



LUPINGATAN 1 B

KlaraBo in brief

KlaraBo is a property company with a long-term management perspective. The business is divided into management and development, new construction and acquisitions of residential properties. The company's head office is in Malmö, Sweden, but it operates nationwide.

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 Sundsvall in the north and are divided into four administrative regions: South, East, Central and North.



416,600

Total lettable area, sq. m.

5,412

Number of rental apartments

358,700

Total area rental apartments, sq. m.

7,719

Total market value, properties, SEK m

49.3%

Equity/assets ratio

41.6%

Loan-to-value ratio

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Investment properties

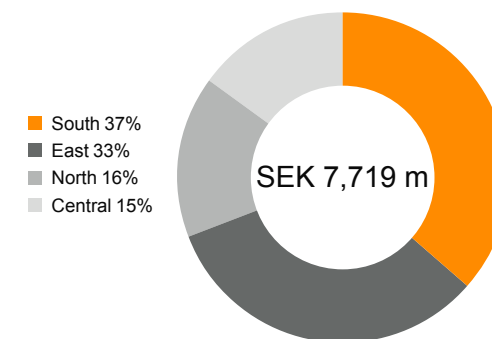
The company's strategy is to acquire and develop existing investment properties in growth regions nationwide. The company focuses on residential properties, with housing units making up the largest part of the portfolio. Our ambition is to acquire properties that have development potential, thereby enabling investments to create attractive and modern homes that are in high demand. Moreover, this creates an opportunity to rectify the neglect that has often accumulated over time in the properties.

Svalöv



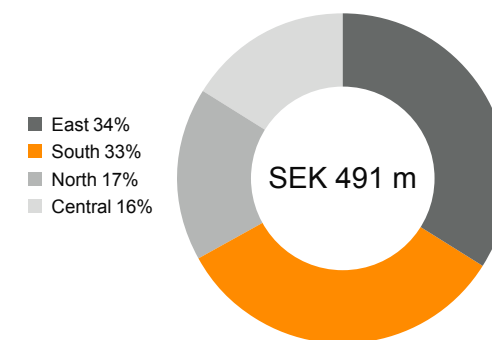
Property value

Breakdown by region, 31 December 2021



Rental value

Breakdown by region, 31 December 2021



- KlaraBo in brief 2
- The year at a glance 5
- Comments from the CEO 6
- Markets and trends 8
- Business concept and value creation 11
- Goals and outcome 12
- Property portfolio 13
- Property management 14
- New construction and project development 16
- Acquisitions 19
- Renovations 22
- Our employees 26
- Our sustainability agenda 29
- The share 31
- Administration Report 32
- Risks and risk management 34
- Multi-year overview and key figures 38
- Consolidated financial statements 39
- Parent Company financial statements 43
- Notes 46
- Signatures of the Board of Directors 71
- Audit Report 72
- Corporate Governance Report 76
- Board of Directors 81
- Management 83
- Auditor's opinion regarding the Corporate Governance Report 84
- List of properties 85
- Key figures/definitions 89
- Calendar 90
- The history of KlaraBo 91



New construction

A central part of the company's growth strategy involves new construction of sustainable, high-quality, cost-efficient rental units through self-developed and industrially produced KlaraBo buildings.

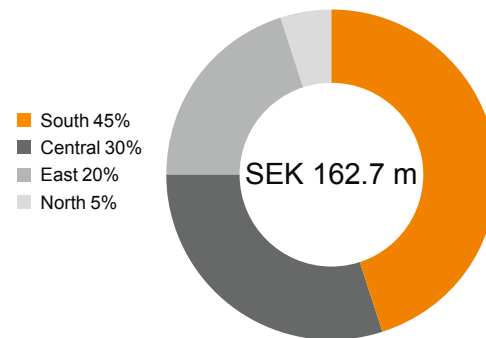
In a controlled indoor environment, well-planned and space-efficient modules are prefabricated using wood as the main building material. The construction method is an energy-efficient process that also allows quicker assembly and subsequently shorter construction times. Producing unit volumes in a controlled indoor environment also lowers the risk of moisture damage during the production period.

Through our quick industrial construction technology, climate-smart material choices and competitive prices, we contribute to solving society's housing needs while playing a part in creating a more sustainable society.

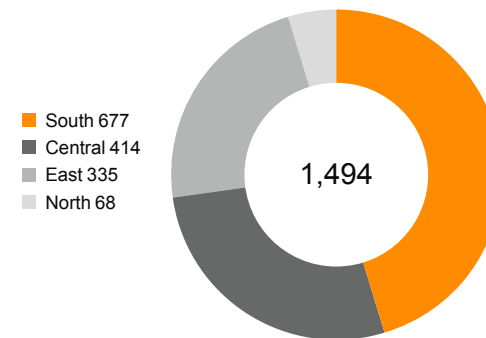


Höganäs

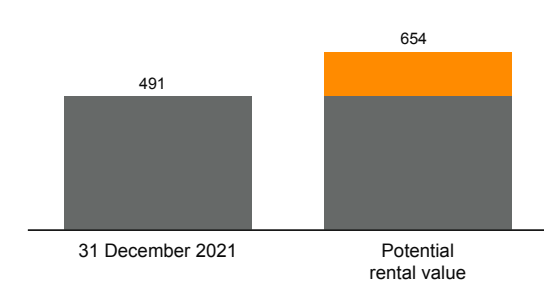
Rental value
Breakdown by region



Planned development rights
By region



Rental value
SEK m



KlaraBo has estimated the future potential rental value of the project portfolio. The actual outcomes on completion of the properties may differ from current estimates.

- KlaraBo in brief 2
- The year at a glance 5
- Comments from the CEO 6
- Markets and trends 8
- Business concept and value creation 11
- Goals and outcome 12
- Property portfolio 13
- Property management 14
- New construction and project development 16
- Acquisitions 19
- Renovations 22
- Our employees 26
- Our sustainability agenda 29
- The share 31
- Administration Report 32
- Risks and risk management 34
- Multi-year overview and key figures 38
- Consolidated financial statements 39
- Parent Company financial statements 43
- Notes 46
- Signatures of the Board of Directors 71
- Audit Report 72
- Corporate Governance Report 76
- Board of Directors 81
- Management 83
- Auditor's opinion regarding the Corporate Governance Report 84
- List of properties 85
- Key figures/definitions 89
- Calendar 90
- The history of KlaraBo 91



The year at a glance

Q1

- Leases signed for approximately 1,000 square metres in the Skratmåsen property in Malmö.
- New operational and financial goals as well as a dividend policy were established.
- New construction of 56 rental apartment in Höganäs completed.

Q2

- Acquisition of Kuststaden Projektutveckling and KPU Bostadsutveckling, bringing the total portfolio to more than 5,000 rental apartments and the project portfolio to just over 1,000 apartments.
- Länsförsäkringar Fonder registered as an owner through the issue of six million Class B shares.
- Acquisition of over 270 rental apartments in central Gävle and Skokloster. In conjunction with the acquisition, a private placement of approximately 6.2 million Class B shares was made to Rutger Arnhult via companies.

Q3

- Acquisition of 15,000 square metres of gross floor area (GFA) in Kristianstad together with OBOS Kärnhem with the ambition of drafting a detailed development plan for almost 100 rental apartments.
- Decision on construction start of 58 rental apartments in Borlänge as part of the densification of an existing portfolio.

Q4

- KlaraBo was listed on Nasdaq Stockholm's Main Market in early December. At the same time, two new share issues corresponding to SEK 862.5 million were carried out. The issues were heavily oversubscribed and more than 38,000 private individuals and institutions applied to subscribe for shares.
- Significantly improved loan-to-value ratio and increased scope for acquisitions after repayment of just over SEK 360 million of outstanding seller financing.
- Acquisition of a project property in central Malmö for conversion into 30 small apartments.
- New construction of 46 rental apartment in Motala completed.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



“We have a solid foundation on which to grow, and 2022 is off to a good start”

KlaraBo made major progress in 2021. We grew considerably, strengthened the organisation and ended the year with a listing on Nasdaq Stockholm’s Main Market. In terms of the number of apartments under management, we rank among the largest listed dedicated housing companies.

A brief introduction for all our new and future shareholders: KlaraBo acquires, builds, owns and manages attractive housing units. The company was formed in 2017 and is based in Malmö, but we operate across all of Sweden. Our strategy is to acquire existing residential properties and land for new construction in growth regions.

In 2021, we had a record-breaking transaction market, providing us with a good flow of potential acquisitions to evaluate. The year’s largest acquisition was Kuststaden, with just over 2,300 apartments in southeast Sweden, in towns such as Visby and Jönköping. This portfolio is an excellent complement to KlaraBo’s portfolio. We then acquired apartment portfolios in Gävle and Umeå at the beginning of 2022.

Our portfolio is renovated in conjunction with voluntary vacancies, thereby contributing to long-term value creation. At the end of the year, there was potential for value-enhancing renovations of some 4,600 apartments in the portfolio. These renovations mean that our total increased rental value significantly exceeds the general annual rent increase level. In 2021, the rental value of our portfolio rose 8.4 percentage points more than the average 1.4 per cent rent increase in Sweden.

Sustainable new construction

In addition to the existing portfolio, we offer newly constructed, self-developed and space-saving housing units. We mainly build in wood and use a number of basic apartment models, known as base apartments. This enables sustainable and optimal use of resources.

The combination of management and development of an existing portfolio with the new construction of sustainable and self-developed housing units gives us an interesting market position. Other companies have a similar focus, but while they are regional in nature, KlaraBo is exposed to growth areas all over Sweden. At the end of the year, our project portfolio comprised a total of 1,494 apartments.

Strong result for the year

We reported favourable growth for 2021. For the full year, revenue increased to SEK 344.2 million (178.8), corresponding to growth of 93 per cent. This increase was mainly attributable to acquisitions. At the same time, net operating income rose 96 per cent to SEK 189.9 million (96.8), driven both by acquisitions and by value-creating measures in the existing portfolio. In total, profit from property management amounted to SEK 76.5 million (35.8), up 114 per cent. The full-year increase in the value of the portfolio amounted to SEK 737.3 million (413.0), corresponding to 79 per cent, driven in part by investments.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor’s opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

We ended the year on a high note with the December listing of our Class B share on Nasdaq Stockholm's Main Market. This was a key milestone for the company since the listing strengthened our growth prospects, broadened our ownership base and provided us with better access to capital markets. The listing also created greater awareness of the company, thereby strengthening our profile in the eyes of our employees, tenants, municipalities, creditors and investors.

The offering to acquire shares in conjunction with the listing attracted considerable interest among Swedish and international institutions and the general public. The offering was heavily oversubscribed, and a total of 38,000 private individuals

and institutions applied to subscribe for shares. As of 31 December 2021, we had just over 6,500 shareholders, a figure that has climbed to almost 7,600 as of 31 January 2022. We are thrilled and proud of the reception and interest we received and we want to welcome all of our new shareholders.

Goals and ambitions

We accomplished a great deal in 2021, but there is more to do as we look ahead. We have the potential to become a considerably larger company through organic growth and acquisitions. We will commence construction of at least 200 housing units per year during the period 2021 to 2023. Thereafter, our

long-term goal is to start construction of at least 500 housing units per year. The units are to mainly be self-developed and environmentally certified.

So far, the potential for achieving our goal for 2022 looks strong. In February, we received a land allocation in Skellefteå allowing construction of the equivalent of approximately 130 rental apartments. The homes will maintain a high sustainability standard and the planning process has begun. At the end of the year, we were managing approximately 359,000 square metres of residential floor space. Our goal is to own and manage at least 500,000 square metres of residential floor space by the end of 2025. I am optimistic that we will accomplish this.

We also have ambitions to do more in terms of sustainability. All our new housing units in our new construction projects are environmentally certified, and we will gradually raise the sustainability levels within our existing management business.

Outlook

In early 2022, interest rates and inflation continued to rise while electricity prices remained high. Regardless of what happens in the world around us, we have almost 5,500 apartments under management and we have the potential to grow by converting parts of the portfolio into new housing units and through densification. In addition, we renovate an average of one hundred apartments every year, thereby increasing both the value of the properties and our cash flows. So far, we have had a strong pipeline of potential acquisitions. All in all, we have a solid foundation on which to grow. In an unpredictable world, we stand firm and this is why I remain optimistic about the coming year.

Andreas Morfiadakis,
CEO of KlaraBo



Tranås



Markets and trends

KlaraBo is active in the rental apartment market through its long-term management and development of its residential properties. The company is also active in the transaction market in terms of acquisitions of existing, often somewhat older rental apartments and of land for new construction of rental apartments.

Demand for housing is immense and is expected to remain so for many years to come. For the 2021–2029 period, there is a need for 58,900 housing units each year, of which 35,600 are needed to meet the expected population growth, according to estimates from the Swedish National Board of Housing, Building and Planning (Boverket). Close to three-quarters of Sweden's municipalities report having a housing deficit.

Common reasons for this shortage include high production costs and lack of detailed development plans on attractive land. One reason behind the high cost of production is that value-added tax (VAT) is charged for new construction of rental units although the contractor does not have the right to deduct VAT. According to Boverket's Housing Market Surveys in 2020 and 2021, one challenge is the ability to offer households with limited payment capacity housing that is financially attainable.

Trends and drivers

KlaraBo believes that some of the most prominent trends and drivers to affect its market are:

- **Demographics**
Continued population growth in all of KlaraBo's regions, combined with a housing deficit in most areas, creates the conditions for high demand for rental apartments. Demand for newly built and renovated rental apartments is high across the country.
- **Greater focus on sustainability**
Growing focus on sustainability has contributed to higher demand for sustainable properties and sustainable living. At the same time, the increased use of various environmental certifications has contributed to greater transparency in terms of property companies' sustainability efforts.
- **Changes in forms of working**
On the heels of the pandemic, demand has risen for larger, more modern apartments that enable people to work from home to a greater extent.
- **Regulatory frameworks**
One example is rent regulation, which can contribute to high demand and high occupancy rates. Read more about rent regulation on the next page.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



- KlaraBo in brief 2
- The year at a glance 5
- Comments from the CEO 6
- Markets and trends 8
- Business concept and value creation 11
- Goals and outcome 12
- Property portfolio 13
- Property management 14
- New construction and project development 16
- Acquisitions 19
- Renovations 22
- Our employees 26
- Our sustainability agenda 29
- The share 31
- Administration Report 32
- Risks and risk management 34
- Multi-year overview and key figures 38
- Consolidated financial statements 39
- Parent Company financial statements 43
- Notes 46
- Signatures of the Board of Directors 71
- Audit Report 72
- Corporate Governance Report 76
- Board of Directors 81
- Management 83
- Auditor's opinion regarding the Corporate Governance Report 84
- List of properties 85
- Key figures/definitions 89
- Calendar 90
- The history of KlaraBo 91

Rental market and rent regulation

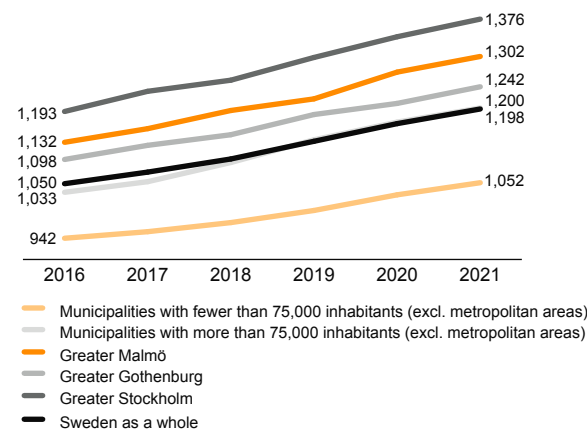
Rents for existing rental apartments in Sweden are regulated by the utility value system, which means that the rent is based on the standard and quality of the apartment. The rent is considered reasonable when it is the same as another similar apartment of the same standard and in the same location. This rent regulation means that the rent level may be below the market's willingness to pay. The same principle applies when landlords carry out renovations or conversions, but then in comparison with other renovated apartments. In the case of renovations or conversions, rent must be negotiated. For newly built rental apartments, the rent can be set in

negotiations with the Swedish Union of Tenants (Hyresgästföreningen).

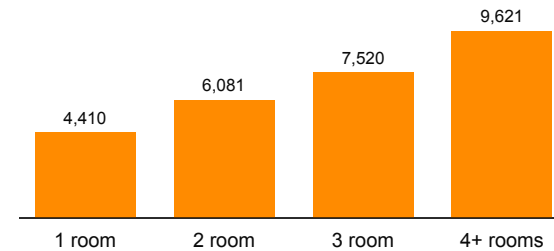
As of 31 December 2020, there were approximately five million residential apartments in the country. Rental units are the most common form of tenancy in apartment buildings and accounted for 58 per cent of the total portfolio. It is also the most dominant form of tenancy in 258 of the country's 290 municipalities. Furthermore, according to a 2019 survey from Boverket, rental housing is the form of tenancy that most municipalities say they need. In smaller towns, it is common that housing needs are not met, such as in terms of providing cheap rental apartments for young people to move away from home.

The Swedish rental market is characterised by stable and increasing rents. Between 2016 and 2021, the average annual rent increased from SEK 1,050 to SEK 1,198 per square metre for the country as a whole. Since 2016, rent increases have been relatively evenly distributed between smaller and larger municipalities. The average monthly rent for a two-bedroom apartment was SEK 7,520 in 2021, while average rent was SEK 6,081 and SEK 4,410 per month for a one-bedroom and studio, respectively.

Average annual rent per sq. m., SEK
Sweden 2016–2021

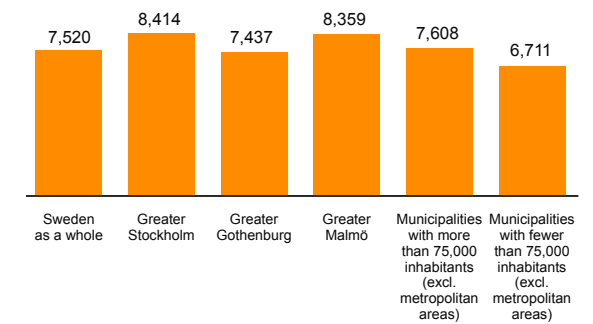


Average monthly rent, SEK
Sweden 2021



Source: Statistics Sweden

Average monthly rent for two-bedroom apartment, SEK
Sweden 2021



Source: Statistics Sweden



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Transaction market

Preliminary figures for the total transaction volume in Sweden in 2021 amounted to almost SEK 290 billion. This is close to a 50 per cent increase since the volume in the previous year was approximately SEK 195 billion. Including mergers and acquisitions on the stock market, the total volume was approximately SEK 400 billion, according to Svefa. KlaraBo believes that the high level of activity can be partly explained by the low interest rates in recent years, which have created a favourable climate for investment.

Housing and community service properties stood out as the most interesting segments by far in 2021. According to Svefa, this can be explained in part by the fact that the investment market values the stable cash flows and low risks associated with these assets. In terms of volume, housing was by far the largest segment in 2021. Housing transactions amounted to a value of just over SEK 120 billion, more than twice that of 2020 and exponentially surpassing historical levels reported the past ten years. This level corresponds to just over 40 per cent of the total transaction volume for 2021, according to Svefa.

In general, the transaction market is characterised by tough competition in large-city regions and university cities as compared with small towns. In this market, large companies are generally better situated to utilise economies of scales by, for instance, securing advantageous financing terms and conditions.



Skokloster

KlaraBo's market

KlaraBo operates throughout Sweden, from Trelleborg in the south and Visby in the east to Sundsvall in the north. KlaraBo's portfolio is divided into four regions: South, East, Central and North. Region South includes investment properties in Trelleborg, among others, where KlaraBo is the largest private landlord, as well as in Malmö and Helsingborg. Region South also has development properties in these three cities, among others.

Region East consists of investment properties in cities such as Visby, Västervik and Jönköping. In addition, Region East includes development projects in Visby, Jönköping and Oskarshamn. Region Central includes investment properties in Borlänge, Gävle and Ludvika as well as development projects in Falun, Motala and Västerås. Region North includes investment properties in Bollnäs and Sundsvall as well as development projects in Sundsvall.

In municipalities where KlaraBo has investment properties, the average annual rent was approximately SEK 1,100 per square metre at the end of 2021 according to Statistics Sweden. The corresponding figures for municipalities where KlaraBo has development projects was approximately SEK 1,160 per month. All municipalities in which KlaraBo operates have seen a positive average annual growth rate from 2010 to 2020.

In 26 of the 32 locations where KlaraBo operates, there is a shortage of housing according to Boverket's Housing Market Survey carried out in 2021.

Download
optimized pdf
for printing



Business concept and model for value creation

Business concept:

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

Business model:

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

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.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



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 reinstatement value and profit from property management per share.

Overall goal		Goal	Outcome 2021
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.	358,672 sq. m.
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	219 housing units
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	8.4 percentage points
EPRA NRV	KlaraBo is to achieve average annual growth in EPRA NRV per share of at least 15 per cent including any value transfers over the course of a business cycle.	>15%	43.1%
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%	98.0%
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	–

Financial risk limitations and dividend policy

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

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

The company's dividend policy states that KlaraBo will distribute 50 per cent of taxed profit from property management in the long term. 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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Property portfolio

KlaraBo's portfolio comprises investment properties, some of which are new construction projects.

As of 31 December 2021, the property portfolio consisted of 201 properties with 5,412 apartments under management. The market value of the portfolio's investment properties as of 31 December 2021 amounted to SEK 7,791 million, while the estimated value on completion of construction in progress amounts to just over SEK 310 million.

The total lettable area was approximately 416,600 square metres with a total annual rental value of approximately SEK 491 million, 85 per cent of which are housing units, 9 per cent community service properties, 3 per cent retail properties, 1 per cent offices and 2 per cent other types of properties. Included in "other types of properties" are parking spaces and storage units.

During the financial year that ended 31 December 2021, the turnover rate was approximately 21 per cent.

7,719

Property value, SEK m

491

Rental value, SEK m

1,025

Average annual rent per sq. m.²⁾, SEK

18,527

Property value per sq. m., SEK

85%

Housing units¹⁾

5,412

Apartments under management

416,600

Lettable area, sq. m.

99%

Real occupancy rate

¹⁾ Based on area.

²⁾ Only residential excluding new construction and renovated apartments.

Management portfolio overview



Download
optimized pdf
for printing



Long-term property management

KlaraBo adopts a long-term property management perspective and aims to handle management internally and with a local presence.

The management organisation is divided into four geographic regions: Region South, Region East, Region Central and Region North. At the end of 2021, the organisation had some 50 employees. The local managers report to the area managers for each specific geographic area. The area managers in turn report to KlaraBo's Head of Real Estate based in Malmö.

Local presence

The technical management and repair maintenance of the properties is largely carried out by KlaraBo's own staff in each region, supplemented by contracted services for heating, ventilation and sanitation as well as electricity.

Investing in a local property management presence with customer-oriented relationships is a key element of the strategy. Through geographic proximity and ongoing dialogues with tenants, KlaraBo ensures that appropriate value-adding improvements are made to the properties, thereby ensuring tenant satisfaction and enabling the development of residential areas.

Responsive landlord

In certain residential areas, KlaraBo has signed tenant-influence agreements with Hyresgästföreningen that give tenants the right to participate in the decision-making process. Combined, this means that KlaraBo can continuously assess needs in the portfolio and modify the offering to the tenants' preferences. The long-term ambition is to form a closer bond between tenants and management in a more structured manner.

In addition to local management, the centralised property management organisation handles large-scale conversions of premises, centralised procurements and compliance with regulatory requirements.



“We want tenants in our residential areas to meet KlaraBo employees”

Jimmy Larsson, KlaraBo Head of Real Estate

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Case

Green waste management

KlaraBo strives to further develop and enhance its sustainability agenda while lowering energy consumption. After an acquisition, it is essential to follow up and remediate a new portfolio from a sustainability perspective.

KlaraBo has redone the entire waste management system in the residential area of Granbergshöjden, comprising 290 apartments in Bollnäs. All waste – ranging from car engines to household waste – was previously thrown unsorted into three containers. Even people who did not live in the area took the chance and threw rubbish in the three containers instead of taking their waste to the recycling centre.

KlaraBo invested SEK 1.3 million to set up fully equipped environment sheds for waste management. Today, only the area's tenants have access to the sheds, where they can sort at source and recycle materials such as metal, glass, plastic, paper and food waste. The change has resulted in considerably greener waste management and a cleaner, more pleasant residential area. Because the cost of collecting unsorted, combustible waste is high, the change also had a positive financial impact in the form of savings of approximately SEK 0.2 million a year.

Granbergshöjden residential area is located south of central Bollnäs.

New construction and project development

KlaraBo offers climate-smart housing units designed to be constructed from wood to the greatest possible extent. Well-planned, space-efficient and affordable housing is created through rational production.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91



Wood is a renewable construction material that captures carbon throughout its life cycle. Manufacturing wooden buildings requires less energy than manufacturing from concrete or steel, and the choice of wood thereby promotes less carbon emissions. KlaraBo uses FSC-labelled wood in new construction, which means that the material is derived from responsible forestry that takes account of people and the environment.

Standardised new construction

KlaraBo applies a tried and tested standardised model for its housing units. 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. This means that KlaraBo can offer well-planned, space-efficient base apartments and thereby achieve optimal use of resources. This standardised process is the foundation for all housing units that KlaraBo offers.

KlaraBo has developed a number of base apartments – everything from studios to three-bedroom apartments. These apart-

ment layouts can be inverted and used in a variety of combinations to create an attractive offering for different market segments. The construction approach leads to energy savings and quicker assembly with shorter construction time, resulting in lower costs.

The completed apartment buildings offer multiple 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 modules are prefabricated in a factory environment by partners and then transported to the construction sites for assembly. The buildings are produced using timber to the greatest extent possible, with a base slab serving as the foundation. Like the building frameworks, trusses are constructed using timber and can be designed as gable roofs, pent roofs or low-slope roofs depending on what is requested. The buildings are suited to having two to five floors, with balcony access solutions, but high-rise apartment buildings can also be produced.

Sustainable new construction

KlaraBo works with the entire value chain for rental apartments, from project development through construction to own property management. For KlaraBo, business development is about turning project concepts into development rights that are then developed into apartments that are ready for occupancy. In this way, KlaraBo creates value regardless of whether it is a question of improving existing properties or entirely new projects. To ensure that new construction of rental units can be carried out, development rights are continually being created. This work is carried out 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 initiatives are based on an analysis that studies the area's population trend, the functional labour market and the payment capacity of the market.

Based on a limited number of KlaraBo building alternatives, these are adapted to each geographical location. The base for all construction projects is a systematic approach that yields an optimal use of resources, thereby ensuring both high quality and a good work environment.

The materials selection for exteriors and rooftops is adapted to each project. This type of construction leads to energy savings, since the construction process with industrial construction technology is energy-efficient with fewer transports, shorter construction times than construction using concrete and quicker assembly, resulting in lower costs.

Moreover, KlaraBo's buildings are energy efficient, and energy consumption amounts to only about half of the requirement indicated in the Swedish National Board of Housing, Building and Planning's construction regulations (BRR in Swedish). Low consumption levels are achieved not only by using energy-smart materials choices and local energy supply in the form of solar cells, but also using production methods that allow for properly insulated constructions.

KlaraBo's minimum ambition level is that the buildings are constructed so that they meet the corresponding requirements of the Nordic Swan certification system.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Case

Huge interest in newly constructed apartments

KlaraBo has completed a total of four new construction projects with 210 apartments in all. The completed projects are properties in Bjuv, Svalöv, Höganäs and Motala, with some 50 apartments in each city.

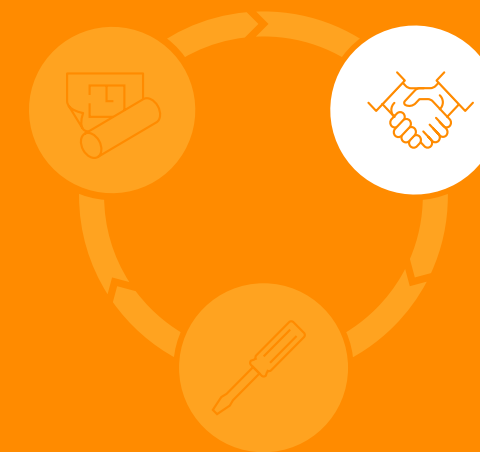
The pilot project for KlaraBo involved the construction of 54 rental apartments in Bjuv spread over six two-storey properties with sizes ranging from 35 to 85 square metres and a total rental value of SEK 5.2 million. The properties are located in one of Bjuv Municipality's most interesting and scenic areas.

The apartments were built in two phases, with occupancy in September 2018 and May 2019. Strong interest made for smooth letting, and the apartments have been fully let since day one. The apartments are of a high standard with parquet floors throughout, fully tiled bathrooms, tiled hallways, smooth white walls, good storage space and fully equipped with appliances. All apartments have a washing machine and tumble dryer as well as a private balcony or outdoor patio.

KlaraBo's properties in Bjuv

Acquisitions

KlaraBo is an acquisition-intensive company that continuously evaluates and completes acquisitions of investment properties and development rights.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

KlaraBo has grown steadily from the start in 2017, and particularly during 2021 when the company almost doubled its property portfolio primarily through acquisitions. Acquisitions are made from a long-term perspective, where KlaraBo takes into account the location and condition of the property, renovation potential, potential for new construction, yield levels and valuation.

KlaraBo wants to grow nationwide. The strategy is to acquire existing residential properties and land for new construction in growth regions, such as university towns. Potential acquisition opportunities are evaluated on a case-by-case basis. For instance, a lot of extremely interesting things are happening in the northern parts of Sweden.

The listing in late 2021 was a monumental step in our continued acquisition journey since the listing provided a capital injection, more awareness about the company and a solid foundation for continued acquisition discussions.

In addition to acquisitions of existing portfolios, the company applies for municipal land allocations and participates in land allocation competitions.

Gävle



Visby



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Case

Strong position in Trelleborg



KlaraBo acquired just over 800 rental apartments from Trelleborgshem for approximately SEK 1 billion in June 2020. The portfolio was built largely during the 1940s, 1950s and 1960s and comprised almost 70,000 square metres of floor space.

For KlaraBo, this is a long-term investment since Trelleborg is an attractive location with large-scale urban development projects in progress within both infrastructure and business. Chairman of the Municipal Board Mikael Rubin weighs in on the transaction.

What made the municipality decide to sell?

“Providing homes is not part of the municipality’s core operations. That, coupled with the fact that public housing companies must finance their own expansion so that the municipality does not have to contribute funds or take money from the welfare system,” says Mikael Rubin.

What made KlaraBo an interesting buyer?

“The formal decision about which company would be allowed to buy was made by the board of Trelleborgshem, but I am very pleased that it went to KlaraBo because they had acquired housing from us before so we were familiar with the company. We haven’t had a single complaint. This gave a sense of security because we feel fairly confident that existing tenants will remain satisfied.

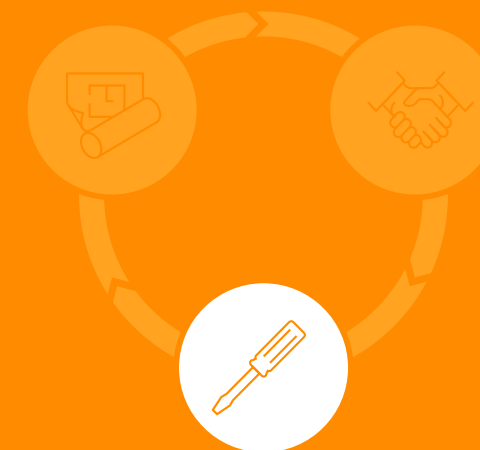
KlaraBo’s community involvement was also an important component. It was evident that the company was involved in the community when the company’s management introduced itself to the municipality’s board. We wanted the best outcome, and we got it.”

What does the collaboration look like now?

“The company is looking at opportunities to grow more in Trelleborg, which is good for the municipality. KlaraBo does things for the residents and in so doing continues to assume social responsibility in a way that we appreciate. They have a strategy that involves various initiatives for those living in their areas, which is excellent,” says Mikael Rubin.

Renovations

The standard in KlaraBo's property portfolio is adapted and upgraded to satisfy the technical conditions of the building as well as tenant demand.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Trelleborg

KlaraBo makes a gradual upgrade of the property portfolio only after customary normal turnover or if a tenant makes a personal request. This reduces operating and maintenance costs and increases rental revenue beyond the general rent increase in society. KlaraBo can thereby improve customer satisfaction among existing tenants while also attracting new ones.

KlaraBo focuses on properties with development potential and a certain degree of maintenance neglect. Consequently, there is often a need for a complete internal renovation when an apartment changes tenants. This means that all surfaces, internal installations, kitchens and bathrooms are upgraded to achieve a modern standard and match the conditions that KlaraBo's tenants expect.

In one year, turnover is approximately 20 per cent of the apartment portfolio through vacancies. Of this, approximately one-third of the apartments are renovated.

Collaboration with Hyresgästföreningen

KlaraBo's collaboration with Hyresgästföreningen is well established. Ahead of rent negotiations in conjunction with renovations, KlaraBo can showcase example apartments in order to tangibly demonstrate the new standard together with the material choices, kitchen equipment, etc. KlaraBo is determined that rent negotiations should be carried out correctly and agreements between the parties are recorded in writing.

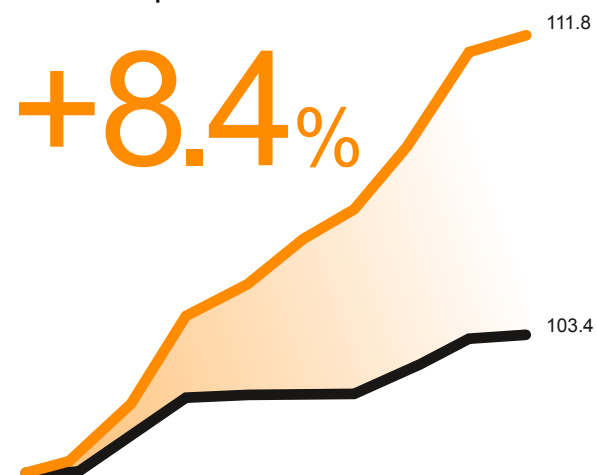
KlaraBo substantiates its claims with comparative figures, primarily from comparable properties in the city, but also from

other parts of the country. In addition, there may also be adjustments for specific standard-enhancing measures such as a dishwasher or a safety door. The collaboration with Hyresgästföreningen runs smoothly. Establishment of a predictable and transparent rent model that the parties agree on is paramount to the process.

KlaraBo also makes call-off agreements with local construction companies for the types of apartments in the portfolio and the material and labour required during renovation. The two processes are central to the business model as they minimise the risk of ambiguity in terms of renovation costs and new rent levels. All in all, this solution means that a new tenant can move in four to six weeks after the previous tenant has moved out.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Rental value performance



Value-enhancing renovations

KlaraBo's renovation model has a proven rent- and value-enhancing effect. Renovations cost about SEK 5,700 per square metre, which leads to an average rent increase of about SEK 480 per square metre per year. The table below shows a summary of the cumulative results of the renovations and other rent-enhancing improvements, which have resulted in an average yield of 8.4 per cent as of 31 December 2021, excluding the acquisitions of Kuststaden and the properties in Gävle and Skokloster.

The increase in rent levels after renovation varies between SEK 300 and SEK 600 per square metre and year depending where in the country the portfolio is located. The differences in increase are due in part to the starting point of the previous rent level and how rent levels have historically increased in each location.

Ongoing and completed renovation projects as of 31 Dec 2021	Rent increase / cost savings, SEK m	Gross increase in value, SEK m	Investment, SEK m	Net increase in value, SEK m	Yield, %
ROT tax deduction (at least bathroom)	13.1	346.5	173.8	172.7	7.5%
Other rent-enhancing	2.5	63.7	21.6	42.1	11.4%
Cost-reducing	0.2	4.6	1.8	2.8	11.2%
Total	15.8	414.8	197.2	217.6	8.0%

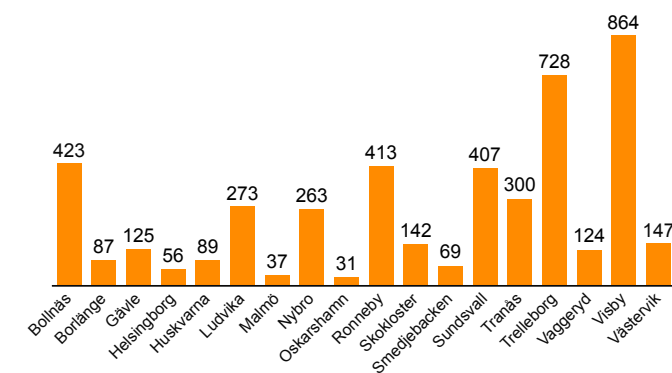
Note: Figures in the table above are rounded, while calculations have been made with a larger number of decimals. Consequently, figures in the table may appear to not add up.

In 2021, KlaraBo renovated 226 apartments. This figure can be compared with 54 apartments in 2019 and 139 apartments in 2020.

Through continuous standard enhancements in the portfolio and subsequent rent increases, the rental value rises more than the general trend in society. This means higher profit from property management and, consequently, higher property values.

There is substantial potential for further value increases in KlaraBo's portfolio. Approximately two-thirds of the property portfolio had yet to be renovated in December 2021, creating excellent opportunities for further upgrades and higher profit from property management as a result. This is illustrated in the diagram below, which shows the number of apartments and the share of the total number of apartments that have yet to be renovated broken down by municipality as of 31 December 2021.

No. of non-renovated apartments in existing property management portfolio



Download
optimized pdf
for printing



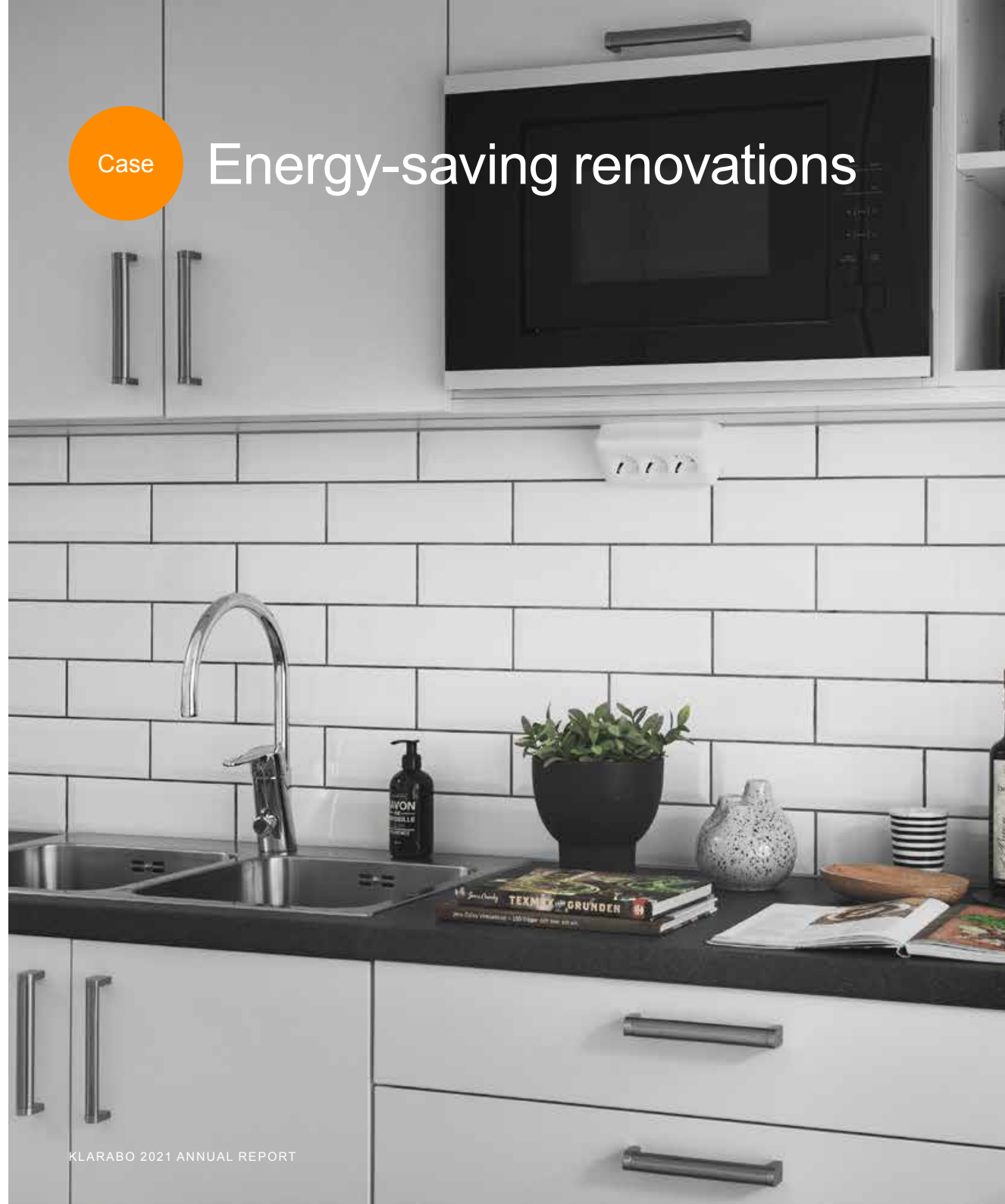
KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Case

Energy-saving renovations



In terms of maintenance and renovations, the ambition is to always select the best alternatives in terms of the environment and energy. Examples of this are water-saving taps, more energy-efficient windows and additional insulation. The same applies when procuring new electricity and gas agreements, where we prioritise biogas over natural gas.

The measures taken during renovations to improve satisfaction and increase value include the following:

- Bathroom and kitchen renovations
- Installation of washing machines, safety doors and entry systems
- New electricity and LED lighting to cut energy consumption
- Replumbing or slip lining
- Refurbishment of floors
- Open fibre networks
- Renovating courtyards

In terms of apartment renovations, basically everything is replaced internally except for the heating system. The tenant gets a completely new apartment, updated to today's standards, that feels like new.

Entrepreneurial drive and high level of activity

KlaraBo's organisation was marked by the year's rapid growth, particularly the acquisition of Kuststaden, which involved the addition of some 30 new employees. A number of new positions were created to strengthen the organisation, manage the growing portfolio and meet the demands placed on a listed company.

KlaraBo wants to be, and is, a company distinguished by entrepreneurial drive that actively pursues acquisitions, development projects and new construction. This helps to cultivate an exciting and attractive workplace that enjoys a high pace of change.

"This is a company brimming with dedication. Not everyone gets the chance to be part of building a company. We've gone from one to 63 employees and a listing on the stock exchange in just four years. This creates opportunities to take on a lot of responsibility and grow in your role," says KlaraBo's HR Manager Malin Sandvig.

Enormous growth potential

Working at an entrepreneurial-driven company, employees have the opportunity to establish a new brand in the local community. This means establishing procedures, finding structures and cultivating personal networks within and outside the organisation. The employees have plenty of opportunities to influence the company's operations given that the organisation is flat and it is easy to establish contact with people, making every employee a key player.

"It means that everyone feels like they make a difference. They have to be self-sufficient, but they also have the opportunity to build, to influence, and to grow and develop," says Malin Sandvig in conclusion.

At year-end, KlaraBo had a total of 63 employees. Of these, 15 were women and 48 men. The management team comprised five people, consisting of one woman and four men. At year-end, the company had a total of 14 managers, consisting of four women and ten men.

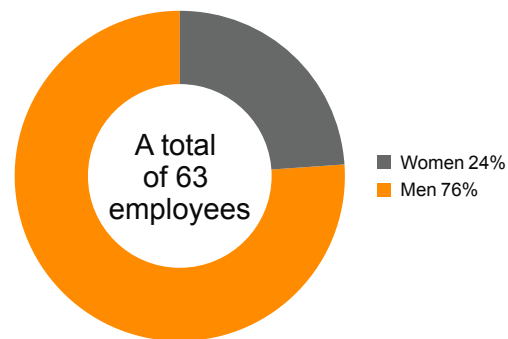
Personal dedication permeates the atmosphere at all levels, along with close relationships between individuals. Both sick leave and employee turnover figures were low during the year.

All employees have been asked to confirm that they have read and understood the company's ethical rules. The company also has a whistleblower function.

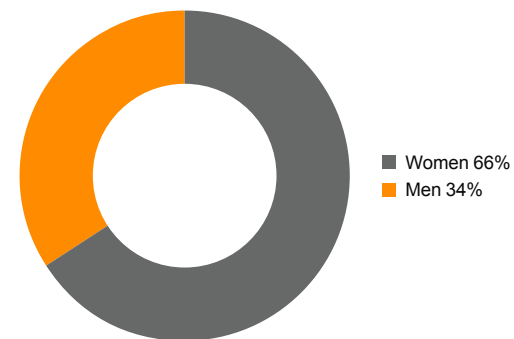
Recognised as Workplace of the Year

Finsam Gotland recognises workplaces and collaborations that mean a lot for individuals and vulnerable groups. At the end of 2021, KlaraBo received the Workplace of the Year award. Robert Pejlic and Elina Jörgensen at KlaraBo were rewarded for taking in people, over many years, who have struggled to find work in the labour market – ultimately resulting in a job with the company. Through their support and counselling, each individual managed to find their own strengths and cultivate greater self-confidence, according to the jury's statement.

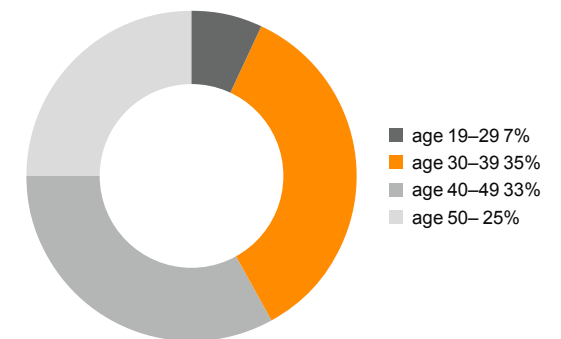
Gender distribution



Sick leave



Age distribution



- KlaraBo in brief 2
- The year at a glance 5
- Comments from the CEO 6
- Markets and trends 8
- Business concept and value creation 11
- Goals and outcome 12
- Property portfolio 13
- Property management 14
- New construction and project development 16
- Acquisitions 19
- Renovations 22
- Our employees 26
- Our sustainability agenda 29
- The share 31
- Administration Report 32
- Risks and risk management 34
- Multi-year overview and key figures 38
- Consolidated financial statements 39
- Parent Company financial statements 43
- Notes 46
- Signatures of the Board of Directors 71
- Audit Report 72
- Corporate Governance Report 76
- Board of Directors 81
- Management 83
- Auditor's opinion regarding the Corporate Governance Report 84
- List of properties 85
- Key figures/definitions 89
- Calendar 90
- The history of KlaraBo 91



From intern to property manager in one year

– Elina Jörgensen



Elina Jörgensen joined KlaraBo in January 2020 as an intern. One year later, she is the property manager for one of KlaraBo's largest property portfolios situated in Visby.

While studying property management, Elina applied for and received an internship at Kuststaden, which later became part of KlaraBo, where she saw opportunities to learn a great deal. She was soon given a temporary position in letting and could complete her education online while working full-time. After that, followed a permanent position as a lettor and then an offer to manage the company's approximately 900 apartments in Visby.

"I am so happy. Working hard and showing that you are willing is a key part of getting where you want to go. I have taken a great interest in my work and learned a lot with the help of skilled colleagues and generous access to additional courses in the profession. Above all, I have Area Manager Robert Pejic to thank for recognising my potential when he was my supervisor during my internship. I have also been quite open about where I want to be and that I intend to do my utmost," says Elina.

Elina is among the youngest in the company, but was nonetheless entrusted with personnel responsibility for a team of six property managers and caretakers. The job includes operational and maintenance issues as well as preparing budgets and maintenance plans, apartment renovations and identifying other value-creating measures such as preferences regarding extra appliances.

"The best thing about the job is the diversity. It's a mix of working behind a desk and visiting the properties. I have colleagues to discuss matters with and each day is unique. I enjoy learning new things and would never say no to anything," she says.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Enormous growth potential within the company

– Madelene Engh



Madelene joined KlaraBo as a letter in Bollnäs in April 2019. She very quickly took on a lot of responsibility and after just one year was offered a newly formed position as marketing coordinator for the entire company. This was shortly after she had started a local Instagram account for KlaraBo.

“I have a background as a professional photographer, and I worked for many years in photography while studying at the University of Arts, Crafts and Design and Fotoskolan STHLM. It meant a great deal to me to get this position in the company, a company that has not previously had a PR or marketing manager,” says Madelene Engh.

Madelene likes working for KlaraBo because of the enormous growth potential within the company as well as the additional courses that have helped her to develop professionally.

“I am constantly learning new things and am thoroughly enjoying this journey. I just finished a course and am now a qualified social media manager. I’m grateful for the confidence entrusted in me by the company, and I’m having the time of my life,” says Madelene.

As marketing coordinator, Madelene is at the heart of things and a link between the various departments at the company. Among other things, she is responsible for the company’s website, social media, advertising and PR. She designs most of the ads herself and supports the local offices with such matters as events and campaigns. This means maintaining a lot of contacts, internally and externally.

The role of marketing coordinator is occasionally very demanding with tight deadlines. The trick is to be able to keep track of many things at the same time. “The work is exciting and educational, and no two days are alike,” explains Madelene.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor’s opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Our sustainability agenda

KlaraBo works systematically to combine environmental, economic and social sustainability. This work has generated benefits for society and customers, and is applied in our operating activities and new construction. As a step in the company's sustainability agenda, social and environmental goals have been defined.

Social goals

Increase engagement in the company's districts by, for example, offering summer work to the long-term unemployed and to young people as an entrance into the labour market.

Construction of more sustainable and environmentally certified, high-quality, functional, cost- and space-efficient housing units.

Renovate for long-term sustainable property management, where the scope of renovation measures is adapted to the technical conditions of the building and tenant demand.

Environmental goals

Reduce energy consumption.

Use renewable energy sources. KlaraBo constantly works to reduce dependence on fossil fuels by taking such measures as:

- always selecting electricity from renewable energy sources when procuring new electricity agreements;
- always selecting biogas instead of natural gas when procuring gas; and
- striving for the best possible fossil-free solution when procuring district heating.



Sustainable new construction

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

Read more about the sustainability basics in new construction in the section on new construction and project development.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download optimized pdf for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Case

Community and satisfaction for better sense of security

Having a good place to live involves a feeling of community and satisfaction with the neighbourhood. This helps to create a sense of security, an issue that has become increasingly relevant in recent years.

KlaraBo has a close and long-term collaboration with Hyresgästföreningen, for instance when it comes to neighbourhood walks. It is important to feel a sense of security in and around the area where you live.

Different tenants notice different things during a neighbourhood walk, which is why it is important that more residents participate at least once. Neighbourhood walks also provide more data about which measures need to be taken in the area. In addition to security-enhancing measures such as installing safety doors, fobs and entrance systems, some general improvements contribute to raising the standard in the residential area.

KlaraBo views its residential areas as a piece of a larger picture in society. By assuming its share of social responsibility, KlaraBo contributes to reinforcing the sense of community in the residential area, but also in general. The summer caretaker jobs that KlaraBo offers young people every year are one example. The company has also initiated a limited collaboration with the Swedish Public Employment Service to offer jobs to those who are farthest removed from the labour market.

The share

KlaraBo's Class B share has been listed on Nasdaq Stockholm since 2 December 2021. 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, the number of Class A shares was 16,815,000 and the number of Class B shares was 115,012,883. The share capital amounted to SEK 6,591,394.

Shareholders and ownership structure

The 15 largest shareholders controlled 68 per cent of the capital and 77 per cent of the votes as of 31 December 2021. Swedish companies, funds and private individuals owned 96.8 per cent of the share capital while foreign shareholdings amounted to 3.2 per cent. The number of shareholders was 6,522.

15 largest owners

	Capital	Voting rights
Investment AB Spiltan	9.7%	10.2%
Länsförsäkringar Fonder	7.5%	3.5%
Pensionskassan SHB Försäkringsförening	7.1%	3.3%
Rutger Arnhult, via company	6.6%	3.1%
Anders Pettersson, via company	5.7%	15.3%
SBB, via company	4.3%	2.0%
Lennart Sten, privately and via company	3.8%	8.1%
Ralph Mühlrad, family and via company	6.5%	7.8%
ODIN Fonder	3.2%	1.5%
Clearance Capital	2.8%	1.3%
Futur Pension	2.5%	1.6%
Klosterinvest AB	2.2%	1.0%
Mats Johansson, via company	2.0%	9.5%
Doxa AB	1.9%	0.9%
Andreas Morfiadakis, privately and via company	1.8%	8.2%

Turnover and trading

The average daily turnover of KlaraBo's shares amounted to 326,694 shares. In total, 6,533,873 shares were traded in 2021 at a combined value of SEK 320.3 million. Given that the listing took place on 2 December 2021, trading in the shares occurred only on 20 trading days during the year.

Share performance

During the period, KlaraBo's share price climbed 38 per cent, compared with the listing price of SEK 35. During the same period, OMX Stockholm PI rose 4.89 per cent and OMX Stockholm Real Estate PI dropped 2.56 per cent. The last price paid for 2021 was SEK 48.30 per share, corresponding to a market capitalisation of SEK 5.55 billion.

Return

The total return during the period in which the share was traded was 38 per cent. The highest closing price for the share was SEK 50.40 on 7 December and the lowest closing price was SEK 47.00 on 14 December.

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 prioritise growth through acquisitions, new construction and investments in the existing portfolio. Accordingly, dividends may not be paid.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



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 2021 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 416,600 square metres distributed across 5,412 apartments with contracted annual rent of about SEK 465 million. The portfolio also includes 1,494 apartments under construction and project development.

During the year, KlaraBo focused on:

- New construction of sustainable, high-quality, functional, and cost- and space-efficient housing units.
- Management of residential properties and value-creating measures in existing investment properties.
- Acquisitions of residential properties, preferably with the potential for renovation, and acquisitions of land and development rights for the new construction of housing units.

OUR MARKET

The Group assesses that demand remains healthy in the areas in which KlaraBo is active, and that a structural lack of housing is present in many areas in Sweden. The strong demand for

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

THREE-YEAR COMPARISON

SEK m	Group		
	2021	2020	2019
Rental revenue	337.6	176.7	97.7
Net operating income	189.9	96.8	54.8
Profit before tax	824.6	441.3	173.7
Total assets	8,527.7	3,666.2	2,106.2
Equity/assets ratio (%)	49.3%	39.9%	37.5%
Average number of employees	54.9	24.0	10.0

SEK m	Parent Company				
	2021	2020	2019	2018	2017
Net sales	10.0	7.4	3.5	1.7	1.5
Profit/loss after financial items	18.4	-16.0	0.5	-4.8	-1.0
Total assets	4,183.5	843.0	506.4	393.6	112.8
Equity/assets ratio (%)	78.5%	86.8%	79.0%	99.6%	99.5%
Average number of employees	4.6	8.0	6.7	3.8	1.5

See Note 31 for derivations and definitions of the above key performance indicators.

FINANCIAL POSITION AND FINANCING

For the 2021 financial year, the Group's profit from property management grew by 114.0 per cent, while the net reinstatement value increased by 43.0 per cent. The loan-to-value ratio was 41.6 per cent (52.8) and the equity/assets ratio 49.3 per cent (39.9). Equity amounted to SEK 4,206.9 million (1,463.0), of which SEK 4,206.9 million (1,071.4) was attributable to Parent Company shareholders. The increase was largely due to the fact

that the company has completed nine new share issues since the end of the previous year. In conjunction with these, the company generated proceeds of SEK 2,497.3 million in the form of equity after issue costs. In December, two new share issues were carried out in conjunction with the listing of the company on Nasdaq Stockholm, totalling SEK 828.1 million after issue costs. Just over 21.4 million shares were issued in conjunction with the first issue, and since the offering to subscribe for shares was heavily oversubscribed, an over-allotment option was exercised by ABG Sundal Collier AB nearly two weeks later, when just over 3.2 million additional shares were issued. Listing costs of SEK 34.5 million attributable to the fees paid to the company's financial advisers and a portion of the other listing costs were recognised in equity together with the associated tax effect in accordance with IAS 32. EPRA NRV per share was SEK 33.9 (23.7), which is an increase of 43.0 per cent on the previous year.

At 31 December 2021, the Group had interest-bearing liabilities of SEK 3,883.9 million (2,004.6). 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 50.3 per cent (55.7), and the average loan maturity at year-end was approximately 3.2 years (1.7). 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 1,400.0 million (900.0) at year-end. Coupled with fixed-rate loans, this corresponds to 49.7 per cent (55.0) of the Group's total interest-bearing debt. The average fixed-rate term was approximately 1.9 years (1.9), and the average interest rate in 2021 was 1.9 per cent (2.1), including derivatives.

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 53.7 million (37.0). Cash flow from investing activities was negative at -651.0 million (-468.5). The main sources of cash outflows in investing activities were the

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

buyout of non-controlling interests, totalling SEK –406.2 million, and acquisitions of properties, new construction projects and investments in existing properties during the year, which totalled SEK –268.7 million (493.2) Cash flow from financing activities amounted to SEK 1,021.2 million (429.8), with proceeds from new share issues and new borrowings accounting for the majority of the inflows. Total cash flow for the year was SEK 433.9 million (12.4). At the end of the year, cash and cash equivalents amounted to SEK 616.5 million (182.7).

EARNINGS

Central administrative costs include costs for senior management and central support functions and amounted to SEK –44.9 million (–24.2). This change is mainly explained by IPO-related costs as well as costs incurred in connection with the acquisition of Kuststaden, which resulted in an increased workforce and ongoing work to integrate KlaraBo and Kuststaden. Profit from property management for the year increased by 114.0 per cent to SEK 76.4 million (35.7).

Profit for the year after tax, attributable to Parent Company shareholders, was SEK 637.9 million (260.0). This figure includes changes in the value of investment properties of SEK 737.3 million (413.0) and changes in the value of derivatives of SEK 10.9 million (–7.5). Tax on profit for the period was SEK –184.1 million (–96.2). Current tax amounts to SEK –26.5 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 activities in the form of investment properties and/or development rights in 33 towns across Sweden: Bjuv, Bollnäs, Borlänge, Falun, Genarp, Gävle, Helsingborg, Huskvarna, Hässleholm, Höganäs, Höör, Karlshamn, Karlskrona, Karlstad, Kristianstad, Kävlinge, Ludvika, Lund, Malmö, Motala, Nybro, Oskarshamn, Ronneby, Skokloster, Smedjebacken, Sundsvall, Svalöv, Tranås, Trelleborg, Umeå, Vaggeryd, Visby and Västervik. 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.

In 2021, KlaraBo went public as the company's Class B shares were listed on Nasdaq Stockholm. The first day of trading in the

company's shares was 2 December. In connection with the IPO, a total of 24,696,857 Class B shares were issued in two rounds, raising total proceeds of SEK 862.5 million before costs. The company gained 5,000 new shareholders. The proceeds of the share offerings will be used for continued growth through the construction of new rental properties, acquisitions of investment properties and continued improvements to existing properties.

All seller financing was repaid during the year, which reduced the company's annual interest expense since the seller financing had a higher loan margin than traditional bank loans.

On 1 December, 46 new rental apartments in Motala were ready for occupancy. The new construction project in Motala is the Group's first project to be certified in accordance with Miljöbyggnad Silver.

During the year, the Group set new operational and financial goals. These are presented in the section Goals and outcome.

During the year, KlaraBo strengthened the company's Board by electing as new Board members Sophia Mattsson-Linnala, former CEO of Rikshem AB (publ), at the AGM on 4 March, and Per-Håkan Börjesson, CEO of Investment AB Spiltan, at the Extraordinary General Meeting on 24 June.

TRANSACTIONS

On 31 March 2021, KlaraBo Sverige AB acquired the remaining 49 per cent of the shares of KlaraBo Förvaltning AB from SBB. KlaraBo Förvaltning AB is therefore now a wholly owned subsidiary.

At the end of the second quarter, KlaraBo completed on the acquisition of a large portfolio of properties from Kuststaden Projektutveckling AB and KPU Bostadsutveckling AB. The portfolio comprises 2,300 rental apartments in southeast Sweden, including Visby, Ronneby and Jönköping. The merger created a dedicated housing company with over 5,000 rental apartments and 1,100 apartments in its project portfolio. In connection with the merger, shares were issued to the sellers as well as to Länsförsäkringar Fonder. In addition new share issues, the acquisition was financed in part with cash in an amount of SEK 109.3 million.

At the end of June, KlaraBo acquired 273 rental apartments in central Gävle and Skokloster with a total GFA of 20,000 square metres. The acquisition was financed with new Class B shares. The apartments were acquired from Rutger Arnhult through a company, who became a shareholder in KlaraBo through the transaction.

NEW CONSTRUCTION

Land allocation secured in Västerås

KlaraBo was granted a land allocation in the new Sättra district of Västerås. The land allocation includes development rights for new apartment buildings in wood with a GFA of approximately 4,500 square metres.

80 rental apartments to be built in central Kristianstad

In the third quarter, KlaraBo signed a contract to acquire development rights in Kristianstad, together with OBOS. For KlaraBo, the development rights cover 7,500 square metres of GFA. Before the property can be used for housing, a new detailed development plan needs to be prepared, and it is expected that about two years of planning will be required before sales can commence.

SIGNIFICANT EVENTS AFTER

THE END OF THE FINANCIAL YEAR

At the beginning of January, KlaraBo acquired a portfolio of 126 rental apartments in Umeå with an underlying property value of SEK 175 million. The apartments have a total area of approximately 8,700 square metres and a rental value of around SEK 10.2 million. Through the acquisition, KlaraBo has established a presence in a new town.

KlaraBo has been granted a land allocation in Anderstorg in Skellefteå. There is an existing detailed development plan for the area which allows for the construction of approximately 10,000 square metres of GFA, or approximately 130 rental apartments. It is hoped that the investment will enable KlaraBo to expand its presence in Skellefteå.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

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

Share premium reserve	3,223,251,564
Retained earnings	10,626,395
Profit for the year	43,369,622
Total	3,277,247,581

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

Carried forward	3,277,247,581
Total	3,277,247,581

Download
optimized pdf
for printing



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. For example, in 2019 new rules were introduced which limit the deductibility of interest payments, especially for companies in the property industry. On the other hand, the corporate tax rate has been reduced and an additional deduction for new rental properties (primary deduction) benefits newly constructed properties. Overall, the new tax rules mean that KlaraBo's tax profit will increase over time and that loss carryforwards will be used up at a faster pace.

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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

OPERATIONAL RISKS

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

Changes to 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 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 2021, 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. Changes in operating and maintenance costs, for example as a result of unforeseen and extensive renovation needs, could, to the extent that any cost increases cannot be compensated for by corresponding rent increases, lead to significantly increased operating and maintenance costs, which in turn 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. 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

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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 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. The drive to strengthen and establish the Group's values continued and evolved in 2021, and new HR talent was recruited. 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 in 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 could 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, and the Group's non-current liabilities mainly have 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.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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 2021 was 1.9 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 2021, KlaraBo had interest-rate swaps in a total outstanding nominal amount of SEK 1,400 million (900). 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 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 targets 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 must 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 1.9 years and the share of the loan portfolio that was hedged through derivatives was approximately 50 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 targets regarding maturities for the Group's loan portfolio, the main targets 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 mature in any 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 required rates of return 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. The value of KlaraBo's property portfolio at the end of the financial year was SEK 7,850 million (3,452). 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.

Download
optimized pdf
for printing



Multi-year overview and key figures

SEK m	2021	2020	2019	2018
Property-related				
Rental revenue, SEK m	344.2	176.7	97.7	0.5
Profit from property management, SEK m	76.4	35.8	26.4	-5.6
Profit for the period, SEK m	640.5	345.2	141.3	-2.0
Surplus ratio, %	55.2%	54.1%	55.3%	36.1%
Value of investment properties, SEK m	7,719.3	3,452.1	1,899.7	60.1
Value of investment properties, SEK per sq. m.	18,527	15,918	13,209	21,407
Economic occupancy rate, %	94.6%	94.5%	92.9%	100.0%
Real occupancy rate, %	98.6%	99.3%	N/A	N/A
Total lettable area, '000 sq. m.	416.6	208.8	137.6	1.1
Number of apartments under management	5,412	2,682	1,819	18
Number of apartments in project development	1,494	1,159	1,152	1,100
Financial				
Equity/assets ratio, %	49.3%	39.9%	37.5%	91.3%
Loan-to-value ratio, %	41.6%	52.8%	56.2%	N/A
Interest-coverage ratio, multiple	2.1x	2.0x	3.2x	N/A
EPRA NRV, SEK m	4,471.9	1,157.3	495.3	395.0
Share-based				
Profit from property management per share, SEK	0.93	0.47	0.34	-0.27
Equity per share, SEK	31.9	21.9	14.9	12.2
EPRA NRV per share, SEK	33.9	23.7	15.3	12.2
Annual growth, profit from property management per share, %	98%	41%	-223%	N/A
Annual growth, EPRA NRV per share, %	43%	55%	25%	N/A
Number of shares at the end of the period before dilution, million	131.8	48.8	32.4	32.4
Weighted average number of shares during the period before dilution, million	82.3	41.0	32.4	20.6

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Consolidated statement of comprehensive income

SEK m	Notes	2021	2020
	1, 2, 3, 4, 5, 6		
Rental revenue	7	337.6	176.7
Other operating income		6.6	2.0
Property expenses	8.9	-154.3	-82.0
Net operating income		189.9	96.8
Central administrative costs	9, 10, 11	-44.9	-24.2
Operating profit		145.1	72.6
Financial income	13	0.0	0.0
Financial expenses	13	-68.6	-36.8
Profit from property management		76.5	35.8
Changes in value of properties	14	737.3	413.0
Changes in value of derivatives	15	10.9	-7.5
Share of profit after tax of jointly controlled companies	16	-0.1	-0.1
Profit before tax		824.6	441.3
Tax expense	17	-184.1	-96.2
Profit for the year		640.5	345.2
<i>Attributable to:</i>			
Parent Company shareholders		637.9	260.0
Non-controlling interests		2.7	85.2

Consolidated statement of other comprehensive income

SEK m	Notes	2021	2020
Profit for the year		640.5	345.2
Other comprehensive income			
Total comprehensive income for the year		640.5	345.2
<i>Attributable to:</i>			
Parent Company shareholders		637.9	260.0
Non-controlling interests		2.7	85.2
Earnings per share attributable to Parent Company shareholders, before dilution, SEK		7.75	6.33
Earnings per share attributable to Parent Company shareholders, after dilution, SEK		7.67	6.33

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Consolidated statement of financial position

SEK m	Notes	31 Dec 2021	31 Dec 2020
ASSETS			
Intangible assets			
Intangible assets		1.4	0.0
Total intangible assets		1.4	0.0
Property, plant and equipment			
Investment properties	14	7,850.0	3,452.1
Equipment	18	5.3	0.6
Total property, plant and equipment		7,855.3	3,452.7
Financial non-current assets			
Participations in jointly controlled companies	16	16.0	16.1
Receivables from jointly controlled companies		2.9	0.1
Derivatives	15	7.2	
Total financial non-current assets		26.1	16.2
Deferred tax assets	17	8.8	1.1
Total non-current assets		7,891.6	3,469.9
Current assets			
Trade and rent receivables		3.7	0.4
Other receivables		10.9	9.4
Revenue earned but not invoiced		1.5	1.5
Prepaid expenses and accrued income	19	3.5	2.4
Total current assets		19.6	13.6
Cash and cash equivalents		616.5	182.7
Total assets		8,527.7	3,666.2

SEK m	Notes	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	20	6.6	2.4
Other contributed capital		3,235.7	730.9
Retained earnings including profit for the year		964.6	338.0
Total equity attributable to Parent Company shareholders		4,206.9	1,071.4
Non-controlling interests		0.0	391.6
Total equity		4,206.9	1,463.0
Non-current liabilities			
Interest-bearing liabilities	21	3,124.8	1,771.8
Deferred tax liability	17	281.0	115.9
Other non-current liabilities		0.5	0.2
Total non-current liabilities		3,406.3	1,888.0
Current liabilities			
Interest-bearing liabilities	21	759.1	232.5
Derivatives	15		3.8
Trade payables		17.4	15.6
Current tax liability	17	20.8	14.0
Other current liabilities		4.8	5.3
Accrued expenses and deferred income	19	112.3	44.0
Total current liabilities		914.4	315.2
Total liabilities		4,320.7	2,203.2
Total equity and liabilities		8,527.7	3,666.2

Download
optimized pdf
for printing



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 2020	1.6	402.8	78.0	482.4	306.4	788.8
Profit for the year			260.0	260.0	85.2	345.2
Other comprehensive income				0.0	0.0	0.0
Total comprehensive income for the year			260.0	260.0	85.2	345.2
New share issue	0.8	327.3		328.1		328.1
Costs attributable to new share issues		-0.5		-0.5		-0.5
Warrants		1.4		1.4		1.4
Total transactions with owners recognised directly in equity	0.8	328.2	0.0	329.0	0.0	329.0
Closing equity 31 Dec 2020	2.4	730.9	338.0	1,071.4	391.6	1,463.0
Opening equity 1 Jan 2021	2.4	730.9	338.0	1,071.4	391.6	1,463.0
Profit for the year			637.9	637.9	2.7	640.5
Other comprehensive income				0.0		0.0
Total comprehensive income for the year			637.9	637.9	2.7	640.5
New share issue	4.1	2,531.7		2,535.9		2,535.9
Costs attributable to new share issues		-30.8		-30.8		-30.8
Transactions with non-controlling interests			-11.3	-11.3	-394.2	-405.5
Warrants		3.9		3.9		3.9
Total transactions with owners recognised directly in equity	4.1	2,504.8	-11.3	2,497.6	-394.2	2,103.4
Closing equity 31 Dec 2021	6.6	3,235.7	964.6	4,206.9	0.0	4,206.9

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Consolidated statement of cash flows

SEK m	Notes	2021	2020
Operating activities			
Operating profit		145.1	72.6
Adjustments for non-cash items	22	1.3	0.1
Interest received/paid	23	-74.2	-30.9
Tax paid		-18.5	-4.8
Cash flow from operating activities before changes in working capital		53.7	37.0
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		86.1	1.1
Decrease(+)/increase(-) in operating liabilities		-76.1	12.9
Cash flow from operating activities		63.8	51.1
Investing activities			
Acquisition of investment properties		21.4	-312.1
Buy-out of non-controlling interests		-406.2	-65.3
Investments in investment properties		-154.9	-115.8
Investments in new construction		-135.2	25.2
Investment aid received		25.5	-0.4
Investments in intangible assets		-1.1	0.0
Acquisition of property, plant and equipment		-0.5	0.0
Cash flow from investing activities		-651.0	-468.5
Financing activities			
New share issue, net		1,137.8	327.4
Proceeds from warrants		3.9	1.4
New financial liabilities	21	893.1	109.9
Borrowing costs	21	-2.2	-2.2
Repayment of financial liabilities	21	-1,019.9	-17.2
Change in construction credits	21	8.5	10.5
Cash flow from financing activities		1,021.2	429.8
Cash flow for the period		433.9	12.4
Cash and cash equivalents at the beginning of the year		182.7	170.3
Cash and cash equivalents at the end of the year		616.5	182.7

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Parent Company income statement

SEK m	Notes	2021	2020
	1, 2, 3, 4, 5, 6		
Net sales	24	10.0	7.4
Other external expenses	11	-22.0	-6.0
Personnel costs	9	-13.2	-13.2
Operating loss		-25.2	-11.8
Profit from participations in Group companies		45.5	0.0
Interest income and similar profit/loss items	13	13.6	1.9
Interest expense and similar profit/loss items	13	-15.6	-6.2
Profit/loss after financial items		18.4	-16.0
Group contributions received		25.0	19.7
Profit before tax		43.4	3.7
Tax expense	17	0.0	-1.1
Profit for the year		43.4	2.6

Parent Company statement of comprehensive income

SEK m	2021	2020
Profit for the year	43.4	2.6
Other comprehensive income		
Total comprehensive income for the year	43.4	2.6

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Parent Company balance sheet

SEK m	Notes	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Construction in progress and advance payments for property, plant and equipment	25	1.4	1.1
Equipment	18	0.1	0.1
Total property, plant and equipment		1.5	1.2
<i>Financial non-current assets</i>			
Participations in Group companies	26	2,175.4	277.6
Receivables from Group companies		1,362.5	6.5
Participations in jointly controlled companies	16	16.3	16.3
Deferred tax assets	17	8.8	0.9
Total financial non-current assets		3,563	301.3
Total non-current assets		3,564.5	302.5
Current assets			
Trade and rent receivables		0.8	0.0
Receivables from Group companies		2.8	454.6
Receivables from jointly controlled companies		2.7	0.1
Other receivables		5.2	3.5
Prepaid expenses and accrued income	19	0.3	0.5
Total current assets		11.8	458.6
Cash and bank balances		607.2	82.0
Total assets		4,183.5	843.0

SEK m	Notes	31 Dec 2021	31 Dec 2020
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		6.6	2.4
Total restricted equity		6.6	2.4
<i>Non-restricted equity</i>			
Share premium reserve		3,223.3	722.3
Retained earnings		10.6	4.2
Profit for the year		43.4	2.6
Total non-restricted equity	27	3,277.2	729.1
Total equity		3,283.8	731.5
Non-current liabilities			
Liabilities to Group companies		722.3	0.0
Other non-current liabilities	21	0.0	100.0
Total non-current liabilities		722.3	100.0
Current liabilities			
Liabilities to Group companies		158.6	0.9
Trade payables		0.4	1.5
Current tax liability	17	0.7	0.6
Other current liabilities		0.4	0.4
Accrued expenses and deferred income	19	17.3	8.0
Total current liabilities		177.4	11.5
Total liabilities		899.7	111.5
Total equity, provisions and liabilities		4,183.5	843.0

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Parent Company statement of changes in equity

SEK m	Share capital	Share premium reserve	Retained earnings	Total equity
Amount at the beginning of the year 1 Jan 2020	1.6	395.8	2.8	400.2
Profit for the year			2.6	2.6
Other comprehensive income				0.0
Total comprehensive income for the year	0.0	0.0	2.6	2.6
New share issue	0.8	327.3		328.1
Costs attributable to new share issues		-0.7		-0.7
Warrants			1.4	1.4
Total transactions with owners recognised directly in equity	0.8	326.6	1.4	328.8
Amount at the end of the year 31 Dec 2020	2.4	722.3	6.7	731.5
Amount at the beginning of the year 1 Jan 2021	2.4	722.3	6.7	731.5
Profit for the year			43.4	43.4
Other comprehensive income				0.0
Total comprehensive income for the year	0.0	0.0	43.4	43.4
New share issue	4.1	2,531.7		2,535.9
Costs attributable to new share issues		-30.8		-30.8
Warrants			3.9	3.9
Total transactions with owners recognised directly in equity	4.1	2,500.9	3.9	2,508.9
Amount at the end of the year 31 Dec 2021	6.6	3,223.3	54.0	3,283.8

Parent Company statement of cash flows

SEK m	Notes	2021	2020
Operating activities			
Operating loss		-25.2	-11.8
Adjustments for non-cash items	22	0.1	0.0
Interest received/paid	23	-16.3	0.0
Tax paid		-8.0	-0.1
Cash flow from operating activities before changes in working capital		-49.4	-11.8
Cash flow from changes in working capital			
Decrease(+)/increase(-) in operating receivables		71.0	-52.9
Decrease(+)/increase(-) in operating liabilities		-29.5	-4.9
Cash flow from operating activities		-7.9	-69.7
Investing activities			
Acquisition of property, plant and equipment		-0.6	-0.3
Acquisition of subsidiaries		-115.2	-0.3
Shareholder contributions to subsidiaries		0.0	-18.1
Loans to subsidiaries in connection with acquisitions		0.0	-288.5
Cash flow from investing activities		-115.8	-307.2
Financing activities			
New share issue, net		1,010.0	327.4
Proceeds from warrants			1.4
Repayment of financial liabilities		-361.1	
Cash flow from financing activities		648.9	328.8
Cash flow for the period		525.2	-48.1
Cash and cash equivalents at the beginning of the year		82.0	130.1
Cash and cash equivalents at the end of the year		607.2	82.0

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Notes

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 29 March 2022 and will be presented for approval to the AGM on 3 May 2022.

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.

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 inter-

pretations 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 2021

Amendments to IFRS 9, IAS 39 and IFRS 7 related to Phase 2 of the Interest Rate Benchmark Reform (IBOR reform) became effective on 1 January 2021 and provide guidance on how the effects of the reform should be accounted for. The changed accounting policies did not have any impact on the financial statements as KlaraBo does not apply hedge accounting for currency derivatives.

Other new and 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.

In other respects, accounting policies and calculation methods have remained unchanged compared with the annual report for the previous year.

Amendments to Swedish regulations

Amendments implemented in 2021 have not had any significant impact on KlaraBo's financial statements.

New standards that will become effective in 2022

New and 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. The same applies to Swedish regulations.

Consolidated financial statements

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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

▷ [Note 2, cont.](#)

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 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 at a point in time or, in the case of revenue received 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 recogni-



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

▷ [Note 2, cont.](#)

tion 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, 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.

Investment aid

Investment aid is provided to ensure a continued high pace of construction of housing with relatively lower rents throughout Sweden. Aid is available for newly constructed properties as well as extensions to or conversions of existing homes in apartment buildings and one- or two-dwelling buildings as long as the form of tenure is rental units. In the case of conversion projects, the building must not have been used for residential purposes in the past eight years.

Aid may only be provided if the project results in a relative reduction in housing costs, and in order to qualify the building must be more energy-efficient than other new construction according to Boverket's building regulations (BBR). There are also restrictions on how large the apartments may be to qualify for aid.

Investment aid received is recognised as a reduction in the cost of the property. KlaraBo has received investment aid for certain new construction projects.

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



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

▷ [Note 2, cont.](#)

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

Estimated useful lives, years:

Equipment	3–10
-----------	------

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 calcu-

lated 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 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 transaction 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.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

▷ [Note 2, cont.](#)

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 or receipts 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.

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 recognised 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 issues

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.



▷ [Note 2, cont.](#)

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 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 recognised 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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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.

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.

In 2021, 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.

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 2021, the Group's transaction exposure from EUR purchase contracts amounted to approximately EUR 6.5 million 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 10.26 and have maturities until 2024.

As the Group's outstanding currency exposure has been fully hedged, any changes in exchange rates will have no impact.

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

Download
optimized pdf
for printing



► [Note 3, cont.](#)

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 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 2021 was 1.9 per cent, including interest-rate swaps. 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 that is of a non-cash 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. There is an option of netting obligations under derivatives with the same counterparty.

Interest rate hedges

31 Dec 2021				
Contract	Nominal amount, SEK m	Market value, SEK m	Fixed interest rate, %	Maturity
Interest-rate swap	200.0	0.0	-0.036	Jul 2022
Interest-rate swap	100.0	0.3	0.287	Jul 2024
Interest-rate swap	200.0	2.2	0.015	Aug 2024
Interest-rate swap	200.0	2.0	0.059	Aug 2024
Interest-rate swap	200.0	2.4	0.181	May 2025
Interest-rate swap	500.0	0.3	0.610	Dec 2025
Total	1,400.0	7.2		

31 Dec 2020

Contract	Nominal amount, SEK m	Market value, SEK m	Fixed interest rate, %	Maturity
Interest-rate swap	200.0	0.0	-0.036	Jul 2022
Interest-rate swap	100.0	0.8	0.287	Jul 2024
Interest-rate swap	200.0	-0.3	0.015	Aug 2024
Interest-rate swap	200.0	-0.1	0.059	Aug 2024
Interest-rate swap	200.0	-0.7	0.181	May 2025
Total	900.0	-0.3		

Sensitivity analysis – interest expense including derivatives

2021

Change in Stibor reference rate, % point	Earnings effect, SEK m
1.00	-15.7
-1.00	8.1
0.50	-7.1
-0.50	3.7
0.25	-2.8
-0.25	1.7

2020

Change in Stibor reference rate, % point	Earnings effect, SEK m
1.00	-6.9
-1.00	9.0
0.50	-2.7
-0.50	4.5
0.25	-0.7
-0.25	2.3

Average fixed-rate term including derivatives

31 Dec 2021

Maturity	SEK m	Share, %
2022	1,920	50
2023	0	0
2024	500	13
2025	1,396	37
>2025	0	0
Total	3,816	100
Fixed-rate term, years		1.9

31 Dec 2020

Maturity	SEK m	Share, %
2021	876	45
2022	300	15
2023	0	0
2024	566	29
>2024	200	10
Total	1,942	100
Fixed-rate term, years		1.9

The above table excludes interest-bearing liabilities related to project development, which amount to approximately SEK 60 million.

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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



▷ [Note 3, cont.](#)

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. 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 2021, SEK m	<3 months	3–12 months	1–3 years	3–5 years	>5 years	Total
Financial liabilities						
Interest-bearing liabilities to credit institutions	18.1	874.9	1,383.9	1,667.0	17.5	3,961.4
Other interest-bearing liabilities	0.1	0.4	1.1	0.4	6.2	8.3
Trade payables	17.4					17.4
Other liabilities	4.6				0.5	5.1
Total	40.2	875.4	1,384.9	1,667.5	24.3	3,992.2
Group 31 Dec 2020, SEK m	<3 months	3–12 months	1–3 years	3–5 years	>5 years	Total
Financial liabilities						
Interest-bearing liabilities to credit institutions	14.8	235.6	983.4	655.6		1,889.4
Other interest-bearing liabilities	0.3	12.9	109.0	72.7		194.9
Trade payables	15.6					15.6
Other liabilities	4.8				0.2	5.0
Total	35.5	248.5	1,092.4	728.3	0.2	2,105.0

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 debt may fall due in any individual 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 2021

Maturity	SEK m	Share, %
2022	758	20
2023	936	25
2024	372	10
2025	1,194	31
>2025	555	15
Total	3,816	100
Maturity, years		3.2

31 Dec 2020

Maturity	SEK m	Share, %
2021	149	8
2022	1,358	70
2023	370	19
2024	66	3
>2024		
Total	1,942	100
Maturity, years		1.7

The above table excludes interest-bearing liabilities related to project development, which amount to approximately SEK 60 million. Loans maturing in 2022 are currently being extended.

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. In some

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

▷ Note 3, cont.

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 infra-

structure 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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Trade and rent receivables	6.2	1.8		
Provision for doubtful trade and rent receivables	-2.5	-1.4		
Total trade and rent receivables	3.7	0.4	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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening provision for doubtful trade and rent receivables	1.4	1.7		
Change for the year	1.1	-0.3		
Closing provision for doubtful trade and rent receivables	2.5	1.4	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.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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. All transactions made during the year were judged to be asset acquisitions. 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 2020 and 2021, for which disclosures are required. All revenue is attributable to tenants in Sweden, and all non-current assets are located in Sweden.

Download
optimized pdf
for printing



► Note 5, cont.

Consolidated statement of comprehensive income, SEK m	Property Management		Project Development		Other		Group	
	2021 Jan–Dec	2020 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec
Revenue	343.8	178.8	0.3	–0.1	0.1	0.1	344.2	178.8
Costs	–154.3	–82.0	0.0	0.0	0.0	0.0	–154.3	–82.0
Net operating income	189.5	96.8	0.3	–0.1	0.1	0.1	189.9	96.8
Central administrative costs	–8.3	–4.9	0.0	–0.1	–36.5	–19.2	–44.8	–24.2
Operating profit/loss	181.3	91.9	0.3	–0.2	–36.4	–19.1	145.1	72.6
Financial income/expenses	–58.7	–32.0	0.0	–0.7	–9.9	–4.1	–68.7	–36.8
Profit/loss from property management	122.6	59.9	0.2	–1.0	–46.4	–23.2	76.4	35.7
Changes in value of properties	704.5	363.1	32.9	50.0	–0.2	0.0	737.2	413.0
Changes in value of derivatives	6.3	–5.4	2.3	–2.1	2.3	0.0	10.9	–7.5
Profit/loss before tax	833.4	417.7	35.4	46.9	–44.3	–23.3	824.6	441.3
Tax expense	–175.9	–84.7	–7.7	–10.0	–0.5	–1.5	–184.1	–96.2
Profit/loss for the year	657.5	332.9	27.7	36.9	–44.8	–24.7	640.5	345.2

Consolidated statement of financial position, SEK m	Property Management		Project Development		Other		Group	
	2021 Jan–Dec	2020 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec
Investment properties	7,608.6	3,324.4	241.3	127.7	0.0	0.0	7,850.0	3,452.1
Non-current interest-bearing liabilities	3,124.8	1,672.1	0.0	0.0		100.0	3,124.8	1,772.1
Current interest-bearing liabilities	699.2	169.8	60.0	62.6	0.0	0.0	759.1	232.5
Deferred tax liability attributable to revaluation of properties	273.6	109.7	5.7	3.9	0.0	0.0	279.2	113.6

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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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 recognised at fair value through profit or loss		Financial items recognised at amortised cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Financial assets				
Derivatives	7.2			
Trade and rent receivables			3.7	0.4
Other receivables			10.9	3.5
Revenue earned but not invoiced			1.5	1.5
Cash and cash equivalents			616.5	182.7
Total	7.2	0.0	632.6	188.0
Financial liabilities				
Interest-bearing liabilities to credit institutions			3,875.7	1,827.4
Other interest-bearing liabilities	8.3			176.9
Derivatives		3.8		
Trade payables			17.4	15.6
Other liabilities			5.4	5.0
Accrued expenses			111.9	20.7
Total	8.3	3.8	4,010.4	2,045.6

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 recognised 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 62 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.

All outstanding derivatives held by KlaraBo at the closing date are classified in Level 2.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Note 7

Rental revenue

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

SEK m	Group	
	2021	2020
Housing units	287.1	149.7
Commercial premises	44.0	23.8
Other	6.5	3.3
Total	337.6	176.7

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	
	2021	2020
Leases for housing units, annual rent	392.6	184.7
Future contractual lease payments, excluding housing units		
Within one year	66.6	29.5
After more than one year but within five years	142.4	49.5
After more than five years	33.6	25.0
Total	242.7	104.0

Note 8

Property expenses

SEK m	Group	
	2021	2020
Operating costs	103.5	54.8
Maintenance costs	25.9	14.5
Property management administration	17.7	8.6
Property tax	7.1	4.0
Total	154.3	82.0

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

Note 9

Employees

Average number of employees

	Group		Parent Company	
	2021	2020	2021	2020
Women	11.8	7.4	2.3	2.3
Men	29.4	17.0	2.3	5.8
Total	41.2	24.3	4.6	8.0

Gender distribution

Board of Directors	Parent Company	
	2021	2020
Women	2	1
Men	6	6

CEO and management	Parent Company	
	31 Dec 2021	31 Dec 2020
Women	1	1
Men	4	3

Salaries and benefits, social security contributions and pensions

SEK m	Group		Parent Company	
	2021	2020	2021	2020
Salaries and benefits				
Board, CEO and senior executives	8.6	5.5	7.7	5.5
Other employees	20.2	8.8	0.0	3.2
Total	28.7	14.3	7.7	8.7
Social security contributions				
Board, CEO and senior executives	4.5	2.3	2.4	2.0
(of which retirement pension costs)	(1.8)	(0.6)	(1.6)	(0.6)
Other employees	7.2	3.2	1.5	1.6
(of which retirement pension costs)	(2.8)	(0.7)	(0.1)	(0.4)
Total	11.7	5.5	4.0	3.6

In addition to the CEO, senior executives refer to the CFO, Head of Property Management, Head of New Construction and Head of Business Development. The employment contracts of the CEO and CFO are terminable on six months' notice, both in the event of termination by the employee and in the event of termination by the company. The employment contracts of the Head of Property Management, Head of New Construction and Head of Business Development are terminable on three months' notice, both in the event of termination by the employee and in the event of termination by the company.

In addition to the above payroll costs, approximately SEK 4.9 million has been capitalised in investment properties and has not been expensed in profit or loss.

Download
optimized pdf
for printing



► [Note 9, cont.](#)

Remuneration of senior executives

2021

SEK m	Salary/fee	Benefits	Pension	Total
Anders Pettersson, Board member	0.2			
Andreas Morfiadakis, CEO	3.0	0.2	0.7	3.9
Göran Holm, Board member	0.1			
Håkan Sandberg, Board member	0.2			
Lennart Sten, Chairman	0.4			
Lulu Gylleneiden, Board member	0.2			
Mats Johansson, Board member	0.2			
Per-Håkan Börjesson, Board member	0.1			
Sophia Mattsson-Linnala, Board member	0.3			
Joacim Sjöberg, Board member	0.3			
Other senior executives (3 individuals)	3.6	0.3	1.1	4.9
Total	8.6	0.5	1.8	8.8

2020

SEK m	Salary/fee	Benefits	Pension	Total
Anders Pettersson, Board member	0.1			0.1
Andreas Morfiadakis, CEO	2.8	0.1	0.3	3.2
Göran Holm, Board member	0.1			0.1
Håkan Sandberg, Board member	0.1			0.1
Lennart Sten, Chairman	0.2			0.2
Lulu Gylleneiden, Board member	0.1			0.1
Mats Johansson, Board member	0.1			0.1
Other senior executives (3 individuals)	2.2	0.1	0.3	2.6
Total	5.7	0.2	0.6	6.5

Board fees

The 2021 AGM approved the payment of Board fees of SEK 400,000 (150,000) to the Chairman and SEK 200,000 to each of the other Board members. Additional fees for committee work totalled SEK 230,000. The amounts relate to the period from the AGM on 28 April 2021 to the AGM on 3 May 2022.

Incentive programmes

At the beginning of the year, KlaraBo had an outstanding warrant programme in which the Group's employees have been offered the opportunity to subscribe for warrants. During the year, an Extraordinary General Meeting approved the introduction of two new warrant programmes: one for the Group's CEO and one for four employees of the former Kuststaden that was implemented in connection with the acquisition of Kuststaden.

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 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

At the end of the period, 1,367,585 warrants had been subscribed.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



▷ [Note 9, cont.](#)

Programme 2021/2024:1

- The value of the underlying share at the valuation date was SEK 26.10
- 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
- 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

At the end of the period, 500,000 warrants had been subscribed.

Programme 2021/2024:2

- The value of the underlying share at the valuation date was SEK 28.80
- 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

At the end of the period, 1,429,440 warrants had been subscribed.

Number of warrants

	Warrants 2020/2024	Warrants 2021/2024:1	Warrants 2021/2024:2	Total
Number of warrants at the beginning of the year	1,392,111			1,392,111
Warrants subscribed	70,000	500,000	1,429,440	1,999,440
Warrants repurchased	-94,526			-94,526
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	

At 31 December, the incentive programmes comprised a maximum of 3,297,025 warrants that can be exercised to subscribe for up to 3,297,025 Class B shares, which would have a maximum dilutive effect of approximately 2.44 per cent based on the number of shares of 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
CFO	265,000
Head of Property Management	79,526
Head of New Construction	117,672
Head of Business Development	-
Other employees	1,993,448
Number of warrants at the end of the year	3,297,025

Note 10

Central administrative costs

SEK m	Group	
	2021	2020
Amortisation	1.0	0.1
Employee benefit costs	15.1	13.2
Marketing costs	1.2	0.5
Costs in connection with listing on Nasdaq Stockholm	7.4	0.0
Other expenses	20.1	10.3
Total	44.9	24.2

The item other expenses mainly includes expenses for accounting services, consulting costs, IT, software, auditing and VAT on management fees.

Note 11

Audit fees

SEK m	Group		Parent Company	
	2021	2020	2021	2020
Audit assignment	2.0	1.3	1.3	0.8
Audit services in addition to audit assignment	2.2		1.3	
Tax advisory services	0.1	0.0	0.1	
Other services	2.1		0.3	
Total	6.4	1.3	3.0	0.8

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 refer to PwC for 2021 and Mazars for 2020.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Note 12**Profit from participations in Group companies**

SEK m	Parent Company	
	31 Dec 2021	31 Dec 2020
Capital gain/loss on divestment of participations	57.1	0.0
Impairment of shares in subsidiaries in connection with loss coverage through shareholder contributions	-11.5	0.0
Closing cost	45.5	0.0

Note 13**Financial income and expenses**

SEK m	Group		Parent Company	
	2021	2020	2021	2020
Interest income and similar profit/loss items				
Interest income from Group companies			13.6	1.9
Other interest income				
Gain/loss on sale of subsidiaries				
Dividends from other companies				
Total financial income	0.0	0.0	13.6	1.9
Interest expense and similar profit/loss items				
Interest expense to credit institutions	56.3	29.5		
Interest expense on debt instruments	12.2	6.0	9.9	4.1
Other interest expense	0.0	0.0	5.5	0.0
Other financial expenses	0.1	1.2	0.2	2.0
Total financial expenses	68.6	36.8	15.6	6.2

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 2021	31 Dec 2020
Property portfolio 1 January	3,452.1	1,899.7
Acquisitions	3,351.5	983.4
Investments in investment properties	160.6	65.3
Investments in newly constructed properties	166.6	115.8
IFRS 16	7.3	
Public subsidies received	-25.5	-25.2
Unrealised changes in value	737.4	737.3
Total	7,850.0	1,899.7

The fair value of properties in the Project Development segment is SEK 241.3 million (127.7) 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 prop-

erty. These borrowing costs have been determined based on the interest rates and credit fees agreed in the loan agreements with the bank. For 2021, capitalised borrowing costs totalled SEK 2.2 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 and has been assumed to be 2.0 per cent. Using market assumptions based on the valuers' expertise, operating and maintenance costs have been assumed to average SEK 422



▷ [Note 14, cont.](#)

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 period by an estimated yield requirement. The residual value has been calculated using an average yield requirement of 4.1 per cent. 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
Required yield	-0.25%		372
Required yield	+0.25%		-325
Long-term vacancy rate	-0.25%		21
Long-term vacancy rate	+0.25%		-21
Rental value*		-2.50%	-32
Rental value		+2.50%	256
Operating and maintenance costs		-2.50%	96
Operating and maintenance costs		+2.50%	-96

* Refers to commercial premises only

Note 15

Derivatives

SEK m	Group	
	31 Dec 2021	31 Dec 2020
Opening carrying amount	-3.8	3.7
Change in value for the year	10.9	-7.5
Total	7.2	-3.8

At the closing date, the KlaraBo Group had six (five) interest-rate derivatives and 20 (three) currency derivatives. 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 are measured at fair value, which is obtained from the relevant counterparty (bank).

Note 16

Participations in jointly controlled companies

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening cost	16.1	16.2	16.3	16.3
Purchases	0.0		0.0	
Reclassification				
Shareholder contributions paid				
Share of profit or loss of jointly controlled companies	-0.1	-0.1		
Closing cost	16.0	16.1	16.3	16.3

Company	Corp. reg. no.	Registered office	Equity interest	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%	11.6	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 recognised using the equity method.

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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Note 17

Tax

SEK m	Group		Parent Company	
	2021	2020	2021	2020
Current tax				
Current tax on profit for the year	-27.0	-8.3	-8.0	-0.3
Tax attributable to previous years	0.0	-0.4	0.0	
Total current tax	-26.9	-8.6	-8.0	-0.3
Deferred tax				
Change in value of financial instruments	-2.3	1.5	0.0	0.0
Differences between carrying amounts and tax bases of investment properties	-163.3	-88.6		
Changes in capitalisation of loss carryforwards	8.4	-1.1	8.0	-0.8
Change in untaxed reserves	0.0	0.1		
Intercompany profit	0.0	0.5		
Total deferred tax	-157.2	-87.5	8.0	-0.8
Total income tax	-184.1	-96.2	0.0	-1.1

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	
	2021	2020	2021	2020
Profit before tax	824.6	441.3	43.4	3.7
Tax at applicable tax rate, 20.6% (21.4%)	-169.9	-94.4	-8.9	-0.8
Tax effects of:				
– non-taxable income	0.8	0.0	11.8	
– non-deductible expenses	-18.5	-5.1	-2.8	-0.3
– deductible expenses not recognised in profit or loss	0.6	0.2	-8.0	
– taxable income not recognised in profit or loss	0.0	-0.3		
– loss carryforward not valued	0.0			
– loss carryforwards not previously valued	2.9		8.0	
– difference between current and deferred tax rates	0.0	3.4		
Tax expense	-184.1	-96.2	0.0	-1.1

Deferred tax asset/liability

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Changes in value of properties	-265.6	-113.6		
Changes in value of financial instruments	-1.5	0.8	0.0	0.0
Capitalised loss carryforward	8.8	1.1	8.8	0.9
Temporary differences arising from tax depreciation	-15.2	-4.5		
Intercompany profit	1.4	1.4		
Total	-272.1	-114.9	8.8	0.9

Classification in balance sheet

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Deferred tax asset	8.8	1.1	8.8	0.9
Deferred tax liability	-281.0	-115.9		
Total	-272.1	-114.9	8.8	0.9

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening deferred tax asset/liability	-114.9	-27.4	0.9	1.7
Changes in value of properties	-152.0	-84.6		
Temporary differences arising from tax depreciation	-11.3	-3.5		
Changes in value of financial instruments	-2.3	1.5	0.0	0.0
Capitalised loss carryforward	8.4	-1.1	8.0	-0.8
Intercompany profit		0.2		
Closing deferred tax asset/liability	-272.1	-114.9	8.8	0.9

Changes in deferred tax assets and deferred tax liabilities have been recognised in profit or loss for both 2021 and 2020.

At 31 December, the Group had unutilised loss carryforwards of SEK 42.9 million (5.4), of which SEK 42.8 million (4.2) is attributable to the Parent Company. Deferred tax assets arising from loss carryforwards have been valued at SEK 8.8 million (1.1), as the majority of the loss carryforwards are expected to be usable in the foreseeable future. The Parent Company's share of the deferred tax asset is SEK 8.8 million (0.9). Deferred tax assets arising from net interest expense that could not be utilised have not been recognised.

Download
optimized pdf
for printing



► [Note 17, cont.](#)

Expected maturity structure of deferred tax assets and deferred tax liabilities

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Deferred tax asset				
Utilised after more than 12 months				
Utilised within 12 months	8.8	1.1	8.8	0.9
Total	8.8	1.1	8.8	0.9
Deferred tax liability				
Utilised after more than 12 months		-115.9		
Utilised within 12 months				
Total	-281.0	-115.9	0.0	0.0

Note 18

Equipment

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening cost	1.2	0.7	0.2	0.1
Sales and disposals	-0.5			
Purchased equipment	15.3			
Purchases for the year	0.5	0.5	0.1	0.1
Closing cost	16.5	1.2	0.2	0.2
Opening depreciation	-0.6	-0.5	-0.1	0.0
Sales and disposals	0.3			
Acquired depreciation	-9.2			
Depreciation for the year	-1.6	-0.1	-0.1	0.0
Closing depreciation	-11.2	-0.6	-0.1	-0.1
Closing carrying amount	5.3	0.6	0.1	0.1

Note 19

Accrual items

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Prepaid expenses and accrued income				
Other prepaid expenses	3.5	2.4	0.3	0.5
Total	3.5	2.4	0.3	0.5
Accrued expenses and deferred income				
Accrued project costs	24.4	0.5		
Accrued employee-related expenses	4.0	1.1	1.1	0.8
Accrued interest expense	5.9	8.3	0.0	6.5
Other accrued expenses	35.5	11.8	16.2	0.8
Prepaid rental revenue	42.5	22.2		
Total	112.3	44.0	17.3	8.0

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 16,815,000 Class A shares and 115,012,883 Class B shares. The number of shares has increased by 82,999,239 from the previous year's balance sheet date as a result of new share issues completed during the year. 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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

► Note 20, cont.

Share capital history

	Number of shares	Quotient value/share, SEK	Share capital, SEK
At the beginning of the year 1 Jan 2020	32,422,600	0.05	1,621,130
New share issue	16,406,044	0.05	820,302
At the end of the year 31 Dec 2020	48,828,644	0.05	2,441,432
At the beginning of the year 1 Jan 2021	48,828,644	0.05	2,441,432
New share issue	82,999,239	0.05	4,149,962
At the end of the year 31 Dec 2021	131,827,883	0.05	6,591,394

Note 21

Borrowings

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current interest-bearing liabilities				
Interest-bearing liabilities to credit institutions	3,116.9	1,606.1		
Other interest-bearing liabilities	7.9	165.7	0.0	100.0
Total	3,124.8	1,771.8	0.0	100.0
Current interest-bearing liabilities				
Interest-bearing liabilities to credit institutions	759.1	221.3		
Other interest-bearing liabilities	0.0	11.1		
Total	759.1	232.5	0.0	0.0

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.

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 1.9 years and the average loan maturity 3.2 years. At the same date, the average interest rate, including derivatives, was 1.9 per cent.

The carrying amount of the Group's borrowings 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.

Costs incurred in raising new loans are recognised in the balance sheet. The costs are amortised over the term of each loan. The closing balance sheet item for the year amounts to SEK 3.8 million (2.5) and is recognised together with non-current interest-bearing liabilities.

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Accrued borrowing costs	3.8	2.5		
Total	3.8	2.5	0.0	0.0

Maturity table for non-current interest-bearing liabilities

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
After more than one year but within five years	3,107.9	1,706.1	0.0	100.0
After more than five years	16.9	65.7		
Total	3,124.8	1,771.8	0.0	100.0

Interest-bearing liabilities, cash flow effect

SEK m	Group	
	31 Dec 2021	31 Dec 2020
Opening interest-bearing liabilities	2,004.3	1,238.2
Net cash flow	-120.6	101.0
Non-cash flow changes	2,000.2	665.1
Closing interest-bearing liabilities	3,883.9	2,004.3

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.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Note 22**Statement of cash flows – Adjustment for non-cash items**

SEK m	Group		Parent Company	
	2021	2020	2021	2020
Adjustment for non-cash items				
Depreciation of equipment	1.3	0.1	0.1	0.0
Total	1.3	0.1	0.1	0.0

Note 23**Statement of cash flows – Interest received/paid**

SEK m	Group		Parent Company	
	2021	2020	2021	2020
Interest received/paid				
Interest received				
Interest paid	-74.2	-30.9	-16.3	0.0
Total	-74.2	-30.9	-16.3	0.0

Note 24**Intercompany purchases and sales**

The Parent Company has invoiced fees and expenses of SEK 10.0 million (7.3) to the subsidiaries. Other companies in the Group with employed property management staff invoice their sister companies for hours worked. There are no other purchases and sales between Group companies. All intercompany balances are fully eliminated. The Parent Company has recognised interest income of SEK 13.6 million (1.9) and interest expenses of SEK 5.7 million (0.0) from Group companies.

As shown in the balance sheet, the Parent Company has non-current receivables from Group companies of SEK 1,362.5 million (6.5) and current receivables from Group companies of SEK 2.8 million (454.6). The Parent Company has non-current liabilities of SEK 722.3 million (0.0) and current liabilities of SEK 158.6 million (0.9).

Note 25**Construction in progress and advance payments for property, plant and equipment**

SEK m	Parent Company	
	31 Dec 2021	31 Dec 2020
Opening cost	1.1	2.9
Investments for the year	0.5	0.3
Sales for the year	-0.2	-2.0
Closing cost	1.4	1.1

> Participations in Group companies, cont.

Company	Corp. reg. no.	Registered office	Equity interest	Carrying amount
Fastighetsbolaget KlaraBo AB	559124-9064	Malmö	100%	2.5
KlaraBo Bygg AB	559104-0224	Malmö	100%	5.1
KlaraBo Hovslagaren AB	559272-0956	Malmö	100%	0.1
KlaraBo Höör AB	559253-9984	Malmö	100%	0.1
KlaraBo Munken AB	559223-2556	Malmö	100%	0.1
KlaraBo Navaren AB	559176-1365	Malmö	100%	8.3
Cronsjö Fastighetsutveckling AB	559154-7566	Stockholm	100%	6.9
KlaraBo Trelleborg Öster AB	559254-7508	Malmö	100%	0.1
KlaraBo Älven AB	559349-5772	Malmö	100%	0.1
KlaraBo Söderslätt AB	559254-7565	Malmö	100%	0.1
KlaraBo Rovän 2 AB	559280-1418	Malmö	100%	186.6
KlaraBo Malmö Öster AB	559309-2553	Malmö	100%	0.0
KlaraBo SB Holding AB	559294-6916	Malmö	100%	0.2
KlaraBo Bostadsförvaltning AB	559228-4458	Malmö	100%*	580.4
KlaraBo Projektutveckling AB	559089-1205	Malmö	100%	728.4
KlaraBo Förvaltning AB	559185-5712	Malmö	100%	656.6
				2,175.4

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

Through the above subsidiaries, the KlaraBo Group owns a further 47 (18) companies. These 47 companies are 100 per cent owned by their parent company. For further information, please refer to the annual report for each subsidiary.

Note 26**Participations in Group companies**

SEK m	Parent Company	
	31 Dec 2021	31 Dec 2020
Opening cost	277.6	259.3
Purchases	1,897.8	0.3
Shareholder contributions repaid	0.0	-0.2
Shareholder contributions paid	11.5	18.3
Impairment due to loss coverage	-11.5	
Closing cost	2,175.4	277.6

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Note 27

Proposed appropriation of retained earnings

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

Share premium reserve	3,223,251,564
Retained earnings	10,626,395
Profit for the year	43,369,622
Total	3,277,247,581

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

Carried forward	3,277,247,581
Total	3,277,247,581

Note 28

Transactions with related parties

The Group's related parties include all Board members and senior executives as well as persons closely associated with them. For information on salaries and benefits of Board members and senior executives, see Note 9. No other transactions with related parties were made.

For intercompany transactions, see Note 23.

Note 29

Events after the end of the financial year

At the beginning of January, KlaraBo acquired 126 rental apartments in the city of Umeå. The apartments have an underlying property value of SEK 175 million and total floor area of approximately 8,700 square metres. The acquisition was financed with bank loans and cash.

KlaraBo was awarded a land allocation in the Anderstorg district by Skellefteå Municipality. The land allocation includes a completed detailed development plan with approximately 10,000 square metres of GFA where the company will construct about 130 rental apartments.

Note 30

Pledged assets and contingent liabilities

SEK m	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Pledged assets				
Mortgages on properties	4,040.9	1,869.5		
Pledged shares in subsidiaries	450.3	406.0	659.9	277.6
Total	4,491.2	2,275.5	659.9	277.6
Contingent liabilities				
Guarantees			2,098.7	1,099.2
Total	0.0	0.0	2,098.7	1,099.2

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

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Note 31

Performance measures

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.

	2021	2020
Net operating income, SEK m		
A Rental revenue, SEK m	337.6	176.7
B Other operating income, SEK m	6.6	2.0
C Operating costs, SEK m	-103.5	-54.8
D Maintenance costs, SEK m	-25.9	-14.5
E Property tax, SEK m	-7.1	-4.0
F Property administration, SEK m	-17.7	-8.6
A+B+C+D+E+F Net operating income, SEK m	190.0	96.8
Market value per sq. m.		
A Investment properties, SEK m	7,850.0	3,452.1
B New construction in progress, SEK m	123.3	127.8
C Site leaseholds	7.3	0.0
D Total lettable area, '000 sq. m.	416.6	208.8
(A-B-C)/D Market value/sq. m.	18,527	15,918
Surplus ratio, %		
A Net operating income, SEK m	189.9	96.8
B Revenue, SEK m	344.2	178.8
A/B Surplus ratio, %	55.2	54.1
Real occupancy rate, %		
A Number of apartments	5,412	2,682
B Number of vacant apartments	194	72
C Apartments undergoing renovation or with signed lease	120	53
1-(B-C)/A Real occupancy rate, %	98.6	99.3

	2021	2020
Equity/assets ratio, %		
A Total equity at the end of the period, SEK m	4,206.9	1,071.4
B Minority share of equity, SEK m	0.0	391.6
C Total equity and liabilities at the end of the period, SEK m	8,527.7	3,666.2
(A+B)/C Equity/assets ratio, %	49.3	39.9
Loan-to-value ratio, %		
A Non-current interest-bearing liabilities, SEK m	3,124.8	1,772.1
B Current interest-bearing liabilities, SEK m	759.1	232.5
C Cash and cash equivalents at the end of the period, SEK m	616.5	182.7
D Investment properties, SEK m	7,850.0	3,452.1
(A+B-C)/D Loan-to-value ratio, %	41.6	52.8
E Construction credits related to new construction in progress, SEK m	60.0	51.5
F Seller financing, SEK m	0.0	100.0
G New construction in progress, SEK m	241.3	127.8
(A+B-E-F)/(D-G) Loan-to-value ratio, investment properties, %	50.3	55.7
Interest-coverage ratio, multiple		
A Operating profit/loss, rolling 12 months, SEK m	145.1	72.6
B Interest income/expense, rolling 12 months, SEK m	-68.7	-36.8
A/-B Interest-coverage ratio, x	2.1	2.0
EPRA NRV, SEK m		
A Equity, SEK m	4,206.9	1,071.4
B Reversal of derivatives, SEK m	-7.2	3.8
C Adjustment of derivatives attributable to minority interest, SEK m	0.0	-0.7
D Reversal of deferred tax liability, SEK m	281.0	115.9
E Adjustment of deferred tax liability attributable to minority interest, SEK m	0.0	-32.2
F Reversal of deferred tax asset, SEK m	-8.8	-1.1
G Adjustment of deferred tax asset attributable to minority interest, SEK m	0.0	0.1
A+B+C+D+E+F+G EPRA NRV, SEK m	4,471.9	1,157.3

Download
optimized pdf
for printing



► Note 31, cont.

	2021	2020
Profit from property management per share, SEK		
A Profit from property management, SEK m	76.4	35.7
B Adjustment of profit from property management attributable to minority interest, SEK m	0.0	16.5
C Weighted average number of shares during the period before dilution, million	82.3	41.0
(A–B)/C Profit from property management per share, SEK	0.93	0.47
Equity per share, SEK		
A Equity, SEK m	4,206.9	1,071.4
B Number of shares at the end of the period, million	131.8	48.8
A/B Equity per share, SEK	31.91	21.94
EPRA NRV per share, SEK		
A Long-term net reinstatement value (EPRA NRV), SEK m	4,471.9	1,157.3
B Number of shares at the end of the period, million	131.8	48.8
A/B EPRA NRV per share, SEK	33.92	23.70
Annual growth in profit from property management per share, %		
A Profit from property management for the period per share, SEK	0.93	0.47
B Profit from property management for preceding period per share, SEK	0.47	0.33
A/B–1 Annual growth in profit from property management per share, %	98.0%	40.7%
Annual growth in EPRA NRV per share, %		
A EPRA NRV for the period per share, SEK	33.92	23.70
B EPRA NRV for preceding period per share, SEK	23.70	15.28
A/B–1 Annual growth in EPRA NRV per share, %	43.1%	55.1%

For performance measures/definitions, see page 89.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



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 2022.

Malmö, 29 March 2022

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 Audit Report was submitted on 29 March 2022

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Auditor's report

To the general meeting of the shareholders of KlaraBo Sverige AB (publ), corporate identity number 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 2021.

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 2021 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 2021 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.

Other matter

The audit of the annual accounts and consolidated accounts for year 2021 was performed by another auditor who submitted an auditor's report dated 13 April 2021, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

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 signifi-

cant 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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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 Matter	How the key audit matter was addressed in our audit
<i>Valuation of properties</i>	
<p>See Note 2 (accounting policies) and Note 14 (Investment properties) KlaraBo reports a value of MSEK 7 850 related to investment properties. In 2018, the group recognised unrealised gains of MSEK 737 on properties. The group's property portfolio consists almost exclusively of residential properties.</p> <p>KlaraBo values all properties through four independent property valuers – Savills, Newsec, Svefa and Forum.</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.</p> <p>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.</p> <p>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>
<i>Acquisition and sale of properties</i>	
<p>See Note 2 (Accounting policies) and Note 14 (Investment properties).</p> <p>Purchases and sales of properties are a natural part of KlaraBo's business. These transactions require particular attention in the audit. It cannot be excluded that there is a risk that a transaction will include complex contractual constructions requiring management to make judgements as to how the transaction should be accounted for. The terms and conditions of the contracts concluded may require judgements and analysis in respect of factors such as:</p> <ul style="list-style-type: none"> • The point in time at which controlling influence takes place • Whether a transaction should be accounted for as a business or an asset purchase. 	<p>We have studied management's analysis of transactions and assessed whether the transactions have been correctly accounted for.</p> <p>We have read the concluded contracts to determine whether they contain any terms and conditions that would require a different accounting treatment.</p> <p>We have checked the disclosures made in the annual financial statements on the transactions completed during the year to assess the completeness and accuracy of material disclosures.</p> <p>We have studied purchase price allocations and checked that the acquisitions and sales have been correctly accounted for.</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 1–31 and 76–91. 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.

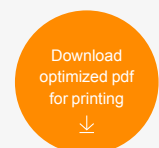
In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account 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.



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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.

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's 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 Director's 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 Director's 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 2021.

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

In our opinion, the Esef report #349bcb7a6cccbded42dd6df2b193dde8d5a0f416c2e347bfed72f832763431f2 has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

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 my (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.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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

The Board of Directors (and the Managing Director) are responsible for ensuring that the Esef report has been prepared 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.

Auditor's responsibility

Our responsibility is to form an opinion with 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 audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement 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. 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 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 reasonable assurance engagement 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

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 28 April 2021 and has been the company's auditor since the 28 April 2021.

Malmö 29 March 2022

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

Download
optimized pdf
for printing



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. There were no deviations from the Code in 2021.

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 CEO 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 an amendment of the Articles of Association must be issued not earlier than six and not later than four weeks before the meeting. Otherwise, the 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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Shareholders whose shares 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.

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 entitled to reimbursement 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 annually 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 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

Name	Position	Attendance*	Independent in relation to the company	Independent in relation to the owners
Lennart Sten	Chairman	41	Yes	Yes
Joacim Sjöberg		39	Yes	Yes
Mats Johansson		39	Yes	No
Göran Holm – resigned 4 March 2021		2	Yes	N/A
Lulu Gylleneiden		38	Yes	Yes
Anders Pettersson		38	Yes	No
Håkan Sandberg		40	Yes	Yes
Sophia Mattsson-Linnala – elected 4 March 2021		37	Yes	Yes
Per-Håkan Börjesson – elected 24 June 21		19	Yes	No

* 41 Board meetings were held during the year

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

member may serve on the Board. 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 2021, 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: Lennart Sten (Chairman of the Board), Joacim Sjöberg and Sophia Mattsson-Linnala. The Chairman of the Board is the Chairman

of the Audit Committee. 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 28 April 2021, 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.

Guidelines for remuneration of senior executives

At the Extraordinary General Meeting held on 4 March 2021, the Meeting decided to adopt 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.

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

- 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 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 six months with a right to severance pay equal to six 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 2021

The table below shows the remuneration decided for Board members. The amounts relate to the period from the AGM on 28 April 2021 until the AGM on 3 May 2022.

Remuneration of senior executives in 2021

The table below shows all remuneration paid to senior executives in the 2021 financial year.

Remuneration of Board members in 2021

kSEK	Board fees	Salaries and other remuneration (including benefits)	Pension	Total remuneration
Lennart Sten	400	–	–	400
Anders Pettersson	240	–	–	240
Lulu Gylleneiden	200	–	–	200
Joacim Sjöberg	275	–	–	275
Mats Johansson	240	–	–	240
Håkan Sandberg	200	–	–	200
Sophia Mattsson-Linnala	275	–	–	275
Per Håkan Börjesson	75	–	–	75
Total	1,900	–	–	1,900

Remuneration of senior executives in 2021

kSEK	Salaries and other remuneration (including benefits)	Pension	Total remuneration
Andreas Morfiadakis	3,200	700	3,900
Other senior executives (3)	3,800	1,100	4,900
Total	7,000	1,800	8,800

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

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 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.

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 receive 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 2021 financial year, remuneration totalled SEK 6.4 million. The remuneration pertained to the audit assignment in an amount of SEK 2.0 million, audits in addition to the audit assignment in an amount of SEK 2.2 million and additional services in an amount of SEK 2.2 million, most of which pertained to remuneration in conjunction with the listing. 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 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.

Download
optimized pdf
for printing



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 and Chairman of the Board of CLS Holdings plc.

Other current assignments: Chairman of the Board of CLS Holdings plc, LSTH Handelsfastigheter 1 AB (publ), LSTH Handelsfastigheter 2 AB (publ) and Tre Kronor Property Investment AB, Board member and CEO of Interogo Holding AG, Sörmlands Bo Handelsfastighet 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 Aktiebolag. Board member of Bröderna Börjessons Bil Aktiebolag, P&E Persson AB and P&E Samhällsfastigheter AB.

Holding in the company: 1,800,000 Class A shares and 11,006,647 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: Head of Real Estate, Southern Region for Lidl Sweden.

Other current assignments: Head of Real Estate, Southern Region for Lidl Sweden.

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 MultiQ International AB and founder and Chairman of the Board of ZetaDisplay AB.

Other current assignments: Chairman of the Board of ZetaDisplay AB, SIB Solutions AB, Easy Depot AB, Volubus AB and Endeavor Equity Sweden AB, Board member of Iconovo AB, Zenit Design Group Aktiebolag, Abrax As Holding 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.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91



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: Board member and owner of SML ekonomi och fastighet AB, co-owner of 2Reach AB, Board member of Sh bygg, sten och anläggning AB, Anders Bodin Fastigheter AB, Trädgårdsgatan Properties AB, Vallentuna Betong AB, JMG Betong AB, Fastighetsaktiebolaget Stallmästaregården, Bodin Holding AB 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 Pettersson

(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, Brink International BV and other companies. Former CEO and Chairman of the Board of Thule AB.

Other current assignments: Chairman of the Board of Brink Group BV, Ninbeta AB, Ninalpha AB, Skabholmen Invest AB, Hawoc Investment AB, Ningamma AB, Simris-hamns Bokhandel AB and COWAH Investment AB, Board member of ZetaDisplay AB, PS Enterprise AB, Aston Harald Mekaniska Verkstad AB, PSIW Enterprise AB, Henri Lloyd Group AB, Kensington Capital Acquisition Corp. II Spac II, Stanadyne Inc 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: Board member and CEO of Valhalla Corporate Advisor AB, and Board member of Castellum Aktiebolag and Wästbygg Gruppen AB (publ).

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 the option issuer, or the person designated by the option issuer, the opportunity to acquire the call options in the event that he intends to transfer the options.

Download
optimized pdf
for printing



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.



Jenny Appenrodt

(born 1974)
CFO since 2020.

Education: Kalmar Business School, courses in statistics, accounting, economics, etc. (1995–1997), Lund University, Master's degree in Finance (1997–1998) and member of the Association of Corporate Treasurers, London.

Other experience: Formerly CFO of Hilding Anders. Several senior finance and economic positions within the Thule Group.

Other current assignments: Board member of Hilding Anders Spain SL and Hilding Anders Holdings, and Joint Administrator of Hilding Anders Spain SL and Hilding Anders Holdings.

Holding in the company: 12,500 Class B shares and 265,000 warrants carrying the right to subscribe for the same number of Class B shares.



Joakim Backström

(born 1972)
Head of New Construction since 2017.

Education: Four-year upper-secondary education in construction, 1991.

Other experience: 20 years of experience in the construction industry, including at Thage Group and Byggadministration Harald Olsson AB.

Other current assignments: Chairman of the Board of Kapp Bygg AB, and Board member, CEO and owner of JAC Consulting AB.

Holding in the company: 117,672 warrants carrying the right to subscribe for the same number of Class B shares.



Magnus Johansson

(born 1977)
Head of Business Development since 2021.

Education: Master of Engineering, Information Engineering Programme, University of Kalmar.

Other experience: Magnus worked as CEO of KlaraBo Projektutveckling AB and KlaraBo Bostadsförvaltning AB, before the companies were acquired by KlaraBo.

Other current assignments: Owner and Board member of RMJ Konsult AB, Chairman of the Board of Bostadsrättsföreningen Palissaderna and Åkermanskan Ekonomisk förening, Board member of Kuststaden Apeln 7 AB and partner in Kuststaden Holding AB.

Holding in the company: 339,009 Class B shares.



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.

Other current assignments: Member of the Malmö Rent Tribunal and district Board member of Fastighetsägarna (Swedish Property Federation).

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

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Auditor's opinion regarding the Corporate Governance 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 corporate governance statement for the year 2021 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, 29 March 2022

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



List of properties

City	List of properties	Number of apartments					Total	Lettable area, sq. m.			
		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
Svalöv	Felestad 27:146	12	18	18	6	0	54	3,204	0	0	3,204
Trelleborg	Boktryckaren 1	16	24	56	0	0	96	6,604	0	212	6,816
Helsingborg	Navaren 8 & 10	0	66	8	1	0	75	4,588	28	562	5,178
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 11:80–11:82	26	11	9	0	0	46	2,796	0	0	2,796
Ludvika	Örntorp 3:5	0	0	0	0	0	0	0	0	36	36
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	Skakbordet 1 & 2	0	12	0	0	0	12	602	0	0	602
Oskarshamn	Elefanten 30	0	0	0	0	0	0	0	2,532	0	2,532
Bollnäs	Häggesta 4:21	8	0	0	0	0	8	392	0	0	392
Bollnäs	Häggesta 7:101–7:102	69	163	44	6	7	289	18,719	226	317	19,262
Bollnäs	Säversta 7:75	8	8	0	8	0	24	1,376	0	237	1,613
Bollnäs	Ren 30:204–351	1	55	33	61	0	150	13,648	52	314	14,014
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	Ren 30:17, 30:49, 30:67	4	12	10	0	0	26	1,730	0	0	1,730
Oskarshamn	Orion 2	0	0	0	0	0	0	0	1,744	99	1,843
Sundsvall	Gångsta 1:2	13	68	45	13	1	140	10,229	0	0	10,229
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
Höganäs	Sjöcrona 6 & 7	15	20	15	6	0	56	3,185	0	0	3,185
Motala	Munken 4	6	4	22	14	0	46	3,282	0	0	3,282
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	12	2	0	26	1,926	0	181	2,107
Gävle	Väster 29:5	9	18	29	3	1	60	4,038	408	378	4,824
Skokloster	Skokloster 15:1	3	1	6	3	3	16	1,286	57	0	1,343

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



► [List of properties, cont.](#)

City	List of properties	Number of apartments					Total	Lettable area, sq. m.			
		Studio	1-bedroom apt	2-bedroom apt	3-bedroom apt	>4-bedroom apt		Housing units	Commercial premises	Other	Total
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
Trelleborg	Fagerängen 1–6	73	143	129	12	9	366	24,744	4,901	203	29,848
Trelleborg	Katten 40	1	3	8	0	0	12	815	140	11	966
Trelleborg	Linden 12	2	12	2	1	0	17	999	39	2	1,040
Trelleborg	Stigbygelin 6	26	31	24	1	3	85	5,302	33	69	5,404
Trelleborg	Triangeln 45	4	6	5	0	0	15	899	292	25	1,216
Trelleborg	Delfinen 51&52	9	58	16	1	0	84	5,352	1,453	64	6,869
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	Triangeln 40	18	3	0	0	0	21	699	0	20	719
Trelleborg	Lavendeln 1	0	3	3	3	0	9	579	0	0	579
Trelleborg	Spoven 3	16	2	0	0	0	18	761	0	0	761
Trelleborg	Sjöjungfrun 11	7	8	16	4	0	35	2,291	509	0	2,800
Trelleborg	Väturen 8 & 13	1	13	5	0	0	19	1,210	5,325	0	6,535
Trelleborg	Gamen 15	0	0	0	5	0	5	460	0	0	460
Trelleborg	Illern 1 & Hermelinen 1,2,4	25	24	12	2	0	63	3,536	751	130	4,417
Trelleborg	Hermelinen 3	0	0	0	0	0	0	0	808	0	808
Trelleborg	Lodjuret 1	0	4	6	0	0	10	707	0	0	707
Trelleborg	Orren 22	0	10	17	0	0	27	2,022	392	0	2,414
Umeå	Lyftkroken 1	0	2	0	3	1	6	521	54	0	575
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
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
Ludvika	Öraberget 10:39–59:2	34	41	31	6	0	112	6,950	461	46	7,457
Ludvika	Örntorp 1:29–5:35	0	28	24	0	0	52	4,197	0	0	4,197
Smedjebacken	Borgen 9	2	5	5	0	2	14	864	683	0	1,547
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
Bollnäs	Ren 30:352, 30:353	0	27	49	0	0	76	4,944	60	95	5,099
Borlänge	Skräddaren 2	0	0	0	0	0	0	0	3,072	0	3,072

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



► [List of properties, cont.](#)

City	List of properties	Number of apartments					Total	Lettable area, sq. m.			
		Studio	1-bedroom apt	2-bedroom apt	3-bedroom apt	>4-bedroom apt		Housing units	Commercial premises	Other	Total
Borlänge	Sigge 5	0	0	0	0	0	0	0	3,942	0	3,942
Sundsvall	Härsta 9:3	25	101	149	15	0	290	18,960	0	310	19,270
Malmö	Hällefundran 8	10	34	7	2	1	54	3,356	226	72	3,654
Malmö	Skrattmäsen 4	0	0	0	0	0	0	0	2,443	0	2,443
Borlänge	Kvarnsveden 3:196–3:197	27	117	12	1	0	157	8,958	0	119	9,077
Västervik	Fogden 1	0	0	0	0	0	0	0	4,395	25	4,420
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	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	Krämaren 7	0	2	3	2	0	7	577	335	0	912
Västervik	Masten 3	1	7	0	0	0	8	420	0	0	420
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	Långholmen 1	0	5	7	1	0	13	970	452	0	1,422
Västervik	Skeppet 5	0	6	6	6	0	18	1,318	0	100	1,418
Västervik	Residenset 12	1	2	3	0	0	6	435	193	0	628
Västervik	Prosten 22	0	4	0	0	0	4	261	300	0	561
Västervik	Lingonet 18	0	0	0	0	0	0	0	560	0	560
Visby	Stäven 1	79	101	283	19	0	482	32,661	1,976	496	35,133
Visby	Bogen 1	69	144	170	20	0	403	26,503	856	617	27,976
Tranås	Hästen 1	5	6	11	1	0	23	1,421	20	8	1,449
Tranås	Mården 13	2	8	2	1	1	14	893	0	6	899
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	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	Spinnaren 9	0	0	5	0	0	5	371	0	0	371
Tranås	Knekten 1	0	18	3	6	0	27	1,943	90	0	2,033
Tranås	Norrmalm 13	2	4	11	4	0	21	1,621	532	14	2,167
Tranås	Höken 14	6	2	2	0	0	10	544	0	0	544
Tranås	Snickaren 9	2	0	8	0	0	10	655	0	46	701
Tranås	Snickaren 13	2	0	4	0	0	6	410	0	120	530
Tranås	Eldaren 23	0	11	4	0	0	15	1,027	0	0	1,027

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



► [List of properties, cont.](#)

City	List of properties	Number of apartments					Total	Lettable area, sq. m.				
		Studio	1-bedroom apt	2-bedroom apt	3-bedroom apt	>4-bedroom apt		Housing units	Commercial premises	Other	Total	
Tranås	Duvan 18	3	6	0	0	0	9	437	30	0	467	
Tranås	Våduren 1	1	3	0	1	0	5	344	0	0	344	
Tranås	Lokatten 14	6	5	4	2	0	17	918	236	796	1,950	
Tranås	Södra Gyllenfors 21	1	1	2	1	1	6	497	0	0	497	
Tranås	Strömsholmen 1	2	17	6	6	4	35	2,642	0	15	2,657	
Tranås	Bägaren 4	0	5	2	1	0	8	555	0	0	555	
Tranås	Biljarden 15	1	9	2	5	0	17	1,255	0	42	1,297	
Nybro	Lärkan 13 & Bofinken 6	9	42	6	0	0	57	3,168	0	275	3,442	
Nybro	Delfinen 1	10	18	13	0	0	41	2,170	0	130	2,300	
Nybro	Räven 1	17	30	31	0	0	78	4,518	0	324	4,842	
Nybro	Valen 1	18	54	15	0	0	87	4,706	0	303	5,008	
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	9	13	11	3	0	36	2,510	0	155	2,665	
Vaggeryd	Ålen 2	9	13	11	3	0	36	2,510	0	22	2,532	
Vaggeryd	Ålen 4	9	14	9	4	0	36	2,508	0	136	2,644	
Huskvarna	Ekorren 1	30	20	62	27	0	139	9,871	108	381	10,360	
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	Gertrud 12	5	21	10	8	0	44	3,289	178	50	3,517	
Ronneby	Knut 19	7	15	0	0	0	22	1,256	1,818	181	3,255	
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	
Ronneby	Johannishus 1:19	0	0	0	0	0	0	0	104	0	104	
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	35	39	0	0	74	4,645	0	182	4,827	
Ronneby	Fåktaren 9	0	10	17	0	0	27	1,871	88	0	1,959	
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	Löparen 3	0	31	23	2	0	56	3,244	380	147	3,771	
Total		909	2,222	1,997	386	40	5,554	0	367,303	50,682	9,601	427,585

Download
optimized pdf
for printing



Key performance indicators/definitions

Key performance indicator (KPI)	Definition	Purpose
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.
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.
EPRA NRV, 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 reinstatement 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.
EPRA NRV per share, SEK	EPRA NRV in relation to the number of shares outstanding at the end of the period.	Used to illustrate the Group's long-term net reinstatement 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, EPRA NRV per share, %	Percentage change in EPRA NRV per share during the period.	Used to illustrate the development of net reinstatement value over time, expressed as a percentage.

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



Calendar

2022 AGM	3 May 2022
Q1 Interim report 2022	3 May 2022
Q2 Interim report 2022	13 July 2022
Q3 Interim report 2022	26 October 2022

IR Contacts

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

Patrick Lindström, IR Manager
 +46 70 971 12 70
patrick.lindstrom@klarabo.se

Contact investor relations
ir@klarabo.se

KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

Download
optimized pdf
for printing



KlaraBo in brief	2
The year at a glance	5
Comments from the CEO	6
Markets and trends	8
Business concept and value creation	11
Goals and outcome	12
Property portfolio	13
Property management	14
New construction and project development	16
Acquisitions	19
Renovations	22
Our employees	26
Our sustainability agenda	29
The share	31
Administration Report	32
Risks and risk management	34
Multi-year overview and key figures	38
Consolidated financial statements	39
Parent Company financial statements	43
Notes	46
Signatures of the Board of Directors	71
Audit Report	72
Corporate Governance Report	76
Board of Directors	81
Management	83
Auditor's opinion regarding the Corporate Governance Report	84
List of properties	85
Key figures/definitions	89
Calendar	90
The history of KlaraBo	91

The history of KlaraBo

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 received 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.

This Annual Report is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.
Text and production: Hallvarsson & Halvarsson in collaboration with KlaraBo. **Photos:** Madelene Engh, Christoffer Lomfors and others.

Download
optimized pdf
for printing



KLARABO

Hyllie Stationstorg 2
SE-215 32 Malmö
Info@klarabo.se
www.klarabo.se