

# Interim Report 30 June Q2 2021

## April–June

- Revenue for the quarter was SEK 60.9 million (35.9), up 70 per cent over the year-earlier period.
- The Group's net operating income for the quarter was SEK 31.7 million (19.7), up 61 per cent over the year-earlier period.
- Profit from property management for the quarter was SEK 10.2 million (7.2), up 42 per cent over the year-earlier period.
- Unrealised changes in value of investment properties was SEK 202.9 million (13.7) and SEK 1.5 million (-4.7) for derivatives.
- Earnings for the quarter totalled SEK 164.4 million (13.2), corresponding to SEK 2.87 per share (0.16).

## January–June

- The COVID-19 pandemic has not had any material impact on KlaraBo's daily operations, and its financial position, up to and including the date of publication of this interim report.
- Revenue for the period was SEK 117.0 million (69.2), up 69 per cent over the year-earlier period.
- The Group's net operating income for the period was SEK 57.4 million (35.4), up 62 per cent over the year-earlier period.
- Profit from property management was SEK 18.6 million (10.5), up 77 per cent over the year-earlier period.
- Unrealised changes in value of investment properties was SEK 273.4 million (85.1) and SEK 5.2 million (-6.3) for derivatives.
- Profit for the period totalled SEK 230.0 million (69.6), corresponding to SEK 4.28 per share (1.33).
- Net reassessment value (EPRA NRV) per share totalled SEK 29.21 (18.08), up 62 per cent year-on-year.

## Significant events after the end of the period

- In partnership with OBOS Kärnhem, KlaraBo has entered into a share transfer agreement pertaining to the acquisition of 15,000 square metres GFA in central Kristianstad. The parties will jointly produce a new detailed development plan that will facilitate the construction of approximately 100 rental apartments for KlaraBo. Possession will be taken in conjunction with the detailed development plan entering force.
- Decision on construction start pertaining to 58 rental apartments in Borlänge. The project is a densification of an existing portfolio and part of a collaboration project with Samhällsbyggnadsbolaget i Norden AB (SBB).

# The period in brief

## Significant events during the second quarter of 2021

- The Annual General Meeting on 28 April resolved to issue 500,000 warrants to the company's CEO, Andreas Morfiadakis.
- Land transfer in the Sättra district awarded by Västerås Municipality. The land transfer encompasses 4,500 square metres GFA on which the company will construct rental apartments.
- Signed and took possession of Kuststaden Projektutveckling AB and KPU Bostadsutveckling AB's property portfolios. The merger creates a dedicated housing company with over 5,000 rental apartments and 1,100 apartments in its project portfolio. Payment in part has been made through the issue of 40,706,864 Class B shares resolved on by the Extraordinary General Meeting (EGM) of 18 June.
- The EGM on 18 June also resolved on the election of Per-Håkan Börjesson, CEO of Investment AB Spiltan, as new Board member.
- Furthermore, the EGM on 18 June resolved to issue 1,429,440 warrants to employees in KlaraBo.
- Board members Sophia Mattsson-Linnala, Lulu Gylleneiden and Joacim Sjöberg also subscribed for 17,500 shares each via a resolution at the EGM on 18 June.
- By virtue of the authorisation from the Annual General Meeting on 28 April 2021, 6,000,000 Class B shares were issued to Länsförsäkringar Fonder.
- Decision to commence construction of 24 rental apartments in Trelleborg, with planned date of completion in the autumn of 2022.
- Acquisition of over 270 rental apartments in central Gävle and Skokloster, with possession on 30 June. At the same time, by virtue of the authorisation by the Board, a private placement of 6,233,333 Class B shares was implemented to Rutger Arnhult via companies.

Profit for the period (SEK M)	EPRA NRV/share (SEK)	Real occupancy rate, housing units	Number of apartments in project development
<b>230.0</b>	<b>29.2</b>	<b>99.3 %</b>	<b>1,166</b>
69.6 2020	18.1 2020	97.3% 2020	1,127 2020



Trelleborg

**KPIs: For complete key performance indicators, refer to page 18.**

	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Rental revenue, SEK m	60,9	35,9	117,0	69,2	178,8
Profit from prop mgmt, SEK m	10,2	7,2	18,6	10,5	35,7
Profit for the period, SEK m	164,4	13,2	230,0	69,6	345,2
Surplus ratio, %	52,1	54,9	49,0	51,2	54,1
Investment properties, SEK m	7 154,6	2 036,2	7 154,6	2 036,2	3 452,1
No. of apartments under mgmt	5 366	2 682	5 366	2 682	5 366
No. of apartments in project devt	1 166	1 127	1 166	1 127	1 166
Equity/assets ratio, %	39,5	46,0	39,5	46,0	39,9
Loan-to-value ratio, %	57,8	38,9	57,8	38,9	52,8
Interest-coverage ratio, multiple	1,9	1,8	1,9	1,8	2,0
Profit from prop mgmt per share, SEK	0,18	0,07	0,35	0,08	0,47
Earnings per share, SEK	2,87	0,16	4,28	1,33	6,34
EPRA NRV per share, SEK	29,21	18,08	29,21	18,08	23,70
No. of shares at end of period before/after dilution, million*	107,2	48,8	107,2	48,8	48,8
Weighted average number of shares during period before/after dilution, million	57,3	33,9	53,1	33,1	41,0

\* Including share issues completed but not registered at end of accounting period

# This is KlaraBo

KlaraBo is a property company that acquires, builds, owns and manages attractive housing units. The company was formed in 2017 and operates around the country. Our strategy is to acquire existing residential properties and land for new construction in growth regions. Our newly-constructed housing units are developed in-house and are designed for a smart use of floor space, which promotes reasonable rents. The apartments and buildings are designed in accordance with local needs, in partnership with the municipality. Our new production maintains a high standard of sustainability since the construction primarily uses timber. KlaraBo is a property owner with a long-term perspective.

The company concentrates on residential properties, which comprised 85 per cent of contracted rents at 30 June 2021. As of 30 June 2021, KlaraBo's property portfolio had a lettable area of approximately 416,000 square metres distributed across 5,366 apartments with contracted annual rent of about SEK 450 million. The portfolio also includes 1,166 apartments under construction and project development.

## Overall goal

**KlaraBo's overall goal is to create value for the company's shareholders on a long-term basis by owning, developing and actively managing sought-after residential properties in growth regions with robust demand. Value creation is measured as growth in net reinstatement value and profit from property management per share.**

## Operational goals

- KlaraBo has the goal of owning and managing at least 500,000 square metres of residential floor space by the end of 2025.
- KlaraBo's objective is to commence construction of at least 200 housing units in the period from 2021 to 2023, with a long-term goal of commencing construction of at least 500 housing units per year. The housing units are to mainly be self-developed and environmentally certified.
- The rental trend for our existing housing units that can be renovated is to significantly exceed the general annual rental increase through active management and investments.

## Financial goals

- KlaraBo is to achieve average annual growth in EPRA NRV per share of at least 15 per cent including any value transfers over the course of a business cycle.
- KlaraBo is to achieve average annual growth in profit from property management per share of at least 12 per cent over the course of a business cycle.

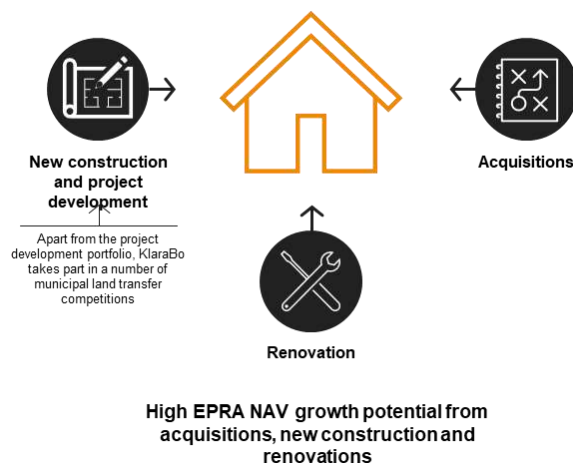
## Dividend policy

- KlaraBo has a long-term goal of distributing 50 per cent of the taxed profit from property management. However, KlaraBo will prioritise growth via new construction, investments in the existing portfolio, and acquisitions in the next few years, which is why a dividend may not be distributed.

## Environmental goals

- Reduce energy consumption.

## KlaraBo's business model



- Use renewable energy sources. KlaraBo works to reduce dependence on fossil fuels by taking such measures as;
- always selecting electricity from renewable energy sources when procuring new electricity agreements;
- always selecting biogas instead of natural gas when procuring gas; and
- discussing with the supplier how to achieve the best possible fossil-free solution when procuring district heating.

## Financial risk limitations

KlaraBo strives to limit its financial risk with the following overall risk limitations:

- The loan-to-value ratio is not to exceed 65 per cent of the market value of the properties over the long term.
- The equity/assets ratio is to exceed 25 per cent over the long term.
- The interest coverage ratio is to exceed a multiple of 1.5 over the long term.

## Strategy:

KlaraBo will focus on:

- New construction, management of residential properties and acquisitions in municipalities in growth regions;
- New construction of sustainable and environmentally certified, high-quality, functional, cost- and space-efficient housing units through self-developed and industrially produced KlaraBo buildings;
- Acquisitions of residential properties, preferably with the potential for renovation, and acquisitions of land and development rights for the new construction of housing unit for long-term ownership.
- Value-creating measures in existing investment properties, increasing revenue and reducing costs.

# Robust quarter doubles company's size

The second quarter of 2021 was an eventful one, to say the least. At the end of May, I had the pleasure of announcing our merger with Kuststaden, which is the largest event in KlaraBo's history. As a result of the transaction, we have formed a dedicated property company under the KlaraBo name, with a total property value that at the end of the quarter exceeded SEK 7 billion. With a property portfolio that has nearly doubled and now encompasses 5,300 apartments, we will continue to focus on measures to increase value in our existing portfolio and on new construction.

KlaraBo's and Kuststaden's portfolio and property management operations have clear similarities, which means that we will benefit from synergy effects and economies of scale. The merger was completed with closure taking place on 24 June, and we have now begun the integration process involving both organisations and systems. A thorough rebranding of Kuststaden's portfolio has also begun, for a uniform property management portfolio.

For the second quarter of 2021, we reported net operating income of SEK 31.7 million (19.7) and profit before tax attributable to Parent Company shareholders of SEK 164.4 million (5.5), corresponding to SEK 2.87 per share. As during the first quarter, the occupancy rate continued its strong performance with a real occupancy rate of 99.3 per cent.

During the second quarter, we also managed to acquire property holdings in Gävle, and Skokloster in Håbo Municipality. The seller is Rutger Arnhult via companies, which will become shareholders in KlaraBo. The portfolios acquired comprise 273 rental apartments with a total of 20,000 square metres lettable area. All housing units have been let and will be merged into our existing property management organisation, where possession was taken on 30 June.

We have also been tasked with helping to build up and develop Sättra, the new city district in Västerås. After a decision from the real estate committee in mid-May, we won a land transfer that comprises building rights of 4,500 square metres GFA, where we plan to construct rental apartments. We have also decided to begin construction of new rental apartments in Trelleborg. 25 new, environmentally friendly apartments will be built immediately adjacent to our existing properties in east Trelleborg.

After the end of the period we decided on additional construction starts, this time it involves 58 rental apartments in Borlänge in a densification project on an existing property. Finally, we took the opportunity to acquire a building right for 15,000 square metres GFA in central Kristianstad in partnership with OBOS, for the construction of approximately 100 rental apartments. The fact that this also concerns new construction is particularly gratifying.

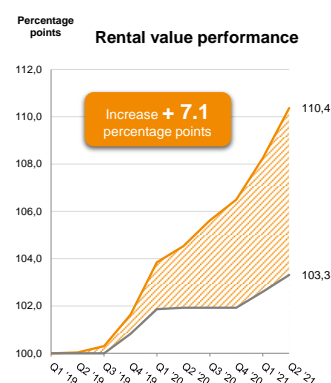
KlaraBo has experienced distinct growth over the last half-year, which has meant that we have really begun to make our mark in the Swedish property industry. We now have a property portfolio that encompasses over 5,300 apartments with an annual rental value approaching SEK 500 million, and a further 1,200 apartments in the project portfolio for new construction. With the ambition of becoming one of the largest listed residential property companies in Sweden, we will remain active on the transaction side and have a positive view of additional acquisition opportunities during the year.

In conclusion, I would like to take this opportunity to thank all our employees for a particularly intense quarter, and to welcome all our new shareholders to KlaraBo. With that, I wish you all a truly pleasant summer.

**Andreas Morfiadakis**, CEO of KlaraBo



**Andreas Morfiadakis**, CEO



# Property portfolio

KlaraBo's portfolio of investment properties reaches across Sweden, from Trelleborg in the south to Sundsvall in the north. The portfolio primarily comprises residential properties, but there are also commercial spaces. Ten percent of the Group's contractual annual rent pertains to leases to public service operations. The properties are divided into four geographic regions: South, East, Central and North.

The property holdings consist of 201 properties with a total lettable area of approximately 416,000 square metres, excluding parking spaces and garages.

During the quarter, the company invested SEK 37.6 million (13.4) in existing investment properties through value-creating measures, where the rolling ROT tax deduction is the primary investment measure. The rolling ROT tax deduction means that the apartments are renovated in conjunction with natural turnover in the portfolio, and a new tenant moving in. Measures of this type normally take four to six weeks, and the apartment is reported as vacant during that time, which has a temporary negative impact on the economic occupancy rate.

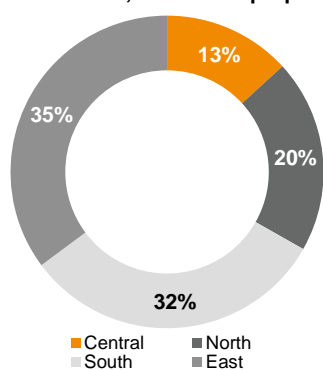
## Investment properties excluding project development

Region	No.		Area, 000 sq. m.			Market value	
	properties	apartments	RFA	NFA	Total	SEK m	SEK/sq. m.
Central	74	786	50,3	11,9	62,2	921	14 802
North	16	1 039	72,8	2,8	75,6	1 169	15 461
South	59	1 618	103,8	27,0	130,8	2 621	20 042
East	52	1 923	127,7	19,7	147,4	2 344	15 902
	<b>201</b>	<b>5 366</b>	<b>354,6</b>	<b>61,4</b>	<b>416,0</b>	<b>7 054</b>	<b>16 959</b>

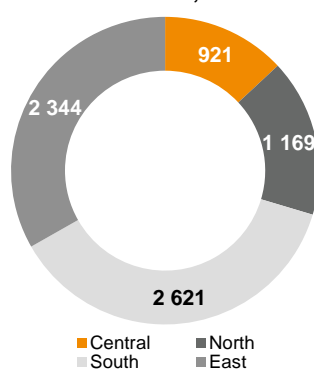
Region	Rental value		Economic occ rate, %	Real occ. rate rate, %	Contracted nual rent, SEK m	Property costs		Net oper income	
	SEK m	SEK/sq. m.				SEK m	SEK/sq. m.	SEK m	SEK/sq. m.
Central	70,2	1 129	94,7	98,3	66,5	28,1	451	38,5	618
North	84,8	1 121	93,3	98,6	79,1	31,1	411	48,0	635
South	158,6	1 213	95,5	99,8	151,4	50,4	385	101,1	773
East	166,7	1 131	91,5	99,7	152,5	58,0	394	94,5	641
	<b>480,2</b>	<b>1 155</b>	<b>93,6</b>	<b>99,3</b>	<b>449,5</b>	<b>167,5</b>	<b>403</b>	<b>282,0</b>	<b>678</b>

Property management		23,4	56		
Net oper income incl prop mgmt	449,5	190,9	459	258,6	622

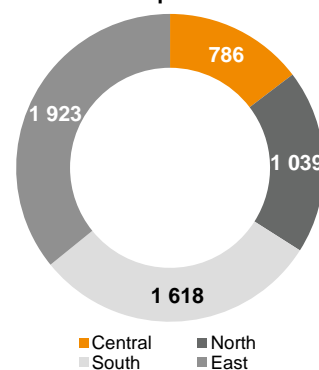
Rental revenue, residential properties



Market value, SEK M



No. of apartments



## Market value including project development, SEK million

	2021-06-30	2020-06-30	2020-12-31
Opening carrying amount, investment properties	3 452,1	1 899,7	1 899,7
Acquisitions	3 320,7	—	983,4
Investments in investment properties	61,8	18,2	65,3
Investments in new construction properties	77,9	33,2	115,8
IFRS 16	7,1	—	—
Public subsidies	-25,5	—	-25,2
Unrealised changes in value	260,6	85,1	413,0
<b>Closing carrying amount, investment properties</b>	<b>7 154,6</b>	<b>2 036,2</b>	<b>3 452,1</b>

## New construction

KlaraBo applies a tried and tested standardised model for the housing unit product. In a controlled industrial process, with timber as the main construction material, housing units are manufactured that are based on a number of basic apartment models, or “base apartments”. These well-planned and space-efficient base apartments form the foundation for all of the housing units that KlaraBo constructs, thereby achieving optimal use of resources. KlaraBo has developed a number of base apartments – everything from studios to three-bedroom apartments. These apartment layouts can be inverted and used in a variety of combinations to create the right offering for different market segments. This construction approach leads to energy savings and quicker assembly with shorter construction time, resulting in lower costs.

The completed apartment buildings exhibit a diversity of configurations. Even though the individual apartments have a common basis and are constructed using wooden frames, the exteriors and rooftops may have many different designs using a variety of materials.

The construction volumes are prefabricated by partners in indoor environments before being transported to Sweden. The buildings are produced using timber to the greatest extent possible, with a base slab serving as the foundation. Like the building frameworks, trusses are constructed using timber and can be designed as gable roofs, pent roofs or low-slope roofs depending on what is requested. The buildings are suited to having two to five floors, with balcony access solutions, but high-rise apartment buildings can also be produced.

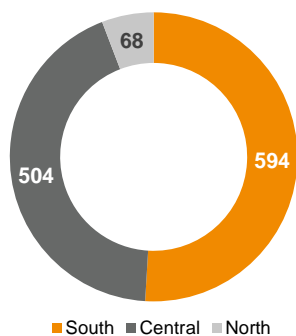


Höganäs

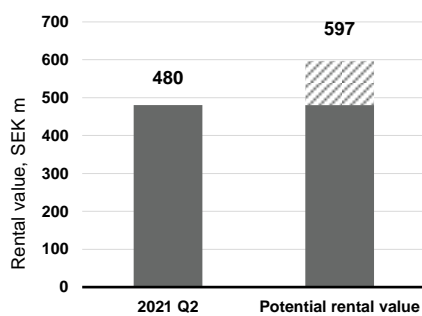
For a complete overview of ongoing construction and project development as of 30 June 2021, refer to page 25.

	No. of projects	No. of apts	Area, 000 sq. m.		Investment, SEK m		Rental value			
			GFA	RFA	Est.	Worked up	SEK m	SEK/sq. m.	Net oper inc, SEK m	Est. value on completion, SEK m
Construction in progress	4	115	7,4	6,1	161,2	76,1	8,9	1 474	7,3	187,8
Project devt in progress	14	1 051	79,9	69,2	1 566,8	7,0	107,8	1 557	88,8	2 070,0
<b>Total</b>	<b>18</b>	<b>1 166</b>	<b>87,3</b>	<b>75,3</b>	<b>1 727,9</b>	<b>83,0</b>	<b>116,7</b>	<b>1 550</b>	<b>96,0</b>	<b>2 257,8</b>

Planned development rights by region



Rental value (SEK M)



The upper-left diagram shows the number of planned development rights per geographical region, and the upper-right diagram illustrates the rental value for the existing management portfolio as of 30 June 2021, with an additional bar for the expected rental value of the ongoing construction of new buildings upon completion. Information on the ongoing construction of new buildings includes appraisals and assumptions. Appraisals and assumptions involve uncertainty, and the information above should not be interpreted as a prognosis.



Höör



# Condensed consolidated statement of comprehensive income

SEK M	2021 3 months Apr–Jun	2020 3 months Apr–Jun	2021 6 months Jan–Jun	2020 6 months Jan–Jun	2020 12 months Jan–Dec
Revenue	60,9	35,9	117,0	69,2	178,8
Costs	-29,2	-16,2	-59,7	-33,8	-82,0
<b>Net oper income</b>	<b>31,7</b>	<b>19,7</b>	<b>57,4</b>	<b>35,4</b>	<b>96,8</b>
Central administrative costs	-7,6	-5,1	-13,9	-10,3	-24,2
<b>Operating loss</b>	<b>24,1</b>	<b>14,6</b>	<b>43,4</b>	<b>25,1</b>	<b>72,6</b>
Finance income/costs	-13,9	-7,4	-24,8	-14,6	-36,8
<b>Profit from property management</b>	<b>10,2</b>	<b>7,2</b>	<b>18,6</b>	<b>10,5</b>	<b>35,7</b>
Changes in value of properties	202,9	13,7	273,4	85,1	413,0
Changes in value of derivatives	1,5	-4,7	5,2	-6,3	-7,5
<b>Profit before tax</b>	<b>214,5</b>	<b>16,1</b>	<b>297,2</b>	<b>89,4</b>	<b>441,3</b>
Tax expense	-50,1	-3,0	-67,2	-19,7	-96,2
<b>Profit for the period</b>	<b>164,4</b>	<b>13,2</b>	<b>230,0</b>	<b>69,6</b>	<b>345,2</b>
Other comprehensive income	—	—	—	—	—
<b>Comprehensive income for the period</b>	<b>164,4</b>	<b>13,2</b>	<b>230,0</b>	<b>69,6</b>	<b>345,2</b>
<b>Comprehensive income for the period attributable to:</b>					
Parent Company shareholders	164,4	5,5	227,4	44,2	260,0
Non-controlling interests	0,0	7,7	2,6	25,4	85,2
Earnings per share, SEK	2,87	0,16	4,28	1,33	6,34

Comprehensive income for the period is the same as earnings for the period, since there is no other comprehensive income.

## Earnings analysis, January–June 2021

The earnings items below pertain to the quarter from 1 April to 30 June 2021, and the period from 1 January to 30 June 2021. Comparison items pertain to the year-earlier period. All amounts are in SEK million.

### Revenue

Revenue for the quarter totalled SEK 60.9 million (35.9), of which SEK 59.4 million (34.6) pertained to rental revenue and the remainder to other operating income. The increase is due primarily to the company being substantially larger than it was in the year-earlier period. The acquisitions of Kuststaden and the portfolios in Gävle and Skokloster had only a marginal effect since possession was taken at the end of the quarter.

Revenue for the period totalled SEK 117.0 million (69.2). The marked increase compared with the year-earlier period was due primarily to the acquisition in Trelleborg being included in 2021 compared to the year-earlier period. The completion of new construction in several locations, as well as the Group's ongoing efforts with standard enhancements, also enabled the increased rental revenue for the period. The transactions announced in June will have a material effect on revenue beginning in the third quarter.

The impact of COVID-19 on property management operations to date has been confirmed to be limited, and during the period KlaraBo did not note any appreciable impact on rental revenue.

### **Costs**

The Group's costs encompass operating and maintenance costs, property tax, property administration, insurance and other property management costs. Operating costs primarily encompass heating, electricity and water consumption, and waste management.

Costs for the quarter totalled SEK -29.2 million (-16.2). The increase compared with the year-earlier period was primarily attributable to the properties in Trelleborg that we took possession of in 2020 and to the increase in the property management workforce that this possession entailed.

Costs for the period totalled SEK -59.7 million (-33.8). Like revenue, costs were higher than in the year-earlier period, which is a natural effect of the added properties. Due to the expanded property portfolio, costs will increase during the second half of the year.

### **Net operating income and surplus ratio**

Net operating income for the quarter totalled SEK 31.7 million (19.7), while the surplus ratio was 52.1 per cent (54.9). The corresponding figures for the period are SEK 57.4 million (35.4) and 49.0 per cent (51.2) respectively.

### **Central administrative costs**

Central administrative costs for the quarter totalled SEK -7.6 million (-5.1) and comprised personnel costs and Group-wide costs. Financial administration fees, for example, increase in pace with growth in the property portfolio. Personnel-related costs also increased compared with the year-earlier period as a result of factors including growth in the number of staff at the head office.

Administrative expenses for the period totalled SEK -13.9 million (-10.3). The increase compared with the year-earlier period consisted primarily of a doubling in the number of employees in Group-wide positions.

### **Finance income/costs**

Finance income and costs for the period totalled SEK -13.9 million (-7.4) and consist primarily of interest expenses on property credits and derivatives. The increase compared with the year-earlier quarter is attributable primarily to new credits linked to the acquisition in Trelleborg.

Finance income and expenses for the period totalled SEK -24.8 million (-14.6). The increase for the period is attributable to new credits linked to acquisitions, parts of which pertain to temporary acquisition credits with higher interest rates. Acquisition credits in Höganäs were refinanced during the quarter, with lower interest expenses as a result. The Group's credit agreements are almost exclusively based on an interest rate consisting of STIBOR 3-month and a fixed component in the form of a margin. STIBOR 3m is a variable reference rate and thus could impact the financial costs between periods.

Part of the loans that were taken over in conjunction with the acquisition of Kuststaden bear fixed interest rates, but since possession was taken on 24 June these loans had only a minor impact in the period.

### **Profit from property management**

Profit from property management for the quarter was SEK 10.2 million (7.2) and SEK 18.6 million (10.5) for the period.

### **Changes in value**

The Group's investment properties are appraised on a quarterly basis by external authorised rating agencies: Savills, Newsec, Forum and Svefa. The market value at the end of the quarter generated a positive change in value of SEK 202.9 million (13.7) for the quarter. Due to a continued favourable market situation, the ratings agencies have chosen to lower the yield requirement on parts of the portfolio by 10 to 20 basis points. The increase in value is otherwise attributable to increased rental values as a result of standard improvements and rent negotiations concluded for parts of the portfolio. Since economic possession of Kuststaden was taken on 1 April 2021, this has had a positive impact on changes in value totalling SEK 13.0 million.

The change in value for the period totalled SEK 273.4 million (85.1) and is attributable to yield requirements on parts of the portfolio being lowered by 10 to 20 basis points, increased rental value as a consequence of measures such as ROT renovations, and installation of fibre networks. Completed new construction in Höganäs and an assessment of a still incomplete project portfolio also enabled the increase in value.

The Group's derivatives are also subject to quarterly market valuations. Change in value for the quarter totalled SEK 1.5 million (-4.7) and is attributable primarily to interest-rate derivatives that were signed for the purpose of reducing fluctuations in the interest expense. The market price of long-term interest rates rose during the quarter, which increased the value of the Group's interest-rate derivatives with a positive change in value as a result. A currency derivative that was negatively measured at the beginning of the quarter matured during the quarter, which also promoted a positive earnings effect.

### Tax expense

Tax expenses for the quarter totalled SEK -50.1 million (-3.0). The cost consists largely of deferred tax attributable primarily to changes in value of properties and derivatives, and the liquidity impact is thus absent.

The tax expense for the period of SEK -67.2 million (-19.7) also consisted largely of deferred tax attributable to changes in the value of properties, and thus has no effect on liquidity. Through paying group contributions, equalising interest and utilising existing loss carryforwards, we reduce our current tax. Changes to interest deduction regulations mean that it cannot be minimised completely, which is why current tax costs for the period totalled SEK -8.9 million (-1.6).

### Profit for the period

Profit for the quarter totalled SEK 164.4 million (13.2), corresponding to SEK 2.87 per share (0.16). Profit for the period totalled SEK 230.0 million (69.6), in which profit for the period attributable to the Parent Company shareholders totalled SEK 227.4 million (44.2).

# Condensed consolidated statement of financial position

SEK M	2021-06-30	2020-06-30	2020-12-31
Intangible assets	1,6	—	—
Investment properties	7 154,6	2 036,2	3 452,1
Property, plant and equipment	5,7	0,3	0,6
Financial non-current assets	32,5	18,3	17,1
Derivatives	1,4	—	—
Receivables	217,7	39,4	13,7
Cash and cash equivalents	80,1	482,5	182,7
<b>Total assets</b>	<b>7 493,6</b>	<b>2 576,6</b>	<b>3 666,2</b>
Equity attributable to Parent Company shareholders	2 960,5	854,5	1 071,4
Equity attributable to non-controlling interests	0,0	332,0	391,6
Derivatives	—	2,6	3,8
Deferred tax liability	173,4	45,9	115,9
Non-current interest-bearing liabilities	3 510,6	1 215,0	1 772,1
Current interest-bearing liabilities	706,6	59,6	232,5
Other liabilities	142,4	67,1	78,9
<b>Total equity and liabilities</b>	<b>7 493,6</b>	<b>2 576,6</b>	<b>3 666,2</b>

## Consolidated statement of changes in equity

SEK M	2021-06-30	2020-06-30	31 Dec 2020
<b>Opening equity, attributable to Parent Company shareholders</b>	<b>1 071,4</b>	<b>482,4</b>	<b>482,4</b>
Profit for the period	227,4	44,2	260,0
Unregistered share capital	2,5	—	—
New share issue*	1 666,8	327,8	328,1
Costs attributable to share issues	—	—	-0,5
Buy-out of non-controlling interests	-11,5	—	—
Warrants	3,9	—	1,4
<b>Closing equity, attributable to Parent Company shareholders</b>	<b>2 960,5</b>	<b>854,5</b>	<b>1 071,4</b>
Closing equity, attributable to non-controlling interests	—	332,0	391,6
<b>Total equity at the end of the period</b>	<b>2 960,5</b>	<b>1 186,5</b>	<b>1 463,0</b>

\* Net issue expenses for 30 June 2021

## Comments on the Group's financial position

The amounts and comparative figures of balance-sheet items refer to the position at the end of the period this year, and the end of the year-earlier period. All amounts are in SEK million.

### Investment properties

The Group's investment properties are recognised at fair value in accordance with IFRS 13, Level 3. At the end of the period, project development properties are also recognised at fair value, which has no equivalent at the end of the year-earlier period. A predetermined portion of the unrealised change in value between fair value upon completion and total estimated production costs is recognised in pace with the degree of completion. This is done in accordance with an escalation model adopted by the Group.

The Group's investment properties were appraised at SEK 7,154.6 million (2,036.2) at the end of the quarter, of which project development properties accounted for SEK 93.2 million and the remainder – SEK 7,061.4 million – pertained to existing investment properties. Investment properties increased by 3,292.5 during the quarter as a result of the acquisition of Kuststaden and the properties in Gävle and Skokloster. The increase compared with the preceding year is also due to possession being taken of the Trelleborg portfolio on 1 July 2020. Routine standard enhancements, agreements with Telia pertaining to open fibre networks and lowered yield requirements also contributed to the increase.

### Financial non-current assets

Financial non-current assets totalled SEK 32.5 million (18.3), of which SEK 16.1 million (16.2) comprise participations in jointly controlled companies. Moreover, there is an investment of SEK 15 million for a housing contractor. Deferred tax assets on tax loss carryforwards are also classified as financial non-current assets.

### Cash and cash equivalents

At the end of the period, cash and cash equivalents totalled SEK 80.1 million (482.5). Kuststaden contributed SEK 160.0 million in cash and cash equivalents on the date of possession, and the acquisition of properties in Gävle contributed SEK 3.7 million.

### Equity

Equity attributable to Parent Company shareholders totalled SEK 2,960.5 million (854.5). The increase was largely due to the company having conducted eight share issues since the end of the year-earlier period, six of them during the latest quarter. In conjunction with these, the company generated proceeds of SEK 1,997.4 million in the form of equity less issue expenses. Share issues in the second quarter pertained to the acquisition of Kuststaden, the acquisitions in Gävle and Skokloster, a share issue to Board members and a private placement of SEK 172 million to Länsförsäkringar Fonder. Additional shares corresponding to SEK 2.6 million in equity as a result of the share issues during the quarter had not been registered with the Swedish Companies Registration Office at the end of the quarter, which is why this is recognised on its own line in the consolidated statement of equity.

The warrant programme in Kuststaden has been replaced by warrants in the company while a new warrant programme has been implemented for the CEO of the Group. Total capital added was SEK 3.9 million.

### **Deferred tax liability**

The deferred tax liability of SEK 173.4 million (45.9) was primarily attributable to remeasurement of investment properties and derivatives.

### **Interest-bearing liabilities**

Interest-bearing liabilities totalled SEK 4,217.2 thousand (1,274.6) and pertained to financing of the Group's investment properties and new construction in progress. The Group's borrowings increased by SEK 1,957.1 million during the second quarter. Existing borrowings of SEK 1,706.0 million have been taken over by KlaraBo in conjunction with the acquisition of Kuststaden. In addition, seller financing totalling SEK 146.2 million was issued in conjunction with the acquisitions of the properties in Gävle and Skokloster. IFRS 16 was applied for the first time to a site leasehold and an office premises in Oskarshamn, which contributed to a liability of SEK 7.9 million.

Refinancing was concluded during the quarter with two of the Group's banks, which increased the long-term interest-bearing liabilities by SEK 146.3 million while seller financing of SEK 65 million was repaid. The construction credit for Höganäs was finalised in conjunction with one refinancing.

A new construction credit was recognised for new construction in Motala, and seller financing has been redeemed in conjunction with the buy-out of non-controlling interests on completion of new construction in Höganäs.

Compared with the preceding year, the increase is attributable – in addition to the above – primarily to new credits linked to the acquisition in Trelleborg in Q3 2020, the completion of Svalöv and seller financing in conjunction with the buy-out of non-controlling interests in Q1.

## **Financing**

KlaraBo is to have a limited financial risk. At 30 June 2021, KlaraBo's financing comprised borrowings in five Nordic banks, two of which were added in conjunction with taking possession of Kuststaden.

Of the total interest-bearing liabilities, SEK 33.8 million (34.0) is attributable to financing of incomplete new construction and is excluded from the table below.

The repayments that will be made in the next 12 months amounted to SEK 37.9 million (25.6) at the end of the period. Accrued borrowing expenses of SEK 4.7 million (1.4) have reduced interest-bearing liabilities in the balance sheet. The fair value of the liabilities does not differ significantly from the carrying amount.

The loan-to-value ratio for the Group amounted to 57.8% (38.9).

In conjunction with taking possession of Kuststaden, KlaraBo took over existing bank loans totalling approximately SEK 1,590 million in which the terms and conditions were renegotiated. No new bank loans were raised in connection with the acquisition in Gävle and Skokloster, but new credits with existing creditors will be raised during the third quarter of 2021.

The refinancing of two loans during the quarter brought in approximately SEK 81 million in cash and cash equivalents for the company. Refinancing existing credit on an ongoing basis is important for the company since the loan-to-value ratio declines in line with increased property value as a result of renovation, and as such it provides the opportunity to continually release new liquidity for future investments.

The Group continues to receive strong support from the banks that is in partnership with, and the assessment is that access to capital remains healthy. For additional information about KlaraBo's financial risks and finance policy, refer to the KlaraBo Annual Report.

### **Loan-to-maturity and fixed-interest period**

The Group's loan portfolio consists of both fixed rate credits and credits with a floating interest rate. To manage the interest-rate risk and insure against fluctuations in the interest-rate market, the interest-rate derivative is utilised to impact the fixed-interest period, mainly with interest-rate swaps. The total swap portfolio amounted to SEK 900 million (700) at the end of the period. Fair value for the interest-rate derivative portfolio amounted to SEK 2.3 million (-1.8).

The average loan-to-maturity period is 3.2 years (2.1) and the average fixed-rate period is 1.6 years (2.6). Including fixed interest-rate credits, the Group's hedging level is 50 per cent. The average interest rate including derivatives is 2.0 per cent (2.1).

Maturity	Fixed credit		Fixed interest		Interest-rate swaps	
	SEK M	Share, %	SEK M	Share, %	SEK M	Interest rate, %
2021	239	6	2 095	50		
2022	1 031	25	561	13	200	-0,04
2023	1 059	25	120	3		
2024	374	9	500	12	500	0,09
2025	1 199	29	899	22	200	0,18
>5 years	273	7				
<b>Total</b>	<b>4 175</b>	<b>100</b>	<b>4 175</b>	<b>100</b>	<b>900</b>	<b>0,08</b>

## Condensed consolidated cash-flow statement

SEK M	1 Jan 2021– 30 Jun 2021	1 Jan 2020 30 Jun 2020	1 Jan 2020– 31 Dec 2020
<b>Continuing operations</b>			
Operating loss	43,4	25,1	72,6
Adjustments for non-cash items	0,1	0,1	0,1
Interest paid	-22,8	-12,0	-30,9
Tax paid	-10,3	-2,8	-4,8
<b>Cash flow from continuing operations before changes in working capital</b>	<b>10,5</b>	<b>10,3</b>	<b>37,0</b>
<b>Cash flow from changes in working capital</b>			
Decrease(+)/increase(-) in operating receivables/payables	24,1	-7,3	14,0
<b>Cash flow from continuing operations</b>	<b>34,6</b>	<b>3,0</b>	<b>51,1</b>
<b>Investing activities</b>			
Acquisition of investment properties	33,7	-20,0	-975,8
Buy-out of non-controlling interests	-406,2	—	—
Investments in investment properties	-62,2	-18,2	-65,3
New construction investments	-74,3	-41,3	-115,8
Investment aid received	—	25,2	25,2
Investments in intangible assets	-1,1	-0,2	—
Acquisition of property, plant and equipment	—	—	-0,4
<b>Cash flow from investing activities</b>	<b>-510,0</b>	<b>-54,5</b>	<b>-1 132,2</b>
<b>Financing activities</b>			
New share issue, net	141,4	327,8	327,6
Proceeds from share options	3,9	—	1,2
New financial liabilities	588,8	42,6	782,0
Repayment of financial liabilities	-361,2	-6,7	-17,2
<b>Cash flow from investing activities</b>	<b>372,9</b>	<b>363,7</b>	<b>1 093,5</b>
<b>Cash flow for the period</b>	<b>-102,5</b>	<b>312,2</b>	<b>12,4</b>
Cash and cash equivalents at beginning of year	182,7	170,3	170,3
<b>Cash and cash equivalents at end of the period</b>	<b>80,1</b>	<b>482,5</b>	<b>182,7</b>

# Condensed Parent Company income statement and balance sheet

The Parent Company does not own any properties. The company maintains Group-wide functions for administration, management, financing and project development.

Sales in the Parent Company mainly pertain to invoicing of services to Group companies.

The Parent Company's assets and liabilities mainly consist of shares in, claims on and liabilities to Group companies as well as cash and cash equivalents.

## Parent company Income statement

SEK M	2021 3 months Apr–Jun	2020 3 months Apr–Jun	2021 6 months Jan–Jun	2020 6 months Jan–Jun	2020 12 months Jan–Dec
Net sales	1,7	1,7	3,7	3,6	7,4
Personnel costs	-3,6	-2,7	-7,1	-5,4	-13,2
Other external expenses	-3,1	-1,3	-5,1	-2,6	-6,0
<b>Operating loss</b>	<b>-4,9</b>	<b>-2,3</b>	<b>-8,6</b>	<b>-4,3</b>	<b>-11,8</b>
Finance income/costs*	56,6	-1,0	58,1	-4,0	-4,2
<b>Profit/loss after financial items</b>	<b>51,7</b>	<b>-3,3</b>	<b>49,6</b>	<b>-8,3</b>	<b>-16,0</b>
Group contributions paid/received	0,0	0,0	0,0	0,0	19,7
<b>Profit before tax</b>	<b>51,7</b>	<b>-3,3</b>	<b>49,6</b>	<b>-8,3</b>	<b>3,7</b>
Tax expense	-0,1	0,0	-0,2	0,0	-1,1
<b>Profit for the period</b>	<b>51,6</b>	<b>-3,3</b>	<b>49,4</b>	<b>-8,3</b>	<b>2,6</b>

\* Capital gain of SEK 57.1 m on internal sale of subsidiary

## Parent company Balance sheet

SEK M	2021-06-30	2020-06-30	2020-12-31
Property, plant and equipment	1,0	1,0	1,2
Participations in associated companies and joint ventures	2 186,9	279,2	293,9
Receivables from associated companies and joint ventures	979,2	98,3	461,1
Deferred tax assets	0,8	1,7	0,9
Other receivables	181,6	23,5	3,9
Cash and bank balances	20,0	426,4	82,0
<b>Total assets</b>	<b>3 369,5</b>	<b>830,1</b>	<b>843,0</b>
Restricted equity	5,4	2,4	2,4
Non-restricted equity	2 447,8	717,2	729,1
Derivatives	—	—	0,0
Non-current interest-bearing liabilities	361,1	100,0	100,0
Liabilities to Group companies	511,3	3,5	0,9
Other liabilities	43,9	7,0	10,6
<b>Total equity and liabilities</b>	<b>3 369,5</b>	<b>830,1</b>	<b>843,0</b>

# Segment reporting

Group Management currently identifies the two following business areas as its operating segments: Property management and Project development. In addition, all Group-wide items are reported as Other. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments. In KlaraBo, this function has been identified as the Group's CEO.

Income statement, SEK m	Property management		Project development		Other		Group	
	2021 Jan-Jun	2020 Jan-Jun	2021 Jan-Jun	2020 Jan-Jun	2021 Jan-Jun	2020 Jan-Jun	2021 Jan-Jun	2020 Jan-Jun
Revenue	117,0	69,2	0,0	0,0	0,0	0,0	117,0	69,2
Costs	-59,7	-33,8	0,0	0,0	0,0	0,0	-59,7	-33,8
<b>Net oper income</b>	<b>57,4</b>	<b>35,4</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>57,4</b>	<b>35,4</b>
Central administrative costs	-1,9	-2,4	0,0	0,0	-12,0	-7,9	-13,9	-10,3
<b>Operating loss</b>	<b>55,5</b>	<b>33,1</b>	<b>0,0</b>	<b>0,0</b>	<b>-12,0</b>	<b>-7,9</b>	<b>43,4</b>	<b>25,1</b>
Finance income/costs	-20,6	-12,5	0,0	0,0	-4,2	-2,1	-24,8	-14,6
<b>Profit from property management</b>	<b>34,8</b>	<b>20,6</b>	<b>0,0</b>	<b>0,0</b>	<b>-16,2</b>	<b>-10,0</b>	<b>18,6</b>	<b>10,5</b>
Changes in value of properties	262,1	54,2	11,5	30,9	-0,2	0,0	273,4	85,1
Changes in value of derivatives	2,8	-6,6	1,6	0,3	0,9	0,0	5,2	-6,3
<b>Profit before tax</b>	<b>299,8</b>	<b>68,3</b>	<b>13,0</b>	<b>31,1</b>	<b>-15,6</b>	<b>-10,0</b>	<b>297,2</b>	<b>89,4</b>
Tax expense	-64,6	-13,2	-2,4	-6,5	-0,2	0,0	-67,2	-19,7
<b>Profit for the period</b>	<b>235,1</b>	<b>55,1</b>	<b>10,6</b>	<b>24,6</b>	<b>-15,7</b>	<b>-10,0</b>	<b>230,0</b>	<b>69,6</b>

Balance sheet, SEK m	Property management		Project development		Other		Group	
	2021-06-30	2020-06-30	2021-06-30	2020-06-30	2021-06-30	2020-06-30	2021-06-30	2020-06-30
Investment properties	7 061,9	2 004,3	92,7	31,9	0,0	0,0	7 154,6	2 036,2
Non-current interest-bearing liabilities	2 882,8	1 049,2			627,8	165,7	3 510,6	1 215,0
Current interest-bearing liabilities	672,8	25,6	33,8	34,0	0,0	0,0	706,6	59,6
Deferred tax liability attributable to property reappraisal	176,0	46,6	0,0	0,0	0,0	0,0	176,0	46,6

Newly-constructed properties are part of the Project development segment until the quarter that they are completed. Therefore, the initial market value and associated deferred tax following completion of the properties are included in this segment. The newly-constructed properties are thereafter included in the Property management segment.



## Current earning capacity

Earning capacity on a twelve-month basis for KlaraBo's property management operations as per 30 June 2021 is presented in the table below. It is important to note that earning capacity is not a prognosis and should only be considered as a theoretical snapshot for the purposes of illustration. The current earning capacity does not include an assessment of the future trends for rents, vacancy rate, property expenses, interest, value changes, purchases or sales of properties or other factors.

Earning capacity is based on the contracted rental revenue of the property portfolio, assessed property expenses during a normal year based on historical outcomes, as well as expenses for property administration and central administration assessed on an annual basis based on the current scale of administration. Properties acquired during the period have been adjusted to encompass the full year. Expenses for interest-bearing liabilities are based on the current interest-bearing liability and the Group's average interest rate level including the effects of derivatives.

Current earning capacity is based on the properties owned on 30 June 2021 and their financing, whereupon current earning capacity illustrates the annual earnings that property management operations have at that time. Transactions and the completion of ongoing new construction with possession and completion after 30 June 2021 are therefore not included in the calculation. Furthermore, value growth in the property portfolio and value changes concerning derivatives as well as forthcoming property acquisitions and/or property sales are not taken account of in the current earnings capacity.

### Current earning capacity 12 months

SEK M	2021-07-01	2021-04-01	2021-01-01
<b>Rental revenue</b>	<b>449,5</b>	<b>231,8</b>	<b>220,5</b>
Operating expenses	-121,9	-63,3	-62,3
Maintenance costs	-37,0	-19,8	-19,7
Property tax	-8,6	-4,6	-4,6
Property management	-23,4	-13,4	-12,4
<b>Net oper income</b>	<b>258,6</b>	<b>130,8</b>	<b>121,5</b>
<b>Surplus ratio, %</b>	<b>57,5</b>	<b>56,4</b>	<b>55,1</b>
Central administrative costs	-34,7	-20,4	-18,4
Finance income/costs	-82,4	-49,5	-41,3
<b>Profit from property management</b>	<b>141,5</b>	<b>60,9</b>	<b>61,8</b>
<b>Profit from prop mgmt attributable to:</b>			
Parent Company shareholders	141,5	60,9	42,6
Non-controlling interests	0,0	0,0	19,2
Profit from prop mgmt per share, SEK	1,32	1,12	0,87
Number of shares, million	107,2	54,2	48,8

Net operating income increased compared with earnings from the preceding quarter and is attributable to the acquisitions announced at the end of June. The rental revenue from these acquisitions is in line with the contractual rents. On the other hand, the costs are assumed based on the information provided in conjunction with the transactions. In addition, rent negotiations for portions of the portfolio have been concluded, which increased the rental value. Routine standard improvements in the apartments and letting of previously vacated premises also made a positive contribution to the increase.

Central administrative costs have increased as a result of the company having grown substantially in conjunction with the acquisitions, which has meant increased overheads in the form of personnel and other costs.

Profit from property management per share in accordance with earnings capacity increased to SEK 1.32 from SEK 1.12, corresponding to an increase of 17.9 per cent, which is the result of additional transactions and value-creating measures that routinely occur in the portfolio.

## Key figures

Some of the financial metrics that KlaraBo presents in the interim report are not defined in accordance with IFRS. KlaraBo is of the opinion that these metrics provide valuable complementary information to investors and the company's management since they enable evaluation of the company's performance.

Metrics that are not defined in accordance with IFRS are presented in the table below.

Property-related	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
Rental revenue, SEK m	60,9	35,9	117,0	69,2	178,8
Profit from prop mgmt, SEK m	10,2	7,2	18,6	10,5	35,7
Profit for the period, SEK m	164,4	13,2	230,0	69,6	345,2
Surplus ratio, %	52,1	54,9	49,0	51,2	54,1
Investment properties, SEK m	7 154,6	2 036,2	7 154,6	2 036,2	3 452,1
Market value per sq. m.	16 924	14 104	16 924	14 104	16 009
Total lettable area, '000 sq. m.	417,7	140,9	417,7	140,9	208,8
No. of apartments under mgmt	5 366	2 682	5 366	2 682	2 682
No. of apartments in project devt	1 166	1 127	1 166	1 127	1 159
<b>Financial</b>					
Equity/assets ratio, %	39,5	46,0	39,5	46,0	39,9
Loan-to-value ratio, %	57,8	38,9	57,8	38,9	52,8
Interest-coverage ratio, multiple	1,9	1,8	1,9	1,8	2,0
EPRA NRV, SEK m	3 131,1	882,7	3 131,1	882,7	1 157,3
<b>Share-based</b>					
Profit from prop mgmt per share, SEK	0,18	0,07	0,35	0,08	0,47
Equity per share, SEK	27,62	17,50	27,62	17,50	21,94
EPRA NRV per share, SEK	29,21	18,08	29,21	18,08	23,70
Annual growth, profit from prop mgmt per share, %	—	—	340,0	-64,2	40,7
Annual growth, EPRA NRV per share, %	61,6	46,4	61,6	46,4	55,1
No. of shares at end of period before/after dilution, million*	107,2	48,8	107,2	48,8	48,8
Weighted average number of shares during period before/after dilution, million	57,3	33,9	53,1	33,1	41,0

\* Including share issues completed but not registered at end of accounting period

## Reconciliation table, key performance indicators

	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	Definition
<b>Market value per sq. m.</b>						
A Investment properties, SEK m	7 154,6	2 036,2	7 154,6	2 036,2	3 452,1	Investment properties excluding new construction, divided by the total lettable area of the property portfolio.
B New construction in progress, SEK m	84,6	49,6	84,6	49,6	108,7	
C Total lettable area, '000 sq. m.	417,7	140,9	417,7	140,9	208,8	
<b>(A-B)/C Market value per sq. m.</b>	<b>16 924</b>	<b>14 104</b>	<b>16 924</b>	<b>14 104</b>	<b>16 009</b>	
<b>Surplus ratio, %</b>						
A Net operating income, SEK m	31,7	19,7	57,4	35,4	96,8	Net operating income in relation to rental revenue.
B Revenue, SEK m	60,9	35,9	117,0	69,2	178,8	
<b>A/B Surplus ratio, %</b>	<b>52,1</b>	<b>54,9</b>	<b>49,0</b>	<b>51,2</b>	<b>54,1</b>	
<b>Equity/assets ratio, %</b>						
A Total equity at the end of the period, SEK m	2 960,5	854,5	2 960,5	854,5	1 071,4	Total equity in relation to total assets at the end of the period.
B Minority share equity, SEK m	0,0	332,0	0,0	332,0	391,6	
C Total equity and liabilities at the end of the period, SEK m	7 493,6	2 576,6	7 493,6	2 576,6	3 666,2	
<b>(A+B)/C Equity/assets ratio, %</b>	<b>39,5</b>	<b>46,0</b>	<b>39,5</b>	<b>46,0</b>	<b>39,9</b>	
<b>Loan-to-value ratio, %</b>						
A Non-current interest-bearing liabilities, SEK m	3 510,6	1 215,0	3 510,6	1 215,0	1 772,1	Total interest-bearing liabilities less cash and cash equivalents at the end of the period in relation to investment properties
B Current interest-bearing liabilities, SEK m	706,6	59,6	706,6	59,6	232,5	
C Cash and cash equivalents at end of the period, SEK m	80,1	482,5			182,7	
D Investment properties, SEK m	7 154,6	2 036,2	7 154,6	2 036,2	3 452,1	
<b>(A+B.C)/D Loan-to-value ratio, %</b>	<b>57,8</b>	<b>38,9</b>	<b>57,8</b>	<b>38,9</b>	<b>52,8</b>	
E Construction credit attr to new construction, SEK m	33,8	34,0	33,8	34,0	51,5	Interest-bearing liabilities related to investment properties, in relation to investment properties excluding new construction in progress.
F Seller financing, SEK m	627,2	100,0	627,2	100,0	100,0	
G New construction in progress, SEK m	84,6	49,6	84,6	49,6	108,7	
<b>(A+B-E-F)/(D-G) Loan-to-value ratio, investment properties, %</b>	<b>50,3</b>	<b>57,4</b>	<b>50,3</b>	<b>57,4</b>	<b>55,4</b>	
<b>Interest-coverage ratio, multiple</b>						
A Operating profit/loss, rolling 12 months, SEK m	90,9	48,5	90,9	48,5	72,6	Operating profit/loss on a twelve-month basis, divided by net interest income/expense.
B Interest income/expense, rolling 12 months, SEK m	-47,1	-26,7	-47,1	-26,7	-36,8	
<b>A/-B Interest-coverage ratio, multiple</b>	<b>1,9</b>	<b>1,8</b>	<b>1,9</b>	<b>1,8</b>	<b>2,0</b>	
<b>EPRA NRV, SEK m</b>						
A Equity, SEK m	2 960,5	854,5	2 960,5	854,5	1 071,4	Equity attributable to Parent Company shareholders, with add-back of deferred tax and derivatives attributable to wholly owned participations.
B Add-back of derivatives, SEK m	-1,4	2,6	-1,4	2,6	3,8	
C Adjustment of derivatives attributable to minority share, SEK m	0,0	-1,1	0,0	-1,1	-0,7	
D Add-back of deferred tax liabilities, SEK m	173,4	45,9	173,4	45,9	115,9	
E Adjustment, deferred tax liability attr to minority share, SEK m	0,0	-17,3	0,0	-17,3	-32,2	
F Add-back of deferred tax assets, SEK m	-1,4	-2,1	-1,4	-2,1	-1,1	
G Adjustment, add-back of deferred tax assets attr to minority share, SEK m	0,0	0,2	0,0	0,2	0,1	
<b>A+B+C+D+E+F+G EPRA NRV, SEK m</b>	<b>3 131,1</b>	<b>882,7</b>	<b>3 131,1</b>	<b>882,7</b>	<b>1 157,3</b>	
<b>Profit from prop mgmt per share, SEK</b>						
A Profit from prop mgmt, SEK m	10,2	7,2	18,6	10,5	35,7	Profit from property management attributable to Parent Company shareholders in relation to weighted average number of shares during the period.
B Adjustment, profit from prop mgmt attr to minority share, SEK m	0,0	4,7	0,0	7,9	16,5	
C Weighted avg no. of shares during period before/after dilution, million	57,3	33,9	53,1	33,1	41,0	
<b>(A-B)/C Profit from prop mgmt per share, SEK</b>	<b>0,18</b>	<b>0,07</b>	<b>0,35</b>	<b>0,08</b>	<b>0,47</b>	
<b>Equity per share, SEK</b>						
A Equity, SEK m	2 960,5	854,5	2 960,5	854,5	1 071,4	Equity attributable to Parent Company shareholders in relation to no. of shares outstanding at end of the period.
B Number of shares at end of the period before/after dilution, million*	107,2	48,8	107,2	48,8	48,8	
<b>A/B Equity per share, SEK</b>	<b>27,62</b>	<b>17,50</b>	<b>27,62</b>	<b>17,50</b>	<b>21,94</b>	

	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	Definition
<b>EPRA NRV per share, SEK</b>						
A Net reinstatement value (EPRA NRV), SEK m	3 131,1	882,7	3 131,1	882,7	1 157,3	
B Number of shares at end of the period before/after dilution, million*	107,2	48,8	107,2	48,8	48,8	EPRA NRV in relation to no. of shares outstanding at end of the period.
<b>A/B EPRA NRV per share, SEK</b>	<b>29,21</b>	<b>18,08</b>	<b>29,21</b>	<b>18,08</b>	<b>23,70</b>	
<b>Annual growth, profit from prop mgmt per share, %</b>						
A Profit from prop mgmt during the period per share, SEK	—	—	0,35	0,08	0,47	
B Profit from prop mgmt during the preceding period per share, SEK	—	—	0,08	0,22	0,33	Percentage change in profit from prop mgmt per share during the period
<b>A/B-1 Annual growth, profit from prop mgmt per share, %</b>	<b>—</b>	<b>—</b>	<b>340,0%</b>	<b>-64,2%</b>	<b>40,7%</b>	
<b>Annual growth, EPRA NRV per share, %</b>						
A EPRA NRV during the period per share, SEK	29,21	18,08	29,21	18,08	23,70	
B EPRA NRV during the preceding period per share, SEK	18,08	12,35	18,08	12,35	15,28	Percentage change in EPRA NRV per share during the period.
<b>A/B-1 Annual growth, EPRA NRV per share, %</b>	<b>61,6%</b>	<b>46,4%</b>	<b>61,6%</b>	<b>46,4%</b>	<b>55,1%</b>	

\* Including share issues completed but not registered at end of accounting period

# Opportunities and risks for the Group and Parent Company.

The preparation of financial statements in accordance with generally accepted accounting principles and in accordance with IFRS requires that the management makes assessments and assumptions that affect the amounts recognised in the accounts for assets, liabilities, income and expenses, as well as other information disclosed. The actual results may deviate from these assessments. Estimates and assumptions are based on historical experience and other factors, that are deemed reasonable given the prevailing conditions. The Group's operations and the financial position and earnings can be affected, both directly and indirectly, by a number of risks, uncertainties and external factors.

The Group's operations are dependent on general financial and political trends, particularly in Sweden, which can impact demand for housing and premises. All identified risks are continuously monitored, and risk-reducing measures are implemented if required to limit their impact.

A summary of the most substantial risks and opportunities for the Group is presented below. For other information, refer to KlaraBo's Annual Report.

## Financial risk

KlaraBo's most significant financial risks comprise interest-rate risk, financial risk and liquidity risk. Interest-rate risk is defined as non-controllable increase in interest expense. Interest-rate risk is expressed as a change of expenses for the interest-bearing liabilities if the interest rate changes by one percentage point. Financing risk pertains to the risk that expenses for raising new loans or other financing becomes higher and/or that refinancing of loans outstanding becomes more difficult or occurs on disadvantageous terms. Liquidity risk pertains to the risk that KlaraBo does not have sufficient access to funds for predicted and/or non-predicted expenses. KlaraBo requires access to liquidity to finance ongoing projects, manage operations and settle due payments of interest and repayment instalments KlaraBo's growth targets are dependent on healthy access to cash and cash equivalents to enable several projects to be started and pursued in parallel.

All of the risks above are regulated in the financial policy adopted by the Board of Directors. KlaraBo works operationally with these risks by, for example, interest and capital hedging the debt portfolio, maintaining a favourable and proactive dialogue with the Group's partners and continuously monitoring the Group's liquidity situation. KlaraBo's work is governed in part by internal targets for each risk category and, in part, by the Group's overall financial targets and risk limits. This is intended to limit the financial risks, and to achieve a favourable long-term trend in net financial items. Furthermore, under existing loan agreements, KlaraBo is required to monitor and report on a number of key figures on a quarterly basis. As of the end of the accounting period, all financial commitments had been met.

## Opportunities and risks in the values of the properties

KlaraBo recognised investment properties at fair value, and the property portfolio is appraised at least once each year by independent external rating agencies. Changes in value for properties are included in profit or loss. Changes in value for properties have historically had a significant impact on the earnings for the period/year and contribute to more volatile results. The value of the properties is determined by supply and demand, in which the price is mainly dependent on the property's expected operating surplus and the buyer's yield requirements. An increased demand leads to a lower yield requirement, and an upward price adjustment as a result, whereas declining demand has the opposite effect. In the same way, a positive operating surplus trend leads to an upward price adjustment, while a negative trend has the opposite effect. The rental concept is comprised partly of the actual rental level and partly of the vacancy risk of the property portfolio. Property valuation should take in to account an interval of uncertainty, which in a functioning market, typically consists of +/-5–10% to reflect the inherent uncertainty of assumptions and estimates.

### Sensitivity analysis – changes in value (SEK m)

		Effect on fair value, SEK m		Effect on fair value, SEK m
	Change		Change	
Yield requirement	-0.25 basis points	350,4	+0.25 basis points	-308,1
Rental value	-2.50%	-202,9	+ 2.50%	202,9
Operating and maintenance costs	-2.50%	85,6	+ 2.50%	-85,6
Long-term vacancy rate	-0.25 basis points	18,1	+0.25 basis points	-18,1

### Ongoing projects

Information on ongoing projects in the interim report is based on assessments concerning the size, direction and scope of ongoing projects as well as when the projects are expected to commence and be completed. Information is also based on assessments of future project costs and rental value. Assessments and assumptions should not be interpreted as a prognosis. Assessments and assumptions involve uncertainties concerning the projects' completion, design and size, schedule as well as project expenses and future rental value. Information concerning ongoing projects in the interim report is regularly re-evaluated, and assessments and assumptions are adjusted in line with the completion or addition of ongoing projects and when conditions change. Financing has not been procured for projects where construction has not begun, which means that financing of ongoing projects is an uncertainty.

### Financing

KlaraBo has not noted any significant negative effects in the credit market in terms of bank financing, which is KlaraBo's primary source of financing. KlaraBo has a stable financial position, where cash and cash equivalents amounted to SEK 80.1 million as of 30 June 2021.

### Operational risk

KlaraBo is in the midst of a phase of expansion and has identified a number of growth-oriented targets. Risks and opportunities connected to reaching the growth targets involve continued access to new projects, key personnel and the risk management of projects (concerning time, costs and quality).

### Effects of COVID-19

KlaraBo has not observed any significant negative consequences for operations up to the date of publication of this interim report that can be associated with the outbreak of COVID-19 or the resulting negative consequences for society and the economy. It is currently uncertain how the pandemic will impact KlaraBo moving forward, but KlaraBo is continually following developments to be able to quickly and efficiently handle any risks and situations that may present themselves.

## Other disclosures

### Sustainability

KlaraBo has set the bar high for its sustainability goals, and is working systematically to unite environmental, economic and social sustainability. This work has generated benefits for both society and customers and will continue to be applied in our residential properties and new construction.

KlaraBo acquires, builds and manages sustainable rental housing, and the Group safeguards healthy indoor environments and safe materials that minimise environmental impact throughout the service life of the entire property. In both the development phase of a project and in administrative operations, KlaraBo selects concepts and solutions that make positive contributions to its sustainability goals. As a long-term property owner, KlaraBo's ambition is to manage and improve its properties with minimal

environmental impact for maximum customer benefit. Integrating environmental, economic and social sustainability is a natural part of the Group's operations.

#### Environmental goals

- Reduce energy consumption.
- Use renewable energy sources. KlaraBo works to reduce dependence on fossil fuels by taking such measures as:
  - always selecting electricity from renewable energy sources when procuring new electricity agreements;
  - always selecting biogas instead of natural gas when procuring gas; and
  - discussing with the supplier how to achieve the best possible fossil-free solution when procuring district heating.

KlaraBo offers climate-smart housing units designed to be constructed from wood to the greatest possible extent, in order to offer climate-smart housing and, moreover, to achieve rational production. Wood is a renewable construction material that captures carbon throughout its life cycle. Moreover, manufacturing wooden buildings requires less energy than manufacturing from concrete or steel, and the choice of wood thereby promotes less carbon emissions. KlaraBo uses FSC-labelled wood in new construction, which means that the material is derived from responsible forestry that takes account of people and the environment.

The Group's business concept is based on a limited number of construction alternatives – KlaraBo buildings – that are adapted to their respective locations. The foundation is a systematic approach that yields an optimal use of resources, thereby ensuring both high quality and a good work environment. The construction volumes are prefabricated in indoor environments by partners before being transported to construction sites in Sweden for assembly. The materials selection for façades and roofs is adapted to the respective projects. This type of construction leads to energy savings, since the construction process with industrial construction technology is energy-efficient with fewer transports, shorter construction times than construction using concrete and quicker assembly, resulting in lower costs.

Moreover, the buildings are energy-efficient. KlaraBo's new construction follows the norms of the Swedish National Board of Housing, Building and Planning for energy consumption and features well-insulated walls, windows with high insulation capacity, low-flow taps and low-energy appliances. The energy consumption for KlaraBo's buildings comprises approximately half of the requirement indicated in the Board's construction regulations (BRR in Swedish). This is achieved not only by using energy-smart materials choices and local energy supply in the form of solar cells, but also using production methods that allow properly insulated constructions with modules that provide us with double inner walls and insulated double floor slabs. This results in a solidly insulated construction with a low overall primary energy figure. High-quality and energy-efficient construction increases the service life of the property and provides KlaraBo with the possibility of planning proper long-term maintenance that in turn leads to sustainable living environments.

KlaraBo buildings are constructed with the ambition of meeting the corresponding requirements set in the Nordic Swan ecolabel certification system.

#### Social and economic goals

- Increase involvement in our districts by, for example, offering summer work to the long-term unemployed and to young people as an entrance into the job market.
- Construction of more new sustainable and environmentally certified, qualitative, functional, cost- and space-efficient housing units.
- Renovate for long-term sustainable management, in which the scope of renovation measures is adapted to satisfy the technical conditions of the construction as well as tenant demand.

By providing the districts where KlaraBo operates with well-planned green spaces, market squares and contact spaces, the Group creates increased security and promotes its tenants' quality of life. As a long-term property owner, KlaraBo's position is that over the long term, the shared functions of the residential districts should be planned and developed in accordance with its tenants' wishes.

#### Market outlook

KlaraBo's offering meets the market's demand for good housing at the right price. The Group's own concept, KlaraBohus, creates the conditions for cost control and financial efficiency across the entire chain, from development right to management, during the lifespan of the property.

The Group assesses that demand remains healthy in the areas in which KlaraBo is active, and that a structural lack of housing is present in many areas in Sweden. The COVID-19 pandemic is yet to have any significant impact on the Group's operations, earnings or financial position. KlaraBo has the advantage of operating in a sector that has been less exposed to date, with tenants who, despite the circumstances, have healthy payment capacity.

#### **Organisation and employees**

The Parent Company in the Group is KlaraBo Sverige AB. The number of employees at 30 June totalled 56 (10), consisting of 15 women (3) and 41 men (7).

#### **Accounting policies**

KlaraBo's consolidated accounts are prepared in accordance with the EU adopted International Financial Reporting Standards (IFRS) and interpretations therein (IFRS IC). This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. In addition, suitable provisions of the Swedish Annual Accounts Act have been applied. The Parent Company has prepared its financial reports in conformity with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 requires that the Parent Company applies the same accounting principles as the Group, which is to say IFRS to the scope that RFR 2 permits.

The Parent Company possesses derivatives (interest-rate swaps) that are intended to hedge interest expenses attributable to subsidiary liabilities. These do not meet hedge accounting requirements. Taking into account the positive value of these derivatives, they are reported as assets in the balance sheet.

For complete accounting policies, refer to KlaraBo's 2020 Annual Report. Accounting policies are unchanged compared with the 2020 Annual Report.

#### **Transactions with related parties**

The Group's related-party circle consists of all Board members, the CEO and members of senior management as well as their related parties and companies.

No transactions with related parties have taken place without being in line with market conditions. Aside from remuneration to senior executives, no transactions with related parties took place during the period.



# Construction in progress and project development

Region	Project	Municipality	No. of apartments	Area, 000 sq. m.		Est. start	Est. occupancy	Rental value		Status	Owner share, %
				GFA	RFA			SEK m	SEK/sq. m.		
<b>Construction in progress</b>											
South	Hällefundran 8, cellar	Malmö	5	0,2	0,2	2021	2021	0,3	1 950	1	100
South	Räven 1	Höör	41	3,3	2,8	2020	2022	4,2	1 503	1	100
Central	Munken 4	Motala	46	4,1	3,3	2020	2022	4,8	1 450	1	100
South	Bildsnidaren 2	Trelleborg	23	1,6	1,4	2021	2022	2,3	1 700	1	100
<b>Project devt in progress</b>											
South	Navaren 8 & 10, loft	Helsingborg	16	0,7	0,6	2021	2021	1,3	2 000	1	100
Central	Kvamsveden 3:197	Borlänge	58	5,8	5,1	2021	2022	8,0	1 550	1	60
North	Härsta 9:3	Sundsvall	68	5,0	4,4	2021	2022	6,8	1 550	2	60
South	Aspeholm 13	Lund	20	1,4	1,2	2021	2022	1,9	1 550	3	100
South	Hällefundran 8, loft	Malmö	17	0,7	0,6	2022	2022	1,1	1 950	3	100
South	Gullbernhult 12	Karlskrona	46	3,0	2,6	2021	2022	3,8	1 450	2	60
South	Rödjan 7	Kävlinge	268	20,0	17,4	2022	2023	27,0	1 550	3	60
Central	Falun 9:22	Falun	134	10,0	8,7	2022	2023	12,6	1 450	3	60
South	Hässleholm 87:22	Hässleholm	61	4,5	3,8	2022	2023	5,6	1 450	3	100
Central	Letten 1	Karlstad	134	10,0	8,7	2022	2023	13,5	1 550	3	60
South	Lasarettet 8	Karlshamn	67	5,0	4,4	2022	2023	6,3	1 450	3	60
Central	Tellus 1	Motala	67	5,0	4,4	2022	2023	6,3	1 450	2	60
Central	Sättra	Västerås	65	4,5	3,8	2023	2024	7,1	1 850	3	100
South	Navaren 8 & 10, densification	Helsingborg	30	2,5	2,0	2023	2024	4,0	2 000	3	100
<b>Total</b>			<b>1 166</b>	<b>87,3</b>	<b>75,3</b>			<b>116,7</b>	<b>1 550</b>		

## Status:

- 1) Projects where construction started or permit obtained
- 2) Detailed devt plan in force, and where construction permit planning in progress
- 3) Projects where permit not granted but municipal decision on land transfer taken or acquisition agreement signed



Sundsvall

# The share and shareholders

The Parent Company of the Group, KlaraBo Sverige AB, Corp. Reg. No. 559029-2727 has two classes of shares: Class A and Class B ordinary shares. Each Class A share carries ten votes and each Class B share carries one vote. The total number of shares including new issues that have yet to be registered is 107,185,026, of which 16,815,000 are Class A and 90,370,026 are Class B. The quotient value for all shares is SEK 0.05 per share.

## Largest shareholders as of 30 June 2021

	Class A shares	Class B shares	Total	Capital	Voting rights
Anders Pettersson via company	4 195 000	2 786 364	6 981 364	6,5%	17,3%
Muhlrad Family, privately and via company	2 070 000	7 110 680	9 180 680	8,6%	10,8%
Mats Johansson	2 699 400	0	2 699 400	2,5%	10,4%
Andreas Morfiadakis	1 921 600	250 000	2 171 600	2,0%	7,5%
Lennart Sten, privately and via company	1 545 000	3 297 864	4 842 864	4,5%	7,3%
Spiltan Investment	0	12 806 647	12 806 647	11,9%	5,0%
Pensionskassan SHB Försäkringsförening	0	9 360 610	9 360 610	8,7%	3,6%
SBB via company	0	8 708 499	8 708 499	8,1%	3,4%
Wealins S.A	0	7 107 965	7 107 965	6,6%	2,7%
Futur Pensionsförsäkring	584 484	1 165 516	1 750 000	1,6%	2,7%
Rutger Arnhult via company	0	6 233 333	6 233 333	5,8%	2,4%
Länsförsäkringar Fonder	0	6 000 000	6 000 000	5,6%	2,3%
Eber Holding AB	526 316	473 684	1 000 000	0,9%	2,2%
Mikael Hägg	515 000	550 000	1 065 000	1,0%	2,2%
Others	2 758 200	24 518 864	27 277 064	25,4%	20,2%
	<b>16 815 000</b>	<b>90 370 026</b>	<b>107 185 026</b>	<b>100%</b>	<b>100%</b>

## Warrants

KlaraBo has three current warrant programmes issued to the company's employees. The first programme encompasses a maximum of 1,666,335 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 March to 31 March 2024, at a subscription price of SEK 30 per share. At the end of the period, 1,392,111 warrants had been subscribed. The second programme encompasses a maximum of 500,000 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 June to 31 August 2024, at a subscription price of SEK 39 per share. At the end of the period, 500,000 warrants had been subscribed. The third programme encompasses a maximum of 1,429,440 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 August to 31 October 2024, at a subscription price of SEK 39 per share. At the end of the period, 1,429,440 warrants had been subscribed. In total, the incentive programmes encompass a maximum of 3,595,775 warrants that can be utilised to subscribe for a maximum of 3,595,775 Class B shares, corresponding to a dilution effect of at most 3.65 per cent based on the number of shares in the company.

Malmö, 13 July 2021

Lennart Sten,  
Chairman of the Board

Per Håkan Börjesson,  
Board member

Lulu Gylleneiden,  
Board member

Mats Johansson,  
Board member

Sophia Mattsson Linnala,  
Board member

Anders Pettersson,  
Board member

Håkan Sandberg,  
Board member

Joacim Sjöberg,  
Board member

Andreas Morfiadakis,  
CEO



## Calendar

**Interim Report Q3, January–September 2021**  
**Year-end report 2021**

27 October 2021  
16 February 2022



## Contact information

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KLARABO