

Q3

Interim report January–September 2024

July–September

- Revenue for the quarter amounted to SEK 158.8 million (147.8), a year-on-year increase of 7 per cent.
- Net operating income amounted to SEK 104.0 million (97.3), up 7 per cent year-on-year.
- Income from property management amounted to SEK 47.2 million (45.0), a year-on-year increase of 5 per cent.
- Changes in the value of investment properties amounted to SEK 12.8 million (-134.1) and changes in the value of derivatives to SEK -89.0 million (40.5).
- Earnings totalled SEK -23.0 million (-50.6), corresponding to SEK -0.18 per share (-0.39).
- The loan-to-value ratio was 52.3 per cent (52.3) on 30 September with an average interest rate of 3.6 per cent (3.7). The company is financed solely through bank borrowing.

Significant events during the period

- KlaraBo completed the previously announced transaction with Diös Fastigheter. Closing took place for two residential properties in Falun, and two commercial properties in Borlänge were transferred.
- Shares were repurchased for SEK 16.2 million under the mandate granted by the Board of a total repurchase amount of SEK 30 million during 2024.

January–September

- Revenue amounted to SEK 473.0 million (440.3), a year-on-year increase of 7 per cent.
- Net operating income amounted to SEK 274.3 million (260.4), up 5 per cent year-on-year.
- Income from property management amounted to SEK 104.7 million (100.3), a year-on-year increase of 4 per cent.
- Changes in the value of investment properties amounted to SEK -21.2 million (-421.8) and changes in the value of derivatives to SEK -46.5 million (34.3).
- Earnings totalled SEK 9.4 million (-245.7), corresponding to SEK 0.07 per share (-1.87).
- The net realizable value per share was SEK 32.5 (31.9).

Significant events after the end of the period

- In October, an agreement was reached with two of the Group's current banks to refinance loans of approximately SEK 1,800 million. The newly agreed credit margins are lower than the loan portfolio's average credit margin and the agreements run for just over two and three years, respectively, with options to extend for a further two years. All else being equal, the new terms entail an annual reduction of approximately SEK 7 million in interest expenses.
- After the end of the period, the Board of KlaraBo updated the Group's strategic targets for the coming strategy period.

Long-term net realizable value per share, SEK

32.5

Earnings per share for the period, SEK

0.07

Real occupancy rate, %

97.5

Interest-rate hedging ratio, %

80.0

Average interest rate, %

3.6

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

	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Profit from prop mgmt, SEK m	47.2	45.0	104.7	100.3	124.2
Profit for the period, SEK m	-23.0	-50.6	9.4	-245.7	-381.5
Market value per sq. m.	18,098	17,734	18,098	17,734	18,032
Surplus ratio, %	65.5	65.8	58.0	59.1	57.2
Real occupancy rate, %	97.5	98.2	97.5	98.2	97.8
Equity/assets ratio, %	42.4	43.6	42.4	43.6	42.6
Loan-to-value ratio, %	52.3	52.3	52.3	52.3	52.2
Interest-coverage ratio, multiple	1.75	1.79	1.75	1.79	1.77
Interest-rate hedging ratio, %	80.0	79.7	80.0	79.7	79.9
Fixed-interest period, year	3.5	3.9	3.5	3.9	3.7
Profit from property management per share, SEK	0.36	0.34	0.80	0.76	0.95
Earnings per share after dilution, SEK	-0.18	-0.39	0.07	-1.87	-2.91
Net realizable value per share, SEK	32.5	31.9	32.5	31.9	32.0

Comments from the CEO

Continued growth and an increasingly favourable market climate

KlaraBo's operations are continuing to develop in a positive direction, primarily due to this year's rent negotiations and continuous upgrades of the apartments in our property portfolio. Rental revenue and net operating income both increased around 7 per cent in the third quarter, compared to the previous year, driven by higher revenue as well as efficient management and ongoing cost control. Income from property management also improved nearly 5 per cent, despite somewhat higher financial expenses due to a large loan portfolio. As we know, inflation is easing, and the high interest rate hikes in the last few years appear to have stabilised to a degree. Our assessment is that this higher revenue level will offset previous cost increases going forward.

Our financial performance during the quarter shows that KlaraBo is continuing to grow organically, that our business model and operations are both functioning well, and that we are doing the right things. There is healthy demand for our rental apartments and we have a property portfolio in select locations with potential for added value as well as an attractive rent level. The yield requirement remained more or less unchanged during the quarter, highlighting our value creation over time.

Continued focus on refining the portfolio

KlaraBo's overall goal is to create value on a long-term basis by owning, developing and actively managing sought-after residential properties in growth regions. That is why we continued to refine the portfolio during the third quarter, as previously announced, by acquiring two residential properties in Falun and divesting two commercial properties in Borlänge. The acquisitions comprised a total of 80 apartments, with an area of 5,800 square metres and an underlying property value of SEK 80 million. Additionally, 80 per cent of the apartments are deemed to have potential for renovation. The annual rental value amounts to SEK 7 million.

Upgrades to raise standards

Through standard-raising upgrades, we are continuously increasing our rental revenue while simultaneously lowering our operating and maintenance costs through energy-efficient and sustainable solutions. In the third quarter, we invested SEK 25 million in value-creating activities in our existing portfolio and upgraded an additional 37 apartments. These measures resulted in an increase of 1.4 percentage points in the rental value of our residential properties in the quarter, compared with a general rent increase of 0.4 percentage points.

Refinancing to create additional financial stability

KlaraBo has a stable financial position consisting exclusively of bank financing from Nordic banks. In October, we refinanced loans of approximately SEK 1,800 million, corresponding to approximately 36 per cent of the total loan portfolio, on attractive terms. The new loans run for just over two and three years, respectively, with options for a further two years. This meant that, all else being equal, the average margin for the total loan portfolio of approximately SEK 4,900 million will decrease 14 basis points from 1.61 to 1.47 per cent. We have a very good dialogue with our banks and consider it a sign of strength that we now have the lowest margin since the company was started in 2017.

Updated operational goals

In conjunction with our annual strategy review, the Board decided to update and set new long-term operational goals. The financial goals remain unchanged. Average annual growth in net realizable value is to amount to at least 15 per cent per year over time, and annual growth in income from property management is to amount to at least 12 per cent per share. In addition, the interest-coverage ratio is to exceed a multiple of 1.75, and the loan-to-value ratio is to remain under 60 per cent over time. The dividend policy was also updated to clarify that while KlaraBo will eventually issue dividends, the immediate priority will be growth through investments in the existing portfolio as well as through acquisitions and select projects. KlaraBo has already established goals in the following areas: climate and energy, circular society, secure and pleasant neighbourhoods, employees and sustainable



Andreas Morfiadakis, CEO

business. This means that only renewable energy will be used for electricity, heating and vehicles by no later than 2030, and that the entire value chain will be climate neutral by no later than 2045.

A more positive market and continued focus on growth

The transaction market for residential properties is opening up more and more, and we are continuing to actively identify acquisition opportunities that provide stable ongoing returns, where we can add value through active management and improvements. The Riksbank's key interest rate cuts are resulting in more favourable acquisition calculations and improved opportunities for continued value creation by upgrading existing apartments. This is creating value for our tenants as well as our shareholders. KlaraBo is well positioned for growth, with economies of scale from a larger property portfolio. The stock market, both in Sweden and abroad, is also showing more interest in us as a property company, providing further proof that our business model is delivering.

Malmö, November

Andreas Morfiadakis

CEO, KlaraBo



KlaraBo property in Västermik.

This is KlaraBo

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

The company concentrates on residential properties, which comprised 88 per cent of contracted rents on 30 September. As of 30 September, KlaraBo's property portfolio had a lettable area of approximately 498,800 square metres distributed across 6,694 apartments and a number of commercial premises with contracted annual rent of about SEK 637 million. The portfolio also includes 974 apartments under project development.

Strategy

KlaraBo's overall strategy can be summarised as follows:

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

The focus of the strategy is adapted to market conditions and available opportunities. Currently, KlaraBo is primarily focusing on acquisitions and value-creating measures within the existing portfolio.

Dividend policy

KlaraBo will eventually issue dividends, but the immediate priority will be growth through acquisitions, along with investments in the existing portfolio and in the company's project portfolio.

Overall goal

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

Operational goals

The rental trend for our existing housing units that can be renovated is to significantly exceed the general annual rental increase through active management and investments.

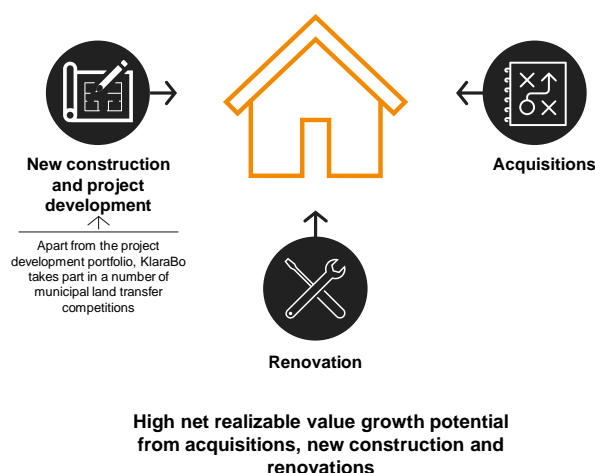
Sustainability goals

The company has established goals in the following areas: climate and energy, circular society, secure and pleasant neighbourhoods, employees and sustainable business.

Financial goals

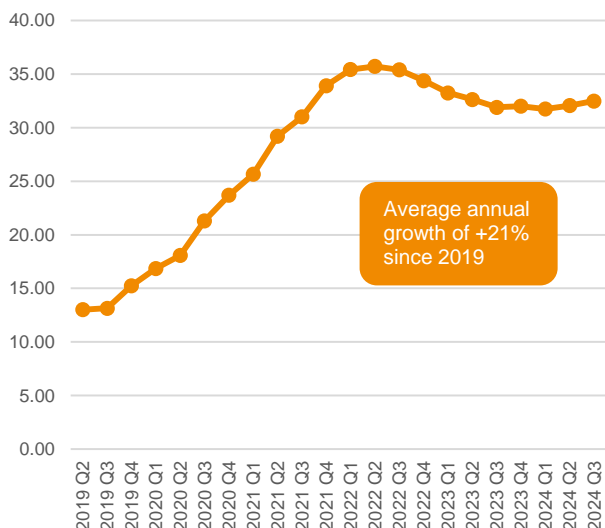
- KlaraBo is to achieve average annual growth in net realizable value per share of at least 15 per cent including any value transfers over the course of a business cycle.
- KlaraBo is to achieve average annual growth in income from property management per share of at least 12 per cent over the course of a business cycle.
- The interest-coverage ratio is to exceed a multiple of 1.75 over time.
- The loan-to-value ratio is to remain under 60 per cent over time.

KlaraBo's business model



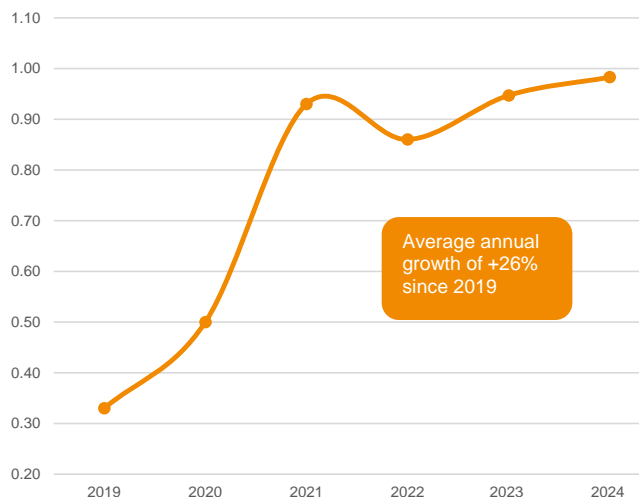
OVERALL GOALS		Goal	Outcome 2024 Jan–Sep
Rental value	The rental trend for our existing housing units that can be renovated is to significantly exceed the general annual rental increase through active management and investments.	>General rent increase	1.4 percentage points
Long-term net realizable value	KlaraBo is to achieve average annual growth in long-term net realizable value per share of at least 15 per cent including any value transfers over the course of a business cycle.	>15%	See chart below
Income from property management	KlaraBo is to achieve average annual growth in income from property management per share of at least 12% over the course of a business cycle.	>12%	See chart below
Interest-coverage ratio	The interest-coverage ratio is to exceed a multiple of 1.75 over time.	>1.75	1.75x
Loan-to-value ratio	The loan-to-value ratio is to remain under 60 per cent over time.	<60%	52.3%
Climate and energy	Overall climate and energy goals are that only renewable energy will be used for electricity, heating and vehicles by no later than 2030, and that the entire value chain will be climate neutral by no later than 2045.	2030 – Only renewable energy	Refer to the Annual Report
Circular societies	70 per cent of all construction materials will be sorted for recycling in connection with conversions and new construction.	70% recycling rate	Refer to the Annual Report
Secure and pleasant neighbourhoods	We will offer 50 summer jobs or employment opportunities to residents of our residential areas, through 2025.	50 job opportunities	Refer to the Annual Report
Employees and sustainable business	We will have reached a long-term even gender distribution (40/60) and reflect society with respect to international background by no later than 2025.	Gender distribution 40/60	Refer to the Annual Report
	No cases of corruption or discrimination.	0	Refer to the Annual Report

Long-term net realizable value per share, SEK



Long-term net realizable value: KlaraBo is to achieve average annual growth in long-term net realizable value per share of at least 15 per cent including any value transfers over the course of a business cycle.

Income from property management per share, SEK



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

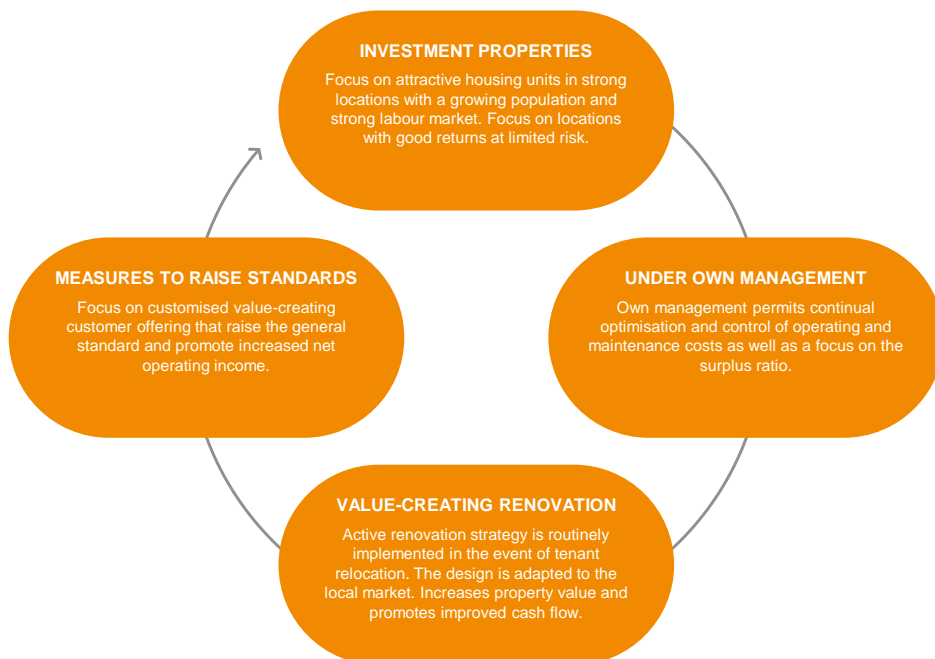
Property portfolio

Investment properties

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

The property holdings consist of 226 properties with a total lettable area of approximately 498,800 square metres, excluding parking spaces and garages.

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

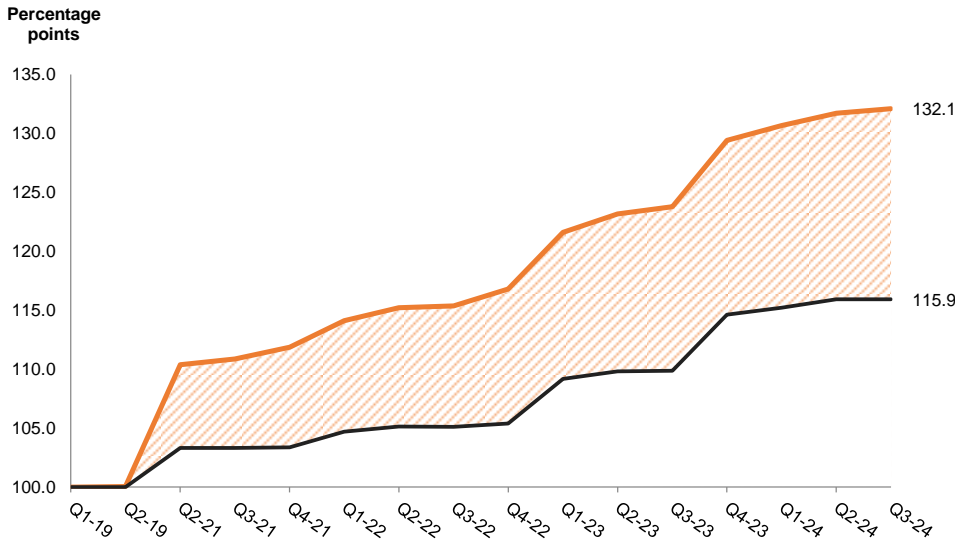


During the quarter, the company invested SEK 25.0 million (32.3) in existing investment properties, with the primary investment measure being total renovations that add value. Total renovation means that the apartments are renovated in conjunction with natural turnover in the portfolio. Renovation measures are carried out when an existing tenant vacates the apartment and is concluded before a new tenant moves in. The renovation takes four to six weeks, and the apartment is advertised as vacant during that time, which has a temporary negative impact on the economic occupancy rate.

Measures to raise standards

One of the company's operational goals is for the rental trend for housing units to exceed the general annual rental increase through active management and investments. The graph below shows the company's fulfilment of this goal, with the rental trend exceeding the general increase by 16.2 percentage points for portfolios on a like-for-like basis since 2019.

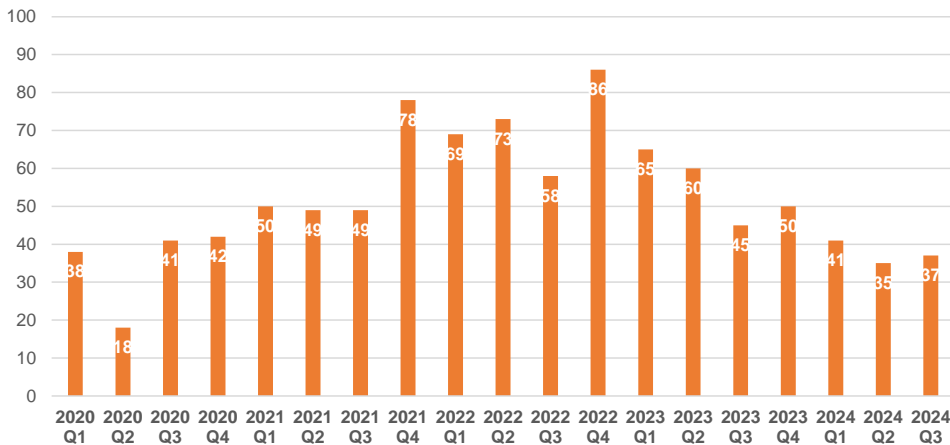
Rental value performance



Negotiations concerning the annual rent increase for 2024 have been concluded and had an impact of 5.5 percentage points on our rents. Adjusted for the annual rent increase, the rental value for homes increased by 0.4 percentage points in the quarter.

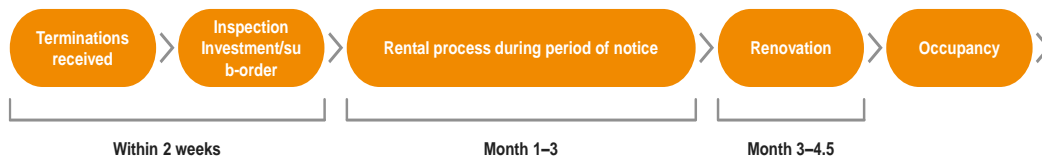
A core part of KlaraBo's strategy is to continually take measures to increase the value of its existing portfolio, both measures that increase revenue and those that reduce costs. KlaraBo ensures that apartments in need of renovation meet today's standards, with modern kitchens, bathrooms and energy-efficient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

Number of total renovations performed



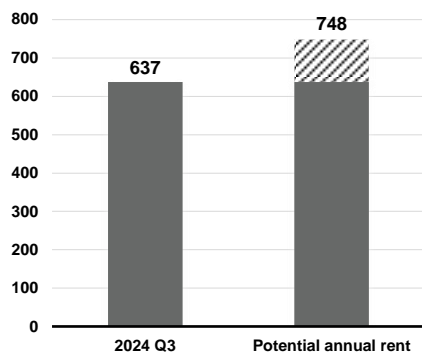
For KlaraBo, maintaining this level of renovation requires a relatively constant natural shift in the portfolio and vacated apartments that are, to some extent, unrenovated. The outcome for the quarter was 37 apartments. This somewhat lower rate of renovation was due to KlaraBo's decision to reduce risk by increasing its requirements for which apartments are selected for renovation. In a time of general uncertainty in the market, with climbing interest rates and somewhat lower demand for housing, the company has been able to exercise a certain amount of control over how many apartments are renovated. Over time, the portfolio will also need to be expanded for the company to maintain the same rate of renovation.

The rental market is still stable, and all renovated apartments are let after completion.

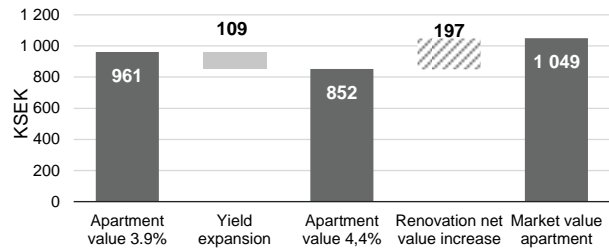


In addition to total renovation of apartments, KlaraBo focuses on adapting customer offerings through general measures to raise the standard of the apartments. This is achieved by offering existing tenants various choices that lead to increased customer satisfaction and simultaneously raise the actual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

Contracted annual rent, SEK m



Potential value per apartment



The above diagram illustrates contracted annual rent for the existing management portfolio as of 30 September 2024, with an additional bar for expected contracted rent after renovation of the existing unrenovated portfolio.

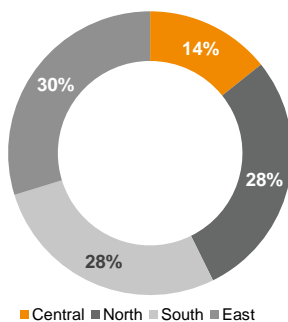
The diagram above shows the value before and after raising the yield requirement as well as the effect of the net increase in value with an ROT renovation of an example apartment. The example shows how ROT renovations counteract any declines in value associated with an increase in the yield requirement.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

Investment properties excluding project development

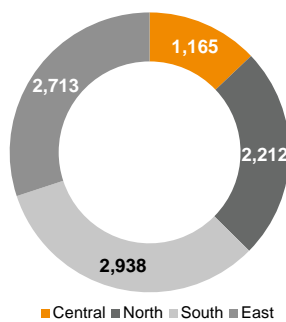
Region	No. of properties	No. of apartments	Area, 000 sq. m.			Market value	
			RFA	Other	Total	SEK m	SEK/sq. m.
Central	76	971	62.5	5.5	67.9	1,165	17,153
North	34	2,042	141.4	5.7	147.1	2,212	15,039
South	62	1,712	109.4	27.7	137.1	2,938	21,433
East	54	1,969	129.7	17.1	146.8	2,713	18,486
	226	6,694	443.0	55.9	498.8	9,028	18,098

Region	Rental value		Economic			Property expenses		Net oper income		
	SEK m	SEK/sq. m.	occ. rate, %	rate, %	nual rent, SEK m	SEK m	SEK/sq. m.	SEK m	SEK/sq. m.	
Central	91.8	1,351	94.6	98.6	86.8	36.2	532	50.6	746	
North	179.7	1,222	93.2	95.9	167.5	72.9	496	94.6	643	
South	202.4	1,477	94.3	97.9	190.8	60.8	443	130.1	949	
East	202.1	1,377	94.9	98.3	191.8	61.3	417	130.5	889	
	675.9	1,355	94.2	97.5	637.0	231.1	463	405.8	814	
								4.6%		
						30.1	60			
					Net oper Income Incl prop mgmt	637.0	261.2	524	375.8	753

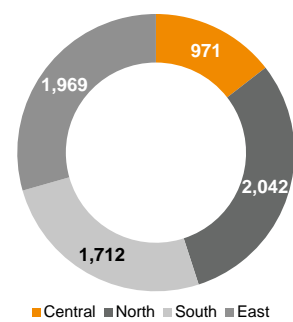
Rental revenue, residential properties



Market value, SEK m



Number of apartments



Project development and new construction

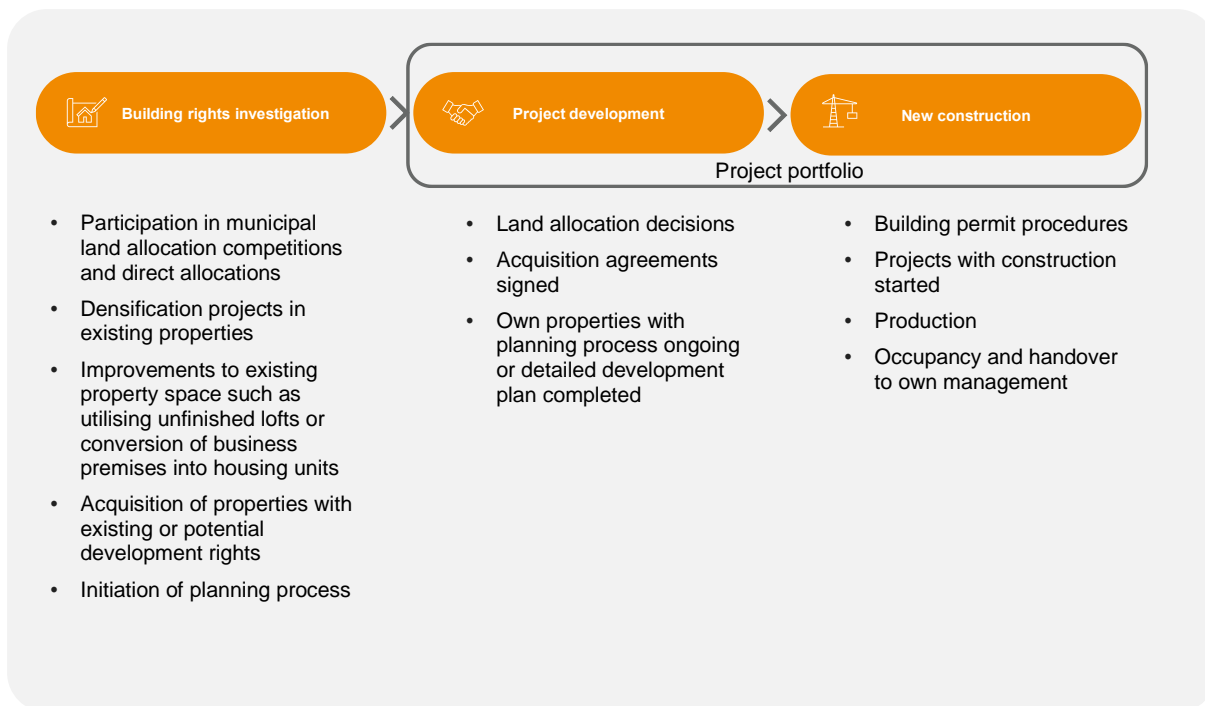
KlaraBo works with the entire value chain for rental apartments, from project development through construction to own management. For the company, business development is about pursuing projects from idea to completed construction. Value is thus created regardless of whether we focus on improving our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

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

KlaraBo strives to have the lowest possible carbon footprint when building new housing. The company works actively to choose materials with the lowest possible climate impact and aims to secure environmental certification for all of its newly produced buildings.

To gain more knowledge and support the sustainable development of the areas where the company operates, we also participate in local sustainable development initiatives, such as LFM30, Malmö's local roadmap for climate-neutral reconstruction by 2030.

The number of development rights for apartments in the project development portfolio is 974.



Project portfolio

The company's land allocation "Öster om mässan" in Hyllie in Malmö consists of two blocks with a total of 300 apartments together with OBOS. The project is Malmö Municipality's first Mallbo project in which new construction with lower rent is being enabled in part through lower parking standards and discounted site leasehold fees. The project is scheduled to be carried out in stages, with slightly more than half of the space planned to be tenant-owner apartments and the rest rental apartments. The land allocation agreement for the project is completed and signed, which means that the previous assessments with regard to completion remain unchanged. Planning of the programme documentation has started, with the aim of beginning construction of the properties in early 2026.

The development agreement for the densification project at the Bogen 1 property in Visby on Gotland has been slightly delayed, but the hope is that it can be completed in early 2025 and that the detailed development plan can be adopted during the second half of 2025. The building permit process for the first stage is planned shortly thereafter, with production starting as soon as the market allows.

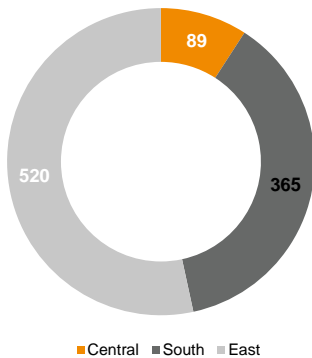
On Gotland, KlaraBo also applied to revise the detailed development plan for the Stäven 1 property in order to add additional housing. A dialogue with Region Gotland is ongoing and work is expected to begin in early 2025.

The detailed development plan for the Fängelset 2 property in Kristianstad was voted on by the Municipal Board and the City Council and was submitted for adoption in October. The plan was appealed and sent to the Land and Environmental Court, which means that adoption will be delayed until a ruling is issued. The assessment is that the matter will be decided by summer 2025 and that the plan can thereafter be adopted. If the market responds positively to the project, project planning and subsequent construction will start in late 2025.

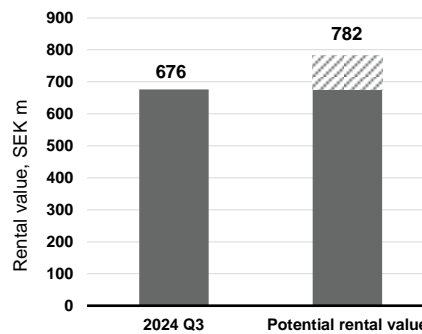
In Vaggeryd, KlaraBo intends to revise the detailed development plan for the Ålen 1, Ålen 2 and Ålen 4 properties. This entails adding an additional storey to the three existing buildings totalling approximately 3,000 square metres GFA. A densification stage is also planned, consisting of five new four-storey buildings totalling approximately 8,800 square metres GFA. The plan is expected to go out for review during November, with adoption expected in summer 2025.

For a full overview of ongoing construction and project development as of 30 September 2024, see below.

Planned apartments by region



Rental value (SEK m)



The above left diagram shows the number of planned apartments by geographic region, while the above right diagram illustrates the rental value of the existing management portfolio as of 30 September 2024.

Development rights and project development*

Region	Project	Municipality	No. of apartments	Area, 000 sq. m.		Rental value		Status	Owner share, %
				GFA	RFA	SEK m	SEK/sq. m.		
Project devt in progress									
South	Aspeholm 13	Lund	26	1.6	1.3	2.8	2,047	2	100
South	Hälleföndran 8, vind	Malmö	17	0.7	0.5	1.5	2,778	2	100
South	Hässleholm 87:22	Hässleholm	62	5.3	4.6	8.0	1,732	3	100
Central	Sättra	Västerås	55	4.5	3.6	6.8	1,900	2	100
South	Fängelset 2	Kristianstad	110	7.7	6.2	12.2	1,971	3	100
East	Ekorren 1	Jönköping	76	6.2	4.5	9.2	2,067	2	100
East	Bogen 1 (etapp 1)	Gotland	90	6.3	5.0	10.4	2,065	3	100
East	Bogen 1 (etapp 2)	Gotland	79	5.5	4.4	9.1	2,065	3	100
East	Bogen 1 (etapp 3)	Gotland	41	2.9	2.3	4.8	2,065	3	100
East	Stäven	Gotland	14	1.3	0.9	1.7	1,848	3	100
South	Öster om mässan	Malmö	150	9.6	7.6	13.9	1,831	3	100
Central	Källan 7	Borlänge	34	2.1	1.9	3.6	1,941	3	100
East	Älen (påbyggnad)	Vaggeryd	90	6.4	4.9	9.0	1,822	3	100
East	Älen (nyproduktion)	Vaggeryd	130	9.2	7.1	12.9	1,826	3	100
Total			974	69.2	54.9	105.9	1,929		

Status:

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

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

Condensed consolidated statement of comprehensive income

SEK m	Notes	2024	2023	2024	2023	2023
		3 months Jul-Sep	3 months Jul-Sep	9 months Jan-Sep	9 months Jan-Sep	12 months Jan-Dec
Revenue	1	158,8	147,8	473,0	440,3	589,7
Costs	2	-54,8	-50,5	-198,7	-180,0	-252,5
Net operating income	3	104,0	97,3	274,3	260,4	337,2
Central administrative costs	4	-11,5	-12,8	-38,8	-39,8	-51,4
Operating profit/loss		92,5	84,6	235,5	220,6	285,9
Financial income/costs	5	-45,3	-39,6	-130,8	-120,3	-161,7
Income from property management		47,2	45,0	104,7	100,3	124,2
Changes in value of properties	6	12,8	-134,1	-21,2	-421,8	-439,9
Changes in value of derivatives		-89,0	40,5	-46,5	34,3	-139,8
Profit/loss before tax		-29,0	-48,6	36,9	-287,3	-455,5
Tax expense	7	6,1	-2,0	-27,5	41,6	73,9
Profit for the period		-23,0	-50,6	9,4	-245,7	-381,5

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



Earnings analysis, July–September 2024

The earnings items below pertain to the third quarter, from 1 July to 30 September. Comparison items pertain to the year-earlier period. All amounts are in SEK million.

Note 1 Revenue

Revenue for the quarter amounted to SEK 158.8 million (147.8), a year-on-year increase of 7.4 per cent. The increase was mainly due to annual negotiations, the Group's ongoing measures to raise standards and new construction completed during the year. Revenue from lettings of premises also increased. The economic occupancy rate decreased somewhat year-on-year due to a weaker rental market.

Note 2 Costs

The Group's costs encompass operating and maintenance costs, property tax, property administration, insurance and other property management costs.

Operating costs primarily pertain to costs for heating, electricity and water consumption, and waste management and amounted to SEK -54.8 million (-50.5) for the quarter. This corresponds to an increase of 8.6 per cent, primarily due to price increases for tariff-based charges as well as the transactions in Falun and Borlänge, where KlaraBo acquired housing and divested commercial premises.

Note 3 Net operating income and surplus ratio

Net operating income for the quarter amounted to SEK 104.0 million (97.3), a year-on-year increase of 6.9 per cent. The surplus ratio was 65.5 per cent (65.8).

Note 4 Central administrative costs

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

Central administrative costs for the quarter totalled SEK -11.5 million (-12.8). The lower costs were primarily attributable to lower costs for consultants.

Note 5 Financial income/expenses

Financial income/expenses totalled SEK -45.3 million (-39.6) for the quarter. The year-on-year increase was mainly attributable to higher loan volumes and the maturity of interest-rate swaps with favourable interest rates.

KlaraBo's interest-rate hedging ratio amounted to 80.0 per cent (79.7) of the loan volume. Interest-rate swaps totalling SEK 500 million matured during the quarter and new ones were signed for a corresponding amount.

Note 6 Changes in value

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

The third quarter included higher yield requirements in the valuations of an average of 2 points, which, all else being equal, would generate a value change of approximately SEK -29 million in the property portfolio, corresponding to a decline in value of 0.3 per cent. Completed rent negotiations, active property management and the Group's ongoing value-creating measures through renovation and investments compensated for growing yield requirements. The net value change for the quarter totalled SEK 12.8 million (-134.1). At the end of the period, the average yield requirement amounted to approximately 4.9 per cent for the entire portfolio and the yield requirement was 4.7 per cent for the housing units in the portfolio.

The change in value for the Group's derivative portfolio in the quarter amounted to SEK -89.0 million (40.5) and was attributable to the Group's interest-rate derivatives. The negative trend during the quarter was due to falling market interest rates. This effect only impacts the company's accounting and not its cash flow, and at the end of the derivative contract, the value is zero.

Note 7 Tax expense

Tax expense for the quarter amounted to SEK 6.1 million (-2.0) and pertained primarily to the reversal of deferred tax related to changes in the value of derivatives and tax on income from property management. Current tax amounted to SEK -4.3 million (-9.7).

Parent Company

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

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

Condensed consolidated statement of financial position

SEK m	Notes	30/09/2024	30/09/2023	31/12/2023
Intangible assets		0.2	0.3	0.3
Investment properties	8	9,055.1	8,960.5	9,031.9
Property, plant and equipment		5.7	8.2	7.7
Financial non-current assets	9	4.4	17.5	17.2
Derivatives		-	137.3	-
Receivables		28.1	19.7	24.3
Cash and cash equivalents		170.4	204.9	168.5
Total assets		9,263.9	9,348.5	9,249.9
Equity attributable to Parent Company shareholders	10	3,929.6	4,072.2	3,936.3
Derivatives		83.3	-	36.7
Deferred tax liability	11	220.1	244.7	216.0
Non-current interest-bearing liabilities	12	2,056.2	4,416.3	4,762.7
Current interest-bearing liabilities	12	2,850.8	472.9	116.1
Other liabilities		123.8	142.3	182.0
Total equity and liabilities		9,263.9	9,348.5	9,249.9

Consolidated statement of changes in equity

SEK m	30/09/2024	30/09/2023	31/12/2023
Opening equity, attributable to Parent Company shareholders	3,936.3	4,320.0	4,320.0
Profit for the period	9.4	-245.7	-381.5
Share repurchase	-16.2	-2.1	-2.1
Closing equity, attributable to Parent Company shareholders	3,929.6	4,072.2	3,936.3

Comments on consolidated financial position

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

Note 8 Investment properties

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

The Group's investment properties were appraised at SEK 9,055.1 million (8,960.5) at the end of the period, of which project development properties, meaning including new construction in progress, accounted for SEK 16.6 million (143.2), site leaseholds valued in accordance with IFRS 16 accounted for SEK 10.6 million (7.3) and the remainder, SEK 9,027.9 million (8,810.0), pertained to existing investment properties.

Carrying amount, investment properties, SEK m

	30/09/2024	30/09/2023	31/12/2023
Opening carrying amount, investment properties	9,031.9	9,170.7	9,170.7
Acquisitions	78.1	-	-
Sales	-140.0	-	-
Investments in investment properties	101.6	116.3	161.5
Investments in new construction properties	3.9	76.1	117.1
Public subsidies	-	19.2	19.2
IFRS 16	-	-	3.3
Changes in value	-20.5	-421.8	-439.9
Closing carrying amount, investment properties	9,055.1	8,960.5	9,031.9

Note 9 Financial non-current assets

Financial non-current assets amounted to SEK 4.4 million (17.5) and consisted of participations in associated companies.

Note 10 Equity

Equity attributable to Parent Company shareholders totalled SEK 3,929.6 million (4,072.2). The change was attributable to profit for the period and to the company buying back shares for SEK 16.2 million during 2024.

Note 11 Deferred tax liability

The deferred tax liability of SEK 220.1 million (244.7) was attributable to changes in the value of investment properties and derivatives.

Parent Company

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

Financing

Note 12 Financing

Interest-bearing liabilities

Interest-bearing liabilities pertain primarily to financing of the Group's investment properties. Financing for investment properties amounted to SEK 4,895.6 million (4,889.2) on the balance sheet date. Lease liabilities pertaining to IFRS 16 amounted to SEK 13.3 million (11.4) and pertained to a site leasehold and office properties. Lease liabilities are excluded from the following table presenting credit lock-in periods and fixed-rate terms. Repayments for the next 12 months amounted to SEK 49.5 million (47.8) at the end of the period. The Group's cash equivalents totalled SEK 170.4 million (204.9), and in addition KlaraBo has available credit facilities amounting to SEK 200 million. The fair value of the liabilities does not differ significantly from the carrying amount.

The loan-to-value ratio for the Group on 30 September 2024 was 52.3 per cent (52.3).

Maturity and fixed interest

KlaraBo is to have a limited financial risk. On 30 September 2024, KlaraBo's financing comprised borrowings in five Nordic banks.

The Group's loan portfolio consists mainly of credits with a floating interest rate, but also fixed rate credits. To hedge against fluctuations in the interest-rate market and reduce interest-rate risk, interest-rate derivatives are utilised to impact the fixed-rate term. The total swap portfolio amounted to SEK 2,750 million (2,750) at the end of the period. The loan portfolio's fixed-rate term amounted to 3.5 years (3.9) as of 30 September 2024. During the past quarter, three swaps totalling SEK 500 million matured and two new swaps were entered into for a corresponding amount. Including fixed interest-rate credits, the Group's interest-rate hedging ratio, meaning the share of liabilities that have a fixed-interest rate, is 80.0 per cent (79.7). The average interest rate, including derivatives, was nearly 3.6 per cent (3.7). The change compared with the preceding year was attributable to lower market interest rates. Cash flow from the Group's interest-rate swaps and swaptions remained positive, which limited KlaraBo's interest expenses.

The average loan-to-maturity period was 1.4 years (2.2). All else being equal, the agreed-on refinancing after the balance sheet date would increase the loan-to-maturity period to 2.3 years as of 30 September.

The fair value of the interest-rate derivative portfolio amounted to SEK -83.3 million (137.3) at the end of the period. The year-on-year change in the value of the derivative portfolio is due to new swaps entered into with higher interest rates than the ones that matured as well as to a decline in market interest rates.

Maturity	Fixed credit		Fixed interest		Interest-rate swaps	
	SEK m	Share, %	SEK m	Share, %	SEK m	Interest rate, %
2024	-	-	977	20		
2025	2,849	58	1,279	26	200	0.18
2026	975	20	89	2		
2027	1,071	22	250	5	250	2.00
2028	-	-	200	4	200	2.83
> 5 år	-	-	2,100	43	2,100	2.61
Summa*	4,896	100	4,896	100	2,750	2.39

Nominal amount (SEKm)	Due	Fixed rate
200.0	11/05/2025	0.181%
250.0	17/09/2027	2.002%
200.0	21/11/2028	2.827%
250.0	17/09/2029	2.030%
250.0	18/11/2029	2.873%
300.0	18/11/2030	2.945%
300.0	20/02/2031	3.050%
700.0	09/05/2032	2.205%
300.0	16/02/2033	3.055%
2,750.0		2.395%

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

Condensed consolidated cash-flow statement

SEK m	2024 3 months Jul-Sep	2023 3 months Jul-Sep	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023 12 months Jan-Dec
Continuing operations					
Operating profit	92,5	84,6	235,5	220,6	285,9
Adjustments for non-cash items	0,6	0,6	1,9	2,1	2,7
Interest received	0,9	3,3	2,8	4,8	7,5
Interest paid	-54,4	-33,9	-130,9	-117,4	-171,2
Tax paid	-8,0	-8,7	-34,7	-39,1	-23,6
Cash flow from continuing operations before changes in working capital	31,6	46,0	74,7	70,9	101,3
Cash flow from changes in working capital					
Change in operating receivables/payables	2,4	6,3	-28,6	-0,4	31,5
Cash flow from continuing operations	34,0	52,2	46,1	70,5	132,7
Investing activities					
Investments in investment properties	-25,0	-31,1	-101,6	-116,3	-161,5
New construction investments	-0,4	-31,7	-3,9	-76,1	-117,1
Acquisition of property, plant and equipment	0,0	-0,2	0,0	-0,3	-0,6
Cash flow from investing activities	23,9	-63,0	-56,3	-192,7	-279,1
Financing activities					
New financial liabilities	-	3,7	100,0	24,8	30,8
Repayment of financial liabilities	-49,4	-10,3	-71,7	-34,0	-52,1
Share repurchase	-6,9	-	-16,2	-2,1	-2,1
Cash flow from investing activities	-56,3	-6,6	12,2	-11,2	-23,4
Cash flow for the period	1,6	-17,3	2,0	-133,4	-169,8
Cash and cash equivalents at beginning of the period	168,9	222,3	168,5	338,3	338,3
Cash and cash equivalents at end of the period	170,4	204,9	170,4	204,9	168,5

Condensed Parent Company income statement and balance sheet

Parent Company income statement

SEK m	2024 3 months Jul-Sep	2023 3 months Jul-Sep	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023 12 months Jan-Dec
Net sales	5,0	4,3	19,1	20,3	25,0
Personnel costs	-4,5	-4,5	-15,2	-13,9	-18,6
Other external expenses	-5,1	-8,7	-16,7	-19,5	-25,3
Operating loss	-4,6	-8,8	-12,8	-13,1	-18,9
Financial income and expenses	-130,0	-52,5	-36,7	-30,5	-74,5
Profit/loss after financial items	-134,6	-61,3	-49,5	-43,5	-93,4
Group contributions paid/received	-	-	-	-	19,2
Profit before tax	-134,6	-61,3	-49,5	-43,5	-74,2
Tax expense	15,3	-	3,5	-	13,6
Profit for the period	-119,2	-61,3	-46,0	-43,5	-60,6













Parent Company balance sheet

SEK m	30/09/2024	30/09/2023	31/12/2023
Property, plant and equipment	0.4	0.7	0.6
Participations in associated companies and joint ventures	2,272.3	2,291.1	2,311.1
Receivables from associated companies and joint ventures	3,352.5	3,607.8	3,127.2
Deferred tax assets	17.2	-	13.6
Other receivables	8.5	5.1	4.7
Cash and bank balances	158.1	166.5	156.0
Total assets	5,809.1	6,071.1	5,613.2
Restricted equity	6.6	6.6	6.6
Non-restricted equity	3,048.4	3,127.6	3,110.6
Derivatives	83.3	-	51.0
Liabilities to Group companies	2,656.0	2,930.2	2,438.3
Other liabilities	14.8	6.6	6.7
Total equity and liabilities	5,809.1	6,071.1	5,613.2

Sustainability

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

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

ENVIRONMENT	<div style="display: flex; align-items: center; margin-bottom: 20px;">  <div> <p>Climate and energy: examples of goals</p> <p>Only renewable energy will be used for electricity, heating and vehicles in our operation by 2030. We are to be climate-neutral in our entire value chain by 2045.</p> <p>All of our newly constructed housing units are to be Nordic Swan-certified as a minimum.</p> <p>All of our properties will be inventoried for the risk of negative consequences due to climate change.</p> </div> </div> <div style="margin-left: 20px;">   </div>
SOCIAL RESPONSIBILITY	<div style="display: flex; align-items: center; margin-bottom: 20px;">  <div> <p>Circular societies: examples of goals</p> <p>It will be possible to sort household waste in all of our neighbourhoods.</p> <p>70 per cent of all construction materials will be sorted for recycling in connection with conversions and new construction.</p> <p>Before renovating an apartment, we will take an inventory of which products can be preserved or reused.</p> </div> </div> <div style="margin-left: 20px;">  </div>
SOCIAL RESPONSIBILITY	<div style="display: flex; align-items: center; margin-bottom: 20px;">  <div> <p>Secure and pleasant neighbourhoods: examples of goals</p> <p>We will perform an annual security round in all of our neighbourhoods.</p> <p>We will offer 50 summer jobs or employment opportunities to residents of our residential areas, through 2025.</p> <p>We will establish partnerships with local sports organisations in all of our neighbourhoods, with the aim of creating meaningful recreational activities for young people.</p> </div> </div> <div style="margin-left: 20px;">  </div>
SOCIAL RESPONSIBILITY	<div style="display: flex; align-items: center; margin-bottom: 20px;">  <div> <p>Employees: examples of goals</p> <p>We will have reached a long-term even gender distribution (40/60) and reflect society with respect to international background by no later than 2025.</p> <p>All employees will be provided with introductory training in KlaraBo's sustainability work and Code of Conduct.</p> </div> </div> <div style="margin-left: 20px;">   </div>
GOVERNANCE	<div style="display: flex; align-items: center; margin-bottom: 20px;">  <div> <p>Sustainable business: examples of goals</p> <p>No reported cases in the whistleblower function.</p> <p>100 per cent sign-off on the Code of Conduct (internally) and prepare a Code of Conduct for Suppliers.</p> </div> </div> <div style="margin-left: 20px;">  </div>

Sustainability-related activities during the quarter

- During the quarter, KlaraBo focused on completing a double materiality assessment. An important part of this work involved a comprehensive mapping of the company's value chain and carrying out dialogues with stakeholders in the value chain as well as the company's financiers. The double materiality assessment will help KlaraBo identify which sustainability topics are the most relevant for the company, internally as well as externally.
- During the third quarter, KlaraBo also strengthened its organisation by hiring a sustainability communications officer. This will help the company more clearly integrate sustainability topics into its communications and coordinate/pursue topics internally.
- We also began developing a sustainability policy. It will serve as a guide for KlaraBo's efforts to protect the environment, take care of its employees and suppliers, and ensure responsible and ethical corporate governance. The policy will be completed during the fourth quarter of 2024.

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

Current earnings capacity

Earnings capacity on a 12-month basis for KlaraBo's property management operations as of 30 September is presented in the table below. It is important to note that earnings capacity is not a forecast and should only be considered as a theoretical snapshot for the purposes of illustration. The current earnings capacity does not include an assessment of the future trends for rents, vacancy rate, property expenses, interest, value changes, purchases or sales of properties or other factors.

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

Current earnings capacity, 12 months

SEK m	Oct 1 2024	Jul 1 2024	Apr 1 2024	Jan 1 2024	Oct 1 2023	Jul 1 2023
Rental revenue	637.0	642.1	640.1	634.9	603.9	600.6
Property expenses	-261.2	-261.1	-261.1	-261.1	-243.8	-243.4
Net oper income	375.8	381.0	379.0	373.8	360.1	357.1
Surplus ratio, %	59.0	59.3	59.2	58.9	59.6	59.5
Central administrative costs	-43.8	-43.8	-43.8	-43.8	-40.1	-40.1
Financial income and expenses	-175.4	-175.0	-168.1	-168.9	-173.6	-171.5
Income from property management	156.6	162.2	167.2	161.2	146.4	145.5
Profit from prop mgmt per share, SEK	1.20	1.24	1.28	1.23	1.12	1.11
Number of shares, million	130.6	130.6	130.9	131.1	131.1	131.1
Interest-coverage ratio	1.9	1.9	2.0	2.0	1.8	1.8

Earnings capacity attributable to rental revenue decreased SEK 5.1 million during the quarter, primarily due to the divestment of two commercial properties in Borlänge and the purchase of rental apartments in Falun. The effect of the transactions was partially offset by 37 ROT renovations during the quarter that led to an increase in revenue.

Compared with the previous quarter, earnings attributable to income from property management decreased 3.5 per cent, which was primarily due to lower rental revenue.

Note that earnings capacity does not include the new loan terms associated with the previously announced loan refinancing, as they were agreed on after the balance sheet date.

Key performance indicators (KPI)

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

Non-IFRS measures are presented in the table below.

Property-related	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Rental revenue, SEK m	158.8	147.8	473.0	440.3	589.7
Profit from prop mgmt, SEK m	47.2	45.0	104.7	100.3	124.2
Profit for the period, SEK m	-23.0	-50.6	9.4	-245.7	-381.5
Surplus ratio, %	65.5	65.8	58.0	59.1	57.2
Real occupancy rate, %	97.5	98.2	97.5	98.2	97.8
Investment properties, SEK m	9,055.1	8,960.5	9,055.1	8,960.5	9,031.9
Market value per sq. m.	18,098	17,734	18,098	17,734	18,032
Total lettable area, '000 sq. m.	498.8	496.8	498.8	496.8	499.5
No. of apartments under mgmt	6,694	6,558	6,694	6,558	6,604
No. of apartments in project devt	974	1,563	974	1,563	1,098
Financial					
Equity/assets ratio, %	42.4	43.6	42.4	43.6	42.6
Loan-to-value ratio, %	52.3	52.3	52.3	52.3	52.2
Interest-coverage ratio, multiple	1.7	1.8	1.7	1.8	1.8
Net realizable value, SEK m	4,233.0	4,179.2	4,233.0	4,179.2	4,189.1
Share-based					
Profit from property management per share, SEK	0.36	0.34	0.80	0.76	0.95
Equity per share, SEK	30.2	31.1	30.2	31.1	30.0
Net realizable value per share, SEK	32.5	31.9	32.5	31.9	32.0
Annual growth, profit from property management per share, %	215.5	21.4	598.2	13.4	10.0
Annual growth, net realizable value per share, %	-2.3	-10.0	-2.3	-10.0	-7.3
No. of shares at end of period before/after dilution, million	130.3	131.1	130.3	131.1	131.1
Weighted average No. of shares during period before dilution, million	130.5	131.1	130.8	131.1	131.1

Definitions of key performance indicators

	Definition	Objective
Market value per sq. m.	Investment properties excluding new construction, divided by the total lettable area of the property portfolio.	This KPI shows developments in the value of the Group's investment properties in relation to area over time.
Surplus ratio, %	Net operating income in relation to rental revenue.	Used to show the share of revenue that remains after property expenses. This KPI is a measure of efficiency that can be compared between property companies as well as over time.
Real occupancy rate, %	Number of apartments rented, including apartments set aside for renovation and apartments with signed leases, divided by total number of apartments.	Used to illustrate the actual occupancy rate in the Group adjusted for voluntary vacancy in the form of renovations and temporary relocation vacancies.
Equity/assets ratio, %	Total equity in relation to total assets at the end of the period.	This KPI is used to illustrate the Group's sensitivity to interest rates and its financial stability.
Loan-to-value ratio, %	Total interest-bearing liabilities less cash and cash equivalents at the end of the period in relation to investment properties	Used to illustrate financial risk, and how much of the operation is pledged under interest-bearing liabilities less available cash on hand. This KPI provides comparability with property companies.
Loan-to-value ratio, investment properties, %	Interest-bearing liabilities related to investment properties, in relation to investment properties excluding new construction in progress.	Used to illustrate financial risk, and how much of the management operations are pledged under interest-bearing liabilities.
Interest-coverage ratio, multiple	Operating profit/loss on a twelve-month basis, divided by net interest income/expense.	This KPI shows how many times the Group will be able to pay its interest with earnings from operating activities, and illustrates how sensitive the Group is to changes in interest rates.
Net realizable value, SEK m	Equity attributable to Parent Company shareholders, with add-back of deferred tax and derivatives attributable to wholly owned participations.	This KPI is an established measure of the Group's long-term net reassessment value, and facilitates analysis and comparison between property companies.
Profit from property management per share, SEK	Profit from property management attributable to Parent Company shareholders in relation to weighted average number of shares during the period.	Used to illustrate profit from property management per share in a uniform manner for listed companies.
Equity per share, SEK	Equity attributable to Parent Company shareholders in relation to the number of shares outstanding at end of the period.	This KPI shows how much of the Group's recognised equity each share represents.
Net realizable value per share, SEK	Net realizable value in relation to no. of shares outstanding at end of the period.	Used to illustrate the Group's long-term net reassessment value per share in a uniform manner for listed companies.
Annual growth, profit from property management per share, %	Percentage change in profit from property management per share during the period	Used to illustrate the development of profit from property management over time, expressed as a percentage.
Annual growth, net realizable value per share, %	Percentage change in net realizable value per share during the period.	Used to illustrate the development of net reassessment value over time, expressed as a percentage.
Net operating income	Net operating income from property management before elimination of intra-group leases less expenses from property management.	This KPI measures the property companies' operational surplus and shows the company's capacity to finance its operations with its own funds.

Reconciliation table, key performance indicators

	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Market value per sq. m.					
A Investment properties, SEK m	9,055.1	8,960.5	9,055.1	8,960.5	9,031.9
B New construction in progress, SEK m	16.3	143.2	16.3	143.2	14.0
C Site leaseholds	10.6	7.3	10.6	7.3	10.6
D Total lettable area, 000 sq. m.	498.8	496.8	498.8	496.8	499.5
(A-B-C)/D Market value per sq. m.	18,098	17,734	18,098	17,734	18,032
Surplus ratio, %					
A Net operating income, SEK m	104.0	97.3	274.3	260.4	337.2
B Revenue, SEK m	158.8	147.8	473.0	440.3	589.7
A/B Surplus ratio, %	65.5	65.8	58.0	59.1	57.2
Real occupancy rate, %					
A No. of apartments	6,694	6,558	6,694	6,558	6,604
B No. of apartments not rented	264	223	264	223	231
C Apts set aside for renovation or with signed leases	97	107	97	107	85
1-(B-C)/A Real occupancy rate, %	97.5	98.2	97.5	98.2	97.8
Equity/assets ratio, %					
A Total equity at the end of the period, SEK m	3,929.6	4,072.2	3,929.6	4,072.2	3,936.3
B Minority share equity, SEK m	0.0	0.0	0.0	0.0	0.0
C Total equity and liabilities at the end of the period, SEK m	9,263.9	9,348.5	9,263.9	9,348.5	9,249.9
(A+B)/C Equity/assets ratio, %	42.4	43.6	42.4	43.6	42.6
Loan-to-value ratio, %					
A Non-current interest-bearing liabilities, SEK m	2,056.2	4,416.3	2,056.2	4,416.3	4,762.7
B Current interest-bearing liabilities, SEK m	2,850.8	472.9	2,850.8	472.9	116.1
C Cash and cash equivalents at end of the period, SEK m	170.4	204.9	170.4	204.9	168.5
D Investment properties, SEK m	9,055.1	8,960.5	9,055.1	8,960.5	9,031.9
(A+B.C)/D Loan-to-value ratio, %	52.3	52.3	52.3	52.3	52.2
E Construction credit attr to new construction, SEK m	0.0	61.1	0.0	61.1	67.0
F Seller financing, SEK m	0.0	0.0	0.0	0.0	0.0
G New construction in progress, SEK m	16.3	143.2	16.3	143.2	14.0
(A+B-E-F)/(D-G) Loan-to-value ratio, investment properties, %	54.3	54.8	54.3	54.8	53.4
Interest-coverage ratio, multiple					
A Operating profit/loss, rolling 12 months, SEK m	300.8	283.9	300.8	283.9	285.9
B Interest income/expense, rolling 12 months, SEK m	-172.2	-158.2	-172.2	-158.2	-161.7
A/-B Interest-coverage ratio, multiple	1.7	1.8	1.7	1.8	1.8
net realizable value, SEK m					
A Equity, SEK m	3,929.6	4,072.2	3,929.6	4,072.2	3,936.3
B Add-back of derivatives, SEK m	83.3	-137.3	83.3	-137.3	36.7
C Adjustment of derivatives attributable to minority share, SEK m	0.0	0.0	0.0	0.0	0.0
D Add-back of deferred tax liabilities, SEK m	220.1	244.7	220.1	244.7	216.0
E Adjustment, deferred tax liability attr to minority share, SEK m	0.0	0.0	0.0	0.0	0.0
F Add-back of deferred tax assets, SEK m	0.0	-0.4	0.0	-0.4	-0.1
G Adjustment, add-back of deferred tax assets attr to minority share, SEK m	0.0	0.0	0.0	0.0	0.0
A+B+C+D+E+F+G net realizable value, SEK m	4,233.0	4,179.2	4,233.0	4,179.2	4,189.1

	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Profit from property management per share, SEK					
A Profit from prop mgmt, SEK m	47.2	45.0	104.7	100.3	124.2
B Adjustment, profit from prop mgmt attr to minority share, SEK m	0.0	0.0	0.0	0.0	0.0
C Weighted avg no. of shares during period before/after dilution, million	130.5	131.1	130.8	131.1	131.1
(A-B)/C Profit from prop mgmt per share, SEK	0.36	0.34	0.80	0.76	0.95
Equity per share, SEK*					
A Equity, SEK m	3,929.6	4,072.2	3,929.6	4,072.2	3,936.3
B Number of shares at end of the period before/after dilution, million	130.3	131.1	130.3	131.1	131.1
A/B Equity per share, SEK	30.16	31.06	30.16	31.06	30.02
net realizable value per share, SEK					
A Net reassessment value (net realizable value), SEK m	4,233.0	4,179.2	4,233.0	4,179.2	4,189.1
B Number of shares at end of the period before/after dilution, million*	130.3	131.1	130.3	131.1	131.1
A/B net realizable value per share, SEK	32.49	31.88	32.49	31.88	31.95
Annual growth, profit from property management per share, %					
A Profit from prop mgmt during the period per share, SEK*	0.36	0.34	0.80	0.76	0.95
B Profit from prop mgmt during the preceding period per share, SEK*	0.34	0.28	0.76	0.67	0.86
A/B-1 Annual growth, profit from prop mgmt per share, %	5.4%	21.4%	4.7%	13.4%	10.0%
Annual growth, net realizable value per share, %					
A Net realizable value during the period per share, SEK*	32.5	31.9	32.5	31.9	31.95
B Net realizable value during the preceding period per share, SEK*	33.3	35.4	33.3	35.4	34.48
A/B-1 Annual growth, net realizable value per share, %	-2.3%	-10.0%	-2.3%	-10.0%	-7.3%

* Number of shares after buyback

Risks and opportunities for the Group and Parent Company

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

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

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

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

Financial risk

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

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

Opportunities and risks in the values of the properties

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

Sensitivity analysis – changes in value (SEK m)

		Effect on fair value, SEK m		Effect on fair value, SEK m	
	Change		Change		
Yield requirement	- 0.25% basis points	497.6	+ 0.25% basis points	-446.7	
Rental value*	- 2.50%	-35.4	+ 2.50%	351.6	
Operating and maintenance costs	- 2.50%	128.7	+ 2.50%	-128.7	
Long-term vacancy rate	- 0.25% basis points	29.5	+ 0.25% basis points	-29.5	

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

Ongoing projects

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

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

Financing

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

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

The company has a stable financial position. On 30 September 2024, cash and cash equivalents amounted to SEK 170.4 million.

Operational risk

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

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

Other disclosures

Market outlook

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

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

Organisation and employees

The Parent Company of the Group is KlaraBo Sverige AB. The Group comprises wholly owned subsidiaries and jointly controlled companies. The number of employees was 68 (71), of whom 23 women (22) and 45 men (49).

Accounting policies

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

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

Transactions with related parties

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

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

The share and shareholders

The Parent Company of the Group, KlaraBo Sverige AB, Corp. Reg. No. 559029–2727 has two share classes: Class A and Class B ordinary shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The number of shares amounted to 131,827,883, of which 16,300,000 were Class A and 115,527,883 were Class B. The quotient value for all shares is SEK 0.05 per share. As of the closing date, the company had repurchased a total of 1,538,542 shares.

Largest shareholders, 30 September 2024

	Class A shares	Class B shares	Total	Capital	Voting rights
Investment AB Spiltan	1,934,484	13,519,220	15,453,704	11.7%	11.8%
Rutger Arnhult	0	10,047,389	10,047,389	7.6%	3.6%
Pensionskassan SHB Försäkringsförening	0	8,316,610	8,316,610	6.3%	3.0%
Ralph Mühlrad	1,285,000	7,448,728	8,733,728	6.6%	7.3%
Wealins S.A.	0	8,089,414	8,089,414	6.1%	2.9%
Anders Pettersson med familj	3,466,316	3,327,793	6,794,109	5.2%	13.6%
Lennart Sten	2,495,000	3,632,335	6,127,335	4.6%	10.3%
Samhällsbyggnadsbolaget i Norden AB	0	5,646,065	5,646,065	4.3%	2.0%
ODIN Fonder	0	5,220,405	5,220,405	4.0%	1.9%
Länsförsäkringar Fonder	0	5,192,578	5,192,578	3.9%	1.9%
Mats Johansson	2,699,400	0	2,699,400	2.0%	9.7%
Andreas Morfiadakis	2,361,287	113,400	2,474,687	1.9%	8.5%
Avanza Pension	0	2,617,839	2,617,839	2.0%	0.9%
Richard Mühlrad	785,000	1,044,832	1,829,832	1.4%	3.2%
Carnegie Fonder	0	1,597,709	1,597,709	1.2%	0.6%
Övriga	1,273,513	39,713,566	40,987,079	31%	19%
	16,300,000	115,527,883	131,827,883	100%	100%

Warrants

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

In total on 30 September, the incentive programmes encompassed a maximum of 1,429,440 warrants that can be utilised to subscribe for a maximum of 1,429,440 Class B shares, corresponding to a dilution effect of at most 1.1 per cent based on the number of shares in the company.

At the 2024 Annual General Meeting, management was authorised to issue 2,000,000 warrants to employees at a price in line with the market. For more information about the resolution, refer to the Meeting documents on the company's website.

Signatures to the report

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

Malmö, 6 November 2024

Lennart Sten,
Chairman of the Board

Per Håkan Börjesson,
Board member

Lulu Gylleneiden,
Board member

Mats Johansson,
Board member

Sophia Mattsson-Linnala,
Board member

Anders Pettersson,
Board member

Joacim Sjöberg,
Board member

Andreas Morfiadakis,
Chief Executive Officer

This interim report was reviewed by the company's auditor.



Auditor's report

KlaraBo Sverige AB (publ). reg. no. 559029-2727

Introduction

We have reviewed the condensed interim financial information (interim report) of KlaraBo Sverige AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 6 November 2024

Öhrlings PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant



Calendar

Year-end report 2024	14 February 2025
Interim report Q1, January–March 2025	29 April 2025
2024 Annual General Meeting	29 April 2025
Interim report Q2, January–June 2025	17 July 2025
Interim report Q3, January–September 2025	23 October 2025
Year-end report 2025	13 February 2026



Contact information

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