

ANNUAL AND SUSTAINABILITY REPORT 2023

Value-creating management with a focus on sustainable development

KLARABO



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KlaraBo in brief

KlaraBo Sverige AB is a listed property company with a long-term management perspective specialising in residential properties. Operations focus on management, improvements and renovations of the portfolio. Additionally, under the right market conditions, older portfolios are acquired and new rental apartments are produced. KlaraBo's head office is in Malmö, Sweden, but it operates nationwide.



OPERATIONS

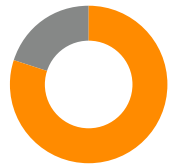
Investment properties
Portfolio with renovation potential



■ 40% ■ 60%

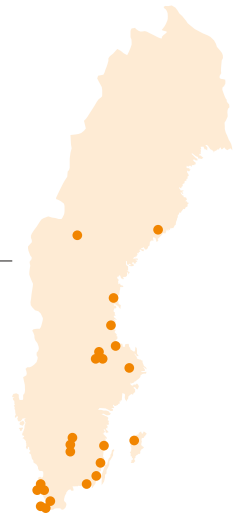
PROPERTY PORTFOLIO

Investment properties
Project portfolio



■ 80% ■ 20%

The property portfolio consists of investment properties and a project portfolio comprising land and development rights for new construction of housing units. The properties are located from Trelleborg in the south and Visby in the east to Umeå in the north and are divided into four administrative regions: South, East, Central and North.



499,500

Total lettable area, sq. m.

-2.91

Earnings per share, SEK

32.0

Long-term net realizable value per share, SEK

52.2

Loan-to-value ratio, %

9,007

Total market value, properties, SEK m

42.6

Equity/assets ratio, %

6,604

Number of rental apartments

79.9

Interest-rate hedging ratio, %

3.7

Fixed-rate term, years

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The year at a glance

Q1

KlaraBo extended its lease with Systembolaget in Västervik. The lease was extended by five years and pertains to retail premises in Tullporten shopping centre in central Västervik. The rental value amounts to approximately SEK 1.8 million annually. The parties also signed a partnership agreement to reduce climate impact.

Q2

KlaraBo installed district heating and open fibre for 140 households in Skönvik just north of Sundsvall. The project will result in a savings of nearly SEK 0.5 million and just over 100,000 kg of carbon dioxide equivalents (kg CO₂e) per year. Open fibre was also installed in conjunction with the district heating installation.

KlaraBo announced that it intended to extend its existing loan of slightly more than SEK 500 million to autumn 2027. The loan represented just over 10 per cent of KlaraBo's total outstanding loan debt and the credit margin became lower than KlaraBo's average credit margin at the time. The measure means that the loan maturity was extended to 2.6 years.

KlaraBo signed a five-year lease with Renässans Akademin in Trelleborg encompassing 500 square metres of preschool operations. The total annual rental value is SEK 0.8 million.

Q3

KlaraBo signed a five-year lease with the City of Malmö encompassing 1,600 square metres in Central Malmö. The City of Malmö is leasing the entire property for its services within its functional support administration. The start date of the lease is 1 October 2023.

KlaraBo signed a two-year lease for 400 square metres of office space in the building commonly known as Palladium in Borlänge. The agreement took effect on 1 November 2023 and the annual rental value amounts to SEK 0.5 million.

Q4

KlaraBo extended an existing loan of SEK 365 million to autumn 2026. The loan's credit margin was below KlaraBo's average credit margin at the time, and the company also extended its loan maturity to 2.4 years. As a result, KlaraBo has no additional loans with maturities in 2023 or 2024.

A climate roadmap was developed to describe how KlaraBo is to reach its target for climate neutrality throughout the entire value chain by no later than 2045 and a sub-target to only use renewable energy for electricity, heating and vehicles by 2030.

A total of 220 apartments in the portfolio were renovated during the year. The increase in rental value totalled 12.6 per cent, compared with the general increase of approximately 3.4 per cent for 2023.

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“Changing market climate and increased earnings capacity”

Our performance in the operating year confirms the strength of KlaraBo’s business model, which focuses on long-term ownership, property management and improvements to rental properties. This is accomplished through annual rent increases above the general level, creating favourable conditions for a gradual increase in the value of our property portfolio and good growth in cash flow per share over time. Another factor contributing to our stability, not least in 2023, is the high proportion of hedged financing and the fact that our financing is carried out exclusively through bank loans.

Proven business model focused on upgrading older property portfolios

KlaraBo’s objective is to achieve rental growth that exceeds the general annual rent increase through active management and material investments. To reach this objective, a core part of KlaraBo’s strategy is to acquire and develop existing residential properties in growth regions nationwide. Upgrades and standard-enhancing measures continued according to plan during the year and 220 apartments were renovated, or an average of 55 per quarter. As rental revenue increased in these apartments, operating and maintenance costs decreased thanks to more energy-efficient, sustainable solutions. Along with the general rent increase, the measures to raise standards contributed to an increase of 12.6 percentage points in the rental value of our residential properties in 2023, compared with a general increase of 3.4 per cent.

Value-creating property management offsets higher yield requirement

The value-creating measures illustrate the potential of the business model. Upgrades, which only take place when there are voluntary vacancies, soften any potential decline in the value of the portfolio, despite rising yield requirements. During the year, the external yield requirement on our properties was raised by an average of 67 basis points. According to our sensitivity analysis, this would have been equivalent to a loss in value of approximately SEK 1,190 million, all other things being

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equal, but thanks to our ongoing improvements, the decline in value stopped at approximately SEK 750 million. Our strategy is to continue developing the portfolio through improvements and densification. With an average rent at the low rate of SEK 1,127 per square metre for the unimproved part of the portfolio, which is significantly below the general market level, there is thus significant room for continued value creation in the future.

Rent negotiations for 2024

Rent negotiations for 2024 began in the fourth quarter. As of 1 January 2024, rent increases averaging 5.0–5.5 per cent had been negotiated or issued directly for almost 90 per cent of our portfolio, corresponding to approximately 5,800 apartments. Most operating and maintenance costs have increased significantly in recent years as a result of high inflation. This also applies, of course, to fees for district heating, electricity and water. As a commercial company, we must ensure that we have the right prerequisites to manage our properties in a responsible way and that we are compensated for the increased costs in society by passing some of them on to tenants through annual rent negotiations. For us, it is also important that the new rents apply from the beginning of the year, when the cost increases take effect.

A stable financial foundation

During the year, KlaraBo extended an existing loan of SEK 365 million to autumn 2026. The loan's credit margin is below our average credit margin, and the loan maturity has been extended. We now have no additional loans that mature before 2025. All of KlaraBo's loans have been raised with five Nordic banks, which is advantageous. At year-end, our interest-rate hedging ratio was 79.9 per cent. The loan-to-value ratio at year-end was 52.2 per cent and, as noted previously, consists entirely of bank loans.

Continued focus on sustainable development

In 2022, we developed a new sustainability strategy based in our most important sustainability areas: Climate and Energy, Circular Society, Secure and Pleasant Neighbourhoods, Employees, and Sustainable Business. We also added a target to be climate neutral throughout the entire value chain by 2045. During the past year, we worked to realise our strategy and implement new procedures. For example, we developed a climate roadmap and climate risk inventory for our entire property portfolio. We also worked on improving the sense of safety and community in our residential neighbourhoods through various dialogues and partnerships.

Due to the prevailing market conditions during the year, with high interest rates and a turbulent property and construction industry, we had fewer new construction starts. Instead we focused even more on reducing carbon emissions in the existing portfolio by reviewing opportunities to sign more environmentally friendly district heating agreements and to implement energy efficiency measures and material reuse. KlaraBo will be affected by several of the EU directives related to sustainability entering force in the coming years. We took many important steps during the year in preparation for these directives, but this will remain a focus area during 2024.

KlaraBo's first employee survey completed

In 2023, KlaraBo carried out its first employee survey and received valuable feedback about how KlaraBo is perceived as an employer and the overall health of the organisation. The results of the survey will serve as the basis for the activities and initiatives we will carry out in the coming year. Ensuring the well-being, health and dedication of our 66 employees is essential for our continued development and success as a company. The goal is to create the conditions for employees to thrive and develop in their roles and at the company, to develop our

leadership and to make KlaraBo a more attractive employer. I'd also like to take the opportunity to thank all of our employees for their drive, enthusiasm and performance in 2023. I look forward to taking additional steps to create an atmosphere where we and our tenants can flourish.

KlaraBo aims to be a growth company

Most analysts expect a more favourable market climate for the property industry, particularly for housing, in 2024 compared to last year. This gives us the potential to grow our property management portfolio through acquisitions and to expand through new construction. While KlaraBo aims to be a growth company, the foundation of our value creation is – and will remain – our business model, which continuously leads to higher values for our property portfolio and growth in cash flow per share over time.

Overall, the need for housing in Sweden remains high, particularly in terms of rental units, and demand for our rental apartments remains favourable. During the year, our portfolio was more or less fully let, with a stable occupancy rate of 97.8 per cent. Overall, we look forward to the future with confidence.

Andreas Morfiadakis,
CEO of KlaraBo

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Business concept and model for value creation

Business concept

KlaraBo will manage, develop and acquire attractive housing in Swedish growth regions.

Assets and resources

Human capital

- 66 employees with expertise and experience.

Structure capital

- Work methods and project references.
- An increasingly stronger brand and employer brand.
- Own property management.

Social and relationship capital

- Long-term and sound relationships with tenants, shareholders, suppliers and municipalities.

Manufactured capital and other resources

- Approximately 200 properties and land assets.

Financial capital

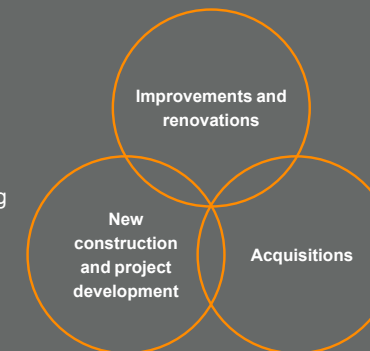
- SEK 8,815.1 million in equity and loans.
- Strong cash flow and stable balance sheet.

Business model

KlaraBo's business model is based on long-term property management through renovation, acquisitions and new construction.

KlaraBo's business model

- **Established renovation strategy** of upgrading apartments after they are vacated, which leads to gradually increasing cash flow and net operating income as well as reducing recurring maintenance costs.
- **Value-creating measures in properties** through different customer offerings, leading to an increased standard in the property and contributing to higher cash flow and net operating income.
- **Own management** permits a continual focus on optimisation and control of operating and maintenance costs.
- **Property management close to the customer** enables better adaptation of the offering by meeting customer needs and demands at every opportunity.



Below is an illustration of KlaraBo's operations and value creation: which resources the company uses, how they are enhanced in the operations and which values they create for various stakeholders.

Create value

For the owners

Sustainable business and long-term profitability, growth and returns to the owners.

For the employees

Focus on decent working conditions, health, diversity and inclusion. Development potential.

For the customers

Environmentally certified, self-developed housing units. Secure and pleasant neighbourhoods

For society

Satisfy local housing needs. Work to reduce our greenhouse gas (GHG) emissions in accordance with the Paris Agreement.

Goals and outcome

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. Value creation is measured as growth in net realizable value and profit from property management per share.

Overall goal		Goal	Outcome 2023	Comments
Managed area, RFA	KlaraBo has the goal of owning and managing at least 500,000 square metres of residential floor space by the end of 2025.	>500,000 sq. m.	437,258 sq. m.	Managed area increased by 4,178 square metres during the year as a result of completed new construction projects.
Development rights	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.	>200 housing units	0	Continuing challenges in the market mean that this goal was not met.
Rental value	The rental trend for our existing housing units that can be renovated is to significantly exceed the general annual rent increase through active management and investments.	>General rent increase	3.4 percentage points	With a total of 220 fully renovated apartments in 2023, this goal was met.
Long-term net realizable value	KlaraBo is to achieve an average annual growth in long-term net realizable value per share of at least 15 per cent including any value transfers over the course of a business cycle.	>15%	-2%	Average annual growth since 2019 amounts to 24 per cent.
Profit from property management	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.	>12%	3%	Average annual growth since 2019 amounts to 32 per cent.
Dividends	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.	>50% of taxed profit from property management	–	KlaraBo is continuing to prioritise reinvestment and growth above dividends in accordance with the dividend policy.
Sustainability	Only renewable energy will be used for electricity, heating and vehicles in our operation by 2030. We are to be climate-neutral in our entire value chain by 2045. For other sustainability goals, refer to pages 15, 18, 20, 22 and 24.	2030 – Only renewable energy 2045 – Climate neutral	Emissions intensity 2023: 0.031 tons CO ₂ e/sq. m.	In 2023, measures to reduce KlaraBo's carbon emissions in its own operations were prioritised.

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The share

KlaraBo has two classes of shares, Class A and Class B shares, with each Class A share entitling the holder to ten votes and each Class B share entitling the holder to one vote. On 31 December 2023, the number of Class A shares was 16,300,000 and the number of Class B shares was 115,527,883. The share capital amounted to SEK 6,591,394 and the quotient value per share was therefore SEK 0.05. KlaraBo's Class B share has been listed on Nasdaq Stockholm since 2 December 2021.

Shareholders and ownership structure

The 15 largest shareholders controlled 71 per cent (70) of the capital and 82 per cent (81) of the votes as of 31 December 2023. Swedish companies, funds and private individuals owned 78.11 per cent (78.60) of the share capital while foreign shareholdings amounted to 21.89 per cent (21.40) of the capital. The number of shareholders totalled 5,829 (6,672).

Turnover and trading

In total, 21.0 million (25.9) shares were traded in 2023 at a combined value of SEK 304.8 million (624.3). The largest trading venue was OMX Stockholm, with 89.21 per cent of the year's transactions. The second largest was the Chicago Board Options Exchange (CBOE), which accounted for 6.9 per cent of trading.

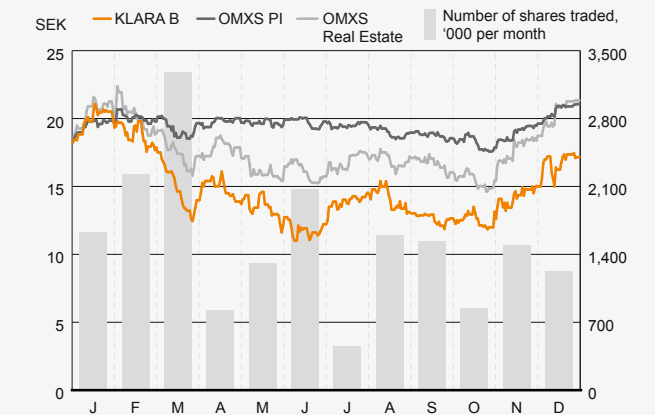
Share performance

KlaraBo's share price declined by 5.92 per cent during the year, from SEK 18.24 to SEK 17.16. The highest closing price for the year was SEK 21.06 on 17 January and the lowest closing price was SEK 11.02 on 9 June 2023. During the year, OMX Stockholm PI increased 15.48 per cent and OMX Stockholm Real Estate PI increased 16.95 per cent. KlaraBo's market capitalisation was SEK 2.3 billion (2.4) as of 31 December 2023.

Dividend policy

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

Share performance 2023



15 largest owners

	Capital	Voting rights
Investment AB Spiltan	11.70%	11.80%
Rutger Arnhult	8.40%	4.00%
Wealins S.A.	7.30%	3.50%
Pensionskassan SHB Försäkringsförening	7.10%	3.40%
Ralph Mühlrad	6.40%	7.20%
Anders Pettersson and family	5.90%	15.60%
ODIN Fonder	4.30%	2.00%
Samhällsbyggnadsbolaget i Norden AB	4.30%	2.00%
Länsförsäkringar Fonder	4.10%	2.00%
Lennart Sten	3.90%	8.30%
Mats Johansson	2.00%	9.70%
Andreas Morfiadakis	1.90%	8.50%
Richard Mühlrad	1.40%	3.20%
Carnegie Fonder	1.20%	0.60%
Avanza Pension	1.20%	0.60%
Other	29.00%	18.00%

Source: Holdings

Source: Holdings

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Our sustainability agenda in brief

Sustainability governance

KlaraBo's Board of Directors bears the ultimate responsibility for the company's sustainability strategy, and decides on focus areas and sustainability goals, for example. There is no dedicated Board committee for sustainability matters. Ongoing sustainability projects are reported regularly to the Board and prioritised sustainability matters are followed up in conjunction with Board meetings. The company's progress with respect to its sustainability agenda is presented in interim reports. More comprehensive reporting, including a climate report and other key sustainability performance indicators, is presented in KlaraBo's Annual and Sustainability Report. The Board is responsible for, and approves, interim reports and the Annual and Sustainability Report. Complaints and deviations related to KlaraBo's sustainability work and Code of Conduct are reported to the Board should they arise. There were no deviations or confirmed violations of the Code of Conduct reported during the year.

Board members have an individual responsibility for ensuring they have relevant sustainability expertise. The work of the Board is evaluated annually and provides a basis for the work of the Nomination Committee. Sustainability has not yet been part of the evaluation, but will be considered in the Nomination Committee's work going forward.

The strategic responsibility for KlaraBo's sustainability agenda, which includes governance and follow-up, lies with the management group, together with the Sustainability Manager and HR Manager. Sustainability measures are prioritised according to expected impact and reasonable cost. Our property management organisation is responsible for implementation and follow-up.

About the Sustainability Report

Since 2022, KlaraBo has reported its sustainability work annually, in conjunction with the Annual Report. The Sustainability Report covers all of KlaraBo Sverige AB for the 1 January to 31 December 2023 period. The report is reviewed by the Board of KlaraBo. Aside from the auditor's report on the statutory sustainability report, no external review is made of the content.

The contact person for the Sustainability Report is Kristin Lundmark, kristin.lundmark@klarabo.se

Restatements of information

This year, we have expanded the report and, in addition to Chapter 6, Section 11 of the Swedish Annual Accounts Act, have also presented our sustainability agenda with reference to the GRI Standards 2021 and the EU Taxonomy. We are also expanding the scope of reported Scope 3 GHG emissions to include more categories according to the GHG protocol.



Steering documents for KlaraBo's sustainability work

- Swedish Companies Act
- Swedish Annual Accounts Act
- Swedish Environmental Code
- Swedish Work Environment Act
- The Swedish National Board of Housing, Building and Planning's construction regulations
- UN Sustainable Development Goals (SDGs)
- The Paris Agreement
- KlaraBo's Code of Conduct for Employees
- KlaraBo's Code of Conduct for Suppliers (according to the UN Global Compact guidelines)
- Nordic Swan Ecolabel
- Miljöbyggnad

Partnerships for KlaraBo's sustainability work

- LFM 30
- The Swedish Property Federation
- The Swedish Union of Tenants

The UN SDGs are the basis for KlaraBo's sustainability work. We identified seven goals as areas where KlaraBo can have the greatest influence.

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KlaraBo's role in the value chain

KlaraBo's value chain reaches all the way from raw material suppliers to tenants. We affect, and are affected by, various sustainability matters upstream and downstream in the value chain.

In our new construction and renovation projects, we depend on contractors, material suppliers and, ultimately, even material manufacturers and raw material producers. Constructing a building requires large quantities of various construction material and there is low upstream traceability in the value chain. We have requirements for our suppliers in the areas of human rights, labour, the environment and anti-corruption. Read more about this on page 24. Downstream in the value chain, we have the tenants of our 6,604 apartments. As a housing company, we have a significant influence on our tenants' living environment, comfort and well-being. This also gives us the opportunity to create the preconditions for sustainable choices in daily life. On page 20, you can read more about how we work with secure and pleasant neighbourhoods.

Business model

KlaraBo's business model is based on long-term property management through acquisitions, new construction and renovation. Newly constructed housing units are environmentally certified and are built according to a standardised process, resulting in reasonable rents for residents.

Acquiring housing units for long-term ownership and management is an important part of KlaraBo's business. Since a large part of a building's total climate impact occurs during the construction phase, it is always advantageous to renovate and use already existing buildings. KlaraBo gradually renovates apartments only when they are vacated or when requested by a tenant. These renovations entail raising the standard, adapting for accessibility and taking care of materials and any hazardous substances. KlaraBo's business model is described in more detail on page 7.



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Stakeholder dialogue

Investigating our stakeholders' expectations and requirements for KlaraBo is an important part of our sustainability work. Through ongoing stakeholder dialogues, we gain a deeper understanding of the issues that create value for our stakeholders and the issues that affect the most vulnerable groups.

Our most important stakeholder groups are our tenants, employees, Board of Directors, owners and lenders as well as the Swedish Union of Tenants. KlaraBo carries out continuous dialogues with stakeholders through meetings, surveys and interviews. In 2022, an in-depth stakeholder dialogue was carried out where stakeholders had the opportunity to rate the importance of various sustainability issues to KlaraBo via an online survey. Workshops were carried out with the Board of Directors and management, during which the participants were able to discuss which sustainability issues they considered to have the greatest strategic importance to KlaraBo from a risk and opportunity perspective. In-depth interviews were conducted with representatives of the Group's owners and the Swedish Union of Tenants. In 2024, supplementary interviews will be carried out with additional representatives in the value chain.

Sustainability issues that stakeholders rated

Climate and energy; climate-adapted properties; water use; circular society; safe material selection; biodiversity; transports; diversity and inclusion; social responsibility; secure and pleasant neighbourhoods; decent working conditions; education and information on sustainability; business ethics; sustainable business model; and long-term value creation.

Stakeholders	Material sustainability issues	Dialogue form
Tenants	Decent working conditions Secure and pleasant neighbourhoods Business ethics Safe materials	Survey
Employees	Decent working conditions Secure and pleasant neighbourhoods Business ethics	Survey, workshop with management
Board of Directors	Secure and pleasant neighbourhoods Climate and energy Diversity and inclusion Business ethics	Survey, workshop
Owners and lenders	Business ethics Secure and pleasant neighbourhoods Climate and energy Diversity and inclusion	Survey, in-depth interview
The Swedish Union of Tenants	Climate and energy Secure and pleasant neighbourhoods Sustainable business model	Survey, in-depth interview

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Our most important sustainability issues

Using how KlaraBo affects society, the environment and the climate as a starting point, five sustainability issues were selected as the most material for KlaraBo to address. The stakeholders were also involved in the prioritisation of these issues. Goals have been formulated for each sustainability issue.

To identify our most important sustainability issues, we used the Global Reporting Initiative (GRI) process for materiality assessments. The process consists of several steps, the first of which is understanding the organisation's current position when it comes to sustainability. Sustainability issues related to KlaraBo's operations were compiled based on stakeholder dialogues and the Sustainability Accounting Standards Board (SASB) framework. In the next step, the actual and potential impact of the issues on people, the environment, the economy and society were assessed. After that, an evaluation is carried out based on how serious and how likely KlaraBo's impact is on these issues. Five sustainability issues were identified as particularly important for KlaraBo to address. These areas are climate and energy, circular society, secure and pleasant neighbourhoods, employees, and sustainable business. Stakeholders were also involved in the ranking process. The issues were validated by select stakeholders and the Board. Goals were established in 2022 and based on these, strategies and action plans were developed in 2023. A double materiality assessment will be carried out in 2024 in preparation for the upcoming Corporate Sustainability Reporting Directive (CSRD).



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A KlaraBo in transition

KlaraBo's long-term goal is to be climate-neutral throughout the entire value chain by 2045, which is in line with the UN SDGs and the Paris Agreement. During the year, we developed a roadmap that describes our transition.

Risk

The energy market is global and is affected by factors around the world. Rising and unpredictable energy prices are expected in the years to come, which poses a financial risk to KlaraBo. According to the IPCC, a 1.5°C increase in global temperatures is unavoidable. Climate change increases the risk of events such as flooding, torrential rains, heat waves and fires, which can put significant strain on KlaraBo's properties.

A climate roadmap to reach our goals

In order to follow up and work towards our climate and energy goals, we devoted a great deal of focus to developing a climate roadmap during the year. The roadmap, which is based on the GHG protocol's categories for GHG emissions, provides an overview of our goals and targets in each area. It also provides an overview of the activities required to achieve the targets in each area, which were used to calculate emissions reductions. Finally, the roadmap also states which unit is responsible for what. Each unit is responsible for planning activities in more detail. The roadmap is reviewed annually by KlaraBo's management.

Goal

- Only renewable energy will be used for electricity, heating and vehicles in our operation by 2030. We are to be climate-neutral in our entire value chain by 2045.
- By 2025, energy consumption per square metres in KlaraBo's property portfolio will be reduced by at least 10 per cent compared with 2021.
- All of our newly constructed housing units are to be Nordic Swan-certified as a minimum.
- Wooden frames are to receive priority for new construction.
- All of our properties are to be climate-proofed.



The figure above shows the level of emissions reductions KlaraBo needs to achieve in order to reach the goal of climate neutrality throughout the entire value chain by no later than 2045. The bar for 2022 includes the increase in GHG emissions that is expected as a result of expanded data collection within Scope 3. Note that the increase is an estimate and that the actual figure could be higher or lower. The GHG emissions reduction target for 2030 is 42 per cent based on the Pathways to Net-Zero technical summary from the SBTi and KlaraBo's sub-target of only using renewable energy for electricity, heat and vehicles in KlaraBo's operations. By 2045, KlaraBo's GHG emissions are to be reduced by 90 per cent and the remaining portion is to be compensated through carbon capture or climate compensation.

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Energy

KlaraBo's impact on the climate can be limited by taking good care of its existing property portfolio. Choosing fossil-free energy for electricity, heating and vehicles is critical to reducing carbon emissions from its operations. KlaraBo has purchased hydropower with guarantees of origin from Vattenfall since 2020. In 2023, the agreement expired and a decision was made, for cost reasons, to sign a new agreement for fossil-free electricity that includes nuclear power. The agreement will be reviewed in one year, since the long-term goal is to have renewable electricity. KlaraBo installed solar panels that generated approximately 42 MWh of electricity in 2023. Acquired properties with fossil heating sources are continuously converted. During the year, 140 apartments in Sundsvall received a new source of heating when oil-fired burners were replaced with district heating. In connection with this, an agreement was also signed for allocated district heating for all properties in Sundsvall, a measure that reduces our carbon emissions from district heating by approximately 10 per cent. In total, energy consumption increased compared with last year due to a colder winter in terms of degree days. Compared with 2021, however, energy consumption decreased 2 per cent.

Climate risk inventory of the property portfolio

A warmer climate means increased risks for our properties. In 2023, as a first step towards a future-proof property portfolio, we inventoried our portfolio's to vulnerability to physical climate risks today and in the future. 148 properties were assessed for six different climate risks: risk of flooding from seas, lakes or rivers; risk of flooding from rainfall; risk of heavy snowfall; risk of a warmer and drier climate; risk of fire; and risk of collapse,

landslides and erosion. For each risk, probability and risk of damage were assessed. Together they generate a risk factor between 1 and 9, where 1–3 indicates no risk, 4–6 indicates moderate risk and a factor greater than 6 indicates significant risk. The inventory showed that none of KlaraBo's properties are considered to be in the highest category. However, several properties fall into the moderate category, with a certain risk of negative impacts. The largest risks facing the portfolio are risk of fire and risk of a warmer and drier climate, since a large portion of the properties are located in southern Sweden and were built more than 50 years ago.

In 2024, KlaraBo will review the properties with a risk factor of 6 and plan for measures that need to be taken. Climate risks will be evaluated in connection with investment decisions for new construction going forward. Area managers were also trained in climate risks during the year.

**Climate risks**

	No. of properties with risk factor 6	Share of properties with risk factor 6	No. of properties with risk factor 9	Share of properties with risk factor 9
Risk of flooding from seas, lakes or rivers	16	11%	0	0%
Risk of flooding from rainfall	11	7%	0	0%
Risk of heavy snowfall	24	16%	0	0%
Risk of a warmer and drier climate	39	26%	0	0%
Risk of fire	49	33%	0	0%
Risk of collapse, landslides and erosion	1	0.5%	0	0%

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KlaraBo's goal is to only use renewable energy for electricity, heating and vehicles in its operation by 2030. KlaraBo will be climate-neutral in its entire value chain by 2045. KlaraBo is presenting its second climate report this year. As of 2023, we report Scope 3 emissions according to the report "Scope 3 för bostadsföretag: Vägledning för beräkning och rapportering av

klimatpåverkan enligt Greenhouse Gas Protocol" (Eng: Scope 3 for housing companies: Guidance for calculating and reporting climate impact according to the Greenhouse Gas Protocol) from IVL, meaning we have chosen to include the emission categories that have either a high or medium impact according to the report's materiality assessment.

Climate report

	2023	2022
Scope 1		
KlaraBo's boilers	202	458
KlaraBo's vehicles	88	73
Other fuel	1	1
Refrigerant leakage	0	0.2
Total Scope 1	291	532.2
Scope 2		
Electricity, market-based	64	64
Electricity, location-based	283	322
District heating	2,808	3,154
Total Scope 2	3,155	3,540

	2023	2022
Scope 3		
Flights	4	11
Purchased goods	4	–
Construction material (ROT)	697	–
Construction and demolition waste	6	–
Electricity, Scope 3	12.5	11
Tenant household electricity	1,633	–
Tenant residual waste	33	34*
Tenant vehicle operation	9,461	–
Total Scope 3	11,852	1,026
Total emissions	15,298	5098.2
Emissions intensity (tons CO₂e/sq. m.)	0.031	
Emissions intensity (tons CO₂e/SEK m revenue)	25.9	

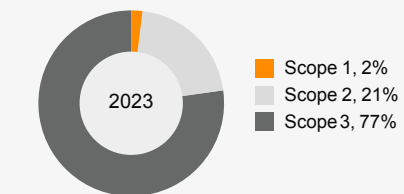
Comments, climate report 2023: In 2023, Scope 1 emissions declined 54 per cent. The primary reason for this was that a property in Sundsvall was converted from oil-fired heating to district heating. Scope 2 emissions for electricity and district heating decreased despite a cold winter that generated higher energy consumption. This was because we transferred several electricity agreements to Vattenfall, and because several district heating facilities improved their fuel mix, generating a lower emissions factor. Scope 3 emissions increased significantly since we measured the majority of all emissions this year. KlaraBo's largest indirect climate impact is attributable to residents' use of vehicles and electricity consumption, followed by the climate impact from newly purchased construction material in connection with ROT renovations.

* Restated with new emissions factor

Total energy consumption 2021–2023

	2023	2022	2021
District heating (MWh)	58,383	56,105	49,859
Of which non-fossil (%)	98.3	98.6	–
Electricity (MWh)	12,336	11,796	10,381
Of which non-fossil (%)	93.2	72	–
Energy intensity (MWh/lettable area)	0.142	0.136	0.145

Share of emissions per scope (%)



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Taking care of what we have

Circularity is about utilising the materials we create for as long as possible through smart design, reuse and recycling. KlaraBo wants to increase the share of reused and recycled materials in its properties.

Risk

The construction sector generates approximately one third of the Sweden's annual waste. At the same time, we are seeing higher costs for both production and transport of materials, which poses a financial risk to KlaraBo, in connection with new construction and conversions.

Material and reuse

New construction, conversions and renovations use large quantities of material. KlaraBo can contribute to reduced resource consumption by taking good care of its existing property portfolio and by reusing existing material. During the year, we developed a new procedure to inventory material reuse in ROT renovations, where we inspect apartments that will be renovated in order to identify materials that are in good shape that can be reused in another location on the property or sold. Reuse inventories were carried out for all ROT renovations

that KlaraBo carried out in 2023. We also identified local actors within material reuse to partner with in the cities where we operate. During the year, an agreement was signed with a system support supplier for calculating the climate impact of materials in our ROT and new construction projects. The calculations can help us make more conscious decisions in connection with planning and purchasing.

Reused material

	2023
Interior doors and wardrobes	96
Bathroom furnishings	192
Appliances	202
Other	17
Savings, kg CO₂eq	62,420



Circular
societies

Goal

- It will be possible to sort household waste in all of our neighbourhoods.
- 70 per cent of all construction materials will be sorted for recycling in connection with conversions and new construction.
- Before renovating an apartment, we will take an inventory of which products can be preserved or reused.
- We will conduct a pilot project for sharing items in the properties.

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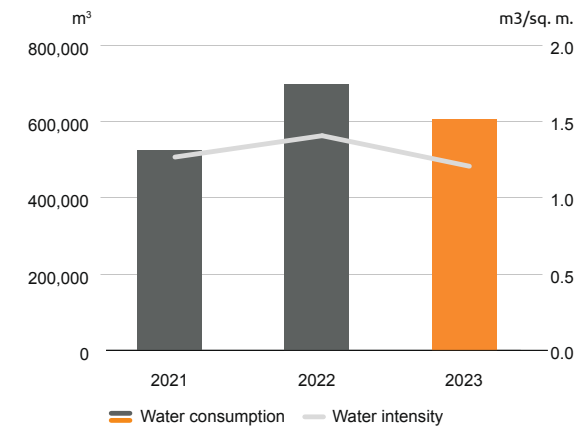
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Water

Access to fresh water is an important issue for us as a housing company. Our properties use water from their respective municipal water utility. The emissions to water in our properties are handled by municipal sewage treatment plants. There has periodically been limited access to drinking water in Sweden in the last few years, including on Gotland where KlaraBo owns properties. To reduce water consumption at our properties, toilets, shower nozzles and taps have gradually been replaced with more efficient alternatives as apartments have been renovated. KlaraBo monitors water consumption but currently has no stated goal in the area.

Water consumption (m³/sq. m.)



KlaraBo also has an indirect impact on water and marine resources through the material used in new construction and ROT renovations. Accessing data from these earlier stages is difficult and we do not currently measure water consumption arising from materials manufacturing.

Waste

In Sweden, the industry that generates the largest amount of waste is the construction industry. In connection with new construction and renovations, KlaraBo can set requirements for material reuse at construction sites. The goal is for 70 per cent of all construction materials to be sorted for recycling in connection with ROT projects, conversions and new construction. KlaraBo has little control over the waste that arises from earlier stages where the material is manufactured. Information about waste amounts related to KlaraBo's ROT and new construction projects has been limited since waste statistics are not regulated in agreements and reporting varies by region. Going forward, KlaraBo will have the same requirement for waste statistics for all contractors, and for next year's report we plan to include statistics for all construction and demolition waste.

In addition to construction waste, our tenants generate a large amount of household waste. While KlaraBo has few opportunities to influence the amount of waste generated by tenants, we can create the conditions for them to sort waste for recycling. The goal is for waste sorting to be available at all properties. During the year, KlaraBo worked to expand the number of fractions for waste sorting in Ronneby.

Household waste m³

	2023	2022
Residual waste	19,799	19,945

We report the total amount of residual waste generated at our rental properties. This does not include waste that is sorted.



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Residential areas to thrive in

Employment rates, inclusion and social sustainability are closely linked. KlaraBo can contribute to a more inclusive society by creating secure and pleasant neighbourhoods.

Risk

According to the Swedish National Council for Crime Prevention, nearly one third of all Swedes feel unsafe in their residential area at night. Increased insecurity can in turn entail a risk of turnover, and even vacancies in the long run, which poses a financial risk to KlaraBo. Vandalism and graffiti entail costs and can lead to increased insecurity in a residential area.

Security rounds

During the year, a procedure for security rounds was developed in order to investigate neighbourhoods' physical environments in terms of safety. KlaraBo identified seven major neighbourhoods where rounds were carried out in 2023. This will continue annually in these neighbourhoods. Tenant representatives and social organisations, such as the police, were invited to the security rounds. Rounds are preferably carried out during the evening in order to identify anything that could be perceived as unsafe. This may relate to bushes or insufficient lighting and locks, for example.

A week without violence

During the autumn KlaraBo participated in the country-wide initiative "En vecka fri från våld" (Eng: A Week Without Violence) in order to draw attention to crime and violence prevention measures, with a particular focus on domestic violence. In our neighbourhoods in Östersund, we began a partnership with the municipality and other housing companies to highlight the issue. This included informing tenants about resources they can turn to if they, or a relative or anyone else, are experiencing threats of violence.

KlaraBo Days

KlaraBo Days are held annually in the larger cities where KlaraBo operates. During this event, tenants are invited to meet KlaraBo's employees and get to know one another in pleasant circumstances. This year, we arranged KlaraBo Days in Trelleborg, Bollnäs and Ronneby. The agenda included face painting, police visits, bouncy castles, a magic show and pony rides. In 2024, we plan to arrange KlaraBo Days in Visby and Östersund as well.

Partnerships with local sports clubs

KlaraBo has had successful partnerships with local sports clubs for several years, with the aim of contributing to meaningful recreational activities for young people who live in KlaraBo's residential areas. One example is our partnership with Trelleborgs Idrottsallians in Region South, where together we organise summer activities that give residents the opportunity to try various sports. The goal is to expand the partnership to more cities around the country. During the year, a new partnership was launched with Nybro Vikings in Region East, and opportunities are being investigated to expand the partnerships to Region Central and North in 2024.

Employment opportunities in our neighbourhoods

KlaraBo can support social sustainability by promoting increased employment in our neighbourhoods. Our goal is to offer 50 summer jobs or employment opportunities to people who live in our properties by 2025. During the year, however, only three summer jobs or employment opportunities were arranged, since there was a low number of applicants. We will increase our focus on this topic in 2024 in order to reach our goal.

Secure and pleasant neighbourhoods



Goal

- We will perform an annual security round in all of our neighbourhoods.
- We will establish partnerships with local sports organisations in all of our neighbourhoods, with the aim of creating meaningful recreational activities for young people.
- We will offer 50 summer jobs or employment opportunities to residents of our residential areas, through 2025.



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Employment rates, inclusion and social sustainability are closely linked. KlaraBo can contribute to a more inclusive society by creating secure and pleasant neighbourhoods.

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Employees

Our employees are an important part of working towards a more sustainable future. That is why we focus on issues such as decent working conditions, health, diversity and inclusion. The well-being of our 66 employees is an important part of working towards a more sustainable future and an essential factor in reaching our goals.

Risk

Injuries and physical or mental illness among our employees could entail a negative long-term impact for the individual as well as for KlaraBo. Another risk factor is lack of diversity. If the employees are a homogeneous group, there is a risk of similar behaviour and decision-making, less creativity and a less inclusive culture. This in turn could result in larger financial risks and weaker business development.

Policy and governance

The HR Manager is responsible for maintaining and developing issues related to KlaraBo's employees. This work is based on the HR policy and an employee handbook that describes procedures within work environment, safety, equal treatment, health and preventative health care.

Our employees

The majority of the 66 employees who work at KlaraBo work in property management, with local offices across the entire country. The rest work in company management, project management and support functions. All employees within property management are covered by collective agreements and permanent employment is the most common employment form, with the exception of seasonal workers.

KlaraBo is a relatively young company that is always developing, which creates good opportunities for internal career development. During the year, five individuals took on greater responsibilities or a new role. We also carried out our first employee survey, something we will continue to do annually.

Some of the challenges that were identified in this year's survey include communication and internal information. We have therefore started a monthly newsletter and quarterly digital information meetings attended by the entire company, with plans for more joint meetings in 2024. In 2023, KlaraBo had an employee turnover rate of 21 per cent. Exit interviews were held with employees who chose to leave. These interviews provide a clearer picture of why employees choose to look elsewhere and if there is something that we at KlaraBo need to change in our way of working in order to retain expertise.

Equality and diversity

For KlaraBo, it is important for the business to be characterised by equality, diversity and equal opportunities for everyone. We will have reached a long-term even gender distribution and reflect society with respect to international background by no later than 2025.

There are currently 25 per cent women in senior executive positions, and men are overrepresented in the company as a whole, particularly in property management. During recruitment, there are requirements for both genders to be represented in the selection and a salary mapping is conducted annually to ensure an equal salary structure. No unreasonable differences in salaries were identified in 2023, though some minor deviations were identified and will be addressed in the coming year. No incidents of discrimination were reported during the year, and overall in the employee survey KlaraBo was considered a workplace free from discrimination and victimization.



Goal

- We will enable internal career development or career advances for at least five employees per year. Examples include taking on a new role or expanded or new responsibility within the employee's current function.
- We will have reached a long-term even gender distribution (40/60) and reflect society with respect to international background by no later than 2025.
- At least 70 per cent of employees will have utilised their health care allowance.
- All employees will be provided with introductory training in KlaraBo's sustainability work and Code of Conduct.

Education

To ensure a good corporate culture, work environment and development opportunities, we see training as an important initiative.

During the year, all employees underwent training in the company's sustainability agenda and Code of Conduct. Property management teams were trained in how to handle threats and violence and a representative from each city received CPR training.

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Health and safety

At KlaraBo, we work systematically with our work environment, but the procedures are not certified under any management system. The procedures cover all employees at KlaraBo. For contractors who work at our properties, we have a building work environment coordinator (BAS-U). Work environment risks are assessed by analysing reported near-accidents and accidents. In 2023, a number of risks were identified within property management, including minor accidents in conjunction with caretaking services and threats in conjunction with tenant matters. To provide appropriate support, all employees in property management underwent training in handling threats and violence during the year.

KlaraBo has a safety representative for salaried employees and is looking for representatives for its operating technicians. The safety representative participates in safety rounds, in work environment committees and in investigating and preventative management of near-accidents.

Sick leave was relatively low in 2023. KlaraBo has an agreement with Avonova for occupational health services. This is where employees can turn for work-related illness and preventative measures. During the year, all employees between 40 and 50 years of age were offered check-ups. These are offered every three years and are confidential. KlaraBo offers a preventative health care allowance of SEK 3,000 for all employees and during the year this was utilised by 67 per cent of employees. During the year, we worked actively with providing information about our preventative health care allowance.



Employment forms

	Women	Men	Total
Permanent, full-time	20	43	63
Permanent, part-time	0	0	0
Other employment form (probationary period)	0	2	2
New employees	5	9	14
Parental leave	1	0	1
Employee turnover (%)			21.5

Share of women %

	Share of women	
	2023	2022
Board of Directors	25	25
Senior executives	25	33
Total at KlaraBo	33	31

Work-related injuries 2023

	Employees	Partners
Number of serious work-related injuries*	2	1
Number of work-related injuries with one more days of absence	0	–
Other incidents	0	–
Number of near-accidents	5	–

* Types of injury: Crush injury of finger, bicycle accident, mild head injury

Injury statistics for our partners pertain to two of our conversion projects. Information is unavailable for our ROT projects and new construction projects. Requirements for reporting near-accident and accident statistics for our partners will be clarified and followed up in 2024.

Sick leave (%)

	2023	2022
Short-term sick leave	1.67	3.4
Long-term sick leave	0.77	1.8
Total sick leave	2.44	5.2

Ratio of basic salary and remuneration of women to men

	Total remuneration	
	Women	Men
Management	*	*
Other employees	114%	88%

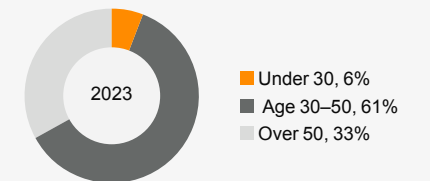
* Since the underlying statistics are insufficient, we chose to not publish any data.

Share with international backgrounds (%)

	2023	2022
Share with international background	16	16

International backgrounds refers to employees who were born abroad or who have two parents who were born abroad. The statistics are based on anonymised data from Statistics Sweden.

Age distribution (%)



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A business model for the future

For KlaraBo, a sustainable business model means creating economic value that does not come at the cost of ecological and social sustainability. This means that sustainability factors are weighed in when making all business decisions.

Risks

Not taking an active approach to sustainability poses a risk of a loss of trust among customers, employees and investors, and lower profitability in the long term. If policies and codes of conduct are not complied with, there is a risk that business decisions will be made on the wrong basis, which could harm business in the short term and KlaraBo's reputation in the long term.

Integrated sustainability work

KlaraBo will devote itself to integrating both ecological and social sustainability into business decisions concerning property management, conversion and new construction.

Business ethics and anti-corruption

Raising awareness of business ethics and healthy competition lays the groundwork for a fair construction and property industry. KlaraBo's Code of Conduct for employees describes the ethical guidelines that all of our employees are expected to follow. The internal Code of Conduct is signed by all employees, and all employees underwent training in the Code during the year. In connection with employment, new hires receive training in the Code of Conduct. In 2022, KlaraBo developed a Code of Conduct for Suppliers that is based on the UN Global

Compact principles for labour, human rights, the environment and anti-corruption. The Code is an obligatory appendix to all agreements entered into with suppliers and was signed by all suppliers in 2023.

KlaraBo's whistleblower function makes it possible to anonymously report suspected violations of laws and regulations with respect to business ethics, working conditions or human rights. No incidents of corruption were reported in 2023. Nor was KlaraBo involved in any legal proceedings related to corruption, matters of no confidence or violations of antitrust laws.

Code of Conduct

	2023
Code of Conduct signed by suppliers	100%
Reported violations of the Code of Conduct	0

Renovations

In the stakeholder dialogue with the Swedish Union of Tenants, the concern that rent increases as a result of standard-enhancing renovations will reduce the supply of affordable housing in the long term came up. Renovations are part of KlaraBo's business model, but they are only performed at a resident's request, or when a resident ends their lease and moves out. Rent increases are negotiated with the Swedish Union of Tenants. Read more about this on page 6.



Sustainable
business

Goal

- No reported cases in the whistleblower function.
- 100 per cent sign-off on the Code of Conduct (internally) and prepare a Code of Conduct for Suppliers.

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The EU Taxonomy

The Taxonomy Regulation is part of the EU's action plan for sustainable finance. The regulation, also known as the EU Taxonomy, is a joint classification system to determine which economic activities can be considered environmentally sustainable. According to the Taxonomy, in order to be considered sustainable an activity must make a substantial contribution to one of the six established environmental objectives while doing no significant harm to any of the other objectives. The activity also needs to be carried out in accordance with certain minimum safeguards. The construction and property sector is a critical sector for achieving climate neutrality and climate adaptations, and therefore has specific criteria in the First Delegated Act of the Taxonomy.

KlaraBo is not yet required to report according to the Taxonomy since we have fewer than 500 employees, but we have chosen to voluntarily report the proportion of our economic activities that are considered sustainable under the Taxonomy.

In 2023, we determined that 100 per cent of KlaraBo's turnover, CapEx and OpEx is Taxonomy-eligible since our operations fall under the following economic activity:

7.7 Acquisition and ownership of buildings

KlaraBo has chosen to report according to the Taxonomy's first environmental objective, climate change mitigation, and has determined the proportion of its activities under 7.7 Acquisition and ownership of buildings that is deemed to meet the technical

screening criteria. The requirements for an activity under 7.7 to be considered Taxonomy-aligned are:

- For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A.
- The building is within the top 15 per cent of the national or regional building stock expressed as operational Primary Energy Demand (PED). We have based our determination on the interpretations and thresholds of the Swedish Property Federation.

In addition to making a substantial contribution to the selected environmental objective, an economic activity must not cause significant harm to any of the other environmental objectives, meaning that it must meet the Do No Significant Harm (DNSH)

criteria. For financial activities in category 7.7 Acquisition and ownership of buildings, the DNSH criteria pertain to preparing appropriate climate risk assessments for all buildings. KlaraBo carried out a climate risk inventory of its property portfolio in 2023 (read more on page 16).

The economic activity must also be carried out according to minimum safeguards. KlaraBo has a Code of Conduct that all suppliers sign. In 2024, KlaraBo will continue to work with developing processes and procedures to achieve increased alignment with the Taxonomy and simultaneously ensure that a due diligence process is in place that is in line with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights as well as applicable minimum safeguards.

Summary of eligibility and alignment of economic activities with environmental objective 1

	Eligible (%)	Aligned (%)
Turnover	100	5.9
CapEx*	100	8.7
OpEx**	100	4.4

* KlaraBo has chosen to categorise new construction for own ownership and management under economic activity 7.7 in accordance with the clarification in Commission notice C/2023/267. The Motala Munken 4 property (aligned) includes SEK 19.2 million in project costs for 2023 due to an investment subsidy that was not received in 2022.

** Caretaking and supervision (including snow removal), repairs and supervision, own employees (caretakers) and maintenance-related vehicle and machinery costs.

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Turnover¹⁾

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2022	Category enabling activity	Category transitional activity
Economic Activities	Code	Turnover	Proportion of Turnover, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM, 7.7	34.6	5.9	Y	N	N	N	N	N	-	Y	-	-	-	-	Y	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		34.6	5.9																
Of which Enabling		0	0																
Of which Transitional		0	0																
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM, 7.7	555.2	94.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		555.2	94.1																
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		589.7	100																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		0	0																
TOTAL		589.7	100%																

¹⁾ Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

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CapEx²⁾

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2023	Category enabling activity	Category transitional activity							
Economic Activities	Code	CapEx	Proportion of CapEx, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																										
A.1. Environmentally sustainable activities (Taxonomy-aligned)																										
Acquisition and ownership of buildings	CCM, 7.7	26.0	8.7	Y	N	N	N	N	N	-	Y	-	-	-	-	Y	-	-	-	-	-	Y	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		26.0	8.7																							
Of which Enabling		0	0																							
Of which Transitional		0	0																							
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL																	
Acquisition and ownership of buildings	CCM, 7.7	271.8	91.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		271.8	91.3																							
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		297.8	100																							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																										
CapEx of Taxonomy-non-eligible activities		0	0																							
TOTAL		297.8	100%																							

²⁾ Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

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OpEx³⁾

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2022	Category enabling activity	Category transitional activity
	Code	OpEx	Proportion of OpEx, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity				
Economic Activities		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM, 7.7	4.2	4.4	Y	N	N	N	N	N	–	Y	–	–	–	–	Y	–	–	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4.2	4.4																
Of which Enabling		0	0																
Of which Transitional		0	0																
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM, 7.7	92.1	95.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		92.1	95.6																
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		96.4	100																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0																
TOTAL		96.4	100%																

³⁾ Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

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KlaraBo has reported information in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1: "Foundation 2021"

GRI STANDARD	DISCLOSURE	PAGE
GRI 2:	The organisation and its reporting practices	
General		
Disclosures 2021		
2-1	Organisational details	3
2-2	Entities included in the organisation's sustainability reporting	11
2-3	Reporting period, frequency and contact point	11
2-4	Restatements of information	11
2-5	External assurance	11
	Activities and workers	
2-6	Activities, value chain and other business relationships	3,12
2-7	Employees	23
2-8	Workers who are not employees	–
	Governance	
2-9	Governance structure and composition	11,83,84
2-10	Nomination and selection of the highest governance body	78
2-11	Chair of the highest governance body	83
2-12	Role of the highest governance body in overseeing the management of impacts	11,13,14
2-13	Delegation of responsibility for managing impacts	11
2-14	Role of the highest governance body in sustainability reporting	11,14
2-15	Conflicts of interest	76
2-16	Communication of critical concerns	11
2-17	Collective knowledge of the highest governance body	11
2-18	Evaluation of the performance of the highest governance body	11
2-19	Remuneration policies	77,78
2-20	Policies to determine remuneration	77,78
2-21	Annual total compensation ratio	–
	Strategy, policies and practices	
2-22	Statement on sustainable development strategy	5,6
2-23	Policy commitments	11,24
2-24	Embedding policy commitments	24
2-25	Processes to remediate negative impacts	24
2-26	Mechanisms for seeking advice and raising concerns	24
2-27	Compliance with laws and regulations	24
2-28	Membership associations	11
	Stakeholder engagement	
2-29	Approach to stakeholder engagement	13
2-30	Collective bargaining agreements	22
GRI 3:		
Material		
Topics 2021		
3-1	Process to determine material topics	14
3-2	List of material topics	14
3-3	Management of material topics	15, 16, 17, 18, 19, 20, 22, 23, 24

GRI STANDARD	DISCLOSURE	PAGE
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	17
	302-3 Energy intensity	17
GRI 303:	303-1 Interactions with water as a shared resource	19
Water and Effluents 2018	303-2 Management of water discharge-related impacts	19
	303-3 Water withdrawal	–
	303-4 Water discharge	–
	303-5 Water consumption	19
GRI 305:	305-1 Direct (Scope 1) GHG emissions	17
Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	17
	305-3 Other indirect (Scope 3) GHG emissions	17
	305-4 GHG emissions intensity	17
GRI 306:	306-1 Waste generation and significant waste-related impacts	19
Waste 2020	306-2 Management of significant waste-related impacts	19
	306-3 Waste generated	–
	306-4 Waste diverted from disposal	–
	306-5 Waste directed to disposal	–
GRI 401:	401-1 New employee hires and employee turnover	23
Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
	401-3 Parental leave	–
GRI 403:	403-1 Occupational health and safety management system	23
Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	23
	403-3 Occupational health services	23
	403-4 Worker participation, consultation, and communication on occupational health and safety	22, 23
	403-5 Worker training on occupational health and safety	22, 23
	403-6 Promotion of worker health	23
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	23
	403-8 Workers covered by an occupational health and safety management system	–
	403-9 Work-related injuries	23
	403-10 Work-related ill health	23
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	23
	405-2 Ratio of basic salary and remuneration of women to men	23
GRI 406:	406-1 Incidents of discrimination and corrective actions taken	22
Non-discrimination 2016		
GRI 413:	413-1 Operations with local community engagement, impact assessments, and development programmes	20
Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	–

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This is an unofficial translation of the Swedish original document

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in KlaraBo Sverige AB (publ), corporate identity number 559029-2727

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 10–29 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12

The auditor's opinion regarding the statutory sustainability report.

This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö, 3 April 2024

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

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Administration Report

The Board of Directors and CEO of KlaraBo Sverige AB, corporate registration number 559029-2727, hereby present the company's annual report for the 2023 financial year.

OPERATIONS

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 construction 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 on 31 December. As of 31 December, KlaraBo's property portfolio had a lettable area of approximately 499,500 square metres distributed across 6,604 apartments with contracted annual rent of about SEK 635 million. The portfolio also includes 1,098 apartments under construction and project development.

During the year, KlaraBo focused on:

- Management of residential properties and value-creating measures in existing investment properties.
- Development of acquired residential properties, preferably those with renovation potential.
- New construction of sustainable, high-quality, functional, and cost- and space-efficient housing units. The decision was made to temporarily pause new construction during the second half of the year, while new construction in progress is completed.
- Securing long-term financing on favourable terms.

OUR MARKET

According to the Group's assessment, demand for housing remains strong in the towns and regions where KlaraBo is established, mainly as a result of a structural housing shortage in many places around the country.

KlaraBo increases customer satisfaction for its existing tenants while attracting new tenants through its gradual upgrades of apartments after a tenant voluntarily moves out or if the tenant requests that the standard be raised. The strong demand for KlaraBo's housing units indicates that the company's offering meets the market's demand for good housing for reasonable rents.

MULTI-YEAR COMPARISON

SEK m	Group			
	2023	2022	2021	2020
Rental revenue	577.2	491.4	337.6	176.7
Net operating income	337.2	278.9	189.9	96.8
Profit/loss before tax	-455.5	183.6	824.6	441.3
Total assets	9,249.9	9,692.0	8,527.7	3,666.2
Equity/assets ratio (%)	42.6	44.6	49.3	39.9
Average number of employees	66.0	59.2	54.9	24.0

SEK m	Parent Company				
	2023	2022	2021	2020	2019
Net sales	25.0	13.5	10.0	7.4	3.5
Profit/loss after financial items	-93.4	-143.9	18.4	-16.0	0.5
Total assets	5,613.2	6,078.5	4,183.5	843.0	506.4
Equity/assets ratio (%)	55.5	52.3	78.5	86.8	79.0
Average number of employees	12.0	8.8	4.6	8.0	6.7

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 realizable 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 long-term net realizable value 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.

Sustainability goals

- The company has established goals in the following areas: climate and energy, circular society, secure and pleasant neighbourhoods, employees and sustainable business. The company's overall climate and energy goals are that only renewable energy will be used for electricity, heating and vehicles by no later than 2030, and that the entire value chain will be climate neutral by no later than 2045.

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 1.75 over the long term.

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Strategy

KlaraBo will focus on new construction, management of residential properties and acquisitions in municipalities in growth regions:

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

FINANCIAL POSITION AND FINANCING

For the 2023 financial year, the Group's profit from property management grew by 10 per cent, while the net realizable value decreased by 2 per cent. The loan-to-value ratio was 52.2 per cent (49.7) and the equity/assets ratio 42.6 per cent (44.6). Equity amounted to SEK 3,936.3 million (4,320.0), of which SEK 3,936.3 million (4,320.0) was attributable to Parent Company shareholders. Long-term net realizable value per share was SEK 32.0 (34.5), which is a decrease of 7 per cent on the previous year.

At 31 December 2023, the Group had interest-bearing liabilities of SEK 4,878.8 million (4,898.1). The loan-to-value ratio for investment properties, defined as interest-bearing liabilities attributable to investment properties in relation to the value of investment properties excluding new construction in progress, was 53.4 per cent (53.8), and the average loan maturity at year-end was approximately 2.1 years (2.5). KlaraBo raises loans with different maturities in accordance with the Group's financial policy. Interest-rate hedges, in the form of interest-rate swaps, are used to limit interest-rate risk and covered liabilities of SEK 2,750 million (2,150.0) at year-end. Coupled with fixed-rate loans, this corresponds to 79.9 per cent (67.1) of the Group's total interest-bearing liabilities. The average fixed-rate term was approximately 3.7 years (3.4), and the average interest rate in 2023 was 3.5 per cent (3.3), including derivatives.

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 101.3 million (105.4). Cash flow from investing activities was negative at -279.1 million (-547.8). The main sources

of cash outflows in investing activities were investments in new construction projects and investments in existing properties, which totalled SEK 278.6 million (-314.5). Cash flow from financing activities amounted to SEK -23.4 million (173.1), with new borrowings accounting for the majority of the inflows. Total cash flow for the year was SEK -169.8 million (-278.2). At the end of the year, cash and cash equivalents amounted to SEK 168.5 million (338.3).

EARNINGS

Central administrative costs include costs for senior management and central support functions and amounted to SEK 51.4 million (-46.5). Profit from property management for the year increased by 10 per cent to SEK 124.2 million (113.4).

The loss for the year after tax, attributable to Parent Company shareholders, was SEK -381.5 million (profit: 125.1). This figure includes changes in the value of investment properties of SEK -439.9 million (-25.7) and changes in the value of derivatives of SEK -139.8 million (95.9). Tax on the loss for the period was SEK 73.9 million (-58.5). Current tax amounts to SEK -18.8 million and the remaining portion refers to deferred tax on changes in the value of investment properties and derivatives.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

At-year end, KlaraBo had investment properties and/or development rights in 34 towns across Sweden: Bjuv, Bollnäs, Borlänge, Falun, Gävle, Helsingborg, Hässleholm, Höganäs, Höör, Jönköping, Kristianstad, Ludvika, Lund, Malmö, Motala, Nybro, Oskarshamn, Ronneby, Skokloster, Smedjebacken, Sundsvall, Svalöv, Tranås, Trelleborg, Umeå, Vaggeryd, Visby, Västervik, Västerås, Växjö and Östersund. Our existing projects have proceeded as planned or exceeded expectations, and we continue to engage in a broad dialogue with several municipalities and other landowners throughout Sweden.

KlaraBo installed district heating in Skönvik. The project will result in a savings of nearly SEK 0.5 million and just over 100,000 kg of carbon dioxide equivalents per year.

The company extended the fixed-rate term of the debt portfolio by just over a year. On 31 March, the fixed-rate term was 4.3 years, with a hedging ratio of 80 per cent. In June, KlaraBo also extended a loan agreement with a bank in the Nordic region for just over SEK 500 million, maturing in the third quarter of 2027 at a margin that falls below the company's average margin.

In June, KlaraBo signed a five-year lease with Renässans Akademin encompassing 500 square metres adapted to preschool operations. The total annual rental value is SEK 0.8 million.

In September, the company signed a five-year lease with the City of Malmö encompassing 1,600 square metres for its services within its functional support administration. The total annual rental value is SEK 1.9 million.

An existing loan of SEK 365 million was extended until autumn 2026. The loan's credit margin was below the company's current average credit margin.

A climate roadmap was developed to describe how KlaraBo is to reach its target for climate neutrality throughout the entire value chain by no later than 2045 and a sub-target to only use renewable energy for electricity, heating and vehicles by 2030.

In December, Per Holmqvist was recruited as CFO to assume his role in March 2024.

NEW CONSTRUCTION

Completed projects

In the first quarter of 2023, a new construction project in Trelleborg was completed. The project comprised 23 apartments with floor space of 1,361 square metres and a gross area of 1,860 square metres.

In November, stage 2 of a new construction project in Borlänge was completed. The project comprised 40 apartments, four of which were split-level apartments, with total floor space of 2,575 square metres and a gross area of 3,037 square metres.

At the end of the year, a conversion project of attic apartments was completed in Helsingborg. The project involved the conversion of unfinished attics, comprising 16 apartments in two properties with occupancy in 2023/2024. The apartments have a total floor space of 648 square metres with a gross area of 820 square metres.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The following funds are available for distribution by the Annual General Meeting (SEK):

Share premium reserve	3,223,057,479
Retained earnings	-51,900,039
Loss for the year	-60,576,751
Total	3,110,580,689

The Board of Directors proposes that the above earnings be appropriated as follows:

Carried forward	3,110,580,689
Total	3,110,580,689

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Risks and risk management

STRATEGIC RISKS

Strategic risks include risks that may prevent KlaraBo from achieving the Group's vision and goals.

Environmental risks

Description of risk

Both the construction of buildings and the activities subsequently carried out on the properties have an impact on the environment. Property management companies are therefore subject to environmental, health and safety laws and other regulations related to the acquisition, ownership and management of properties. There is a risk that the company will be held liable for pollution on existing or future acquired properties and be required to decontaminate the sites, regardless of whether or not the company itself caused the pollution. There is also a risk that different types of extreme weather conditions, such as flooding, could affect the properties.

Exposure

Environmental risks in KlaraBo's operations mainly refer to the risk that pollution and toxic substances will be discovered in the company's properties. In that part of the portfolio which dates from the 1960s and 1970s, there is a risk that environmental toxins will be discovered, which could lead to a requirement for investigations and remediation.

Construction activities also entail a risk that known or unknown soil contaminants will be spread during excavation and other earthworks. As a result of KlaraBo's acquisition and development of properties, there is a risk that a potential impact on existing contaminated soil could mean that KlaraBo will be held liable as the operator and be required to carry out and bear the cost of the necessary remedial measures, regardless of whether or not KlaraBo caused the contamination.

Such operator liability could result in unforeseen costs and add to the time required to complete an ongoing project, which could also have a negative impact on KlaraBo's earnings. If the above risks were to materialise, this could result in increased costs due to decontamination measures, for example, or reduced income due to

delays in the company's projects. This in turn could have a negative impact on the Group's operating profit and profit margin. Currently, there are no known significant environmental requirements that KlaraBo could be required to meet.

Management

Prior to an acquisition, KlaraBo conducts technical inspections of the properties in collaboration with external technical consultants in order to minimise the risks of environmental impact. Adequate insurance coverage for the property portfolio is aimed at minimising the risk of having to cover any damage resulting from extreme weather events or other circumstances. Furthermore, KlaraBo's property management teams conduct fire, safety and other inspections at predefined, regulated intervals in order to meet mandatory regulatory requirements.

Political decisions and risks linked to laws and permits

Description of risk

The construction and management of properties is highly dependent on laws and other regulations and decisions by public authorities on aspects such as planning and construction measures, the environment, subsidies, and safety and construction standards. Laws and regulations governing the property market are often determined by political opinions and may therefore change at short notice, which can affect the Group's operations in various respects. Changes to subsidies such as investment aid, tax legislation and regulations can materially affect KlaraBo's operating environment.

Different political parties have widely differing views on the size and use of corporation tax, VAT and property tax as well as other levies and subsidies, and Sweden's corporate tax legislation is often subject to review.

Moreover, part of KlaraBo's business consists of new construction and development of existing properties. To ensure that KlaraBo's investment properties and projects can be used and developed as intended, various permits and decisions may be required, such as building permits, detailed development plans and the registration of properties.

Exposure

Potential future changes to laws such as tax laws, regulations and administrative provisions may create challenges for KlaraBo and require that the company adapt to such changes, and could have a negative effect on the Group's earnings.

Furthermore, even if KlaraBo is granted permits or obtains decisions necessary for its operations, there is a risk that these will be appealed or otherwise delayed, creating a risk that construction projects cannot be completed on schedule, resulting in significant delays to ongoing or planned projects.

Management

The political landscape needs to be monitored and evaluated continuously in order to ensure that KlaraBo has a proactive understanding of how to adapt its business. Specialists and advisers, such as external tax experts, are engaged to manage the effects of legal and regulatory changes, and KlaraBo carefully follows and has open and transparent relationships with the relevant authorities. KlaraBo should not engage in aggressive tax planning transactions. Furthermore, as a member of the Swedish Property Federation, the Group is able to remain informed and up to date on issues that affect its day-to-day operations. By being active in the trade association, the Group is also able to influence issues relating to the property market such as housing policy, urban development, digitisation and sustainability.

OPERATIONAL RISKS

Operational risks are risks related to the efficiency and management of resources in the Group.

Changes in rental revenue, rental growth and rent setting

Description of risk

KlaraBo's revenue mainly consists of rental revenue, which is affected by the properties' and premises' occupancy rates and rent levels and the tenants' ability to meet their payment obligations. There is a big difference between how rents are set for commercial and residential premises. Rental growth for commercial premises

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depends on the strength of the economy and is mainly affected by factors such as demand, type of premises, design, standard and location. Tenants engaged in tax-financed activities may be subject to political decisions or cost savings. This in turn may affect KlaraBo's ability to renew expiring leases with these tenants on terms favourable to KlaraBo. Residential rents are negotiated with local tenants' associations within the framework of the collective bargaining system, which also covers "presumption rents".

Exposure

Lower occupancy rates, lower rents, reduced ability to pay and incorrect assumptions about the market, competition and customers can affect the Group's earnings, cash flows and property values.

The regulation of rents for private rental apartments also creates a risk that general cost increases will not be reflected in rental growth, or that such increases will feed through with a delay, and that rents will change in a way that is unfavourable to the property owner.

If KlaraBo fails to compensate for increased housing costs by increasing rents, this would have a negative impact on the Group's operating profit and profit margin.

KlaraBo considers the risk of lower rental revenue from residential properties to be low as there is a housing shortage in Sweden. The risk of lower rental revenue in the commercial portfolio is higher than in the residential portfolio. In 2023, about 85 per cent of KlaraBo's revenue came from residential properties and about 15 per cent from commercial premises/community service properties as well as storage and parking spaces.

Management

There is still a significant shortage of housing in Sweden and strong demand for housing units. KlaraBo is actively engaged in its residential areas, mainly through local offices and job creation initiatives, with the aim of increasing the well-being and stability of the areas.

Changes in operating and maintenance costs*Description of risk*

KlaraBo's operating costs mainly comprise costs for electricity, heating, water and cleaning. Changes in operating and maintenance costs can have a negative effect on the Group's operations, financial position and earnings. KlaraBo is also obliged to maintain

the standard of its buildings and housing units under lease provisions and regulatory requirements. This entails maintenance costs, including costs for the technical maintenance of properties, which can be affected by structural defects, other hidden defects and deficiencies, damage (such as power cuts, moisture damage, fire, asbestos or mould) and contamination. A large part of KlaraBo's expenses is therefore also attributable to maintenance costs. Unforeseen and extensive renovation needs can significantly increase maintenance costs.

Exposure

Several goods and services for the operation of the properties can only be purchased from one or a few providers, which could force KlaraBo to accept the current price levels in the absence of alternatives. Heating costs, for example, are subject to seasonal variations and increase in the winter, which means that KlaraBo's ability to control these costs is limited. Increased operating and maintenance costs could have a negative effect on KlaraBo's operations, financial position and earnings.

Management

KlaraBo manages its properties actively and continuously evaluates improvements to increase revenue and reduce operating costs, and also evaluates energy efficiency improvements. KlaraBo is gradually eliminating internal maintenance needs in its properties by renovating apartments in need of maintenance under the ROT programme. Renovations are expected to reduce the need for ongoing maintenance as the apartments are brought up to the same standard internally as newly constructed apartments. To control changes in operating costs, the Group conducts ongoing reviews of contracts and terms in order to achieve the most advantageous solution, and strives to choose the most energy-efficient solution in each particular situation when investing in the properties. In procurements, the Group strives to conclude central agreements to keep property expenses down. Maintenance costs are expensed to the extent that they represent repairs and maintenance to maintain the original standard of the property. Other expenses of a maintenance nature are capitalised in the balance sheet to the extent that the measures are considered to increase the value of the properties.

Risks related to KlaraBo's new construction and project development*Description of risk*

KlaraBo's operations consist partly of new construction projects and partly of adapting existing properties to tenant requirements through conversions and extensions and tenant improvements. New construction and major improvement projects are associated with costly investments, and there is a risk that the costs of such investments cannot be offset by increased rents or cost reductions.

KlaraBo also depends on strategic suppliers of materials and customised solutions in connection with construction projects as well as other contractors for the performance of various types of work on the properties. If a particular supplier or contractor is unable to fulfil the contracts, for example by failing to deliver the right equipment or the right quality or to deliver on time, or if KlaraBo's collaboration with a supplier or contractor is terminated due to bankruptcy or for other reasons, or if the collaboration is not successful, this could lead to significant delays in KlaraBo's construction projects.

Exposure

Investment and project costs may be higher than expected due to delays and unforeseen events or for other reasons, including changes to regulations or detailed development plans, with the result that the residential and/or commercial premises cannot be occupied from the expected date. In the event that KlaraBo is unable to compensate for such increased costs or loss of income, the realisation of the above risks could have a negative effect on KlaraBo's operations, financial position and earnings.

In the event that contracts with key suppliers or contractors were to be delayed or terminated at short notice, there is a risk that KlaraBo will be unable to engage another supplier or contractor on equivalent terms or at short notice, which could result in increased costs for supplier or contractor services and delays in the projects. There is also a risk that warranty obligations will not be fulfilled if a supplier or contractor is forced into bankruptcy.

Management

KlaraBo engages experienced project managers externally and internally in its new construction and conversion projects in order to minimise cost increases in the projects. In cases where KlaraBo

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bears the cost of investments in adaptations to premises, the Group is in many cases compensated for these costs by investment surcharges in the leases. Bank guarantees are used to obtain protection against any failures on the part of suppliers and/or contractors. Prior to a new construction project, market assessments are made to gauge demand and payment behaviour in the town.

Retain and recruit skilled personnel*Description of risk*

KlaraBo needs to succeed in retaining and continuing to motivate its employees, and in attracting and recruiting qualified staff in the future. This depends on a number of factors, including recruitment procedures, culture and leadership, salaries and other remuneration, benefits and workplace location. If the Group were to fail to retain and motivate or attract senior executives and other key personnel, this could have a negative impact on the Group's operations, financial position and earnings.

Exposure

KlaraBo conducts its business through a small organisation with a limited number of employees. KlaraBo's future performance is to a high degree dependent on the skills and experience of its management team and other key personnel.

Management

KlaraBo continually seeks to increase its attractiveness as an employer through various initiatives. Efforts to strengthen and establish the Group's values continued in 2023. Incentive programmes in the form of warrants are available, with the aim of motivating and retaining employees.

LEGAL RISKS

Legal risks include risks linked to laws, regulations and other rules.

Property acquisitions*Description of risk*

A part of KlaraBo's business consists of the acquisition of properties. KlaraBo will only make acquisitions if the supply in the market meets KlaraBo's expectations and investment capacity with regard to location, expected return and other criteria. The supply of and demand for properties and development rights, as well as factors such as competition, access to financing, planning and local

regulations, could limit the Group's ability to complete acquisitions on terms favourable to the Group. Risks in connection with property transactions can have a negative impact on KlaraBo's operations, financial position and earnings.

Exposure

The acquisition of properties involves risks related to the acquired property, such as the risk of incorrect assumptions about the future yield of the acquired asset, the risk of loss of tenants or of unforeseen costs to meet environmental requirements. Property transactions can also give rise to significant transaction costs that may not be compensated for, for example if a transaction is not completed or if an acquisition is reversed due to the triggering of contractual provisions or financing clauses. Exposure to risks in connection with property transactions can have a negative impact on KlaraBo's operations, financial position and earnings.

Management

In connection with acquisitions, technical, environmental, legal and tax assessments are made of the status of the properties and companies. These are performed internally as well as by external parties in the form of independent external consultants. Market analyses of potential portfolios are made and existing commercial leases are analysed.

FINANCIAL RISKS

Financial risks are related to exposure to property valuations, interest rates, liquidity and credits as well as other financial risks.

Risks related to exchange rates*Description of risk*

Currency risk is the risk that changes in foreign exchange rates will adversely affect the company's financial position, profitability or cash flows. Exposure to foreign exchange risk arises from the purchase of products or services in currencies other than SEK, which is the company's reporting currency. KlaraBo's production costs for newly constructed apartments largely consist of the cost of services and products provided by foreign companies in the Baltic states. As such services are paid for in EUR, significant changes in the EUR-SEK exchange rate could lead to the company's new construction projects becoming more expensive than expected and therefore less profitable.

Exposure

The costs for the modules from the Baltics are to a high degree affected by the strength of the SEK against the EUR. A weaker SEK increases the cost while a stronger SEK reduces the cost. If the above risk were to materialise, this would lead to lower development profit and a lower yield and thus have a negative impact on KlaraBo's earnings and cash flow. Disclosures on the company's transactions can be found in Note 3 Financial risks.

Management

KlaraBo manages currency risk continuously, partly by ensuring that it has the necessary internal expertise to manage financial risks, and partly by hedging purchases in EUR using currency derivatives in order to reduce the risk arising from currency fluctuations. See Note 3 for further information on the management of currency risk in accordance with the company's financial policy.

Changes in market interest rates*Description of risk*

KlaraBo raises funds by borrowing from credit institutions, with the majority of the Group's non-current liabilities having variable interest rates. Interest expense is therefore one of KlaraBo's largest expense items. KlaraBo is thus exposed to interest-rate risk, which is the risk that changes in interest rates will affect KlaraBo's interest expense and have a negative effect on the Group's earnings and cash flows.

Exposure

KlaraBo's interest expense is mainly affected by current market interest rates, the margins applied by credit institutions and KlaraBo's chosen fixed interest rate strategy. The average interest rate on interest-bearing liabilities at 31 December 2023 was just over 3.5 per cent, including interest-rate swaps.

Market interest rates are mainly affected by the expected inflation rate, and shorter-term interest rates are mainly affected by the Riksbank's key interest rate. Market interest rates can also affect the portion of KlaraBo's liabilities covered by interest-rate swaps. At 31 December 2023, KlaraBo had interest-rate swaps in a total outstanding nominal amount of SEK 2,750 million (2,150). Interest-rate derivatives are recognised at fair value in the balance sheet. As market interest rates change, a theoretical premium or discount on the interest-rate derivatives arises that is of a non-cash

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nature. If market interest rates fall, the market value of KlaraBo's interest-rate derivatives will decrease, which could have a negative impact on KlaraBo's earnings.

Management

KlaraBo manages interest-rate risk partly by maintaining a good dialogue with Swedish commercial banks in order to obtain loans on normal market terms, and partly by reducing interest-rate risk through the use of interest-rate derivatives. The Group's financial policy sets goals regarding interest-rate exposure for the Group's loan portfolio based on the following principles:

- Fixed-rate term: a spread of fixed-rate end dates based on specified periods.
- At least 20 per cent of the loan portfolio is to have unhedged variable interest rates.
- Interest-coverage ratio: at least 1.75x.

At the end of the financial year, the average fixed-rate term was 3.7 years and the share of the loan portfolio that carried a fixed interest rate was 79.9 per cent.

Financing and refinancing*Description of risk*

Financing and refinancing risk refers to the risk that KlaraBo will be unable to obtain the necessary financing or that the financing cannot be renewed at the end of its term, or that it can only be obtained or renewed on terms that are less favourable to KlaraBo.

Exposure

A large part of KlaraBo's operations is financed with external capital. KlaraBo raises funds through traditional bank loans secured by property mortgages. There is a risk that additional financing will not be obtained when considered necessary, that existing loans will be called for immediate payment or that new loans can only be obtained on terms that are less favourable to KlaraBo. This could lead to reduced revenue as a result of KlaraBo's inability to take advantage of investment opportunities, or to increased costs due to more expensive financing.

Some of KlaraBo's agreements with lenders contain covenants that KlaraBo is required to meet, for example with regard to

interest-coverage ratio, loan-to-value ratio and equity/assets ratio. If KlaraBo were to breach such loan covenants or other commitments in the future, this could give the lender a right to call the loans for immediate payment, demand additional repayments or claim collateral. In such case, the Group could need to raise additional external capital in order to fulfil its obligations. All covenants were complied with during the financial year.

Management

KlaraBo manages financing and refinancing risk by maintaining a good dialogue with commercial banks in the market and by entering into longer-term credit agreements with a diversified maturity structure. KlaraBo also continuously reviews options to use alternative sources of financing. Furthermore, KlaraBo's financial policy sets goals regarding maturities for the Group's loan portfolio, the main goals being:

- A liquidity reserve of at least three months must be available at all times.
- No more than 30 per cent of the debt may fall due in a 12-month period.
- The number of lenders for bank loans should be at least two, and no single lender may account for more than 60 per cent of the total outstanding volume of bank loans in the long term.
- A well-balanced spread of loan maturities should be sought.

The value of KlaraBo's properties*Description*

All properties owned by KlaraBo are classified as investment properties and are therefore recognised in the balance sheet at fair value. Fair value is determined by assessing the market value of each individual property. The value of KlaraBo's properties is affected by a number of factors, including property-specific factors such as vacancy rates, rents, contract length and operating costs, as well as market-specific factors such as yield requirement and discount rates derived from comparable transactions in the property market. Adverse changes in property- and market-specific factors can lead to a decline in property values, which could have a negative impact on the Group's operations, financial position and earnings.

Exposure

A property valuation is an estimate of the price that an investor is willing to pay for a property at a given time. The valuation is based on generally accepted models and assumptions about various parameters. The market value of a property can only be determined in a transaction between two independent parties and property valuations need to include an uncertainty interval to reflect the uncertainty in the assumptions used and calculations made. As KlaraBo's recognised assets predominantly comprise properties, a decline in value would have negative consequences for the Group. A decline in property values could create a risk that KlaraBo will be unable to obtain new financing or that new financing can only be obtained at a higher price than previously. This in turn could lead to reduced revenue as a result of KlaraBo's inability to take advantage of investment opportunities or to increased costs due to more expensive financing. A decline in property values also has a negative effect on equity. The value of KlaraBo's property portfolio at the end of the financial year was SEK 9,031.9 million (9,170.7). A sensitivity analysis for investment properties can be found in Note 14.

Management

The property portfolio is valued externally on a quarterly basis. KlaraBo has a good knowledge of the property market and manages its properties close to the tenants. The properties are constantly being developed with the aim of increasing revenue and reducing costs in various ways. Social initiatives in residential areas help to increase stability and residents' sense of security and help to increase the attractiveness of the areas, which also has a positive impact on property values.

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Multi-year overview and key performance indicators

SEK m	2023	2022	2021	2020	2019
Property-related					
Rental revenue, SEK m	577.2	491.4	337.6	176.7	97.7
Profit from property management, SEK m	124.2	113.4	76.4	35.8	26.4
Profit/loss for the period, SEK m	-381.5	125.1	640.5	345.2	141.3
Surplus ratio, %	57.2	55.6	55.2	54.1	55.3
Real occupancy rate, %	97.8	98.1	98.6	99.3	N/A
Investment properties, SEK m	9,031.9	9,170.7	7,719.3	3,452.1	1,899.7
Market value per sq. m.	18,032	18,044	18,527	15,918	13,209
Total lettable area, '000 sq. m.	499.5	498.7	416.6	208.8	137.6
Number of apartments under management	6,604	6,533	5,412	2,682	1,819
Number of apartments in project development	1,098	1,509	1,494	1,159	1,152
Financial					
Equity/assets ratio, %	42.6	44.6	49.3	39.9	37.5
Loan-to-value ratio, %	52.2	49.7	41.6	52.8	56.2
Interest-coverage ratio, multiple	1.8	2.0	2.1	2.0	3.2
Long-term net realizable value, SEK m	4,189.1	4,525.6	4,471.9	1,157.3	495.3
Share-based					
Profit from property management per share, SEK	0.95	0.86	0.93	0.47	0.34
Equity per share, SEK	30.0	32.9	31.9	21.9	14.9
Long-term net realizable value per share, SEK	32.0	34.5	33.9	23.7	15.3
Annual growth, profit from property management per share, %	10.0	-7.3	98	41	-223
Annual growth, long-term net realizable value per share, %	-7.3	1.7	43	55	25
Number of shares at the end of the period before dilution, million	131.1	131.2	131.8	48.8	32.4
Weighted average number of shares during the period before dilution, million	131.1	131.7	82.3	41.0	32.4

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Consolidated statement of comprehensive income

SEK m	Notes	2023	2022
	1, 2, 3, 4, 5, 6		
Rental revenue	7	577.2	491.4
Other operating income		12.5	10.2
Property expenses	8, 9	-252.5	-222.7
Net operating income		337.2	278.9
Central administrative costs	9, 10, 11	-51.3	-46.5
Operating profit		285.9	232.4
Financial income	13	7.5	1.4
Financial expenses	13	-169.0	-121.8
Profit from property management		124.4	112.1
Changes in value of properties	14	-439.9	-25.7
Changes in value of derivatives	15	-139.8	95.9
Share of profit/loss after tax of jointly controlled companies	16	-0.2	1.3
Profit/loss before tax		-455.5	183.6
Tax expense	17	73.9	-58.5
Profit/loss for the year		-381.5	125.1
<i>Attributable to:</i>			
Parent Company shareholders		-381.5	125.1
Non-controlling interests		-	-

Consolidated statement of other comprehensive income

SEK m	Notes	2023	2022
Profit/loss for the year		-381.5	125.1
Other comprehensive income		-	-
Total comprehensive income for the year		-381.5	125.1
<i>Attributable to:</i>			
Parent Company shareholders		-381.5	125.1
Non-controlling interests		-	-
Earnings per share attributable to Parent Company shareholders, before dilution, SEK		-2.91	0.95
Earnings per share attributable to Parent Company shareholders, after dilution, SEK		-2.91	0.95

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Consolidated statement of financial position

SEK m	Notes	31 Dec 2023	31 Dec 2022
	1, 2, 3, 4, 5, 6		
ASSETS			
Intangible assets			
Intangible assets		0.3	0.4
Total intangible assets		0.3	0.4
Property, plant and equipment			
Investment properties	14	9,031.9	9,170.7
Equipment	18	7.7	9.8
Total property, plant and equipment		9,039.6	9,180.5
Financial non-current assets			
Participations in jointly controlled companies	16	17.2	17.3
Receivables from jointly controlled companies		2.8	2.8
Derivatives	15	–	103.1
Total financial non-current assets		20.0	123.3
Deferred tax assets	17	0.1	0.4
Total non-current assets		9,060.0	9,304.6
Current assets			
Trade and rent receivables		3.4	2.5
Other receivables		11.7	18.6
Revenue earned but not invoiced		0.7	1.5
Prepaid expenses and accrued income	19	5.7	26.5
Total current assets		21.5	49.1
Cash and cash equivalents		168.5	338.3
Total assets		9,249.9	9,692.0

SEK m	Notes	31 Dec 2023	31 Dec 2022
	1, 2, 3, 4, 5, 6		
EQUITY AND LIABILITIES			
Equity	20		
Share capital		6.6	6.6
Other contributed capital		3,221.6	3,223.7
Retained earnings including profit/loss for the year		708.2	1,089.7
Total equity attributable to Parent Company shareholders		3,936.3	4,320.0
Non-controlling interests		0.0	0.0
Total equity		3,936.3	4,320.0
Non-current liabilities			
Interest-bearing liabilities	21	4,762.7	4,800.6
Deferred tax liability	17	216.0	309.2
Other non-current liabilities		1.1	0.5
Total non-current liabilities		4,979.8	5,110.3
Current liabilities			
Interest-bearing liabilities	21	116.1	97.5
Derivatives	15	36.7	–
Trade payables		26.3	19.8
Current tax liability	17	19.7	22.5
Other current liabilities		33.5	8.9
Accrued expenses and deferred income	19	101.4	113.0
Total current liabilities		333.8	261.7
Total liabilities		5,313.6	5,372.0
Total equity and liabilities		9,249.9	9,692.0

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Consolidated statement of changes in equity

SEK m	Share capital	Other contributed capital	Retained earnings	Equity attributable to Parent Company shareholders	Equity attributable to non-controlling interests	Total equity
Opening equity 1 Jan 2022	6.6	3,235.7	964.6	4,206.9	0.0	4,206.9
Profit for the year			125.1	125.1	0.0	125.1
Other comprehensive income						
Total comprehensive income for the year			125.1	125.1	0.0	125.1
Costs attributable to new share issues		-0.3		-0.3		-0.3
Share buybacks		-11.7		-11.7		-11.7
Total transactions with owners recognised directly in equity	0.0	-12.0	0.0	-12.0	0.0	-12.0
Closing equity 31 Dec 2022	6.6	3,223.7	1,089.7	4,320.0	0.0	4,320.0
Opening equity 1 Jan 2023	6.6	3,223.7	1,089.7	4,320.0	0.0	4,320.0
Profit/loss for the year			-381.5	-381.5	0.0	-381.5
Other comprehensive income						
Total comprehensive income for the year			-381.5	-381.5	0.0	-381.5
Costs attributable to new share issues						
Share buybacks		-2.1		-2.1		-2.1
Total transactions with owners recognised directly in equity	0.0	-2.1	0.0	-2.1	0.0	-2.1
Closing equity 31 Dec 2023	6.6	3221.6	708.2	3,936.3	0.0	3,936.3

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Consolidated statement of cash flows

SEK m	Notes	2023	2022
Operating activities			
Operating profit		285.9	232.4
Adjustments for non-cash items (depreciation of equipment)		2.7	2.2
Interest received/paid		-163.7	-104.0
Tax paid		-23.6	-25.3
Cash flow from operating activities before changes in working capital		101.3	105.4
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		11.6	13.3
Decrease(-)/increase(+) in operating liabilities		19.8	-22.2
Cash flow from operating activities		132.7	96.5
Investing activities			
Acquisition of investment properties		–	-252.4
Investments in investment properties		-161.5	-197.1
Investments in new construction		-117.1	-117.4
Investment aid received		–	20.2
Investments in intangible assets		–	0.0
Acquisition of property, plant and equipment		-0.6	-1.3
Sales of property, plant and equipment		–	0.2
Cash flow from investing activities		-279.1	-547.8
Financing activities			
New financial liabilities	21	30.8	557.8
Borrowing costs	21	–	-14.6
Repayment of financial liabilities	21	-52.1	-358.4
Share buybacks		-2.1	-11.7
Cash flow from financing activities		-23.4	173.1
Cash flow for the period		-169.8	-278.2
Cash and cash equivalents at the beginning of the year		338.3	616.5
Cash and cash equivalents at the end of the year		168.5	338.3

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Parent Company income statement

SEK m	Notes	2023	2022
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Net sales	22	25.0	13.5
Other external expenses	11	-25.1	-21.2
Personnel costs	9	-18.6	-15.6
Depreciation of property, plant and equipment		-0.2	-0.2
Operating loss		-18.9	-23.5
Profit/loss from participations in Group companies	12	-71.1	-116.9
Interest income and similar profit/loss items	13	270.7	76.0
Changes in value of derivatives		-66.2	–
Interest expense and similar profit/loss items	13	-207.8	-79.5
Loss after financial items		-93.4	-143.9
Group contributions received		19.2	60.7
Loss before tax		-74.2	-83.2
Tax expense	17	13.6	-8.9
Loss for the year		-60.6	-92.1

Parent Company statement of comprehensive income

SEK m	2023	2022
Loss for the year	-60.6	-92.1
Other comprehensive income	–	–
Total comprehensive income for the year	-60.6	-92.1

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Parent Company balance sheet

SEK m	Notes	31 Dec 2023	31 Dec 2022
	1, 2, 3, 4, 5, 6		
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Construction in progress and advance payments for property, plant and equipment		–	0.0
Equipment	18	0.6	0.8
Total property, plant and equipment		0.6	0.8
<i>Financial non-current assets</i>			
Participations in Group companies	23	2,294.8	2,345.9
Receivables from Group companies	22	2,942.9	3,351.9
Participations in jointly controlled companies	16	16.3	16.3
Deferred tax assets	17	13.6	–
Total financial non-current assets		5,267.7	5,714.1
Total non-current assets		5,268.3	5,714.9
Current assets			
Trade and rent receivables		–	–
Receivables from Group companies	22	181.6	80.3
Receivables from jointly controlled companies		2.7	2.7
Other receivables		2.4	5.7
Prepaid expenses and accrued income	19	2.3	2.4
Total current assets		188.9	91.1
Cash and bank balances		156.0	272.5
Total assets		5,613.2	6,078.5

SEK m	Notes	31 Dec 2023	31 Dec 2022
	1, 2, 3, 4, 5, 6		
EQUITY, PROVISIONS AND LIABILITIES			
Equity	20		
<i>Restricted equity</i>			
Share capital		6.6	6.6
Total restricted equity		6.6	6.6
<i>Non-restricted equity</i>			
Share premium reserve		3,223.1	3,223.1
Retained earnings		-51.9	42.3
Loss for the year		-60.6	-92.1
Total non-restricted equity	25	3,110.6	3,173.2
Total equity		3,117.2	3,179.8
Non-current liabilities			
Liabilities to Group companies	22	2,161.9	2,552.9
Derivatives		51.0	–
Total non-current liabilities		2,212.9	2,552.9
Current liabilities			
Liabilities to Group companies	22	276.4	338.3
Trade payables		1.9	2.2
Current tax liability	17	0.0	0.1
Other current liabilities		3.8	0.0
Accrued expenses and deferred income	19	1.0	5.1
Total current liabilities		283.1	345.8
Total liabilities		2,496.0	2,898.7
Total equity, provisions and liabilities		5,613.2	6,078.5

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Parent Company statement of changes in equity

SEK m	Equity per share	Share premium reserve	Other non-restricted equity	Total equity
Amount at the beginning of the year 1 Jan 2022	6.6	3,223.3	54.0	3,283.8
Loss for the year			-92.1	-92.1
Other comprehensive income				0.0
Total comprehensive income for the year	0.0	0.0	-92.1	-92.1
New share issue				0.0
Costs attributable to new share issues		-0.3		-0.3
Share buybacks			-11.7	-11.7
Total transactions with owners recognised directly in equity	0.0	-0.3	-11.7	-11.9
Amount at the end of the year 31 Dec 2022	6.6	3,223.0	-49.8	3,179.8
Amount at the beginning of the year 1 Jan 2023	6.6	3,223.0	-49.8	3,179.8
Loss for the year			-60.6	-60.6
Other comprehensive income				
Total comprehensive income for the year			-60.6	-60.6
New share issue				-
Costs attributable to new share issues				-
Share buybacks			-2.1	-2.1
Total transactions with owners recognised directly in equity	0.0	0.0	-2.1	-2.1
Amount at the end of the year 31 Dec 2023	6.6	3,223.0	-112.4	3,117.2

Parent Company statement of cash flows

SEK m	Notes	2023	2022
Operating activities			
Operating loss		-18.9	-23.5
Adjustments for non-cash items (depreciation of equipment)		0.2	0.2
Interest received/paid		29.8	-10.8
Tax paid		-0.2	-0.6
Cash flow from operating activities before changes in working capital		11.0	-34.7
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		562.7	-297.7
Decrease(-)/increase(+) in operating liabilities		-705.9	169.4
Cash flow from operating activities		-132.3	-163.1
Investing activities			
Acquisition of property, plant and equipment		-	-0.9
Acquisition of subsidiaries		-	-0.1
Acquisition of intangible assets		-	0.0
Cash flow from investing activities		0.0	-1.0
Financing activities			
New share issue, net		-	-0.2
Change in long-term intercompany transactions		17.9	-158.8
Proceeds from warrants		-	-11.7
Share buybacks		-2.1	-
Cash flow from financing activities		15.9	-170.7
Cash flow for the period		-116.5	-334.7
Cash and cash equivalents at the beginning of the year		272.5	607.2
Cash and cash equivalents at the end of the year		156.0	272.5

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Note 1

General information

KlaraBo acquires, builds, owns and manages attractive homes with reasonable rents. We do this by acquiring development rights and building cost-, space- and production-efficient self-developed KlaraBo buildings. We can effectively combine the number of apartments and apartment sizes based on the needs of the municipality. Thanks to our flexible construction method, we can also easily adapt to the size and shape of the building plot. KlaraBo began operating in 2017, is headquartered in Malmö and operates throughout Sweden.

From 1 January 2019, KlaraBo has applied the International Financial Reporting Standards (IFRS) as adopted by the EU and the interpretations of these (IFRIC). The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

KlaraBo Sverige AB, corporate registration number 559029–2727, has its registered office in Malmö. The company's street address is Hyllie Vattenparksgata 11A, Malmö. These annual accounts and consolidated financial statements were approved by the Board of Directors on 3 April 2024 and will be presented for approval to the AGM on 3 May 2024.

Note 2

Summary of significant accounting policies

The significant accounting policies applied in preparing these consolidated financial statements are described below. Unless otherwise stated, these policies have been applied consistently for all the years presented. The financial statements are presented in Swedish kronor (SEK) and rounded to the nearest million. Accordingly, the totals and percentages presented in the financial statements do not always add up to the amounts reported.

Basis of preparation of financial statements

The consolidated financial statements of the KlaraBo Group have been prepared in accordance with the IFRS published by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. In cases where the Parent Company applies other accounting policies than the Group, these are presented in a separate section at the end of this note. The consolidated financial statements have been prepared using the cost method except in respect of investment properties and certain financial assets and liabilities (including derivatives) that are measured and recognised at fair value through profit or loss.

The preparation of financial statements in accordance with IFRS requires that senior management make judgements and estimates as well as assumptions about the accounting policies and carrying amounts of items such as assets, liabilities, revenue and expenses. Estimates and assumptions must be based on past experience and other factors considered reasonable under the current circumstances. Group management is required to take into account changes to and current information about the Group's significant accounting policies, and assess the choice of policies and their application. Areas which involve a high degree of judgement, are complex, or where assumptions and estimates have a material impact on the consolidated financial statements are described in Note 4.

New standards, amendments and interpretations of existing standards that have not been applied in advance

New standards that became effective in 2023

The same accounting and valuation policies described in the 2022 Annual Report have been used in the preparation of the

consolidated financial statements. Amended standards approved by the EU and interpretations of the IFRS IC are currently not considered to have a significant impact on KlaraBo's earnings or financial position. Amendments implemented in 2023 have not had any significant impact on KlaraBo's financial statements.

New standards that will become effective in 2024 and beyond
New and amended IFRS to be applied in the future application are not expected to have a material impact on KlaraBo's financial statements.

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Subsidiaries

All entities over which the Group has control are classified as subsidiaries. The Group has control over an entity when it is exposed to or has the right to a variable return on its investment in the entity and is able to affect the return through its influence in the entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements from the date when control is lost.

Non-controlling interests in subsidiaries' earnings and equity are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position.

Business combinations and asset acquisitions

When an acquisition is made, an assessment is carried out to determine whether the acquisition is an asset acquisition or a business combination. For each acquisition, management makes an assessment of which criteria are met.

Companies can choose to perform a "concentration test" which, if it shows that the acquisition is an asset acquisition, means that no further assessment is required. If essentially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets, the voluntary test shows that the

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acquisition is an asset acquisition. If the test is carried out and it is not possible to show that the acquisition is an asset acquisition, a further assessment needs to be made to determine whether or not the acquisition is a business combination.

In an asset acquisition, the cost is allocated to the individual assets and liabilities based on their fair values at the acquisition date. While no deferred tax attributable to the property value is recognised in an asset acquisition, any discount will reduce the cost of the property. This means that changes in value will be affected by the tax rebate on subsequent measurement. Full deferred tax is recognised for temporary differences arising after the acquisition. Acquired investment properties are recognised at fair value at the next closing date, which may deviate from their cost.

The Group's business combinations are recognised using the purchase method. Under the purchase method, an acquisition of an entity is regarded as a transaction in which the acquiring entity (Parent Company) indirectly acquires the assets and liabilities of the acquired entity (subsidiary). The consideration paid for the acquisition comprises the fair value of the transferred assets, liabilities and any shares issued by the Group. The consideration also includes the fair value of all assets or liabilities that are a consequence of a contingent consideration arrangement. Contingent considerations are recognised at fair value at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, the Group determines whether to recognise non-controlling interests in the acquired entity at fair value or at the interest's proportional share of the acquired entity's net assets. The amount by which the consideration, any non-controlling interest and the fair value of previous shareholdings at the acquisition date exceed the fair value of the Group's share of acquired identifiable net assets is recognised as goodwill. If the amount is less than the fair value of the acquired entity's assets, the difference is recognised directly in the statement of comprehensive income. As of the acquisition date, the acquired entity's income, expenses, identifiable assets and liabilities and any resulting goodwill are included in the consolidated financial statements.

Based on KlaraBo's business model, which involves acquiring, building and developing properties, all acquisitions made by KlaraBo are considered asset acquisitions.

Joint arrangements and joint ventures

Through contractual arrangements with one or more parties, KlaraBo has collective control of other entities (joint arrangements). Joint arrangements are classified as joint ventures or joint operations depending on whether the Group has direct rights to the assets and obligations for the liabilities (joint operation) or not (joint venture). All joint arrangements in KlaraBo are classified as joint ventures since neither the contractual terms nor the legal form of the entity give the parties rights to assets and obligations for liabilities relating to the arrangement but rights to the net assets of the business.

Under the equity method, investments in associated companies and joint ventures are initially recognised at cost in the consolidated balance sheet. The carrying amount is subsequently increased or decreased to recognise the Group's share of the post-acquisition profit or loss and movements in other comprehensive income of its associated companies and joint ventures. The Group's share of profit or loss is included in consolidated profit or loss and the Group's share of movements in other comprehensive income is included in consolidated other comprehensive income. Dividends from joint ventures are recognised as a decrease in the carrying amount of the investment. If the loss in joint ventures exceeds the Group's share, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the joint venture.

Transactions eliminated on consolidation

In preparing the consolidated financial statements, intercompany assets and liabilities, income and expenses and unrealised gains and losses arising from intercompany transactions between Group companies are fully eliminated. Unrealised gains arising from transactions with joint ventures are eliminated to the extent corresponding to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

Functional currency

The consolidated financial statements are presented in SEK, which is also the functional currency of the Parent Company. SEK is also the functional currency of all legal entities in the Group.

Revenue*Rental revenue*

KlaraBo currently classifies all leases as operating leases and accounts for rental revenue as operating leases. Rental revenue, including any discounts or additional charges, is notified in advance and rent payments are recognised on a straight-line basis so that only the part of the rent that relates to the period is recognised as revenue. Revenue is recognised at the fair value of the consideration received or receivable.

Rental revenue and rent discounts are recognised on a straight-line basis in profit or loss based on the terms of the leases. Advance rent is recognised as prepaid rental revenue. In some cases, rental revenue includes invoiced additional charges for costs such as electricity, heating and property tax. In cases where a tenant is granted a rent reduction for a certain period and is charged a higher rent at other times, this reduced or increased rent is allocated on a straight-line basis over the lease term unless the reduction is due to staggered occupancy or similar circumstances. Revenue from early termination of leases is recognised as revenue in the period in which the payment is received, if no further performance obligations are required of KlaraBo. Revenue in the form of compensation for tenant improvements that is billed to the tenant for completed improvements to commercial or residential premises is recognised in the form of increased rent over all or part of the lease term. Regardless of the approach, the revenue received is classified as rent and should be recognised as rental revenue in accordance with IFRS 16. KlaraBo has assessed the recognition of revenue based on IFRS 15 Revenue from Contracts with Customers and examined the demarcation between revenue recognition under IFRS 16 Leases and IFRS 15 Revenue from Contracts with Customers. It was judged that facility management services represent a non-significant portion and no separation of revenue for services is therefore made for recognition in accordance with IFRS 15. This revenue is recognised in accordance with IFRS 16,

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which means that revenue from facility management services is allocated based on the same principles as for rental revenue. It is our assessment that this does not result in significant differences in respect of amounts or timing compared with how the revenue would have been recognised under IFRS 15.

Invoiced property tax is recognised as revenue in the period to which it relates.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the Group will meet the conditions attached to the grant. The investment aid scheme ended on 1 January 2022.

Operating segments and segment reporting

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.

KlaraBo has identified two operating segments: Property Management and Project Development. Group-wide items are recognised as Other.

Foreign currency*Transactions in foreign currency*

Transactions in foreign currency are translated to the functional currency at the transaction date exchange rate. Monetary assets and liabilities are translated at the closing rate. Foreign exchange differences arising on translation are recognised in the statement of other comprehensive income. Operating foreign exchange gains and losses are recognised in operating profit.

Transactions with foreign entities mainly refer to the purchase of housing modules from the Baltic states (in EUR).

Employee benefits

All pension plans in KlaraBo are recognised as defined contribution plans. In a defined contribution pension plan, the Group

pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid, KlaraBo has no further payment obligations. The contributions are recognised as personnel costs when they fall due. Prepaid contributions are recognised as an asset to the extent that cash repayments or reductions of future payments may accrue to KlaraBo.

Share-based payments

The Group has outstanding warrants, which are recognised as equity instruments. For a detailed description of the scheme, see Note 9. The warrants have been sold at market value, and no expense has therefore been recognised in the statement of comprehensive income.

Income taxes

Income taxes consist of current tax and deferred tax.

Current income tax

Current tax is the tax payable on the taxable profit for the period. Taxable profit differs from reported profit in that it has been adjusted for non-taxable and non-deductible items. Current tax is recognised in the statement of other comprehensive income, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity. Current tax is tax payable or recoverable for the current year, using tax rates enacted or substantively enacted at the balance sheet date. The item includes any adjustments of current tax relating to prior periods.

Deferred tax

Deferred tax is calculated using the balance sheet method for all temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets arising from deductible temporary differences and loss carryforwards are recognised to the extent that it is likely that these will result in lower tax payments in future. The measurement of deferred tax assets is reduced when it is no longer expected that it will be

possible to use the assets. Deferred tax is calculated based on tax rates and tax rules enacted or substantively enacted at the balance sheet date.

The following temporary differences are not taken into account in KlaraBo:

- Initial recognition of assets and liabilities that are not business combinations and that at the time of the transaction do not affect either the accounting or taxable profit.
- Temporary differences arising from participations in subsidiaries and associated companies that are not expected to be reversed in the foreseeable future.

The measurement of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised or settled. It is assumed that the carrying amount of the Group's investment properties will be realised through sales. The tax rate on the gain is that which would apply to a direct sale of a property recognised in the consolidated statement of financial position, regardless of whether the Group structured the sale as a divestment of a subsidiary, which could result in a different tax rate. The deferred tax is then calculated based on the temporary differences and tax consequences arising from the sale.

In an asset acquisition, no deferred tax is recognised on any surpluses. All of the Group's completed acquisitions have been classified as asset acquisitions, and no deferred tax related to properties included in these acquisitions was therefore recognised initially.

Property, plant and equipment*Equipment*

In the Group, property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and costs directly attributable to the asset.

Assets are depreciated on a straight-line basis over their estimated useful lives. The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial

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year and adjusted prospectively at the end of each accounting period, if necessary.

Estimated useful lives, years:

Equipment 3–10 years

Investment properties

Investment property refers to a property held for the purpose of earning rental revenue or for capital appreciation or a combination of the two. Properties under construction are also included in this category. Investment properties are initially recognised in the balance sheet at cost, which includes costs directly attributable to the acquisition. Investment properties are subsequently recognised in the balance sheet at fair value in accordance with IAS 40. Unrealised and realised changes in value are recognised in the statement of comprehensive income under the change in the value of investment properties. The unrealised change in value is calculated based on the valuation at the end of the period compared with the valuation at the beginning of the period or based on cost, if the property was acquired during the period with regard to the investments for the period. The market value is calculated for each quarter.

KlaraBo values 100 per cent of its property portfolio externally. Property values are updated quarterly by updating the existing valuations with current rents, vacancies and market data from external independent valuers in the form of yields and operating and maintenance costs. Investment properties are classified as Level 3 in the fair value hierarchy.

In an acquisition of a property or company, the transaction is usually recognised at the completion date, as the risks and rewards of ownership are normally transferred on this date.

Subsequent expenditures are also added to the carrying amount, but only if it is likely that the future economic benefits associated with the asset will accrue to the company and the cost can be reliably calculated. All other subsequent expenditures are expensed in the periods in which they are incurred. Repairs are expensed as incurred.

Unrealised increase in value of investment properties in project development

The Group conducts a market valuation and 20 per cent of the difference between fair value on completion and total estimated production costs on completion is recognised as revenue on the day when (i) a building permit has been obtained, and (ii) binding construction contracts have been entered into with one or several contractors. This is because a building permit in combination with a construction contract entered into represents an actual increase in the value of the project and because KlaraBo, based on a proven business model, is able to forecast the outcome of the project with a high degree of probability at that time. The assessment of the fair value of the project may be done partly by an external valuer and partly by KlaraBo's Project Development Organisation based on a cost estimate for the project.

As the project advances, unrealised changes in value are then calculated based on the stage of completion. The stage of completion is calculated as project costs incurred at the balance sheet date in relation to total estimated costs for completing the project. When 50 per cent of the costs have been realised, an additional 30 per cent of the difference between the fair value and the costs is recognised in profit or loss. When a final decision is received from the planning authority, the remaining 50 per cent is recognised.

Financial instruments

Financial instruments recognised in the statement of financial position include, on the asset side, cash and cash equivalents, trade and rent receivables, interest-rate derivatives measured at fair value through profit or loss, and other receivables. The Group's financial liabilities essentially comprise interest-bearing liabilities, interest-rate derivatives measured at fair value through profit or loss, trade payables and other current liabilities.

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Transactions with financial assets are recognised at the transac-

tion date, which is the date on which the Group commits to purchase or sell the assets. Trade receivables are recognised in the balance sheet when an invoice has been sent and the company has satisfied the agreed performance obligations. Liabilities are recognised when the counterparty has satisfied all performance obligations and there is a contractual obligation to pay, even if no invoice has been received. Trade payables are recognised when an invoice has been received.

A financial asset is derecognised from the statement of financial position (wholly or partly) when the contractual rights are extinguished or expire, or when the Group no longer has control over the asset.

A financial liability is derecognised from the statement of financial position (wholly or partly) when the contractual obligation is discharged or otherwise extinguished.

A financial asset and financial liability are offset and the net amount recognised in the statement of financial position when there is a legal right to offset the recognised amounts and an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification and measurement of financial assets/debt instruments

The Group's debt instruments are classified at amortised cost. Financial assets classified at amortised cost are initially measured at fair value plus transaction costs. Subsequently, the assets are measured using the effective interest method and provisions are made for expected credit losses. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset (or financial liability) to the gross carrying amount for a financial asset (or the amortised cost for a financial liability). When calculating the effective interest rate, the expected cash flows should be estimated by taking into account all contractual provisions of the financial instrument but not the expected credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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Assets with short maturities are not discounted as the amounts are insignificant. This category comprises rent receivables, trade receivables, and cash and cash equivalents. Trade receivables are recognised at the amounts expected to be received, meaning less doubtful debts, which are assessed individually. Other receivables are classified as non-current receivables if they are expected to be held for more than one year, and if not, as other receivables. Financial assets measured at amortised cost are included in current assets, with the exception of items maturing later than 12 months after the balance sheet date, which are classified as non-current assets.

Impairment of financial assets

The Group's financial assets are subject to impairment for expected credit losses. This includes impairment of rent receivables.

KlaraBo applies the simplified approach in which trade and rent receivables are based on historical bad debts combined with prospective factors (such as a deteriorating economic outlook, increased construction and letting activity or a larger share of older apartments in the portfolio) based on a simplified approach to estimating expected credit losses. A provision for credit losses is recognised for the remaining life of the receivable or asset, which is expected to be less than one year for all receivables.

The Group's customers are generally a homogeneous group with similar risk profiles, and the credit risk is therefore initially assessed collectively for all customers. However, any significant individual receivables or individual holdings are assessed individually for each counterparty or holding. The Group writes off a receivable when it is no longer expected that payment will be received and active measures to collect payment have been terminated.

Classification and measurement of financial liabilities

Financial liabilities are classified at amortised cost with the exception of derivatives. Financial liabilities measured at amortised cost are initially measured at fair value plus transaction costs and are subsequently measured using the effective interest method.

Non-current liabilities have an expected maturity of more than one year while current liabilities have a maturity of less than one year.

Classification and measurement of derivatives

Derivatives are initially recognised at fair value, which means that all transaction costs are charged to profit or loss for the period. Subsequently, derivatives are measured at fair value and changes in the value of derivatives are recognised in the consolidated statement of other comprehensive income. The Group does not apply hedge accounting.

KlaraBo holds interest-rate swaps, which are classified at fair value through profit or loss and for which changes in value are recognised in profit or loss. Interest-rate swaps have been entered into to hedge cash flow risks from interest-rate exposure arising from the Group's liabilities.

KlaraBo also holds currency derivatives, which are also classified at fair value through profit or loss and which have been entered into to hedge currency fluctuation risks arising from the Group's purchases of modular buildings in the Baltic states. The purchases are denominated mainly in EUR while the assets are held in SEK.

Derivatives with positive and negative fair values are recognised as financial assets and liabilities, respectively.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of major extensions to or conversions of an asset that takes a substantial period of time to get ready for its intended use or sale are included in the original cost of the asset. Borrowing costs are capitalised when it is probable that they will result in future economic benefits and the costs can be measured reliably. Any additional mortgage costs are accounted for in the same way as borrowing costs. All other borrowing costs are expensed as incurred.

Equity*Share capital*

Share capital refers to the share capital of the Parent Company. KlaraBo holds Class A and B ordinary shares.

Other contributed capital

Other contributed capital consists of capital contributed by the Group's owners, such as share premiums in connection with

share subscriptions and shareholder contributions received as well as proceeds from the sale of warrants.

Retained earnings, including profit for the year

Retained earnings refer to profits earned in the Group less potential dividends paid, which are recognised as a reduction in equity and liability following approval of the dividend by the AGM or an Extraordinary General Meeting.

Non-controlling interests

Non-controlling interests are recognised as a separate item in equity.

New share issue

New shares are issued to capitalise the Group. A new share issue increases equity (share capital and other contributed capital) and a corresponding asset item depending on whether the capital is contributed in cash or kind. Transaction costs directly attributable to the issue of new ordinary shares or warrants are recognised in equity less a deduction from the proceeds of the issue.

Provisions and contingent liabilities

A provision is recognised in the statement of financial position when the Group has an existing legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A contingent liability is recognised when there is a possible obligation arising from past events, the existence of which is confirmed only by uncertain future events. Contingent liabilities are also recognised when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required or because it cannot be reliably estimated.

Parent Company accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and additional

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information in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which means that the Parent Company applies all EU-adopted IFRS and interpretations in the annual accounts for the legal entity to the greatest extent possible under the Swedish Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and amendments to IFRS that must be applied.

The following differences exist between the Group and Parent Company accounting policies:

Classification and presentation

The Parent Company income statement and balance sheet are presented in accordance with the templates contained in the Annual Accounts Act. The presentation differs from IAS 1 Presentation of Financial Statements, which is applied in preparing the consolidated financial statements, principally in respect of financial income and expense, and equity.

Subsidiaries

In the Parent Company, participations in subsidiaries are recognised using the cost method. This means that transaction costs are included in the carrying amount of the holding in the subsidiary. The carrying amount is compared with the subsidiary's equity on an annual basis.

Revenue

The Parent Company's net sales comprise sales of administrative services to subsidiaries. This revenue is recognised in the period to which it refers.

Property, plant and equipment

Property, plant and equipment in the Parent Company are recognised at cost less accumulated depreciation and any impairment losses in the same way as for the Group but plus any revaluation.

Financial guarantees

The Parent Company's financial guarantee contracts mainly comprise guarantees on behalf of subsidiaries. Under a financial guarantee contract, the company has an obligation to compensate the holder of a debt instrument for losses incurred by the latter in consequence of the failure of a specified debtor to make full payment on the due dates stated in the contract. For recognition of financial guarantees, the Parent Company applies RFR 2, which represents a relaxation of the rules compared with IFRS 9 in respect of guarantees issued on behalf of subsidiaries and associated companies. The Parent Company recognises financial guarantees as a provision in the balance sheet when the company has an obligation for which payment will likely be required to settle the obligation.

Financial instruments

With regard to the relationship between accounting and taxation, the rules on financial instruments in IFRS 9 are not applied in the Parent Company as a legal entity. Instead, the Parent Company applies the cost method in accordance with the Annual Accounts Act. In the Parent Company, financial assets are initially recognised at cost including any transaction costs directly attributable to the acquisition of the asset.

Measurement of financial instruments

After initial recognition, financial non-current assets are measured at cost (less any impairment losses and plus any revaluation) while financial current assets are subsequently recognised at the lower of cost and net realisable value at the balance sheet date using the lower of cost or market method.

Measurement of financial liabilities

Non-current financial liabilities are measured at amortised cost. Costs directly attributable to borrowings are recognised as an adjustment to the cost of the borrowings and allocated using the effective interest method. Non-current liabilities are recognised at cost. Derivatives with negative fair values for which hedge accounting is not applied are recognised as financial liabilities and measured at this value.

Taxes

In the Parent Company, untaxed reserves are recognised including deferred tax liability. In the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity.

Group contributions and shareholder contributions for legal entities

The company recognises Group contributions and shareholder contributions in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Shareholder contributions are recognised directly in equity in the receiving entity and as participations in subsidiaries in the contributing entity, insofar as no impairment loss is required.

When recognising Group contributions, a company may choose to apply either the general approach or the alternative approach. KlaraBo applies the alternative approach, under which Group contributions received and made are both recognised as appropriations.

Segment reporting

The Parent Company does not report segments using the same division and to the same extent as the Group but presents a breakdown of net sales by Parent Company business segment.

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Note 3

Financial risk factors

KlaraBo is exposed to financial risks, which are described below. The Group accounting department identifies, assesses and in some cases hedges financial risks in close consultation with the Board of Directors. The Board prepares written policies for the Group's overall risk management as well as for specific areas, such as currency risk, interest-rate risk, credit risk and use of derivatives.

In 2023, hedge accounting was not applied for any hedging instrument.

The Group's exposure to financial risks and how these risks can affect the Group's future financial results is described below.

Risk	Exposure arises from	Management
Currency risk	Future commercial transactions. Recognised financial assets not expressed in SEK.	Assessment of the need for currency derivatives.
Interest-rate risk	Long-term borrowing at variable interest rates.	Assessment of the need for interest-rate derivatives.
Credit risk	Cash and cash equivalents, derivatives, and trade and rent receivables.	Financial counterparties with high creditworthiness, credit information, guarantor and deposit.
Capital risk	Borrowings and other liabilities.	Access to binding loan commitments and credits.

The KlaraBo Group's earnings and financial position may deviate, positively and negatively, as a result of the above risks. Financial risks include the impact of changes in interest expenses for borrowings with variable interest rates, the risk that the Group will be unable to access desired financing for future projects and that the Group will have insufficient liquidity in the short term to cover its payment obligations.

Currency risk

Currency risk refers to the risk that changes in exchange rates will have a negative impact on the consolidated balance sheet and interest expense. Currency risk consists of both transaction exposure and translation exposure.

Transaction exposure

Transaction exposure refers to the impact on net sales and costs arising from companies having sales/purchases in a currency other than the functional currency.

KlaraBo's exposure refers to EUR-denominated purchases of modular buildings from the Baltic states. KlaraBo has acquired and holds currency derivatives to hedge the risk of currency fluctuations to which the Group is exposed through its purchases of modular buildings. The Group's financial policy states that currency risk should be managed by being fully eliminated using currency derivatives, as follows:

- For purchases of goods and services that will be paid for in future in foreign currency, the currency risk for amounts exceeding SEK 10 million must be eliminated using forward foreign exchange contracts.

At 31 December 2023, the Group's transaction exposure from EUR purchase contracts amounted to approximately EUR 188 thousand before currency hedging. 100 per cent of the risk has been hedged through forward purchases of EUR using currency derivatives to cover EUR purchases. The forward contracts have an average exchange rate of 10.18 and have maturities until 2024.

KlaraBo had no translation exposure at the closing date.

Interest-rate risk and fixed-rate terms

Interest-rate risk is the risk that the value of financial instruments will vary due to changes in market interest rates and thus have a negative impact on the Group's earnings and cash flows. Consolidated net financial items and consolidated profit/loss are affected by changes in interest rates. How quickly a change in interest rates feeds through to net interest expense depends on the assets and the fixed-rate terms of the liabilities.

Interest expense is a significant expense item for the Group and the Group's main interest-rate risk arises from long-term borrowing at variable interest rates, which exposes the Group to cash flow interest-rate risk. Earnings are sensitive to increased interest expenses from borrowings as a result of changes in interest rates, and interest expenses are primarily affected by current market interest rates, the margins applied by credit institutions and the Group's chosen fixed interest rate strategy. Political decisions on changes to capital adequacy rules or similar obligations could lead to a tightening of the credit market and thereby affect the interest expense. Market interest rates are affected mainly by the expected inflation rate. In times of rising inflation expectations, interest rates are expected to rise and in times of falling inflation expectations interest rates are expected to fall.

For a borrower, shorter fixed-rate terms result in higher cash flow sensitivity, which is viewed as an increased risk. Longer fixed-rate terms increase stability but could be a disadvantage in the event of a decline in market interest rates. The Group's financial policy states that the interest-rate risk, meaning the cash flow risk, needs to be limited in some cases by partially hedging the risk against short-term fluctuations in interest rates using interest-rate hedges in the form of interest-rate swaps which exchange a variable interest rate for a fixed interest rate. In the longer term, the policy allows for changes in interest rates to have an impact on the Group's earnings and cash flow. The Group continuously evaluates its exposure to interest-rate risk. Under KlaraBo's financial policy, the objective of interest-rate risk management is to achieve the desired stability in KlaraBo's total cash flow. The Group's interest-rate risk strategy should be based on a balanced combination of variable interest rates and fixed interest rates. The breakdown between long and short fixed-rate terms

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is determined by conditions in fixed income markets, KlaraBo's ability to cope with periods of high interest rates and the Board's view of the desired risk level. When a strategy is chosen, it must, however, be ensured that possible changes in the market values of the interest-rate hedges required to achieve the proposed strategy do not risk having unacceptable effects on equity. The Group's financial policy sets the following goals:

- Fixed-rate term: A spread of fixed-rate end dates based on specified periods with an average fixed-rate term of one to three years.
- Variable-rate borrowings not hedged against interest-rate risk: At least 20 per cent of the loan portfolio.
- Interest-coverage ratio: At least 1.75x.

The average interest rate on interest-bearing liabilities at 31 December 2023 was just over 3.5 per cent, including interest-rate swaps. Excluding STIBOR and interest-rate swaps, the average loan margin was 1.65 per cent. The Group's interest-rate derivatives are recognised at fair value in the statement of financial position. As market interest rates change, a theoretical premium or discount on the interest-rate derivatives arises. If market interest rates fall, the market value of KlaraBo's interest-rate derivatives will decrease, which could have a negative impact on KlaraBo's earnings. There is an option of netting obligations under derivatives with the same counterparty.

Interest rate hedges

31 Dec 2023

Contract	Nominal amount, SEK m	Market value, SEK m	Fixed interest rate, %	Maturity
Interest-rate swap	100.0	2.7	0.287	2024-07
Interest-rate swap	200.0	5.7	0.015	2024-08
Interest-rate swap	200.0	5.7	0.059	2024-08
Interest-rate swap	200.0	9.2	0.181	2025-05
Interest-rate swap	200.0	-4.6	2.827	2028-11
Interest-rate swap	250.0	-7.9	2.873	2029-11
Interest-rate swap	300.0	-12.7	2.945	2030-11
Interest-rate swap	300.0	-14.8	3.050	2031-02
Interest-rate swap	700.0	6.6	2.205	2032-05
Interest-rate swap	300.0	-18.4	3.055	2033-02
Total	2,750.0	-28.5		

31 Dec 2022

Contract	Nominal amount, SEK m	Market value, SEK m	Fixed interest rate, %	Maturity
Interest-rate swap	100.0	5.0	0.287	2024-07
Interest-rate swap	200.0	11.5	0.015	2024-08
Interest-rate swap	200.0	11.4	0.059	2024-08
Interest-rate swap	200.0	15.2	0.181	2025-05
Interest-rate swap	200.0	3.6	2.827	2028-11
Interest-rate swap	250.0	3.8	2.873	2029-11
Interest-rate swap	300.0	3.1	2.945	2030-11
Interest-rate swap	700.0	49.1	2.205	2032-05
Total	2,150.0	102.8		

Sensitivity analysis – interest expense including derivatives

2023

Change in Stibor reference rate, % point	Interest expense, SEK m
1.00	14.1
-1.00	-5.2
0.50	9.3
-0.50	-0.4
0.25	6.9
-0.25	-2.0

2022

Change in Stibor reference rate, % point	Interest expense, SEK m
1.00	30.4
-1.00	-30.4
0.50	15.2
-0.50	-15.2
0.25	7.6
-0.25	-7.6

Average fixed-rate term including derivatives

31 Dec 2023

Maturity	SEK m	Share, %
2024	1,465	30
2025	1,285	27
2026	0	0
2027	0	0
>2027	2,050	43

31 Dec 2023

Maturity	SEK m	Share, %
Total	4,800	100
Fixed-rate term, years		3.7

31 Dec 2022

Maturity	SEK m	Share, %
2023	1,591	33
2024	500	10
2025	1,293	27
2026	0	0
>2026	1,450	30
Total	4,834	100
Fixed-rate term, years		3.4

The above table excludes interest-bearing liabilities related to project development, which amount to SEK 67 million. Liabilities related to SEK 14.4 million in IFRS 16 entries and SEK 2.9 million in accrued borrowing expenses are also excluded.

Capital risk

Capital risk consists of refinancing and liquidity risk. These risks arise if the Group is unable to meet payment obligations due to insufficient liquidity or difficulties in obtaining credit from external sources.

Liquidity risk is defined as the risk of not being able to meet payment obligations due to insufficient liquidity or difficulties in obtaining financing.

Refinancing risk is defined as the risk of not being able to access, or being able to access only at increased cost, funds for refinancing, investments and operating activities at any time. In addition to equity, the Group's investments are largely financed by borrowing from credit institutions. The Group's operating activities are normally financed by cash flow, but if the situation deviates from the Group's expectations loan financing may be needed for activities such as maintenance. The use of loan financing exposes KlaraBo to financing risk. If the Group fails to raise the necessary capital on acceptable terms, this could have an adverse impact on the Group's operations, financial position and earnings. Properties, shares and internal debt instruments are pledged as collateral to lenders.

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The Group's goal regarding the capital structure is to:

- Ensure the Group's ability to continue as a going concern through a stable long-term capital structure, so that it can continue to generate returns for shareholders and benefits for other stakeholders.
- Maintain an optimal capital structure to keep capital costs down.

The Group's borrowing agreements contain financial covenants that vary between different banks. KlaraBo has, for example, undertaken to maintain a loan-to-value ratio of no more than 70 per cent, an interest-coverage ratio of at least 1.5x and an equity/assets ratio of at least 25 per cent. In the event that KlaraBo were to fail to meet these covenants, the lender usually has the right to demand early repayment of the loan, enforce the pledge and exercise its proprietary rights over the pledged assets, demand additional loan instalments or request changes to the loan terms. If the Group is forced to obtain additional financing, for example due to demands for early repayment or additional instalments, or if a creditor demands changes to the loan terms, this could adversely affect the Group's financial position and earnings. At the closing date, KlaraBo was in compliance with all financial covenants in the Group's loan agreements.

Group 31 Dec 2023, SEK m	<3 months	3–12 months	1–3 years	3–5 years	>5 years	Total
Financial liabilities						
Interest-bearing liabilities to credit institutions	57.1	170.1	2,627.3	2,746.4	–	5,600.9
Other interest-bearing liabilities	0.5	1.3	2.9	0.8	9.0	14.5
Trade payables	26.3	–	–	–	–	26.3
Other liabilities	7.1	26.4	–	–	1.1	34.6
Total	90.9	197.8	2,630.2	2,747.2	10.1	5,676.3

Group 31 Dec 2022, SEK m	<3 months	3–12 months	1–3 years	3–5 years	>5 years	Total
Financial liabilities						
Interest-bearing liabilities to credit institutions	43.3	193.9	3,921.7	991.1	0.0	5,150.0
Other interest-bearing liabilities	0.4	1.2	4.0	0.6	6.2	12.5
Trade payables	19.8	–	–	–	–	19.8
Other liabilities	4.5	2.1	–	–	0.5	7.1
Total	68.0	197.2	3,925.7	991.7	6.7	5,189.4

Political decisions on changes to capital adequacy rules or similar obligations could lead to a tightening of the credit market resulting in a changed financing environment. To limit the refinancing risk, the following guidelines must be followed:

- A liquidity reserve must be available at all times.
- No more than 30 per cent of the total debt may fall due within a rolling 12-month period.
- For bank loans, there should be at least two lenders and no more than 60 per cent of the total outstanding loan debt may be owed to a single lender.
- A well-balanced spread of loan maturities should be sought.

At the closing date, all of the above guidelines were being followed, and the Group is therefore considered to have minimised its refinancing risk.

The table below shows the remaining maturities of the Group's financial liabilities. The amounts indicated in the table are the contractual, undiscounted cash flows. Cash flow refers to interest expense, loan repayments, trade payables and other liabilities. Interest expense has been calculated based on the interest rate for each liability at the closing date.

The Group's objective for the management of liquidity risk is to always have more than one lender that is willing to offer financing on market terms.

Maturity structure of the Group's interest-bearing liabilities*Loan maturities*

31 Dec 2023

Maturity	SEK m	Share, %
2024	0	0
2025	2,939	61
2026	828	17
2027	1,034	22
>2027	0	0
Total	4,800	100
Maturity, years		2.1

31 Dec 2022

Maturity	SEK m	Share, %
2023	536	11
2024	369	8
2025	2,970	61
2026	455	9
>2026	503	10
Total	4,834	100
Maturity, years		2.5

The above table excludes interest-bearing liabilities related to project development, which amount to SEK 67 million. Liabilities related to SEK 14.4 million in IFRS 16 entries and SEK 2.9 million in accrued borrowing expenses are also excluded.

Credit risk

KlaraBo's credit risk refers to the tenants' ability to pay and is managed through careful monitoring of debtor discipline, follow-up of outstanding rent receivables and continuous communication with the tenants. KlaraBo is dependent on tenants paying agreed rents on time. Normal credit checks are done on potential tenants, in which information about the tenants' financial position is obtained. As a rule, references are also obtained from the tenant's previous landlord regarding the tenant's rent payments.

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In some cases, additional security may be required in the form of a guarantor or deposit. To minimise the risk of non-payment of rent, the Group also applies a strict policy on debt collection, payment deferrals and instalment plans.

Nevertheless, there is still a risk that customers will default on their payments or otherwise fail to fulfil their obligations, which could have a negative effect on earnings both directly and indirectly as a result of lower property values.

In addition to the tenants' ability to pay, rental revenue can be affected by other factors such as occupancy rates and the Group's ability to charge market rents. Occupancy rates and rents are governed by factors such as the general economic environment, the rate of production of new properties, changes in infrastructure and population growth, and employment rates.

Changes in these factors can lead to increased vacancies, creating a risk that rents will fall. KlaraBo considers the risk of lost rental revenue to be small since the vacancy rate in the Group's property portfolio is low. KlaraBo's rental policy together with the Group's property management model, which centres on enhancing the value of the properties, limits the risk of a decline in rental revenue and occupancy.

At the balance sheet date, there was no significant concentration of credit exposure, excluding cash and cash equivalents.

At the closing date, the carrying amounts of the Group's trade and rent receivables were as follows. All trade and rent receivables mature within three months of the closing date.

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Trade and rent receivables	12.0	6.1	–	–
Provision for doubtful trade and rent receivables	-8.7	-3.6	–	–
Total trade and rent receivables	3.4	2.5	0.0	0.0

The change in the provision for doubtful trade and rent receivables for the year is shown in the following table.

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening provision for doubtful trade and rent receivables	3.6	2.5	–	–
Change for the year	5.1	1.1	–	–
Closing provision for doubtful trade and rent receivables	8.7	3.6	0.0	0.0

KlaraBo applies the simplified approach for impairment of expected credit losses, under which the size of the provision is based on historical bad debts combined with prospective factors.

KlaraBo writes off a receivable when it is no longer expected that payment will be received and active measures have been taken to collect payment.

The Group uses financial counterparties with high creditworthiness to limit the credit risk for cash and cash equivalents and derivatives. The Group's financial policy defines how borrowings and investments of excess liquidity may be handled, stipulating that loans may only be raised from:

- Swedish banks or Swedish financial institutions/ insurance companies.
- Foreign banks if the loan is governed by the laws of a Nordic country.
- Borrowing in the Swedish credit market, for example through bonds and/or commercial paper.
- Hybrid bonds
- Preference shares

The company may invest excess liquidity in:

- Entities included in the Group.
- Swedish banks or Swedish financial institutions/insurance companies (with a rating of A- or higher).
- Foreign banks (with a rating of A- or higher) if the investment is governed by the laws of a Nordic country.
- A maximum of SEK 200 million may be invested with an individual counterparty.

Approved instruments are deposits and commercial paper.

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Note 4

Estimates and judgements

Estimates and judgements are reviewed on an ongoing basis, and are based on historical experiences and other factors, including expectations of future events that are considered reasonable under existing circumstances. The Group makes estimates and assumptions about the future. The resulting accounting estimates will by definition seldom equal the related actual results. Estimates and assumptions which involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are addressed below.

Investment properties

An important item in the financial statements that is affected by judgements and estimates is fair value measurement of the Group's property portfolio. The valuations of investment properties have been verified by external valuers. Valuations have been made by independent valuers with recognised and relevant qualifications and up-to-date expertise in valuing properties of the same type and in the same locations as KlaraBo's investment properties. For more information on the Group's investment properties, see Note 14.

Asset acquisitions and business combinations

When an acquisition is made, an assessment is carried out to determine whether the acquisition should be accounted for as an asset acquisition or a business combination. If the purpose is to acquire a company's properties, and the company's property management organisation and administration are of secondary importance, the acquisition is classified as an asset acquisition. An acquisition is also classified as an asset acquisition if the consideration paid for the shares in accordance with IFRS 3 is essentially attributable to the market value of the acquired properties. Other acquisitions are accounted for as business combinations. As no deferred tax is recognised in an asset acquisition, any tax rebate received affects the cost of the property. Subsequent changes in value will thus also be affected by the rebate.

Deferred taxes

Significant judgements are made primarily to determine deferred tax assets/liabilities, not least with regard to the value of loss carryforwards and when it is expected that it will be possible to use them. KlaraBo is required to assess the probability that the loss carryforwards will be used to offset future taxable profits and when this may occur. The actual outcome may differ from KlaraBo's assessments due to factors such as changes in the business climate, changes in tax rules or the result of authorities' or tax courts' not yet completed examination of submitted tax returns. The carrying amount of deferred tax assets is tested at each closing date. For further information on deferred taxes, see Note 17.

Note 5

Segment reporting

The Group identifies two segments: Property Management and Project Development. Group-wide costs are recognised in the category Other. The Group's segment reporting is based on the following standpoints regarding the business areas:

Property Management

Profit from property management for rental properties, profit from joint ventures engaged in property management and changes in the value of investment properties are recognised in this segment.

Project Development

The value and earnings attributable to changes in the value of newly developed properties as well as value creation through improvements to land or conversions of existing properties.

The Group divides its operations into the segments Property Management and Project Development for internal monitoring and analysis. KlaraBo has made the assessment that the chief operating decision-maker is the CEO. The Group's operations are organised in such a way that the Group's CEO monitors profit before tax in the Property Management and Project Development

segments. Each operating segment has a manager who is responsible for the segment's day-to-day operations and who regularly reports information on the segment's performance and resource requirements to the CEO. The information is used to make decisions on the allocation of resources to the segments and to evaluate the results. The operating segments' earnings, assets and liabilities include directly attributable items as well as items that can be allocated to the segments in a reasonable and reliable manner. All transactions between the segments are made on commercial terms and based on prices charged to unrelated customers in standalone sales of identical goods or services. The Group uses the same valuation principles in its segment reporting as in its financial statements, in accordance with IFRS 8.

KlaraBo had no individual customers that accounted for more than 10 per cent of consolidated revenue in 2022 and 2023, for which disclosures are required. All revenue is attributable to tenants in Sweden, and all non-current assets are located in Sweden.

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Consolidated statement of comprehensive income, SEK m	Property management		Project development		Other		Group	
	2023 Jan–Dec	2022 Jan–Dec	2023 Jan–Dec	2022 Jan–Dec	2023 Jan–Dec	2022 Jan–Dec	2023 Jan–Dec	2022 Jan–Dec
Revenue	589.7	501.5	0.0	0.0	0.0	0.1	589.7	501.6
Costs	-252.6	-222.4	0.0	-0.3	0.1	0.0	-252.5	-222.7
Net operating income	337.2	279.1	0.0	-0.3	0.1	0.1	337.2	278.9
Central administrative costs	-10.1	-10.0	0.0	-0.2	-41.2	-36.4	-51.4	-46.5
Operating profit/loss	327.0	269.1	0.0	-0.5	-41.1	-36.3	285.9	232.3
Financial income/expenses	-200.8	-104.8	4.4	-3.1	34.7	-11.1	-161.7	-119.0
Profit from property management	126.2	164.3	4.4	-3.6	-6.4	-47.4	124.2	113.3
Changes in value of properties	-428.4	-26.8	-8.8	1.0	-2.8	0.0	-439.9	-25.7
Changes in value of derivatives	0.0	26.8	-0.2	0.4	-139.6	68.7	-139.8	95.9
Profit/loss before tax	-302.2	164.3	-4.6	-2.2	-148.7	21.4	-455.5	183.5
Tax expense	53.7	-44.0	0.0	-0.4	20.2	-14.2	73.9	-58.5
Profit/loss for the year	-248.5	120.4	-4.6	-2.5	-128.4	7.2	-381.5	125.1

Consolidated statement of financial position, SEK m	Property management		Project development		Other		Group	
	2023 Jan–Dec	2022 Jan–Dec	2023 Jan–Dec	2022 Jan–Dec	2023 Jan–Dec	2022 Jan–Dec	2023 Jan–Dec	2022 Jan–Dec
Investment properties	8,857.6	9,006.0	174.3	164.7	0.0	0.0	9,031.9	9,170.7
Non-current interest-bearing liabilities	4,762.7	4,800.6	0.0	0.0	0.0	0.0	4,762.7	4,800.6
Current interest-bearing liabilities	49.1	43.1	67.0	54.5	0.0	0.0	116.1	97.5
Deferred tax liability attributable to revaluation of properties	215.8	287.3	0.0	0.6	0.0	0.0	215.8	287.9

Newly constructed properties are included in the Project Development segment up to and including the quarter in which they are completed. The first market valuation after completion is thus included in this segment. The newly constructed properties are then transferred to the Property Management segment. Deferred tax liabilities in the above statement of financial position are calculated for the properties that were classified in each segment at year-end.

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Note 6

Financial instruments and financial risk management

The following is a presentation of carrying amounts of financial instruments by measurement category.

Group, SEK m	Financial items measured at fair value through profit or loss		Financial items measured at amortised cost	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Financial assets				
Derivatives	–	103.1	–	–
Trade and rent receivables	–	–	3.4	2.5
Other receivables	–	–	11.7	18.6
Revenue earned but not invoiced	–	–	0.7	1.5
Cash and cash equivalents	–	–	168.5	338.3
Total	0.0	103.1	184.2	360.9
Financial liabilities				
Interest-bearing liabilities to credit institutions	–	–	4,864.3	4,885.7
Other interest-bearing liabilities	14.5	12.5	–	–
Derivatives	36.7	–	–	–
Trade payables	–	–	26.3	19.8
Other liabilities	–	–	34.6	9.4
Accrued expenses	–	–	101.4	113.0
Total	51.3	12.5	5,026.5	5,027.8

The fair values of current financial assets and liabilities are considered to approximate their carrying amounts in view of the short maturities and the fact that interest-bearing liabilities have variable interest rates.

All of the Parent Company's financial instruments are measured at amortised cost.

The fair value of financial instruments that are not traded in an active market is determined with the help of valuation techniques. Market information is used to the greatest extent possible if it is available while company-specific information is used to the smallest extent possible. If all significant inputs required for the fair

value measurement of an instrument are observable, the instrument belongs to Level 2. See also page 61 for information on the different levels of the fair value hierarchy. Specific measurement techniques used to measure financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest-rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined as the present value of future cash flows based on forward foreign exchange rates on the balance sheet date.

Other interest-bearing liabilities pertain to lease liabilities calculated at present value based on future cash flows in accordance with IFRS 16. All outstanding derivatives and lease liabilities held by KlaraBo at the closing date are classified in Level 2.

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Note 7

Rental revenue

A breakdown of the Group's rental revenue is presented in the table below.

SEK m	Group	
	2023	2022
Housing units	499.1	422.7
Commercial premises	66.3	58.5
Other	11.9	10.1
Total	577.2	491.4

The Group leases its investment properties to tenants under operating leases. Future accumulated minimum payments in respect of rental revenue are presented below. The calculation is based on the assumption that all leases will be terminated as soon as possible after the closing date, and not subsequently renewed. Leases for housing units are terminable on three months' notice but are assumed to be long-term contracts. For disclosure purposes, the value of the annual rent for these contracts is shown. The maturity structure of other agreed leases is presented excluding leases for housing units, meaning for commercial premises and community service properties. The maturity structure does not include future indexation of rents.

SEK m	Group
	2023
Leases for housing units, annual rent	539.4
Future contractual lease payments, excluding housing units	
2024	71.1
2025	63.6
2026	54.6
2027	30.5
2028	15.6
After more than five years	16.9
Total	252.3

SEK m	Group
	2022
Leases for housing units, annual rent	484.1

Future contractual lease payments, excluding housing units

2023	77.0
2024	51.5
2025	38.0
2026	31.1
2027	18.0
After more than five years	24.6
Total	240.2

Note 8

Property expenses

SEK m	Group	
	2023	2022
Operating costs	187.8	159.7
Maintenance costs	24.4	27.3
Property management administration	27.5	24.1
Property tax	12.8	11.6
Total	252.5	222.7

Property management administration mainly refers to personnel costs, which are presented in Note 9.

Note 9

Employees

Average number of employees

	Group		Parent Company	
	2023	2022	2023	2022
Women	21	15	7	5
Men	45	44	5	4
Total	66	59	12	9

Gender distribution

Board of Directors	Parent Company	
	2023	2022
Women	2	2
Men	6	6

CEO and management	Parent Company	
	31 Dec 2023	31 Dec 2022
Women	1	1
Men	3	3

Salaries and benefits, social security contributions and pensions

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Salaries and benefits				
Board, CEO and senior executives	7.2	8.5	6.9	7.0
Other employees	29.3	25.2	4.9	3.1
Total	36.5	33.7	11.8	10.1

Social security contributions

Board, CEO and senior executives	4.1	5.0	3.9	4.2
(of which retirement pension costs)	(1.4)	(1.8)	(1.3)	(1.5)
Other employees	12.4	10.3	2.6	1.7
(of which retirement pension costs)	(2.4)	(1.7)	(0.9)	(0.6)
Total	16.5	15.3	6.5	5.9

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In addition to the CEO, senior executives refer to the CFO, HR Manager and Head of Property Management. The CEO has a notice period of 12 months in the event of termination by the company and six months in the event of termination by the CEO. Other senior executives have a notice period of three to six months both in the event of termination by the employee and in the event of termination by the company.

Remuneration of senior executives

2023

SEK m	Salary/fee	Benefits	Pension	Total
Anders Pettersson, Board member	0.2			0.2
Andreas Morfiadakis, CEO	2.4	0.2	0.7	3.2
Håkan Sandberg, Board member	0.2			0.2
Lennart Sten, Chairman	0.4			0.4
Lulu Gylleneiden, Board member	0.2			0.2
Mats Johansson, Board member	0.2			0.2
Per-Håkan Börjesson, Board member	0.2			0.2
Sophia Mattsson-Linnala, Board member	0.3			0.3
Joacim Sjöberg, Board member	0.3			0.3
Other senior executives (3 individuals)	2.9	0.3	0.7	3.8
Total	7.2	0.5	1.4	9.1

2022

SEK m	Salary/fee	Benefits	Pension	Total
Anders Pettersson, Board member	0.2			0.2
Andreas Morfiadakis, CEO	2.4	0.2	0.7	3.2
Håkan Sandberg, Board member	0.2			0.2
Lennart Sten, Chairman	0.4			0.4
Lulu Gylleneiden, Board member	0.2			0.2
Mats Johansson, Board member	0.2			0.2
Per-Håkan Börjesson, Board member	0.2			0.2
Sophia Mattsson-Linnala, Board member	0.3			0.3
Joacim Sjöberg, Board member	0.8			0.8
Other senior executives (3 individuals)	4.0	0.3	1.0	5.4
Total	9.0	0.5	1.8	11.3

Board fees

In 2023, SEK 400,000 (400,000) in Board fees were paid to the Chairman of the Board, and SEK 200,000 per person was paid to other Board members. Additional fees for committee work totalled SEK 345,000. The amounts relate to the period from the AGM on 3 May 2023 until the AGM on 3 May 2024.

Incentive programmes

At the end of the year, KlaraBo had three outstanding warrant programmes in which the Group's employees have been offered the opportunity to subscribe for warrants.

All three programmes entitle the participants to subscribe for one Class B share. The warrants are exercisable at different times in 2024.

The value of all of the warrants has been calculated on a market basis using the Black & Scholes' valuation model, wherein the value of the warrants is assessed in connection with the warrant programmes. The following inputs were used:

Programme 2020/2024

- The value of the underlying share at the valuation date was SEK 20
- Subscription price: SEK 30
- The warrants can be exercised to subscribe for shares during the period 1 to 31 March 2024
- Term: 3.5 years
- Risk-free interest rate based on the yield curve of Swedish government bonds: -0.28%
- Volatility: 25%
- No expected dividends have been included in the calculation of the value of the warrants

Programme 2021/2024:1

- The value of the underlying share at the valuation date was SEK 26
- Subscription price: SEK 39
- The warrants can be exercised to subscribe for shares during the period 1 June to 31 August 2024
- Term: 3.3 years

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▷ Note 9, cont.

- Risk-free interest rate based on the yield curve of Swedish government bonds: -0.26%
- Volatility: 25%
- No expected dividends have been included in the calculation of the value of the warrants

Programme 2021/2024:2

- The value of the underlying share at the valuation date was SEK 29
- Subscription price: SEK 39
- The warrants can be exercised to subscribe for shares during the period 1 August to 31 October 2024
- Term: 3.4 years
- Risk-free interest rate based on the yield curve of Swedish government bonds: -0.25%
- Volatility: 25%
- No expected dividends have been included in the calculation of the value of the warrants

In total on 31 December, the incentive programmes encompassed a maximum of 3,297,025 warrants that can be utilised

Number of warrants

	Warrants 2020/2024	Warrants 2021/2024:1	Warrants 2021/2024:2	Total
Number of warrants at the beginning of the year	1,367,585	500,000	1,429,440	3,297,025
Warrants subscribed				
Warrants repurchased				
Number of warrants at the end of the year	1,367,585	500,000	1,429,440	3,297,025
Exercise price/share, SEK	30	39	39	

to subscribe for a maximum of 3,297,025 Class B shares, corresponding to a dilution effect of at most 2.44 per cent based on the number of shares in the company. All three programmes are fully subscribed. After exercise of the warrants, the company's share capital will increase by SEK 164,851.25, provided that no recalculation is made.

The holding of warrants is linked to continued employment in the company only in the sense that a warrant holder, in the case of termination of employment, would be required to offer his or her warrants to the company.

Number of warrants subscribed by senior executives and other employees

	Number of warrants
CEO	841,379
Head of Property Management	79,526
CFO	–
HR Manager	–
Other and previous employees	2,376,120
Number of warrants at the end of the year	3,297,025

Note 10**Central administrative costs**

SEK m	Group	
	2023	2022
Amortisation	2.7	2.8
Employee benefit costs	18.6	16.6
Consulting costs	11.0	10.8
IT and software	4.4	4.2
Audit fees	3.2	3.0
Marketing costs	1.0	1.3
Other expenses	10.5	7.9
Total	51.3	46.5

The item "Other expenses" includes VAT costs for management fees, consumables, travel expenses and ongoing stock exchange-related expenses.

Note 11**Audit fees**

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Audit assignment	2.4	2.2	0.9	0.9
Audit services in addition to audit assignment	–	–	–	–
Tax advisory services	0	0.3	0	0.1
Other services	0.8	0.4	0.3	0.2
Total	3.2	3.0	1.2	1.2

Audit assignment refers to the auditor's work on the statutory audit, and audit services in addition to audit assignment refer to various quality assurance services. Other services are services that are not included in the audit assignment, audit services or tax advisory services. Audit fees pertain to PwC.

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Note 12

Profit from participations in Group companies

SEK m	Parent Company	
	31 Dec 2023	31 Dec 2022
Capital gain/loss on divestment of participations	–	36.4
Anticipated dividend from subsidiaries	453.6	–
Impairment of shares in subsidiaries in connection with loss coverage through shareholder contributions	-524.7	-153.3
Closing cost	-71.1	-116.9

Note 13

Financial income and expenses

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Interest income and similar profit/loss items				
Interest income from Group companies	–	–	266.1	74.6
Other interest income	7.5	1.4	4.5	1.4
Gain/loss on sale of subsidiaries	–	–	–	–
Dividends from other companies	–	–	–	–
Total financial income	7.5	1.4	270.7	76.0
Interest expense and similar profit/loss items				
Interest expense to credit institutions	-169.7	-104.8	20.3	-6.0
Interest expense on debt instruments	–	–	–	–
Other interest expense	–	-17.0	-228.0	-67.2
Other financial expenses	0.8	–	-0.1	-6.4
Total financial expenses	-169.0	-121.7	-207.8	-79.6

The majority of financial income and expenses is attributable to financial assets and liabilities measured at amortised cost.

Note 14

Investment properties

SEK m	Group	
	31 Dec 2023	31 Dec 2022
Property portfolio 1 January	9,170.7	7,850.0
Acquisitions	–	1,072.5
Investments in investment properties	161.5	195.2
Investments in newly constructed properties	117.1	118.2
IFRS16	3.3	–
Public subsidies received	19.2	-39.4
Unrealised changes in value	-439.9	-25.7
Total	9,031.9	9,170.7

The fair value of properties in the Project Development segment is SEK 174.3 million (164.7) and thus represents a non-significant portion of the total property value. No separate presentation is therefore made.

The Group's properties are classified as investment properties, all of which are included in Level 3 of the fair value hierarchy. Under IFRS, measurements must be made using the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted market prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The item investment properties also includes costs incurred for ongoing new construction projects. Properties under construction are measured at fair value, whereby a predetermined share of the unrealised change in value between fair value on completion and total estimated production costs is recognised based on the stage of completion. This is done based on an escalation model adopted by the Group in which the property as a whole is valued in connection with the completion of the project. For new construction, cost includes borrowing costs, such as interest expense and credit fees, directly attributable to the production of the property. These borrowing costs have been determined

based on the interest rates and credit fees agreed in the loan agreements with the bank. For 2023, capitalised borrowing costs totalled SEK 8.9 million (2.2).

The property portfolio consists mainly of residential properties, all of which are located in Sweden. The majority of the properties were built in the 1960s and 1970s. All properties, with the exception of ongoing new construction projects, have been valued at the closing date by external valuation companies authorised in accordance with MRICS. The market values of the Group's investment properties have been determined on a fair value basis. The fair values of investment properties are determined using yield-based cash flow models where the present value of forecast cash flows plus residual value are calculated for individual properties over ten or 15 years. This means that future rent payments less estimated operating and maintenance payments and the residual value in year ten or year 15 are discounted to present value.

In all cases, the basis for the valuation consists of information about the property's condition, the lease, current operating costs, vacancies and planned investments as well as an analysis of the existing tenants. An assessment is made of the location, rental growth, vacancy rates and yield requirements for relevant markets and account is taken of normalised operating and maintenance costs. Information regarding the properties' land area and detailed development plans for undeveloped land and development properties is obtained from public sources. The fair values of investment properties are based on valuations made by independent valuers with recognised and relevant qualifications. Physical inspections of the properties are made on an ongoing basis.

All valuation calculations are based on actual rental revenue and rents at the valuation date. Operating and maintenance costs have been based on weighted historical data and estimated normalised costs. For property tax, closing costs have been used. Current economic vacancy rates have been taken into account. Rental growth has been judged to follow the assumed inflation rate over the long term. Inflation follows the Riksbank's long-term inflation target. Using market assumptions based on the valuers' expertise, operating and maintenance costs have been assumed to average SEK 490 (477) per square metre, excluding property tax. The residual value is calculated by dividing normalised net operating income in the year after the end of the calculation

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▷ Note 14, cont.

period by an estimated yield requirement. The residual value has been calculated using an average yield requirement of 4.8 per cent (4.1). The long-term vacancy rate is assessed individually for each property based on current vacancies, the assumption of a gradual adjustment to market vacancies and individual circumstances. The discount rate is the required rate of return the property owner expects from the capital linked to the property. The required rate of return is based on empirical assessments of the market's required rate of return for similar properties, which in practice is derived by adjusting the estimated yield requirement for inflation. From a theoretical perspective, the discount rate is defined by adding a risk-free real interest rate to inflation expectations as well as a risk factor. The discount rate is assessed individually for each property.

Sensitivity analysis – investment properties

	Change, % points	Change, %	Change in value, SEK m
Yield requirement	-0.25		513.3
Yield requirement	+0.25		-459.0
Long-term vacancy rate	-0.25		28.7
Long-term vacancy rate	+0.25		-28.8
Rental value*		-2.5	-40.4
Rental value		+2.5	343.8
Operating and maintenance costs		-2.5	131.8
Operating and maintenance costs		+2.5	-131.8

* Refers to commercial premises only

Note 15

Derivatives

SEK m	Group	
	31 Dec 2023	31 Dec 2022
Opening carrying amount	103.0	7.1
Change in value for the year	-139.8	95.9
Total	-36.7	103.0

As of the closing date, the KlaraBo Group had ten (eight) interest-rate derivatives with a closing carrying amount of SEK -28.5 million (102.8). The Group also has a number of currency derivatives with a closing carrying amount of SEK 0.1 million (0.3) and a swaption with a carrying amount of SEK -8.4 million. The interest-rate derivatives are not linked to specific bank loans, but are separate from other liabilities. The currency derivatives are linked to the payment flow for invoices denominated in EUR, linked to new construction. At each closing date, all derivatives

Note 16

Participations in jointly controlled companies

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	17.3	16.0	16.3	16.3
Purchases	–	–	–	–
Reclassification	–	–	–	–
Shareholder contributions paid	–	–	–	–
Share of profit or loss of jointly controlled companies	-0.2	1.3		
Closing cost	17.2	17.3	16.3	16.3

Company	Corp. reg. no.	Registered office	Share of capital	Carrying amount in Group	Carrying amount in Parent Company
Gullbernahult Fastighetsutveckling AB	559153-7930	Stockholm	60%	1.8	1.8
Varpslagg Fastighetsutveckling AB	559154-7616	Stockholm	60%	2.7	2.7
Klarsam Fastighetsutveckling AB	559162-1239	Stockholm	60%	12.7	11.7

In the companies presented above as participations in jointly controlled companies, KlaraBo Sverige AB holds more than 50 per cent of the equity. Under the concluded shareholder agreements, all shareholders have equal influence, and the agreements contain clear guidelines on how decisions should be made in the event of a disagreement. No individual shareholder has a casting vote in the event of a disagreement. For this reason, KlaraBo Sverige AB has judged that the investments should be classified as joint venture investments and thus be recognised using the equity method.

are measured at fair value, which is obtained from the relevant counterparty (bank).

In the IFRS fair value hierarchy, the fair values of derivatives are measured according to Level 2. This means that the measurement is based on inputs other than quoted market prices that are observable for asset or liabilities either directly or indirectly. In KlaraBo's case, these are market valuations obtained from the banks. The Group does not apply hedge accounting.

The above jointly controlled companies have balance sheets consisting mainly of receivables from their holding companies as well as equity. There are no other material balance sheet items, and the companies' balance sheets are therefore not presented in this note.

Through Klarsam Fastighetsutveckling AB, the KlaraBo Group owns two more companies, Klarsam Holding 1 AB and Klarsam Holding 2 AB. These two companies are 100 per cent owned by their parent company. For further information, please refer to the annual report of Klarsam Fastighetsutveckling AB.

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Note 17

Tax

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Current tax				
Current tax on profit for the year	-20.4	-22.1	0.0	0.0
Tax attributable to previous years	1.6	0.1	0.0	0.0
Total current tax	-18.8	-21.9	0.0	0.0
Deferred tax				
Change in value of financial instruments	28.8	-19.8	13.6	0.0
Differences between carrying amounts and tax bases of investment properties	64.3	-8.5	0.0	-
Changes in capitalisation of loss carryforwards	-0.4	-8.4	0.0	-8.8
Total deferred tax	92.7	-36.6	13.6	-8.8
Total income tax	73.9	-58.5	13.6	-8.8

The income tax on the consolidated profit before tax differs from the theoretical amount that would have resulted from the use of a weighted average tax rate in consolidated Group companies as follows:

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Profit/loss before tax	-455.5	183.6	-74.2	-83.2
Tax at applicable tax rate, 20.6%	93.8	-37.8	15.3	17.1
Tax effects of:				
– non-taxable income	0.1	-	106.4	7.5
– non-deductible expenses	-18.0	-17.7	-121.7	-32.4
– deductible expenses not recognised in profit or loss	-	-	-	-
– taxable income not recognised in profit or loss	-	-	-	-
– adjustment of deferred tax attributable to financial instruments	-	-	13.6	-
– loss carryforward not valued	-	-	-	-
– loss carryforwards not previously valued	1.3	7.8	-	-
– utilised valued loss carryforward	-	-	-	-1.0
– effect of revaluation of properties	-3.2	-10.8	-	-
Tax expense	73.9	-58.5	13.6	-8.8

Deferred tax asset/liability

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Changes in value of properties	-183.5	-256.7	-	-
Changes in value of financial instruments	7.6	-21.2	13.6	-
Capitalised loss carryforward	0.1	0.4	-	-
Temporary differences arising from tax depreciation	-41.5	-32.6	-	-
Intercompany profit	1.4	1.4	-	-
Total	-216.0	-308.7	13.6	0.0
Classification in balance sheet				
Deferred tax asset	0.1	0.4	13.6	0.0
Deferred tax liability	-216.0	-309.2	-	-
	-216.0	-308.7	13.6	0.0

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening deferred tax asset/liability	-308.7	-272.1	0.0	8.8
Changes in value of properties	73.2	8.9	-	-
Temporary differences arising from tax depreciation	-8.9	-17.4	-	-
Changes in value of financial instruments	28.8	-19.8	13.6	0.0
Capitalised loss carryforward	-0.4	-8.4	-	-8.8
Intercompany profit	-	-	-	-
Closing deferred tax asset/liability	-216.0	-308.7	13.6	0.0

Changes in deferred tax assets and deferred tax liabilities have been recognised in profit or loss for both 2023 and 2022.

At 31 December, the Group had unutilised loss carryforwards of SEK 4.2 million (1.9). Deferred tax assets arising from net interest expense that could not be utilised have not been recognised.

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Expected maturity structure of deferred tax assets and deferred tax liabilities

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Deferred tax asset				
Utilised after more than 12 months	–	–	13.6	–
Utilised within 12 months	0.1	0.4	0.0	–
Total	0.1	0.4	13.6	0.0
Deferred tax liability				
Utilised after more than 12 months	-216.0	-309.2	–	–
Utilised within 12 months	–	–	–	–
Total	-216.0	-309.2	0.0	0.0

Note 18

Equipment

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	23.7	16.5	1.1	0.2
Sales and disposals	-0.3	-0.6	–	–
Purchased equipment	–	0.2	–	–
Purchases for the year	0.8	7.7	–	0.9
Closing cost	24.2	23.7	1.1	1.1
Opening depreciation	-13.9	-11.2	-0.3	-0.1
Sales and disposals	0.1	0.2	–	–
Acquired depreciation	–	-0.2	–	–
Depreciation for the year	-2.7	-2.7	-0.2	-0.2
Closing depreciation	-16.5	-13.9	-0.5	-0.3
Closing carrying amount	7.7	9.8	0.6	0.8

Note 19

Accrual items

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Prepaid expenses and accrued income				
Other prepaid expenses	5.7	26.5	2.3	2.4
Total	5.7	26.5	2.3	2.4
Accrued expenses and deferred income				
Accrued project costs	5.8	15.0	–	–
Accrued employee-related expenses	4.3	4.4	1.3	1.6
Accrued interest expense	3.3	4.8	-4.1	-0.4
Other accrued expenses	36.8	36.9	3.7	3.9
Prepaid rental revenue	51.3	51.9	–	–
Total	101.4	113.0	1.0	5.1

The item Other accrued expenses mainly comprises operating costs.

Note 20

Equity

Share capital

At the balance sheet date, the Parent Company's share capital consisted of 131,827,883 shares, divided into 16,300,000 Class A shares and 115,527,883 Class B shares. Each Class A share carries ten votes and each Class B share carries one vote. The quotient value for all shares is SEK 0.05 per share.

Contributed capital

Contributed capital consists of capital paid to the company through share new share issues.

Retained earnings

Retained earnings include profit for the year and profit from previous years. In the Parent Company, retained earnings also include proceeds from warrants.

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▷ Note 20, cont.

Share capital history

	Number of shares	Quotient value/share, SEK	Share capital, SEK
At the beginning of the year 1 Jan 2022	131,827,883	0.05	6,591,394
New share issue			
At the end of the year 31 Dec 2022	131,827,883	0.05	6,591,394
New share issue			
At the beginning of the year 1 Jan 2023	131,827,883	0.05	6,591,394
New share issue			
At the end of the year 31 Dec 2023	131,827,883	0.05	6,591,394

Note 21

Borrowings

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Non-current interest-bearing liabilities				
Interest-bearing liabilities to credit institutions	4,749.6	4,789.5	–	–
Other interest-bearing liabilities	13.0	11.1	2.1	3.5
Total	4,762.7	4,800.6	2.1	3.5
Current interest-bearing liabilities				
Interest-bearing liabilities to credit institutions	116.1	97.5	1.0	1.0
Other interest-bearing liabilities	–	–	–	–
Total	116.1	97.5	1.0	1.0

Liabilities to credit institutions mainly refer to borrowings linked to the Group's property portfolio. These liabilities are secured mainly by mortgages on properties. Other interest-bearing liabilities refer to construction credits linked to the Group's new construction projects as well as liabilities pertaining to IFRS 16 entries for a site leasehold and two office properties.

The Group raises loan financing in the form of loans from Nordic banks. Total borrowing consists of bank loans including construction credits.

The bank loans mainly have two interest components in the form of predetermined margins and a variable reference interest rate with quarterly payments of interest and principal. The loan agreements are subject to financial covenants, including loan-to-value ratio, equity/assets ratio and interest-coverage ratio, which are continuously monitored and reported. The financial covenant commitments differ from one bank to another, but KlaraBo has committed to maintaining a loan-to-value ratio of no more than 70 per cent, an interest-coverage ratio of at least 1.5x and an equity/assets ratio of at least 25 per cent. In the event that KlaraBo were to fail to meet these covenants, the lender usually has the right to demand early repayment of the loan, enforce the pledge and exercise its proprietary rights over the pledged assets, demand additional loan instalments or request changes to the loan terms. The loan

agreements also specify a number of other commitments, such as a requirement for annual valuations of the properties and defined events that give the lenders the right to terminate the loans and demand early repayment. At the closing date, KlaraBo was in compliance with all covenants.

Interest-rate swaps have been entered into to partially exchange the variable interest rate for a fixed interest rate. The average fixed-rate term at the closing date was 3.7 years and the average loan maturity 2.1 years. At the same date, the average interest rate, including derivatives, was just over 3.5 per cent.

The carrying amount of the Group's borrowings with variable interest approximates its fair value, as the interest rate on the borrowings is in parity with current market interest rates or because the borrowing is short-term. The fair value of the Group's borrowings with fixed interest is lower than the carrying amount, as the market rates on the closing date were higher than the fixed interest on the loans. The carrying amount of these loans in SEK 1,084.9 million, while the fair value is estimated at SEK 1,029.7 million. Fair value has been calculated by discounting future cash flows with by an estimated market rate plus the Group's average loan margin.

Costs incurred in raising new loans are recognised as a reduction of long-term interest-bearing liabilities. The costs are allocated over the term of each loan. The closing balance sheet item for the year is shown below, and is recognised together with non-current interest-bearing liabilities.

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Accrued borrowing costs	2.9	3.0	–	–
Total	2.9	3.0	0.0	0.0

Maturity table for non-current interest-bearing liabilities

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
After more than one year but within five years	4,762.7	4,732.2	–	–
After more than five years	–	–	–	–
Total	4,762.7	4,732.2	0.0	0.0

Interest-bearing liabilities, cash flow effect

SEK m	Group	
	31 Dec 2023	31 Dec 2022
Opening interest-bearing liabilities	4,898.1	3,883.9
Net cash flow	-21.3	435.8
Non-cash flow changes	2.0	578.4
Closing interest-bearing liabilities	4,878.8	4,898.1

Net cash flow refers to the net balance of new loans, repayments and borrowing costs. Non-cash flow changes refer to loans assumed on the acquisition of investment properties, which are classified as acquisitions of investment properties in the consolidated statement of cash flows.

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Note 22

Intercompany transactions

Intercompany purchases and sales

The Parent Company has invoiced fees and expenses of SEK 25.0 million (13.4) to the subsidiaries. Other companies in the Group with employed property management staff invoice their sister companies. There are no other purchases and sales between Group companies. The Parent Company has recognised interest income of SEK 260.3 million (73.7) from Group companies and interest expenses of SEK 225.2 million (66.9) from Group companies. All of the above transactions have been eliminated in the Group.

Receivables and liabilities between Group companies

As shown in the balance sheet, the Parent Company has non-current receivables from Group companies of SEK 2,942.9 million (3,351.9) and current receivables from Group companies of SEK 181.6 million (80.3). The Parent Company has non-current liabilities of SEK 2,161.9 million (2,552.9) and current liabilities of SEK 276.4 million (338.3). The non-current liabilities to Group companies mature after more than one year but within five years, and have an interest rate corresponding to the STIBOR three-month plus a margin of 1.6–2.1 percentage points. All intercompany balances are fully eliminated in the Group.

Note 23

Participations in Group companies

SEK m	Parent Company	
	31 Dec 2023	31 Dec 2022
Opening cost	2,345.9	2,175.4
Acquired companies	–	0.0
Sold companies	–	-8.5
Shareholder contributions paid	473.6	332.3
Impairment due to loss coverage	-524.7	-153.3
Closing cost	2,294.8	2,345.9

Company	Corp. reg. no.	Registered office	Share of capital	Carrying amount
Fastighetsbolaget KlaraBo AB	559124-9064	Malmö	100%	1.9
KlaraBo Bygg AB	559104-0224	Malmö	100%	0.1
KlaraBo Malmö Öster AB	559309-2553	Malmö	100%	12.6
KlaraBo Bardisanen AB	559309-2546	Malmö	100%	
KlaraBo Rovän 2 AB	559280-1418	Malmö	100%	186.6
KlaraBo Älven AB	559349-5772	Malmö	100%	0.1
KlaraBo Söderslätt AB	559254-7565	Malmö	100%	0.1
KlaraBo Trelleborg Öster AB	559254-7508	Malmö	100%	0.1
Cronsjö Fastighetsutveckling AB	559154-7566	Stockholm	100%	6.9
KlaraBo Förvaltning AB	559185-5712	Malmö	100%	656.6
Klara 83 AB	559185-5647	Malmö	100%	
Klara 87 AB	559201-2016	Malmö	100%	
KlaraBo Bostadsförvaltning AB	559228-4458	Malmö	100%*	580.4
Stävbo Fastigheter AB	559127-1332	Malmö	100%	
KlaraBo Tranås AB	559188-7095	Malmö	100%	
Ketty Fastighets KB	916701-1502	Malmö	100%	
KlaraBo Projektutveckling AB	559089-1205	Malmö	100%	728.4
KlaraBo Stockholmsberget AB	559241-2547	Malmö	100%	
KlaraBo Nybro AB	559261-4498	Malmö	100%	
KlaraBo Vaggeryd AB	559261-4456	Malmö	100%	
KlaraBo Bostäder Västervik AB	559261-4472	Malmö	100%	
KlaraBo Vårdfastigheter Västervik AB	559224-2373	Malmö	100%	
KlaraBo Huskvarna AB	556992-5562	Malmö	100%	
KlaraBo Öst AB	559222-2979	Malmö	100%	
KlaraBo Fastigheter AB	559359-1877	Malmö	100%	96.0
KlaraBo Aspeholmen AB	559365-2067	Malmö	100%	
KlaraBo Anderstorg AB	559351-0075	Malmö	100%	
KlaraBo Snickarglädjen AB	559374-1167	Malmö	100%	
KlaraBo Västervik AB	559338-1261	Malmö	100%	
KlaraBo Ludvigsborgs Bostad AB	559350-7204	Malmö	100%	
KlaraBo Piperskärr Bostad AB	556611-3931	Malmö	100%	
KlaraBo Nykulla AB	556481-2823	Malmö	100%	
KlaraBo Östersund AB	559252-8946	Malmö	100%	
KlaraBo Degskrapan Östersund AB	559252-8946	Malmö	100%	
KlaraBo Torvallafastigheter Östersund AB	559256-2838	Malmö	100%	
KlaraBo Centrumfastigheter Östersund AB	556704-1370	Malmö	100%	
KlaraBo Odensalafastigheter Östersund AB	559256-2887	Malmö	100%	
KlaraBo SB Holding AB	559294-6916	Malmö	100%	9.0

▷ cont.

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▷ Note 23, cont.

Company	Corp. reg. no.	Registered office	Share of capital	Carrying amount
KlaraBo Bjuv AB	559114-5072	Malmö	100%	
KlaraBo Svalöv AB	559124-0287	Malmö	100%	
KlaraBo Höganäs AB	559115-3167	Malmö	100%	
Oskduvan Fastigheter AB	559167-7884	Malmö	100%	
Stora Torget 3 i Oskarshamn AB	559110-8062	Malmö	100%	
Västfogden Fastighets AB	556698-3127	Malmö	100%	
KlaraBo Elefanten 30 AB	559089-1320	Malmö	100%	
KlaraBo Ronneby 2 AB	556070-1558	Malmö	100%	
KlaraBo Ronneby 4 AB	556723-7820	Malmö	100%	
KlaraBo Hovslagaren AB	559272-0956	Malmö	100%	
KlaraBo DB Holding AB	559373-1002	Malmö	100%	16.0
KlaraBo Höör AB	559253-9984	Malmö	100%	
KlaraBo Munken AB	559223-2556	Malmö	100%	
Klara Flundranhålle 8 AB	559057-8943	Malmö	100%	
Klara Skräddaren 2 AB	559070-4556	Malmö	100%	
Klara Apoteksgatan AB	559085-5291	Malmö	100%	
Klara Kvarnsveden AB	559094-9672	Malmö	100%	
Klara Sigge 5 AB	559065-1922	Malmö	100%	
Klara Härsta AB	559199-8074	Malmö	100%	
Klara Ren AB	559199-8082	Malmö	100%	
Klara Öraberget AB	559185-5761	Malmö	100%	
KlaraBo Fagerängen AB	559254-7557	Malmö	100%	
KlaraBo Umeå AB	559349-5780	Malmö	100%	
KlaraBo HB Holding AB	559373-1036	Malmö	100%	0.1
Klara i Bollnäs AB	556422-5885	Malmö	100%	
Klara 88 AB	559201-2073	Malmö	100%	
KlaraBo Gävle AB	559323-1334	Malmö	100%	
KlaraBo Navaren AB	559176-1365	Malmö	100%	
KlaraBo Skokloster AB	559323-1326	Malmö	100%	
Klara Gångsta AB	559039-0042	Malmö	100%	
KlaraBo i Trelleborg AB	559183-3826	Malmö	100%	
KlaraBo Trelleborg Centrum AB	559254-7573	Malmö	100%	
KlaraBo Anderslöv AB	559254-7581	Malmö	100%	
				2,294.8

* Of which 2.3 per cent is owned indirectly through KlaraBo Projektutveckling AB.

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Note 24

Proposed appropriation of retained earnings

The following funds are available for distribution by the AGM (SEK):

Share premium reserve	3,223,057,479
Retained earnings	-51,900,039
Loss for the year	-60,576,751
Total	3,110,580,689

The Board of Directors proposes that the above earnings be appropriated as follows:

Carried forward	3,110,580,689
Total	3,110,580,689

Note 25

Transactions with related parties

The Group's related parties include all Board members and senior executives as well as persons closely associated with them. Other than remuneration to senior executives (Note 9) and intercompany transactions (Note 22), no transactions with related parties occurred.

Note 26

Events after the end of the financial year

No significant events have occurred since the end of the financial year.

Note 27

Pledged assets and contingent liabilities

SEK m	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Pledged assets				
Mortgages on properties	5,018.2	5,077.1		
Pledged shares in subsidiaries	429.2	628.0	665.7	681.0
Total	5,447.4	5,705.1	665.7	681.0
Contingent liabilities				
Guarantees	–	–	4,868.7	4,888.5
Total	0.0	0.0	4,868.7	4,885.5

The majority of the pledged assets refers to liabilities to credit institutions.

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Note 28

Key performance indicators

KlaraBo presents certain non-IFRS performance measures in the annual report; see the table below. KlaraBo believes that these measures provide valuable supplementary information to investors and the Group's management. As not all companies calculate financial performance measures in the same way, these measures are not always comparable with the measures used by other companies. Accordingly, the below table does not enable an evaluation of the Group's performance. These financial performance measures should not be regarded as a replacement for IFRS measures.

	2023	2022
Net operating income, SEK m		
A Rental revenue, SEK m	577.2	491.5
B Other operating income, SEK m	12.5	10.2
C Operating costs, SEK m	-187.8	-159.7
D Maintenance costs, SEK m	-24.4	-27.4
E Property tax, SEK m	-12.8	-11.6
F Property administration, SEK m	27.5	-24.1
A+B+C+D+E+F Net operating income, SEK m	337.2	278.9
Market value per sq. m.		
A Investment properties, SEK m	9,031.9	9,170.7
B New construction in progress, SEK m	14.0	164.7
C Site leaseholds	10.6	7.3
D Total lettable area, '000 sq. m.	499.5	498.7
(A-B-C)/D Market value/sq. m.	18,032	18,044
Surplus ratio, %		
A Net operating income, SEK m	337.2	278.9
B Revenue, SEK m	589.7	501.6
A/B Surplus ratio, %	57.2	55.6
Real occupancy rate, %		
A Number of apartments	6,604	6,533
B Number of vacant apartments	231	222
C Apartments undergoing renovation or with signed lease	85	99
1-(B-C)/A Real occupancy rate, %	97.8	98.1

	2023	2022
Equity/assets ratio, %		
A Total equity at the end of the period, SEK m	3,936.3	4,320.0
B Minority share of equity, SEK m	0.0	0.0
C Total equity and liabilities at the end of the period, SEK m	9,249.9	9,692.0
(A+B)/C Equity/assets ratio, %	42.6	44.6
Loan-to-value ratio, %		
A Non-current interest-bearing liabilities, SEK m	4,762.7	4,800.6
B Current interest-bearing liabilities, SEK m	116.1	97.5
C Cash and cash equivalents at the end of the period, SEK m	168.5	338.3
D Investment properties, SEK m	9,031.9	9,170.7
(A+B-C)/D Loan-to-value ratio, %	52.2	49.7
E Construction credits related to new construction in progress, SEK m	67.0	54.5
F Seller financing, SEK m	0.0	0.0
G New construction in progress, SEK m	14.0	164.7
(A+B-E-F)/(D-G) Loan-to-value ratio, investment properties, %	53.4	53.8
Interest-coverage ratio, multiple		
A Operating profit, rolling 12 months, SEK m	285.9	232.4
B Interest income/expense, rolling 12 months, SEK m	-161.7	-119.0
A/-B Interest-coverage ratio, x	1.8	2.0
Long-term net realizable value, SEK m		
A Equity, SEK m	3,936.3	4,320.0
B Reversal of derivatives, SEK m	36.7	-103.1
C Adjustment of derivatives attributable to minority interest, SEK m	0.0	0.0
D Reversal of deferred tax liability, SEK m	216.0	309.2
E Adjustment of deferred tax liability attributable to minority interest, SEK m	0.0	0.0
F Reversal of deferred tax asset, SEK m	-0.1	-0.4
G Adjustment of deferred tax asset attributable to minority interest, SEK m	0.0	0.0
A+B+C+D+E+F+G Long-term net realizable value, SEK m	4,189.1	4,525.6

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▷ Note 28, cont.

	2023	2022
Profit from property management per share, SEK		
A Profit from property management, SEK m	124.2	113.4
B Adjustment of profit from property management attributable to minority interest, SEK m	0.0	0.0
C Weighted average number of shares during the period before dilution, million	131.1	131.7
(A–B)/C Profit from property management per share, SEK	0.95	0.86
Equity per share, SEK		
A Equity, SEK m	3,936.3	4,320.0
B Number of shares at the end of the period, million	131.1	131.2
A/B Equity per share, SEK	30.02	32.92
Long-term net realizable value per share, SEK		
A Long-term net realizable value, SEK m	4,189.1	4,525.6
B Number of shares at the end of the period, million	131.1	131.2
Long-term net realizable value per share, SEK	31.95	34.48
Annual growth, profit from property management per share, %		
A Profit from property management for the period per share, SEK	0.95	0.86
B Profit from property management for preceding period per share, SEK	0.86	0.93
A/B–1 Annual growth in profit from property management per share, %	10.0%	-7.3%
Annual growth, long-term net realizable value per share, %		
A Long-term net realizable value during the period per share, SEK	32.0	34.5
B Long-term net realizable value during the preceding period per share, SEK	34.5	33.9
A/B–1 Annual growth in long-term net realizable value per share, %	-7.3%	1.7%

For key performance indicators/definitions, see page 89.

Signatures of the Board of Directors

The Parent Company and consolidated income statements and balance sheets will be presented for approval to the AGM on 3 May 2024.

Malmö, 3 April 2024



Lennart Sten
Chairman of the Board



Per Håkan Börjesson
Board member



Lulu Gylleneiden
Board member



Mats Johansson
Board member



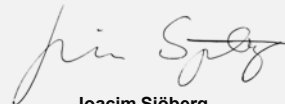
Sophia Mattsson-Linnala
Board member



Anders Pettersson
Board member



Håkan Sandberg
Board member



Joacim Sjöberg
Board member



Andreas Morfiadakis
CEO

Our Auditor's report was submitted on 3 April 2024

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant

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Unofficial translation

Till bolagsstämman i KlaraBo Sverige AB (publ), org.nr 559029-2727

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of KlaraBo Sverige AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 31–71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the

consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the Key audit matter
<i>Valuation of properties</i>	
<p>See Note 2 (accounting policies) and Note 14 (Investment properties). KlaraBo reports a value of MSEK 9 032 related to investment properties. In 2023, the group recognised unrealised loss of MSEK 440 on properties. The group's property portfolio consists almost exclusively of residential properties. KlaraBo values all properties through one independent property valuer - Savills.</p> <p>A valuation involves significant estimates and judgements. The most significant are assumptions about required rates of return and future rental income. Another significant parameter for KlaraBo is the number of residential units in which the standard of accommodation has been raised. Raising the standard will lead to higher rents and will, thus, increase the value of the properties.</p>	<p>We have examined KlaraBo's process for reviewing and assessing the external valuations. Our specialists have reviewed the method used by the external valuer and have compared it with established practice. Our specialists have also challenged the assumptions made in the valuation and made comparisons with external transactions, industry data and other information.</p> <p>We have spot-checked the inputs used for investments, rental income and operating expenses against the budgets adopted by or presented to the Board of Directors. We have compared the number of residential units where standards will be raised, as indicated in the valuation, with investment decisions approved by the Board.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–9 and 82–91 as well as the Sustainability Report on pages 10–29. The other information also consists of the Remuneration Report that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the informa-

tion identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The

Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss***Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of KlaraBo Sverige AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that

the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report*Opinion*

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for KlaraBo Sverige AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of KlaraBo Sverige AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

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Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an

opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Anna Lindhs plats 4, 203 11 Malmö, was appointed auditor of KlaraBo Sverige AB by the general meeting of the shareholders on the 3 May 2023 and has been the company's auditor since the 28 April 2021.

Malmö, 3 April 2024

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

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Corporate Governance Report

KlaraBo is a Swedish public limited liability company that has its registered office in Malmö, Sweden, and nationwide operations. KlaraBo's corporate governance aims to maintain and develop professional conduct and effective risk management. Sound corporate governance is the basis for retaining and reinforcing confidence in the company among shareholders, employees and other stakeholders.

Legislation and Articles of Association

KlaraBo is a Swedish public limited liability company and is regulated by Swedish legislation, primarily the Companies Act and the Annual Accounts Act. The company applies the Nasdaq Nordic Main Market Rulebook for Issuers of Shares. In addition to legislation and the stock market's regulatory framework, KlaraBo's Articles of Association and its internal guidelines form the basis of the company's corporate governance. The Articles of Association specify, among other things, the location of the registered office of the Board of Directors, the focus of its activities, the limits on the share capital and the number of shares, and the conditions to be met for attendance of General Meetings.

Swedish Corporate Governance Code

KlaraBo applies the Swedish Corporate Governance Code (the "Code"). The Code complements the Swedish Companies Act by setting stricter requirements in a number of areas, but at the same time allows the company to deviate from these if it would be considered in the individual case to lead to better corporate governance ("comply or explain"). KlaraBo reports annually any deviations from the Code in the Corporate Governance Report as well as the reason for the deviations and any alternative solutions. There were no deviations from the Code during the year.

KlaraBo strives to uphold a good standard in its corporate governance.

General Meetings

The shareholders' influence on KlaraBo is exercised at the General Meeting, which is the company's highest decision-making body. The General Meeting has a superordinate position over the Board of Directors and the Chief Executive Officer of the company. In accordance with the Swedish Companies Act, the Annual General Meeting (AGM) of the company must be held within six months of the end of each financial year and must pass resolutions on the adoption of the income statement and balance sheet, the appropriation of the profit or loss of the company, the discharge from liability of the members of the Board of Directors and the CEO, and the election and remuneration of the members of the Board of Directors and the auditor.

The AGM also resolves on other important matters, such as amendments to the Articles of Association, authorisations and decisions on new share issues. The Board of Directors may also call an Extraordinary General Meeting if the Board of Directors considers there to be reason to hold a General Meeting between the dates of the AGMs or if the auditor or a shareholder holding at least one-tenth of the total number of shares requests in writing to the company that a General Meeting be held.

Pursuant to KlaraBo's Articles of Association, notice of the General Meeting shall be given by an advertisement placed in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar), and on the company's website www.klarabo.se. A notice

that a General Meeting has been convened must also be published in Dagens Industri. Under the Swedish Companies Act, notice of the AGM must be issued not earlier than six and not later than four weeks before the AGM. A notice convening an Extraordinary General Meeting to decide on a question of amendment of the Articles of Association must be issued not earlier than six and not later than four weeks before the meeting. Otherwise, notice convening an Extraordinary General Meeting shall be issued not earlier than six and not later than three weeks before the meeting.

Attendance and registration of voting rights at General Meetings

Shareholders are entitled to attend and vote at the General Meeting, either in person or by proxy, if they are registered in the company's share register maintained by Euroclear Sweden not later than the date specified in the notice of the General Meeting (meaning the record date) and notify the company of their attendance not later than the date specified in the notice of the General Meeting. Shareholders may bring one or two assistants with them to the General Meeting, but only if the shareholder notifies the company of the number of assistants in accordance with the procedure for notification for the General Meeting. Any shareholder of the company who submits a matter with sufficient notice has the right to have the matter dealt with at the General Meeting. Shareholders whose shares

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are registered in a nominee's name must instruct the nominee to temporarily register the shares in the shareholder's name in order to be entitled to attend and vote for their shares at a General Meeting (registration of voting rights). Such registration must have taken place at least four business days before the General Meeting. Shareholders who have their shares directly registered in an account in the Euroclear system will automatically be included in the list of shareholders. Notices, minutes, announcements and other documents in conjunction with General Meetings will be made available on KlaraBo's website.

Diversity policy

Beginning with the 2022 financial year, the Nomination Committee, when preparing its proposal for the election of Board members, has applied Rule 4.1 of the Swedish Corporate Governance Code and KlaraBo's Diversity Policy for the Board of Directors. The policy's purpose is for the composition of the Board of Directors to be characterised by diversity and breadth with respect to the expertise, experience and background of the Board members elected by the AGM, taking into consideration the company's operations, stage of development and other circumstances, and to strive to achieve an even gender distribution.

Nomination Committee

The Nomination Committee is a body of the General Meeting with the sole task of preparing the meeting's decisions on election and remuneration matters and, where appropriate, procedural matters for the next Nomination Committee. The AGM held on 28 April 2021 adopted principles for the appointment of the Nomination Committee and its work that are to remain in force until the General Meeting resolves to change them. The Nomination Committee is to consist of one representative representing each of the three largest shareholders or groups of shareholders in the company in terms of votes, according to the share register as of the last business day in September. If any of the three largest shareholders or groups of shareholders declines to appoint a shareholder representative or if

a shareholder representative resigns before the mandate has been fulfilled without the shareholder or group of shareholders who appointed the representative appointing a new representative, the Chairman of the Board must invite the next largest shareholder or group of shareholders to appoint a shareholder representative. In the event of a change in ownership affecting the three largest shareholders, the largest of the three largest shareholders who do not have a shareholder representative on the Nomination Committee should contact the Chairman of the Nomination Committee with a request to appoint a member. If the change of ownership is not insignificant, the member appointed by the shareholder or group of shareholders no longer belonging to the three largest owners should make his or her seat available and the new shareholder or group of shareholders is permitted to appoint a member. The names of the members of the Nomination Committee must be published on KlaraBo's website not later than six months before the AGM. The Nomination Committee is to appoint the Chairman of the Nomination Committee from among its members. The Chairman of the Board or Board member may not be the Chairman of the Nomination Committee. In addition to the above arrangement, the Nomination Committee shall have the composition and perform the duties required by the Code. No remuneration shall be paid to the members of the Nomination Committee. However, the Nomination Committee will be enti-

pled to compensation for the costs required for the Nomination Committee to fulfil its task.

Board of Directors

After the General Meeting, the Board of Directors is KlaraBo's highest decision-making and executive body and its representative. In this respect, the Board is responsible under the Swedish Companies Act for KlaraBo's organisation and administration of the company's affairs. The Board of Directors continuously assesses KlaraBo's financial situation and ensures that the organisation is structured in such a way that the accounting, management of funds and other financial conditions of the company are adequately checked. The Chairman of the Board has a specific responsibility to direct the work of the Board of Directors and to ensure that the Board of Directors fulfils its statutory duties. The work of KlaraBo's Board of Directors is evaluated annual in order to develop the working methods and efficiency of the Board. The Chairman of the Board is responsible for this evaluation and for presenting the evaluation to the Nomination Committee. The aim of the evaluation is to gain an overview of the Board members' opinions on how the work of the Board is carried out, to ensure that the Board has the necessary combined expertise and to determine which measures may need to be taken to improve the Board's work. The evaluation provides an important basis

Name	Position	Attendance ¹⁾	Independent in relation to the company	Independent in relation to the owners
Lennart Sten	Chairman	9	Yes	Yes
Jocim Sjöberg		7	Yes	Yes
Mats Johansson		9	Yes	No
Lulu Gylleneiden		9	Yes	Yes
Anders Pettersson		6	Yes	No
Håkan Sandberg		9	Yes	Yes
Sophia Mattsson-Linnala		9	Yes	Yes
Per-Håkan Börjesson		9	Yes	No

¹⁾ Nine Board meetings were held during the year.

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for the Nomination Committee's decisions ahead of the AGM. In accordance with the Articles of Association, the Board of Directors of KlaraBo must consist of not less than three and not more than eight ordinary members without deputy members. Board members are elected annually at the AGM for the period until the next AGM; there is no limit to the length of time a member may serve on the Board. No conflicts of interest are deemed to exist. The Board of Directors currently consists of eight members, including the Chairman. The Board of Directors is responsible for ensuring compliance with KlaraBo's overall goals and strategies, compliance with laws, regulations and internal guidelines, and overseeing major investments. The Board of Directors is also responsible for ensuring that the information provided to the market and investors is transparent, accurate, relevant and reliable, and that the CEO is appointed, evaluated and, where necessary, dismissed.

Attendance at meetings and independence

Below is an account of the Board members' attendance at the Board meetings in 2023, and which Board members, according to the Code's definition, are considered to independent in relation to the company and senior management as well as in relation to the company's largest shareholders.

Rules of procedure and committees

In accordance with the Swedish Companies Act, the Board of Directors has established written rules of procedure for its work, which must be evaluated, updated and re-adopted annually. The rules of procedure also include an established agenda for Board meetings which includes certain fixed decision points as well as certain other decision points where necessary. The Board has the right to set up committees tasked with preparing and, in some cases deciding on, specific matters. However, the Board is ultimately responsible for the decisions handled by the committees. If there are committees on specific matters, the Board of Directors' rules of procedure must specify the tasks and decision-making powers delegated by the Board of Directors to the committees as well as how the committees are to report to the Board of Directors.

Audit Committee

The Audit Committee comprises three members: Joacim Sjöberg (Chairman), Lennart Sten and Sophia Mattsson-Linnala. The Committee's tasks are to oversee corporate governance matters and their application, to review KlaraBo's risk management, governance and financial reporting procedures, and to make proposals to ensure the reliability of reporting. The Audit Committee is to keep itself informed of the audit of the company and review and monitor the impartiality and independence of the auditor. The Audit Committee also assists the Nomination Committee in preparing proposals for the AGM's resolution on the election of auditors.

Remuneration Committee

The Remuneration Committee comprises three members: Lennart Sten (Chairman of the Board), Anders Pettersson and Mats Johansson. The Chairman of the Board is the Chairman of the Remuneration Committee. The Committee is to consider and oversee matters including remuneration policies, remuneration and other terms of employment for senior management, and monitor and evaluate ongoing variable remuneration programmes for senior management as well as variable remuneration programmes concluded during the year.

CEO

KlaraBo's CEO is Andreas Morfiadakis. More information about the CEO and other senior executives is provided in the section Management. Under the provisions of the Swedish Companies Act, the CEO of the company is to manage the day-to-day business of the company in accordance with the guidelines and instructions of the Board of Directors. Activities that fall outside the scope of day-to-day management depend on whether they are of an unusual nature or of significant importance in view of their scope and nature. As a rule, measures outside day-to-day management shall be prepared and presented to the Board of Directors for decision. The CEO shall also take the necessary measures to ensure that the accounts are kept in accordance with the law and that the funds are managed in a satisfactory manner. Because the CEO is subordinate to the Board of

Directors, the Board may also decide itself on day-to-day management matters. The work and role of the CEO and the division of work between the Board of Directors and the CEO are set out in the written CEO instructions adopted by the Board of Directors. The Board of Directors evaluates the work performed by the CEO on an ongoing basis.

Remuneration report

Remuneration of Board members

Fees and other remuneration of the members of the Board of Directors, including the Chairman, are determined by the General Meeting. At the AGM held on 3 May 2023, it was resolved that a fee of SEK 400,000 be paid to the Chairman of the Board and SEK 200,000 to the other members of the Board. It was also decided that the members of the Audit Committee and the Remuneration Committee be paid a fee of SEK 75,000 and SEK 40,000 per member, respectively. The Chairman's Board fee includes fees for committee work. The members of the Board of Directors are not entitled to any benefits after their term of office as members of the Board has ended. Remuneration during the year was not based on sustainability-related performance.

Guidelines for remuneration of senior executives

At the AGM held on 3 May 2023, the Meeting decided to adopt updated guidelines for the remuneration of the CEO and other senior executives. The guidelines are essentially as follows: The CEO's remuneration is discussed by the Remuneration Committee and decided by the Board of Directors. The Remuneration Committee approves the remuneration levels for the other members of senior management in accordance with a proposal from the CEO. Remuneration levels and other terms of employment are to be commensurate with the market and competitive and promote KlaraBo's business strategy, long-term interests and sustainability. Remuneration to the CEO and other senior executives is primarily paid in the form of a fixed basic salary, but may also be paid as variable remuneration equivalent to a maximum of 50 per cent of fixed salary during the measurement period in question. Pension provisions can

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be made for members of the senior management equivalent to a maximum of 30 per cent of fixed cash salary. Members of senior management are to have defined contribution pension plans unless the person is covered by a defined benefit pension under mandatory collective agreement provisions. The retirement age is 65. Other benefits in the form of health insurance, car allowance and the like may also be paid to the company's senior executives. The aggregate value of these benefits is to be in line with market practice and be limited in relation to total remuneration. The Board has the right to deviate from the above guidelines in whole or in part if there are special reasons justifying doing so in an individual case. The CEO has a mutual notice period of 12 months with a right to severance pay equal to a maximum of 18 months' salary in the case of termination by the company. In addition, compensation for any commitment to restriction of competition may be paid to the CEO in an amount equal to a maximum of 60 per cent of the fixed cash salary. For other senior executives, the notice period is three to six months or the longer period provided for in the Employment Protection Act or collective agreement. All senior executives are to receive

unchanged salary and other employment benefits during the notice period.

Agreement on remuneration after termination of assignment

Other than as set forth above in the section Guidelines for remuneration of senior executives, KlaraBo has not entered into any agreement that grants entitlement to a pension or similar benefits upon termination of service. The company has no accrued or deferred amounts for pensions and similar post-employment benefits.

Remuneration of Board members in 2023

The table below shows the remuneration decided for Board members. The amounts relate to the period from the AGM on 3 May 2022 until the AGM on 3 May 2023.

Remuneration of senior executives in 2023

The table below shows all remuneration paid to senior executives in the 2023 financial year.

Internal control and risk management

The Board of Directors has ultimate responsibility for internal control. This responsibility is governed by the Swedish Companies Act, the Annual Accounts Act and the Code. The Board of Directors is to ensure, among other things, that KlaraBo has good internal control and formalised procedures to ensure compliance with established principles for financial reporting and internal control, and that there are appropriate systems for monitoring and controlling the company's activities and the risks associated with KlaraBo and its activities. The purpose of good internal control is to achieve appropriate and effective operations and to ensure reliable internal and external financial reporting and compliance with applicable laws, regulations, policies and governing documents. Internal control comprises control of the organisation, procedures and support measures. Processes and controls are based on KlaraBo's needs and take into account the industry and associated risk profile in which the company operates. In order to maintain and develop an effective control environment, the Board of Directors has established rules of procedure for the Board and instructions for the CEO

Remuneration of Board members in 2023

kSEK	Board fees	Salaries and other remuneration (including benefits)	Pension	Total remuneration
Lennart Sten	400	0.0	0.0	400
Anders Pettersson	240	0.0	0.0	240
Lulu Gylleneiden	200	0.0	0.0	200
Joacim Sjöberg	275	0.0	0.0	275
Mats Johansson	240	0.0	0.0	240
Håkan Sandberg	200	0.0	0.0	200
Sophia Mattsson-Linnala	275	0.0	0.0	275
Per Håkan Börjesson	200	0.0	0.0	200
Total	2,030	0.0	0.0	2,030

Remuneration of senior executives in 2023

kSEK	Salaries and other remuneration (including benefits)	Pension	Total remuneration
Andreas Morfiadakis	2,549	664	3,213
Other senior executives (3 at year-end)	3,126	721	3,847
Total	5,674	1,385	7,060

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and financial reporting. In addition, KlaraBo has developed a structure with continuous review to maintain and sustain a control environment that functions well. The CEO is responsible for ensuring that it is evaluated annually to secure good internal control. Internal control also includes the identification, analysis and management of risks based on KlaraBo's vision and goals. The risk assessment is carried out by the CEO, who presents the results to the Audit Committee and the Board of Directors. KlaraBo does not have a separate internal audit function. The Board assesses the need for such a function on an annual basis and has determined that the ongoing internal control work carried out, preferably by management, is a sufficient audit function taking into consideration the company's operations and size.

Auditing

As a public company, KlaraBo is required to have at least one auditor to audit the annual accounts and financial statements as well as the management of the Board of Directors and the CEO. The audit is to meet the requirements of good auditing practice. The company's auditor is elected by the General Meeting in accordance with the Swedish Companies Act. The auditor receives its mandate from, and also reports to, the General Meeting. Under the Articles of Association, KlaraBo is to have one to two auditors with not more than one deputy auditor. The company's current auditor is PwC, with Mats Åkerlund as auditor in charge. For the 2023 financial year, remuneration totalled SEK 3.2 million. The remuneration pertained to the

audit assignment in an amount of SEK 2.4 million and other remuneration in an amount of SEK 0.8 million. Remuneration is paid according to approved invoices.

Information and communication

KlaraBo has an information and communication policy and an insider policy, adopted by the Board of Directors, to ensure that disclosure and handling of inside information is done in a correct manner and with good quality, both internally and externally. The CEO has overall responsibility for external communication while the Chairman handles ownership-related issues and communication. Procedures and rules on disclosure and insider trading are based on policies and guidelines are formulated in accordance with Swedish legislation, the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the Code and the Market Abuse Regulation (MAR) adopted by the EU. The employees have access to, and receive instructions on, policies and guidelines in force. The company's financial reports and press releases are published on the website www.klarabo.se at the time of the announcement.

Questions to the Board concerning corporate governance, based on GRI disclosure requirements:

Which Board members are responsible for sustainability issues?
The entire Board is responsible for monitoring sustainability issues.

How does the Board monitor and evaluate sustainability activities?

Sustainability activities are reported on a regular basis and prioritised sustainability issues are followed up at Board meetings. The company's progress with respect to its sustainability agenda is presented in interim reports. A climate report and other key sustainability performance indicators are presented in the Annual and Sustainability Report. The Board is responsible for, and approves, interim reports and the Annual and Sustainability Report.

Do any conflicts of interest exist? If so, how are these managed? (cross-border memberships, cross-shareholdings with suppliers and other stakeholders, the existence of controlling shareholders, related parties and their relationships, transactions and outstanding balances)

No conflicts of interest are deemed to exist.

What steps does the Board take to improve its sustainability competence?

The Board ensures sustainability competence individually and through an annual update from the Sustainability Manager.

Is the Board evaluated on sustainability-based parameters?

The work of the Board is evaluated annually and provides a basis for the work of the Nomination Committee. Sustainability was not part of the evaluation during the year but will be in the future.

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This is an unofficial translation of the Swedish original document.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in KlaraBo Sverige AB (publ), corporate identity number 559029-2727

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 76–80 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö, 3 April 2024

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

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Board of Directors



Lennart Sten

(born 1959)
Chairman of the Board since 2018.

Education: Bachelor of Laws, Stockholm University, 1987.

Other experience: CEO of Svenska Handelsfastigheter AB, European CEO of GE Real Estate and Chairman of the Board of CLS Holdings plc.

Other current assignments: Chairman of the Board of CLS Holdings plc, Board member of Interogo Holding AG, Easy Depot AB and Vestigia Development AB.

Holding in the company: 1,995,000 Class A shares and 2,980,609 Class B shares, directly and indirectly through Elivågor AB.



Per Håkan Börjesson

(born 1954)
Board member since 2021.

Education: Master of Science (Engineering), Linköping University of Technology, Industrial Economics, 1978 and MBA, Columbia University, NYC, NY, 1980.

Other experience: Experience in family businesses, unlisted shares and asset management.

Other current assignments: Board member and CEO of Investment AB Spiltan and Partner in B P Invest Aktiefbolag. Board member of Bröderna Börjessons Bil Aktiefbolag, P&E Persson AB and P&E Samhällsfastigheter AB.

Holding in the company: 1,800,000 Class A shares and 13,769,798 Class B shares, indirectly through Investment AB Spiltan and Br. Börjessons Bil AB:s pensionsstiftelse.



Lulu Gylleneiden

(born 1974)
Board member since 2018.

Education: Real estate agent, 1994.

Other experience: Establishing property companies in the Scandinavian market. Extensive and wide-ranging executive experience in the property and construction industry. Previously Head of Property Management at Lidl Sweden, CEO of Malthus (Sweden, Finland) and Business Manager at NCC.

Other current assignments: Head of Business Development at Easy Depot AB.

Holding in the company: 34,000 Class A shares and 18,400 Class B shares.



Mats Johansson

(born 1961)
Board member since 2015.

Education: Upper-secondary education.

Other experience: Founder of Abraxas Holding AB, ZetaDisplay AB and MultiQ International AB, co-founder of Iconovo AB, Easy Depot AB and Nudging Capital AB.

Other current assignments: Chairman of the Board of Abraxas Holding AB, SIB Solutions AB, Easy Depot AB, Volubus AB and Endeavor Equity Sweden AB, Board member of Iconovo AB and Nudging Capital AB, and authorised signatory for Zenit Equestrian.

Holding in the company: 2,699,400 Class A shares, indirectly through Abrax Holding AB.

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**Sophia Mattsson-Linnala**

(born 1966)

Board member since 2021.

Education: Economic studies at Stockholm University focusing on economic calculations (1986–1989) and courses at the Department of Land Surveying at the Royal Institute of Technology (KTH), including real estate market and property valuation as well as construction and installation technology (1988–1989).

Other experience: Chairman of a commission analysing and surveying how the location and quality of housing are taken into account in relation to other factors in rent setting. Sophia Mattsson-Linnala has previously worked as CEO of Rikshem AB (publ) and as a Board member of the Sweden Green Building Council.

Other current assignments: Chairman of Moxyid. Board member and owner of SML ekonomi och fastighet AB, Board member of Sh bygg, Sten och Anläggning AB, Sh asfalt AB, TM Anläggning i Uppland AB, Anders Bodin Fastigheter AB, Vallentuna Betong AB, JMG Betong AB, Teqt Group and COVITUM AB.

Holding in the company: Holding in the company: 17,400 Class B shares and call options for 128,000 Class B shares.¹⁾

¹⁾ Sophia Mattsson-Linnala has entered into a first-refusal agreement under which she is obliged to offer the option issuer, or the person designated by the option issuer, the opportunity to acquire the call options in the event that she intends to transfer the options.

**Anders Petterson**

(born 1959)

Board member since 2017.

Education: Master of Science (Engineering) and Master of Science (Economics) at Lund University.

Other experience: Current board assignments at Skabholmen Invest AB and Wallbox N.V. Former CEO of Thule AB.

Other current assignments: Chairman of the Board of Wallbox N.V, Ninbeta AB, Ninalpha AB, Skabholmen Invest AB, Hawoc Investment AB, Ningamma AB, Simrishamns Bokhandel AB and COWAH Investment AB, Board member of PS Enterprise AB, Aston Harald Mekaniska Verkstad AB, PSIW Enterprise AB, Kensington Capital Acquisition Corp. V. KCGI-UN, Stanadyne Inc, Easy Depot AB and ANMIRO AB, and deputy Board member of WN Enterprise AB.

Holding in the company: 3,966,316 Class A shares and 3,545,538 Class B shares, indirectly through Ninalpha AB and Ningamma AB.

**Håkan Sandberg**

(born 1948)

Board member since 2019.

Education: Business economics courses at Stockholm University and Linköping University.

Other experience: Representative of Pensionskassan SHB Försäkringsförening. Previously Deputy CEO of Handelsbanken and other positions.

Other current assignments: Board member of Scandinavian Resort i Sälen AB and Intea Fastigheter AB (publ).

Holding in the company: 50,000 Class A shares and 9,360,610 Class B shares, directly and indirectly through Pensionskassan SHB Tjänstepensionsförening.

**Joacim Sjöberg**

(born 1964)

Board member since 2020.

Education: LLM from Stockholm University, 1990 and studies at the London School of Economics and Stockholm University.

Other experience: Previous background in property transactions and investment banking with senior management positions at various companies, including Jones Lang LaSalle, Enskilda Securities and Swedbank, where he was Head of Corporate Finance.

Other current assignments: CEO of Castellum AB, Board member and CEO of Valhalla Corporate Advisor AB and Board member of Entra ASA.

Holding in the company: 17,400 Class B shares and call options for 100,000 Class B shares.¹⁾

¹⁾ Joacim Sjöberg has entered into a first-refusal agreement under which he is obliged to offer to the option issuer, or to the person designated by the option issuer, acquisition of the options in the event that he intends to transfer the options.

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Management



Andreas Morfiadakis

(born 1976)
Chief Executive Officer since 2017.

Education: Bachelor's degree, DePaul University Chicago, 2000.

Other experience: Formerly Deputy CEO and CFO of Victoria Park AB.

Other current assignments: Owner and Board member of Falknästet AB and deputy Board member of HESIA Konsult AB.

Holding in the company: 2,331,287 Class A shares, privately and indirectly through Falknästet AB, 30,000 Class B shares and 841,379 warrants carrying the right to subscribe for the same number of Class B shares.



Maria Lindén

(born 1974)
HR Manager since 2023¹.

Education: Human Resources Programme, Lund University, 1996-2000

Other experience: Approximately 25 years of experience as an HR Manager and HR Business Partner in different industries, such as food and transport/shipping. Own consulting company since 2021 (interim HR in tech, food and property companies).

Other current assignments: CEO of AMLL Consulting AB

Holding in the company: 0 shares. 0 warrants.



Urban Ottosson

(born 1961)
Interim CFO since 2023¹.

Education: Master of Science (Economics), Lund University. Executive Diploma, KTH Executive School.

Other experience: CFO of HEXPOL, CFO of Ependion (Beijer Electronics), CFO of Höganäs Group, CFO of Öreundskraft, CFO of Lammhults Design Group, Group Accounting at Trelleborg AB, Financial Controller at Scancem, Chairman of Modity Energy Trading

Other current assignments: Board member of Neola Medical AB, Senior Advisor at Tibia Konsult AB, Board member of Predictus Asset Management AB.

Previous assignments in the last five years: CFO of TePe Munhygienprodukter, CFO of Neola Medical, CFO of Lammhults Design Group.

Holding in the company: 0 shares. 0 warrants.

¹ Per Holmqvist took over as CFO on 1 March 2024.



Jimmy Larsson

(born 1974)
Head of Real Estate since 2019.

Education: Bachelor's degree in Real Estate Studies, Malmö University, 2001.

Other experience: 20 years of experience in housing administration. Has previously held management positions at Brogripen AB, Ikano Bostad, Riksbyggen and other companies. Member of the Malmö Rent Tribunal.

Holding in the company: 100,000 Class A shares and 50,000 Class B shares and 79,526 warrants carrying the right to subscribe for the same number of Class B Shares.

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		Studio	1-bedroom apt	2-bedroom apt	3-bedroom apt	>4-bedroom apt		Housing units	Commercial premises	Other	Total
Bjuv	Tibbarp 1:91	12	18	18	6	0	54	3,204	0	20	3,224
Bollnäs	Annexet 2	2	6	2	1	1	12	924	368	91	1,383
Bollnäs	Balder 2, 3, 4	0	0	10	2	0	12	912	0	0	912
Bollnäs	Gnistan 2	0	6	4	3	0	13	1,031	579	18	1,628
Bollnäs	Häggesta 4:21	8	0	0	0	0	8	392	0	0	392
Bollnäs	Häggesta 7:101-7:102	69	158	45	6	9	287	18,735	226	317	19,278
Bollnäs	Ren 30:17, 30:49, 30:67	4	12	10	0	0	26	1,730	0	0	1,730
Bollnäs	Ren 30:204-351	1	55	33	61	0	150	13,648	52	309	14,009
Bollnäs	Ren 30:352, 30:353	0	27	49	0	0	76	4,944	60	95	5,099
Bollnäs	Säversta 7:75	8	8	0	8	0	24	1,376	0	237	1,613
Borlänge	Kvarnsveden 3:196-3:197	27	117	12	1	0	157	8,958	0	119	9,077
Borlänge	Källan 6	3	15	9	9	0	36	2,373	0	0	2,373
Borlänge	Källan 8	6	1	11	0	0	18	1,086	0	0	1,086
Borlänge	Sigge 5	0	0	0	0	0	0	0	3,942	0	3,942
Borlänge	Skräddaren 2	0	0	0	0	0	0	0	3,072	0	3,072
Gävle	Vallbacken 10:5	11	8	10	0	0	29	1,613	173	65	1,851
Gävle	Vallbacken 10:6	0	16	0	0	0	16	944	0	58	1,002
Gävle	Vallbacken 10:7	3	9	13	1	0	26	1,926	0	181	2,107
Gävle	Väster 29:5	9	18	29	3	1	60	4,038	408	378	4,824
Helsingborg	Navaren 8 & 10	10	66	8	1	0	85	4,948	183	407	5,538
Huskvarna	Ekorren 1	34	27	63	23	0	147	9,921	108	381	10,410
Höganäs	Sjöcrona 6 & 7	15	20	15	6	0	56	3,185	0	0	3,185
Höör	Räven 17	4	12	20	5	0	41	2,769	0	0	2,769
Ludvika	Lisselmågtorpet 10:14	0	0	0	0	0	0	0	40	40	80
Ludvika	Skälkenstorp 17:1-17:16	2	4	60	0	0	66	4,346	0	0	4,346
Ludvika	Öraberget 10:39-59:2	34	41	31	6	0	112	6,950	461	46	7,457
Ludvika	Öraberget 11:80-11:82	26	11	9	0	0	46	2,796	0	0	2,796
Ludvika	Örntorp 1:29-5:35	0	28	24	0	0	52	4,197	0	0	4,197
Ludvika	Örntorp 3:5	0	0	0	0	0	0	0	0	36	36
Malmö	Hällefundran 8	10	34	6	3	1	54	3,356	226	72	3,654
Malmö	Skrattmäsen 4	0	0	0	0	0	0	0	2,443	0	2,443
Malmö	Bardisanen 14	0	0	0	0	0	0	0	1,614	0	1,614
Motala	Munken 4	6	4	22	14	0	46	3,282	0	0	3,282
Nybro	Delfinen 1	10	18	13	0	0	41	2,170	0	130	2,300
Nybro	Lärkan 13 & Bofinken 6	9	42	6	0	0	57	3,168	0	275	3,442
Nybro	Räven 1	17	30	31	0	0	78	4,518	0	324	4,842

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		Studio	1-bedroom apt	2-bedroom apt	3-bedroom apt	>4-bedroom apt	Total	Housing units	Commercial premises	Other	Total
Nybro	Valen 1	18	54	15	0	0	87	4,706	83	303	5,091
Oskarshamn	Duvan 4	3	8	6	0	0	17	1,143	0	0	1,143
Oskarshamn	Duvan 5	7	1	5	1	1	15	954	0	0	954
Oskarshamn	Orion 2	0	0	0	0	0	0	0	1,744	63	1,807
Ronneby	Björnen 4	6	12	12	0	0	30	1,668	0	162	1,830
Ronneby	Björnen 5	9	15	18	0	0	42	2,472	0	26	2,498
Ronneby	Brottaren 3	0	33	39	0	1	73	4,645	0	182	4,827
Ronneby	Elsa 12	0	11	3	0	0	14	901	0	0	901
Ronneby	Ernst 1	0	1	1	0	0	2	155	171	0	326
Ronneby	Ernst 7	0	10	9	2	0	21	1,676	2,514	256	4,446
Ronneby	Frans 1	1	8	3	1	0	13	990	0	115	1,105
Ronneby	Fåktaren 9	0	9	18	0	0	27	1,871	88	0	1,959
Ronneby	Gertrud 12	5	21	10	8	0	44	3,261	178	50	3,489
Ronneby	Illern 1	1	0	3	4	1	9	772	145	0	917
Ronneby	Illern 2	4	14	21	9	0	48	3,533	331	0	3,864
Ronneby	Johannishus 1:19	0	0	0	0	0	0	0	104	0	104
Ronneby	Knut 19	7	15	0	0	0	22	1,256	1,818	191	3,265
Ronneby	Löparen 3	0	31	23	2	0	56	3,244	380	147	3,771
Ronneby	Per 6	0	1	5	1	0	7	629	483	2	1,114
Ronneby	Skytten 3 & 4	6	1	10	0	0	17	1,011	110	80	1,201
Skokloster	Skokloster 15:1	3	1	6	3	3	16	1,286	57	0	1,343
Skokloster	Skokloster 15:2	0	9	11	4	0	24	1,780	0	0	1,780
Skokloster	Skokloster 15:3	16	12	6	0	0	34	1,776	0	0	1,776
Skokloster	Skokloster 15:4	5	3	1	0	0	9	445	0	0	445
Skokloster	Skokloster 15:5	0	0	3	1	1	5	445	0	0	445
Skokloster	Skokloster 17:1	0	18	27	9	0	54	4,005	1,455	0	5,460
Smedjebacken	Borgen 9	2	5	5	0	2	14	864	683	0	1,547
Smedjebacken	Hagbacken 4	0	8	0	0	0	8	402	0	0	402
Smedjebacken	Kugghjulet 5	0	17	0	0	0	17	970	120	0	1,090
Smedjebacken	Mataren 1	0	4	0	0	0	4	201	0	0	201
Smedjebacken	Posten 10	0	0	8	0	0	8	744	436	0	1,180
Smedjebacken	Posten 11	3	12	3	0	0	18	1,027	80	0	1,107
Smedjebacken	Skakbordet 1 & 2	0	12	0	0	0	12	602	0	0	602
Sundsvall	Gångsta 1:2	13	68	45	13	1	140	10,229	0	0	10,229
Sundsvall	Härsta 9:3, 9:6, 9:7	25	101	149	15	0	290	18,960	0	310	19,270
Svalöv	Felestad 27:146	12	18	18	6	0	54	3,204	0	0	3,204
Tranås	Biljarden 15	1	9	2	5	0	17	1,255	0	42	1,297
Tranås	Bågaren 4	0	5	2	1	0	8	555	0	0	555
Tranås	Duvan 18	3	6	0	0	0	9	437	30	0	467
Tranås	Eldaren 23	0	11	4	0	0	15	1,027	0	0	1,027

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Tranås	Hästen 1	5	6	11	1	0	23	1,421	20	8	1,449
Tranås	Höken 14	6	2	2	0	0	10	544	0	0	544
Tranås	Knekten 1	0	18	3	6	0	27	1,943	90	0	2,033
Tranås	Lokatten 14	6	5	4	2	0	17	918	236	738	1,892
Tranås	Lyrån 5	2	4	3	0	0	9	582	0	0	582
Tranås	Muraren 1	2	4	0	1	0	7	432	0	0	432
Tranås	Mården 13	2	8	2	1	1	14	893	0	6	899
Tranås	Normalm 13	2	4	11	4	0	21	1,621	532	14	2,167
Tranås	Snickaren 13	2	0	4	0	0	6	410	0	120	530
Tranås	Snickaren 9	2	0	8	0	0	10	655	0	46	701
Tranås	Spinnaren 9	0	0	5	0	0	5	371	0	0	371
Tranås	Strömsholmen 1	2	17	6	6	4	35	2,642	0	15	2,657
Tranås	Södra Gyllenfors 21	1	1	2	1	1	6	497	0	0	497
Tranås	Tigern 7	4	2	5	0	0	11	610	40	106	756
Tranås	Tjädern 20	3	25	13	0	0	41	2,660	187	115	2,962
Tranås	Vega 2	0	16	0	0	0	16	932	0	107	1,039
Tranås	Våduren 1	1	3	0	1	0	5	344	0	0	344
Trelleborg	Boktryckaren 1	16	24	56	0	0	96	6,604	0	216	6,820
Trelleborg	Bildsnidaren 2	7	4	12	0	0	23	1,361	0	0	1,361
Trelleborg	Delfinen 51&52	10	59	16	1	0	86	5,435	1,332	64	6,832
Trelleborg	Fagerängen 1-6	73	143	129	12	9	366	24,744	4,901	210	29,855
Trelleborg	Gamen 15	0	0	0	5	0	5	460	0	0	460
Trelleborg	Hermelinen 3	0	0	0	0	0	0	0	808	0	808
Trelleborg	Husaren 16	0	3	9	0	0	12	926	0	47	973
Trelleborg	Husaren 17	8	4	6	0	0	18	990	0	0	990
Trelleborg	Illern 1 & Hermelinen 1,2,4	25	24	12	2	0	63	3,536	751	143	4,430
Trelleborg	Katten 40	1	3	8	0	0	12	815	140	11	966
Trelleborg	Lavendeln 1	0	3	3	3	0	9	579	0	0	579
Trelleborg	Linden 12	2	12	2	1	0	17	999	39	2	1,040
Trelleborg	Lodjuret 1	0	4	6	0	0	10	707	0	0	707
Trelleborg	Orren 22	0	9	17	1	0	27	2,022	392	0	2,414
Trelleborg	Sjöjungfrun 11	7	8	16	4	0	35	2,291	509	0	2,800
Trelleborg	Spoven 3	16	2	0	0	0	18	761	0	0	761
Trelleborg	Stigbygeln 6	26	31	24	1	3	85	5,302	33	69	5,404
Trelleborg	Triangeln 40	18	3	0	0	0	21	699	0	20	719
Trelleborg	Triangeln 45	4	6	5	0	0	15	899	292	25	1,216
Trelleborg	Våduren 8 & 13	1	13	5	0	0	19	1,210	5,325	0	6,535
Umeå	Krukan 16	0	35	12	12	0	59	4,121	0	0	4,121
Umeå	Krukan 18	6	18	12	0	0	36	2,325	0	4	2,329
Umeå	Lyftkroken 1	0	2	0	3	1	6	521	54	0	575



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		Studio	1-bedroom apt	2-bedroom apt	3-bedroom apt	>4-bedroom apt		Housing units	Commercial premises	Other	Total
Umeå	Lyftkroken 2	0	3	0	4	0	7	550	0	0	550
Umeå	Mosippan 1	0	8	10	0	0	18	1,152	0	0	1,152
Vaggeryd	Staren 5	3	0	11	0	0	14	878	169	60	1,107
Vaggeryd	Trasten 3	0	0	4	0	0	4	304	0	0	304
Vaggeryd	Ålen 1	7	15	11	3	0	36	2,510	0	155	2,665
Vaggeryd	Ålen 2	7	15	11	3	0	36	2,510	0	22	2,532
Vaggeryd	Ålen 4	5	18	9	4	0	36	2,508	0	136	2,644
Visby	Bogen 1	69	144	170	20	0	403	26,503	856	617	27,976
Visby	Stäven 1	79	101	283	19	0	482	32,661	1,984	496	35,141
Västervik	Fabrikanten 10-11	2	4	7	0	0	13	847	0	49	896
Västervik	Fabrikanten 21	6	6	9	0	0	21	1,382	0	32	1,413
Västervik	Fogden 1	0	0	0	0	0	0	0	4,409	25	4,434
Västervik	Grönkålen 1	7	6	4	0	0	17	895	0	0	895
Västervik	Hovslagaren 19	1	4	3	2	1	11	880	0	0	880
Västervik	Jättegrytan 2	0	8	16	19	1	44	4,080	0	67	4,147
Västervik	Kråmaren 7	0	2	3	2	0	7	577	335	0	912
Västervik	Lingonet 18	0	0	0	0	0	0	0	560	0	560
Västervik	Långholmen 1	0	5	7	1	0	13	970	452	0	1,422
Västervik	Masten 3	1	7	0	0	0	8	420	0	0	420
Västervik	Prosten 22	0	4	0	0	0	4	261	300	0	561
Västervik	Residenset 11	0	1	3	1	0	5	360	0	165	525
Västervik	Residenset 12	1	2	3	0	0	6	435	193	0	628
Västervik	Skeppet 5	0	6	6	6	0	18	1,318	0	118	1,436
Västervik	Svanen 7	2	4	2	2	0	10	658	0	0	658
Västervik	Tuppen 9	3	5	4	0	0	12	648	0	12	660
Västervik	Vimpeln 3	4	8	3	0	0	15	764	0	0	764
Östersund	Bakplåten 1	14	104	122	7	0	247	17,374	879	26	18,279
Östersund	Bönboken 4	2	7	5	5	1	20	1,333	86	57	1,476
Östersund	Degskrapan 2	4	17	2	2	0	25	1,581	72	0	1,653
Östersund	Flossamattan 1	1	44	33	30	16	124	9,941	69	0	10,010
Östersund	Färgaren 2	0	4	3	3	0	10	820	420	71	1,311
Östersund	Handlanden 3	2	15	1	0	0	18	1,097	56	0	1,153
Östersund	Mangården 1	36	41	8	20	0	105	5,283	0	0	5,283
Östersund	Medeltiden 1	0	0	32	0	0	32	2,640	27	0	2,667
Östersund	Räntmästaren 2	0	2	3	3	0	8	767	305	0	1,072
Östersund	Symaskinen 1	8	28	55	1	4	96	7,060	425	24	7,508
Östersund	Vallmon 1	2	3	0	0	2	7	487	0	0	487
Östersund	Yllemattan 1	22	92	22	32	0	168	10,272	138	0	10,410
Östersund	Åkaren 1	3	9	2	4	0	18	1,211	0	146	1,357
Total		1,041	2,642	2,350	505	66	6,604	437,258	52,379	9,887	499,524

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Key performance indicators/definitions

Key performance indicator (KPI)	Definition	Purpose
Net operating income	Net sales from property management before elimination of intra-Group leases less expenses from property management.	This KPI measures the property companies' operational surplus and shows the company's capacity to finance its operations with its own funds.
Market value per sq. m.	Investment properties excluding new construction, divided by the total lettable area of the property portfolio.	This KPI shows developments in the value of the Group's investment properties in relation to area over time.
Surplus ratio, %	Net operating income in relation to rental revenue.	Used to show the share of revenue that remains after property expenses. This KPI is a measure of efficiency that can be compared between property companies as well as over time.
Real occupancy rate, %	Number of apartments rented, including apartments set aside for renovation and apartments with signed leases, divided by total number of apartments.	Used to illustrate the actual occupancy rate in the Group adjusted for voluntary vacancy in the form of renovations and temporary relocation vacancies.
Equity/assets ratio, %	Total equity in relation to total assets at the end of the period.	This KPI is used to illustrate the Group's sensitivity to interest rates and its financial stability.
Loan-to-value ratio, %	Total interest-bearing liabilities less cash and cash equivalents at the end of the period in relation to investment properties	Used to illustrate financial risk, and how much of the operation is pledged under interest-bearing liabilities less available cash on hand. This KPI provides comparability with property companies.
Loan-to-value ratio, investment properties, %	Interest-bearing liabilities related to investment properties, in relation to investment properties excluding new construction in progress.	Used to illustrate financial risk, and how much of the management operations are pledged under interest-bearing liabilities.
Interest-coverage ratio, multiple	Operating profit/loss on a 12-month basis, divided by net interest income/expense.	This KPI shows how many times the Group will be able to pay its interest with earnings from operating activities, and illustrates how sensitive the Group is to changes in interest rates.
Long-term net realizable value, SEK m	Equity attributable to Parent Company shareholders, with add-back of deferred tax and derivatives attributable to wholly owned participations.	This KPI is an established measure of the Group's long-term net realizable value, and facilitates analysis and comparison between property companies.
Profit from property management per share, SEK	Profit from property management attributable to Parent Company shareholders in relation to weighted average number of shares during the period before dilution.	Used to illustrate profit from property management per share in a uniform manner for listed companies.
Equity per share, SEK	Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at end of the period.	This KPI shows how much of the Group's recognised equity each share represents.
Long-term net realizable value per share, SEK	Long-term net realizable value in relation to the number of shares outstanding at the end of the period.	Used to illustrate the Group's long-term net realizable value per share in a uniform manner for listed companies.
Annual growth, profit from property management per share, %	Percentage change in profit from property management per share during the period.	Used to illustrate the development of profit from property management over time, expressed as a percentage.
Annual growth, long-term net realizable value per share, %	Percentage change in long-term net realizable value per share during the period.	Used to illustrate the development of net realizable value over time, expressed as a percentage.

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Financial calendar

2023 AGM	3 May 2024
Interim report Q1 2024	3 May 2024
Interim report Q2 2024	16 July 2024
Interim report Q3 2024	6 November 2024
Year-end report 2024	18 February 2025

IR Contacts

Andreas Morfiadakis, CEO
+46 76 133 16 61
andreas.morfiadakis@klarabo.se

Contact investor relations
ir@klarabo.se

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2017

KlaraBo was founded by current CEO Andreas Morfiadakis, among others. In connection with a new share issue that raised SEK 65 million for the company, Lennart Sten joined the company and became Chairman of the Board. During the year, the first land acquisitions were completed in the municipalities of Bjuv and Svalöv, with the aim of building rental apartments.

2018

Another new share issue was carried out that raised SEK 287 million for the company. A portfolio comprising almost 1,600 apartments was acquired in Malmö, Sundsvall, Borlänge, Ludvika, Bollnäs and Smedjebacken. KlaraBo was awarded a land allocation in Hässleholm for the construction of approximately 60 rental apartments.

2019

Construction started on 110 rental apartments in Höganäs and Svalöv. 74 rental apartments in Helsingborg and 45 development rights in Höör were acquired from the municipality. The company also obtained a land allocation for the construction of some 20 rental apartments in Lund.

2020

KlaraBo raised approximately SEK 328 million through a new share issue to mainly existing shareholders. The company acquired just over 800 rental apartments and community service properties in Trelleborg from the municipality for approximately SEK 1 billion. Land and development rights were also acquired in Motala and Trelleborg for the construction of a total of 70 rental apartments.

2021

KlaraBo acquired Kuststaden, giving the company a total of more than 5,000 apartments under management and a property value in excess of SEK 6 billion. The company acquired just over 270 rental apartments in Gävle and Håbo, and development rights in Kristianstad for 95 rental apartments. The company's Class B share was listed on Nasdaq Stockholm's Main Market in December.

2022

KlaraBo acquired a total of just over 1,000 apartments, the absolute majority of which were located in Östersund. KlaraBo also entered the Umeå market through an acquisition. A great deal of the company's attention during the year was dedicated to the continued improvements to the portfolio, and approximately 70 apartments were renovated per quarter on average, which was a new record.

2023

KlaraBo improved its profit from property management by 10 per cent despite increased interest and operating expenses. During the year, the company conducted 220 ROT projects across the country. Beyond that, the focus was on "keeping the company safe" in the face of challenging external factors, including key measures such as cost-efficiency improvements and reduction of financial risk.

Text and production: Hallvarsson & Halvarsson in collaboration with KlaraBo. **Photos:** Madelene Engh, Christoffer Lomfors and others.

KLARABO

Hyllie Vattenparksgata 11A
SE-215 32 Malmö, Sweden
Info@klarabo.se
www.klarabo.se