

# Q4 presentation

16 February 2022

# KlaraBo in brief

# Residential property manager and developer

Growing through new construction, renovations and acquisitions





# 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 (358,700 sqm as of 31 December 2021)		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

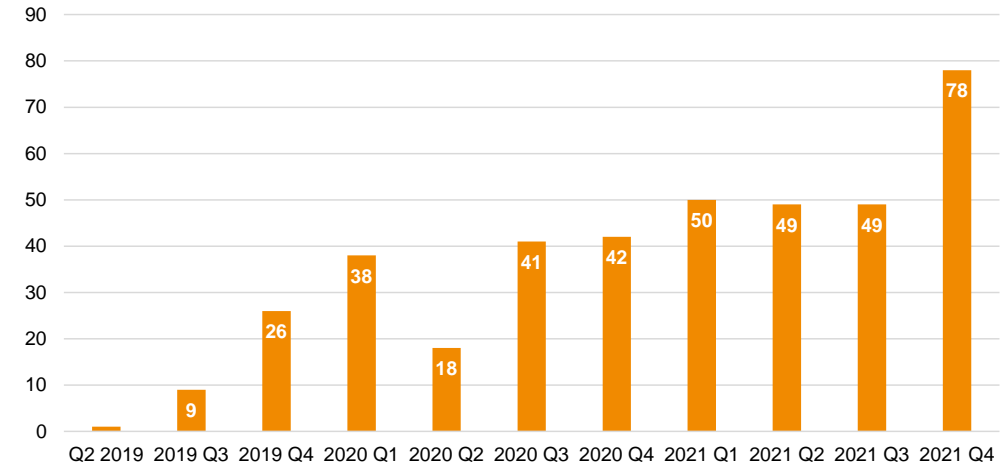
KlaraBo's long-term goal is to pay out 50 per cent of income from property management after tax in dividends. However, dividends will be low or none in the coming years as KlaraBo will prioritise growth through acquisitions, new construction and investments in existing properties

# Q4 results

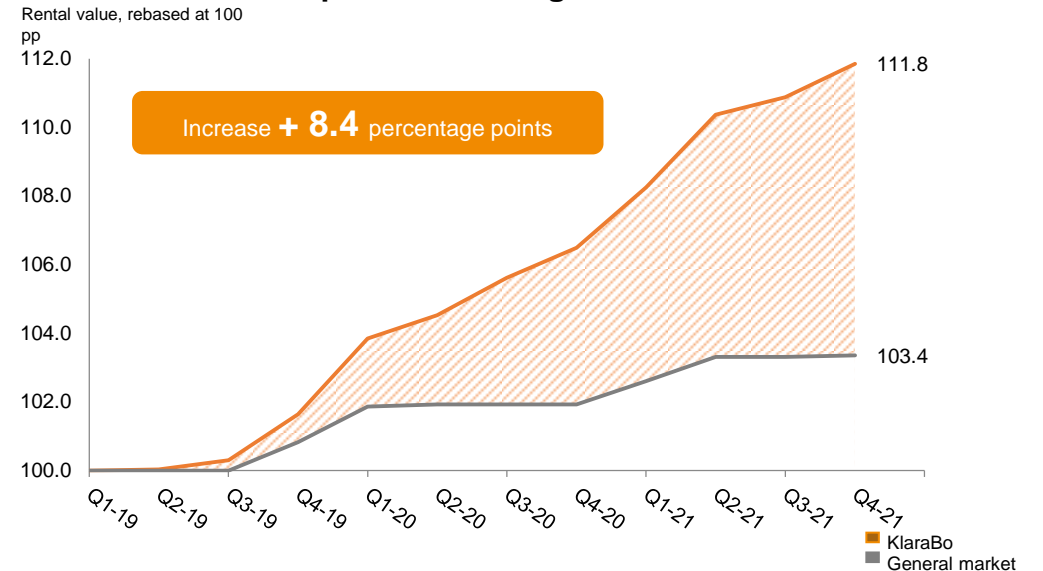
# Q4 results in brief

- Revenue for the quarter amounted to SEK 115.1 million (55.5), up 107 per cent year-on-year
- Net operating income of SEK 62.9 million (28.9), up 118 per cent over the year-earlier period
- Income from property management for the quarter of SEK 22.7 million (12.0), up 89 per cent over the year-earlier period.
- Profit for the quarter totalled SEK 251.7 million (124.4), corresponding to SEK 2.19 per share (1.84) before dilution
- The loan-to-value ratio for the Group amounted to 41.6 per cent (52.8)

Total no. of refurbishments



Rental value development relative general market



# Q4 highlights

- Successful IPO on Nasdaq Stockholm Dec 2, new share issues bringing in net SEK ~830 million
  - Heavily oversubscribed offer adding about 5,000 new shareholders
- Full repayment of vendor notes of just over SEK 360 million
- Acquisition and conversion of a project property in central Malmo and additions to existing property in Helsingborg will add a total of 46 new apartments
- Occupancy of 46 newly constructed rental apartments in Motala
  - The first project certified with Miljöbyggnad Silver.

## After the end of the period

- Acquisition of 126 rental apartments in Umea with an underlying property value of SEK 175 million
- Awarded a land allocation in Skelleftea, incl. a completed development plan for construction of ~130 rental apts.







# Financials



# Q4 2021 income statement and current earnings capacity

Income statement				
SEK M	2021 3 months Oct–Dec	2020 3 months Oct–Dec	2021 12 months Jan–Dec	2020 12 months Jan–Dec
Revenue	115,1	55,5	344,2	178,8
Costs	-52,2	-26,6	-154,3	-82,0
<b>Net operating income</b>	<b>62,9</b>	<b>28,9</b>	<b>189,9</b>	<b>96,8</b>
Central administrative costs	-19,5	-6,3	-44,9	-24,2
<b>Operating profit/loss</b>	<b>43,4</b>	<b>22,6</b>	<b>145,1</b>	<b>72,6</b>
Financial income/costs	-20,7	-10,6	-68,7	-36,8
<b>Profit from property management</b>	<b>22,7</b>	<b>12,0</b>	<b>76,4</b>	<b>35,7</b>
Changes in value of properties	303,7	148,3	737,3	413,0
Changes in value of derivatives	4,4	-1,7	10,9	-7,5
<b>Profit/loss before tax</b>	<b>330,8</b>	<b>158,6</b>	<b>824,6</b>	<b>441,3</b>
Tax expense	-79,1	-34,2	-184,1	-96,2
<b>Profit for the period</b>	<b>251,7</b>	<b>124,4</b>	<b>640,5</b>	<b>345,2</b>
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>251,7</b>	<b>124,4</b>	<b>640,5</b>	<b>345,2</b>
<b>Comprehensive income for the period attributable to:</b>				
Parent Company shareholders	251,7	89,6	637,9	260,0
Non-controlling interests	0,0	34,8	2,6	85,2
Earnings per share, before dilution SEK	2,19	1,84	7,75	6,34
Earnings per share, after dilution, SEK	2,17	-	7,67	-
Surplus ratio	54,6%	52,0%	55,2%	54,1%

Current earnings capacity 12 months					
SEK M	2022-01-01	2021-10-01	2021-07-01	2021-04-01	2021-01-01
Rental revenue	464,6	454,2	449,5	231,8	220,5
Property expenses	-192,3	-190,9	-190,9	-101,0	-99,0
<b>Net oper income</b>	<b>272,4</b>	<b>263,3</b>	<b>258,6</b>	<b>130,8</b>	<b>121,5</b>
<b>Surplus ratio, %</b>	<b>58,6</b>	<b>58,0</b>	<b>57,5</b>	<b>56,4</b>	<b>55,1</b>
Central administrative costs	-35,0	-34,7	-34,7	-20,4	-18,4
Financial income and expenses	-72,3	-81,9	-82,4	-49,5	-41,3
<b>Profit from property management</b>	<b>165,1</b>	<b>146,7</b>	<b>141,5</b>	<b>60,9</b>	<b>61,8</b>
<b>Profit from property mgmt attributable to:</b>					
Parent Company shareholders	165,1	146,7	141,5	60,9	42,6
Non-controlling interests	0,0	0,0	0,0	0,0	19,2
Profit from property mgmt per share, SEK	1,25	1,37	1,32	1,12	0,87
Number of shares, million	131,8	107,2	107,2	54,2	48,8
Interest-coverage ratio	3,28	2,79	2,72	2,23	2,50

# Financial position and financial ratios

Balance sheet		
SEK M	2021-12-31	2020-12-31
Intangible assets	1,4	-
Investment properties	7 850,0	3 452,1
Property, plant and equipment	5,3	0,6
Financial non-current assets	24,9	17,1
Derivatives	7,2	-
Receivables	22,4	13,7
Cash and cash equivalents	616,5	182,7
<b>Total assets</b>	<b>8 527,7</b>	<b>3 666,2</b>
Equity attributable to Parent Company shareholders	4 206,9	1 071,4
Equity attributable to non-controlling interests	0,0	391,6
Derivatives	-	3,8
Deferred tax liability	281,0	115,9
Non-current interest-bearing liabilities	3 124,8	1 772,1
Current interest-bearing liabilities	759,1	232,5
Other liabilities	155,9	78,9
<b>Total equity and liabilities</b>	<b>8 527,7</b>	<b>3 666,2</b>

Financial ratios				
	2021 Oct–Dec	2020 Oct–Dec	2021 Jan–Dec	2020 Jan–Dec
Equity/assets ratio, %	49,3	39,9	49,3	39,9
Loan-to-value ratio, %	41,6	52,8	41,6	52,8
Interest-coverage ratio, multiple	2,1	2,0	2,1	2,0
EPRA NRV, SEK m	4 471,9	1 157,3	4 471,9	1 157,3
Profit from property management per share, SEK	0,20	0,16	0,93	0,47
Equity per share, SEK	31,91	21,94	31,91	21,94
EPRA NRV per share, SEK	33,92	23,70	33,92	23,70
Annual growth, profit from property management per share, %	-	-	98,0	40,7
Annual growth, EPRA NRV per share, %	43,1	55,1	43,1	55,1

# Cash flow statement

Cash flow statement		
SEK M	1 Jan 2021– 31 Dec 2021	1 Jan 2020 31 Dec 2020
<b>Continuing operations</b>		
Operating profit	145,1	72,6
Adjustments for non-cash items	1,3	0,1
Interest paid	-74,2	-30,9
Tax paid	-18,5	-4,8
<b>Cash flow from continuing operations before changes in working capital</b>	<b>53,7</b>	<b>37,0</b>
<b>Cash flow from changes in working capital</b>		
Change in operating receivables/payables	10,0	14,0
<b>Cash flow from continuing operations</b>	<b>63,8</b>	<b>51,1</b>
<b>Investing activities</b>		
Acquisition of investment properties	21,4	-312,1
Buy-out of non-controlling interests	-406,2	-
Investments in investment properties	-154,9	-65,3
New construction investments	-135,2	-115,8
Investment aid received	25,5	25,2
Other	-1,6	-0,4
<b>Cash flow from investing activities</b>	<b>-651,0</b>	<b>-468,5</b>
<b>Financing activities</b>		
New share issue, net	1 137,8	327,4
Proceeds from share options	3,9	1,4
New financial liabilities	890,9	107,7
Repayment of financial liabilities	-1 019,9	-17,2
Changes in construction credits	8,5	10,5
<b>Cash flow from investing activities</b>	<b>1 021,2</b>	<b>429,8</b>
<b>Cash flow for the period</b>	<b>433,9</b>	<b>12,4</b>
Cash and cash equivalents at beginning of year	182,7	170,3
<b>Cash and cash equivalents at end of the period</b>	<b>616,5</b>	<b>182,7</b>



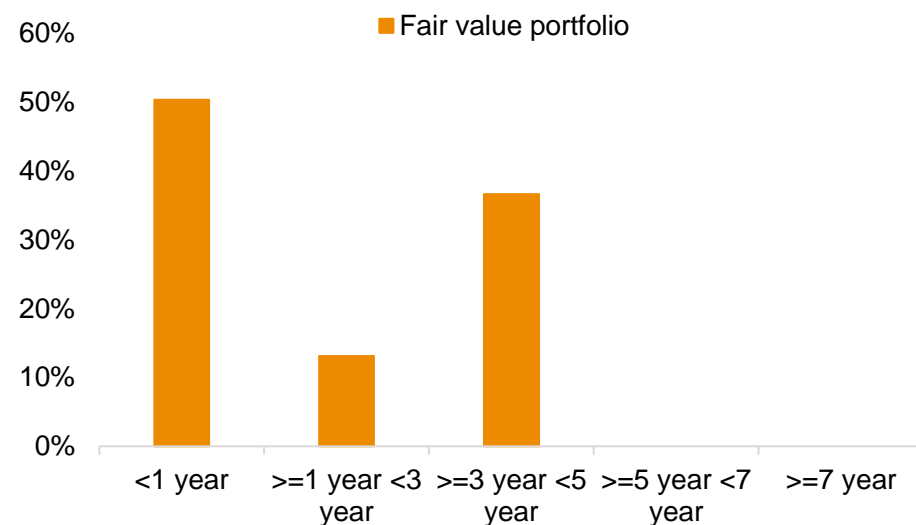


# Overview debt portfolio

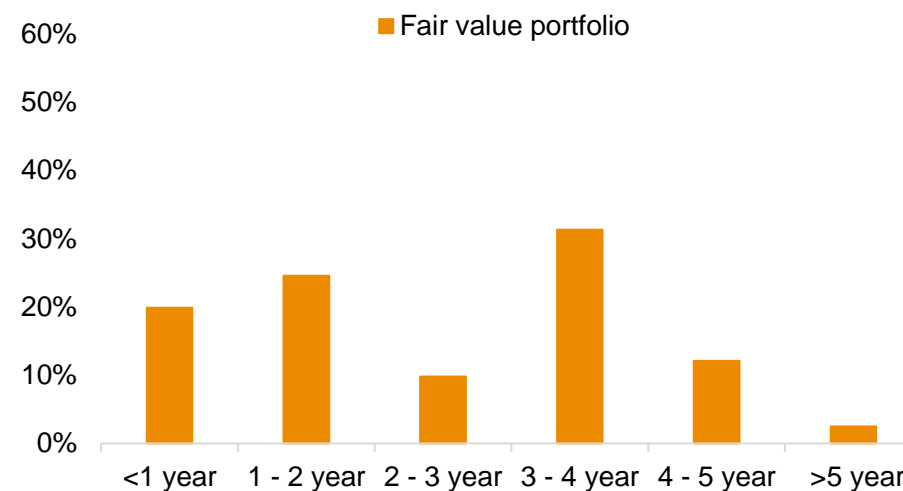
## Overview debt portfolio

Debt portfolio (SEKm)	2021-12-31
Interest-bearing liabilities	3 816
Interest rate swaps	1 400
Average interest rate margin exkl. derivat, %	1,8
Average interest rate margin, %	1,9
Average interest-rate tenor, years	1,9
Average loan-to-maturity, years	3,2

Maturity structure - Fixed interest 2021-12-31



Maturity structure – Fixed credit 2021-12-31

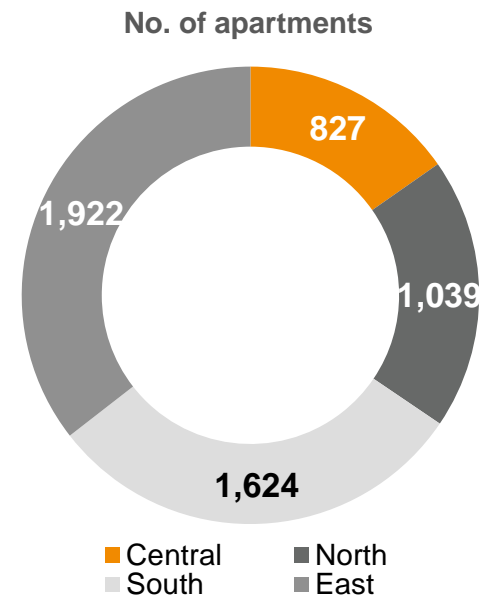
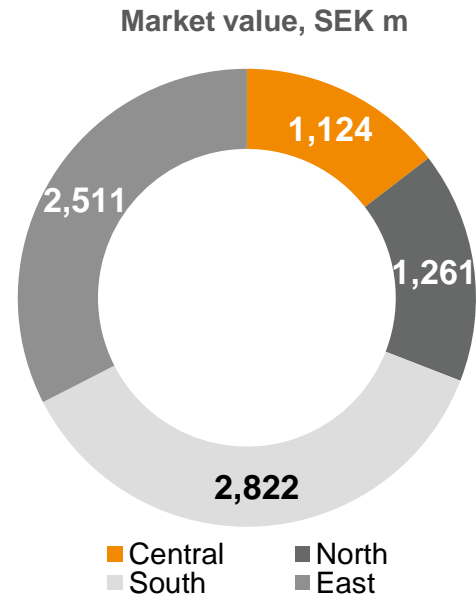
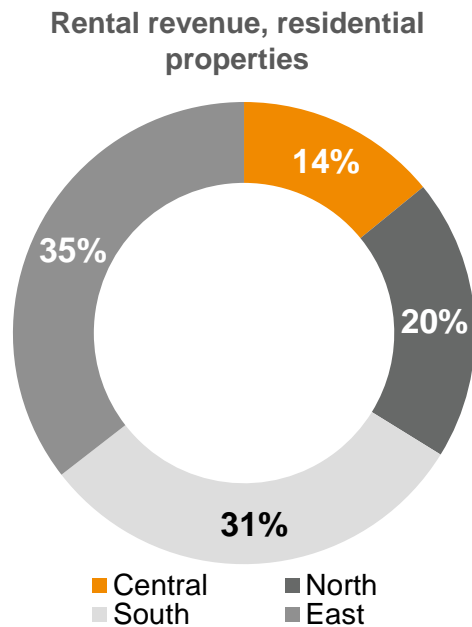




# Property portfolio & renovations

# Property portfolio

## Investment properties



**SEK 7,719m**  
Property value

**SEK 18,527**  
Property value per sqm<sup>(a)</sup>

**SEK 490m**  
Rental value

**416,600**  
sqm  
lettable area

**SEK 1,025**  
Average rent per sqm  
and year<sup>(a)</sup>

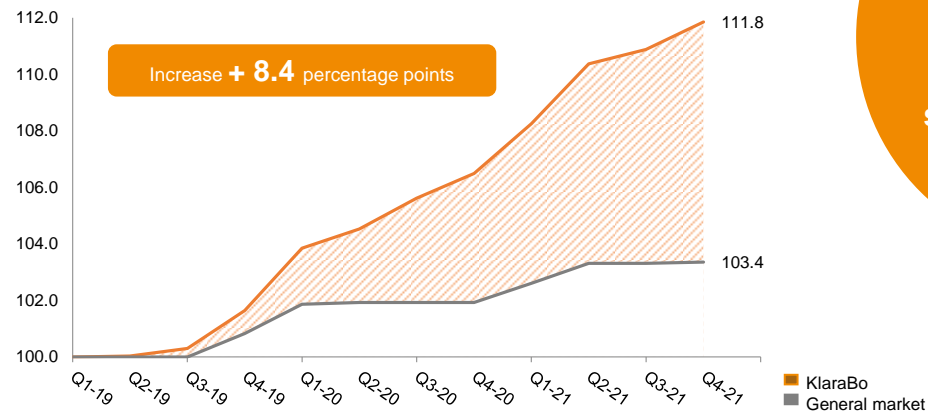


# Scope for rent increases through proven renovation model

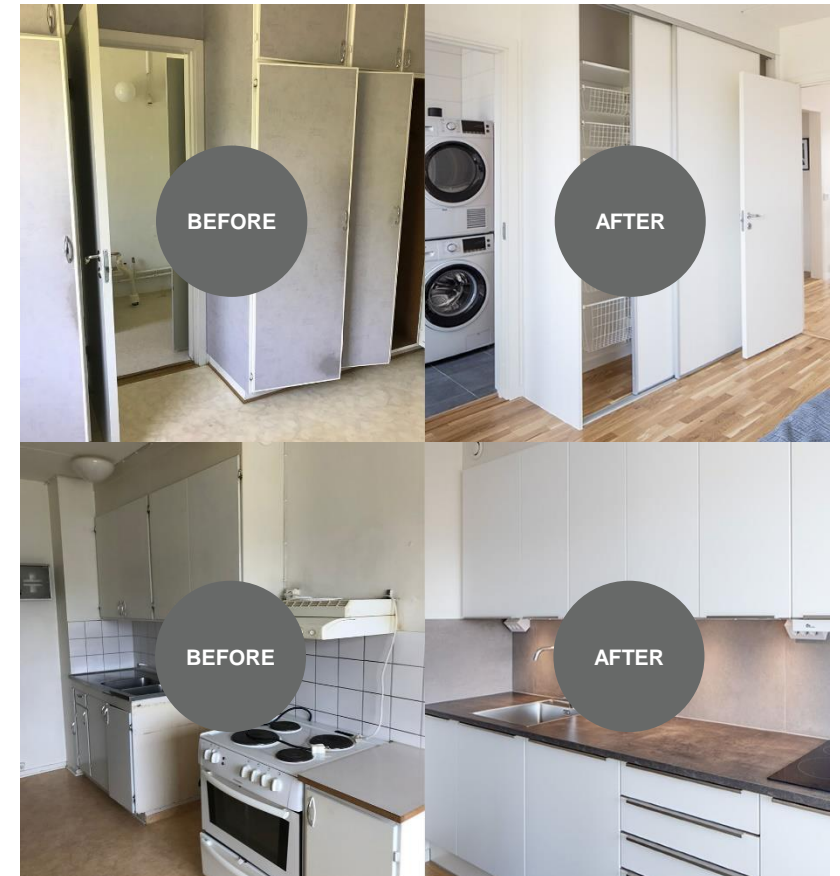
## Comments

- ~3,500 apartments have renovation potential, corresponding to 65% 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

## Rental value development



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



# Case study: Umea

## Comments

- On 4 January, KlaraBo acquired a residential portfolio in Umea of a total of 126 rental apartments
  - Underlying property value of SEK 175 million
  - Total area amounts to approximately 8,700 sqm
  - Centrally located in the city and fully rented
  - Rental value amounts to SEK 10.2 million and consists almost exclusively of residential and parking income
  - Constructed in the 1960s and 90s, to be upgraded and refurbished
  - Umea a new market for KlaraBo
- 
- **Acquisition in line with business model and a testament to KlaraBo's ability to identify and execute off-market transactions**



# Project portfolio



# In-house developed, sustainable and cost-efficient KlaraBo-hus

KlaraBo-Hus are built mainly of wood



- Recently developed properties have been environmentally certified as “Miljöbyggnad – Silver” by Sweden Green Building Council



- Main material is FSC wood, sourced from responsible forestry
- Construction with wood drastically reduces the energy consumption and CO2 emissions in the construction process compared to traditional methods relying on concrete and steel

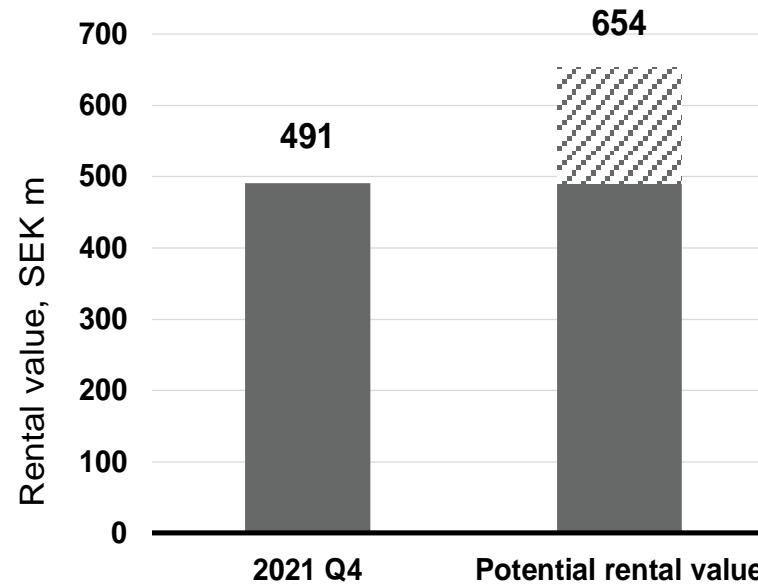
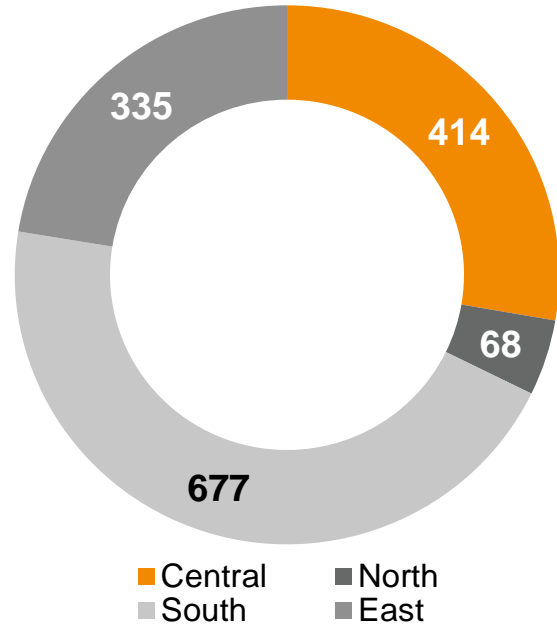


- ▶ Proprietary, module-based, building system developed in-house
- ▶ Project organisation responsible from start to finish incl. identifying new building rights and procuring contractors
- ▶ 1-4 room apartments of 35-85 sqm
- ▶ Modules produced overseas with assembly on-site, total construction time of ~10 months

# Property portfolio

## Project portfolio

Planned development rights by region



**1,494**

No. apartments  
in project portfolio

**143**

No. apartments  
in construction

**1,351**

No. apartments  
in planning

**SEK 162,7m**

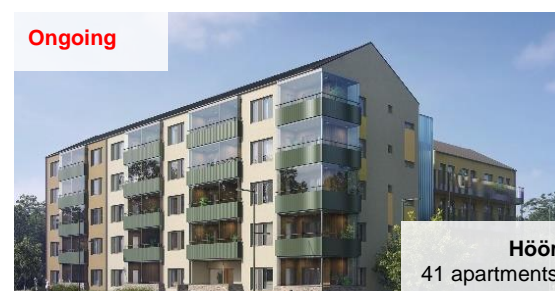
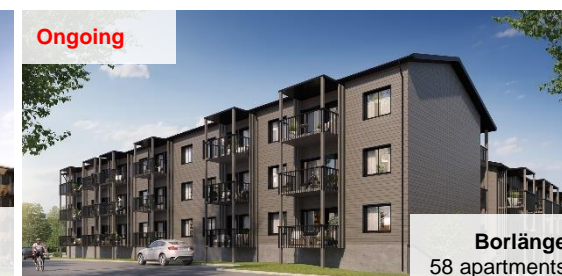
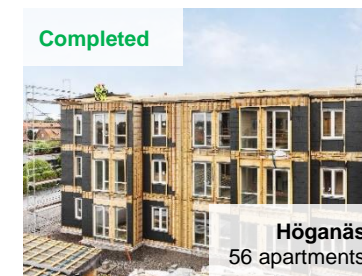
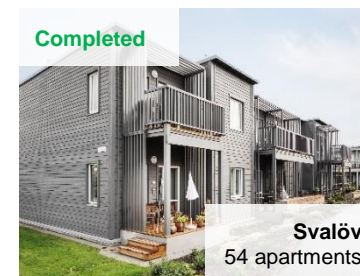
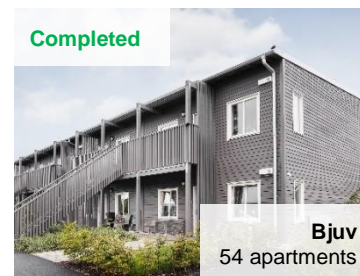
Estimated rental value

**SEK 3,414m**

Estimated market value at  
completion

# Completed and ongoing projects

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	29,363
Yield on cost, %	5.7%
Market value at completion, SEKm	643
Construction cost including land per sqm, SEK <sup>(a)</sup>	24,846





# Ownership structure

# Largest shareholders, 31 December 2021

Owner	A shares	B shares	Total	Capital	Votes
Investment AB Spiltan	1,800,000	11,006,647	12,806,647	9.7%	10.2%
Länsförsäkringar Fonder	0	9,857,143	9,857,143	7.5%	3.5%
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	2,980,609	4,975,609	3.8%	8.1%
Muhlrad Family, privately and via company	1,500,000	7,021,886	8,521,886	6.5%	7.8%
ODIN Fonder	0	4,257,143	4,257,143	3.2%	1.5%
Clearance Capital	0	3,741,133	3,741,133	2.8%	1.3%
Futur Pension	134,484	3,161,554	3,296,038	2.5%	1.6%
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 via company	2,331,287	30,000	2,361,287	1.8%	8.2%
<b>Top</b>	<b>14,426,487</b>	<b>74,796,186</b>	<b>89,222,673</b>	<b>68%</b>	<b>77%</b>
Other	2,388,513	40,216,697	42,605,210	32%	23%
<b>Total</b>	<b>16,815,000</b>	<b>115,012,883</b>	<b>131,827,883</b>	<b>100%</b>	<b>100%</b>



# Investment highlights

# Investment highlights

On track to commence construction  
of 200 housing units 2022

Project portfolio of ~1,500 apts.

High rent increase potential with proven  
renovation model

Proven track record of property acquisitions

LTV ratio of 41.6%, interest-coverage  
ratio multiple of 3.28





Q&A

Q4

# Appendix

# Management team



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

- Former deputy CEO and CFO at Victoria Park (2010-2017)
- 2,331,287 class A Shares directly and indirectly through Falknästet AB, 30,000 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*

- 20 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