



KLARABO

Q4-presentation

15 February 2023



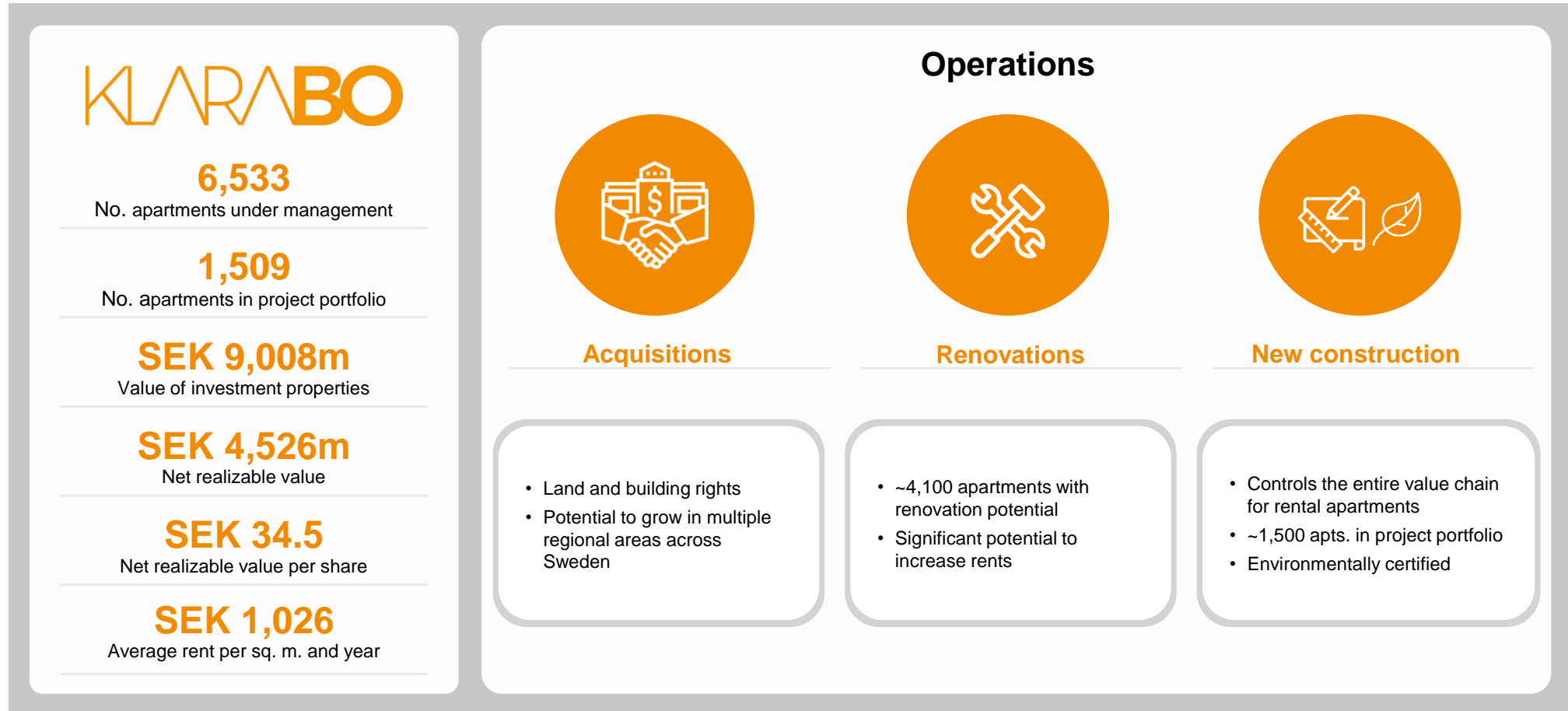
Andreas Morfiadakis
CEO and co-founder
KlaraBo since 2017



Jenny Appenrodt
CFO
KlaraBo since 2020

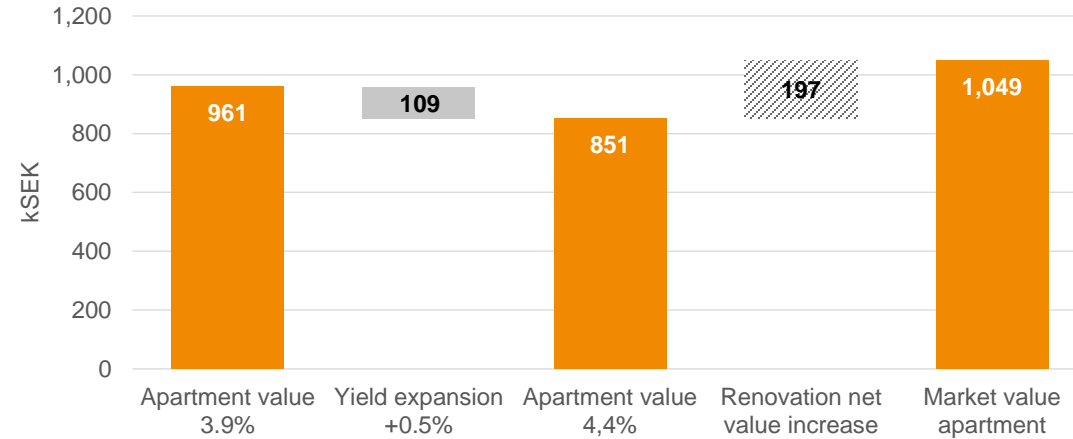
KlaraBo in brief

Residential property manager and developer



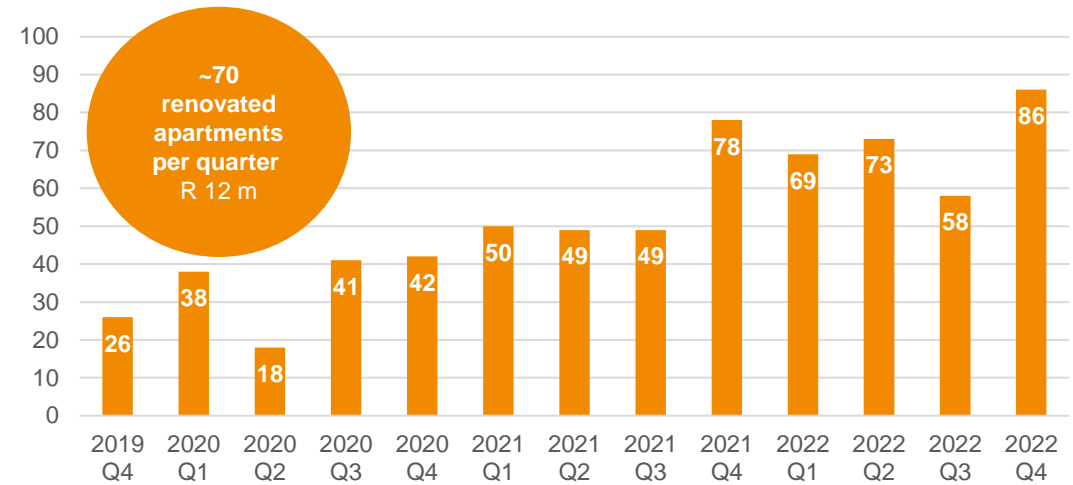
Renovations mitigate depreciation of property value

Apartment valuation, example



- Renovations illustrate the potential in the business model

Number of total renovations performed

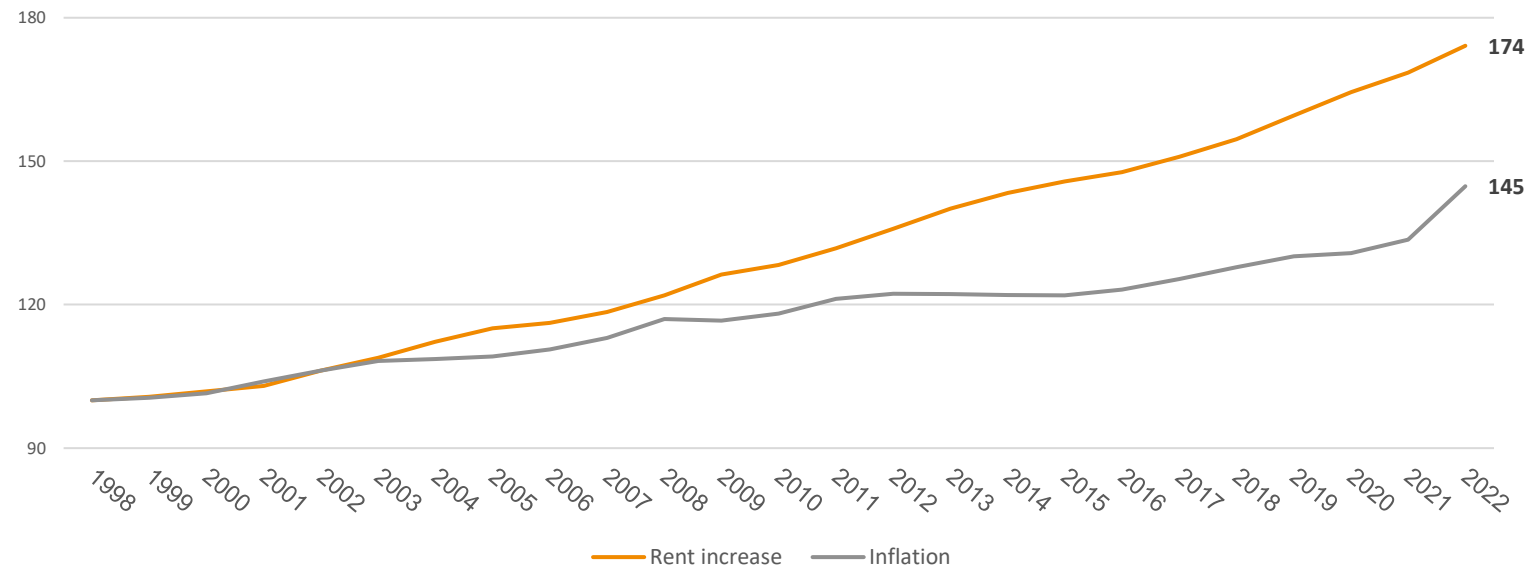


- Renovated close to 90 apts. in Q4., average 70 apts./quarter 2022 – an all time high for KlaraBo
- Approx. 63% of the property portfolio has renovation potential

Early indications for 2023 rental levels

- Rent increase fully negotiated for around one-third of the portfolio
- So far, average rent increase of 4.4% indicated for KlaraBo
- Rent increase includes renovated (ROT) apts.
- Historically, rent increases have exceeded inflation in the long term

Rent increase compared to inflation



Year 1998 = 100

The period 1999-2022:

Rent increase	74%
Inflation	45%

Source: SCB, February 2023

Q4 results

Q4 results in brief

- Revenue SEK 139.4m (115.1), +21.1% year-on-year
- Surplus ratio 54.1% (54.6)
- Income from property management SEK 25.4m (22.7), +11.9%
- Profit from property management SEK 0.19 (0.20) per share
- Changes in value of investment properties SEK -147.7m (303.7)
- Net realizable value SEK 4,525.6m (4,471.9), per share SEK 34.5 (33.9) +1.7%
- Market value of property portfolio equal to SEK 18,063 (18,527) per sq. m.
- LTV 49.7% (41.6)
- Solid financing and strong cash position enables continued growth



Q4 highlights

- Focus on managing and developing the property portfolio
- Completed 20 new apts. in Borlange in December
- Transaction market continued to be slow, but some signs of life early this year
- No dividend proposed for 2022, continuing to reinvest in portfolio
- **Sustainability initiatives**
- We revised and adopted new sustainability goals in line with the Paris Agreements and UN's global targets for sustainable development.



Financials

Q4 2022 income statement

Income statement				
SEK m	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Revenue	139.4	115.1	501.6	344.2
Costs	-60.0	-52.2	-222.7	-154.3
Net operating income	75.5	62.9	278.9	189.9
Central administrative costs	-12.2	-19.5	-46.5	-44.9
Operating profit/loss	63.3	43.4	232.4	145.1
Financial income/costs	-37.9	-20.7	-119.0	-68.7
Profit from property management	25.4	22.7	113.4	76.4
Changes in value of properties	-147.7	303.7	-25.7	737.3
Changes in value derivatives	9.5	4.4	95.9	10.9
Profit/loss before tax	-112.8	330.8	183.6	824.6
Tax expense	16.6	-79.1	-58.5	-184.1
Profit for the period	-96.2	251.7	125.1	640.5

Revenue

- Q4 revenue +21.1%, attributable mostly to acquisitions
- +3.6% increase in revenue, on a like-for-like basis

Costs

- Costs +1.5% YoY, on a like-for-like basis, mainly due to increased electricity costs

Financial income/costs

- Financial costs have increased in Q4 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 and general rent increases of approx. SEK 350m, offset by lower valuations of approx. SEK -500m in total due to higher discount rates and increased yields.

Sensitivity analysis – changes in value (SEK m)

	Change	Effect on fair value, SEK m	Change	Effect on fair value, SEK m
Yield requirement	-0.25 basis points	580.1	+0.25 basis points	-510.0

Current earnings capacity

Current earnings capacity 12 months

SEK m	Jan 1, 2023	Like-for-like Jan 1, 2023	Oct 1, 2022	July 1, 2022	Apr 1, 2022	Jan 1, 2022
Rental revenue	568.8	568.8	560.5	494.8	482.3	464.6
Property expenses	-242.9	-242.9	-228.2	-198.3	-196.6	-192.3
Net operating income	325.9	325.9	332.4	296.5	285.7	272.4
Surplus ratio, %	57.3	57.3	59.3	59.9	59.2	58.6
Central administrative costs	-40.0	-40.0	-40.0	-37.0	-37.0	-35.0
Financial income and expenses	-160.5	-160.5	-142.6	-95.9	-74.9	-72.3
Profit from property management	125.4	125.4	149.8	163.6	173.8	165.1
Profit from property mgmt per share, SEK	0.95	0.95	1.14	1.24	1.32	1.25
Interest-coverage ratio	1.8	1.8	2.1	2.7	3.3	3.3

- Higher rental income mainly due to index related annual rental increases and renovations during Q4
- Assuming that the rent increase will be 4% for the remainder of the portfolio where rent has not been settled, rental income will increase by an additional SEK 18 m corresponding to a surplus ratio of 58.6%
- Cost increases just over 6% vs. Q3 mainly due to higher operating costs
- The annual financial costs have increased by SEK 17.9 m, mainly due to higher floating interest rates affecting the non-fixed part of the loan portfolio

~4%

Rent increase for the remainder of the portfolio will be apparent in Q1 2023

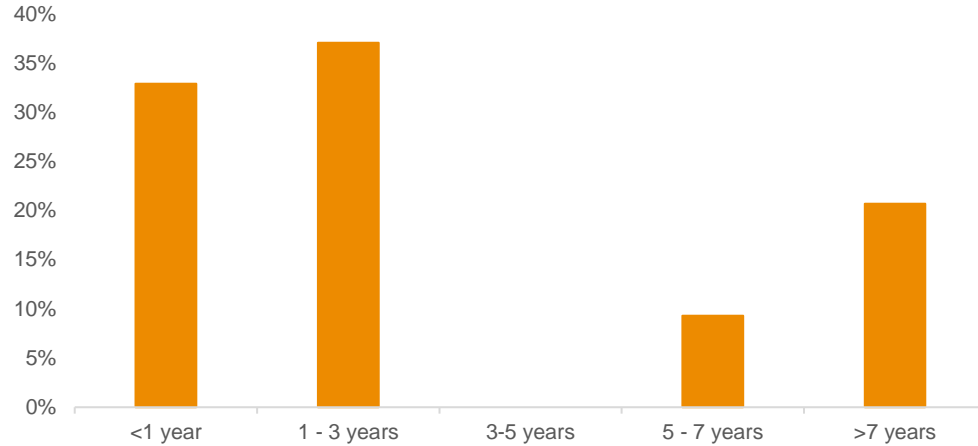


Q4 2022

Q1 2023

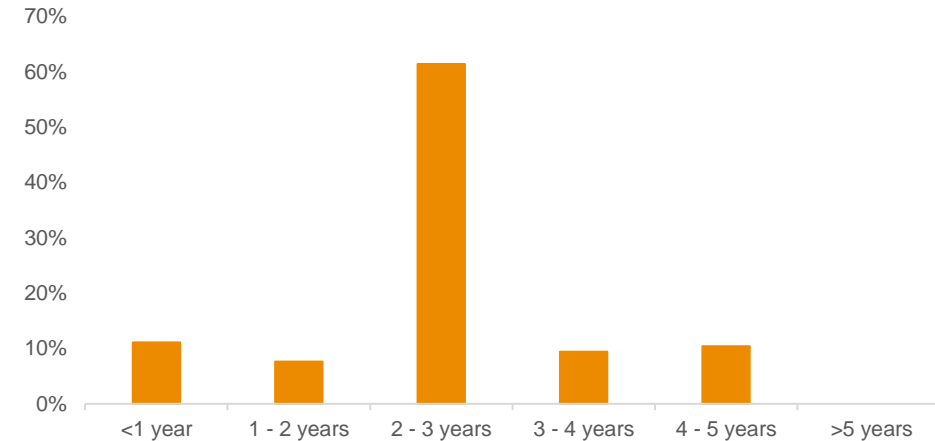
Diversified debt portfolio and healthy financial position

Maturity structure – Fixed interest 2022-12-31



- Interest-bearing liabilities of SEK 4,860m
- Average interest rate maturity of 3.4 years
 - 67.1% of loan portfolio at fixed interest rates
 - Fixed interest rates of derivatives between 0.015% and 2.95%
- Average interest rate: just above 3.3%
- Entered into three new interest-rate swaps for a total of SEK 750 m
 - Term of 6 – 8 years
- Sensitivity analysis based on the FRA curve Stibor 3m shows that we fulfill our covenants and other financial commitments

Maturity structure – Fixed credit 2022-12-31



- Average credit maturity of 2.5 years
- LTV 49.7% with only bank financing from five Nordic banks

Property portfolio & renovations

Fully occupied property portfolio

6,533

Apartments under management

98%

Real occupancy rate

SEK 1,026

Average rent per sq. m. and year

SEK 18,063

Market value per sq. m.

87%

Residential

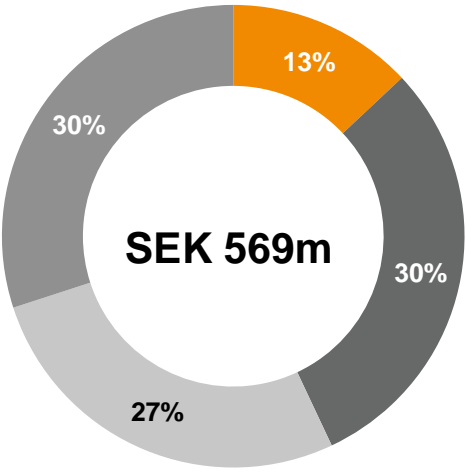
499,000

Sq. m. lettable area

Geographical presence and administrative areas

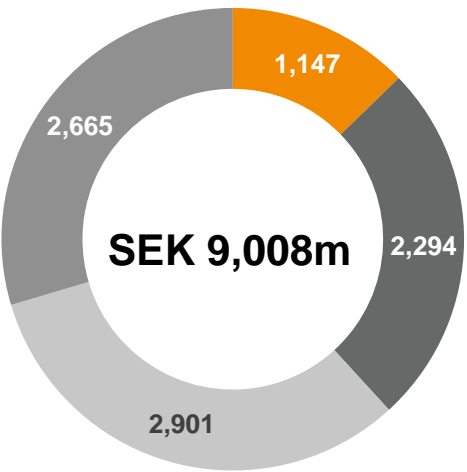


Rental revenue



Central North South East

Total market value

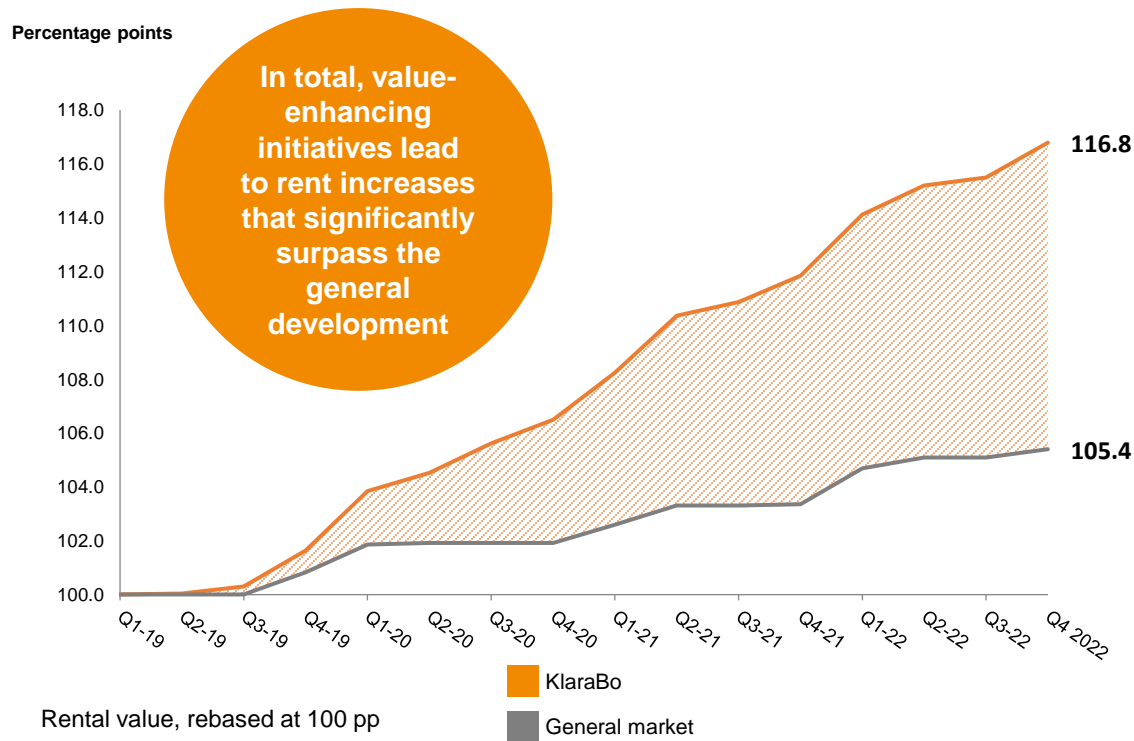
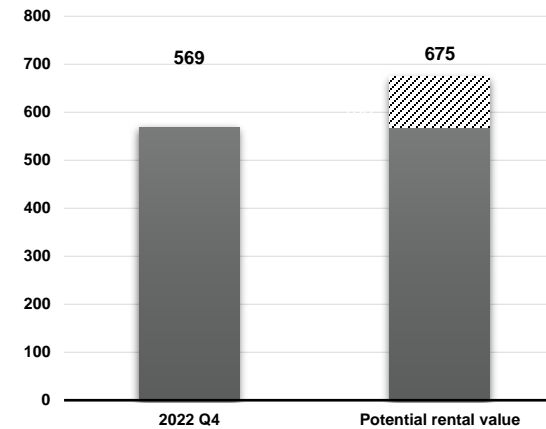


Central North South East

Long-term value creation with proven renovation model

- ~4,100 apts. (63% of total portfolio) with renovation potential, excl. construction
- Renovations only after tenants have moved out at their own initiative
- Renovations increase property values and strengthens cash flow

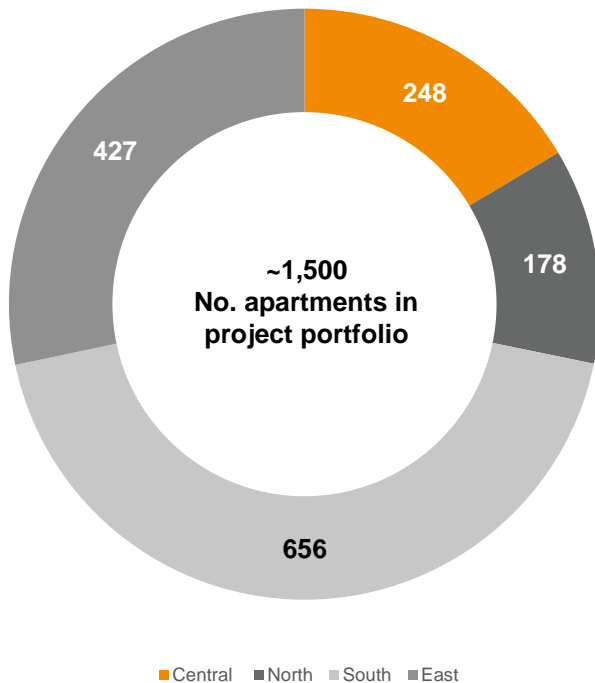
Contracted and potential rental value, SEK m



Project portfolio

Slowing down the pace in project portfolio

Planned development rights by region



127

No. apartments under construction

~1,380

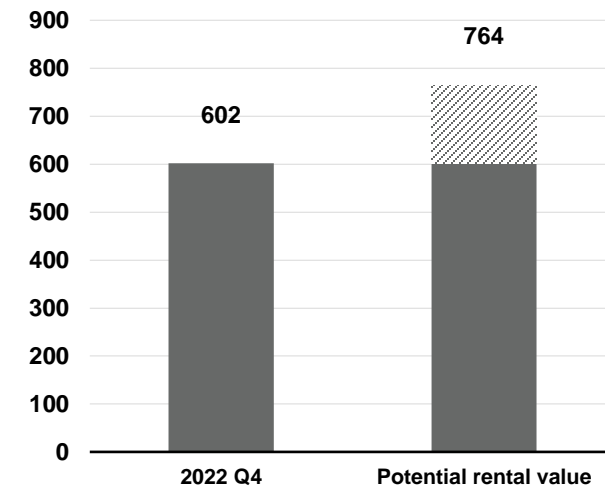
No. apartments in planning stage

SEK 162m

Estimated rental value

- Market conditions like Q3
- Changes in portfolio due to postponement of projects
- Only minor effect from cost increases in currently ongoing developments
- No risk of material write-downs and no costs associated with the project portfolio

Contracted annual rent, SEK m



Summary

Outlook

- Rent increases of approx. 4.4% for 2023 confirmed for about one-third of the property portfolio
- Continuing to focus on refining and refurbishing the property portfolio creating long-term value
- Ongoing refurbishments mitigates effect of higher yield requirements on property values
- Financing exclusively through banks, LTV of 49.7% and no risk of material write downs in project portfolio
- More stable market conditions could open up for acquisition opportunities later this year

Investment highlights

**~4,100 apts. (63%) with renovation potential
in property portfolio**

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

**Rent increases have historically exceeded
inflation rate over time**

**Proven business model and solid financial
position**



Q&A

Q4