

KlaraBo acquires portfolio of almost 880 rental apartments in Östersund and completes largest acquisition as listed company

KlaraBo has signed an agreement to acquire a housing portfolio from Niam in Östersund with a total of 877 rental apartments. The acquisition was completed at an underlying property value of SEK 890 million and is KlaraBo's single largest acquisition as a listed company. Following deductions for latent tax, the transaction was completed for approximately SEK 13,850 per sq. m. The total area is approximately 62,000 sq. m., of which 96 per cent is residential space.

The portfolio is fully let and is situated in central Östersund and the city districts of Frösön, Odensala and Torvalla. The acquisition will increase KlaraBo's earnings by 15 per cent compared with its earnings capacity in the second quarter of 2022. The rental value amounts to approximately SEK 65 million and comprises almost exclusively residential income with an average rent for the apartments in the portfolio of SEK 964 per sq. m., which provides excellent improvement opportunities in line with KlaraBo's business model.

Östersund is the fourth largest city in Norrland with about 65,000 inhabitants in the municipality. In connection with the acquisition, KlaraBo is planning to establish its own property management office in the city.

"I am delighted to complete an acquisition of this magnitude while also establishing our operations in a new city for the third time this year. Östersund is a stable and growing university city that fits well into our growth strategy, and I look forward to welcoming our new tenants to KlaraBo," says Andreas Morfiadakis, CEO of KlaraBo.

The acquisition is financed by bank loans with a maturity of three years with a fixed interest rate totaling 1.4 percent and existing cash. KlaraBo takes over the credits from the seller and has received a final credit decision, but the transaction is conditional on entering into a loan agreement in line with the credit decision, before closing which is scheduled for Sep. 30, 2022.

As a company, KlaraBo is financed exclusively through bank loans and following the acquisition its loan-to-value ratio will be 49 per cent. The average interest rate amounts to 2.16 per cent and KlaraBo's fixed-interest period and lock-in period after the acquisition amount to 2.58 and 2.96 years, respectively. KlaraBo's cash funds amount to SEK 360 million after the acquisition and its credit facilities total just over SEK 1,300 million.

"We already have a strong balance sheet with substantial cash funds from the listing in December. In combination with the credit facilities taken out in April, this offers us

significant scope for acquisitions and investments and the opportunity to act swiftly when objects of interest appear in the market. Our journey of growth is continuing, and we believe KlaraBo stands strong despite an uncertain world,” concludes Andreas Morfiadakis.

Following the acquisition, a total of 6,509 rental apartments are under management, corresponding to approximately 492,570 sq. m., which means that the company has essentially met its stated operational goal to own and manage at least 500,000 square metres of residential floor space by the end of 2025.

Tango initiated and has acted as advisor to the transaction.

This information is information that KlaraBo Sverige AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 13:40 p.m. CEST on July 14, 2022.

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About KlaraBo

KlaraBo is a real estate company that acquires, builds, owns and manages attractive residential properties. The company was founded in 2017 and operates throughout the country. The strategy is to acquire existing residential properties as well as land for new construction in regions with population growth and a strong labour market. Our newly constructed apartments are developed in-house and space efficient, which contribute to reasonable rents. Both apartments and buildings are designed in collaboration with the municipality to fit local needs. With wood as the main building material, the new construction holds a high environmental standard. KlaraBo is a long-term property owner. KlaraBo is listed on Nasdaq Stockholm and is traded under the ticker KLARA B.