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KlaraBo acquires larger property portfolio in Helsingborg and carries out rights issue of approximately SEK 391 million, 91 per cent of which is covered by guarantee and subscription undertakings

KlaraBo Sverige AB (publ) ("KlaraBo" or the "Company") has entered into an agreement to acquire a property portfolio in Fredriksdal in the municipality of Helsingborg for an agreed property value of SEK 850 million from the Rikshem Group (the "Acquisition"). In order to partly finance the Acquisition, the Board of Directors has, by virtue of authorisation from the Annual General Meeting on 3 May 2024, resolved on a rights issue of a maximum of 26,057,868 B shares with a subscription price of SEK 15 per share (the "Rights Issue"). The Rights Issue is covered by subscription and guarantee undertakings corresponding to approximately 91 per cent of the Rights Issue. Guarantee undertakings corresponding to a total of approximately 64 per cent of the Rights Issue have been provided by Investment Aktiebolaget Spiltan and Wealins S.A. In addition, some of the Company's shareholders, including board members and senior executives, have undertaken to subscribe for shares corresponding to a total of approximately 27 per cent of the Rights Issue. The Acquisition and the Rights Issue are expected to contribute positively to KlaraBo's income from property management per share, further strengthen the Company's interest coverage ratio and create shareholder value through a stable and continuous return. The Acquisition is conditional upon KlaraBo receiving sufficient financing. Assuming that the Rights Issue is fully subscribed, the Company will receive approximately SEK 391 million before issue costs. The Acquisition will be financed through a combination of the Rights Issue and new senior bank debt. The Acquisition is expected to be completed on 31 January 2025.

“KlaraBo is and will be a growth company. After the recent years’ generally weak transaction market, we now see the opportunity to complement our organic growth with an acquisition that is significant for us and fully in line with our overall strategy and proven business model. KlaraBo is well positioned for continued growth and sees economies of scale with a larger property portfolio in a region where we are already established. The current acquisition will provide a stable continuous return and enable us to add further value through active management and ongoing refinement over time. This creates value for both our tenants and our shareholders,” says Andreas Morfiadakis, CEO of KlaraBo.

Background and motives

KlaraBo has entered into a conditional agreement to acquire a property portfolio in Fredriksdal in the municipality of Helsingborg from the Rikshem Group. The property portfolio consists of pure residential properties that fit well into KlaraBo’s business model with value-creating management. The Acquisition consists of 740 apartments and a lettable area of approximately 57,000 square metres. The properties are acquired for an agreed property value of SEK 850 million before deduction of deferred tax, which is estimated to amount to approximately SEK 31 million, and deductions for certain commenced and planned construction work of approximately SEK 11 million. The property value corresponds to approximately SEK 15,000 per square metre. Approximately 63 per cent of the apartments are estimated to have value-creating renovation potential. The properties are expected to have rental income of approximately SEK 76 million and a net operating income of SEK 43 million in 2025, implying a yield of approximately 5.2 per cent calculated on property value after deduction of deferred tax.

The Acquisition is in line with KlaraBo’s overall objective to create value through long-term ownership, development and active management of sought-after residential properties in growth regions. The quality, location and development potential of the portfolio are also in line with KlaraBo’s growth strategy and with significant renovation potential, KlaraBo has the opportunity to increase the standard of the properties through sustainable investments and at the same time create an improved cash flow and net operating income. KlaraBo estimates that the apartment renovations are expected to generate an average yield of 6–8 per cent and identified energy efficiency improvements are expected to generate up to 8–10 per cent in return on investment. The company already owns 91 apartments in Helsingborg, which creates favourable conditions for efficient management.

In order to, in addition to bank debt, finance the Acquisition and furthermore finance value-creating investments in KlaraBo’s property portfolio, KlaraBo’s Board of Directors has resolved to carry out the Rights Issue. Upon full subscription, the Company intends to use the net proceeds of approximately SEK 373 million, after deduction of issue costs, for the following purposes and priorities:

- Partially finance the Acquisition to an amount of approximately SEK 298 million. The remaining part is mainly financed with bank debt.
- Finance value-creating investments in KlaraBo's property portfolio to an amount of SEK 75 million.

The Acquisition and the Rights Issue are expected to contribute positively to KlaraBo's income from property management per share, both in the short and long term, and provide the opportunity for continued value creation through active management and distribution of central costs on a larger property portfolio. In addition, the Company's interest coverage ratio will be further strengthened, while the loan-to-value ratio will remain unchanged.

Further information about the Acquisition

The Acquisition is made by KlaraBo through an acquisition of a property owning company from the Rikshem Group which includes the seven properties Batteriet 1, Batteriet 3, Batteriet 8, Batteriet 9, Brigaden 1, Värnet 2 and Värnet 3 in Helsingborg municipality. The agreed property value for the portfolio amounts to SEK 850 million.

The preliminary purchase price, after deduction of deferred tax (corresponding to 5.15 per cent of the difference between the taxable value of the properties on the date of closing and the agreed property value), and deductions for certain commenced and planned construction work of approximately SEK 11 million, amounts to approximately SEK 808 million. The final purchase price will be determined after closing and is based on the closing accounts of the property owning company. Closing is expected to take place on 31 January 2025.

The Acquisition is conditional upon KlaraBo receiving sufficient financing for the Acquisition. The Acquisition will be financed through a combination of new debt and a new share issue, consisting of senior bank debt and the Rights Issue. The interest margin for the bank debt financing of the Acquisition will, based on a fixed interest period of 3 years, be significantly below the average margin for KlaraBo's total loan portfolio, amounting to 1.47 per cent, as communicated by the Company in a press release on 1 November 2024.

Summary of the Rights Issue

- The subscription period runs from and including 9 December up to and including 23 December 2024.
- The subscription price per B share is SEK 15. No brokerage fee is payable.
- The record date is 5 December 2024. The last day of trading in KlaraBo's shares including the right to receive subscription rights is 3 December 2024 and the first day of trading excluding the right to receive subscription rights is 4 December 2024. Trading in subscription rights and interim shares (Sw. betald tecknad aktie, "BTA") will take place on Nasdaq Stockholm.
- The offering comprises a maximum of 26,057,868 B shares, entailing proceeds of a maximum of approximately SEK 391 million before issue costs, which are calculated to amount to a maximum of approximately SEK 18 million.
- Those who are registered in the share register as shareholders in KlaraBo on the record date will receive one (1) subscription right for each share held in KlaraBo. The subscription right entitles the holder to subscribe for new B shares with pre-emption rights, whereby five (5) subscription rights entitle the holder to subscribe for one (1) new B share.

Terms and conditions of the Rights Issue

Those who on the record date of 5 December 2024 are registered as shareholders in the share register maintained by Euroclear Sweden AB on behalf of KlaraBo have pre-emption rights to subscribe for new B shares in proportion to the number of A shares and B shares held by the holder on the record date. For each share held in KlaraBo (regardless of share class), one (1) subscription right is received. The subscription rights entitle the holder to subscribe for new B shares with pre-emption rights, whereby five (5) subscription rights entitle the holder to subscribe for one (1) new B share.

The subscription price per B share is SEK 15. No brokerage fee is payable.

The subscription period runs from and including 9 December 2024 up to and including 23 December 2024 with the right for KlaraBo's Board of Directors to extend the subscription period and the time for payment. Trading in subscription rights will take place on Nasdaq Stockholm during the period from and including 9 December 2024 up to and including 18 December 2024 and trading in BTA will take place during the period from and including 9 December 2024 up to and including 9 January 2025.

In the event that not all B shares are subscribed for by exercise of subscription rights, the Board of Directors shall, within the framework of the maximum amount of the Rights Issue, resolve on allotment of shares subscribed for without subscription rights in accordance with the following principles, subject to the exclusion of allotment to shareholders residing in certain unauthorised jurisdictions. In the first instance, allotment shall be made to those who have subscribed for B shares with subscription rights, whether or not they were shareholders on the record date. In the event that allotment cannot be made in full to these shareholders, allotment shall be made pro rata in relation to the number of B shares subscribed for by exercise of subscription rights and, to the extent that this cannot be done, by drawing of lots. In the second instance, allotment shall be

made to others who have applied for subscription of B shares without subscription rights. In the event that allotment cannot be made in full to these, allotment shall be made pro rata in relation to the number of B shares stated in the respective application form, and to the extent this cannot be done, by drawing lots. Thirdly, allotment shall be made to those who have undertaken to guarantee the Rights Issue, pro rata in relation to the guaranteed amount, and to the extent this cannot be done, by drawing lots.

The Rights Issue implies that the Company's share capital will be increased by a maximum of SEK 1,302,893.40, from the current SEK 6,591,394.15 to a maximum of SEK 7,894,287.55, and the number of shares by a maximum of 26,057,868, from the current 131,827,883 to a maximum of 157,885,751^[1] (of which 16,300,000 A shares and 141,585,751 B shares). KlaraBo's shareholders have pre-emption rights to subscribe for the new B shares in proportion to the number of shares they own on the record date (regardless of share class). The subscription price has been set at SEK 15 per B share, which means that the Rights Issue, if fully subscribed, will provide KlaraBo with approximately SEK 391 million before deduction of issue costs, which are calculated to amount to a maximum of approximately SEK 18 million including compensation for guarantee undertakings.

Shareholders who choose not to participate in the Rights Issue will, upon full subscription of the Rights Issue, have their shareholding diluted by approximately 16.5 per cent and their voting rights diluted by approximately 8.6 per cent, but have the opportunity to financially compensate for the dilution effect by selling their subscription rights.

Subscription and guarantee undertakings

In connection with the Rights Issue, the Company has received subscription undertakings from a number of the Company's existing shareholders, including board members and senior executives, as well as Investment Aktiebolaget Spiltan, Ralph Mühlrad, Wealins S.A., Anders Pettersson and family, Lennart Sten and Andreas Morfiadakis. Subscription undertakings received amount to approximately 27 per cent of the Rights Issue. In addition to the subscription undertakings, Investment Aktiebolaget Spiltan and Wealins S.A. have undertaken to guarantee SEK 200 million and SEK 50 million respectively, together corresponding to approximately 64 per cent of the Rights Issue. In total, the aforementioned shareholders have provided subscription and guarantee undertakings to subscribe for a total of approximately 91 per cent of the Rights Issue.

In addition, Odin Forvaltning and Länsförsäkringar Fondförvaltning have expressed their intention to subscribe for shares in the Rights Issue.

No compensation will be paid for the subscription undertakings. A cash compensation of 3 per cent of the maximum guaranteed amount will be paid for guarantee undertakings. Neither the subscription nor the guarantee undertakings are secured by bank guarantees, blocked funds, pledges or similar arrangements. Further information about the parties that have entered into the subscription and guarantee undertakings will be included in the prospectus that will be published prior to the record date for the Rights Issue.

Indicative timetable for the Rights Issue

3 December 2024	Last day of trading in the share, including the right to receive subscription rights
4 December 2024	First day of trading in the share, excluding the right to receive subscription rights
4 December 2024	Publication of the prospectus
5 December 2024	Record date for the right to receive subscription rights
9–18 December 2024	Trading in subscription rights
9–23 December 2024	Subscription period
9 December 2024 – 9 January 2025	Trading in BTA's
27 December 2024	Announcement of preliminary outcome of the Rights Issue
2 January 2025	Announcement of final outcome of the Rights Issue

Prospectus

Full terms and conditions of the Rights Issue and further information regarding KlaraBo will be provided in the prospectus that the Company expects to publish on 4 December 2024.

Advisors

ABG Sundal Collier AB (“**ABG**”) and Swedbank AB (publ) (“**Swedbank**”) are acting as Joint Global Coordinators in connection with the Rights Issue. Fredersen Advokatbyrå AB is acting as legal advisor to KlaraBo in connection with the Rights Issue and the Acquisition. Svefa AB has acted as commercial advisor to the Company and Rikshem Group in connection with the Acquisition.

[1] Total number of shares in the Company after the Rights Issue including 1,538,542 B shares held by the Company.

For more information:

Andreas Morfiadakis, CEO KlaraBo

andreas.morfiadakis@klarabo.se

+46 76 133 16 61

This information is information that KlaraBo is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-11-28 08:00 CET.



Press Release

28 November 2024 08:00:00 CET

About KlaraBo

KlaraBo is a real estate company that acquires, builds, owns and manages attractive residential properties. The company was founded in 2017 and operates throughout the country. The strategy is to acquire existing residential properties as well as land for new construction in regions with population growth and a strong labour market. Our newly constructed apartments are developed in-house and space efficient, which contribute to reasonable rents. Both apartments and buildings are designed in collaboration with the municipality to fit local needs. With sustainable building material, the new construction holds a high environmental standard. KlaraBo is a long-term property owner. KlaraBo is listed on Nasdaq Stockholm and is traded under the ticker KLARA B.

Important information

The information in this press release does not constitute an offer or invitation to acquire or subscribe for any subscription rights, paid subscription shares or shares ("**Securities**") in any jurisdiction. Any invitation to the persons concerned to subscribe for shares in KlaraBo will only be made through the prospectus that KlaraBo intends to publish by press release and on its website after approval and registration with the Swedish Financial Supervisory Authority.

This press release may not be released, published or distributed, directly or indirectly, in or into the United States, Australia, Hongkong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea, Russia, Belarus or any other jurisdiction where participation in the Rights Issue would require additional prospectuses, registrations or other actions in addition to what follows from Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities laws. The recipient of this press release is responsible for using this press release, and the information herein, in accordance with applicable rules in the respective jurisdiction.

Securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"), or under the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, in or into the United States absent exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with securities laws of the relevant state or other jurisdiction in the United States. There will be no public offering of Securities in the United States. The Securities referred to herein have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the Rights Issue or the accuracy or adequacy of this document.



Press Release

28 November 2024 08:00:00 CET

The public offer of Securities is directed only to investors in Sweden. In all other EEA Member States ("EEA"), this press release is intended for and is directed only to qualified investors in the relevant Member State as defined in the Regulation (EU) 2017/1129 (together with associated delegated regulations and implementing regulations, the "**Prospectus Regulation**", i.e. only to those investors who can receive the offer without an approved prospectus in such EEA Member State. In the United Kingdom, this press release is directed and communicated only to persons who are qualified investors as defined in Article 2(e) of the Prospectus Regulation (as incorporated into domestic law in the United Kingdom) who are (i) persons who fall within the definition of "professional investors" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Regulation**"), or (ii) persons covered by Article 49(2)(a) - (d) in the Regulation, or (iii) persons to whom the information may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) above are collectively referred to as "**Relevant Persons**"). Securities in the Company are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will only be processed in respect of Relevant Persons. Persons who are not Relevant Persons should not act based on or rely on the information contained in this press release. Neither KlaraBo, ABG or Swedbank have authorised, nor do they authorise, the making of any offer of the Securities through any financial intermediary, other than that ABG, Swedbank and other securities institutions with requisite licenses will provide brokerage services in connection with the purchase and sale of subscription rights and paid subscribed shares. Neither KlaraBo, ABG or Swedbank have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for KlaraBo or any other third party to publish or supplement a prospectus for such offer.

This announcement does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.



Press Release

28 November 2024 08:00:00 CET

Forward-looking statements

Matters discussed in this press release may contain forward-looking statements. Such statements are all statements that are not historical facts and contain expressions such as “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “continues”, “should” and other similar expressions. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on additional assumptions. Although KlaraBo believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties, contingencies and other material factors that are difficult or impossible to predict and beyond its control. Such risks, uncertainties, contingencies and material factors could cause actual results to differ materially from those expressed or implied in this communication through the forward-looking statements. The information, perceptions and forwardlooking statements contained in press release speak only as at its date, and are subject to change without notice. KlaraBo undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or other circumstances, except for when it is required by law or other regulations. Accordingly, investors are cautioned not to place undue reliance on any of these forward-looking statements.



Press Release

28 November 2024 08:00:00 CET

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in KlaraBo have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in KlaraBo may decline and investors could lose all or part of their investment; the shares in KlaraBo’s offer no guaranteed income and no capital protection; and an investment in the shares in KlaraBo is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in KlaraBo. Each distributor is responsible for undertaking its own target market assessment in respect of the shares in KlaraBo and determining appropriate distribution channels.