

- » Income increased by 7 per cent to SEK 3,250 million (3,029).
- » The operating surplus increased by 8 per cent to SEK 2,170 million (2,006).
- » Profit from property management increased by 6 per cent to SEK 1,344 million (1,263).
- » Profit before tax amounted to SEK 3,688 million (3,211) and net profit, attributable to the parent company's shareholders, totalled SEK 3,345 million (2,611), corresponding to SEK 3.54 (2.53) per ordinary share.
- » Changes in value of properties totalled SEK 2,309 million (1,913).
- » Project development, including development of building rights, contributed to increases in value of properties of SEK 910 million (546).
- » After taking possession of 38 properties for SEK 8,056 million, transfer of possession of 17 properties for SEK 2,464 million and investments of SEK 1,791 million, the value of the property portfolio amounted to SEK 52,713 million.
- » The interest coverage ratio amounted to 2.7 (2.9) and the adjusted equity ratio to 37.4 per cent (38.5).
- » EPRA NAV increased by 26 per cent to SEK 17.67 (14.07).
- » For the 2018 financial year the Board of Directors proposes a dividend of in total SEK 0.46 (0.44) per ordinary share to be paid in four instalments and a dividend of in total SEK 20.00 (20.00) per preference share to be paid in four instalments.

”

I look forward to a continued good development during 2019.

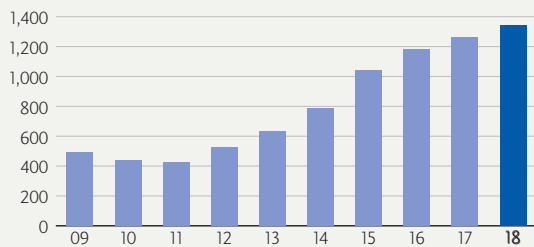
Rutger Arnhult, CEO

THIS IS KLÖVERN

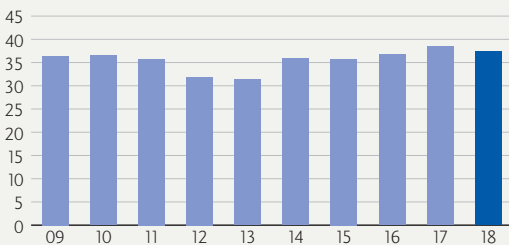
KLÖVERN IS A LISTED REAL ESTATE COMPANY committed with closeness and commitment to offering attractive commercial premises, and developing housing, in growth regions.

The company's vision is to create attractive and sustainable environments for future enterprise and living. This requires active construction of city neighbourhoods, districts and business clusters.

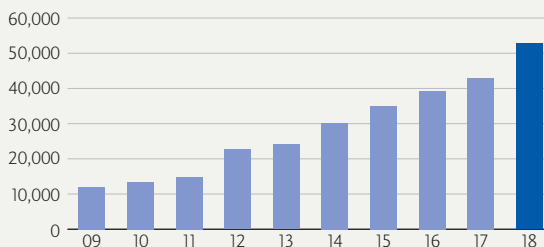
PROFIT FROM PROPERTY MANAGEMENT, SEKm



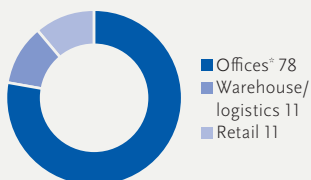
EQUITY RATIO, adjusted, %



PROPERTY VALUE, SEKm

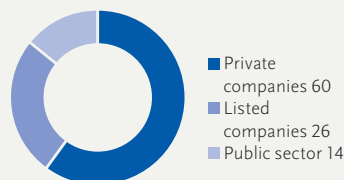


PROPERTY VALUE BY TYPE OF PROPERTY %

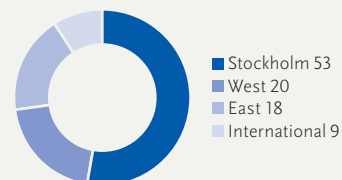


*Including education, health care, other.

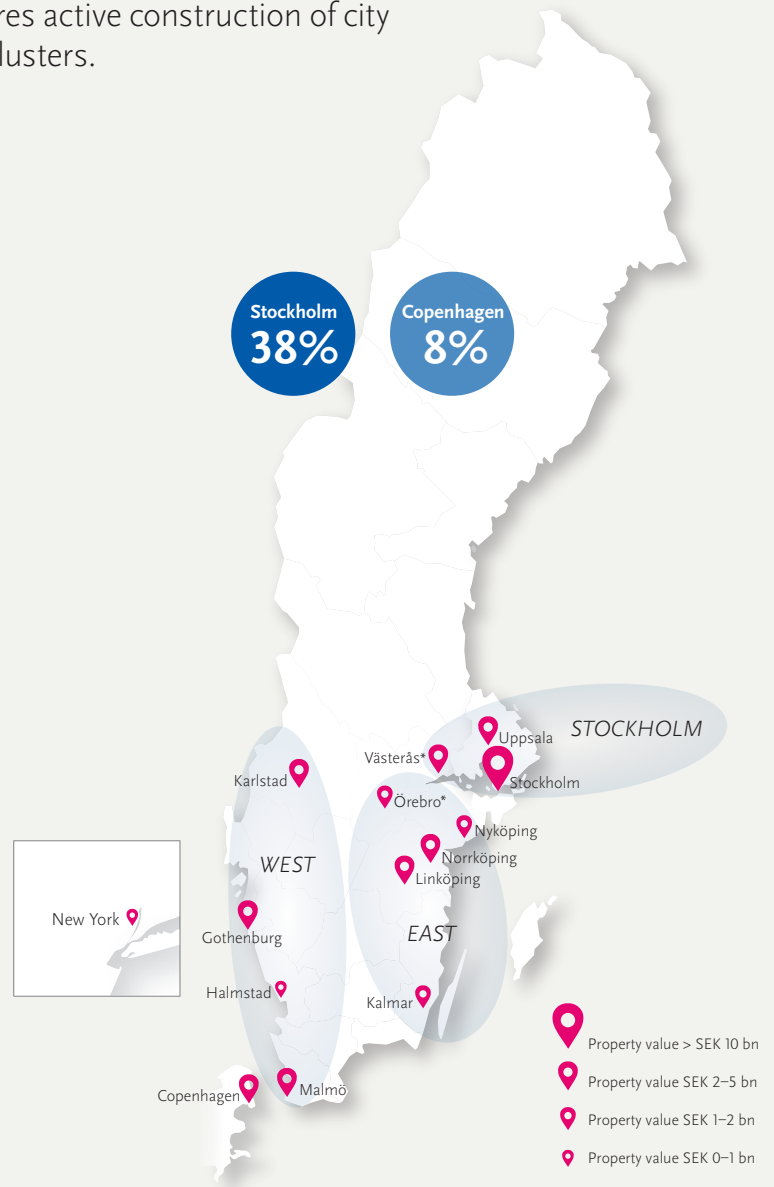
CONTRACT VALUE BY CUSTOMER CATEGORY, %



PROPERTY VALUE BY REGION, %



*) On 1 January 2019 the structure of the Swedish operations was changed from four regions to three regions. The business unit Västerås thereafter belongs to Region Stockholm whereas the business unit Örebro belongs to Region East. In addition to the three regions, Klöver has international operations in Denmark and the USA.



STATEMENT BY THE CEO

Strong earnings and establishment in Copenhagen and New York

2018 has been an incredible year for Klöver in many ways. We are once again reporting strong earnings. The pace of business has been very high. We have had further successful lettings and project development has continued to create substantial value. During the year, we have also established Klöver internationally by acquisitions in Copenhagen and New York.

STRONG EARNINGS DEVELOPMENT

Klöver is again reporting record earnings. Profit from property management improved by 6 per cent to SEK 1,344 million. After positive changes in value of properties amounting to SEK 2,309 million (of which SEK 382 million is a one-off related to the acquisition of Agora), profit before tax totalled SEK 3,688 million. After tax, this corresponds to earnings per share of SEK 3.54 and a return on equity of 21 per cent.

GOOD RENTAL MARKET

All of our geographic markets have continued to develop well. Net moving-in has been strong during 2018. With a continued positive trend during the fourth quarter, net moving-in for the year amounted to SEK 89 million. From a letting perspective we have, in Stockholm, been very successful in establishing Kista Gate as a new modern and attractive business park where among others Samsung is going to establish its new Swedish head office in 2019.

STREAMLINING AND INTERNATIONAL EXPANSION

The streamlining of the property portfolio continued during the year. Both geographically to fewer locations by selling all properties in Falun, Härnösand and Sollefteå and product-wise by divestment of a couple of large logistics properties in Gothenburg. At the same time, we have, through acquisitions and development projects, expanded in the office segment at major growth locations such as Gothenburg and Stockholm. At the end of the year, we acquired the listed real estate company Agora. This acquisition adds centrally located properties in Västerås, Malmö, Örebro and Kalmar to Klöver's portfolio. Altogether, Klöver's Swedish portfolio is mainly concentrated in 12 cities.

In parallel with streamlining in Sweden, we have expanded internationally during 2018. With a number of acquisitions and with our own organization in the city, we have relatively quickly succeeded in establishing Klöver as a local player of some importance in Copenhagen's real estate market. Volume is of crucial importance for achieving efficient and successful property management. It is therefore positive that we have already reached SEK 4 billion in property value in Copenhagen, corresponding to 8 per cent of our total property portfolio. During the year, Klöver has also crossed the Atlantic through acquisitions of two well-located project properties in Manhattan, New York. During the coming 2–3 years, we are going to build two top-modern office properties with a total of around 25,000 sq.m. The total investment is expected to amount to over SEK 2 billion with an estimated potential development profit of over SEK 1 billion. Klöver has a clear strategy of reducing the geographic risk of a 100 per cent focus on Sweden by investment abroad. We are open to additional acquisitions of office properties, in particular in Copenhagen and New York. I would not regard it as impossible for our proportion of foreign properties to be 25 per cent in five years' time.

PROJECT DEVELOPMENT CREATES VALUE

Project development is an important part of Klöver's business model. We are focusing consistently on identifying profitable projects based on our existing property portfolio. In terms of results, in the form of increased property values, the project operations (including development of building rights) contributed SEK 910 million in 2018. The development of a new combined office, hotel and fair facility in Gothenburg has been the largest project during 2018, with moving-in and completion during the first half of 2019. The strategy in Sweden in the coming year is to continue to strengthen Klöver's market position mainly through our own project development.

FIRST OFFICE

For many years, Klöver has been a large and rapidly growing player in the much talked about business center segment or as it is called in its modern form: co-working. Klöver operates this activity under the brand name First Office. During the last few years, competition has increased through new companies and a product offering that is widened and refined. First Office currently has 62 business centers in 12 Swedish cities. Our aim for 2019 is to open an additional 8 units, including in Copenhagen.

FINANCIAL STRENGTH

Klöver's financial strength is good. During 2018, we have worked actively on extending both the period of tied-up capital and the period of fixed interest. At the turn of the year, as much as 91 per cent of the credit volume was interest rate hedged or at a fixed rate at the same time as the average financing rate improved to 2.3 per cent. The interest coverage ratio is at a satisfactory level amounting during the year to 2.7. The winding up of negative positions in interest rate derivatives at the end of 2018 is assessed to have some positive effect on the interest coverage ratio going forward. The capital market continues to offer relatively good liquidity, although at a slightly higher price primarily due to the more restrictive attitude of the central banks. During the first quarter of 2019, we have issued SEK 1,400 million in an existing unsecured green bond programme. At the same time, banks continue to prioritise large listed real estate companies, which is favourable for Klöver. At the turn of the year, the adjusted equity ratio was 37.4 per cent.

STRONG GROWTH IN VALUE

The net asset value per share (EPRA NAV) continues to develop well and amounted at the year-end to SEK 17.67, corresponding to an increase of 26 per cent in 2018.

CONTINUED GOOD DEVELOPMENT

Overall, we have a very stable business with high profitability as well as secure and favourable long-term financing. I look forward to a continued good development during 2019.

Rutger Arnhult, CEO Klöver

The income statement items are compared with the corresponding time period last year. The balance sheet items refer to the position at the end of the period and are compared with the preceding year-end. The quarter refers to October–December, the period refers to January–December and the year refers to January–December.

INCOME AND EXPENSES

Income increased to SEK 852 million (768) during the fourth quarter of the year and SEK 3,250 million (3,029) during the year. The increase in income is mainly attributable to acquisitions and net moving in, but also to rising rental levels. For a comparable portfolio, i.e. properties owned for the whole of 2017 and 2018, income amounted to SEK 667 million (648) during the quarter and SEK 2,650 million (2,572) during the year.

Property costs totalled SEK 328 million (315) during the quarter and SEK 1,080 million (1,023) during the year. Property costs for a comparable portfolio amounted to SEK 264 million (266) during the quarter and SEK 911 million (875) during the year. Central administration costs amounted to SEK 43 million (31) during the quarter and SEK 126 million (108) during the year. The consolidation of Agora accounts for SEK 7 million of the increase in central administration costs.

PROFIT

The operating surplus increased to SEK 524 million (453) during the fourth quarter and SEK 2,170 million (2,006) during the year. The operating surplus for a comparable

portfolio amounted to SEK 403 million (382) during the quarter and SEK 1,739 million (1,697) during the year. The operating margin amounted to 61 per cent (59) during the quarter and 67 per cent (66) during the year. The profit from property management, i.e. profit excluding – among other things – changes in value, earnings from residential development and tax, amounted to SEK 297 million (262) during the quarter and SEK 1,344 million (1,263) during the year. The operating surplus and profit from property management were both positively affected by acquisitions, net moving-in and rising rental levels. Profit before tax amounted to SEK 1,801 million (801) during the quarter and was affected by SEK 1,492 million (542) relating to changes in value of properties and SEK 13 million (18) for derivatives. Profit before tax increased to SEK 3,688 million (3,211) during the year.

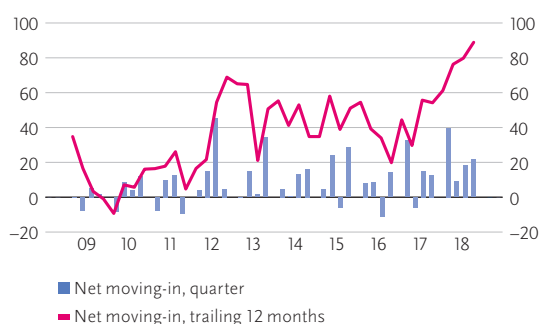
NET MOVING-IN AND THE OCCUPANCY RATE

Net moving-in amounted to SEK 22 million (13) during the fourth quarter and SEK 89 million (54) during the year.

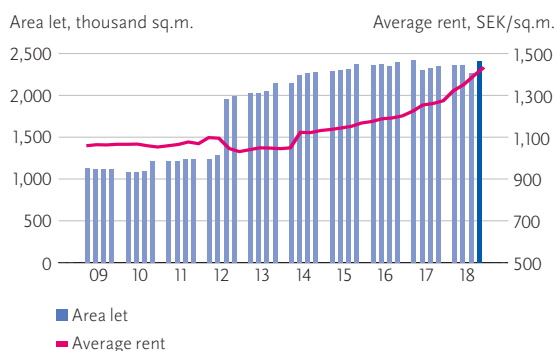
Among the largest tenants moving in during the quarter were Nordic Choice Hotels which opened a hotel under the brand name Comfort Hotel on around 7,012 sq.m. at the property Knarrarnäs 4 in Kista, Stockholm. Another major moving-in was Novartis with around 2,520 sq.m. at the property Helgafjäll 7 in Kista, Stockholm.

Among the larger contracts that were signed during the fourth quarter and the beginning of 2019, where the tenant has not yet moved in, are five-year contracts with

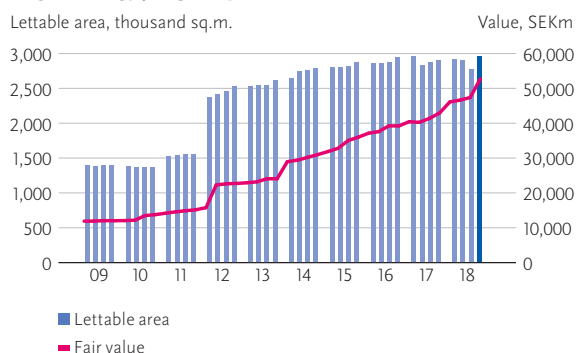
NET MOVING-IN, SEKm



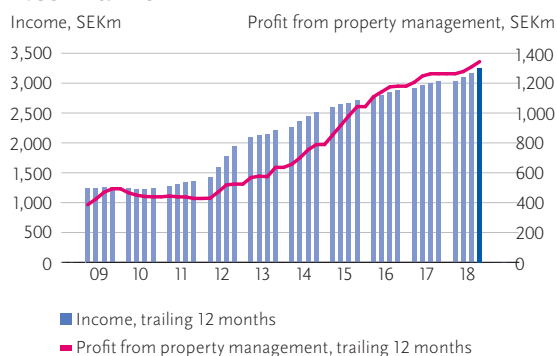
PROPERTIES: AREA AND RENT



PROPERTIES: VALUE AND AREA



INCOME & PROFIT



SKF Motion Technologies for a total of 4,186 sq.m. at the property Gamlestaden 39:13 in Gothenburg and a rental contract with AP Pension for 3,500 sq.m. at the property Amerika Plads in Copenhagen.

The average remaining lease contract period as at 31 December was 3.5 years (3.6). The economic occupancy rate for all properties amounted to 89 per cent (89) and the area-based occupancy rate was 81 per cent (81). The economic occupancy rate for investment properties was 91 per cent (91) and for development properties 66 per cent (54).

SHAREHOLDINGS

On 31 December 2018, Klöver's holding in the real estate company SBB amounted to 1,650,000 Class D ordinary shares. The shares were subscribed for a total of SEK 51 million in connection with Klöver's divestment of a property in Falun to SBB. The holding in SBB is reported as financial assets valued at fair value via the income statement. At the beginning of February 2019, Klöver sold the shares in SBB for SEK 51 million.

ACQUISITION OF TOBIN PROPERTIES

On 17 January 2018, Klöver acquired 7,500,000 ordinary shares in Tobin Properties in a directed share issue. Klöver's holding in Tobin Properties amounted as of 31 March 2018 to 34.9 per cent of the share capital and 36.5 per cent of the voting rights. During the first quarter of 2018, Klöver reported its holding in Tobin Properties as participation rights in associated companies as the holding exceeded 20 per cent but was less than 50 per cent of the voting rights.

On 4 April 2018, Klöver obtained an additional 5,116,662 ordinary shares and 18,378 Class A preference shares in Tobin Properties through a mandatory public cash offer. Klöver's holding in Tobin Properties thereafter amounted to 12,616,662 ordinary shares and 18,378 Class A preference shares, corresponding to 58.9 per cent of the share capital and 61.4 per cent of the voting rights.

Through a rights issue in June 2018, Klöver subscribed to an additional 13,407,496 ordinary shares, of which 790,834 ordinary shares through a guarantee commitment, in Tobin Properties. The holding thereafter amounted to 26,024,158 ordinary shares and 18,378 Class A preference shares, corresponding to 62.1 per cent of the share capital and 63.4 per cent of the voting rights.

In September 2018, Klöver acquired an additional 7,994,433 ordinary shares in Tobin Properties. The ownership thereafter amounts to 34,018,591 ordinary shares and 18,378 Class A preference shares, corresponding to 81.2 per cent of the shares and 82.9 per cent of the voting rights. Tobin Properties is consolidated in Klöver from 4 April 2018.

ACQUISITION OF AGORA

In 2015, Klöver received 2,325,000 Class B ordinary shares in the real estate company A Group Of Retail Assets Sweden AB (Agora) as a partial payment in the divestment of a property in Eskilstuna. In 2016, an additional 584,342

ACQUIRED NET ASSETS, TOBIN PROPERTIES

SEK million	
Participation rights in associated companies	213
Properties (current assets)	712
Other assets	1,069
Holdings without controlling influence	-280
Interest bearing liabilities	-1,017
Reported deferred tax liabilities	-2
Other liabilities	-113
Additional deferred tax liabilities according to preliminary acquisition analysis	-80
Acquired net assets	502
Cash-based consideration	-268
Liquid assets in acquired subsidiaries	216
Change in the group's liquid assets due to acquisition	-52

Calculation of surplus value, SEK million

Consideration	
- paid in cash, issue January	150
- revaluation result, issue January	22
- paid in cash, mandatory offer, April	118
- not accepted shares in connection with the mandatory offer	282
Bid value Tobin, 100% of the shares	572
Acquired net assets	-502
Surplus value goodwill (current asset)	70

An adjustment of the deferred tax liability in the balance sheet has been made in conjunction with the preparation of the acquisition calculation and with the classification of the acquisition as a business combination. Properties have been valued at fair value. Other balance sheet items have not been revalued.

Class B ordinary shares were acquired in connection with an issue of new shares. As of 30 September 2018, Klöver's total holding of 2,909,342 class B ordinary shares corresponded to 9.3 per cent of the total number of outstanding shares in Agora.

On 4 October 2018, Klöver announced a public cash offer to the shareholders of Agora. The offered value for all other shares amounted to SEK 936 million. The offer valued all shares, including the shares owned by Klöver at that point in time, at SEK 1,023 million. After the offer's extended acceptance period, Klöver's holding - as of 27 November 2018 - amounted to 4,689,062 Class A ordinary shares, 26,007,189 Class B ordinary shares and 295,827 preference shares which corresponds to 99.5 per cent of the outstanding shares and 99.8 per cent of the outstanding votes in Agora. Klöver has initiated a compulsory acquisition procedure to acquire all shares not tendered in the offer. At the beginning of December, Agora was de-listed from Nasdaq First North. Agora is consolidated in Klöver from 9 November 2018. The acquisition is classified as an asset acquisition since the primary purpose has been to acquire the properties and only these have been assigned a value.

CASH FLOW

The cash flow from current operations amounted during the quarter to SEK 1,065 million (173). Investment operations have affected the cash flow by SEK –1,802 million net (–973), mainly by a combination of property transactions and investments in existing properties. Financing operations have affected the cash flow by SEK 963 million (448). In total, the cash flow amounted to SEK 226 million (–352). Liquid assets at the end of the quarter amounted to SEK 576 million, compared with SEK 39 million as at 31 December 2017.

FINANCING

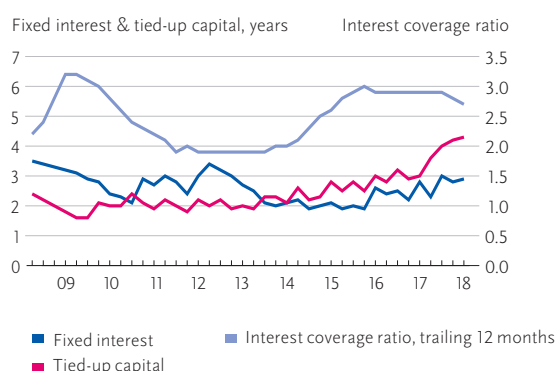
On 31 December 2018, the interest-bearing liabilities amounted to SEK 33,688 million (25,529). The average financing rate for the whole financial portfolio was 2.3 per cent (2.5). Net financial income, including residential development, amounted during the quarter to SEK –196 million (–160), of which financial income accounted for SEK 11 million (4). The interest coverage ratio during the quarter amounted to 2.3 (2.6) and to 2.7 (2.9) during the year.

The average period of fixed interest at the end of the quarter was 2.9 years (2.8). Credit volumes with swap agreements or interest rate caps are treated as having fixed interest. At the end of the period, Klöver had interest rate swaps totalling SEK 5,730 million (8,325) and interest rate caps totalling SEK 23,500 million (10,000). The average remaining term of derivatives amounted to 3.0 years. The share of credit volume that is hedged or at a fixed rate amounted to 91 per cent.

The average period of tied-up capital was 4.3 years (3.0) as at 31 December. Unutilized credit volumes, including unutilized overdraft facilities of SEK 535 million (529), amounted to SEK 2,110 million (3,048).

Klöver's interest-bearing liabilities are mainly secured by mortgages in properties. Unsecured interest-bearing liabilities consist of outstanding commercial paper and unsecured bonds, SEK 1,845 million (2,970) and SEK 6,300 million (4,350) respectively at the end of the year. The

FIXED INTEREST, TIED-UP CAPITAL & INTEREST COVERAGE RATIO



commercial paper programme has a framework amount of SEK 4,000 million.

In 2017, Klöver established a Medium Term Note programme (MTN) with a framework amount of SEK 10 billion, secured by a pool of properties as underlying assets and fully covered by property mortgage certificates. As of 31 December 2018, SEK 850 million had been issued within the framework amount.

Interest rate swaps effectively limit the interest rate risk. An increase in short market rates of one percentage point normally affects Klöver's average borrowing rate by 0.8 percentage points. The effect of larger interest rate increases is significantly limited by interest rate caps. Changes in value of derivatives totalled SEK 13 million (18) during the quarter. As of 31 December, the value was SEK –85 million (–367).

Unrealized changes in value do not affect the cash flow; on maturity the value of the derivatives is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the period. Klöver's assessment is that there is no significant difference between the book value and the fair value of interest-bearing liabilities.

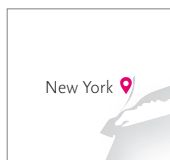
FIXED INTEREST AND TIED-UP CAPITAL

Year due	Fixed interest		Tied-up capital		
	Loan volume, SEKm	Contract volume, SEKm	Utilized, SEKm	Of which bonds outstanding, SEKm	Unutilized, SEKm
Floating *	26,400	—	—	—	—
2019	1,338	5,378	4,843	1,650	535
2020	2,442	4,523	4,523	2,250	—
2021	2,908	12,991	11,916	2,650	1,075
2022	—	4,059	3,559	900	500
2023	600	3,427	3,427	—	—
Later	—	5,420	5,420	—	—
Total	33,688	35,798	33,688	7,450	2,110

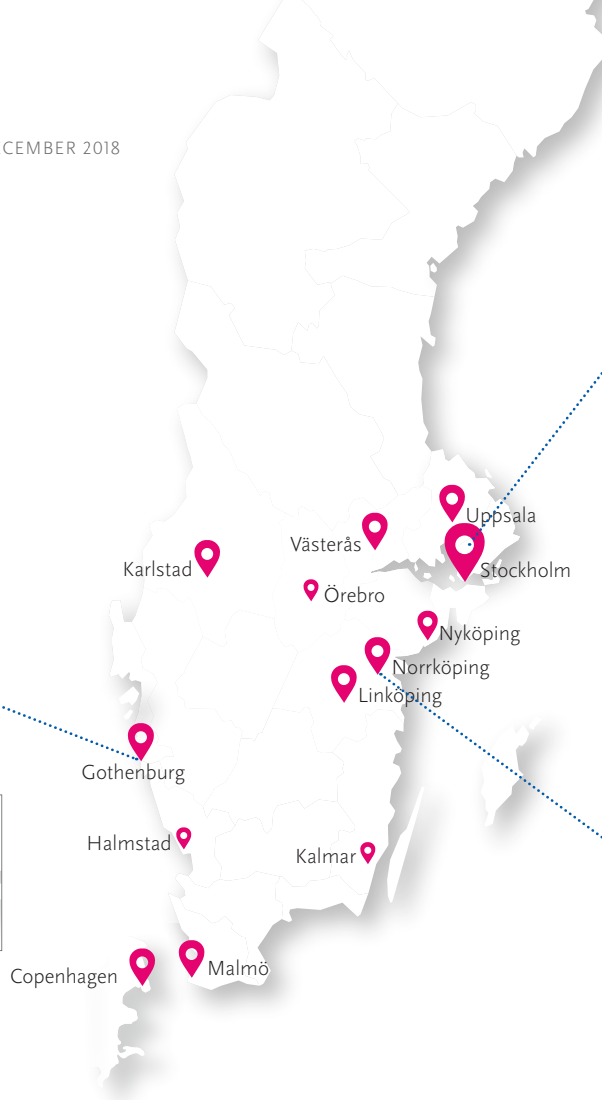
* SEK 23,500 million of Floating volume is covered by interest-rate caps.



**TRAVBANAN 2, 3,
GOTHENBURG
FAIR/HOTEL**



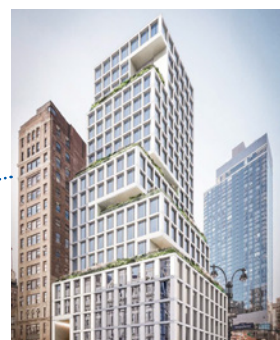
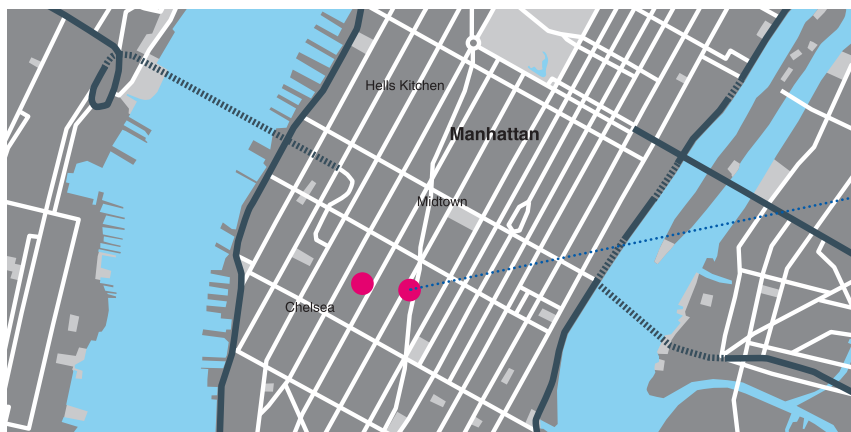
New York



**HELGAFJÄLL 7, STOCKHOLM
OFFICE**



**KOPPARHAMMAREN 2,
NORRKÖPING
OFFICE**



**1241 BROADWAY, NEW YORK
OFFICE**

KLÖVERN'S LARGEST PROJECTS IN PROGRESS

City	Property	Project type	Contractor	Largest tenant, moving-in year/quarter	Project area, sq.m.	Fair value, SEKm	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value, SEKm	Estimated completion year/ quarter
New York	1241 Broadway	Office	Triton Construction	—	16,700	443	1,146	1,099	184	20Q4
Gothenburg	Travbanan 2, 3	Fair/hotel	BRA Bygg	Easyfairs, 19Q1	29,723	590	526	30	54	19Q2
Norrköping	Kopparhammaren 2	Office	SEFAB	Gaia, 20Q1	4,775	100	143	53	10	20Q1
Stockholm	Helgafjäll 7	Office	Lindesbergs Bygg	Samsung, 19Q3	4,775	123	36	30	6	19Q3
Uppsala	Fyrislund 6:6	Laboratory	Byggconstruct	Recipharm, 19Q4	1,831	39	27	26	4	20Q1
Total					57,804	1,295	1,878	1,238	258	

All figures are as of 31 Dec 2018, except New York which is as of 1 Feb 2019.

At the end of the year, the adjusted equity ratio was 37.4 per cent (38.5).

PROJECT DEVELOPMENT AND BUILDING RIGHTS

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernizing the premises and thus increasing the rental value. SEK 1,791 million (1,489) was invested during the year. In all, as of 31 December 2018, 402 projects (358) were in process and SEK 759 million (1,246) remained to be invested. Total estimated expenditure for the same projects amounted to SEK 2,661 million (2,681).

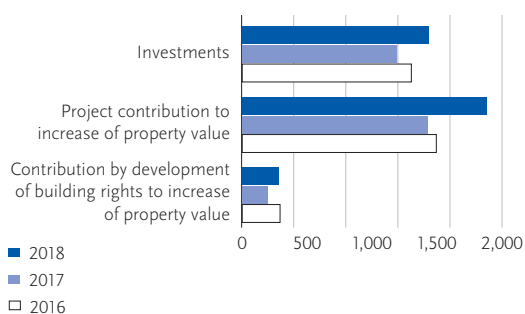
All large ongoing projects, for example Åby Arena in Gothenburg and Kopparhusen in Norrköping, are proceeding according to plan.

At the end of the quarter, assessed building rights and building rights with local plans (zoning) totalled 1,857,000 sq.m. (1,927,000) and are valued at SEK 1,629 million (1,288). 612,000 sq.m. (662,000) of the building rights are

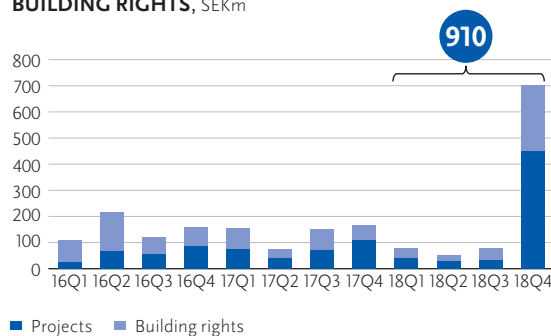
included in local plans and the remainder are classified as assessed. Residential building rights accounted for 7 per cent of the building rights with local plans. Within the building rights portfolio, Klöver Living is working with a number of housing development projects. Klöver makes the assessment that there is potential, within the existing portfolio, mostly by new or amended local plans, to create as many as 8,000 to 12,000 apartments, in Stockholm, Uppsala, Västerås, Karlstad and Nyköping, among other places.

In total, Klöver's project development – including development of building rights – contributed to increases in value of properties of SEK 910 million (546) in 2018, or by SEK 701 million (165) during the fourth quarter of the year. The contribution to increases in value can among other things be attributed to a project property in New York and revaluation of building rights in Sweden. In New York, steps forward in the planning process has lowered the risk, and the estimated project profit has increased due to an expansion of the building right and higher estimated

VALUE CREATION THROUGH PROJECTS/BUILDING RIGHTS, SEKm



NET VALUE CREATION THROUGH PROJECTS/BUILDING RIGHTS, SEKm



Change in fair value of properties due to projects and development of building rights, minus investments.

PROPERTY TRANSACTIONS 2018: DIVESTMENTS

City	Property	Category	Lettable area, sq.m.	Quarter
Gothenburg	Hästägaren 3	Warehouse/logistics	48,064	Q1
Stockholm	Brynjan 5	Warehouse/logistics	2,558	Q1
Helsingborg	Piken 4	Office	2,509	Q2
Gothenburg	Kåbäcken 11:7	Warehouse/logistics	2,200	Q2
Falun	Falun 8:9	Office	34,863	Q3
Falun	Kvarnberget 1:6	Office	12,536	Q3
Härnösand	Seminariet 16	Education/Health care/Other	4,352	Q3
Härnösand	Ädelstenen 6	Education/Health care/Other	25,430	Q3
Härnösand	Ön 2:41	Office	29,614	Q3
Sollefteå	Remsle 13:64	Office	29,321	Q3
Örebro	Vindhjulet 3	Office	19,415	Q3
Gothenburg	Lexby 11:236	Warehouse/logistics	14,756	Q3
Falun	Högbo 1:22	Education/Health care/Other	5,699	Q4
Södertälje	Jupiter 15	Store	8,259	Q4
Tranås	Norra Missionen 13	Store	8,760	Q4
Tranås	Telefonen 19	Store	8,684	Q4
Trollhättan	Oden 7	Store	16,224	Q4
Total			273,244	

PROPERTY TRANSACTIONS 2018: ACQUISITIONS

City	Property	Category	Lettable area, sq.m.	Quarter
Stockholm	Knarrarnäs 6 ¹	Office	4,733	Q1
Copenhagen	26er, 26fg, 26fi Frederiksberg ²	Education/Health care/Other	19,300	Q1
Copenhagen	24a (1, 2) Frederiksberg	Office	31,109	Q1
New York	1241 Broadway ³	Land	0	Q2
Copenhagen	383 Eksercerpladsen	Office	15,662	Q3
Copenhagen	3269b Vanløse	Office	6,946	Q3
Copenhagen	12p Vridsløselille By	Office	8,630	Q3
Copenhagen	1kh Rudegård Ny Holte	Office	5,341	Q3
Gothenburg	Hårddisken 3	Office	3,274	Q3
New York	322-326 7th Ave ⁴	Office	2,300	Q3
Copenhagen	984 Østervold Kvarter	Office	6,034	Q4
Borås	Bromsen 3 ⁵	Store	22,801	Q4
Borås	Bromsen 4	Store	0	Q4
Borås	Spindeln 13	Store	0	Q4
Borås	Spindeln 14	Store	0	Q4
Borås	Termiten 1	Store	14,806	Q4
Eskilstuna	Vestalen 10	Store	10,856	Q4
Eskilstuna	Vampyren 9	Store	16,757	Q4
Falköping	Ciselören 2	Store	4,649	Q4
Falköping	Hjälmen 1	Store	2,699	Q4
Falköping	Lilla Björn 1	Store	3,418	Q4
Kalmar	Åldermannen 25	Store	8,554	Q4
Malmö	Carolus 32	Store	15,348	Q4
Malmö	Innerstaden 1:152	Store	0	Q4
Motala	Plåtslagaren 7	Store	8,123	Q4
Nässjö	Lejonet 2 ⁶	Store	0	Q4
Nässjö	Lejonet 8	Store	4,458	Q4
Nässjö	Lejonet 13	Store	0	Q4
Nässjö	Lejonet 14	Store	0	Q4
Södertälje	Jupiter 15	Store	8,259	Q4
Tranås	Norra Missionen 13	Store	8,760	Q4
Tranås	Telefonen 19	Store	8,684	Q4
Trollhättan	Oden 7	Store	16,224	Q4
Västerås	Lennart 17	Store	13,263	Q4
Västerås	Loke 24	Store	21,291	Q4
Västerås	Mats 5	Store	19,288	Q4
Växjö	Sunaman 5	Store	7,702	Q4
Örebro	Kitteln 11	Store	13,493	Q4
Total			332,762	

¹ Site leasehold² 26er (1, 2, 4) Frederiksberg, 26fg (76) Frederiksberg and 26fi (87, 88) Frederiksberg³ Site leasehold, development property⁴ Development property⁵ Bromsen 3 and 4 as well as Spindeln 13 and 14 are jointly taxed⁶ Lejonet 2, 13 and 14 are jointly taxed

Properties for which contracts have been signed to divest.

PROPERTIES: FAIR VALUE

SEKm	2018 Jan–Dec	2017 Jan–Dec
Fair value, as of 1 January	42,961	39,234
Aquisitions	8,056	2,109
Investments	1,791	1,489
Divestments	–2,464	–1,785
Unrealized changes in value	2,324	1,914
Currency conversion	45	—
Fair value at the end of the period	52,713	42,961

rent. In Sweden, the value of the building rights portfolio has increased due to successful planning work in several of Klöver's growth locations.

PROPERTY TRANSACTIONS

During the period January–December, 38 properties (27) were taken possession of for a total purchase price of SEK 8,056 million (2,116), including the properties added to Klöver's portfolio through the acquisition of Agora, and 17 properties (54) were sold and handed over for a total of SEK 2,464 million (1,796).

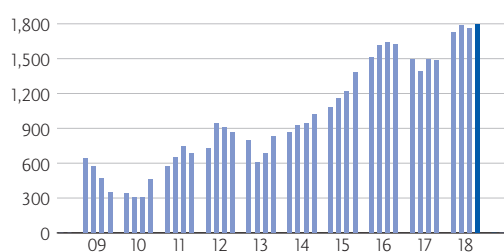
During the fourth quarter, an office property in Copenhagen was acquired for an underlying property value of DKK 174 million, corresponding to approximately SEK 240 million. The property was taken possession of on 1 December and Klöver's total property portfolio in Copenhagen thereafter amounts to seven properties with a total lettable area of around 93,000 sq.m.

PROPERTIES AND CHANGES IN VALUE

As at 31 December 2018, Klöver's portfolio consisted of 426 properties (405). The rental value amounted to SEK 4,063 million (3,507) and the fair value of the properties was SEK 52,713 million (42,961). The total lettable area amounted to 2,969,000 sq.m. (2,900,000).

The changes in value of the properties totalled SEK 2,309 million (1,913) during the period January to December. The changes in value include realized changes in value of SEK –15 million (–1) and unrealized changes in value of

INVESTMENTS, trailing 12 months, SEKm



CHANGES IN FAIR VALUE OF PROPERTIES, EXCLUDING TRANSACTIONS AND CURRENCY CONVERSION

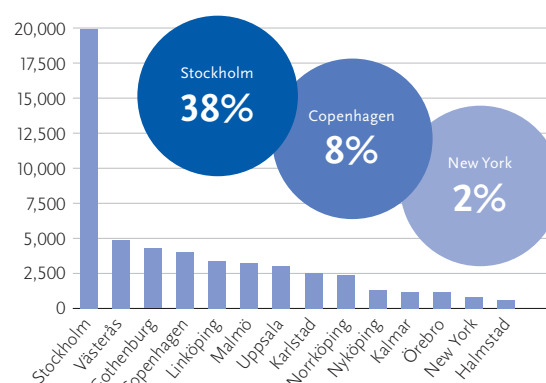
SEKm	18Q1	18Q2	18Q3	18Q4	Full year 2018
Operating surplus and required yield	342	98	187	404	1,031
Development of building rights	35	22	44	251	352
Projects >25 million	282	179	120	529	1,110
Projects <25 million	226	236	314	464	1,240
Total	885	535	665	1,648	3,733

Excluding value changes of SEK 382 million in 18Q4 due to the acquisition of Agora.

SEK 2,324 million (1,914), of which SEK 382 million is a one-off related to the acquisition of Agora which was done at an implicit discount to the fair value of the company's properties. Excluding the one-off of Agora the changes in value correspond to 4.5 per cent of Klöver's property value at the beginning of 2018. The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio, as at 31 December, has been valued with a yield requirement of 5.7 per cent (5.9). The value of the properties has increased, mainly due to investments made in connection with new letting, rising market rents, lower yield requirements and the development of the building rights portfolio.

Klöver values 100 per cent of the property portfolio every quarter, of which 20 to 30 per cent are normally valued externally. The external valuations have been performed by Cushman & Wakefield, Savills and Newsec. Every property in the portfolio is valued externally at least once during a rolling 12-month period. All properties are classified at Level 3 in accordance with IFRS 13. No properties have changed classification during the period. See Klöver's annual report for 2017 for a detailed description of valuation principles.

PROPERTY VALUE*, SEKm



* The chart shows property value by business unit and New York. The business units Stockholm North and Stockholm South are shown in the same bar.

SHARES

As at 31 December, the total number of registered shares in Klöver was 932,437,980, of which 73,660,263 were ordinary shares of class A, 842,333,717 ordinary shares of class B and 16,444,000 preference shares. An ordinary share of class A confers one vote while an ordinary share of class B, like a preference share, confers a tenth of a vote. Klöver's shares are listed on Nasdaq Stockholm. On 28 December, the closing price was SEK 10.15 per ordinary share of class A, SEK 10.28 per ordinary share of class B and SEK 307.00 per preference share, corresponding to a total market capitalization of SEK 14,455 million (14,922). The number of shareholders at the end of the period amounted to around 47,700 (46,000). 80 per cent (79) of the total number of shares are Swedish-owned. As at 31 December, the company's holding of its own shares consisted of 90,200,000 ordinary shares of class B, corresponding to 9.7 per cent of the total number of registered shares. Repurchased shares cannot be represented at general meetings.

TAXES

During the fourth quarter, deferred tax amounted to SEK –224 million (–196) whereas current tax amounted to SEK –16 million (0). During the year, deferred tax amounted to SEK –337 million (–592) and current tax amounted to SEK –17 million (–8).

From 1 July, deferred tax has been calculated at a nominal tax rate of 20.6 per cent (22.0) of the difference between the reported and taxable value of assets and liabilities. The tax rate has been changed in accordance with the Swedish Parliament's (the Riksdag) decision on changed corporate taxation. Recalculation to the new tax rate has entailed a positive one-off accounting effect of SEK 175 million. As at 31 December 2018, the deferred tax liability amounted to SEK 2,884 million (2,550).

In June 2018, the Swedish parliament decided to approve the proposal for changed corporate taxation. This decision means, in brief, the introduction of a maximum deduction of net interest income of 30 per cent of taxable EBITDA and that corporate tax is to be reduced in two steps from 22.0 per cent to 21.4 per cent from 2019 and to 20.6 per cent from 2021. The new rules apply from 1 January 2019. Klöver's assessment is that the new rules will not have any significant effect on the calculation of tax for 2019. The negative effect will, however, increase with rising market interest rates.

ORGANIZATION

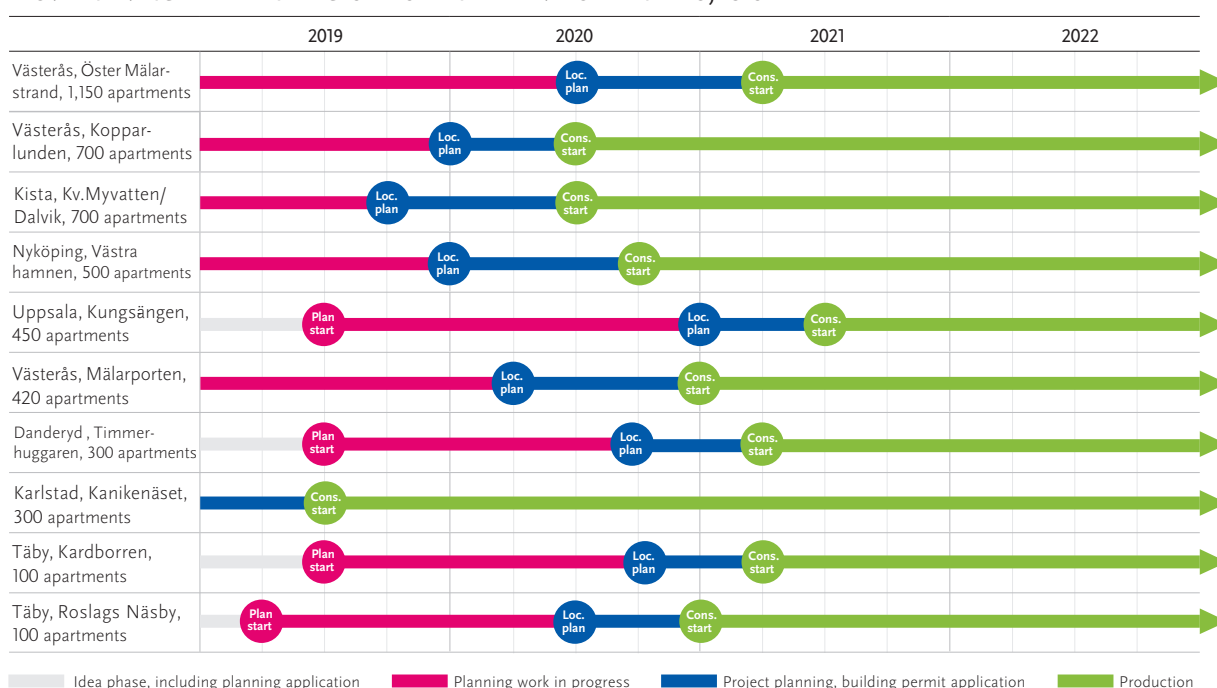
Klöver's business model entails closeness to the customer by having own local staff at all 14 business units, as at 31 December 2018 allocated to four geographic regions in Sweden and international operations in Denmark and the United States. On 1 January 2019 the structure of the Swedish operations was changed from four regions to three regions. The Västerås business unit subsequently belongs to the Stockholm region and the Örebro business unit belongs to the East region. At the same time, Region South changed name to Region West. The three regions are Stockholm (Stockholm North, Stockholm South, Västerås and Uppsala), West (Gothenburg, Malmö, Karlstad and Halmstad) and East (Linköping, Norrköping, Nyköping, Kalmar and Örebro).

As at 31 December 2018, there were 248 employees (244). The average age was 43 (43) and the proportion of women was 42 per cent (41).

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

A real estate company is exposed to various risks and opportunities in its business activities. Internal regulations and

KLÖVERN LIVING – THE TEN LARGEST RESIDENTIAL DEVELOPMENT PROJECTS



LARGEST SHAREHOLDERS 31.12.2018, SORTED BY SHARE OF VOTES

	No. ordinary shares A thousands	No. ordinary shares B thousands	No. preference shares, thousands	Share of capital, %	Share of votes, ¹⁾
Rutger Arnhult via companies	12,528	127,419	655	15.1	16.8
Corem Property Group	9,500	129,400	—	14.9	14.9
Arvid Svensson Invest	13,300	52,997	685	7.2	12.4
Gårdarike	18,107	2,290	50	2.0	11.1
Swedbank Robur fonder	1,301	18,965	—	2.2	2.1
Länsförsäkringar funds	—	30,354	—	3.3	2.0
Handelsbanken fonder	—	28,250	—	3.0	1.9
CBNY-Norges Bank	530	21,690	75	2.4	1.8
SEB Investment Management	147	18,822	—	2.0	1.3
Swedbank AS (Estonia)	1	18,576	58	2.0	1.2
State Street Bank and Trust Co, W9	66	15,731	99	1.7	1.1
UBS Switzerland AG	208	13,246	93	1.5	1.0
BNY Mellon NA, W9	915	5,419	64	0.7	1.0
Pareto Bank ASA	600	6,000	—	0.7	0.8
Avanza Pension	582	5,280	806	0.7	0.8
Total largest shareholders	57,785	494,439	2,585	59.5	71.4
Other shareholders	15,875	257,695	13,859	30.8	28.6
Total outstanding shares	73,660	752,134	16,444	90.3	100.0
Repurchased own shares ¹⁾	—	90,200	—	9.7	—
Total registered shares	73,660	842,334	16,444	100.0	100.0

Due to new routines at Ålandsbanken the bank has been registered in Euroclear's share register as owners to some of its clients' Klöver-shares. Klöver assesses that the table above gives a correct picture of the company's 15 largest owners.

¹⁾ Repurchased own shares have no voting rights at general meetings.

INCOME STATEMENT ITEMS AND INVESTMENTS PER PROPERTY SEGMENT AND REGION

	Income, SEKm		Property costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2018 Jan–Dec	2017 Jan–Dec	2018 Jan–Dec	2017 Jan–Dec	2018 Jan–Dec	2017 Jan–Dec	2018 Jan–Dec	2017 Jan–Dec	2018 Jan–Dec	2017 Jan–Dec
Stockholm ²	1,347	1,278	–439	–424	908	854	67	67	613	518
South ²	714	701	–257	–239	457	462	64	66	607	537
East ²	683	662	–226	–212	457	450	67	68	265	173
Central ²	386	388	–147	–148	239	240	62	62	199	261
International	120	—	–11	—	109	—	91	—	107	—
Total	3,250	3,029	–1,080	–1,023	2,170	2,006	67	66	1,791	1,489
where of										
Investment	3,127	2,897	–992	–937	2,135	1,960	68	68	1,018	918
Development	123	132	–88	–86	35	46	28	35	773	571

KEY RATIOS PER PROPERTY SEGMENT AND REGION

	Fair value, SEKm		Yield requirements ¹⁾ , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Stockholm ²	22,951	21,344	5.2	5.4	839	842	1,595	1,515	89	87
South ²	10,631	9,629	6.3	6.2	838	835	931	835	87	88
East ²	8,284	7,291	6.5	6.5	763	733	787	720	92	93
Central ²	6,036	4,696	6.2	6.7	433	490	520	437	88	87
International	4,811	—	4.3	—	96	—	230	—	98	—
Total	52,713	42,961	5.7	5.9	2,969	2,900	4,063	3,507	89	89
where of										
Investment	47,380	39,521	5.7	5.9	2,683	2,592	3,766	3,271	91	91
Development	5,333	3,440	5.6	5.8	286	308	298	236	66	54

¹⁾ The yield requirement has been calculated excluding building rights.

²⁾ On 1 January 2018, business unit Karlstad was moved from Region Central to Region South. Historical figures have been adjusted for this. On 1 January 2019, the structure of the Swedish operations was changed from four regions to three regions. Business unit Västerås now belongs to Region Stockholm whereas business unit Örebro belongs to Region East.

policies limit exposure to different risks. Klöver's significant risks and exposure and their management are described on pages 54–57 of the 2017 annual report.

DISPUTES

Klöver has no ongoing disputes that can have a significant profit impact.

ACCOUNTING POLICIES

This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Statements and, in the case of the parent company, in accordance with the Annual Accounts Act. The accounting policies applied in this interim report are in essential parts those described in Note 1 of Klöver's annual report for 2017.

As from 1 January 2018, IFRS 15 Revenue from contracts with customers and IFRS 9 Financial Instruments have entered into force.

According to IFRS 15, revenue is to be divided up between rental revenues and service revenues. The group's revenues consist predominantly of rental revenues from letting of commercial properties. Rental revenue is reported in the period that the tenant uses the property in accordance with IAS 17 Leases. Klöver has made the assessment that the service provided by Klöver to tenants is subordinate to the lease and all compensation is therefore reported as rental revenues.

IFRS 9 replaces IAS 39, and the standard introduces new principles for classification of financial assets, hedge accounting and for credit provisions. The single largest item that affects Klöver is derivatives which continue to be reported at fair value through the income statement and interest-bearing liabilities which are reported at accrued acquisition value.

None of these standards has had any effect on Klöver's income statement and balance sheet.

The parent company applies the exception in RFR 2 and reports financial instruments based on the principles of the Annual Accounts Act at acquisition value. However, values that are lower than the acquisition value shall be reported in the balance sheet and the change in value in the income statement. Accordingly, interest rate swaps with a negative value are reported at this negative value as a liability in the balance sheet. This is based on the changes in RFR 2 made in conjunction with the introduction of IFRS 9. Recalculation of the year 2017's values have been done and the effects in the parent company's income statement and balance sheet is the following. In the income statement, changes in value of derivatives have been adjusted with SEK +107 million, reported tax SEK –23 million and the net profit for the period has been adjusted with SEK +84 million. In the balance sheet, deferred tax assets have increased by SEK 79 million, equity has decreased by SEK 281 million and derivatives have been reported at a negative value of SEK 360 million.

IFRS 16 Leasing comes into effect on 1 January 2019 and replaces IAS 17. According to the new standard, all leasing contracts are to be taken up in the balance sheet with the exception of contracts with a term of less than 12 months or for smaller amounts. As a landlord and lessor

the change is not estimated to affect Klöver's reporting. Klöver is a lessee to a limited extent where the site leasehold agreements are the group's single most important leasing agreements. Apart from these, there are smaller leasing agreements for vehicles, which are covered by the standard. As from 1 January 2019, Klöver will report site leasehold and land lease agreements corresponding to around SEK 0.7 billion as usufructuary rights with a corresponding leasing liability. Site leasehold rent and land lease expenses associated with these agreements, which were previously reported in the operating surplus will be reported as financial expenses in net financial items. Site leasehold rent and land lease expenses are estimated to total around SEK 40 million in 2019. The profit from property management will, however, not be affected by this change in reporting.

Otherwise, the accounting policies of the Group and the Parent Company are unchanged compared with the 2017 annual report.

DIVIDEND

The Board of Directors proposes to the Annual General Meeting for the 2018 financial year a dividend of in total SEK 0.46 (0.44) per ordinary share to be paid in four instalments of SEK 0.11, SEK 0.11, SEK 0.12 and SEK 0.12 respectively and a dividend of SEK 20.00 (20.00) per preference share to be paid in four instalments of SEK 5.00.

It is proposed that the record dates for dividends on ordinary shares and preference shares be 28 June 2019, 30 September 2019, 30 December 2019 and 31 March 2020. During the fourth quarter of 2018, a dividend of SEK 0.11 per ordinary share and SEK 5.00 per preference share, totaling SEK 174 million, has been paid.

The Annual General Meeting will be held on 26 April 2019 and prerequisites for notification of attendance at the Annual General Meeting will be advertised in Post & Inrikes Tidningar and on www.klovern.se. Notification that notice has been given will be published in an advertisement in Svenska Dagbladet. Shareholders wishing to make proposals to the Nominations Committee may do so by e-mail.

EVENTS AFTER THE END OF THE PERIOD

In January, a contract was signed to acquire an office property in Kista, Stockholm, for an underlying property value of SEK 633 million. Transfer of possession is planned to take place on 4 March 2019.

At the end of January, Klöver issued SEK 1,000 million of senior unsecured bonds under the company's green bond loan with final maturity in April 2022 and a framework amount of SEK 2,500 million. In February, an additional SEK 400 million were issued. The bond loan's total outstanding volume after the issues amounts to SEK 2,300 million.

Stockholm, 13 February 2019

Board of Directors of Klöver AB (publ)

The year-end report has not been reviewed by Klöver's auditors.

Consolidated Statement of Income

Summary

SEKm	2018 3 months Oct–Dec	2017 3 months Oct–Dec	2018 12 months Jan–Dec	2017 12 months Jan–Dec
Income	852	768	3,250	3,029
Property costs	–328	–315	–1,080	–1,023
Operating surplus	524	453	2,170	2,006
Central administration	–43	–31	–126	–108
Net financial items	–184	–160	–700	–635
Profit from property management (properties)	297	262	1,344	1,263
Income, residential development	71	—	123	—
Costs, residential development	–88	—	–160	—
Net financial items, residential development	–12	—	–22	—
Profit from residential development	–29	—	–59	—
Share in earnings of associated companies	–5	—	7	—
Revaluation, transition from share in earnings of associated co:s to subsidiary	—	—	22	—
Changes in value, properties	1,492	542	2,309	1,913
Changes in value, derivatives	13	18	67	100
Changes in value, financial assets	33	–8	25	–15
Write-down of goodwill	—	–13	–27	–50
Profit before tax	1,801	801	3,688	3,211
Taxes	–240	–196	–354	–600
Net profit for the period	1,561	605	3,334	2,611
Net profit for the period attributable to:				
The parent company's shareholders	1,567	605	3,345	2,611
Holdings without controlling influence	–6	0	–11	0
	1,561	605	3,334	2,611
Other comprehensive income, items which may later be reversed in the income statement				
Translation difference regarding foreign operations	2	—	63	—
Comprehensive income for the period	1,563	605	3,397	2,611
Comprehensive income for the period attributable to:				
The parent company's shareholders	1,569	605	3,408	2,611
Holdings without controlling influence	–6	0	–11	0
	1,563	605	3,397	2,611
Earnings per ordinary share, SEK	1.78	0.59	3.54	2.53
No. of ordinary shares outstanding at the end of the period, million	825.8	876.6	825.8	876.6
No. of preference shares outstanding at the end of the period, million	16.4	16.4	16.4	16.4
Average no. of outstanding ordinary shares, million	834.3	879.2	852.4	902.8
Average no. of outstanding preference shares, million	16.4	16.4	16.4	16.4

There are no outstanding warrants or convertibles.

Consolidated Balance Sheet

Summary

SEKm	31.12.2018	31.12.2017
Assets		
Goodwill	155	183
Investment properties	52,713	42,961
Machinery and equipment	27	16
Participation rights in associated companies	217	—
Financial assets at fair value through statement of income	74	113
Properties (current assets)	444	—
Other receivables	2,256	945
Liquid funds	576	39
TOTAL ASSETS	56,462	44,257
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity attributable to the parent company's shareholders	17,972	14,505
Equity attributable to holdings without controlling influence	172	0
Deferred tax liability	2,884	2,550
Interest-bearing liabilities	33,688	25,529
Derivatives	85	367
Accounts payable	270	368
Other liabilities	486	403
Accrued expenses and prepaid income	905	535
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	56,462	44,257

Change in Consolidated Shareholders' Equity

Summary

SEKm	Shareholders' equity attributable to		
	The parent company's shareholders	Holdings without controlling influence	Total shareholders' equity
Shareholders' equity 31.12.2016	12,999	0	12,999
Repurchase of own shares	–419	—	–419
Dividend	–686	—	–686
Other comprehensive income	—	—	—
Net profit for the period	2,611	—	2,611
Shareholders' equity 31.12.2017	14,505	0	14,505
Repurchase of own shares	–558	—	–558
Dividend	–695	–11	–706
Capital contribution	1,261	—	1,261
Change in holding without controlling influence	51	194	245
Other comprehensive income	63	—	63
Net profit for the period	3,345	–11	3,334
Shareholders' equity 31.12.2018	17,972	172	18,144

Consolidated Cash Flow Statement

Summary

SEKm	2018 3 months Oct–Dec	2017 3 months Oct–Dec	2018 12 months Jan–Dec	2017 12 months Jan–Dec
Current operations				
Profit from property management and profit from residential development	269	262	1,285	1,263
Adjustment for items not included in the cash flow	2	1	6	5
Income tax paid	0	7	0	–1
Cash flow from current operations before change in working capital	271	270	1,291	1,267
Changes in working capital				
Change properties (current assets)	297	—	–16	—
Change in operating receivables	350	–163	–166	–136
Change in operating liabilities	147	66	139	–101
Total change in working capital	794	–97	–43	–237
Cash flow from current operations	1,065	173	1,248	1,030
Investment operations				
Divestment of properties	399	263	2,303	1,495
Acquisition of and investment in properties	–1,776	–1,291	–7,289	–3,598
Acquisition of subsidiaries	—	—	–174	—
Acquisition of machinery and equipment	–6	0	–15	–3
Change in financial assets	–419	55	–149	253
Cash flow from investment operations	–1,802	–973	–5,324	–1,853
Financing operations				
Change in interest-bearing liabilities	978	656	4,749	1,660
Acquisition of financial instruments	–208	—	–217	—
Repurchase of own shares	–113	–38	–558	–419
Dividend	–174	–170	–688	–508
Hybrid bond	480	—	1,261	—
Change in holding without controlling influence	—	—	66	—
Cash flow from financing operations	963	448	4,613	733
Total cash flow	226	–352	537	–90
Liquid funds at the beginning of the period	350	391	39	129
Liquid funds at the end of the period	576	39	576	39

Parent Company Income Statement

Summary

SEKm	2018 3 months Oct–Dec	2017 3 months Oct–Dec	2018 12 months Jan–Dec	2017 12 months Jan–Dec
Net sales	71	61	237	226
Cost of services sold	–56	–52	–195	–186
Gross profit	15	9	42	40
Central administration	–36	–31	–119	–108
Operating profit	–21	–22	–77	–68
Changes in value, derivatives	70	107	70	107
Net financial items	1,417	945	1,056	808
Profit before tax	1,466	1,030	1,049	847
Taxes	–17	–49	–38	–49
Net profit for the period	1,449	981	1,011	798
Other comprehensive income	—	—	—	—
Comprehensive income for the period	1,449	981	1,011	798

Parent Company Balance Sheet

Summary

SEKm	31.12.2018	31.12.2017
ASSETS		
Machinery and equipment	6	3
Participation rights in group companies	1,973	1,875
Receivables from group companies	25,756	19,930
Derivatives	17	14
Deferred tax assets	371	409
Other receivables	132	2,369
Liquid funds	249	909
TOTAL ASSETS	28,504	25,509
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	7,734	6,714
Interest-bearing liabilities	19,127	16,510
Derivatives	89	360
Liabilities to group companies	1,077	1,472
Accounts payable	13	14
Other liabilities	369	363
Accrued expenses and prepaid income	95	76
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	28,504	25,509

The comparable period in the income statement and balance sheet has been recalculated due to new rules in RFR 2. For more details, see Accounting Policies on page 13.

Key ratios

	31.12.2018 3 months Oct–Dec	31.12.2017 3 months Oct–Dec	2018	2017	2016	2015	2014
Property							
Number of properties	426	405	426	405	431	415	408
Lettable area, 000 sq.m.	2,969	2,900	2,969	2,900	2,943	2,872	2,792
Rental value, SEKm	4,063	3,507	4,063	3,507	3,386	3,182	2,983
Rental value per lettable area, SEK/sq.m.	1,368	1,209	1,368	1,209	1,151	1,108	1,068
Fair value properties, SEKm	52,713	42,961	52,713	42,961	39,234	35,032	30,208
Yield requirement valuation, %	5.7	5.9	5.7	5.9	6.2	6.5	6.9
Operating margin, %	61	59	67	66	66	65	65
Occupancy rate, economic, %	89	89	89	89	89	91	90
Occupancy rate, area, %	81	81	81	81	82	83	81
Average lease term, years	3.5	3.6	3.5	3.6	3.7	3.5	3.3
Financial							
Return on equity, %	9.2	4.3	21.2	18.9	18.6	18.9	14.5
Equity ratio, %	31.8	32.8	31.8	32.8	32.1	31.7	31.5
Equity ratio, adjusted, %	37.4	38.5	37.4	38.5	36.7	35.8	35.9
Leverage, %	60	58	60	58	60	61	60
Leverage properties, %	48	42	48	42	44	47	51
Interest coverage ratio	2.3	2.6	2.7	2.9	2.9	2.6	2.0
Average interest, %	2.3	2.5	2.3	2.5	2.5	2.7	3.5
Average fixed-interest period, years	2.9	2.8	2.9	2.8	2.6	2.1	2.1
Average period of tied-up capital, years	4.3	3.0	4.3	3.0	3.0	2.8	2.1
Interest-bearing liabilities, SEKm	33,688	25,529	33,688	25,529	23,869	21,486	18,870
Share¹							
Equity per ordinary share, SEK	14.08	10.74	14.08	10.74	9.01	7.38	5.20
EPRA NAV, SEK	17.67	14.07	17.67	14.07	11.70	9.53	7.05
Equity per preference share, SEK	307.00	309.60	307.00	309.60	288.50	281.50	317.50
Profit from property management per ordinary share, SEK	0.26	0.20	1.19	1.03	0.93	0.78	0.61
Earnings per ordinary share, SEK	1.78	0.59	3.54	2.53	2.11	1.83	1.02
Share price ordinary share A at end of period, SEK	10.15	10.87	10.15	10.87	9.38	9.45	8.20
Share price ordinary share B at end of period, SEK	10.28	10.72	10.28	10.72	9.55	9.50	7.60
Share price preference share at end of period, SEK	307.00	309.60	307.00	309.60	288.50	281.50	317.50
Market capitalization, SEKm	14,455	14,922	14,455	14,922	13,479	13,327	12,232
Total no. of registered ordinary shares at end of period, million	916.0	916.0	916.0	916.0	916.0	916.0	916.0
Total no. of outstanding ordinary shares at end of period, million	825.8	876.6	825.8	876.6	916.0	916.0	916.0
Total no. of registered preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Total no. of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Dividend per ordinary share, SEK	—	—	0.46 ²	0.44	0.40	0.35	0.30
Dividend per preference share, SEK	—	—	20.00 ²	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	53 ²	57	59	62	77
Dividend preference shares in relation to profit from property management, %	—	—	24 ²	26	28	32	42

¹⁾ Historical figures are adjusted for the bonus issue and reverse share split completed during Q4 2014.

Klövern shows some key figures in the interim report which are not defined under IFRS. The company considers that these key figures provide essential additional information about the company. For additional information about these key figures see Klövern's website under the heading Financial statistics.

²⁾ Proposed dividend.

PROPERTY VALUE,
SEK BILLION

52.7

RENTAL VALUE,
SEK BILLION

4.1

LETTABLE AREA,
THOUSAND SQ.M.

2,969

Definitions

PROPERTY

AREA-BASED OCCUPANCY RATE

Let area in relation to total lettable area.

DEVELOPMENT PROPERTIES

Properties where conversion or extension projects are in process or planned, which lead to a higher standard or changed use of premises.

ECONOMIC OCCUPANCY RATE

Lease value in relation to rental value.

INVESTMENT PROPERTIES

Properties currently being actively managed.

LEASE VALUE

Rent for premises, index and rent supplement, according to lease.

NET MOVING-IN

Lease value of tenants moving in less lease value of vacating tenants.

OPERATING MARGIN

Operating surplus as a percentage of income.

OPERATING SURPLUS

Income less property costs.

PROFIT FROM PROPERTY MANAGEMENT

Profit before changes in value and tax.

REALIZED CHANGE IN VALUE

Property sales after deduction of the properties' most recently reported fair value and selling expenses.

RENTAL VALUE

Lease value plus assessed market value for space not rented.

UNREALIZED CHANGE IN VALUE

Change in fair value excluding acquisitions, sales, investments and realized changes in value.

YIELD REQUIREMENT, VALUATION

The required yield of property valuations on the residual value.

FINANCE

EQUITY RATIO

Reported equity in relation to reported total assets.

EQUITY RATIO, ADJUSTED¹⁾

Reported equity adjusted for the value of derivatives, goodwill, repurchased own shares (based on the share price at the end of the respective period) and deferred tax liabilities exceeding 5 per cent of the difference between taxable value and fair value of the properties in relation to reported total assets adjusted for goodwill.

INTEREST COVERAGE RATIO

Profit from property management (properties) plus profit from residential development plus financial costs in relation to financial costs.

LEVERAGE¹⁾

Interest-bearing liabilities after deduction of the market value of listed shareholdings (including repurchased own shares) and liquid funds in relation to the fair value of the properties.

LEVERAGE PROPERTIES

Interest-bearing liabilities with secured financing in properties in relation to the fair value of the properties.

RETURN ON EQUITY

Net profit in relation to average equity.

SHARE

EARNINGS PER ORDINARY SHARE

Net profit for the period, after deduction of earnings to preference shares, in relation to the average number of outstanding ordinary shares.

EARNINGS PER PREFERENCE SHARE

Accumulated share of the annual dividend of SEK 20 per preference share based on the number of outstanding preference shares at the end of each quarter.

EPRA NAV

Equity, after deduction for equity attributable to preference shares and hybrid bonds adding back derivatives and deferred tax liability, in relation to the number of outstanding ordinary shares.

EQUITY PER ORDINARY SHARE

Equity after deduction for equity attributable to preference shares and hybrid bonds in relation to the number of outstanding ordinary shares.

EQUITY PER PREFERENCE SHARE

Based on the share price of the preference share at the end of each period.

PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE

Profit from property management (properties) after deduction of earnings to preference shares, in relation to the average number of outstanding ordinary shares.

¹⁾The definition of the key ratio was reworded in conjunction with the interim report for January–September 2017 to take into account repurchased shares. The annual general meeting on 26 April 2018 decided to authorize the board of directors, in the period until the next annual general meeting, to make decisions on acquisition and transfer of Klöver's own shares.

INTEREST COVERAGE
RATIO, JAN–DEC

2.7

EQUITY RATIO,
ADJUSTED, %

37.4

NUMBER OF
SHAREHOLDERS

47,700

Calendar

Annual report	Week 12, 2019
Final day for trading conferring the right to dividend for ordinary and preference shareholders	27 March 2019
Record date for dividend to ordinary and preference shareholders	29 March 2019
Expected date for dividend to ordinary and preference shareholders	3 April 2019
Interim report Jan–March 2019	26 April 2019
2019 Annual General Meeting	26 April 2019
Interim report Jan–June 2019	12 July 2019
Interim report Jan–Sep 2019	23 October 2019
Year-end Report 2019	12 February 2020

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This information is information that Klöver AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. This information was submitted for publication through the agency of the contact persons set out above at 07.30 CET on 13 February 2019.

This is a translation of the original Swedish language interim report. In the event of discrepancies, the original Swedish wording shall prevail.

KLÖVERN

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