



# Q2 presentation

13 July 2022





**Andreas Morfiadakis**  
**CEO and co-founder**  
KlaraBo since 2017

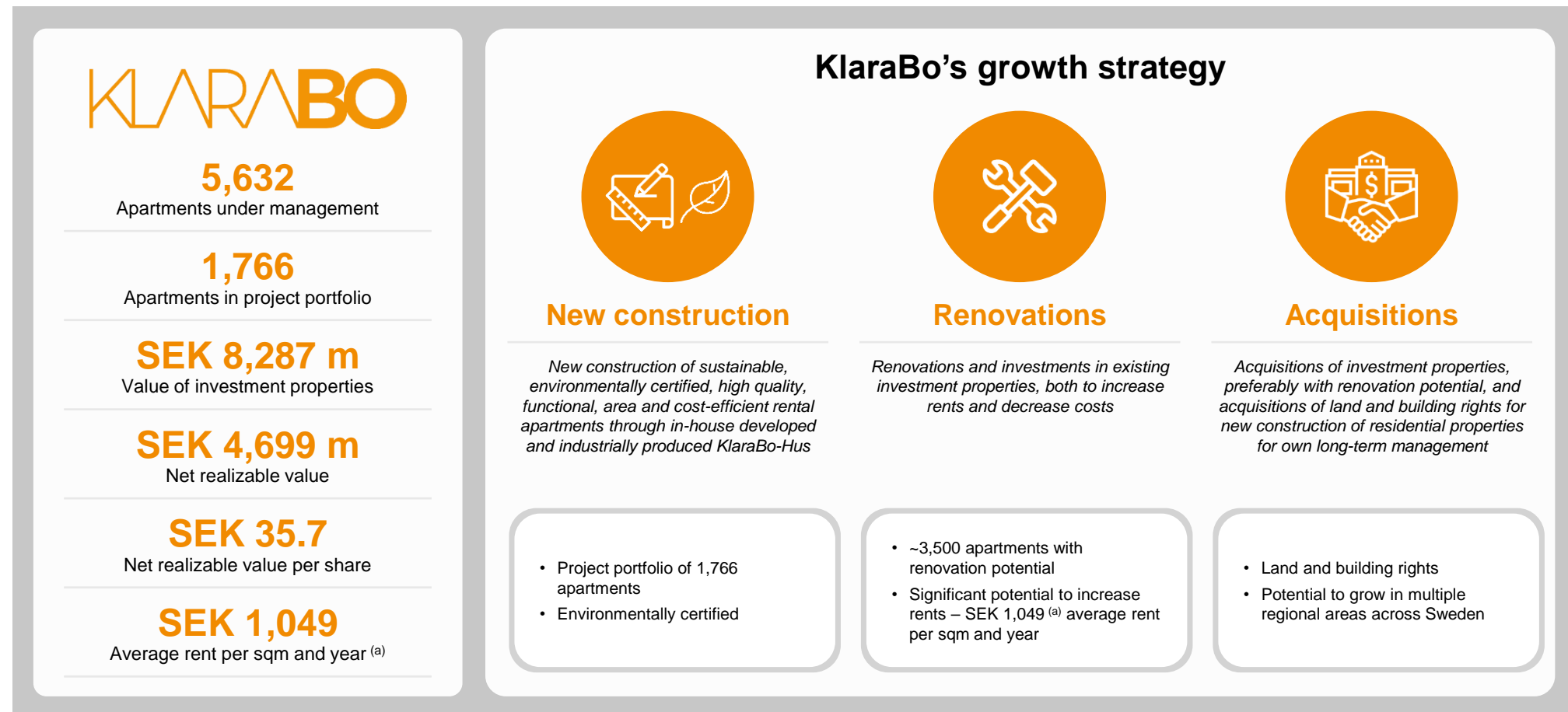


**Jenny Appenrodt**  
**CFO**  
KlaraBo since 2020

# KlaraBo in brief

# Residential property manager and developer

Growing through new construction, renovations and acquisitions



# Q2 results

# Q2 results in brief

- Revenue for the quarter amounted to SEK 120.3 million (60.9), up 98% year-on-year
- Net operating income of SEK 66.4 million (31.7), up 109% over the year-earlier period
- Income from property management for the quarter of SEK 20.4 million (10.2), up 100% over the year-earlier period
- Changes in value of investment properties amounted to SEK 21.5 million (202.9) and changes in the value of derivatives to SEK 21.7 million (1.5)
- Profit for the quarter totalled SEK 38.4 million (164.4), corresponding to SEK 0.29 per share (3.37)
- The loan-to-value ratio for the Group amounted to 43.1% (57.8)





# Q2 highlights

- **Refinanced credits totaling approx. SEK 1,500 million** with 3-5 years maturity and raised new loans of just under SEK 250 m. Additional SEK ~1,3 bn have been secured to be used for acquisitions
  - Credit maturity has increased
  - Average loan margin has decreased
  - Approx. SEK 2 bn in available funds after refinancing
- **Initiated a buyback program** following authorisation by the AGM
- **Awarded land allocation in Hyllie** together with OBOS, incl. a completed development plan for ~300 apts. with rentals and condos
- **Kristin Lundmark recruited as interim Sustainability Manager**, to continue the development of KlaraBo's strategic sustainability efforts
- **Magnus Johansson**, Head of Business Development, will take on a new role as responsible for new construction from Sep. 1<sup>st</sup> at the latest
- **Acquisition of 37 rental apartments in Vastervik**. Complements existing portfolio of 167 apts. in the city



# Financials



# Q2 2022 income statement and current earnings capacity

Income statement					
SEK m	2022 3 months Apr-Jun	2021 3 months Apr-Jun	2022 6 months Jan-Jun	2021 6 months Jan-Jun	2021 12 months Jan-Dec
Revenue	120,3	60,9	239,0	117,0	344,2
Costs	-53,9	-29,2	-113,2	-59,7	-154,3
<b>Net operating income</b>	<b>66,4</b>	<b>31,7</b>	<b>125,8</b>	<b>57,4</b>	<b>189,9</b>
Central administrative costs	-12,1	-7,6	-23,7	-13,9	-44,9
<b>Operating profit/loss</b>	<b>54,3</b>	<b>24,1</b>	<b>102,2</b>	<b>43,4</b>	<b>145,1</b>
Financial income/costs	-33,9	-13,9	-51,5	-24,8	-68,7
<b>Profit from property management</b>	<b>20,4</b>	<b>10,2</b>	<b>50,6</b>	<b>18,6</b>	<b>76,4</b>
Changes in value of properties	21,5	202,9	190,7	273,4	737,3
Changes in value of derivatives	21,7	1,5	61,5	5,2	10,9
<b>Profit/loss before tax</b>	<b>63,6</b>	<b>214,5</b>	<b>302,8</b>	<b>297,2</b>	<b>824,6</b>
Tax expense	-25,2	-50,1	-75,9	-67,2	-184,1
<b>Profit for the period</b>	<b>38,4</b>	<b>164,4</b>	<b>226,9</b>	<b>230,0</b>	<b>640,5</b>
Other comprehensive income	-	-	-	-	-
<b>Comprehensive income for the period</b>	<b>38,4</b>	<b>164,4</b>	<b>226,9</b>	<b>230,0</b>	<b>640,5</b>
<b>Comprehensive income for the period attributable to:</b>					
Parent Company shareholders	38,4	164,3	226,9	227,2	637,9
Non-controlling interests	0,0	0,2	0,0	2,7	2,6
Earnings per share before dilution, SEK	0,29	3,36	1,72	5,54	7,75
Earnings per share after dilution, SEK	0,29	-	1,72	-	7,67
Surplus ratio	55,2%	52,1%	52,6%	49,0%	55,2%

Current earnings capacity 12 months						
SEK m	Jul 1 2022	Like-for-like Jul 1 2022	Apr 1 2022	Jan 1 2022	Oct 1 2021	Jul 1 2021
<b>Rental revenue</b>	<b>494,8</b>	<b>488,0</b>	<b>482,3</b>	<b>464,6</b>	<b>454,2</b>	<b>449,5</b>
<b>Property expenses</b>	<b>-198,3</b>	<b>-196,6</b>	<b>-196,6</b>	<b>-192,3</b>	<b>-190,9</b>	<b>-190,9</b>
<b>Net operating income</b>	<b>296,5</b>	<b>291,3</b>	<b>285,7</b>	<b>272,4</b>	<b>263,3</b>	<b>258,6</b>
<b>Surplus ratio, %</b>	<b>59,9</b>	<b>59,7</b>	<b>59,2</b>	<b>58,6</b>	<b>58,0</b>	<b>57,5</b>
Central administrative costs	-37,0	-37,0	-37,0	-35,0	-34,7	-34,7
Financial income and expenses	-95,9	-95,9	-74,9	-72,3	-81,9	-82,4
<b>Profit from property management</b>	<b>163,6</b>	<b>158,5</b>	<b>173,8</b>	<b>165,1</b>	<b>146,7</b>	<b>141,5</b>
Profit from property mgmt per share, SEK	1,24	1,20	1,32	1,25	1,37	1,32
Number of shares, million	131,8	131,8	131,8	131,8	107,2	107,2
Interest-coverage ratio	2,71	2,65	3,32	3,28	2,79	2,72

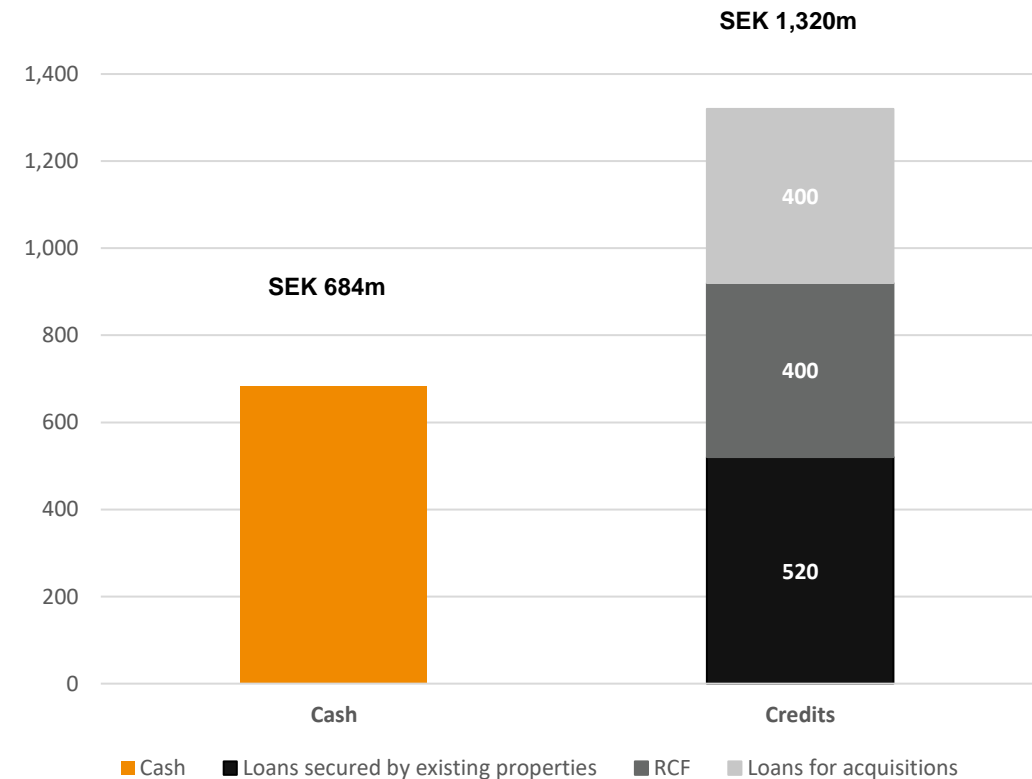
- Revenue increase with stable cash flow
- Primarily cost of electricity which is up vs 2021 for comparable properties
  - Electricity accounts for approx. 7% of total annual property costs
- One-off cost of SEK 11m taken over the P/L in connection with refinancing
- Increased property values following refurbishment, off-set by lower valuations due to increased discount rates for 2022
- **Net operating income on a like-for-like basis up by almost 2pp over previous quarter**

# Financial position – capacity to act on acquisition opportunities

Balance sheet		
SEK m	2022-06-30	2021-12-31
Intangible assets	6,2	1,4
Investment properties	8 375,3	7 850,0
Property, plant and equipment	5,6	5,3
Financial non-current assets	26,4	24,9
Derivatives	68,7	7,2
Receivables	49,3	22,4
Cash and cash equivalents	684,2	616,5
<b>Total assets</b>	<b>9 215,8</b>	<b>8 527,7</b>
Equity attributable to Parent Company shareholders	4 431,3	4 206,9
Equity attributable to non-controlling interests	0,0	0,0
Derivatives	-	-
Deferred tax liability	345,8	281,0
Non-current interest-bearing liabilities	4 201,2	3 124,8
Current interest-bearing liabilities	95,3	759,1
Other liabilities	142,2	155,9
<b>Total equity and liabilities</b>	<b>9 215,8</b>	<b>8 527,7</b>

- Solid cash position and binding loan-promises add up to approx. SEK 2 bn. in available funds for investments and acquisitions
- Repurchase of 87,234 shares for a total of SEK 2 m
- Refinancing extends credit maturity and reduces short-term interest-bearing liabilities

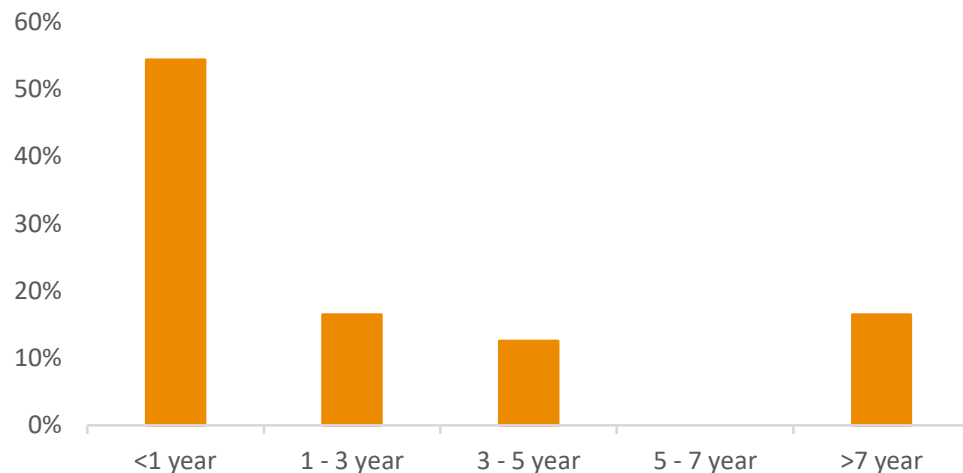
Approx. SEK 2 bn. in available funds



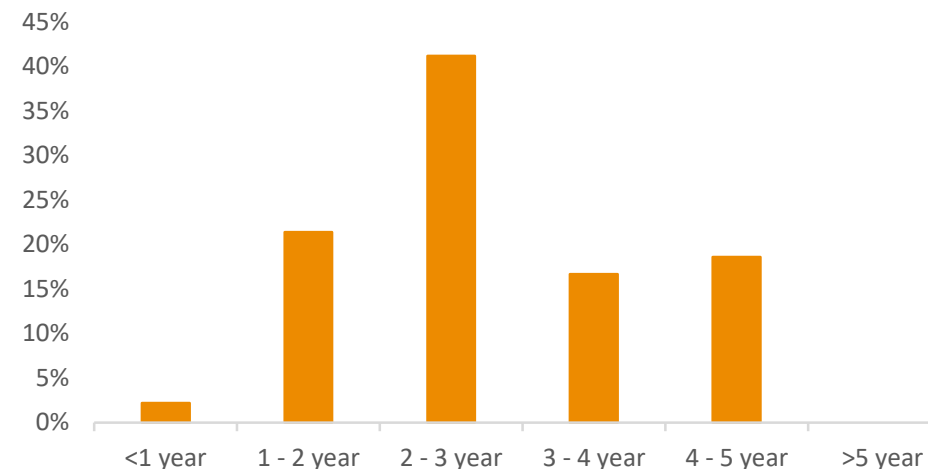
# Overview debt portfolio

- Interest-bearing liabilities of SEK 4,239m
- Average credit maturity of 2.9 years
- Average interest rate maturity of 2.5 years
  - Close to 46% of loan portfolio at fixed interest rates
  - Fixed interest rates of derivatives between -0.04% and 2.21%
- Average interest rate: just below 2.3%
- Sensitivity analysis rolling 12 months:
  - an increase in STIBOR 3m by +1.0% lead to approx. SEK 20m in additional interest cost (all other things equal)

**Maturity structure - Fixed interest 2022-06-30**



**Maturity structure – Fixed credit 2022-06-30**





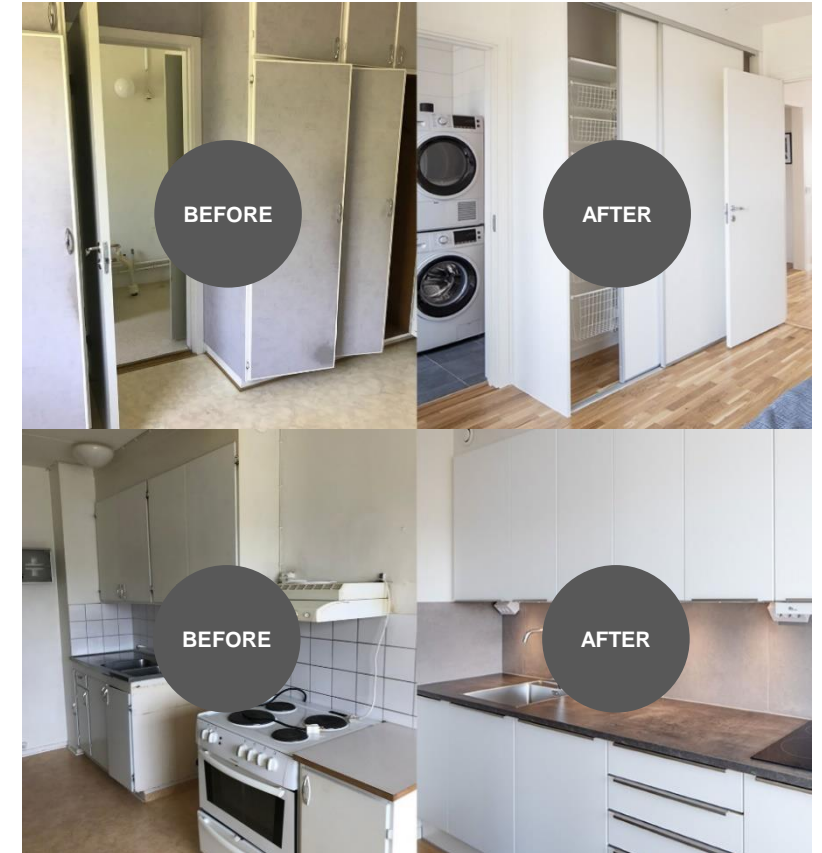
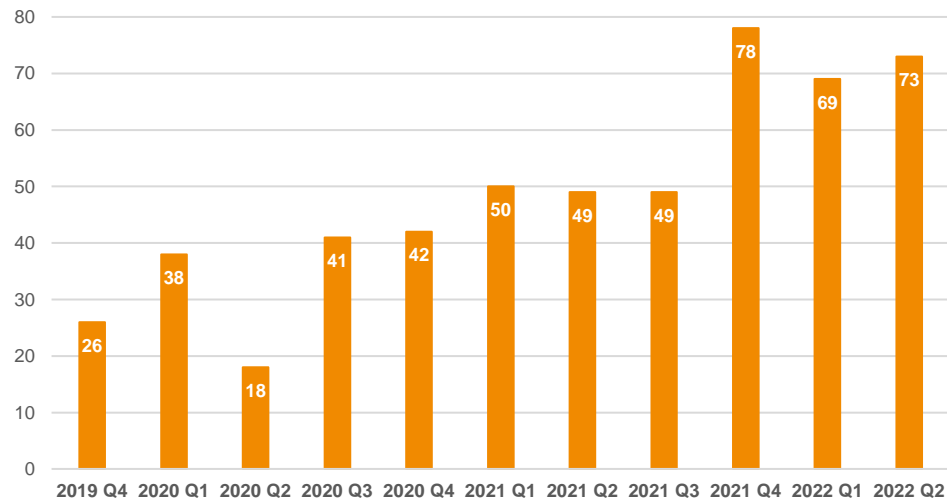
# Property portfolio & renovations

# Continuing to build long-term value through proven renovation model

## Comments

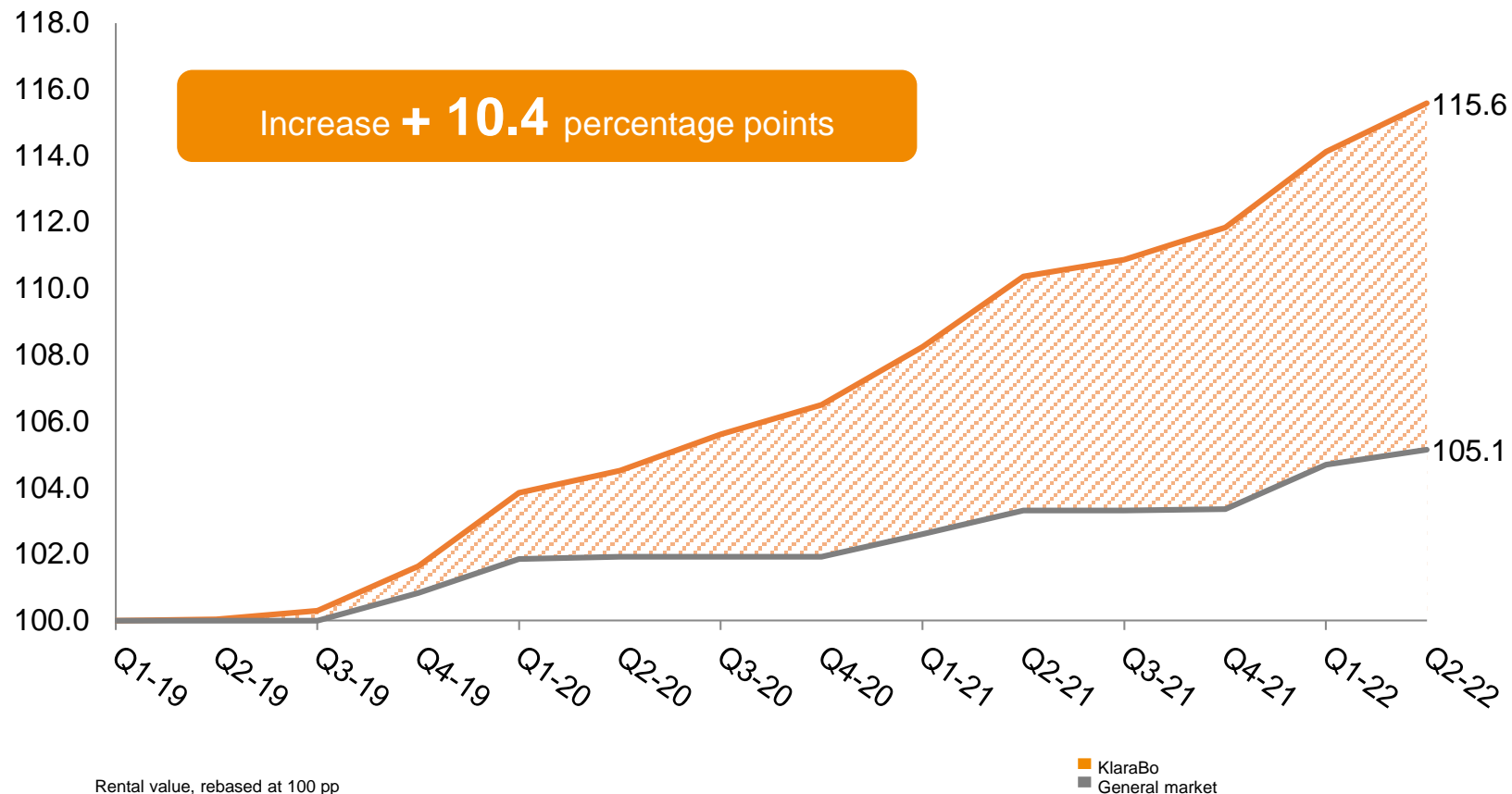
- ~3,500 apartments have renovation potential, corresponding to 66% of the total portfolio, excl. construction
- KlaraBo continuously renovates existing apartments, leading to higher rents and lower property maintenance costs
- Renovations take place after tenants have moved out
- Smaller renovations such as replacements of kitchen cabinets and installations of washing machines and safety doors, leading to higher rents

## Total no. of refurbishments



# Our rental value development vs. general rental market

Percentage points

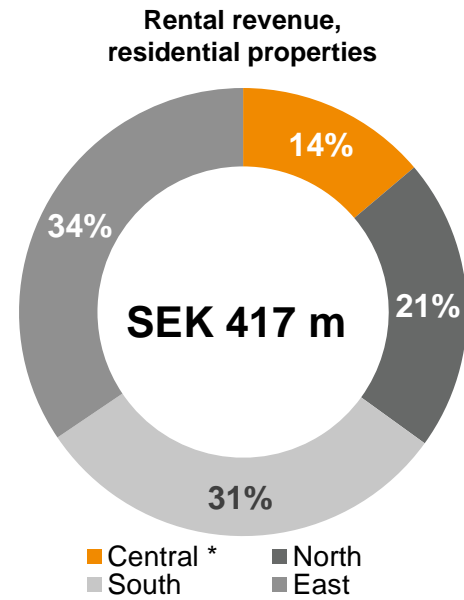


In total, value-enhancing initiatives lead to rent increases that significantly surpass the general development

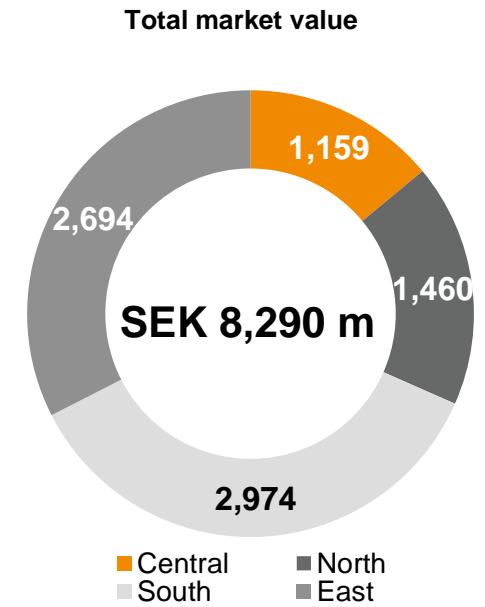
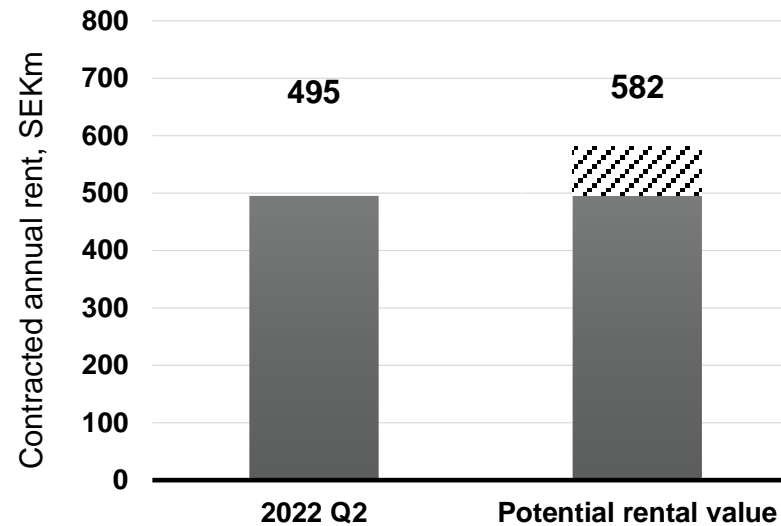


# Property portfolio

## Investment properties

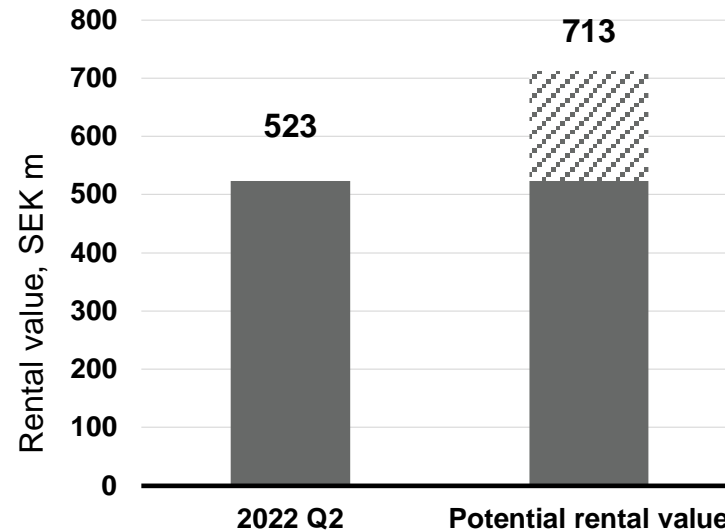
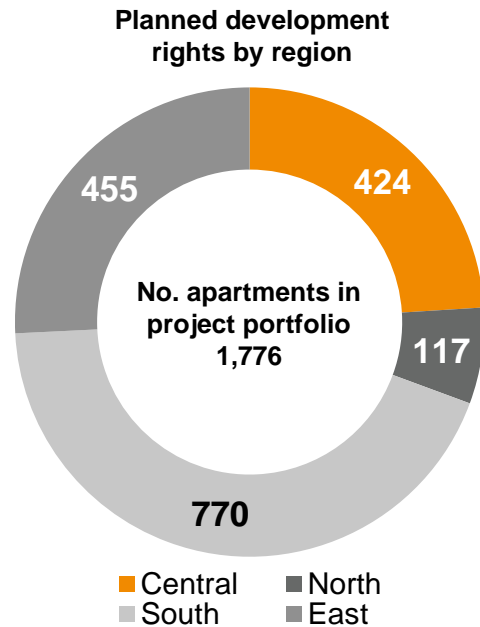


\*including completed new construction in Motala



# Project portfolio

# Project portfolio



**127**

No. apartments under construction

**1,639**

No. apartments in planning stage

**SEK 189.3m**

Estimated rental value

**SEK 4,047m**

Estimated market value at completion



# Ongoing projects not affected by cost increases

## Aggregated figures

Residential floor area, sqm.	20,644
Number of apartments	332
Rent levels per sqm, SEK	~1,450-1,950
Net operating income, SEKk	29,477
Yield on cost, %	5.7%
Market value at completion, SEKm	646
Construction cost including land per sqm, SEK <sup>(a)</sup>	25,297



# Summary

# Continuing to build on a stable base with stable finances

Average credit lock-in  
period of 2.9 years with  
only bank financing

LTV 43,1% in Q2

Strongest financial  
position ever, over SEK  
2 bn. in available funds,  
incl. 700 m in cash

Continuing to build long-term value. Organic growth 6% 1H, ~ 3,500 apts.  
with renovation potential in portfolio

Q&A

Q2



# Appendix

# Cash flow statement

Cash flow statement			
SEK m	1 Apr 2022– 30 Jun 2022	1 Jan 2022 30 Jun 2022	1 Jan 2021– 31 Dec 2021
<b>Continuing operations</b>			
Operating profit incl adj. for non-cash items	54.6	102.9	146.4
Interest paid	-17.0	-35.3	-74.2
Tax paid	-7.3	-20.0	-18.5
<b>Cash flow from continuing operations before changes in working capital</b>	<b>30.4</b>	<b>47.5</b>	<b>53.7</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables/payables	-12.4	-53.1	10.0
<b>Cash flow from continuing operations</b>	<b>18.0</b>	<b>-5.6</b>	<b>63.8</b>
<b>Investing activities</b>			
Acquisition of investment properties & Buy-out of non-controlling interests	0.0	-88.0	-384.8
Investments in investment properties, PPE & intangible assets	-40.9	-85.6	-156.6
New construction investments	-33.0	-62.7	-135.2
Investment aid received	0.0	-	25.5
<b>Cash flow from investing activities</b>	<b>-73.9</b>	<b>-236.3</b>	<b>-651.0</b>
<b>Financing activities</b>			
New share issue incl proceeds from share options	-	-	1,141.7
New financial liabilities incl borrowing costs & construction credits	251.5	454.5	899.3
Repayment of financial liabilities	-4.8	-142.7	-1,019.9
Share repurchase	-2.2	-2.2	0.0
<b>Cash flow from investing activities</b>	<b>244.5</b>	<b>309.6</b>	<b>1,021.2</b>
<b>Cash flow for the period</b>	<b>188.6</b>	<b>67.7</b>	<b>433.9</b>
Cash and cash equivalents at beginning of year	495.7	616.5	182.7
<b>Cash and cash equivalents at end of the period</b>	<b>684.2</b>	<b>684.2</b>	<b>616.5</b>

# Key figures

Key figures	Q1-Q2 2022	Q1-Q2 2021
<b>Financial</b>		
Debt/equity ratio (multiple)	48.1	39.5
Interest coverage ratio (multiple)	2.1	1.9
Loan-to-value ratio, %	43.1	57.8
Long-term net realizable value	4 669,4	3,131,0
Long-term net realizable value, per share	35.67	29.21
<b>Property related</b>		
Surplus ratio, %	55.2	52.1
Real occupancy rate, %	98.6	99.6
Rental value, SEK/sq.m.	19,168	16,887
Lettable area, sq.m. (thousand)	430.1	417.7

# Financial / operational targets and dividend policy

## Clear operational growth targets

2021-2023	Commence construction of at least 200 apartments per year	$\geq 15\%$	Annual growth in long-term NRV per share shall on average amount to at least 15 per cent, including any value transfers
2024-	The long-term goal is to commence construction of at least 500 apartments per year	$\geq 12\%$	Annual growth in income from property management per share shall on average amount to at least 12 per cent
2025	Own and manage apartments of at least 500,000 sqm residential (372,200 sqm as of 30 June 2022)		Rents for apartments that are possible to renovate shall, through active property management and investments, exceed the general annual rent increase substantially

## Long-term financial risk limitations

<b><math>&gt;25\%</math></b> The equity ratio shall in the long-term exceed 25 per cent	<b><math>&gt;1.5x</math></b> The interest coverage ratio shall in the long-term exceed 1.5x	<b><math>\leq 65\%</math></b> The loan-to-value ratio shall in the long-term not exceed 65 per cent
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## Dividend policy

KlaraBo's long-term goal is to pay out 50 per cent of income from property management after tax in dividends. However, dividends will be low or none in the coming years as KlaraBo will prioritise growth through acquisitions, new construction and investments in existing properties



# Management team



**Andreas Morfiadakis**  
**CEO and co-founder**  
*KlaraBo since 2017*

- Former deputy CEO and CFO at Victoria Park (2010-2017)
- 2,361,287 class A Shares directly and indirectly through Falknästet AB, 56,000 B Shares, and 841,379 warrants carrying the right to subscribe for the same number of class B Shares



**Jenny Appenrodt**  
**CFO**  
*KlaraBo since 2020*

- Previously Finance Director at Hilding Anders (2013-2020)
- Various senior finance positions with Thule Group (2008-2013)
- 12,500 class B Shares, and 265,000 warrants, carrying the right to subscribe for the same number of class B Shares



**Jimmy Larsson**  
**Head of property management**  
*KlaraBo since 2019*

- 20 years' experience of residential property management, including senior positions with Brogripen, Ikano Bostad and Riksbyggen
- 100,000 class A Shares, 50,000 class B Shares, and 79,526 warrants carrying the right to subscribe for the same number of class B Shares



**Joakim Backström**  
**Head of new construction**  
*KlaraBo since 2017*

- 25 years' experience from the construction industry
- Previously with Thage Group and Byggadministration Harald Olsson
- 117,672 warrants in carrying the right to subscribe for the same number of class B Shares



**Magnus Johansson**  
**Head of business development**  
*KlaraBo since 2021*

- Former CEO and head of business development at Kuststaden
- 339,009 class B Shares

# Largest shareholders, 30 June 2022

Owner	A shares	B shares	Total	Capital	Votes
Investment AB Spiltan	1,800,000	11,006,647	12,806,647	9.7%	10.2%
Rutger Arnhult via company	0	10,557,667	10,557,667	8.0%	3.7%
Wealins S.A.	0	9,638,901	9,638,901	7.3%	3.4%
Pensionskassan SHB Försäkringsförening	0	9,360,610	9,360,610	7.1%	3.3%
Länsförsäkringar Fonder	0	9,126,899	9,126,899	6.9%	3.2%
Muhlrad family, privately and via company	1,285,000	7,098,728	8,383,728	6.4%	7.0%
Anders Pettersson via company	3,966,316	3,575,538	7,541,854	5.7%	15.3%
Samhällsbyggnadsbolaget i Norden AB	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%
ODIN Fonder	0	4,257,143	4,257,143	3.2%	1.5%
Futur Pension	134,484	3,121,308	3,255,792	2.5%	1.6%
Clearance Capital	0	3,193,431	3,193,431	2.4%	1.1%
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 compnay	2,361,287	56,000	2,417,287	1.8%	8.4%
<b>Top</b>	<b>14,241,487</b>	<b>82,182,237</b>	<b>96,423,724</b>	<b>73%</b>	<b>79%</b>
Other	2,058,513	33,345,646	35,404,159	27%	21%
<b>Total</b>	<b>16,300,000</b>	<b>115,527,883</b>	<b>131,827,883</b>	<b>100%</b>	<b>100%</b>