

KLARA^{BO}

Q2 report

16 July 2024



KlaraBo property in Gävle

Today's presenters



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Snapshot

Stabilised property values

- Financial development Q2
 - Increased revenue +5% due to measures to raise standards and annual rent increase
 - Net operating income in line with last year
 - Income from property management SEK 3 m lower than Q2 2023 due to increased property- and financial costs
 - Stabilised exit yields and positive property values drove results before and after taxes
- Loan-to-value 52.8 % with only bank financing. Interest coverage ratio 1.8.
- Renovation of 35 apartments during Q2 - slightly lower pace
- After the period - acquisition of residential properties and divestment of commercial properties to Diös Fastigheter
 - Acquisition of 80 apartments, area of 5,800 sqm, underlying value of 80 million SEK, with 80% of the apartments estimated to have renovation potential.

KLARABO

+5%

Revenue SEK 158 m

+1%

Net operating income SEK 97 m

SEK 37 m

Income from property management
corresponding to 0.29 SEK per share

97.7%

Real occupancy rate

3.3 years

Fixed interest term

52.8%

Loan-to-value

SEK 32.1

Net realizable value per share

Portfolio and Business model

Fully occupied property portfolio

6,614
Apartments under management

97.7%
Real occupancy rate

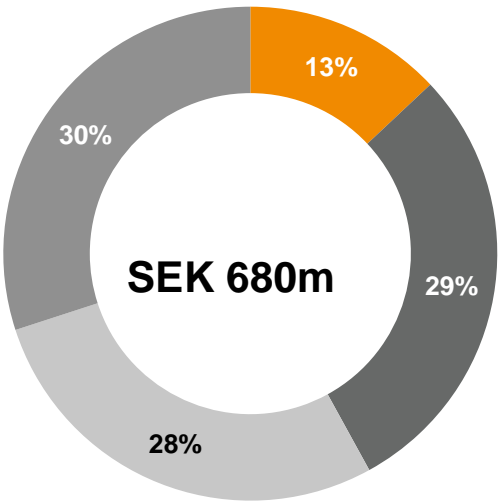
SEK 1,136
Average rent per sq.m and year,
unrenovated portfolio

SEK 18,079
Market value per sq. m.

85%
Residential

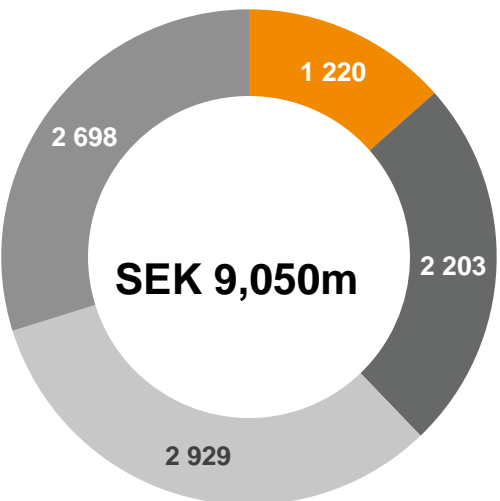
437,700
Sq.m lettable area housing

Yearly rental
value



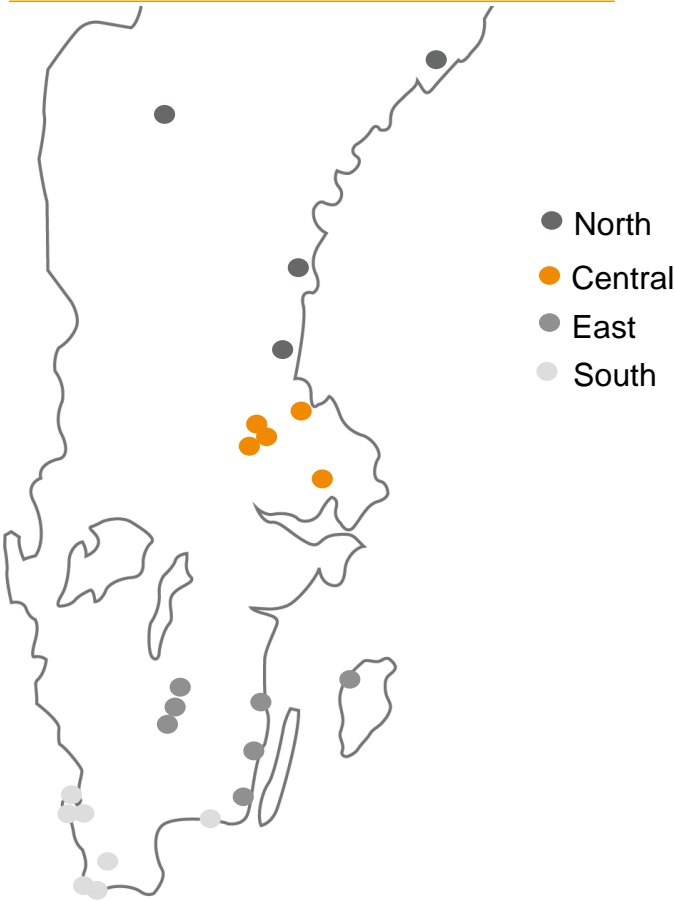
Central North
South East

Total market
value



Central North
South East

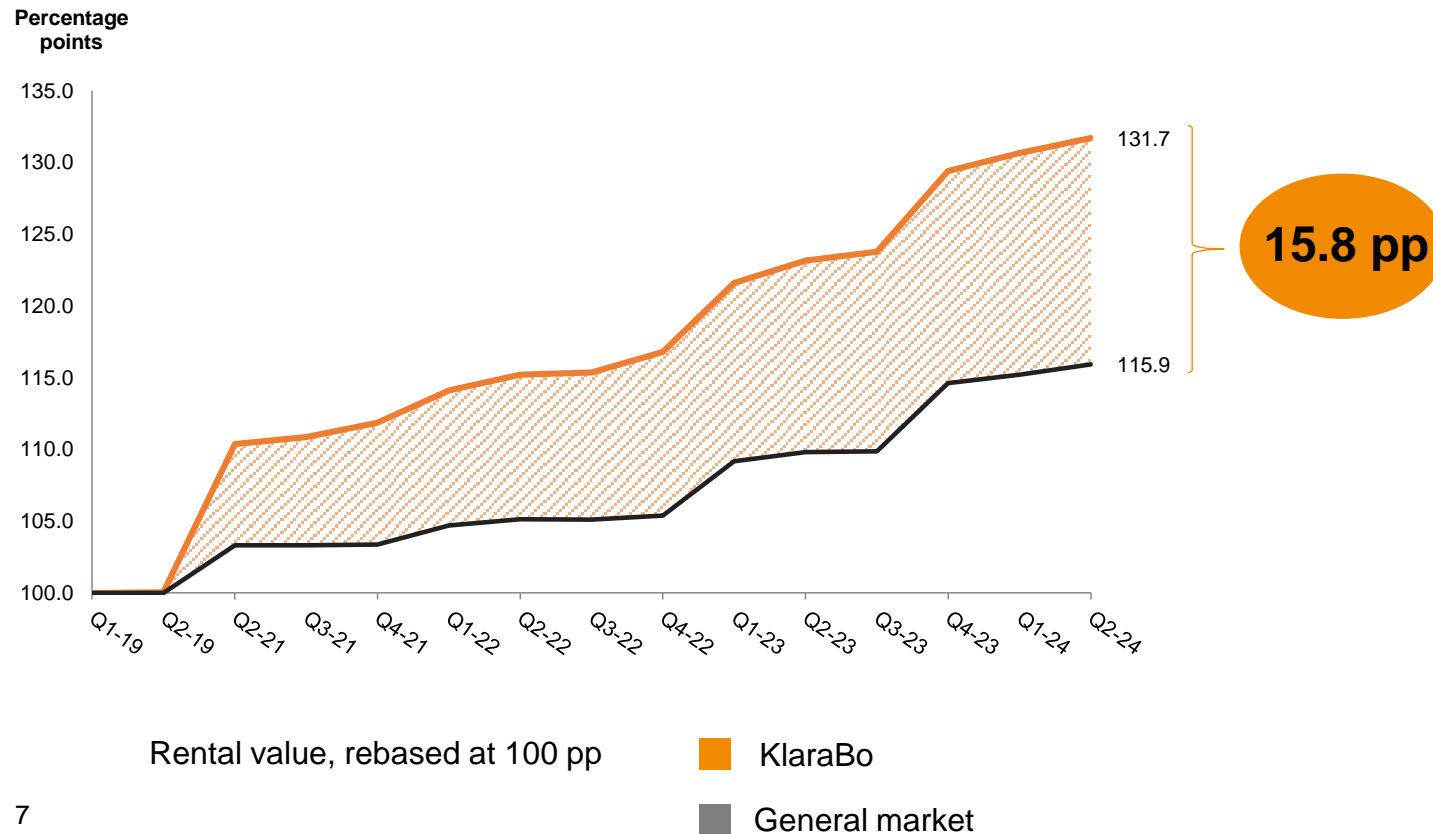
Geographical presence and
administrative areas



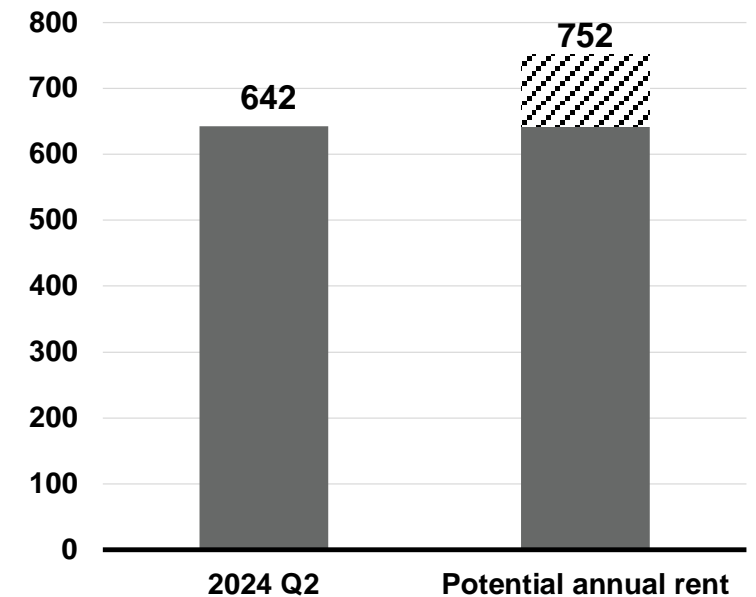
Note: All figures Q2 2024

Rental value trend continues with stable occupancy rate

- About 4,000 apartments, or 60% of total portfolio with renovation potential, excluding construction
- Renovations only after tenants have moved out at their own initiative
- Renovations increase property values and strengthens cash flow
- Rental value for apartments increased with 1.1% during Q2

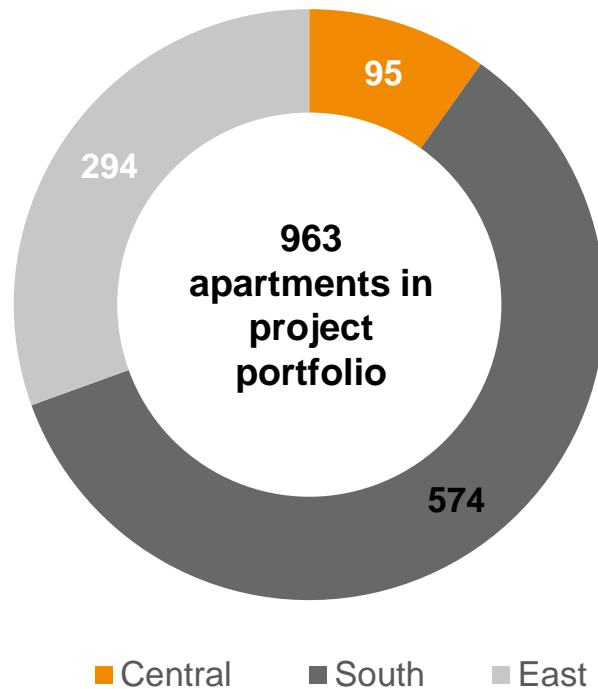


Contracted and potential rental income, SEK m



Opportunity in project portfolio when market recovers

Planned development rights by region



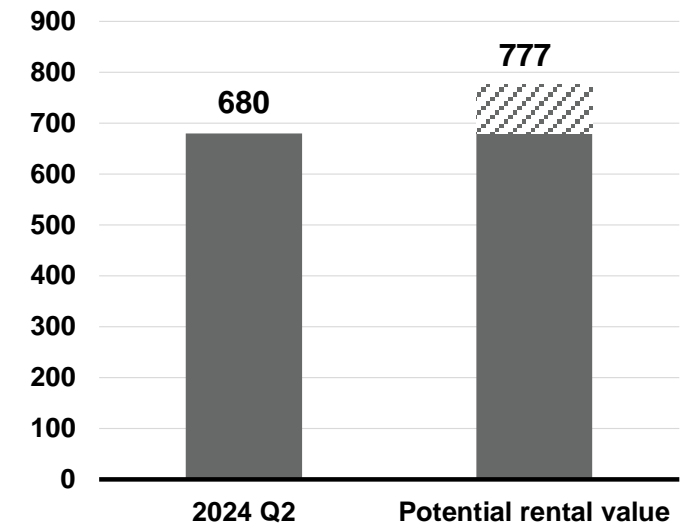
0
apartments under construction

963
apartments in development

SEK 97m
In estimated rental value

- Opportunities in product portfolio as market recovers
- Land allocation agreement with the City of Malmö for 300 rental and condominium apartments

Contracted annual and potential rental value, SEK m



Financials Q2

Positive property values and continued compensation for cost inflation

SEK m	2024 3 months Apr-Jun	2023 3 months Apr-Jun	2023 12 months Jan-Dec
Revenue	157.5	149.7	589.7
Costs	-60.6	-54.0	-252.5
Net operating income	96.9	95.7	337.2
Central administrative costs	-15.0	-14.3	-51.4
Operating profit/loss	81.9	81.4	285.9
Financial income/costs	-44.6	-41.1	-161.7
Income from property management	37.3	40.3	124.2
Changes in value of properties	11.3	-113.7	-439.9
Changes in value of derivatives	-1.7	35.4	-139.8
Profit/loss before tax	46.9	-38.0	-455.5
Tax expense	-18.2	3.5	73.9
Profit for the period	28.7	-34.5	-381.5
Comprehensive income for the period	28.7	-34.5	-381.5
Earnings per share before dilution, SEK	0.22	-0.26	-2.91
Earnings per share after dilution, SEK	0.22	-0.26	-2.91

Revenue

- Q2 revenue +5% YoY
- 4% increase in revenue, on a like-for-like basis, attributable mostly from renovations and annual general rent increase

Costs

- Q2 costs slightly above last year due to increased number of properties and from increased costs for heating, water supply, and snow removal

Financial income/costs

- Financial costs in Q2 YoY slightly higher due to increase in debt volume

Income from property management

- Q2 income from property management SEK -3 m YoY
- Profit for the period SEK +85 m YoY

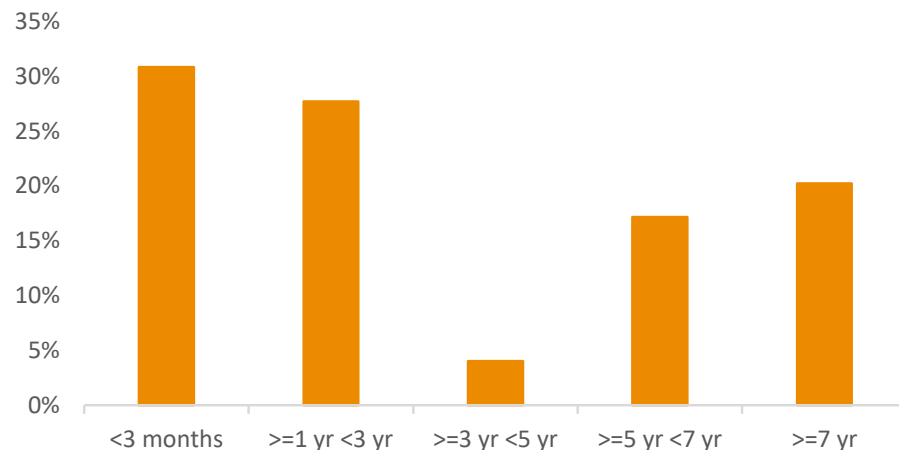
Continued stable financial position

SEK m	30/06/2024	30/06/2023	31/12/2023
Intangible assets	0.3	0.3	0.3
Investment properties	9,071.0	9,031.7	9,031.9
Property, plant and equipment	6.6	8.5	7.7
Financial non-current assets	4.4	17.7	17.2
Derivatives	5.7	96.8	-
Receivables	19.8	28.0	24.3
Cash and cash equivalents	168.9	222.3	168.5
Total assets	9,276.7	9,405.2	9,249.9
Equity attributable to Parent Company shareholders	3,959.5	4,122.8	3,936.3
Derivatives	-	-	36.7
Deferred tax liability	234.1	252.5	216.0
Non-current interest-bearing liabilities	3,094.0	4,407.8	4,762.7
Current interest-bearing liabilities	1,862.7	488.0	116.1
Other liabilities	126.4	134.1	182.0
Total equity and liabilities	9,276.7	9,405.2	9,249.9

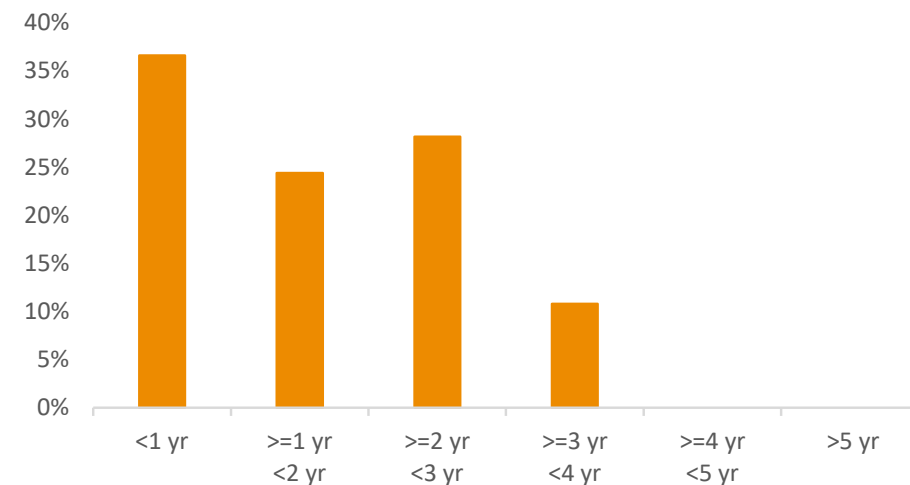
- Increased exit yields in average of 7 bps throughout the investment properties
- Negative effect of increased yield mitigated by a positive value change of completed renovations and annual general rent increases
- Cash and cash equivalents amounted to SEK 168.9 m
- LTV 52.8% with only bank financing from five Nordic banks
- Equity ratio of 42.7%
- Net realizable value per share amounted to 32.1 SEK at the end of the period

70 percent of loan portfolio at fixed interest rates

Maturity structure – Fixed interest 2024-06-30



Maturity structure – Fixed credit 2024-06-30



- Interest-bearing liabilities of SEK 4,908.6 m
- Average interest rate maturity of 3.3 years
 - 69.2% of loan portfolio at fixed interest rates
 - Fixed interest rates of derivatives between 0.015% and 3.055%
- Average interest rate 3.6%
- Average credit maturity of 1.7 years

- High predictability of the average interest rate and of the financial costs due to the company's hedging ratio and fixed interest period
- An increase in STIBOR 3m has a marginal impact on the average interest rate
 - Only slightly more than 20% of the company's debt portfolio has been affected by rising variable interest rates in Q2
 - For 2024, on average, just below 30% of the debt portfolio will be at variable interest rates
 - For 2025 the variable proportion of the debt portfolio will be just below 35%

Current earnings capacity

SEK m	Jul 1 2024	Apr 1 2024	Jan 1 2024	Oct 1 2023	Jul 1 2023	Apr 1 2023
Rental revenue	642.1	640.1	634.9	603.9	600.6	593.8
Property expenses	-261.1	-261.1	-261.1	-243.8	-243.4	-243.4
Net oper income	381.0	379.0	373.8	360.1	357.1	350.4
Surplus ratio, %	59.3	59.2	58.9	59.6	59.5	59.0
Central administrative costs	-43.8	-43.8	-43.8	-40.1	-40.1	-40.0
Financial income and expenses	-175.0	-168.1	-168.9	-173.6	-171.5	-169.9
Income from property management	162.2	167.2	161.2	146.4	145.5	140.6
Profit from prop mgmt per share, SEK	1.24	1.28	1.23	1.12	1.11	1.07
Number of shares, million	130.6	130.9	131.1	131.1	131.1	131.1
Interest-coverage ratio	1.9	2.0	2.0	1.8	1.8	1.8

- Rental revenue increased by SEK 2 m versus 1 April 2024 corresponding to a surplus ratio of 59.3%
- The annual financial costs have increased by 4% YOY
- High predictability in financial expenses due to 70% hedging
- Income from property management lower due to an increase in financial costs
- Interest-coverage ratio 1.9 (2.0)

Summary

Current trading - increased acquisition focus

- Upgrades and refurbishments continues at slightly lower pace than previous quarters
- Occupancy rate remains at a high level and stable level – low market vacancy in rental apartments in Sweden in general
- The slightly more positive market environment continues with expectations of lower interest rates
 - Increased transaction volumes during H1 2024
- Focus on further acquisitions for KlaraBo, given the right, attractive objects occur
- Potential in the project portfolio
- Loan-to-value 52.8 percent with only bank financing. Refinancing during 2025
- Preparations ahead of rent negotiations 2025



KlaraBo investment highlights

Over 60% of apartments in portfolio with renovation potential

Continued high demand for rentals due to housing shortage, lower construction of new housing and lower disposable income

Growth potential acquisitions and development of product portfolio

Proven business model and solid financial position with solely bank financing

+24% average annual growth in NRV since 2019

+27% average annual growth in income from property management per share since 2019

Q&A

Thank you!