condensed consolidated statement of financial position

SEK m	Notes	2022-03-31	2021-12-31
Intangible assets		1.3	1.4
Investment properties	8	8,266.5	7,850.0
Property, plant and equipment		5.8	5.3
Financial non-current assets	9	26.5	24.9
Derivatives		47.0	7.2
Receivables		27.7	22.4
Cash and cash equivalents		495.7	616.5
Total assets		8,870.3	8,527.7
Equity attributable to Parent Company shareholders	10	4,395.5	4,206.9
Equity attributable to non-controlling interests		0.0	0.0
Derivatives		-	-
Deferred tax liability	11	327.1	281.0
Non-current interest-bearing liabilities	12	3,229.8	3,124.8
Current interest-bearing liabilities	12	804.3	759.1
Other liabilities		113.7	155.9
Total equity and liabilities		8,870.3	8,527.7

Consolidated statement of changes in equity

SEK m	44651	44561
Opening equity, attributable to Parent Company shareholders	4,206.9	1,071.4
Profit for the period	188.6	637.9
New share issue		2,497.3
Costs attributable to new share issues	-0.1	
Transactions with non-controlling interests		-11.5
Tax effect on share issue costs	0.0	8.0
Warrants		3.9
Closing equity, attributable to Parent Company shareholders	4,395.4	4,206.9
Closing equity, attributable to non-controlling interests		
Total equity at the end of the period	4,395.4	4,206.9

Comments on consolidated financial position

The amounts and comparative figures of balance-sheet items refer to the position at the end of the period this year, and the end of the year-earlier period. All amounts are in SEK million.

Note 8 Investment properties

The Group's investment properties, including project development properties, are recognised at fair value in accordance with IFRS 13, Level 3. For project development properties, a predetermined portion of the unrealised change in value between fair value upon completion and total estimated production costs is recognised in pace with the degree of completion. This is done in accordance with an escalation model adopted by the Group.

The Group's investment properties were appraised at SEK 8,266.5 million (7,850.0) at the end of the period, of which project development properties, meaning including new construction in progress, accounted for SEK 154.3 million, site leaseholds valued in accordance with IFRS 16 accounted for SEK 7.3 million and the remainder, SEK 8,104.9 million, pertained to existing investment properties.

A property value of SEK 175 million was added during the quarter in connection with the acquisition in Umeå. In addition, close to SEK 170 million in value was added during the quarter as a result of changes in value during the quarter associated with the company's ongoing standard improvements, investments made and lower yield requirements.

Carrying amount, investment properties, SEK m

	31/03/2022	31/12/2021
Opening carrying amount, investment properties	7850.0	3,452.1
Acquisitions	175.1	3,351.5
Investments in investment properties	41.7	160.6
Investments in new construction properties	30.5	166.6
IFRS 16		7.3
Public subsidies		-25.5
Changes in value	169.2	737.4
Closing carrying amount, investment properties	8266.5	7,850.0

Note 9 Financial non-current assets

Financial non-current assets amounted to SEK 26.5 million (17.1), SEK 17.4 million (16.1) of which consisted of participations in jointly controlled companies. The remainder refers to deferred tax assets from tax loss carryforwards.

Note 10 Equity

Equity attributable to Parent Company shareholders totalled SEK 4,395.5 million (4,206.9). The increase is attributable to profit for the period.

Note 11 Deferred tax liability

The deferred tax liability of SEK 327.1 million (131.3) was primarily attributable to the re-valuation of investment properties, but also to derivatives.

Parent Company

The Parent Company's assets and liabilities mainly consist of shares in, claims on and liabilities to Group companies as well as cash and cash equivalents.

Financing

Note 12 Financing

Interest-bearing liabilities

Interest-bearing liabilities totalled SEK 4,034.1 million (2,260.1) and pertained to financing of the Group's investment properties and new construction in progress. Of the total interest-bearing liabilities, SEK 31.8 million (11.1) is attributable to financing of incomplete new construction projects and is excluded from the table of fixed credit and fixed interest below.

The Group's interest-bearing liabilities increased approximately SEK 150 million for the quarter, which is primarily attributable to new loans in connection with the acquisitions in Umeå and the final payment of loans in Motala, which freed up a total of SEK 147.3 million in liquidity. Repayments have also been made according to plan and an additional increase came from the construction credits in Höör and Trelleborg.

The process of refinancing existing credit on an ongoing basis is important since the loan-to-value ratio declines in line with increased property value as a result of improvement initiatives. This in turn provides the possibility to continually free up new liquidity for future investments, which then leads to further increases in property value.

IFRS 16 has been applied for a site leasehold in Västervik and an office property in Oskarshamn, which contributed to a liability of SEK 8.2 million that is also excluded from the table of fixed credit and fixed interest.

The repayments that will be made in the next 12 months amounted to SEK 44.1 million (23.1) at the end of the period. Accrued borrowing expenses of SEK 3.1 million (2.1) reduced interest-bearing liabilities in the balance sheet. The fair value of the liabilities does not differ significantly from the carrying amount.

The loan-to-value ratio for the Group on 31 March was 42.8 per cent (59.5).

Loan-to-maturity and fixed-interest period

KlaraBo is to have a limited financial risk. On 31 March, KlaraBo's financing comprised borrowings in five Nordic banks.

The Group's loan portfolio consists overwhelmingly of credits with a floating interest rate, but also consists of fixed rate credits. To insure against fluctuations in the interest-rate market and reduce interest-rate risk, interest-rate derivatives are utilised to impact the fixed-interest period, mainly with interest-rate swaps. The total swap portfolio amounted to SEK 1,400 million (900) at the end of the period. The fair value of the interest-rate derivative portfolio amounted to SEK 47.0 million (-1.1).

The average loan-to-maturity period is 2.8 years (1.4) and the average fixed-interest period is 1.6 years (1.7). Including fixed interest-rate credits, the Group's hedging level is 49.7 per cent. The average interest rate including derivatives is 1.9 per cent (2.2).

Maturity	Fixed credit		Fixed interest		Interest-rate swaps	
	SEK m	Share, %	SEK m	Share, %	SEK m	Interest rate, %
2022	944	24	2,099	53	200	-0.04
2023	934	23				
2024	372	9	500	13	500	0.09
2025	1,192	30	1,395	35	700	0.49
2026	459	11				
> 5 years	94	2				
Total	3,994	100	3,994	100	1,400	0.27

Condensed consolidated cash-flow statement

SEK m	1 Jan 2022– 31 Mar 2022	1 Jan 2021– 31 Mar 2021	1 Jan 2021– 31 Dec 2021
Continuing operations			
Operating profit	47.8	19.3	145.1
Adjustments for non-cash items	0.4	0.0	1.3
Interest paid	-18.3	-8.9	-74.2
Tax paid	-12.7	-5.9	-18.5
Cash flow from continuing operations before changes in working capital	17.2	4.6	53.7
Cash flow from changes in working capital			
Change in operating receivables/payables	-40.7	19.8	10.0
Cash flow from continuing operations	-23.5	24.3	63.8
Investing activities			
Acquisition of investment properties	-88.0	0.0	21.4
Buy-out of non-controlling interests	0.0	-401.1	-406.2
Investments in investment properties	-44.1	-24.5	-154.9
New construction investments	-29.7	-35.8	-135.2
Investment aid received	0.0	0.0	25.5
Investments in intangible assets	0.0	0.0	-1.1
Acquisition of property, plant and equipment	-0.6	0.0	-0.5
Cash flow from investing activities	-162.4	-461.4	-651.0
Financing activities			
New share issue, net	0.0	140.0	1,137.8
Proceeds from share options	0.0	0.0	3.9
New financial liabilities	203.0	261.1	893.1
Borrowing costs	-2.2	0.0	-2.2
Repayment of financial liabilities	-135.7	-5.8	-1,019.9
Changes in construction credits	0.0	0.0	8.5
Cash flow from financing activities	65.1	395.3	1,021.2
Cash flow for the period	-120.9	-41.8	433.9
Cash and cash equivalents at beginning of year	616.5	182.7	182.7
Cash and cash equivalents at end of the period	495.7	140.9	616.5

Condensed Parent Company income statement and balance sheet

Parent Company income statement

SEK m	2022 3 months Jan-Mar	2021 3 months Jan-mar	2021 12 months Jan-Dec
Net sales	2.7	2.0	10.0
Personnel costs	-3.4	-3.6	-13.2
Other external expenses	-4.9	-2.1	-21.7
Operating loss	-5.6	-3.6	-24.9
Financial income and expenses*	-0.9	1.5	43.4
Profit/loss after financial items	-6.5	-2.1	18.4
Group contributions paid/received	0.0	0.0	25.0
Profit before tax	-6.5	-2.1	43.4
Tax expense	0.0	-0.1	0.0
Profit for the period	-6.5	-2.2	43.4

Parent Company balance sheet

SEK m	31/03/2022	31/12/2021
Property, plant and equipment	2.5	1.5
Participations in associated companies and joint ventures	2191.7	2,191.7
Receivables from associated companies and joint ventures	1637.9	1,209.5
Deferred tax assets	8.8	8.8
Other receivables	5.1	6.3
Cash and bank balances	325.6	607.2
Total assets	4171.6	4,025.0
Restricted equity	6.6	6.6
Non-restricted equity	3270.8	3,277.2
Liabilities to Group companies	890.0	722.3
Other liabilities	4.3	18.9
Total equity and liabilities	4171.6	4,025.0

Segment reporting

Group Management currently identifies the two following business areas as its operating segments: Property Management and Project Development. In addition, all Group-wide items are reported as Other. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments. At KlaraBo, this function has been identified as the Group's CEO.

Income statement, SEK m	Property management		Project development		Other		Group	
	2022 Jan–Mar	2021 Jan–Mar	2022 Jan–Mar	2021 Jan–Mar	2022 Jan–Mar	2021 Jan–Mar	2022 Jan–Mar	2021 Jan–Mar
Revenue	118.7	56.2	0.0	0.0	0.0	0.0	118.7	56.2
Costs	-59.3	-30.5	0.0	0.0	0.0	0.0	-59.3	-30.5
Net operating income	59.4	25.7	0.0	0.0	0.0	0.0	59.4	25.7
Central administrative costs	-3.2	-1.0	0.0	0.3	-8.3	-5.6	-11.5	-6.4
Operating profit/loss	56.2	24.7	0.0	0.3	-8.3	-5.6	47.9	19.3
Financial income and expenses	-18.1	-9.8	1.3	0.0	-0.9	-1.1	-17.6	-10.9
Profit from property management	38.1	14.8	1.3	0.3	-9.2	-6.7	30.2	8.4
Changes in value of properties	169.2	70.7	0.0	0.0	0.0	-0.2	169.2	70.5
Changes in value of derivatives	14.1	1.9	0.4	1.3	25.3	0.5	39.8	3.8
Profit/loss before tax	221.4	87.5	1.7	1.6	16.1	-6.4	239.2	82.7
Tax expense	-45.3	-17.0	-0.1	0.0	-5.2	-0.1	-50.7	-17.1
Profit/loss for the period	176.1	70.5	1.6	1.6	10.9	-6.5	188.6	65.6

Balance sheet, SEK m	Property management		Project development		Other		Group	
	31/03/2022	31/12/2021	31/03/2022	31/12/2021	31/03/2022	31/12/2021	31/03/2022	31/12/2021
Investment properties	8,112.2	7,608.6	154.3	241.3	0.0	0.0	8,266.5	7,850.0
Non-current interest-bearing liabilities	3,229.8	3,124.8	0.0	0.0			3,229.8	3,124.8
Current interest-bearing liabilities	772.5	699.2	31.8	60.0	0.0	0.0	804.3	759.1
Deferred tax liability attributable to property reappraisal	315.8	273.6	1.4	5.7	0.0	0.0	317.2	279.2

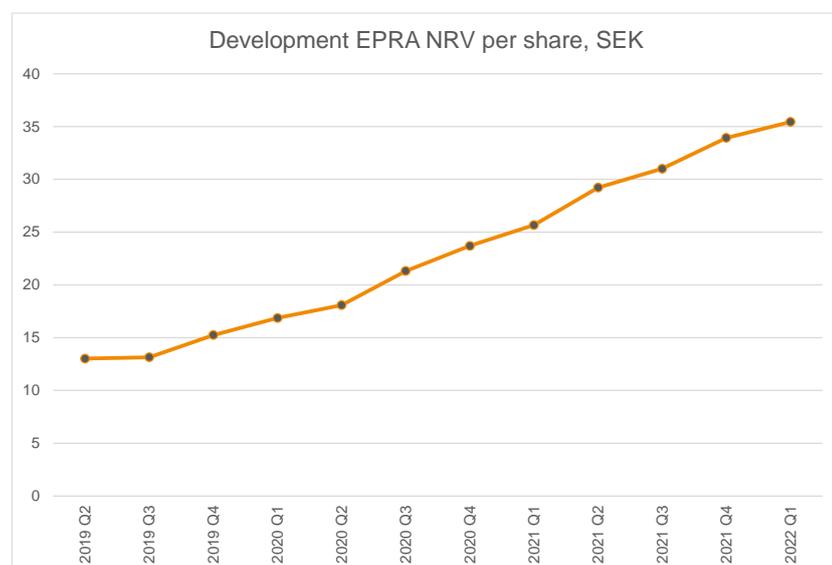
Newly constructed properties are part of the Project development segment until the quarter that they are completed. Therefore, the initial market valuation and associated deferred tax following completion of the properties are included in this segment. The newly constructed properties are thereafter included in the Property management segment.

Key performance indicators

KlaraBo presents certain non-IFRS performance measures in the interim report. KlaraBo believes that these measures provide valuable supplementary information to investors and the company's management since they enable an evaluation of the company's performance.

Non-IFRS measures are presented in the table below.

	2022 Jan–Mar	2021 Jan–Mar
Property-related		
Rental revenue, SEK m	118.7	56.2
Profit from prop mgmt, SEK m	30.2	8.4
Profit for the period, SEK m	188.6	65.6
Surplus ratio, %	50.0	45.7
Real occupancy rate, %	98.7	99.1
Investment properties, SEK m	8,266.5	3,563.6
Market value per sq. m.	18,954	16,560
Total lettable area, '000 sq. m.	427.6	212.1
No. of apartments under mgmt	5,562	2,742
No. of apartments in project devt	1,697	1,103
Financial		
Equity/assets ratio, %	49.6	33.7
Loan-to-value ratio, %	42.8	59.5
Interest-coverage ratio, multiple	2.3	2.0
EPRA NRV, SEK m	4,666.5	1,389.6
Share-based		
Profit from property management per share, SEK	0.23	0.17
Equity per share, SEK	33.34	23.27
EPRA NRV per share, SEK	35.40	25.64
Annual growth, profit from property management per share, %	32.7	1,626.4
Annual growth, EPRA NRV per share, %	38.0	41.9
No. of shares at end of period before/after dilution, million	131.8	54.2
Weighted average number of shares during period before dilution, million	131.8	48.8



The trend with respect to EPRA NRV per share since 2019 is presented in the table above.

KPIs purpose	Definition	Objective
Market value per sq. m.	Investment properties excluding new construction, divided by the total lettable area of the property portfolio.	This KPI shows developments in the value of the Group's investment properties in relation to area over time.
Surplus ratio, %	Net operating income in relation to rental revenue.	Used to show the share of revenue that remains after property expenses. This KPI is a measure of efficiency that can be compared between property companies as well as over time.
Real occupancy rate, %	Number of apartments rented, including apartments set aside for renovation and apartments with signed leases, divided by total number of apartments.	Used to illustrate the actual occupancy rate in the Group adjusted for voluntary vacancy in the form of renovations and temporary relocation vacancies.
Equity/assets ratio, %	Total equity in relation to total assets at the end of the period.	This KPI is used to illustrate the Group's sensitivity to interest rates and its financial stability.
Loan-to-value ratio, %	Total interest-bearing liabilities less cash and cash equivalents at the end of the period in relation to investment properties	Used to illustrate financial risk, and how much of the operation is pledged under interest-bearing liabilities less available cash on hand. This KPI provides comparability with property companies.
Loan-to-value ratio, investment properties, %	Interest-bearing liabilities related to investment properties, in relation to investment properties excluding new construction in progress.	Used to illustrate financial risk, and how much of the management operations are pledged under interest-bearing liabilities.
Interest-coverage ratio, multiple	Operating profit/loss on a twelve-month basis, divided by net interest income/expense.	This KPI shows how many times the Group will be able to pay its interest with earnings from operating activities, and illustrates how sensitive the Group is to changes in interest rates.
EPRA NRV, SEK m	Equity attributable to Parent Company shareholders, with add-back of deferred tax and derivatives attributable to wholly owned participations.	This KPI is an established measure of the Group's long-term net reassessment value, and facilitates analysis and comparison between property companies.
Profit from property management per share, SEK	Profit from property management attributable to Parent Company shareholders in relation to weighted average number of shares during the period.	Used to illustrate profit from property management per share in a uniform manner for listed companies.
Equity per share, SEK	Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at end of the period.	This KPI shows how much of the Group's recognised equity each share represents.
EPRA NRV per share, SEK	EPRA NRV in relation to no. of shares outstanding at end of the period.	Used to illustrate the Group's long-term net reassessment value per share in a uniform manner for listed companies.
Annual growth, profit from property management per share, %	Percentage change in profit from property management per share during the period	Used to illustrate the development of profit from property management over time, expressed as a percentage.
Annual growth, EPRA NRV per share, %	Percentage change in EPRA NRV per share during the period.	Used to illustrate the development of net reassessment value over time, expressed as a percentage.
Net operating income	Net operating income from property management before elimination of intra-group leases less expenses from property management.	This KPI measures the property companies' operational surplus and shows the company's capacity to finance its operations with its own funds.

Reconciliation table, key performance indicators

	2022 Jan-Mar	2021 Jan-Mar
Market value per sq. m.		
A Investment properties, SEK m	8,266.5	3,563.6
B New construction in progress, SEK m	154.3	51.6
C Site leaseholds	7.3	0.0
D Total lettable area, 000 sq. m.	427.6	212.1
(A-B-C)/D Market value per sq. m.	18,954	16,560
Surplus ratio, %		
A Net operating income, SEK m	59.4	25.7
B Revenue, SEK m	118.7	56.2
A/B Surplus ratio, %	50.0	45.7
Real occupancy rate, %		
A No. of apartments	5,562	2,742
B No. of apartments not rented	190	73
C Apts set aside for renovation or with signed leases	115	49
1-(B-C)/A Real occupancy rate, %	98.7	99.1
Equity/assets ratio, %		
A Total equity at the end of the period, SEK m	4,395.5	1261.0
B Minority share equity, SEK m	0.0	5.5
C Total equity and liabilities at the end of the period, SEK m	8,870.3	3761.3
(A+B)/C Equity/assets ratio, %	49.6	33.7
Loan-to-value ratio, %		
A Non-current interest-bearing liabilities, SEK m	3,229.8	2,028.3
B Current interest-bearing liabilities, SEK m	804.3	231.8
C Cash and cash equivalents at end of the period, SEK m	495.7	140.9
D Investment properties, SEK m	8,266.5	3,563.6
(A+B.C)/D Loan-to-value ratio, %	42.8	59.5
E Construction credit attr to new construction, SEK m	31.8	0.0
F Seller financing, SEK m	0.0	361.1
G New construction in progress, SEK m	154.3	51.6
(A+B-E-F)/(D-G) Loan-to-value ratio, investment properties, %	49.3	54.1
Interest-coverage ratio, multiple		
A Operating profit/loss, rolling 12 months, SEK m	173.6	81.4
B Interest income/expense, rolling 12 months, SEK m	-75.4	-40.5
A/-B Interest-coverage ratio, multiple	2.3	2.0
EPRA NRV, SEK m		
A Equity, SEK m	4,395.5	1261.0
B Add-back of derivatives, SEK m	-47.0	0.0
C Adjustment of derivatives attributable to minority share, SEK m	0.0	0.0
D Add-back of deferred tax liabilities, SEK m	327.1	131.3
E Adjustment, deferred tax liability attr to minority share, SEK m	0.0	-1.6
F Add-back of deferred tax assets, SEK m	-9.1	-1.1
G Adjustment, add-back of deferred tax assets attr to minority share, SEK m	0.0	0.0
A+B+C+D+E+F+G EPRA NRV, SEK m	4,666.5	1389.6
Profit from property management per share, SEK		
A Profit from prop mgmt, SEK m	30.2	8.4
B Adjustment, profit from prop mgmt attr to minority share, SEK m	0.0	0.0
C Weighted avg no. of shares during period before/after dilution, million	131.8	48.8
(A-B)/C Profit from prop mgmt per share, SEK	0.23	0.17

	2022 Jan-Mar	2021 Jan-Mar
A Equity, SEK m	4,395.5	1261.0
B Number of shares at end of the period before/after dilution, million	131.8	54.2
A/B Equity per share, SEK	33.34	23.27
EPRA NRV per share, SEK		
A Net reassessment value (EPRA NRV), SEK m	4,666.5	1389.6
B Number of shares at end of the period before/after dilution, million	131.8	54.2
A/B EPRA NRV per share, SEK	35.40	25.64
Annual growth, profit from property management per share, %		
A Profit from prop mgmt during the period per share, SEK	0.23	0.17
B Profit from prop mgmt during the preceding period per share, SEK	0.17	0.01
A/B-1 Annual growth, profit from prop mgmt per share, %	32.7%	1626.4%
Annual growth, EPRA NRV per share, %		
A EPRA NRV during the period per share, SEK	35.40	25.64
B EPRA NRV during the preceding period per share, SEK	25.64	18.08
A/B-1 Annual growth, EPRA NRV per share, %	38.0%	41.9%

Risks and opportunities for the Group and Parent Company

The preparation of financial statements in accordance with generally accepted accounting principles and in accordance with IFRS requires that management makes assessments and assumptions that affect the amounts recognised for assets, liabilities, income and expenses in the accounts as well as other information disclosed. The actual results may deviate from these assessments. Estimates and assumptions are based on historical experience and other factors, that are deemed reasonable given the prevailing conditions. The Group's operations and the financial position and earnings can be affected, both directly and indirectly, by a number of risks, uncertainties and external factors.

The Group's operations are dependent on general financial and political trends, particularly in Sweden, which can impact demand for housing and premises. All identified risks are continuously monitored, and risk-reducing measures are implemented if required to limit their impact.

A summary of the most substantial risks and opportunities for the Group is presented below. For other information, refer to the Annual Report.

Financial risk

KlaraBo's most significant financial risks comprise interest-rate risk, financial risk and liquidity risk. Interest-rate risk is defined as non-controllable increase in interest expense. Interest-rate risk is expressed as a change of expenses for the interest-bearing liabilities if the interest rate changes by one percentage point. Financing risk pertains to the risk that expenses for raising new loans or other financing becomes higher and/or that refinancing loans outstanding becomes more difficult or occurs on disadvantageous terms. Liquidity risk pertains to the risk that KlaraBo does not have sufficient access to funds for predicted and/or non-predicted expenses. KlaraBo requires access to liquidity to finance ongoing projects, manage operations and settle due payments of interest and repayment instalments. KlaraBo's growth targets are dependent on healthy access to cash and cash equivalents to enable several projects to be started and pursued in parallel.

All of the risks above are regulated in the financial policy adopted by the Board of Directors. KlaraBo addresses these risks operationally through measures such as interest rate and capital hedging of its debt portfolio, maintaining a favourable and proactive dialogue with the Group's partners and continuously monitoring the Group's liquidity situation. KlaraBo's work is governed in part by internal targets for each risk category and, in part, by the Group's overall financial targets and risk limits. This is intended to limit the financial risks and to achieve a favourable long-term trend in net financial items. Furthermore, under existing loan agreements, KlaraBo is required to monitor and report on a number of key figures on a quarterly basis. As of the end of the accounting period, all financial commitments had been met.

Opportunities and risks in the values of the properties

KlaraBo recognises investment properties at fair value, and the property portfolio is appraised at least once each year by independent external appraisers. Changes in the value of properties are included in profit or loss. Changes in the value of properties have historically had a significant impact on profit for the period and contribute to more volatile earnings. The value of the properties is determined by supply and demand, in which the price is mainly dependent on the property's expected operating surplus and the buyer's yield requirements. Higher demand leads to a lower yield requirement, and an upward price adjustment as a result, whereas declining demand has the opposite effect. In the same way, a positive operating surplus trend leads to an upward price adjustment, while a negative trend has the opposite effect. The rental concept is comprised partly of the actual rental level and partly of the vacancy risk of the property portfolio. Property valuation should take in to account an interval of uncertainty to reflect the inherent uncertainty of assumptions and estimates.

Sensitivity analysis – changes in value (SEK m)

	Change	Effect on fair value, SEK m	Change	Effect on fair value, SEK m
Yield requirement	-0.25 basis points	524.0	+0.25 basis points	-454.2
Rental value*	- 2.50%	-39.7	+ 2.50%	329.3
Operating and maintenance costs	-2.50%	122.7	+ 2.50%	-122.7
Long-term vacancy rate	-0.25 basis points	27.0	+0.25 basis points	-27.1

Ongoing projects

Information on ongoing projects in the interim report is based on assessments concerning the size, direction and scope of ongoing projects as well as when the projects are expected to commence and be completed. Information is also based on assessments of future project costs and rental value. Assessments and assumptions should not be viewed as a forecast. Assessments and assumptions involve uncertainties concerning the projects' completion, design and size, schedule as well as project expenses and future rental value. Information concerning ongoing projects in the interim report is regularly re-evaluated, and assessments and assumptions are adjusted in line with the completion or addition of ongoing projects and when conditions change. Financing has not been procured for projects where construction has not begun, which means that financing of ongoing projects is an uncertainty.

Financing

During the period, we observed significant uncertainty about bank financing in the financial markets since banks' funding costs increased, resulting in higher margins. However, this did not impact KlaraBo since we entered into new credit facilities with three of the Group's banks after the end of the quarter, on better terms than for existing agreements.

Bank financing is KlaraBo's primary source of financing, and on 31 March the company had a stable financial position with SEK 495.7 million in cash and cash equivalents.

Operational risk

KlaraBo is in the midst of a phase of expansion and has identified a number of growth-oriented targets. Risks and opportunities connected to reaching the growth targets involve continued access to new projects, key personnel and the risk management of projects (concerning time, costs and quality).

Despite a stabilisation of the price of wood, we are seeing a continued rise in prices for other building materials, which is having an adverse impact on KlaraBo's total production costs. Demand for building materials has remained high while access has been limited. Disruptions in supply chains, lower production and increased uncertainty in the world are contributing to the uncertain situation. The higher costs have had a limited impact on ongoing projects, but on the other hand could negatively influence future projects over both the short and long term.

Other disclosures

Sustainability

KlaraBo has set the bar high for its sustainability goals, and is working systematically to unite environmental, economic and social sustainability. This work has generated benefits for both society and customers and will continue to be applied in our residential properties and new construction.

KlaraBo acquires, builds and manages sustainable rental housing, and the Group safeguards healthy indoor environments and safe materials that minimise environmental impact throughout the service life of the entire property. In both the development phase of a project and in administrative operations, KlaraBo selects concepts and solutions that make positive contributions to its sustainability goals. As a long-term property owner, KlaraBo's ambition is to manage and improve its properties with minimal environmental impact for maximum customer benefit. Integrating environmental, economic and social sustainability is a natural part of the Group's operations.

Environmental goals

- Reduce energy consumption.
- Use renewable energy sources. KlaraBo works to reduce its dependence on fossil fuels by taking such measures as:
 - always selecting electricity from renewable energy sources when procuring new electricity agreements;
 - always selecting biogas instead of natural gas when procuring gas; and
 - discussing with the supplier how to achieve the best possible fossil-free solution when procuring district heating.

KlaraBo offers climate-smart housing units designed to be constructed from wood to the greatest possible extent in order to offer climate-smart housing and, moreover, to achieve rational production. Wood is a renewable construction material that captures carbon throughout its life cycle. Moreover, manufacturing wooden buildings requires less energy than manufacturing from concrete or steel, and the choice of wood thereby promotes less carbon emissions. KlaraBo uses FSC-labelled wood in new construction, which means that the material is derived from responsible forestry that takes account of people and the environment.

The Group's business concept is based on a limited number of construction alternatives – KlaraBo buildings – that are adapted to their respective locations. The foundation is a systematic approach that yields an optimal use of resources, thereby ensuring both high quality and a good work environment. The construction volumes are prefabricated in indoor environments by partners before being transported to construction sites in Sweden for assembly. The materials selection for façades and roofs is adapted to the respective projects. This type of construction leads to energy savings, since the construction process with industrial construction technology is energy-efficient with fewer transports, shorter construction times than construction using concrete and quicker assembly, resulting in lower costs.

Moreover, the buildings are energy-efficient. KlaraBo's new construction follows the norms of the Swedish National Board of Housing, Building and Planning for energy consumption and features well-insulated walls, windows with high insulation capacity, low-flow taps and low-energy appliances. The energy consumption for KlaraBo's buildings comprises approximately half of the requirement indicated in the Board's construction regulations (BRR in Swedish). This is achieved not only by using energy-smart materials choices and local energy supply in the form of solar cells, but also using production methods that allow properly insulated constructions with modules that provide us with double inner walls and insulated double floor slabs. This results in a solidly insulated construction with a low overall primary energy figure. High-quality and energy-efficient construction increases the service life of the property and provides KlaraBo with the possibility of planning proper long-term maintenance that in turn leads to sustainable living environments.

KlaraBo buildings are constructed with the ambition of meeting the corresponding requirements set in the Nordic Swan ecolabel certification system.

Social and economic goals

- Increase involvement in our districts by, for example, offering summer work to the long-term unemployed and to young people as an entrance into the job market.

- Construction of more new sustainable and environmentally certified, qualitative, functional, cost- and space-efficient housing units.
- Renovate for long-term sustainable management, in which the scope of renovation measures is adapted to satisfy the technical conditions of the construction as well as tenant demand.

By providing the districts where KlaraBo operates with well-planned green spaces, market squares and contact spaces, the Group creates increased security and promotes its tenants' quality of life. As a long-term property owner, KlaraBo's position is that over the long term, the shared functions of the residential districts should be planned and developed in accordance with its tenants' wishes.

Market outlook

KlaraBo's offering meets the market's demand for good housing at the right price. The Group's own concept, KlaraBo-hus, creates the conditions for cost control and financial efficiency across the entire chain, from development rights to management, during the lifespan of the property.

The Group's assessment is that demand remains strong in the areas where KlaraBo operates and that there is a structural housing shortage in many cities in Sweden.

Organisation and employees

The Parent Company of the Group is KlaraBo Sverige AB. At the end of the period, the Group consisted of 65 subsidiaries and three jointly controlled companies. The number of employees totalled 61 (25), consisting of 16 women (8) and 45 men (17).

Accounting policies

KlaraBo's consolidated financial statements have been prepared in accordance with the EU adopted International Financial Reporting Standards (IFRS) and interpretations therein (IFRS IC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. In addition, suitable provisions of the Swedish Annual Accounts Act have been applied. The accounting and valuation principles applied are unchanged compared with the Annual Report. The Parent Company has prepared its financial reports in conformity with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 requires that the Parent Company applies the same accounting principles as the Group, which is to say IFRS to the scope that RFR 2 permits.

For complete accounting policies, refer to KlaraBo's 2021 Annual Report. Accounting policies are unchanged compared with the 2021 Annual Report.

Transactions with related parties

The Group's related-party circle consists of all Board members, the CEO and members of senior management as well as their related parties and companies.

In addition to remuneration to senior executives, SEK 500,000 was paid during the period as a one-time fee to Valhalla Corporate Advisors AB in connection with the acquisition of properties in Skokloster and Gävle. Board member Joacim Sjöberg has a controlling interest in the company.

The share and shareholders

The Parent Company of the Group, KlaraBo Sverige AB, Corp. Reg. No. 559029-2727 has two classes of shares: Class A and Class B ordinary shares. Each Class A share carries ten votes and each Class B share carries one vote. The total number of shares is 131,827,883, of which 16,815,000 are Class A and 115,012,883 are Class B. The quotient value for all shares is SEK 0.05 per share.

Largest shareholders, 31 March 2022

	Class A shares	Class B shares	Total	Capital	Voting rights
Investment AB Spiltan	1,800,000	11,006,647	12,806,647	9.7%	10.2%
Länsförsäkringar Fonder	0	9,559,707	9,559,707	7.3%	3.4%
Wealins S.A.	0	9,538,901	9,538,901	7.2%	3.4%
Pensionskassan SHB Försäkringsförening	0	9,360,610	9,360,610	7.1%	3.3%
Rutger Arnhult via company	0	8,739,167	8,739,167	6.6%	3.1%
Anders Pettersson via company	3,966,316	3,545,538	7,511,854	5.7%	15.3%
SBB via company	0	5,646,065	5,646,065	4.3%	2.0%
Lennart Sten, privately and via company	1,995,000	2,994,609	4,989,609	3.8%	8.1%
Ralph Muhlråd, privately and via company	1,500,000	7,098,728	8,598,728	6.5%	7.8%
ODIN Fonder	0	4,407,143	4,407,143	3.3%	1.6%
Futur Pension	134,484	3,133,227	3,267,711	2.5%	1.6%
Clearance Capital	0	3,193,431	3,193,431	2.4%	1.1%
Klosterinvest AB	0	2,900,000	2,900,000	2.2%	1.0%
Mats Johansson via company	2,699,400	0	2,699,400	2.0%	9.5%
Doxa AB	0	2,548,691	2,548,691	1.9%	0.9%
Andreas Morfiadakis privately and via company	2,331,287	56,000	2,387,287	1.8%	8.3%
Other	2,388,513	31,284,419	33,672,932	25.5%	19.5%
	16,815,000	115,012,883	131,827,883	100%	100%

Warrants

KlaraBo has three current warrant programmes issued to the company's employees. The first programme encompassed 1,666,335 warrants in total, each of which carried the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 March to 31 March 2024, at a subscription price of SEK 30 per share. At the end of the period, 1,367,585 warrants had been subscribed and the remainder had expired and can no longer be subscribed. The second programme encompasses 500,000 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 June to 31 August 2024, at a subscription price of SEK 39 per share. At the end of the period, 500,000 warrants had been subscribed. The third programme encompasses 1,429,440 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 August to 31 October 2024, at a subscription price of SEK 39 per share. At the end of the period, 1,429,440 warrants had been subscribed.

In total on 31 March, the incentive programmes encompassed a maximum of 3,297,025 warrants that can be utilised to subscribe for a maximum of 3,297,025 Class B shares, corresponding to a dilution effect of at most 2.44 per cent based on the number of shares in the company.

Signatures to the report

The Board of Directors and CEO give their assurance that this report gives a true and fair overview of the operations, financial position and earnings of the Parent Company and the Group, and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Malmö, 3 May 2022

Lennart Sten,
Chairman of the Board

Per Håkan Börjesson,
Board member

Lulu Gylleneiden,
Board member

Mats Johansson,
Board member

Sophia Mattsson Linnala,
Board member

Anders Pettersson,
Board member

Håkan Sandberg,
Board member

Joacim Sjöberg,
Board member

Andreas Morfiadakis,
Chief Executive Officer

This interim report has not been reviewed by the company's auditor.



Financial calendar

Interim Report Q2, January–June 2022

13 July 2022

Interim Report Q3, January–September 2022

26 October 2022

Year-end report 2022

15 February 2023



Contact information

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