

KLARA^{BO}

Year-end report 2023

15 February 2024



KlaraBo property in Östersund

Today's presenters



Andreas Morfiadakis
CEO and co-founder



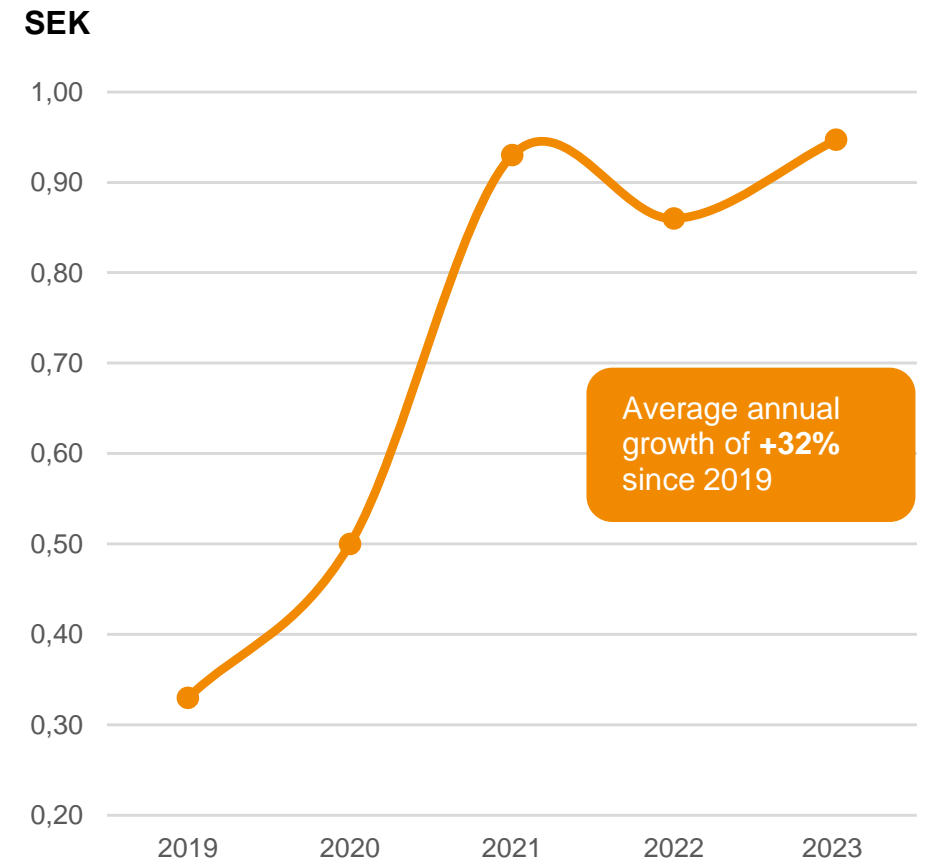
Urban Ottosson
Interim CFO

Snapshot

Strong financial development in 2023

- The financial development in 2023 is a testament of strength, demonstrating that we have taken the right actions
 - Revenue +18 percent
 - Net operating income +21 percent
 - Profit from property management +10 percent
- Profit from property management per share just slightly below the long-term target of 12 percent despite challenging environment
- Value-creating property management offsets increased yield requirement
 - Yield requirements of +67 bp, a decline in value of SEK 1,190 million, or 13 percent...
 - ... was limited to approximately SEK 440 million thanks to KlaraBo's measures to increase value, improvements and development of the properties

Profit from property management per share



Q4 in brief

- Financial development Q4
 - Increased revenue +7 percent due measures to raise standards and the general annual rent negotiations
 - Net operating income +2 percent
 - Profit from property management decreased due to increased interest rates
- Increased exit yields in average of 16 bps throughout the investment properties during the quarter
- Proven business model generates improving cash flow and mitigate impact from increased yield requirement
 - Cash equivalents incl. credit facilities SEK 470 m
- Occupancy rate remains at a stable and high level
- Value-creating property management mitigate increased yield requirements
 - Continued focus on renovations – 50 apartments during Q4

KLARABO

+7%

Revenue SEK 149 m

+2%

Net operating income SEK 77m

-6%

Profit from property management SEK 24m,
corresponding to 0.18 SEK per share

97.8%

Real occupancy rate

3.7 years

Fixed interest term

52.2%

Loan-to-value

SEK 32.0

Net realizable value per share

Portfolio and Business model

Fully occupied property portfolio

6,604
Apartments under management

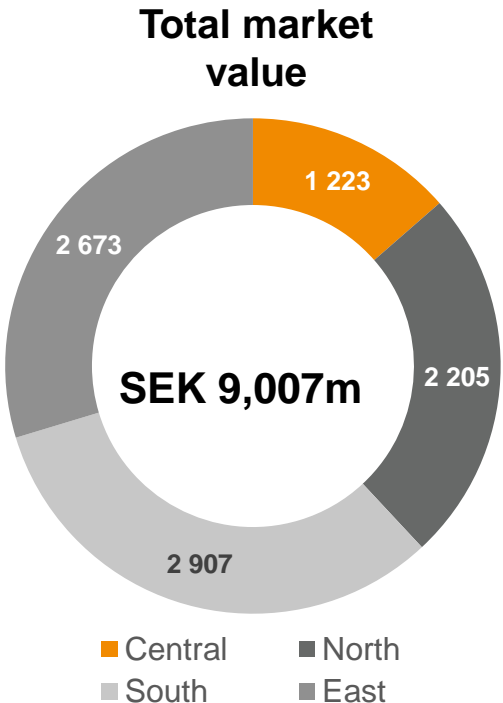
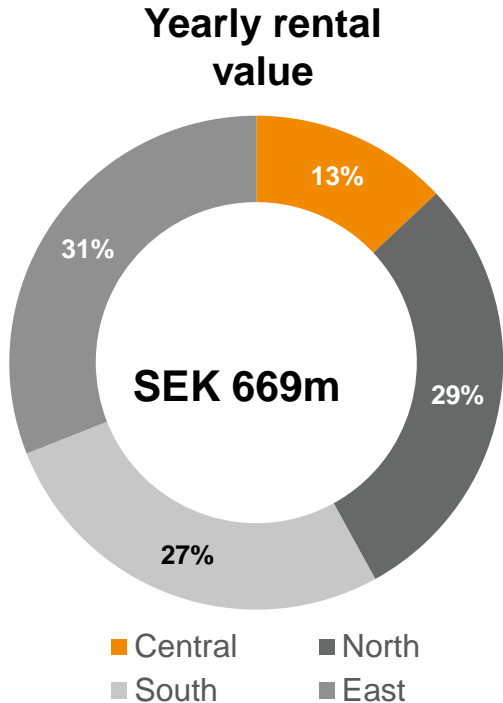
97.8%
Real occupancy rate

SEK 1,127
Average rent per sq.m and year,
unrenovated portfolio

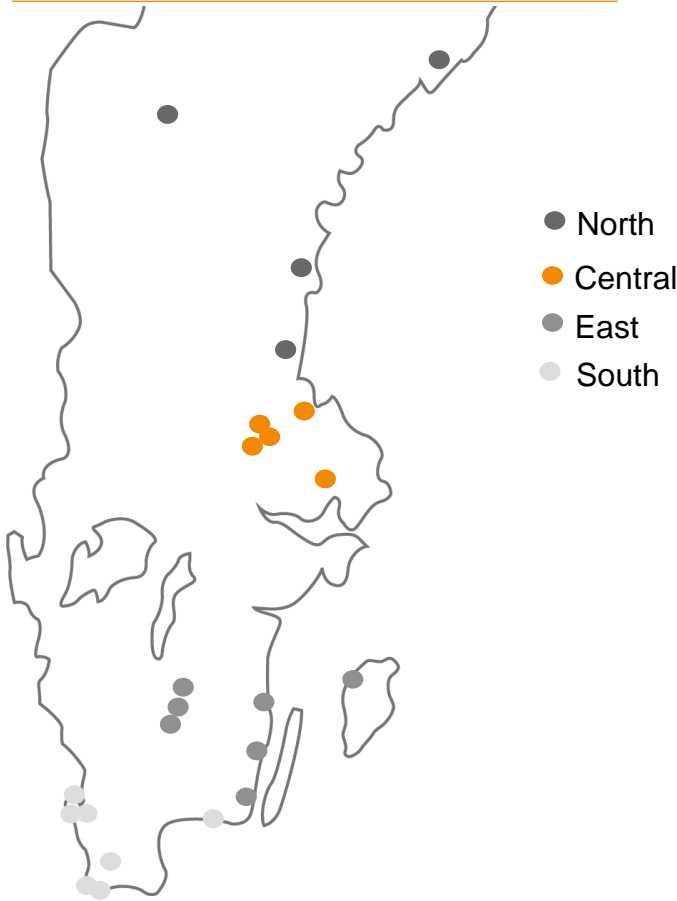
SEK 18,032
Market value per sq. m.

85%
Residential

437,300
Sq.m lettable area housing



Geographical presence and administrative areas



Note: All figures by end 2023

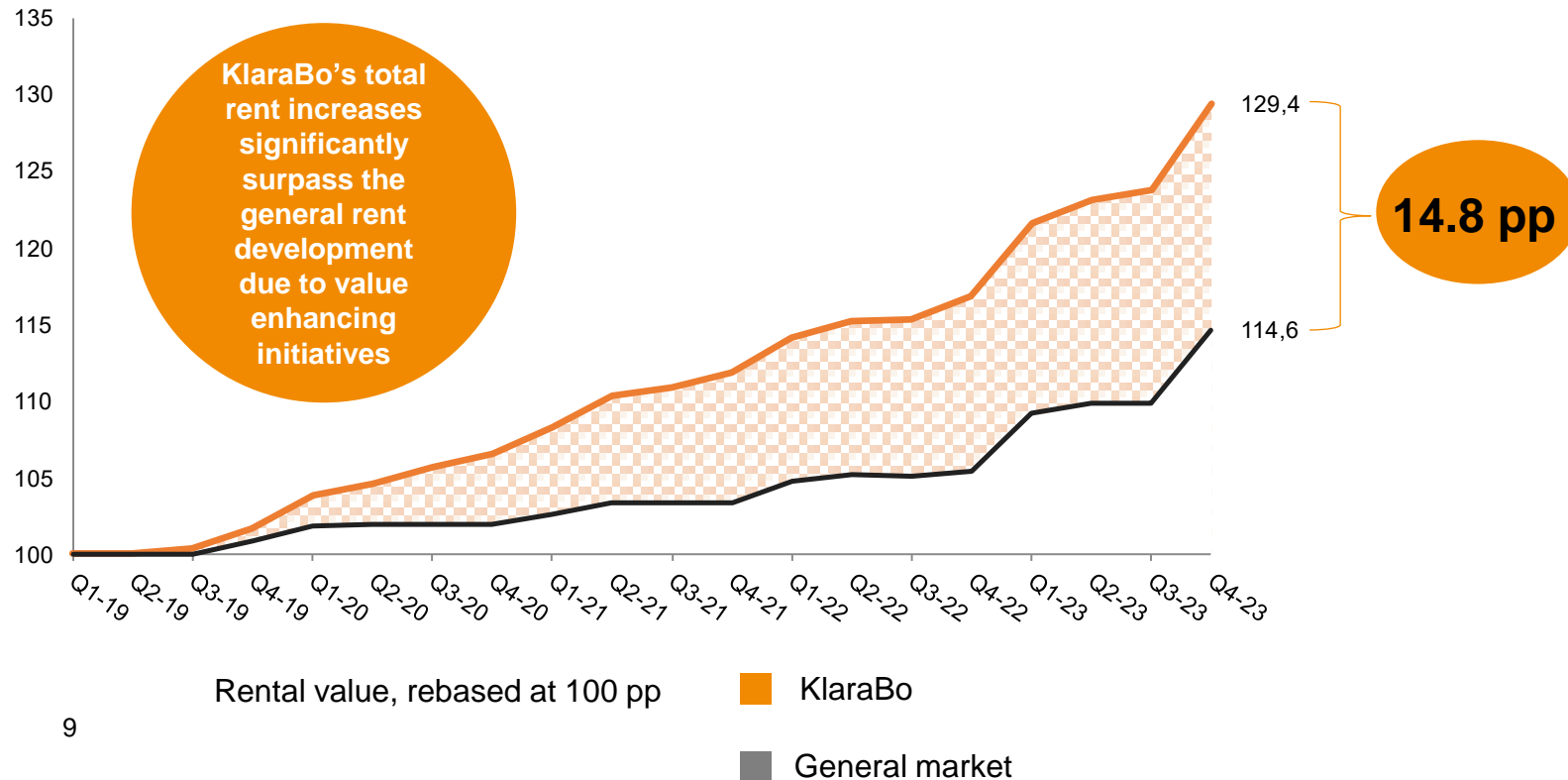
Trelleborg – acquisitions as well as new construction

- KlaraBo entered the market in Trelleborg through:
 - acquisition of 96 apartments in 2019
 - acquisition of 809 apartments in 2020
 - new construction of 23 apartments in 2023
- Renovation potential in acquisitions was 98% and 88% respectively
 - Current renovation potential 52 %. Unrenovated apartment rent 1,097 – 1,527 SEK/m2, average Capex 7.4%
 - Real occupancy rate 99.9%

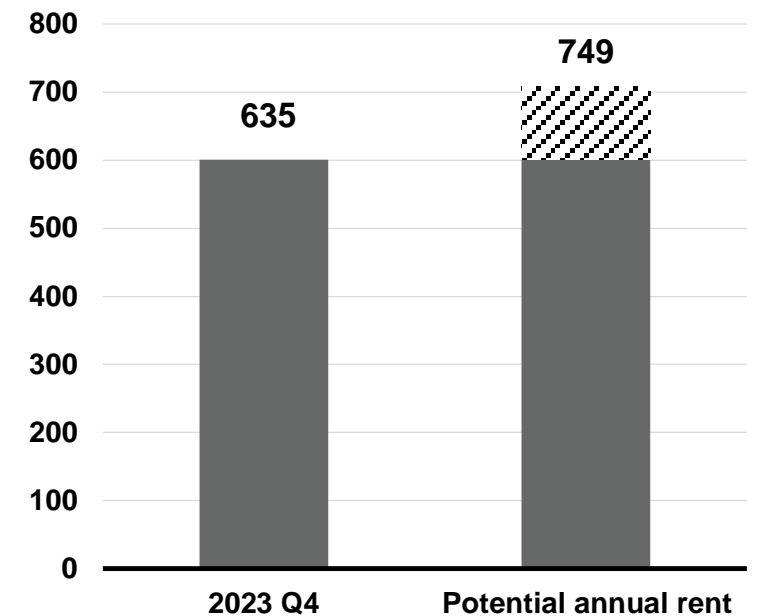
Proven model creates value over time

- 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 7% YTD

Percentage points

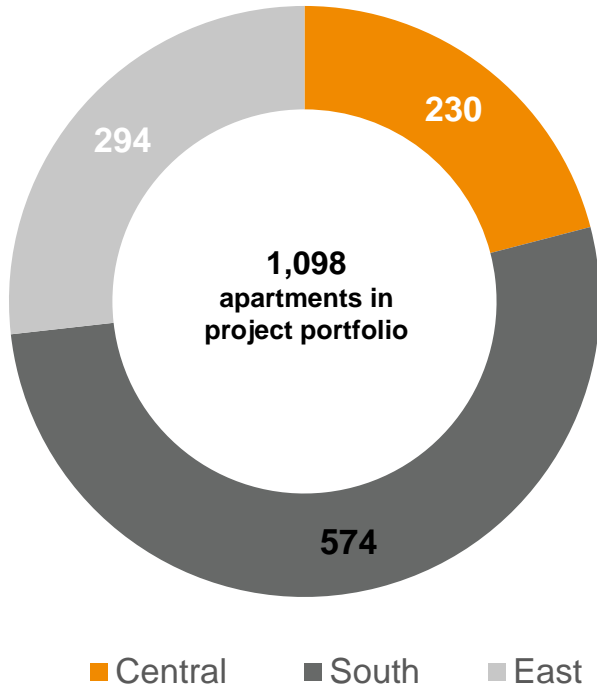


Contracted and potential rental income, SEK m



Low risk in project portfolio with potential over time

Planned development rights by region



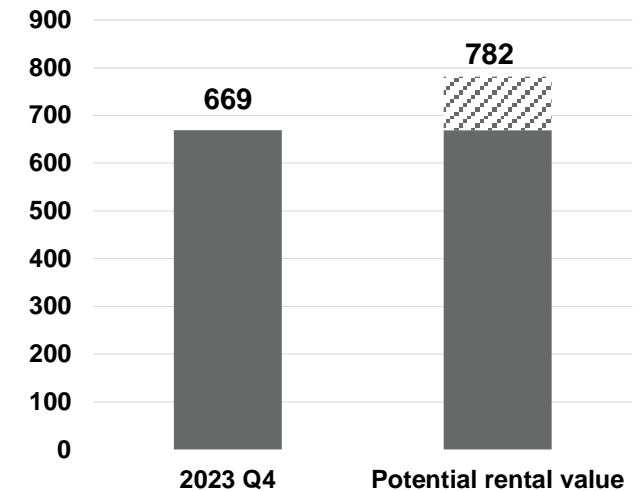
0
apartments under construction

1,098
apartments in development

SEK 113m
In estimated rental value

- No risk of material write-downs or costs associated with project portfolio

Contracted annual and potential rental value. SEK m



Financials Q4

Increased revenue, slightly lower profit from property management

SEK m	2023 3 months Oct-Dec	2022 3 months Oct-Dec	2023 12 months Jan-Dec	2022 12 months Jan-Dec
Revenue	149.4	139.4	589.7	501.6
Costs	-72.5	-64.0	-252.5	-222.7
Net operating income	76.9	75.5	337.2	278.9
Central administrative costs	-11.6	-12.2	-51.4	-46.5
Operating profit/loss	65.3	63.3	285.9	232.4
Financial income/costs	-41.3	-37.9	-161.7	-119.0
Profit from property management	23.9	25.4	124.2	113.4
Changes in value of properties	-18.0	-147.7	-439.9	-25.7
Changes in value of derivatives	-174.1	9.5	-139.8	95.9
Profit/loss before tax	-168.2	-112.8	-455.5	183.6
Tax expense	32.3	16.6	73.9	-58.5
Profit for the period	-135.8	-96.2	-381.5	125.1

Revenue

- Q4 revenue +7.2% YoY
- 6.8% increase in revenue, on a like-for-like basis, attributable mostly from renovations and annual general rent increase

Costs

- Q4 costs slightly above last year due to increased number of properties and from increased maintenance costs due to a cold winter

Financial income/costs

- Financial costs have increased in Q4 YoY due to a general increase in variable interest rates and new credits following completion of project properties

Profit from property management

- Q4 profit from property development -6% YoY

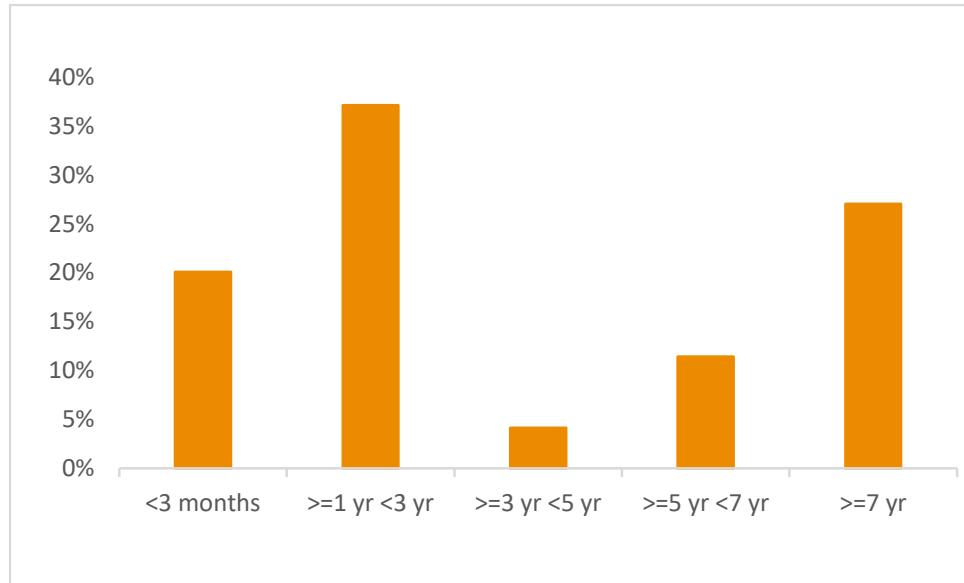
Continued stable financial position

SEK m	31/12/2023	31/12/2022
Intangible assets	0.3	0.4
Investment properties	9,031.9	9,170.7
Property, plant and equipment	7.7	9.8
Financial non-current assets	17.2	17.8
Derivatives	-	103.1
Receivables	24.3	51.9
Cash and cash equivalents	168.5	338.3
Total assets	9,249.9	9,692.0
Equity attributable to Parent Company shareholders	3,936.3	4,320.0
Derivatives	36.7	-
Deferred tax liability	216.0	309.2
Non-current interest-bearing liabilities	4,762.7	4,800.6
Current interest-bearing liabilities	116.1	97.5
Other liabilities	182.0	164.7
Total equity and liabilities	9,249.9	9,692.0

- Increased exit yields in average of 16 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 168.5 m
- LTV 52.2% with only bank financing from five Nordic banks
- Equity ratio of 42.6%
- Net realizable value per share amounted to 32 SEK at the end of the period

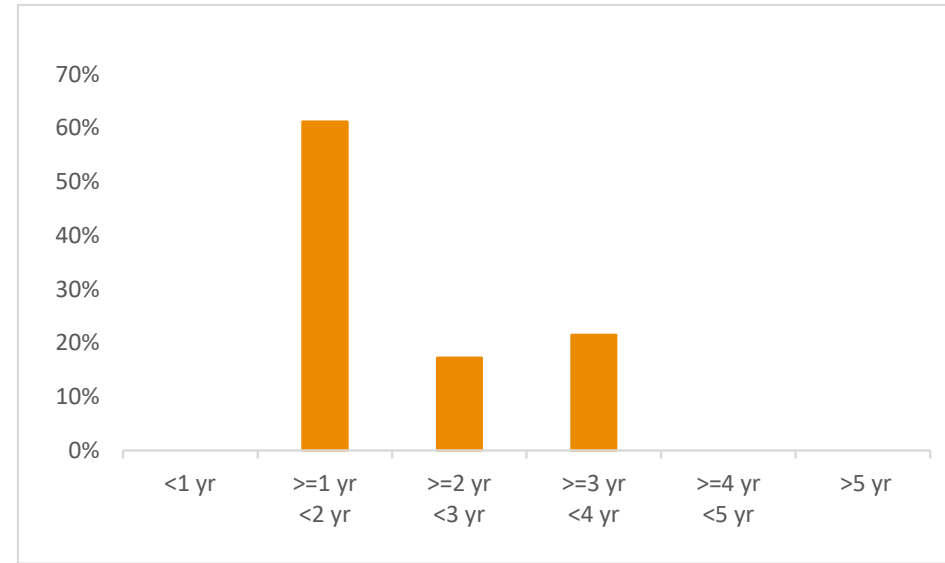
Extended loans with margins that fall below company average margin

Maturity structure – Fixed interest 2023-12-31



- Interest-bearing liabilities of SEK 4,879 m
- Average interest rate maturity of 3.7 years
 - 79.9% of loan portfolio at fixed interest rates
 - Fixed interest rates of derivatives between 0.015% and 3.055%
- Average interest rate 3.54%
- Average credit maturity of 2.1 years

Maturity structure – Fixed credit 2023-12-31



- 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 2023
 - For 2024, on average, just over 25% of the debt portfolio will be at variable interest rates
 - For 2025 the variable proportion of the debt portfolio will be 35%

Summary

Rising cash flow and profit from property management

Current earnings capacity

SEK m	Jan 1 2024	Oct 1 2023	Jul 1 2023	Apr 1 2023	Jan 1 2023	Oct 1 2022
Rental revenue	634.9	603.9	600.6	593.8	568.8	560.5
Property expenses	-261.1	-243.8	-243.4	-243.4	-242.9	-228.2
Net oper income	373.8	360.1	357.1	350.4	325.9	332.4
Surplus ratio, %	58.9	59.6	59.5	59.0	57.3	59.3
Central administrative costs	-43.8	-40.1	-40.1	-40.0	-40.0	-40.0
Financial income and expenses	-168.9	-173.6	-171.5	-169.9	-160.5	-142.6
Profit from property management	161.2	146.4	145.5	140.6	125.4	149.8
Profit from prop mgmt per share, SEK	1.23	1.12	1.11	1.07	0.95	1.14
Number of shares, million	131.1	131.1	131.1	131.1	131.2	131.8
Interest-coverage ratio	2.0	1.8	1.8	1.8	1.8	2.1

- Rental revenue increased by SEK 66.1m versus 1 January 2023 corresponding to a surplus ratio of 58.9%
- The annual financial costs have increased by 5% YOY
- High predictability in financial expenses due to 80% hedging
- **Profit from property management expected +29% per share during 2023, with rising cash flows, as indicated by current earnings capacity**
- **Interest-coverage ratio increased to 2.0 per January 2024 (1.8)**

Current trading

- Occupancy rate remains at a stable and high level
- Upgrades and refurbishments according to plan
- Secured long-term financing creates stability and predictability
- Yearly rent negotiations to be finalized, expected increase of 5.0 – 5.5 percent on average
- Continued high demand for housing in Sweden, not least rental properties
- Slightly more positive market environment and expectations of lower interest rates...
 - Might pave the way for acquisitions for KlaraBo, given we find the right, attractive objects
 - Potential in the project portfolio



KlaraBo property Räven 17, Höör

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

Rent increases have historically exceeded inflation rate over time

Proven business model and solid financial position with solely bank financing

24% average annual growth in NAV since 2019

32% average annual growth in profit from property management per share since 2019

Q&A

Thank you!