

Q1 Interim Report January – March 2024

January–March

- Revenue for the quarter amounted to SEK 156.7 million (142.9), a year-on-year increase of 10 per cent.
- Net operating income amounted to SEK 73.4 million (67.4), up 9 per cent year-on-year.
- Income from property management amounted to SEK 20.2 million (15.0), a year-on-year increase of 35 per cent.
- Changes in the value of investment properties amounted to SEK -45.3 million (-174.1) and changes in the value of derivatives to SEK 44.2 million (-41.6).
- Earnings totalled SEK 3.7 million (-160.6), corresponding to SEK 0.03 per share (-1.22).
- The loan-to-value ratio was 52.6 per cent (51.2) on 31 March with an average interest rate of 3.5 per cent (3.5). The company is financed solely through bank borrowing.
- The net realizable value per share was SEK 31.7 (33.3).

The period in brief

Significant events

- General rent increases for 2024 averaged 5.3 per cent for homes. All increases are expected to be implemented in the second quarter.
- New bank loans of SEK 40 million raised at a margin under the loan portfolio's average margin.
- Shares were repurchased for a total of SEK 30 million under the framework of the authorisation granted by the Board for 2024.
- Conversion of unfinished lofts to new apartments complete in Helsingborg.

Long-term net realizable value per share, SEK

31.7

Increase in income from property management, %

34.7

Real occupancy rate, %

97.8

Interest-rate hedging ratio, %

79.4

Average interest rate, %

3.53

KPIs: For complete key performance indicators, refer to page 24

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Profit from prop mgmt, SEK m	20.2	15.0	124.2
Profit for the period, SEK m	3.7	-160.6	-381.5
Market value per sq. m.	17,990	17,923	18,032
Surplus ratio, %	46.9	47.2	57.2
Real occupancy rate, %	97.8	98.4	97.8
Equity/assets ratio, %	42.6	43.9	42.6
Loan-to-value ratio, %	52.6	51.2	52.2
Interest-coverage ratio, multiple	1.8	1.7	1.8
Interest-rate hedging ratio, %	79.4	79.6	79.9
Fixed-interest period, year	3.5	4.3	3.7
Profit from property management per share, SEK	0.15	0.11	0.95
Earnings per share after dilution, SEK	0.03	-1.22	-2.91
Net realizable value per share, SEK	31.7	33.3	32.0

Comments from the CEO

Stabilised property values and sharp increase in income from property management



Andreas Morfiadakis, CEO

The year got off to a positive start for KlaraBo after a large portion of the annual rent negotiations were completed on 1 January. Income from property management rose 35 per cent as a result of rent increases and ongoing upgrades of our homes according to our proven business concept. Rent negotiations that were not concluded by the new year have now essentially been concluded and will be introduced during the second quarter, resulting in an average 5.3 per cent rent increase for our housing units for 2024. Financial expenses were on a par with the first quarter of last year thanks to our high share of hedged bank loans, 80 per cent, as well as more stable interest rates in the market.

The first quarter is seasonally the most costly, with higher operating costs for heat, electricity and snow removal. These costs were slightly higher on a like-for-like basis than in the corresponding quarter last year since several price adjustments went into effect for heating, water and waste management. Some price adjustments by these public actors have been as high 25 to 30 per cent, costs that we need to pass on to our tenants to create a sound, stable and profitable operation. Thanks to increased revenue, net operating income grew 9 per cent compared with the year-earlier quarter.

Continued value creation in the portfolio

KlaraBo's objective is to achieve rental growth that exceeds the general annual rent increase through active property management and material investments. To reach this goal, a core part of our strategy is to acquire and develop existing, often older, residential properties in growth regions nationwide. At the same time as rental revenue from these apartments can be increased through standard-raising upgrades, operating and maintenance costs can be lowered thanks to more energy-efficient sustainable solutions. Along with the general rent increase, our measures to raise standards contributed to an increase of 1.2 percentage points in the rental value of our residential properties in the first quarter, compared with a general rent increase of 0.6 percentage points.

Slight increase in yield requirement but stabilisation of property values

During the quarter, the yield requirement for our property portfolio increased an average of approximately 8 basis points to 4.8 per cent. The decline in the value of the property portfolio was significantly lower than in the year-earlier quarter, indicating that property values are stabilising and that the trend of falling values is slowing down. In our sensitivity analysis, the change in the yield requirement theoretically corresponds to a decline in value of about SEK 153 million. However, thanks to completed rent negotiations, active property management and the Group's ongoing value-creating measures through investments, the actual decline in value was limited to just over SEK 45 million.

With a low average rent of SEK 1,130 per square metre for the unimproved part of the portfolio, which is significantly below the general market level, there is thus significant scope for continued value creation in the future.

Active work to ensure long-term value creation

We will continue to grow our property management portfolio both through acquisitions and by expanding through new construction over time. While KlaraBo is primarily to be a growth company, our base is – and will continue to be – our value-creating business model that continuously leads to a higher value for our property portfolio and growth in cash flow per share over time. The more favourable market situation we have seen in the past six months could also lead to opportunities for both supplementary acquisitions in existing locations and establishments in new locations. This depends on us finding the right object.

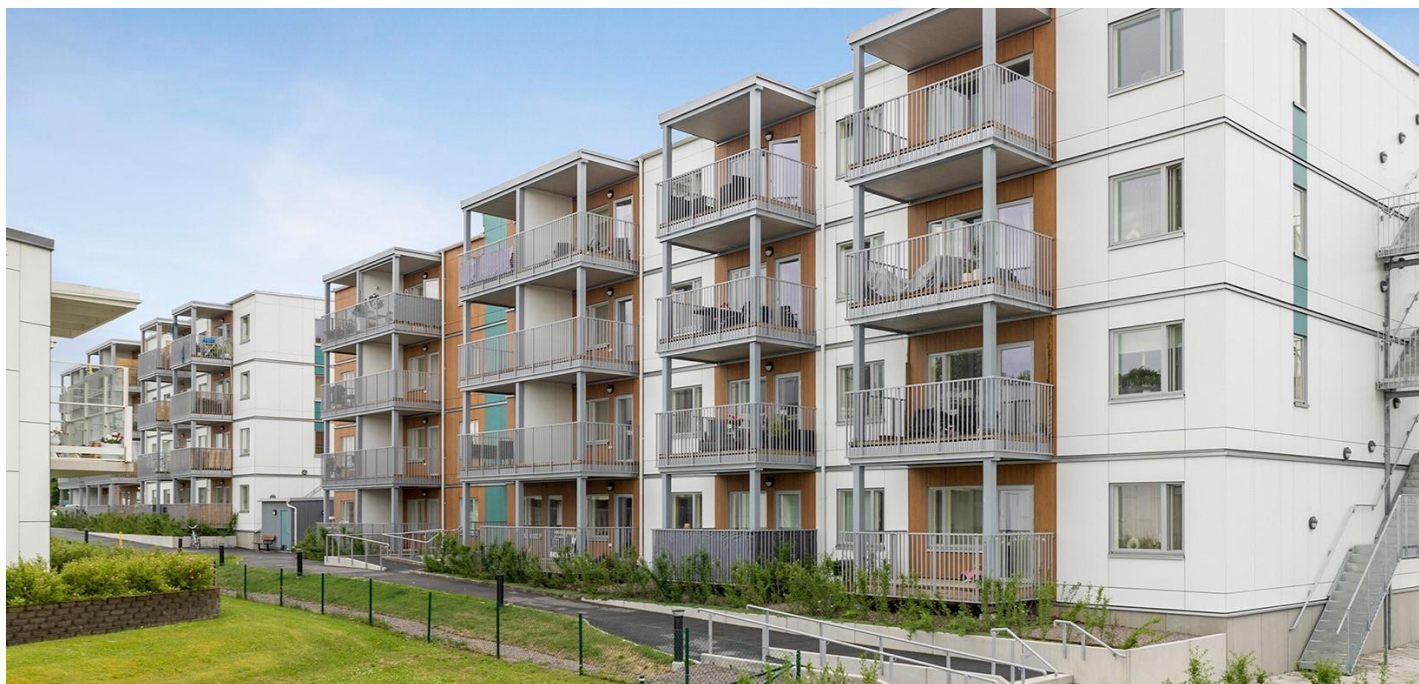
With that said, we are mindful to keep a sound risk profile and continuously create financial stability over time. One way we do this is through our share buyback programme, which gives us increased opportunities to adapt the company's capital structure from time to time. Another is our high share of hedged loans, which exclusively include bank loans.

I am convinced that our business model and strategy with organic growth as well as acquisitions, in combination with secure financing, gives us the right preconditions for sustainable and profitable growth and long-term shareholder value. We will be well equipped and prepared when the market turns and attractive business opportunities arise.

Malmö, April

Andreas Morfiadakis

CEO, KlaraBo



The Munken 4 property in Motala

This is KlaraBo

KlaraBo is a real estate company that acquires, builds, owns and manages attractive residential properties. The company was formed in 2017 and operates throughout the country. The strategy is to acquire existing residential properties and land for new construction in growth regions. The company's newly constructed apartments are developed in-house and space efficient, which contributes to reasonable rents. Both apartments and buildings are designed in collaboration with the municipality to fit local needs. With wood as the main building material, the new construction holds a high environmental standard. KlaraBo is a long-term property owner.

The company concentrates on residential properties, which comprised 85 per cent of contracted rents on 31 March. As of 31 March, KlaraBo's property portfolio had a lettable area of approximately 499,700 square metres distributed across 6,610 apartments and a number of commercial premises with contracted annual rent of about SEK 640 million. The portfolio also includes 1,098 apartments under project development.

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.

Overall goal

KlaraBo's overall goal is to create value for the company's shareholders on a long-term basis by owning, developing and actively managing sought-after residential properties in growth regions with robust demand. Value creation is measured as growth in net realizable value and income 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 was 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.

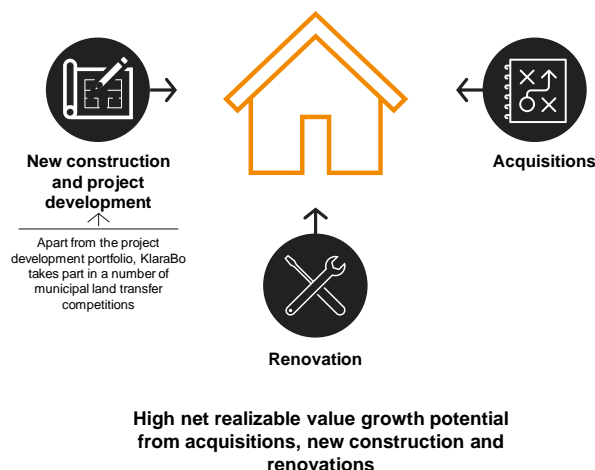
Financial goals

- KlaraBo is to achieve average annual growth in 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 income from property management per share of at least 12 per cent over the course of a business cycle.

Sustainability goals

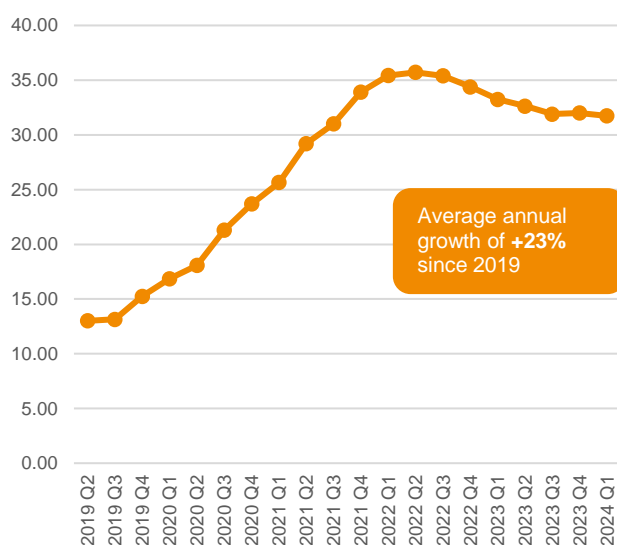
- The company has established goals in the following areas: climate and energy, circular society, secure and pleasant neighbourhoods, employees and sustainable business. The company's overall climate and energy goals are that only renewable energy will be used for electricity, heating and vehicles by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

KlaraBo's business model



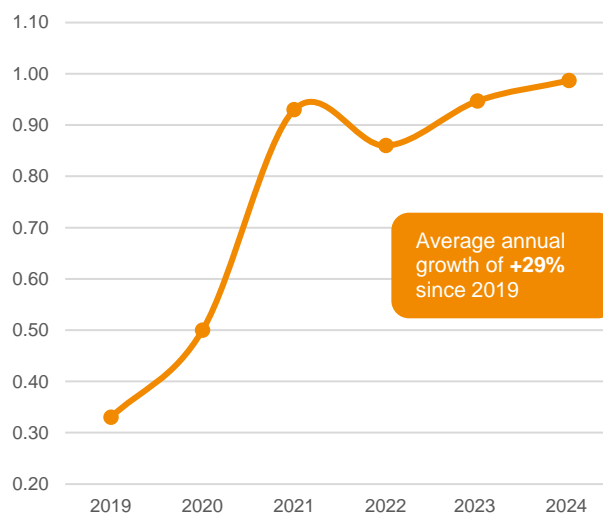
OVERALL GOALS		Goal	Outcome 2023 YTD
Number of apartments	KlaraBo has the goal of owning and managing at least 500,000 square metres of residential floor space by the end of 2025.	>500,000 sq. m.	437,546
Development rights	KlaraBo's objective is to commence construction of at least 200 housing units 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
Rental value	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.	>General rent increase	0.6 percent
Net realizable value	KlaraBo is to achieve average annual growth in net realizable value per share of at least 15% including any value transfers over the course of a business cycle.	>15%	See chart below
Profit from property management	KlaraBo is to achieve average annual growth in profit from property management per share of at least 12% over the course of a business cycle.	>12%	See chart below
Dividend	KlaraBo has a long-term goal of distributing 50% 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	-
Sustainability	The overall goals for KlaraBo in the area of climate and energy are to use only renewable energy for electricity, heat, and cars by 2030 and to have achieved climate neutrality in the entire value chain by 2045.	2030 - Only renewable energy 2045 - Climate neutrality	-

Long-term net realizable value per share, SEK



Long-term net realizable value: 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.

Income from property management per share, SEK



Income from property management: KlaraBo is to achieve average annual growth in income from property management per share of at least 12 per cent over the course of a business cycle.

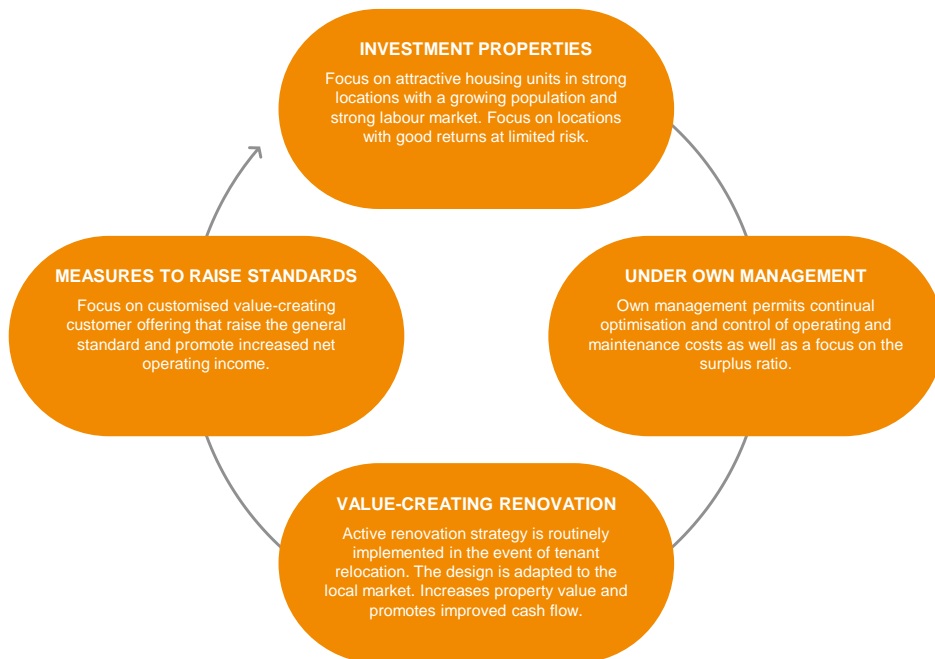
Property portfolio

Investment properties

KlaraBo's portfolio of investment properties reaches across Sweden, from Trelleborg in the south to Umeå in the north and Visby in the east. The majority of the portfolio consists of residential properties. The properties are divided into four geographic regions: South, East, Central and North. The company focuses on investment properties in cities with growing populations and strong labour markets.

The property holdings consist of 226 properties with a total lettable area of approximately 499,700 square metres, excluding parking spaces and garages.

KlaraBo works on the basis of a customer-oriented property management model under its own management, which enables continual optimisation of operating costs and cost control.

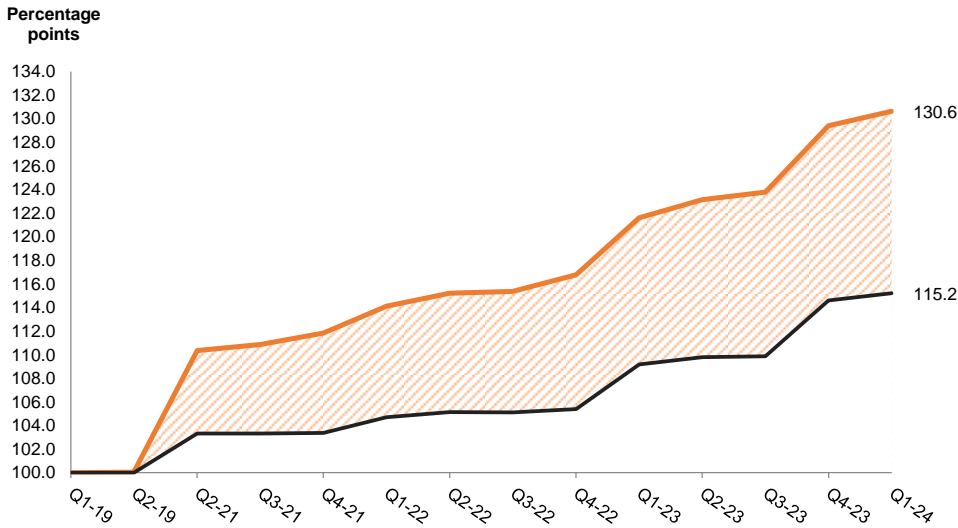


During the first quarter, the company invested SEK 38.5 million (41.9) in existing investment properties through value-creating measures, with the primary investment measure being total renovation as well as energy-saving measures in order to create value. Total renovation means that the apartments are renovated in conjunction with natural turnover in the portfolio. Renovation measures are carried out when an existing tenant vacates the apartment and is concluded before a new tenant moves in. The renovation takes four to six weeks, and the apartment is advertised as vacant during that time, which has a temporary negative impact on the economic occupancy rate.

Measures to raise standards

One of the company's operational goals is for the rental trend for housing units to exceed the general annual rental increase through active management and investments. The graph below shows the company's fulfilment of this goal, with the rental trend exceeding the general increase by 15.4 percentage points for portfolios on a like-for-like basis since 2019.

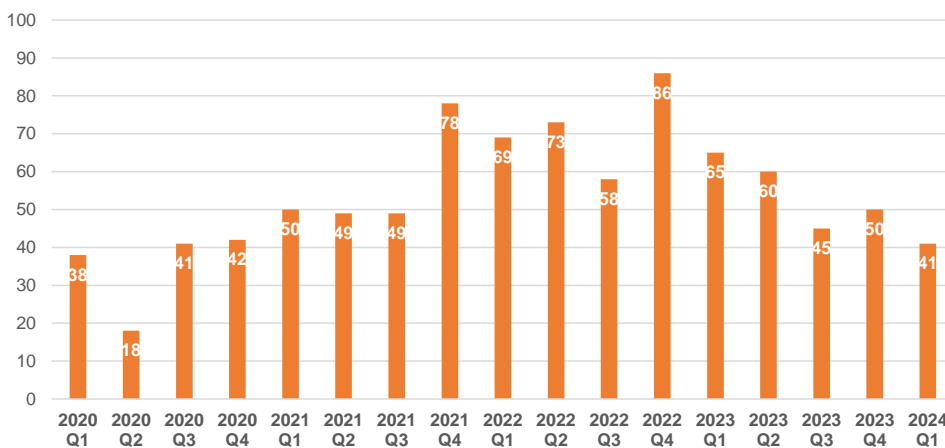
Rental value performance



Rent negotiations concerning the annual rent increase for 2024 are ongoing and have had an impact of 4.8 percentage points on our rents, since rents have not yet been adjusted in a number of locations. The increase linked to rent will grow during the year as rent agreements are finalised. Adjusted for the annual rent increase, the rental value for homes increased by 0.6 percentage points in the quarter.

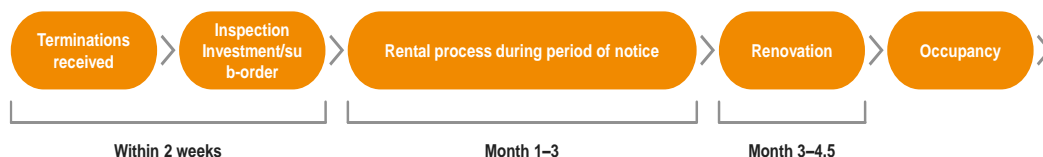
A core part of KlaraBo's strategy is to continually take measures to increase the value of its existing portfolio, both measures that increase revenue and those that reduce costs. KlaraBo ensures that apartments in need of renovation meet today's standards, with modern kitchens, bathrooms and energy-efficient installations. These measures contribute to increasing the value of the entire portfolio in the long term as well as reducing operating and maintenance costs over time.

Number of total renovations performed



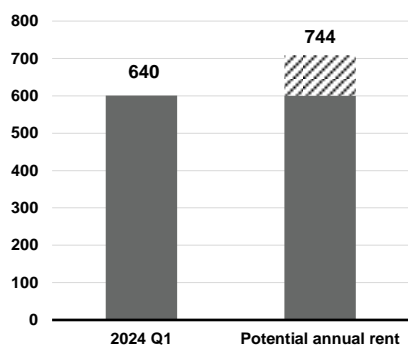
For KlaraBo, maintaining this level of renovation requires a relatively constant natural shift in the portfolio and vacated apartments that are, to some extent, unrenovated. The outcome for the quarter was 41 apartments. This somewhat lower rate of renovation was due to the fact that KlaraBo chose to increase its requirements for which apartments are selected for renovation and was somewhat more selective, given the growing uncertainty in the market. Over time, the portfolio will also need to be expanded for the company to maintain the same rate of renovation.

The rental market is still stable, and all renovated apartments are let after completion. This resulted in a real occupancy rate of 97.8 per cent as of 31 March 2024.

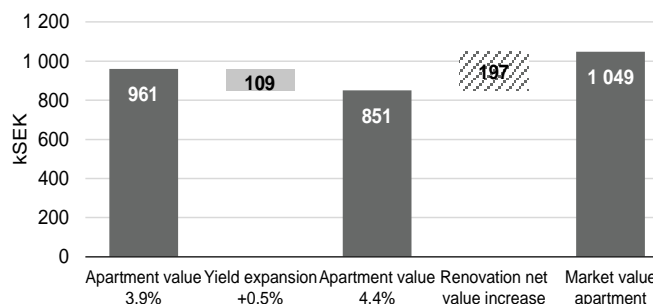


In addition to total renovation of apartments, KlaraBo focuses on adapting customer offerings through general measures to raise the standard of the apartments. This is achieved by offering existing tenants various choices that lead to increased customer satisfaction and simultaneously raise the actual rental value above the general annual rent negotiations.

Contracted annual rent, SEK m



Potential value per apartment



The above diagram illustrates contracted annual rent for the existing management portfolio as of 31 March 2024, with an additional bar for expected contracted rent after renovation of the existing unrenovated portfolio.

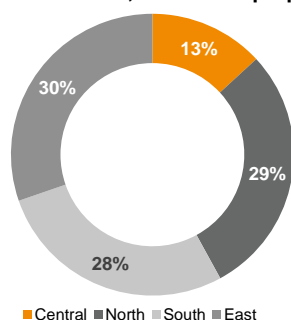
The diagram above shows the value before and after raising the yield requirement as well as the effect of the net increase in value with an ROT renovation of an example apartment. The example shows how ROT renovations counteract any declines in value associated with an increase in the yield requirement. The figures above are based on an actual apartment in the company's portfolio in Trelleborg.

Investment properties excluding project development

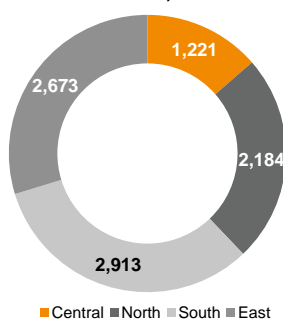
Region	No. of properties	No. of apartments	Area, 000 sq. m.			Market value	
			RFA	Other	Total	SEK m	SEK/sq. m.
Central	76	887	57.1	11.8	68.9	1,221	17,724
North	34	2,042	141.4	5.6	147.0	2,184	14,857
South	62	1,712	109.4	27.7	137.0	2,913	21,252
East	54	1,969	129.7	17.1	146.8	2,673	18,208
	226	6,610	437.5	62.2	499.7	8,991	17,991

Region	Rental value		Economic		Property expenses		Net oper income	
	SEK m	SEK/sq. m.	occ. rate, %	rate, % nual rent, SEK m	SEK m	SEK/sq. m.	SEK m	SEK/sq. m.
Central	97.2	1,411	94.6	97.6	36.0	523	55.9	811
North	177.3	1,206	94.1	96.8	72.9	496	93.9	639
South	200.0	1,459	94.7	98.1	60.2	440	129.2	943
East	200.7	1,367	95.6	98.6	61.3	417	130.6	890
	675.1	1,351	94.8	97.8	230.5	461	409.6	820
							4.6%	
				Property management	30.6	61		
				Net oper Income Incl prop mgmt	261.1	522	379.0	758

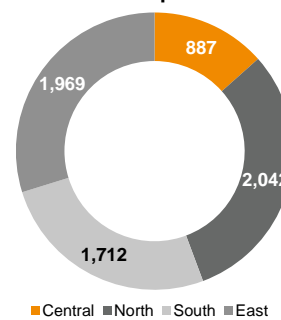
Rental revenue, residential properties



Market value, SEK m



Number of apartments



Project development and new construction

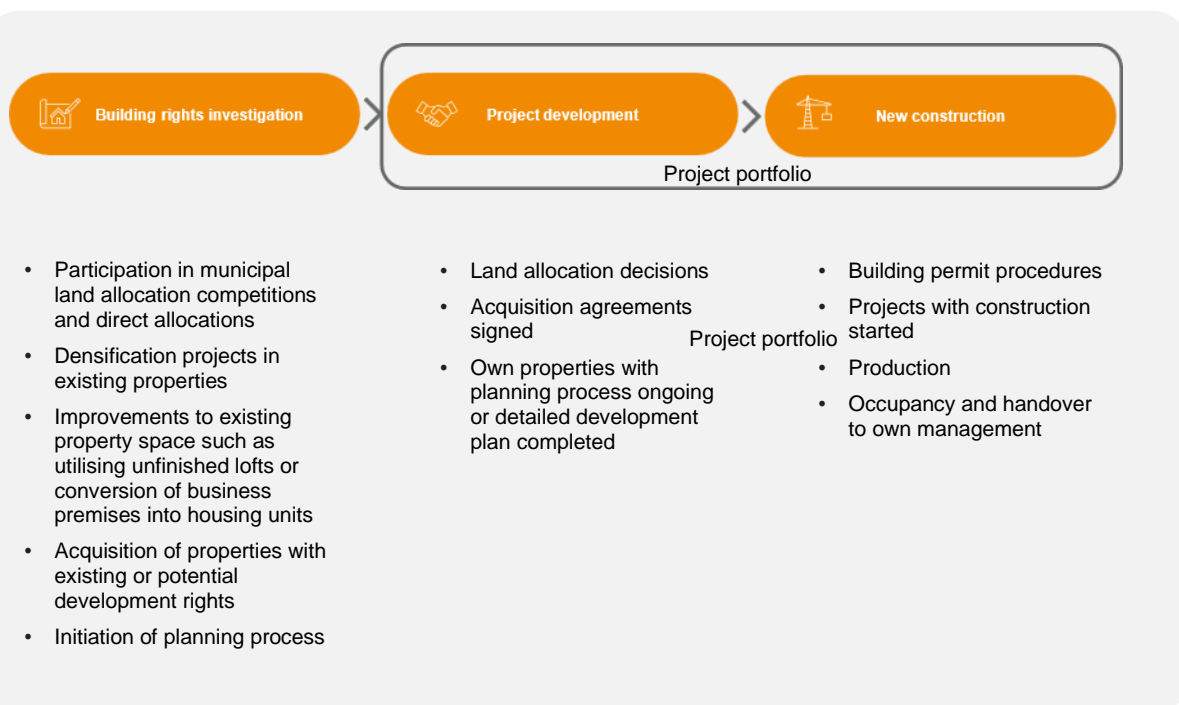
KlaraBo works with the entire value chain for rental apartments, from project development through construction to own management. For the company, business development is about pursuing projects from idea to completed construction. We thus create value regardless of whether we focus on improving our existing properties or on entirely new project ideas.

Project development

To achieve the operational goals regarding new construction of rental units, development rights are continually being created.

This work is carried out by actively seeking prospects in the private sector and through participation in municipal land allocation competitions, canvassing of municipalities for direct allocations of land, densification of our own properties and acquisitions of properties with existing or potential development rights. The process is based on an analysis in which the population trend, the functional labour market and the payment capacity of the market are investigated.

The number of apartments in the project development portfolio is 1,098.



New construction

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

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

The construction volumes are prefabricated by partners in indoor environments before being transported to the construction site.

Project portfolio

In the third quarter of 2022, the company decided to indefinitely postpone projects that had not yet been started, with a risk that some land allocations or agreements would be changed. The company therefore chose to return a number of development rights at the end of the year since the company does not expect to be able to carry out these projects within the foreseeable future with a good return. However, we have extended the land allocations in Hässleholm and Västerås since we believe that there are good opportunities to develop these projects in the future.

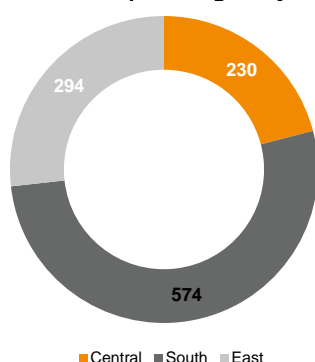
The company's land allocation “Öster om mässan” in Hyllie, Malmö consists of two blocks with a total of 300 apartments together with OBOS Nya Hem. The project is Malmö Municipality's first Mallbo project in which new construction with lower rent is being enabled in part through subsidies for lower parking standards and discounted site leasehold fees. The project is scheduled to be carried out in four stages with slightly more than half of the apartments planned to be tenant-owner apartments and the rest rental apartments. The municipality is somewhat delayed in its work in the area, and possession of the properties is expected to be somewhat slightly and begin in autumn 2025. We expect the planning process to start later in 2024 so that the building permit procedure is on pace with possession being taken and production can start in the end of 2025.

In Gotland, the company is conducting development and densification projects at its Bogen 1 and Stäven 1 properties, which include a detailed development plan for approximately 14,000 square metres GFA at Bogen 1 with new development rights expected to be adopted at the end of 2024. The building permit process for the first stage is expected to be able start shortly thereafter, with production beginning in late 2025.

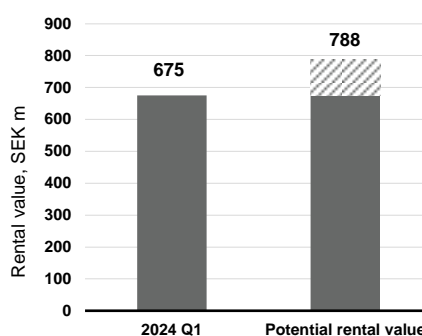
In Kristianstad, work is continuing on the preparation of a new detailed development plan for the old prison building for which the company entered into a share transfer agreement in July 2021. We are preparing a new detailed development plan together with OBOS Kärnhem that will enable about 16,000 square metres of gross floor area of housing. The development rights will be shared between OBOS Kärnhem and KlaraBo with KlaraBo intending to construct rental apartments. The detailed development plan will be submitted to the Municipal Board in May and is expected to be adopted after summer 2024. If the market responds positively to the project, project planning and subsequent construction can start in winter 2024/2025.

For a full overview of ongoing construction and project development as of 31 March 2024, see below.

Planned development rights by region



Rental value (SEK m)



The above left diagram shows the number of planned development rights by geographic region, while the above right diagram illustrates the rental value of the existing management portfolio as of 31 March 2024, with an additional bar for the expected rental value on completion of ongoing new construction.

Construction in progress and project development*

Region	Project	Municipality	No. of apartments	Area, 000 sq. m.		Rental value		Status	Owner share, %
				GFA	RFA	SEK m	SEK/sq. m.		
Project devt in progress									
Syd	Aspeholm 13	Lund	20	1.4	1.2	2.2	1,816	2	100
Syd	Hälleftrundran 8, vind	Malmö	15	0.6	0.5	0.9	2,000	2	100
Mitt	Falun 9:22	Falun	135	11.0	8.7	16.1	1,850	3	60
Syd	Hässleholm 87:22	Hässleholm	62	5.3	4.6	7.6	1,650	3	100
Mitt	Sätra	Västerås	55	4.5	3.6	6.8	1,900	3	100
Syd	Fängelset 2	Kristianstad	107	7.5	6.0	11.4	1,890	3	100
Öst	Ekorren 1	Jönköping	80	6.1	4.7	8.9	1,890	2	100
Öst	Bogen 1 (etapp 1)	Gotland	92	6.3	5.0	8.8	1,750	3	100
Öst	Bogen 1 (etapp 2)	Gotland	80	5.5	4.4	7.7	1,750	3	100
Öst	Bogen 1 (etapp 3)	Gotland	42	2.9	2.3	4.1	1,750	3	100
Syd	Öster om mässan	Malmö	150	9.8	7.5	11.5	1,528	3	100
Mitt	Källan 7	Borlänge	40	2.7	2.1	4.1	1,959	2	100
Syd	Ålen (påbyggnad)	Vaggeryd	90	6.2	4.9	9.3	1,887	3	100
Syd	Ålen (nyproduktion)	Vaggeryd	130	8.8	7.1	13.2	1,871	3	100
Total			1,098	78.7	62.7	112.7	1,797		

Status:

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

*Information about ongoing project developments includes assessments and assumptions, which entails uncertainty with respect to schedules, area, costs and future rental value. The information is updated regularly and should therefore not be viewed as a forecast.

Condensed consolidated statement of comprehensive income

SEK m	Notes	2024 3 months Jan-Mar	2023 3 months Jan-Mar	2023 12 months Jan-Dec
Revenue	1	156.7	142.9	589.7
Costs	2	-83.3	-75.5	-252.5
Net operating income	3	73.4	67.4	337.2
Central administrative costs	4	-12.3	-12.7	-51.4
Operating profit/loss		61.1	54.7	285.9
Financial income/costs	5	-40.9	-39.6	-161.7
Income from property management		20.2	15.0	124.2
Changes in value of properties	6	-45.3	-174.1	-439.9
Changes in value of derivatives		44.2	-41.6	-139.8
Profit/loss before tax		19.1	-200.7	-455.5
Tax expense	7	-15.4	40.1	73.9
Profit for the period		3.7	-160.6	-381.5
Comprehensive income for the period		3.7	-160.6	-381.5
Parent Company shareholders		3.7	-160.6	-381.5
Earnings per share before dilution, SEK		0.03	-1.22	-2.91
Earnings per share after dilution, SEK		0.03	-1.22	-2.91

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



Earnings analysis, January–March 2024

The income statement items below pertain to the quarter from 1 January to 31 March. Comparison items pertain to the year-earlier period. All amounts are in SEK million.

Note 1 Revenue

Revenue for the quarter amounted to SEK 156.7 million (142.9), a year-on-year increase of 9.7 per cent, mainly due to the Group's ongoing measures to raise standards and the general annual rent negotiations. Revenue from new construction had a positive impact of approximately 0.5 per cent on the quarter. Revenue for premises also increased slightly.

Note 2 Costs

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

Operating costs for the quarter totalled SEK -83.3 million (-75.5). The increase was the result of higher costs for heating, water and snow removal. The increase in public utility costs pertains primarily to higher fees. Costs increased 10.3 per cent compared to corresponding quarter last year. Costs for new construction had a negative impact of 0.4 per cent on the quarter.

Ahead of 2024, the company extended a framework agreement with Vattenfall for delivery of green electricity certified under the Environmental Product Declarations (EPD) system for 2024 and 2025. After the first quarter, essentially 100 per cent of the company's forecast electricity volume of approximately 10,700 MWh for 2024 is covered by the framework agreement with Vattenfall. The company currently has a price guarantee for approximately 33 per cent of the forecast volumes for the remaining quarters of 2024.

Note 3 Net operating income and surplus ratio

Net operating income for the quarter amounted to SEK 73.4 million (67.4), a year-on-year increase of 8.9 per cent. The surplus ratio was 46.9 per cent (47.2).

Note 4 Central administrative costs

Central administrative costs include costs for senior management and central support functions for both property management and project operations.

Central administrative costs for the quarter totalled SEK -12.3 million (-12.7). The change between quarters was mainly due to lower costs for external services.

Note 5 Financial income/expenses

Financial income/expenses totalled SEK -40.9 million (-39.6) for the quarter. The year-on-year increase was mainly attributable to higher variable market interest rates. However, it is worth noting that the increase is lower than the trend for market interest rates during the same period as a result of the company's high interest-rate hedging ratio.

KlaraBo's interest-rate hedging ratio amounted to 79.4 per cent (79.6) of its loan portfolio, which means that only approximately 21 per cent of the interest-bearing liabilities carried a variable interest rate and were affected by short-term market interest rates. This high interest-rate hedging ratio will provide stability and predictability with respect to future interest expenses.

Note 6 Changes in value

The Group's investment properties are appraised on a quarterly basis. Each appraisal object is appraised externally at least once a year by the independent authorised appraiser Savills, which took place in the fourth quarter of 2023. For the first quarter, desktop appraisals were made by the same external appraisers. Each property is individually inspected based on a rolling three-year schedule and appraised based on the material available regarding the property as well as the external appraisers' market information and historical assessments. Physical inspections of the properties are made on an ongoing basis.

The first quarter included higher yield requirements in the valuations of an average of 8 (16) points, which generated an underlying theoretic value change of SEK -152.8 million (-354.7) in the property portfolio. The change corresponds to a decline in value of 1.7 per cent compared with the start of the year, all else being equal. However, thanks to completed rent negotiations, active property management and the Group's ongoing value-creating measures (through renovation and investments), the actual decline in value was limited to 0.5 per cent or approximately SEK 45 million (-174). At the end of the period, the average yield requirement amounted to approximately 4.8 per cent for the entire portfolio while the yield requirement was 4.6 per cent for the housing units in the portfolio.

The investment appetite in the market is expected to increase going forward. Confidence in the coming interest rate cuts in combination with higher yield requirements is likely to have a positive influence on

sentiment. The distance between buyers and sellers is expected to shrink as the carrying amounts of property values decrease.

The transaction volume for homes increased markedly in Q1 2024, albeit from a low level, compared with the first quarter of 2023. Listed property companies and housing developers were the most active sellers, while the most active purchasers were funds since opportunities to acquire properties in a less competitive market increased.

The change in value for the Group's derivative portfolio in quarter amounted to SEK 44.2 million (-41.6) and was attributable to the Group's interest-rate derivatives. The positive trend during the quarter was due to rising market interest rates. This effect only impacts the company's accounting and not its cash flow, and at the end of the derivative contract, the value is zero.

Note 7 Tax expense

Tax for the quarter amounted to SEK -15 million (40). Tax expense pertains primarily to deferred tax expense related to changes in the value of interest-rate derivatives and tax on income from property management.

The net effect of these changes in value was approximately SEK -1 million (refer to Note 6 above). The Group reported acquisitions of property companies as asset acquisitions and thus no deferred tax for temporary differences on acquisitions was initially recognised. Depending on the size of the decline in value of an individual property, this could mean that there is no reversal of deferred tax corresponding to the initial exception. This means that no deferred tax revenue was recognised for the period corresponding to the negative change in value of the property portfolio, which is why the deferred tax effect in earnings was not 20.6 per cent of the reported decline in value. Deferred tax had no direct impact on liquidity.

Parent Company

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

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

Condensed consolidated statement of financial position

SEK m	Notes	31/03/2024	31/03/2023	31/12/2023
Intangible assets		0.3	0.3	0.3
Investment properties	8	9,020.3	9,064.2	9,031.9
Property, plant and equipment		7.1	9.2	7.7
Financial non-current assets	9	16.6	17.5	17.2
Derivatives		7.4	61.5	-
Receivables		19.1	52.8	24.3
Cash and cash equivalents		161.4	259.9	168.5
Total assets		9,232.1	9,465.4	9,249.9
Equity attributable to Parent Company shareholders	10	3,935.5	4,157.6	3,936.3
Derivatives		-	-	36.7
Deferred tax liability	11	225.5	264.7	216.0
Non-current interest-bearing liabilities	12	4,792.1	4,788.9	4,762.7
Current interest-bearing liabilities	12	116.5	115.8	116.1
Other liabilities		162.5	138.4	182.0
Total equity and liabilities		9,232.1	9,465.4	9,249.9

Consolidated statement of changes in equity

SEK m	31/03/2024	30/09/2022	31/12/2023
Opening equity, attributable to Parent Company shareholders	3,936.3	4,320.0	4,320.0
Profit for the period	3.7	-160.6	-381.5
Share repurchase	-4.5	-1.8	-2.1
Closing equity, attributable to Parent Company shareholders	3,935.5	4,157.6	3,936.3

Comments on consolidated financial position

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

Note 8 Investment properties

The Group's investment properties including project development properties are recognised at fair value in accordance with IFRS 13 Level 3. For project development properties, a predetermined portion of the unrealised change in value between fair value upon completion and total estimated production costs is recognised in pace with the degree of completion. This is done in accordance with an escalation model adopted by the Group.

The Group's investment properties were appraised at SEK 9,020.3 million (9,064.2) at the end of the period, of which project development properties, meaning including new construction in progress, accounted for SEK 19.2 million (146.2), site leaseholds valued in accordance with IFRS 16 accounted for SEK 10.6 million (7.3) and the remainder, SEK 8,990.5 million (8,910.7), pertained to existing investment properties.

Carrying amount, investment properties, SEK m

	31/03/2024	31/03/2023	31/12/2023
Opening carrying amount, investment properties	9,031.9	9,170.7	9,170.7
Sales	-7.0	-	-
Investments in investment properties	38.5	41.9	161.5
Investments in new construction properties	2.2	25.7	117.1
Public subsidies	-	-	19.2
IFRS 16	-	-	3.3
Changes in value	-45.3	-174.1	-439.9
Closing carrying amount, investment properties	9,020.3	9,064.2	9,031.9

Note 9 Financial non-current assets

Financial non-current assets amounted to SEK 16.6 million (17.5), SEK 16.5 million (17.2) of which consisted of participations in jointly controlled companies.

Note 10 Equity

Equity attributable to Parent Company shareholders totalled SEK 3,935.5 million (4,157.6). The change is attributable to profit for the period and to the company buying back shares for SEK 4.5 million during the period.

Note 11 Deferred tax liability

The deferred tax liability of SEK 225.5 million (264.7) was primarily attributable to the re-valuation of investment properties, but also to derivatives.

Parent Company

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

Financing

Note 12 Financing

Interest-bearing liabilities

Interest-bearing liabilities totalled SEK 4,908.6 million (4,904.7) and pertained mainly to financing of the Group's investment properties, amounting to SEK 4,830.1 million (4,822.4). The Group's cash equivalents totalled SEK 161.4 million (259.9), and in addition KlaraBo has available credit facilities of SEK 260 million. Of the total interest-bearing liabilities, SEK 67.0 million (72.7) was attributable to construction credits and is excluded from the table of fixed credit and fixed interest below. The liability pertaining to IFRS 16 entries for a site leasehold and two office properties contributed to a total IFRS 16 liability of SEK 14.1 million that is also excluded from the table of fixed credit and fixed interest.

The repayments that will be made in the next 12 months amounted to SEK 48.2 million (47.4) at the end of the period. Accrued borrowing expenses of SEK 2.6 million (2.5) reduced interest-bearing liabilities in the balance sheet and are not included in the table below. The fair value of the liabilities does not differ significantly from the carrying amount.

The loan-to-value ratio for the Group on 31 March 2024 was 52.6 per cent (51.2).

Maturity and fixed interest

KlaraBo is to have a limited financial risk. On 31 March 2024, KlaraBo's financing comprised borrowings in five Nordic banks.

The Group's loan portfolio consists overwhelmingly of credits with a floating interest rate, but also consists of fixed rate credits. To hedge against fluctuations in the interest-rate market and reduce interest-rate risk, interest-rate derivatives – primarily interest-rate swaps – are utilised to impact the fixed-rate term. The total swap portfolio amounted to SEK 2,750 million (2,750) at the end of the period. The portfolio's fixed-rate term amounted to 3.5 years (4.3) as of 31 March 2024. Including fixed interest-rate credits, the Group's interest-rate hedging ratio, meaning the share of liabilities that have a fixed-interest rate, is 79.4 per cent (79.6). The average interest rate, including derivatives, was nearly 3.5 per cent (3.5). The change compared with the end of the year was attributable to market interest rate activity, which affected the unhedged portion of the loan portfolio. Cash flow from the Group's interest-rate swaps and swaptions remained positive, which limited KlaraBo's interest expenses.

The average loan-to-maturity period was 1.9 years (2.2). During the period, KlaraBo raised a new loan of SEK 40 million with a margin below the company's current average credit margin. During the second quarter, KlaraBo will initiate discussions to refinance loans that mature in 2025.

The fair value of the interest-rate derivative portfolio amounted to SEK 7.4 million (61.5) at the end of the period.

Maturity	Fixed credit		Fixed interest		Interest-rate swaps	
	SEK m	Share, %	SEK m	Share, %	SEK m	Interest rate, %
2024	-	-	1,407	29	500	0.09
2025	2,931	61	1,373	28	200	0.18
2026	826	17	-	-	-	-
2027	1,073	22	-	-	-	-
2028	-	-	200	4	200	2.83
> 5 years	-	-	1,850	38	1,850	2.69
Total*	4,830	100	4,830	100	2,750	2.04

*Excluding construction credit, IFRS 16 and accrued loan costs

Outstanding interest-rate swaps 31/03/2024

Nominal amount (SEKm)	Due	Fixed rate
100.0	17/07/2024	0.287%
200.0	26/08/2024	0.015%
200.0	11/05/2025	0.181%
200.0	27/08/2024	0.059%
700.0	09/05/2032	2.205%
250.0	18/11/2029	2.873%
300.0	18/11/2030	2.945%
200.0	21/11/2028	2.827%
300.0	16/02/2033	3.055%
300.0	20/02/2031	3.050%
2,750		2.044%

The swaption did not impact the average fixed interest, since it has a start date of 2025, and is thus excluded from the tables presenting credit lock-in periods and fixed-rate terms above as well as the table presenting swaps outstanding.

Condensed consolidated cash-flow statement

SEK m	2024 3 months Jan-Mar	2023 3 months Jan-Mar	2023 12 months Jan-Dec
Continuing operations			
Operating profit	61.1	54.7	285.9
Adjustments for non-cash items	0.7	0.8	2.7
Interest received	1.0	0.2	7.5
Interest paid	-32.5	-40.1	-171.2
Tax paid	-16.9	-20.5	-23.6
Cash flow from continuing operations before changes in working capital	13.4	-4.9	101.3
Cash flow from changes in working capital			
Change in operating receivables/payables	-5.1	-10.4	31.5
Cash flow from continuing operations	8.3	-15.3	132.7
Investing activities			
Investments in investment properties	-38.5	-41.9	-161.5
New construction investments	-2.2	-25.7	-117.1
Acquisition of property, plant and equipment	-	-0.1	-0.6
Cash flow from investing activities	-40.6	-67.7	-279.1
Financing activities			
New financial liabilities	40.0	18.2	30.8
Repayment of financial liabilities	-10.3	-11.8	-52.1
Share repurchase	-4.5	-1.8	-2.1
Cash flow from investing activities	25.2	4.6	-23.4
Cash flow for the period	-7.1	-78.4	-169.8
Cash and cash equivalents at beginning of the period	168.5	338.3	338.3
Cash and cash equivalents at end of the period	161.4	259.9	168.5

Condensed Parent Company income statement and balance sheet

Parent Company income statement

SEK m	2024 3 months Jan-Mar	2023 3 months Jan-Mar	2023 12 months Jan-Dec
Net sales	5.0	4.4	25.0
Personnel costs	-4.8	-4.5	-18.6
Other external expenses	-5.6	-6.0	-25.3
Operating loss	-5.4	-6.1	-18.9
Financial income and expenses	68.9	8.5	-74.5
Profit/loss after financial items	63.5	2.5	-93.4
Group contributions paid/received	-	-	19.2
Profit before tax	63.5	2.5	-74.2
Tax expense	-10.0	-	13.6
Profit for the period	53.5	2.5	-60.6

Parent Company balance sheet

SEK m	31/03/2024	31/03/2023	31/12/2023
Property, plant and equipment	0.5	0.8	0.6
Participations in associated companies and joint ventures	2,311.1	2,362.2	2,311.1
Receivables from associated companies and joint ventures	3,199.4	3,474.4	3,127.2
Derivatives	0.0	0.0	0.0
Deferred tax assets	3.6	-	13.6
Other receivables	7.9	10.0	4.6
Cash and bank balances	157.5	224.4	156.0
Total assets	5,680.2	6,071.8	5,613.2
Restricted equity	6.6	6.6	6.6
Non-restricted equity	3,159.5	3,173.9	3,110.6
Derivatives	2.5	-	51.0
Liabilities to Group companies	2,491.3	2,884.4	2,438.3
Other liabilities	20.4	6.9	6.7
Total equity and liabilities	5,680.2	6,071.8	5,613.2

Segment reporting

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

Income statement, SEK m	Property management		Project development		Other		Group	
	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar
Revenue	155.8	142.7	0.7	0.0	0.2	0.2	156.7	142.9
Costs	-83.1	-75.4	-0.2	0.0	0.0	-0.1	-83.3	-75.5
Net operating income	72.8	67.3	0.5	0.0	0.2	0.1	73.4	67.4
Central administrative costs	-1.9	-2.7	0.0	0.0	-10.4	-10.0	-12.3	-12.7
Operating profit/loss	70.9	64.6	0.5	0.0	-10.2	-9.9	61.1	54.7
Financial income and expenses	-51.4	-42.9	1.0	0.9	9.4	2.4	-40.9	-39.6
Profit from property management	19.5	21.6	1.5	0.9	-0.8	-7.5	20.2	15.0
Changes in value of properties	-44.5	-173.3	-0.8	-0.8	0.0	0.0	-45.3	-174.1
Changes in value of derivatives	-3.5	-2.6	0.1	0.0	47.5	-39.0	44.2	-41.6
Profit/loss before tax	-28.4	-154.3	0.8	0.1	46.8	-46.5	19.1	-200.7
Tax expense	-5.5	32.1	0.0	0.0	-9.8	8.0	-15.4	40.1
Profit/loss for the period	-34.0	-122.2	0.7	0.1	37.0	-38.5	3.7	-160.6

Balance sheet, SEK m	Property management		Project development		Other		Group	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Investment properties	9,001.1	8,917.9	19.2	146.2	-	-	9,020.3	9,064.2
Non-current interest-bearing liabilities	4,792.1	4,788.9	-	-	-	-	4,792.1	4,788.9
Current interest-bearing liabilities	116.5	43.1	-	72.7	-	-	116.5	115.8
Deferred tax liability attributable to property reappraisal	216.1	251.4	-	0.6	-	-	216.1	252.0

Newly constructed properties are part of the project development segment until the quarter that they are completed. Therefore, the initial market valuation and associated deferred tax following completion of the properties are included in this segment. The newly constructed properties are then transferred to the property management segment.

Sustainability

KlaraBo's sustainability agenda is based on the UN Sustainable Development Goals within the three dimensions of ESG (environmental, social and governance).

On the basis of a stakeholder dialogue and materiality analysis, we have identified five key sustainability topics where we can make a difference and promote the development of a sustainable society. Goals have been formulated in the respective areas, and a selection of these is presented below.

ENVIRONMENT



Climate and energy: examples of goals

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.

All of our newly constructed housing units are to be certified at the level of the Nordic Swan.

All of our properties will be inventoried for the risk of negative consequences due to climate change.



Circular societies: examples of goals

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.



SOCIAL RESPONSIBILITY



Secure and pleasant neighbourhoods: examples of goals

We will perform an annual security round in all of our neighbourhoods.

We will offer 50 summer jobs or employment opportunities to residents of our residential areas, through 2025.

We will establish partnerships with local sports organisations in all of our neighbourhoods, with the aim of creating meaningful recreational activities for young people.



Employees: examples of goals

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.

All employees will be provided with introductory training in KlaraBo's sustainability work and Code of Conduct.



CORPORATE GOVERNANCE



Sustainable business: examples of goals

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.



Sustainability-related activities during the period

- The Annual and Sustainability Report for 2023 was published during the first quarter. For the first time, this year's report includes references to GRI and the climate report includes all Scope 3 emissions as defined by the GHG protocol. KlaraBo also reported according to the EU Taxonomy for the first time. Read more at investor.klarabo.se/rapporter/
- A new procurement protocol was developed, which applies to all project procurements. The procurement criteria for work environment, the environment and fair competition were updated, with the goal of setting better standards and ensuring procedures for follow-up.
- During the quarter, management participated in training in the Corporate Sustainability Reporting Directive (CSRD). A double materiality assessment will be conducted during the year.

Additional descriptions of each area, including KlaraBo's goals, are available at klarabo.se/hallbarhet.

Current earnings capacity

Earnings capacity on a 12-month basis for KlaraBo's property management operations as of 31 March is presented in the table below. It is important to note that earnings capacity is not a forecast and should only be considered as a theoretical snapshot for the purposes of illustration. The current earnings capacity does not include an assessment of the future trends for rents, vacancy rate, property expenses, interest, value changes, purchases or sales of properties or other factors.

Earnings capacity is based on the contracted rental revenue of the property portfolio, assessed property expenses during a normal year based on historical outcomes as well as expenses for property administration and central administration assessed on an annual basis based on the current scale of administration. Expenses for interest-bearing liabilities are based on the current interest-bearing liability and the Group's average interest rate level including the effects of derivatives. Earnings capacity does not reflect all of the costs for management and project operations.

Current earnings capacity, 12 months

SEK m	Apr 1 2024	Jan 1 2024	Oct 1 2023	Jul 1 2023	Apr 1 2023	Jan 1 2023
Rental revenue	640.1	634.9	603.9	600.6	593.8	568.8
Property expenses	-261.1	-261.1	-243.8	-243.4	-243.4	-242.9
Net oper income	379.0	373.8	360.1	357.1	350.4	325.9
Surplus ratio, %	59.2	58.9	59.6	59.5	59.0	57.3
Central administrative costs	-43.8	-43.8	-40.1	-40.1	-40.0	-40.0
Financial income and expenses	-168.1	-168.9	-173.6	-171.5	-169.9	-160.5
Income from property management	167.2	161.2	146.4	145.5	140.6	125.4
Profit from prop mgmt per share, SEK	1.28	1.23	1.12	1.11	1.07	0.95
Number of shares, million	130.9	131.1	131.1	131.1	131.1	131.2
Interest-coverage ratio	2.0	2.0	1.8	1.8	1.8	1.8

Rental revenue increased SEK 5.2 million during the quarter, mainly due to rent increases and new construction, which amounted to SEK 0.5 million. In addition, 41 ROT renovations were carried out during the quarter and contributed to the increase in revenue.

The full effect of the rent increase in 2024 is not included since about 12 per cent of the portfolio had not yet been issued new rents as of 1 April 2024.

Since the previous quarter, earnings attributable to income from property management increased 3.7 per cent, which was primarily due to completed annual rent increases in several neighbourhoods.

Owing to the high interest-rate hedging ratio in the loan portfolio, only around 21 per cent of the portfolio is impacted by changes in interest rates. Together with a lower credit margin and a slight decline in market interest rates, this means that financial expenses for the year decreased SEK 0.8 million compared with the preceding quarter. The average interest rate, including derivatives, was just over 3.53 per cent on 31 March 2024.

The interest-coverage ratio, in accordance with earnings capacity, was a multiple of 2.0.

Key performance indicators (KPI)

KlaraBo presents certain non-IFRS performance measures in the interim report. KlaraBo believes that these measures provide valuable supplementary information to investors and the company's management since they enable an evaluation of the company's performance.

Non-IFRS measures are presented in the table below.

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Property-related			
Rental revenue, SEK m	156.7	142.9	589.7
Profit from prop mgmt, SEK m	20.2	15.0	124.2
Profit for the period, SEK m	3.7	-160.6	-381.5
Surplus ratio, %	46.9	47.2	57.2
Real occupancy rate, %	97.8	98.4	97.8
Investment properties, SEK m	9,020.3	9,064.2	9,031.9
Market value per sq. m.	17,990	17,923	18,032
Total lettable area, '000 sq. m.	499.7	497.7	499.5
No. of apartments under mgmt	6,610	6,557	6,604
No. of apartments in project devt	1,098	1,366	1,098
Financial			
Equity/assets ratio, %	42.6	43.9	42.6
Loan-to-value ratio, %	52.6	51.2	52.2
Interest-coverage ratio, multiple	1.8	1.7	1.8
Net realizable value, SEK m	4,153.5	4,360.5	4,189.1
Share-based			
Profit from property management per share, SEK	0.15	0.11	0.95
Equity per share, SEK	30.1	31.7	30.0
Net realizable value per share, SEK	31.7	33.3	32.0
Annual growth, profit from property management per share, %	34.5	-49.9	10.0
Annual growth, net realizable value per share, %	-4.6	-6.1	-7.3
No. of shares at end of period before/after dilution, million	130.9	131.1	131.1
Weighted average No. of shares during period before dilution, million	131.1	131.2	131.1

Definitions of key performance indicators

	Definition	Objective
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 twelve-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.
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 reassessment 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.	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.
Net realizable value per share, SEK	Net realizable value in relation to no. of shares outstanding at end of the period.	Used to illustrate the Group's long-term net reassessment 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, net realizable value per share, %	Percentage change in net realizable value per share during the period.	Used to illustrate the development of net reassessment value over time, expressed as a percentage.
Net operating income	Net operating income 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.

Reconciliation table, key performance indicators

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Market value per sq. m.			
A Investment properties, SEK m	9,020.3	9,064.2	9,031.9
B New construction in progress, SEK m	19.2	137.2	14.0
C Site leaseholds	10.6	7.3	10.6
D Total lettable area, 000 sq. m.	499.7	497.7	499.5
(A-B-C)/D Market value per sq. m.	17,990	17,923	18,032
Surplus ratio, %			
A Net operating income, SEK m	73.4	67.4	337.2
B Revenue, SEK m	156.7	142.9	589.7
A/B Surplus ratio, %	46.9	47.2	57.2
Real occupancy rate, %			
A No. of apartments	6,610	6,557	6,604
B No. of apartments not rented	246	204	231
C Apts set aside for renovation or with signed leases	100	97	85
1-(B-C)/A Real occupancy rate, %	97.8	98.4	97.8
Equity/assets ratio, %			
A Total equity at the end of the period, SEK m	3,935.5	4,157.6	3,936.3
B Minority share equity, SEK m	0.0	0.0	0.0
C Total equity and liabilities at the end of the period, SEK m	9,232.1	9,465.4	9,249.9
(A+B)/C Equity/assets ratio, %	42.6	43.9	42.6
Loan-to-value ratio, %			
A Non-current interest-bearing liabilities, SEK m	4,792.1	4,788.9	4,762.7
B Current interest-bearing liabilities, SEK m	116.5	115.8	116.1
C Cash and cash equivalents at end of the period, SEK m	161.4	259.9	168.5
D Investment properties, SEK m	9,020.3	9,064.2	9,031.9
(A+B.C)/D Loan-to-value ratio, %	52.6	51.2	52.2
E Construction credit attr to new construction, SEK m	67.0	72.7	67.0
F Seller financing, SEK m	0.0	0.0	0.0
G New construction in progress, SEK m	19.2	137.2	14.0
(A+B-E-F)/(D-G) Loan-to-value ratio, investment properties, %	53.8	54.1	53.4
Interest-coverage ratio, multiple			
A Operating profit/loss, rolling 12 months, SEK m	292.4	239.3	285.9
B Interest income/expense, rolling 12 months, SEK m	-163.0	-141.0	-161.7
A/-B Interest-coverage ratio, multiple	1.8	1.7	1.8
net realizable value, SEK m			
A Equity, SEK m	3,935.5	4,157.6	3,936.3
B Add-back of derivatives, SEK m	-7.4	-61.5	36.7
C Adjustment of derivatives attributable to minority share, SEK m	0.0	0.0	0.0
D Add-back of deferred tax liabilities, SEK m	225.5	264.7	216.0
E Adjustment, deferred tax liability attr to minority share, SEK m	0.0	0.0	0.0
F Add-back of deferred tax assets, SEK m	0.0	-0.4	-0.1
G Adjustment, add-back of deferred tax assets attr to minority share, SEK m	0.0	0.0	0.0
A+B+C+D+E+F+G net realizable value, SEK m	4,153.5	4,360.5	4,189.1

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Profit from property management per share, SEK			
A Profit from prop mgmt, SEK m	20.2	15.0	124.2
B Adjustment, profit from prop mgmt attr to minority share, SEK m	0.0	0.0	0.0
C Weighted avg no. of shares during period before/after dilution, million	131.1	131.2	131.1
(A-B)/C Profit from prop mgmt per share, SEK	0.15	0.11	0.95
Equity per share, SEK*			
A Equity, SEK m	3,935.5	4,157.6	3,936.3
B Number of shares at end of the period before/after dilution, million	130.9	131.1	131.1
A/B Equity per share, SEK	30.07	31.71	30.02
net realizable value per share, SEK			
A Net reassessment value (net realizable value), SEK m	4,153.5	4,360.5	4,189.1
B Number of shares at end of the period before/after dilution, million*	130.9	131.1	131.1
A/B net realizable value per share, SEK	31.74	33.25	31.95
Annual growth, profit from property management per share, %			
A Profit from prop mgmt during the period per share, SEK*	0.15	0.11	0.95
B Profit from prop mgmt during the preceding period per share, SEK*	0.11	0.23	0.86
A/B-1 Annual growth, profit from prop mgmt per share, %	34.5%	-49.9%	10.0%
Annual growth, net realizable value per share, %			
A Net realizable value during the period per share, SEK*	31.7	33.3	31.95
B Net realizable value during the preceding period per share, SEK*	33.3	35.4	34.48
A/B-1 Annual growth, net realizable value per share, %	-4.6%	-6.1%	-7.3%

* Number of shares after buyback

Risks and opportunities for the Group and Parent Company

In order to prepare accounts according to generally accepted accounting principles and IFRS, company management must make assessments and assumptions that affect recognised assets and liabilities as well as revenues and costs in the financial statements, as well as affecting other information provided.

The actual results may deviate from these assessments. Estimates and assumptions are based on historical experience and other factors that are deemed reasonable given the prevailing conditions. The Group's operations and the financial position and earnings can be affected, both directly and indirectly, by a number of risks, uncertainties and external factors.

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

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

Financial risk

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

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

Opportunities and risks in the values of the properties

KlaraBo recognises investment properties at fair value, and the property portfolio is appraised at least once each year by independent external appraisers. Changes in the value of properties are included in profit or loss. Changes in the value of properties have a significant impact on profit for the period and contribute to more volatile earnings. The value of the properties is determined by supply and demand, in which the price is mainly dependent on the property's expected operating surplus and the buyer's yield requirements. Higher demand leads to a lower yield requirement, and an upward price adjustment as a result, whereas weaker demand has the opposite effect. In the same way, a positive operating surplus trend leads to an upward price adjustment, while a negative trend has the opposite effect. Increased market interest rates also have a negative effect on yield requirements and thus the company's property values, while lower market interest rates have the opposite effect. The rental concept is comprised partly of the actual rental level and partly of the vacancy risk of the property portfolio. Property valuation should take in to account an interval of uncertainty to reflect the inherent uncertainty of assumptions and estimates.

Sensitivity analysis – changes in value (SEK m)

		Effect on fair value, SEK m		Effect on fair value, SEK m	
	Change		Change		
Yield requirement	- 0.25% basis points	502.6	+ 0.25% basis points	-450.4	
Rental value*	- 2.50%	-39.4	+ 2.50%	344.0	
Operating and maintenance costs	- 2.50%	129.6	+ 2.50%	-129.6	
Long-term vacancy rate	- 0.25% basis points	28.8	+ 0.25% basis points	-28.9	

*-2.5% refers only to premises while +2.5% refers to both premises and housing

Ongoing projects

Information on ongoing projects in the interim report is based on assessments concerning the size, direction and scope of ongoing projects as well as when the projects are expected to commence and be completed. Information is also based on assessments of future project costs and rental value.

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

Financing

During the period, KlaraBo raised a new loan of SEK 40 million with a margin below the company's current average credit margin. During the second quarter, KlaraBo will initiate discussions to refinance loans that mature in 2025.

Bank financing is KlaraBo's primary source of financing, and the Group has no bonds. The lack of bond financing is a strength since this type of financing is impacted to a greater degree by rising market rates, which is generally more expensive in periods of market turbulence and carries a higher risk in connection with refinancing.

Changes in underlying market interest rates are impacting the portion of the loan portfolio that carries variable interest and that has not been converted to fixed interest using interest-rate derivatives. This, in turn, is impacting the interest-coverage ratio, which shows the Group's sensitivity to changes in interest rates and how many times the Group will be able to pay its interest with earnings from operating activities. KlaraBo is following the development closely and simulates sensitivity to enable action to be taken as needed.

On 31 March 2024, the company had a stable financial position with SEK 161.4 million in cash and cash equivalents.

Operational risk

KlaraBo is in the midst of a phase of expansion and has identified a number of growth-oriented targets. Risks and opportunities connected to reaching the growth targets involve continued access to new projects, key personnel and the risk management of projects (concerning time, costs and quality). Increasing yield requirements and rising financing and energy costs are creating uncertainty regarding future values, which is currently affecting the market.

Conditions for new construction of homes have worsened quickly since the beginning of 2022. Significantly higher financing costs combined with increased yield requirements and construction costs have generally resulted in a rapid and drastic slowdown in housing construction. The impact on KlaraBo's projects in progress is limited, but there is a risk that it could have a negative impact on future projects in both the short and long term.

Other disclosures

Market outlook

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

The Group's assessment is that demand remains strong in the areas where KlaraBo operates and that there is still a structural housing shortage in many cities in Sweden.

Organisation and employees

The Parent Company of the Group is KlaraBo Sverige AB. The Group comprises wholly owned subsidiaries and jointly controlled companies. The number of employees was 64 (69), of whom 20 women (23) and 44 men (46).

Accounting policies

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

For complete accounting policies, refer to KlaraBo's 2023 Annual Report. Accounting policies are unchanged compared with the 2023 Annual Report.

Transactions with related parties

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

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

The share and shareholders

The Parent Company of the Group, KlaraBo Sverige AB, Corp. Reg. No. 559029–2727 has two share classes: Class A and Class B ordinary shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The number of shares amounted to 131,827,883, of which 16,300,000 were Class A and 115,527,883 were Class B. The quotient value for all shares is SEK 0.05 per share. As of the closing date, the company had repurchased a total of 955,867 shares.

Largest shareholders, 31 March 2024

	Class A shares	Class B shares	Total	Capital	Voting rights
Investment AB Spiltan	1,934,484	13,519,220	15,453,704	11.7%	11.8%
Rutger Arnhult	0	10,361,656	10,361,656	7.9%	3.7%
Pensionskassan SHB Försäkringsförening	0	9,360,610	9,360,610	7.1%	3.4%
Ralph Mühlrad	1,285,000	7,138,728	8,423,728	6.4%	7.2%
Wealins S.A.	0	8,166,471	8,166,471	6.2%	2.9%
Anders Pettersson with family	3,466,316	3,327,793	6,794,109	5.2%	13.6%
Lennart Sten	2,495,000	3,632,335	6,127,335	4.6%	10.3%
Samhällsbyggnadsbolaget i Norden AB	0	5,646,065	5,646,065	4.3%	2.0%
ODIN Fonder	0	5,556,395	5,556,395	4.2%	2.0%
Länsförsäkringar Fonder	0	5,222,578	5,222,578	4.0%	1.9%
Mats Johansson	2,699,400	0	2,699,400	2.0%	9.7%
Andreas Morfiadakis	2,361,287	113,400	2,474,687	1.9%	8.5%
Avanza Pension	0	2,197,903	2,197,903	1.7%	0.8%
Richard Mühlrad	785,000	1,044,832	1,829,832	1.4%	3.2%
Carnegie Fonder	0	1,597,709	1,597,709	1.2%	0.6%
Other	1,273,513	38,642,188	39,915,701	30%	18%
	16,300,000	115,527,883	131,827,883	100%	100%

Warrants

KlaraBo has two current warrant programmes issued to the company's employees. The first programme encompasses 500,000 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 June to 31 August 2024, at a subscription price of SEK 39 per share. At the end of the period, 500,000 warrants had been subscribed. The second programme encompasses 1,429,440 warrants in total, each of which carries the right to subscribe for one Class B share. The warrants can be exercised in the period from 1 August to 31 October 2024, at a subscription price of SEK 39 per share. At the end of the period, 1,429,440 warrants had been subscribed.

In total on 31 March, the incentive programmes encompassed a maximum of 1,929,440 warrants that can be utilised to subscribe for a maximum of 1,929,440 Class B shares, corresponding to a dilution effect of at most 1.44 per cent based on the number of shares in the company.

Signatures to the report

The Board of Directors and CEO give their assurance that this report gives a true and fair overview of the operations, financial position and earnings of the Parent Company and the Group, and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Malmö, 3 May 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,
Chief Executive Officer

This interim report has not been reviewed by the company's auditor.



Calendar

2023 Annual General Meeting	3 May 2024
Interim report Q2, January–June 2024	16 July 2024
Interim report Q3, January–September 2024	6 November 2024
Year-end report 2024	18 February 2025



Contact information

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