



KLARABO

Q3-presentation

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KlaraBo since 2017



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CFO
KlaraBo since 2020

KlaraBo in brief

Residential property manager and developer

KLARABO

6,509

No. apartments under management

1,787

No. apartments in project portfolio

SEK 9,232m

Value of investment properties

SEK 4,663m

Net realizable value

SEK 35.4

Net realizable value per share

SEK 1,027

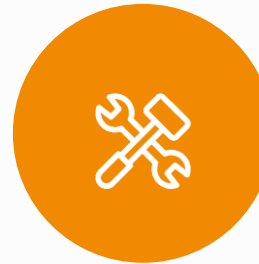
Average rent per sq. m. and year

Operations



Acquisitions

- Land and building rights
- Potential to grow in multiple regional areas across Sweden



Renovations

- ~4,300 apartments with renovation potential
- Significant potential to increase rents



New construction

- Controls the entire value chain for rental apartments
- ~1,800 apts. in project portfolio
- Environmentally certified

Q3 results

Q3 in brief

- Revenue SEK 123.2m (112.1), +9.9% year-on-year
- Net operating income SEK 77.7m (69.7), +11.5% vs. Q3 2021
- Income from property management SEK 37.4m (35.1), +6.5%
- Changes in value of investment properties SEK -68.7 million (160.2)

Increased uncertainty – Business as usual at KlaraBo

- Continued to manage and develop the property portfolio
- Occupancy rate of 99%, and approx. 6,500 fully rented apts. offers long-term stability and value creation with gradual upgrades
- Renovated close to 60 apts.
- Business model proven even in more challenging times



Q3 highlights

- **Acquisition of housing portfolio with 877 apts. in Ostersund**
 - Underlying property value SEK 890m with a total area of approx., 62,000 sq. m.
 - Rental value amounts to approx. SEK 65m with an average rent of SEK 964 per sq. m.
 - Rental value approx. SEK 65m
 - Increases earnings by 15%
 - Financed by bank loans with a maturity of 3 yrs. with a fixed interest rate totalling 1.4%, and existing cash.
- **Four-year lease** signed for ~2,000 sq.m. with the Swedish Police Authority in Borlange. Rental value amounts to approx. SEK 4.4 m.



Financials

Q3 2022 income statement

Income statement					
SEK m	2022 3 months Jul-Sept	2021 3 months Jul-Sept	2022 9 months Jan-Sept	2021 9 months Jan-Sept	2021 12 months Jan-Dec
Revenue	123.2	112.1	362.2	229.2	344.2
Costs	-45.5	-42.4	-158.7	-102.1	-154.3
Net operating income	77.7	69.7	203.5	127.1	189.9
Central administrative costs	-10.7	-11.4	-34.4	-25.4	-44.9
Operating profit/loss	67.0	58.3	169.1	101.7	145.1
Financial income/costs	-29.6	-23.1	-81.2	-48.0	-68.7
Profit from property management	37.4	35.1	88.0	53.7	76.4
Changes in value of properties	-68.7	160.2	122.0	433.5	737.3
Changes in value derivatives	24.9	1.3	86.4	6.5	10.9
Profit/loss before tax	-6.4	196.6	296.4	493.8	824.6
Tax expense	0.8	-37.5	-75.1	-104.7	-184.1
Profit for the period	-5.6	159.1	221.3	389.1	640.5

Revenue

- The Ostersund portfolio did not yet contribute to the revenue in the quarter

Costs

- Costs increased by 4.2% YoY, on a like-for-like basis. Most of the cost increase is attributable to increased electricity costs
- Most of the properties are in areas less affected by increased electricity costs

Financial income/costs

- Financial costs have increased in the quarter YoY due to a general increase in interest rates and new credits following acquisitions and completion of project properties

Changes in value of properties

- Positive contributions from refurbishments of SEK 120m, offset by lower valuations of SEK -190m in total due to higher discount rates and increased yields.

Current earnings capacity

Current earnings capacity 12 months

SEK m	Like-for-like					
	Oct 1, 2022	Oct 1, 2022	Jul 1, 2022	Apr 1, 2022	Jan 1, 2022	Oct 1, 2021
Rental revenue	560.5	497.8	494.8	482.3	464.6	454.2
Property expenses	-228.2	-197.4	-198.3	-196.6	-192.3	-190.9
Net operating income	332.4	300.4	296.5	285.7	272.4	263.3
Surplus ratio, %	59.3	60.3	59.9	59.2	58.6	58.0
Central administrative costs	-40.0	-37.0	-37.0	-37.0	-35.0	-34.7
Financial income and expenses	-142.6	-134.5	-95.9	-74.9	-72.3	-81.9
Profit from property management	149.8	128.9	163.6	173.8	165.1	146.7
Profit from property mgmt per share, SEK	1.14	0.98	1.24	1.32	1.25	1.37
Interest-coverage ratio	2.05	1.96	2.71	3.32	3.28	2.79



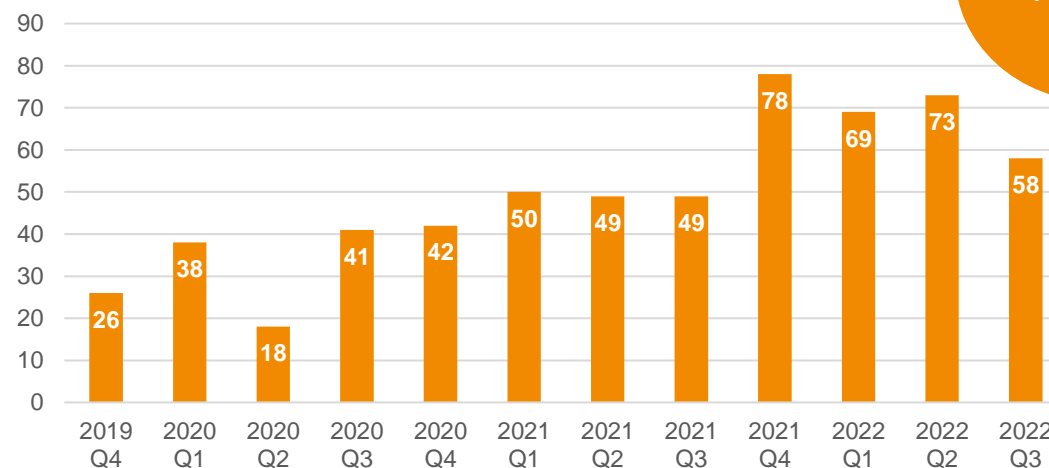
7%
Organic growth in rental revenue Q1-Q3, on a like-for-like basis

Revenue increase mainly attributable to property acquisitions, and in part to renovations during the quarter

- Low average rent for Ostersund apts. SEK 964 per sq.m. and year indicates substantial rent increase potential
- Higher financial costs due to a general increase in interest rates and overtaken credits following acquisitions and completion of project properties
- 7% organic growth during the period on a like-for-like basis, lending proof to KlaraBo's business model in challenging times

~70 renovated apartments per quarter R 12 m

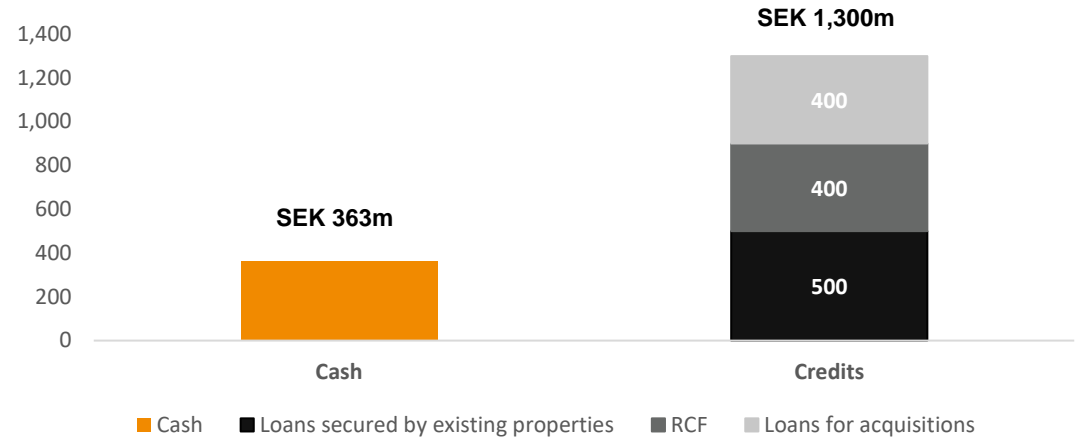
Number of total renovations performed



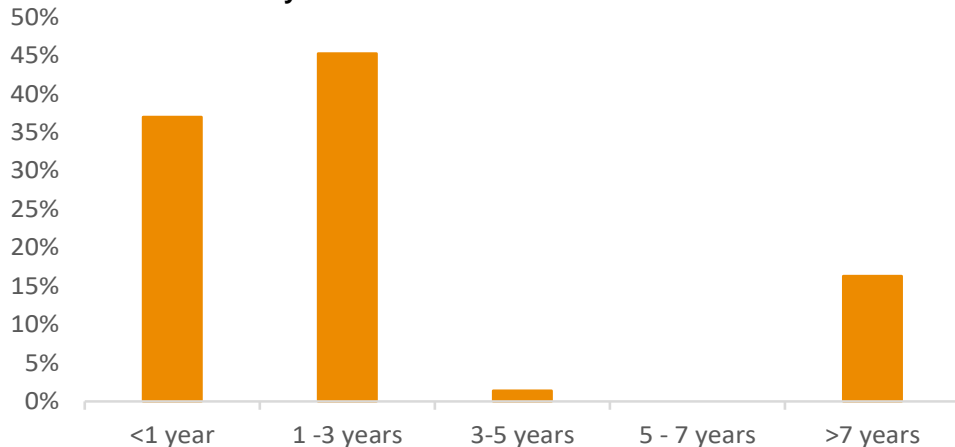
Diversified debt portfolio and healthy financial position

- Interest-bearing liabilities of SEK 4,872m
- Average credit maturity of 2.8 years
- Average interest rate maturity of 2.5 years
 - Close to 52% of loan portfolio at fixed interest rates
 - Fixed interest rates of derivatives between 0.015% and 2.21%
- Average interest rate: just below 3.0%
- LTV 48.8% with only bank financing
- Sensitivity analysis based on the FRA curve Stibor 3m shows that we fulfill our covenants and other financial commitments

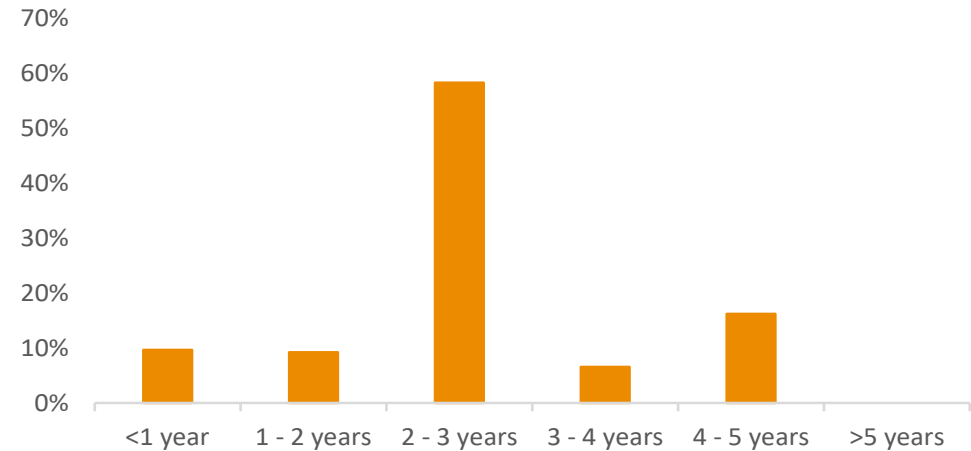
Approx. SEK 1.7bn in available funds



Maturity structure – Fixed interest 2022-09-30



Maturity structure – Fixed credit 2022-09-30



Property portfolio & renovations

Fully occupied property portfolio

6,509

Apartments under management

99%

Occupancy rate

SEK 1,027

Average rent per sq. m. and year

SEK 18,531

Market value per sq. m.

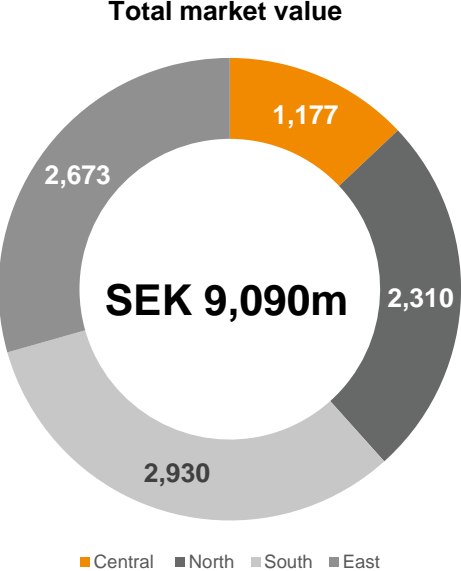
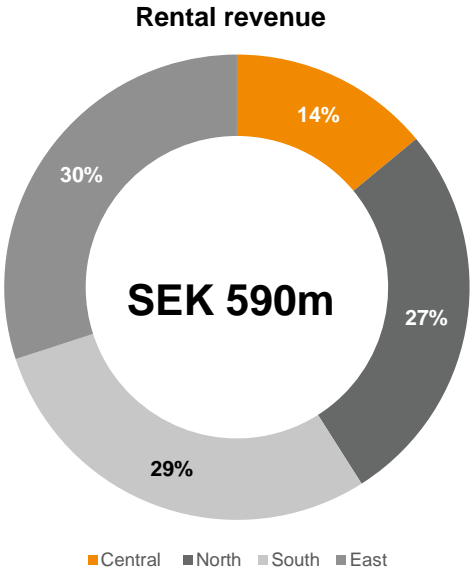
89%

Residential

491,000

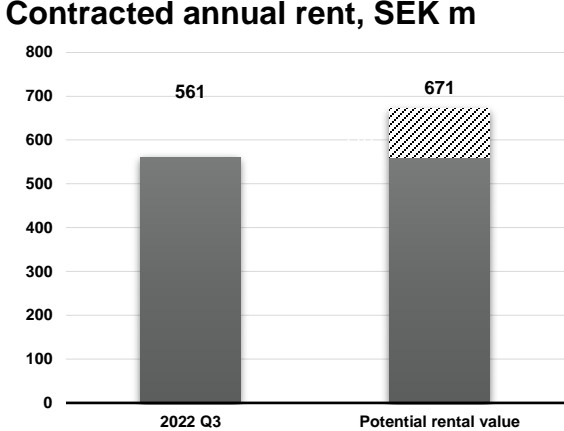
Sq. m. lettable area

Geographical presence and administrative areas

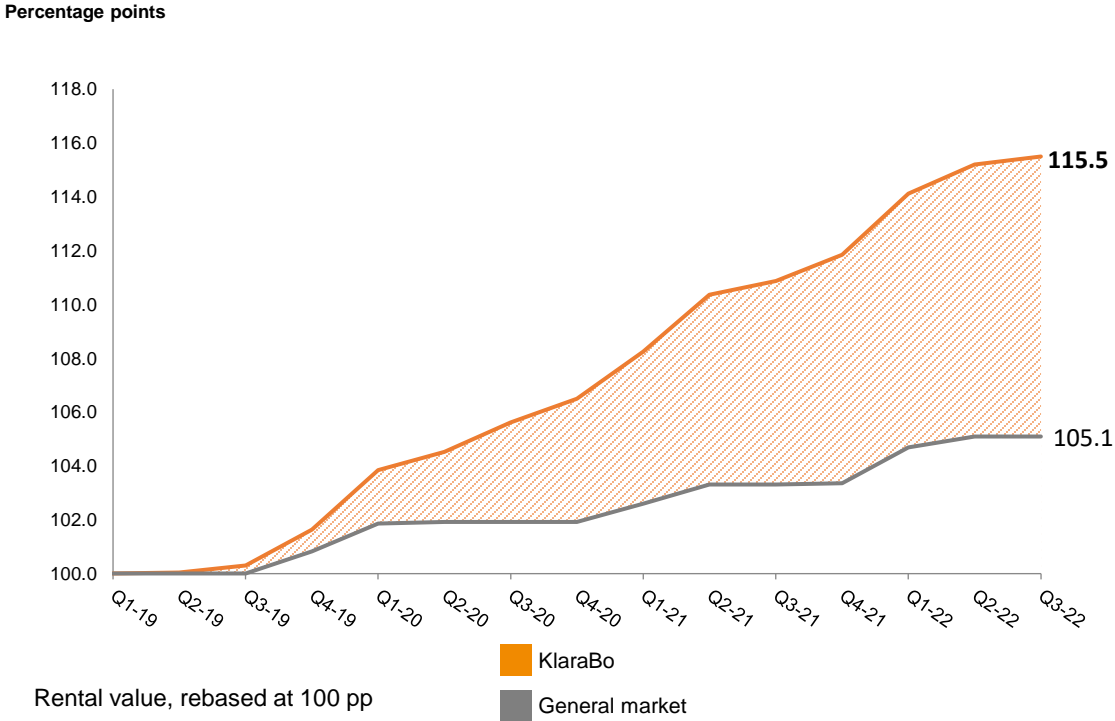


Long-term value creation with proven renovation model

- ~4,300 apts. (68% of total portfolio) with renovation potential, excl. construction
- 70 apt. renovations per quarter, R 12 m
- Renovations take place after tenants have moved out
- Renovations increase property values and strengthens cash flow



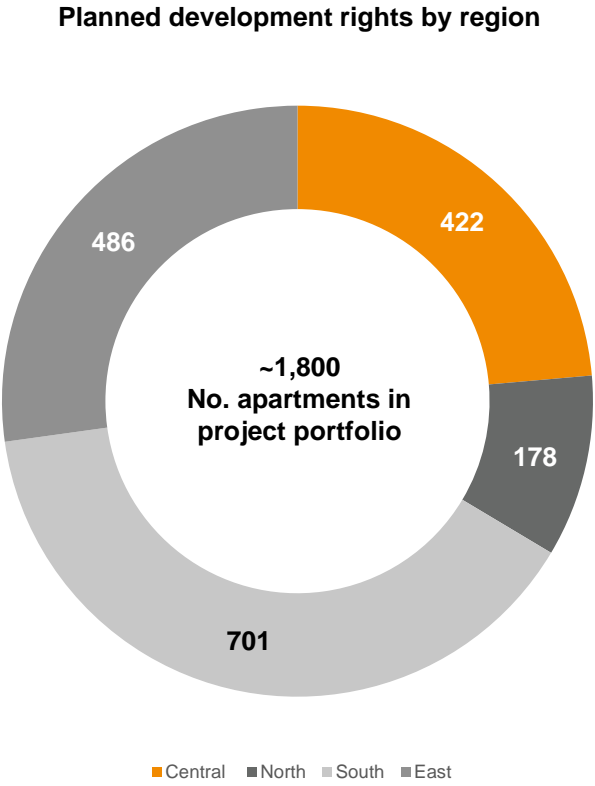
In total, value-enhancing initiatives lead to rent increases that significantly surpass the general development



Rental value, rebased at 100 pp

Project portfolio

Slowing down the pace in project portfolio

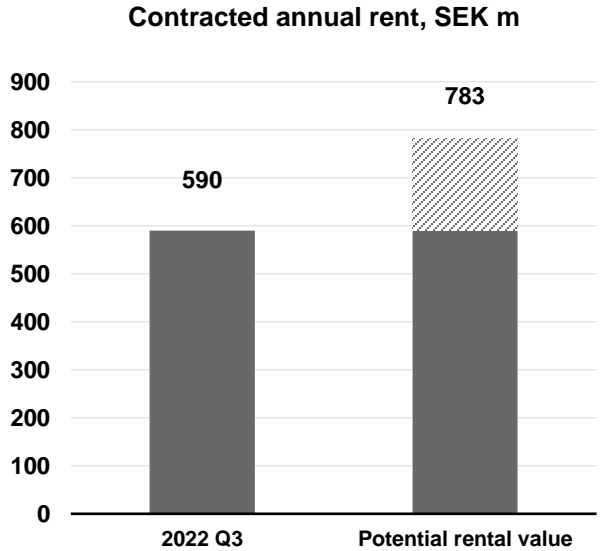


127
No. apartments under construction

~1,700
No. apartments in planning stage

SEK 190m
Estimated rental value

- Conditions have changed - higher and more unpredictable production costs
- Decision to slow down the pace of new production until further notice



Summary

Rental apartments are expected to strengthen its position in the long-term

- High inflation and continued uncertainty about economic developments
- Uncertain outcome of rent negotiations, but rent raises will be higher than in 2022
- Property values may decrease in the short-term

But..., positive long-term prospects for rental apts.

- Rent levels will increase due to value-added business model in the long-term
- Rents and energy prices will reach a new balance point
- Housing construction decreases, supporting demand for existing housing
- Reduced purchasing power among households supports interest in rentals
- Stable or increasing demand for affordable housing
- Over time, rent increases have exceeded the inflation rate
- Low vacancy risk as the housing shortage is expected to persist



Q&A

Q3

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