

- » Income increased by 15 per cent to SEK 1,817 million (1,585).
- » The operating surplus increased by 17 per cent to SEK 1,243 million (1,066).
- » Profit from property management increased by 11 per cent to SEK 754 million (680).
- » Profit before tax amounted to SEK 1,413 million (1,244) and net profit, attributable to the parent company's shareholders, totalled SEK 1,085 million (1,198), corresponding to SEK 1.12 (1.20) per ordinary share.
- » Changes in value of properties totalled SEK 770 million (546).
- » Project development, including development of building rights, contributed to increases in value of properties of SEK 194 million (131).
- » After taking possession of 2 properties for SEK 945 million, transfer of possession of 12 properties for SEK 222 million and investments of SEK 629 million, the value of the property portfolio amounted to SEK 54,975 million.
- » The interest coverage ratio amounted to 2.7 (2.9) and the adjusted equity ratio to 37.5 per cent.
- » EPRA NAV amounted to SEK 17.95.

”

*Klövern is also reporting strong earnings for the second quarter of 2019.*

Rutger Arnhult, CEO

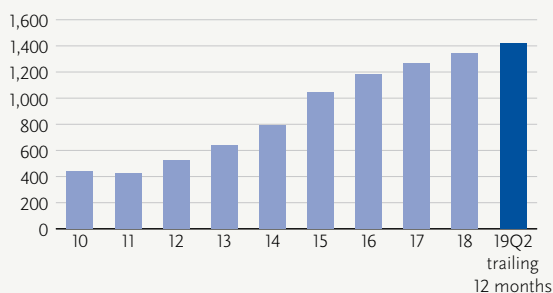
HOTEL

# THIS IS KLÖVERN

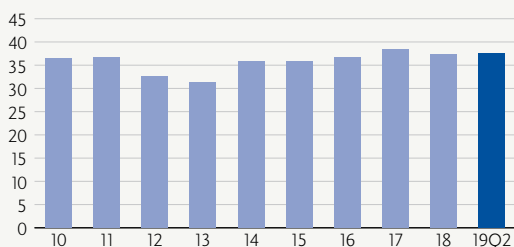
**KLÖVERN IS A LISTED REAL ESTATE COMPANY** which, with closeness and commitment, offers attractive premises and actively contributes to urban development in growth regions.

The company's vision is to create attractive and sustainable environments for future enterprise, individuals and society.

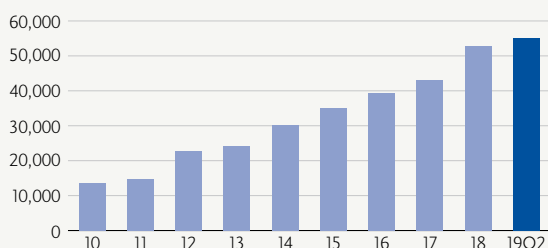
## PROFIT FROM PROPERTY MANAGEMENT, SEKm



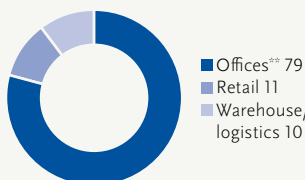
## EQUITY RATIO, adjusted, %



## PROPERTY VALUE, SEKm

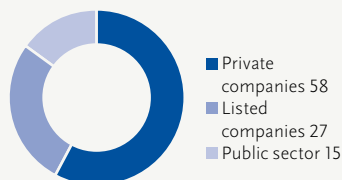


## PROPERTY VALUE BY TYPE OF PROPERTY %

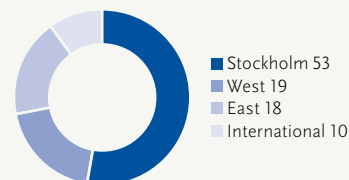


\*\*Including education, health care, other.

## CONTRACT VALUE BY CUSTOMER CATEGORY, %

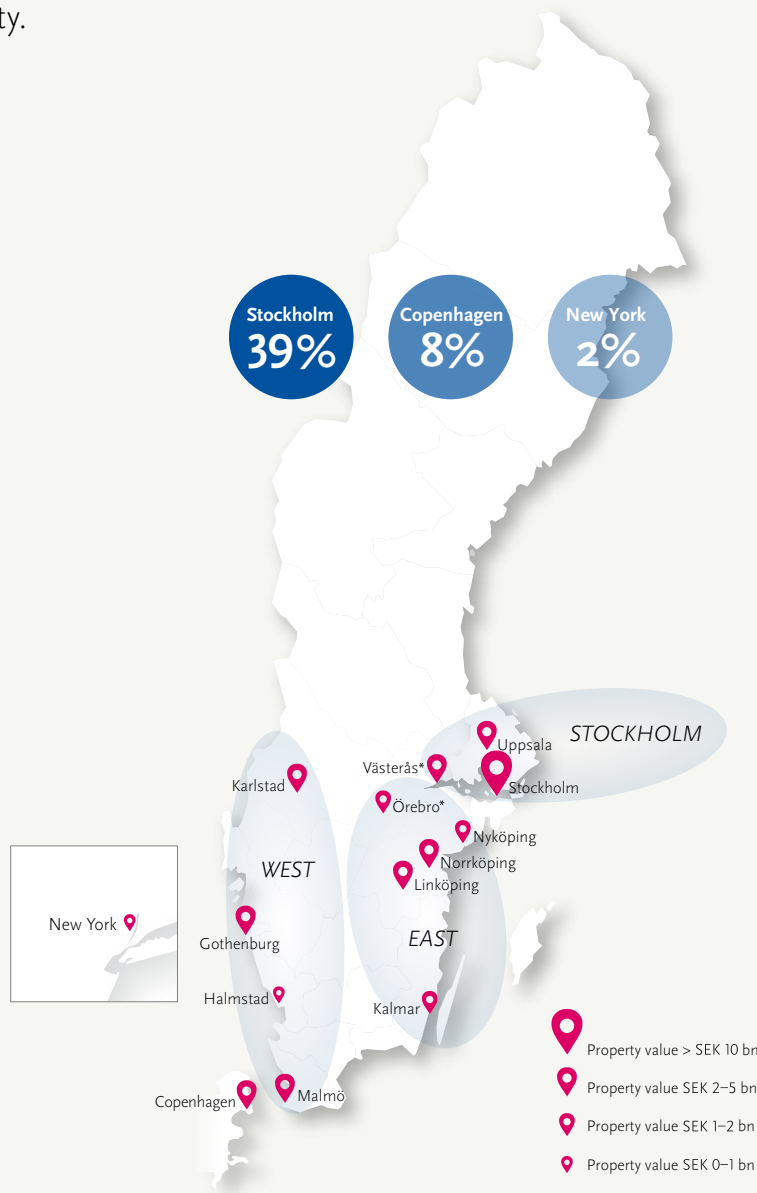


## PROPERTY VALUE BY REGION\*, %



\* 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.

Cover: The properties Travbanan 2 and 3 (Åby Arena) in Gothenburg.





STATEMENT BY THE CEO

## An eventful second quarter

Klövern is also reporting strong earnings for the second quarter of 2019. High net moving-in continues to contribute to increased income and positive changes in value in the property portfolio. The company's strategy of focusing on streamlining and concentration led to a large sale at the end of the quarter, when an agreement was entered into on divestment of a large part of the portfolio in Örebro, while another acquisition was made in New York.

### CONTINUED STRONG EARNINGS DEVELOPMENT

Income increased to SEK 1,817 million during the first half of the year and to SEK 3,482 million during the past 12 months. Profit from property management improved to SEK 754 million with the operating margin amounting to 68 per cent. Positive changes in value of properties amounting to SEK 770 million contributed to a profit before tax of SEK 1,413 million. Net moving-in during the quarter amounted to SEK 51 million, which means that Klöverns net moving-in was SEK 98 million during the first half of 2019, compared with SEK 89 million during the full year 2018. The two largest incoming tenants during the quarter were AP Pension to approximately 3,500 sq.m. and Banking Circle to around 2,200 kvm, both in the property Amerika Plads in Copenhagen.

### STABLE PROPERTY PORTFOLIO

The property portfolio delivers in percentage terms increasingly strong earnings and it is especially gratifying that this is also the case in the comparable portfolio, i.e. the properties that we have owned for the whole of 2018 and 2019. For the first two quarters of the year, the development of the operating surplus in the comparable portfolio at over 5 per cent is well above the general price development and reflects the strong moving-in during the period.

### NEW OPPORTUNITIES IN NEW YORK

During the second quarter, Klöverns signed an agreement and took possession of a site leasehold in Manhattan at the address 118 10th Avenue for an initial amount of around USD 22.6 million, corresponding to SEK 215 million. The property is located in Chelsea, in an attractive location between 17th Street and 18th Street close to one of New York's most popular sights - The High Line. The aim is to develop a high-quality 10-story office building of around 12,000 sq.m. together with the local property developer GDS Development. Adding an additional project property, close to the two project properties in Manhattan that Klöverns acquired in 2018, further reinforces Klöverns position.

### REDEMPTION OF TOBIN PROPERTIES

Friday, 28 June was the last trading day on Nasdaq First North for Tobin Properties. During the second quarter, Klöverns requested compulsory redemption of the remaining shares in the company. There are possibilities of synergies between Klöverns and Tobin Properties, which Klöverns can obtain full benefit from with Tobin Properties as a wholly-owned subsidiary. The second quarter of 2019 has been characterized by a cautious improvement in the market situation for Tobin Properties and housing developers in general.

### FOCUS ON CONTINUED STREAMLINING

There was considerable transaction activity during the second quarter of the year, with the focus primarily on streamlining. In all, a total of 26 properties at a value of around SEK 1.9 billion were divested or an agreement on divestment was concluded. Apart from one remaining project property and a large logistics property, these sales meant in principle that Klöverns has wholly left the Örebro market where we have had a relatively limited presence for a long time. A more geographically streamlined portfolio leads to more efficient management at the same time as it makes visible the actual property values as Klöverns sometimes succeeds in divesting properties at a higher value than the reported market value. The property divestments agreed on during the first six months of the year have on average taken place at levels 12 per cent above the reported market value. Consequently, this also has positive effects on the equity ratio which is strengthened at transfer of possession.

### FINANCIAL STRENGTH

Klöverns financial strength continues to be good. The adjusted equity ratio was 37.5 per cent at the end of the quarter. The quarter's largest divestment of 21 properties at a value of around SEK 1.6 billion have not yet been handed over. The average period of tied-up capital was at the same time 4.2 years while the average fixed-interest period was 2.4 years and the share of credit volume that is hedged or at a fixed rate amounted to 84 per cent. The capital market continues to offer good liquidity. At the end of May, Klöverns issued an unsecured bond for SEK 700 million with a tenor of four years, at an interest of STIBOR 3m + 4.25 per cent.

### GOOD VALUE GROWTH

The net asset value per share (EPRA NAV) amounted to SEK 17.95, corresponding to an increase of 2 per cent since the turn of the year and 23 per cent during the past 12 months.

### CONTINUED STABLE DEVELOPMENT

Overall, we are very pleased with the result for the first six months and look forward, after a well-earned holiday, to what the second half of the year has to offer.

Rutger Arnhult, CEO Klöverns

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 April–June and the period to January–June.

## INCOME AND EXPENSES

Income increased to SEK 921 million (813) during the second quarter of 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 2018 and 2019, income amounted to SEK 771 million (728) during the quarter.

Property costs totalled SEK 277 million (253). Property costs for a comparable portfolio amounted to SEK 227 million (209), where the second quarter of 2018 has also been calculated in accordance with IFRS 16. Central administration costs amounted to SEK 37 million (29). Agora, which is consolidated in Klöver from 9 November 2018, accounts for SEK 1 million of the increase in the central administration costs during the quarter.

## PROFIT

The operating surplus increased to SEK 644 million (560) during the quarter. The operating surplus for a comparable portfolio amounted to SEK 543 million (519). The operating margin amounted to 70 per cent (69). The profit from property management, i.e. profit excluding, among other things, changes in value, earnings from residential development and tax, amounted to SEK 391 million (361). 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 565 million (535) and was affected by SEK 225 million (150) relating to changes in value of properties and SEK –21 million (1) for derivatives.

## NET MOVING-IN AND THE OCCUPANCY RATE

Net moving-in amounted to SEK 51 million (9) during the second quarter and SEK 98 million (49) during the period.

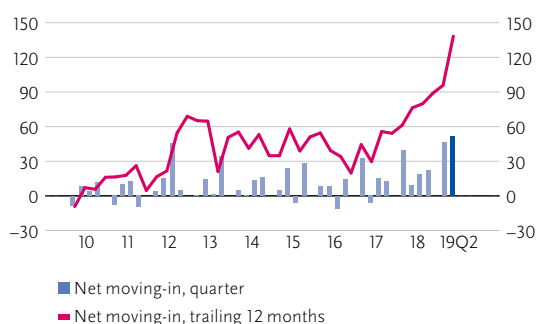
Among the largest tenants moving in were AP Pension with 3,515 sq.m. and Banking Circle with 2,180 sq.m.; both at the property Amerika Plads in Copenhagen, which is now fully let.

The largest vacating tenant during the quarter was Unilabs with 624 sq.m. in the property Arena 6 in Stockholm.

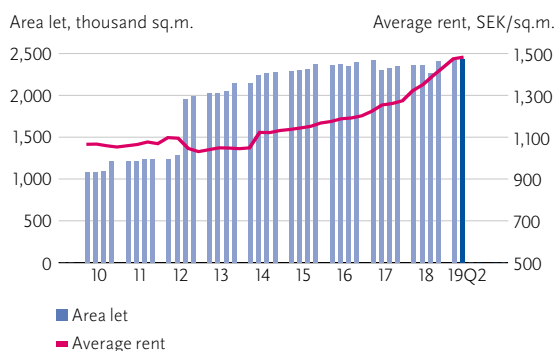
Among the larger contracts that were signed during the second quarter, where the tenant has not yet moved in, are a seven-year lease with Samhall for 906 sq.m. in the property Bronsen 2 in Norrköping and an extension and expansion of premises for Täby Friskola through a 12-year lease with 3,493 sq.m. in the property Svänghjulet 1 in Kista.

The average remaining lease contract period as at 30 June was 3.6 years (3.5). The economic occupancy rate for all properties amounted to 90 per cent (89) and the area-based occupancy rate was 82 per cent (81). The economic occupancy rate for investment properties was 91 per cent (91) and for development properties 67 per cent (66).

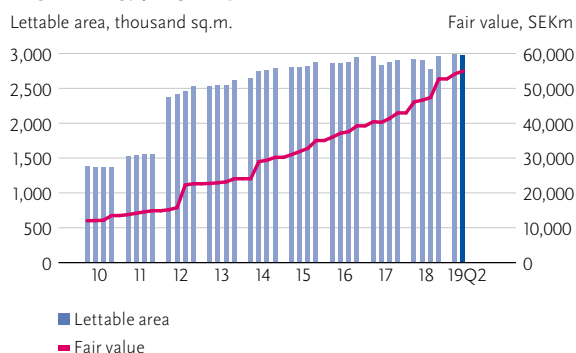
### NET MOVING-IN, SEKm



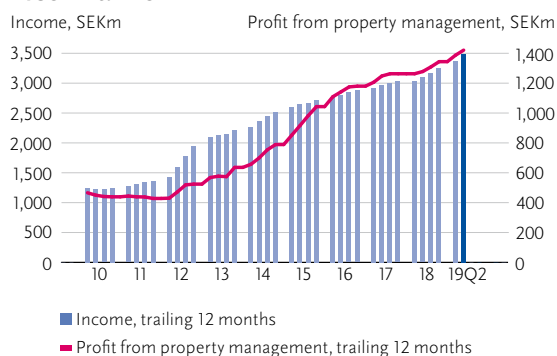
### PROPERTIES: AREA AND RENT



### PROPERTIES: VALUE AND AREA



### INCOME & PROFIT



## TOBIN PROPERTIES

The housing developer Tobin Properties is consolidated in Klöver from 4 April 2018.

At the start of 2019 Klöver's shareholding in Tobin Properties amounted to 34,018,591 ordinary shares and 18,378 Class A preference shares, corresponding to 81.2 per cent of the share capital and 82.9 per cent of the voting rights. Thereafter the ownership has changed in the following way.

In February, Klöver acquired 1,423,260 ordinary shares. The shareholding thereby amounted to 35,441,851 ordinary shares and 18,378 Class A preference shares, corresponding to 84.6 per cent of the share capital and 86.4 per cent of the voting rights.

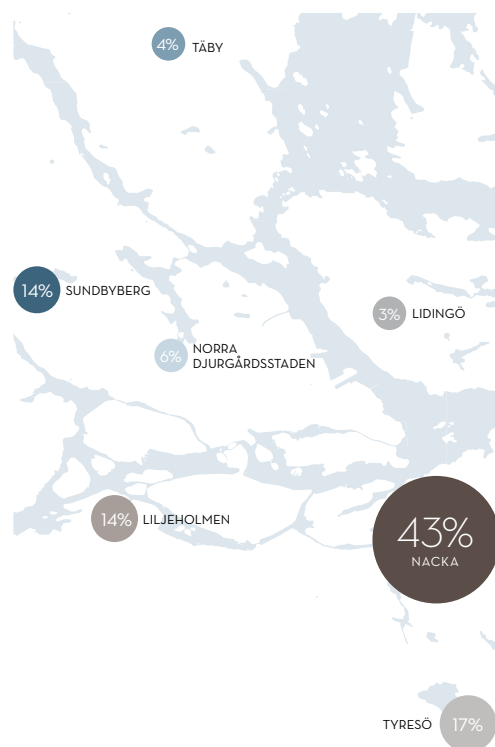
In May, Klöver acquired 869,374 ordinary shares and subsequently subscribed to 77,974,320 ordinary shares through a rights issue. After registration of the share issue, the ownership amounted to 114,285,545 ordinary shares and 18,378 Class A preference shares, corresponding to 92.4 per cent of the share capital and 93.0 per cent of the voting rights. In June, Klöver requested compulsory redemption of all remaining shares in Tobin Properties.

At the end of June, Tobin Properties was delisted from Nasdaq First North.

The primary focus for Tobin Properties during the quarter has been on completion of ongoing projects. So far in 2019, moving-in has taken place in around 250 completed apartments. The company has also chosen not to proceed with a couple of planned, but not started, projects where the

conditions are no longer favourable. Going forward, Tobin Properties plans to focus on a few projects, for example in Nacka Strand where the company has building rights which encompass 37,000 sq.m. of residential space.

### TOBIN PROPERTIES – GEOGRAPHIC MIX (SQ.M.)



### TOBIN PROPERTIES – PROJECT PORTFOLIO

Name of project	Location	Sell start, year	Expected completion, year	Detailed plan/ no detailed plan	Number of units	Units sold	Share of units sold, %	Area, sq.m.
<b>PROJECTS – CONSTRUCTION STARTED</b>								
Äril <sup>1</sup>	Norra Djurgårdsstaden	2016	2019	Detailed plan	76	76	100	7,100
Rio	Sundbyberg	2017	2019	Detailed plan	173	128	74	8,700
VYN	Nacka	2016	2019	Detailed plan	96	38	40	7,500
Unum <sup>1</sup>	Rolags-Näsby	2017	2019	Detailed plan	148	88	59	5,000
<b>Total</b>					<b>493</b>	<b>330</b>	<b>67</b>	<b>28,300</b>
<b>PROJECTS – CONSTRUCTION NOT STARTED</b>								
Golfbäcken 1 <sup>1</sup>	Tyresö	2019	2021	No detailed plan	180	—	—	11,700
Golfbäcken 2 <sup>1</sup>	Tyresö	2020	2022	No detailed plan	150	—	—	9,700
Nacka Strand 1	Nacka	2019/2022	2021/2024	Detailed plan	200	—	—	12,500
Nacka Strand 2 <sup>2</sup>	Nacka	2023	2025	Detailed plan	160	—	—	11,500
Nacka Strand 3	Nacka	2020	2022	Detailed plan	160	—	—	11,600
Slaktaren 1 <sup>2</sup>	Sundbyberg	2020	2022	No detailed plan	80	—	—	4,500
Slaktaren 2	Sundbyberg	2020	2022	No detailed plan	80	—	—	4,500
Torsvik <sup>1,2</sup>	Lidingö	2020	2022	No detailed plan	50	—	—	3,500
Marievik <sup>2</sup>	Liljeholmen	2020	2024	No detailed plan	300	—	—	17,000
Orminge <sup>2</sup>	Nacka	—	—	No detailed plan	150	—	—	10,000
<b>Total</b>					<b>1,510</b>	<b>—</b>	<b>—</b>	<b>96,500</b>
<b>GRAND TOTAL</b>					<b>2,003</b>	<b>—</b>	<b>—</b>	<b>124,800</b>

<sup>1)</sup> Partly-owned project

<sup>2)</sup> Includes a property that generates an operating surplus during project development

The information about each individual project in the project portfolio above is the company's current assessment of each project in its entirety. These assessments and the final outcome of each project may change due to factors both within and outside the company's control, for example the design of detailed plans, decisions by authorities and the development of the market, as well as the fact that several of the projects are in a planning phase where the plan for each individual project may change.

**AGORA**

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

After Klöver announced the public offer at the beginning of October 2018, Agora's portfolio has been streamlined by divestment of properties in Tranås, Trollhättan, Nässjö, Södertälje and Falköping. In addition, contracts have also been signed for divestment of properties in Örebro, Växjö and Motala with planned transfer of possession during the third quarter of 2019. The remaining portfolio, with the exception of a few properties in Borås and Eskilstuna, consists almost entirely of centrally located properties in Klöver's prioritized cities Västerås, Malmö and Kalmar.

**SHAREHOLDINGS**

In April, Klöver received 2,741,936 newly issued ordinary Class D shares in the real estate company SBB. The shares were subscribed for a total of SEK 85 million. The holding in SBB is reported as a financial asset valued at fair value through the statement of income.

**CASH FLOW**

The cash flow from current operations amounted during the quarter to SEK 289 million (145). Investment operations have affected the cash flow by SEK –568 million net (–135), mainly by a combination of property transactions and investments in existing properties. Financing operations have



Interior from the property Travbanan 2 in Gothenburg. As a part of Åby Arena, which also consists of Åbytravet, a new fair facility and a new hotel has been constructed. The inauguration took place during the second quarter of 2019.



affected the cash flow by SEK 701 million (509). In total, the cash flow amounted to SEK 422 million (519). Liquid assets at the end of the quarter amounted to SEK 698 million, compared with SEK 996 million as at 30 June 2018.

## FINANCING

On 30 June 2019, the interest-bearing liabilities amounted to SEK 35,392 million (33,688). Accrued borrowing overheads totalled SEK 135 million, which means that the reported interest-bearing liabilities in the balance sheet total SEK 35,257 million (33,688). The average financing rate for the whole financial portfolio was 2.4 per cent (2.3). Net financial items, including residential development, amounted during the quarter to SEK –217 million (–174), of which financial income accounted for SEK 5 million (10) and site leasehold expenses amounted to SEK –11 million (–). The interest coverage ratio during the quarter amounted to 2.7 (2.9) and to 2.6 during the twelve-month period up to 30 June 2019.

The average period of fixed interest at the end of the quarter was 2.4 years (2.9). Credit volumes with swap agreements and interest rate caps are treated as having fixed interest. At the end of the period, Klöver's had interest rate swaps totalling SEK 4,730 million (5,730) and interest rate caps totalling SEK 23,500 million (23,500). The average remaining term of derivatives amounted to 2.6 years. The share of credit volume that is hedged or at a fixed rate amounted to 84 per cent.

The average period of tied-up capital was 4.2 years (4.3) as at 30 June. Unutilized credit volumes, including unutilized overdraft facilities of SEK 578 million (535), amounted to SEK 3,049 million (2,110).

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 2,495 million (1,845) and SEK 7,600 million (6,300) respectively at the end of the period, and utilized overdraft facilities of SEK 0 million (43). The commercial paper programme has a framework amount of SEK 4,000 million.

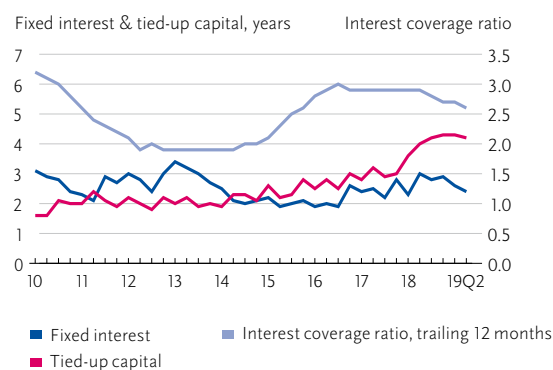
In 2017, Klöver established a Medium-Term Note programme (MTN) with a framework amount of SEK 10,000 million, secured by a pool of properties as underlying assets and fully covered by property mortgage certificates. As of 30 June 2019, SEK 850 million had been issued within the framework amount.

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 –21 million (1) during the quarter. As of 30 June, the value was SEK –94 million (–85).

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.

At the end of the quarter, the adjusted equity ratio was 37.5 per cent (37.4), which has been negatively affected by the coming dividend on ordinary and preference shares being recorded as a liability after the annual general meeting.

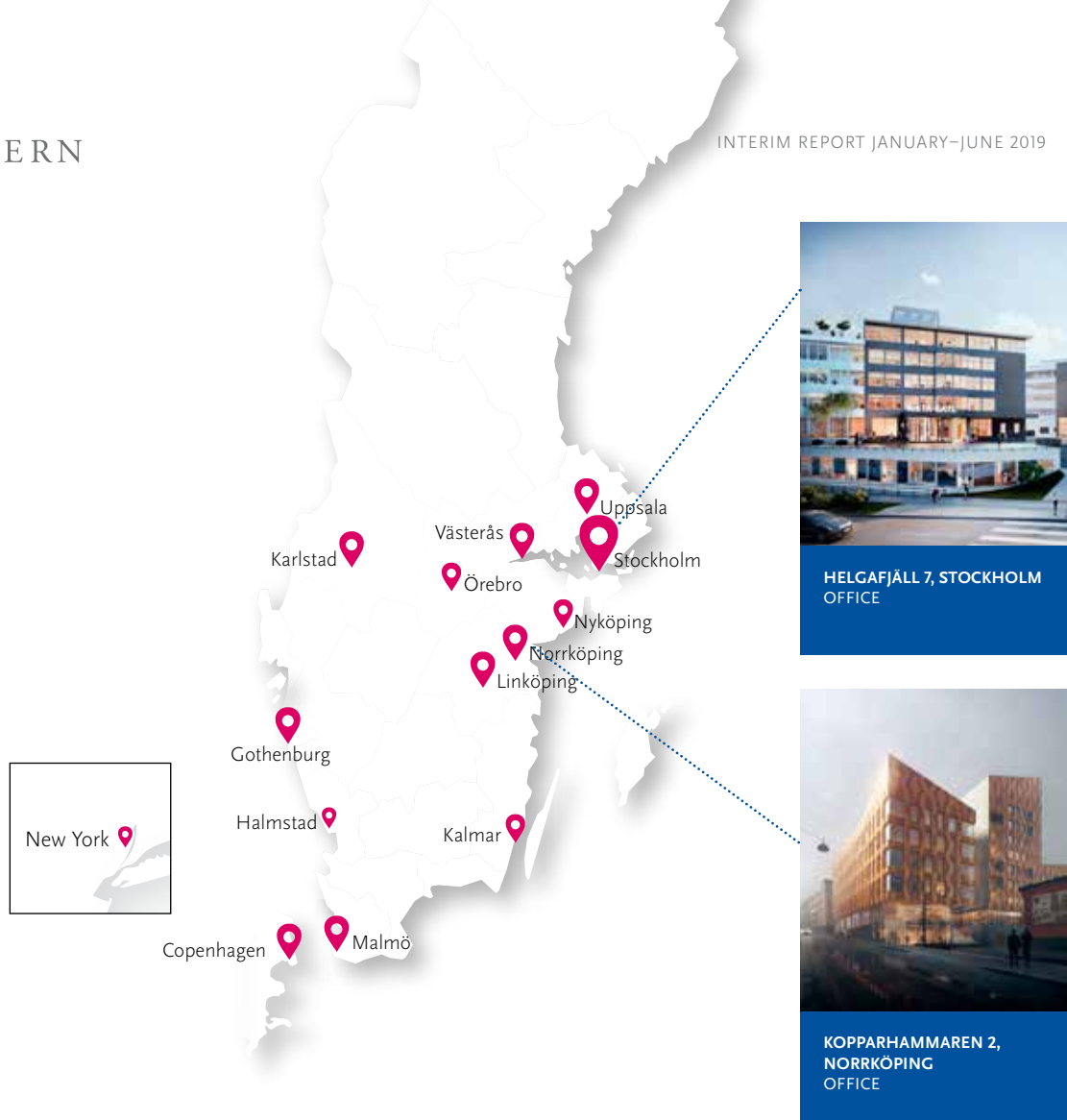
### FIXED INTEREST, TIED-UP CAPITAL & INTEREST COVERAGE RATIO



### 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 *	29,234	—	—	—	—
2019	315	4,179	4,001	650	178
2020	1,492	3,721	3,721	2,250	—
2021	2,650	12,681	10,310	2,650	2,371
2022	—	6,442	5,942	2,500	500
2023	600	4,109	4,109	700	—
2024	1,101	1,101	1,101	—	—
2025	—	2,355	2,355	—	—
Later	—	3,853	3,853	—	—
<b>Total</b>	<b>35,392</b>	<b>38,441</b>	<b>35,392</b>	<b>8,750</b>	<b>3,049</b>

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



**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	1245 Broadway	Office	Triton Construction	—	16,700	516	1,158	1,052	184	21Q1
Norrköping	Kopparhammaren 2	Office	SEFAB	Gaia, 20Q1	4,750	126	147	33	10	20Q1
Norrköping	Kondensatorn 1	Retail	ECC	Ahlsell, 20Q1	5,104	16	58	57	5	20Q2
Kalmar	Guldfisken 2	Library	Entreprenad AB Stele	Kalmar kommun, 20Q2	3,848	49	55	48	5	20Q2
Stockholm	Helgafjäll 7	Office	Lindesbergs Bygg	Samsung, 19Q3	4,775	150	36	5	6	19Q3
Uppsala	Fyrislund 6:6	Laboratory	Byggconstruct	Recipharm, 19Q4	1,831	50	27	16	4	20Q1
<b>Total</b>					<b>37,008</b>	<b>907</b>	<b>1,481</b>	<b>1,212</b>	<b>214</b>	



## 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 629 million (849) was invested during the period January–June. As at 30 June 2019, 424 projects (402) were in process and SEK 1,860 million (759) remained to be invested. Total estimated expenditure for the same projects amounted to SEK 4,085 million (2,661).

All large ongoing projects, for example, 1245 Broadway in New York and Kopparrhamaren 2 in Norrköping are proceeding according to plan.

At the end of the quarter, assessed building rights and building rights with local plans (excluding Tobin Properties) totalled 1,959,000 sq.m. (1,857,000) and are valued at SEK 1,660 million (1,629). 609,000 sq.m. (612,000) 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 amended local plans, to create as many as 8,000 to 12,000 apartments, in Stockholm, Uppsala, Västerås, Karlstad and Nyköping, among other places.

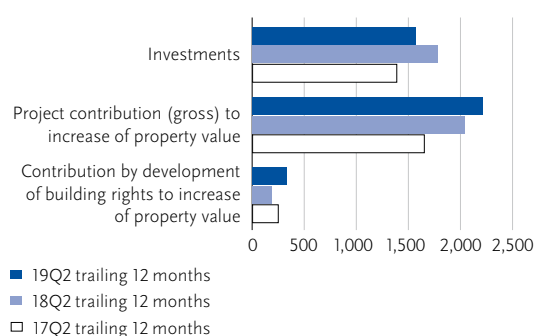
In total, Klöver's project development – including development of building rights – contributed to increases in value of properties of SEK 72 million (52) during the second quarter of 2019, or by SEK 973 million (446) during the past four quarters.

## PROPERTY TRANSACTIONS

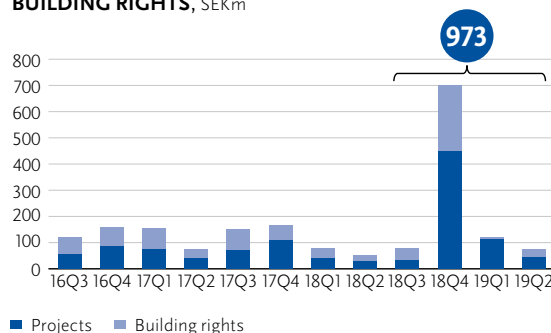
During the period January–June, 2 properties (4) were taken possession of for a total purchase price of SEK 945 million (2,855) and 12 properties (4) have been divested and handed over for a total of SEK 222 million (685).

The transactions include acquisition of a site leasehold in Manhattan, New York with the address 118 10th Avenue which was taken possession of on 1 June. The property is

### 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 2019: ACQUISITIONS

City	Property	Category	Lettable area, sq.m.	Quarter
Stockholm	Blåfjäll 1	Office	18,728	Q1
New York	118 10th Avenue <sup>1</sup>	Site leasehold	0	Q2
<b>Total</b>			<b>18,728</b>	

### PROPERTY TRANSACTIONS 2019: DIVESTMENTS

City	Property	Category	Lettable area, sq.m.	Quarter
Malmö	Haken 3	Warehouse/logistics	3,441	Q1
Stockholm	Mandelblomman 1	Warehouse/logistics	6,905	Q1
Falköping	Ciselören 2	Retail	4,649	Q1
Falköping	Hjälmen 1	Retail	2,699	Q1
Falköping	Lilla Björn 1	Education/health care/other	3,418	Q1
Nässjö	Lejonet 2 et al. <sup>2</sup>	Retail	4,458	Q2
Västerås	Allmogekulturen 5	Education/health care/other	14,932	Q2
Partille	Ugglum 126:4	Office	468	Q2
Malmö	Kajan 33	Education/health care/other	0	Q2
<b>Total</b>			<b>40,970</b>	

<sup>1</sup>) Site leasehold, development property.

<sup>2</sup>) The properties Lejonet 2, 8, 13 and 14.

## PROPERTIES: FAIR VALUE

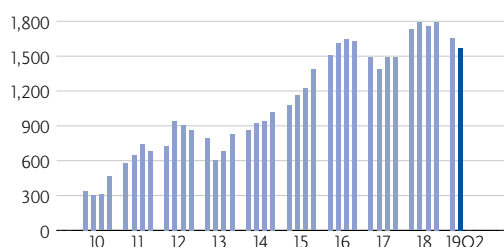
SEKm	2019 Jan–June	2018 Jan–June	2018 Jan–Dec
Fair value, as of 1 January	52,713	42,961	42,961
Acquisitions	945	2,855	8,056
Investments	629	849	1,791
Divestments	–211	–707	–2,464
Unrealized changes in value	766	572	2,324
Currency conversion	133	95	45
Fair value at the end of the period	54,975	46,625	52,713

## CHANGES IN FAIR VALUE OF PROPERTIES, EXCL. TRANSACTIONS

SEKm	18Q2	19Q2	2019 Jan–June	Trailing 12 months 19Q2*
Operating surplus and required yield	98	150	575	1,166
Development of building rights	22	27	34	329
Projects >25 million	179	87	291	940
Projects <25 million	236	262	499	1,277
Total	535	526	1,399	3,712

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

## INVESTMENTS, trailing 12 months, SEKm

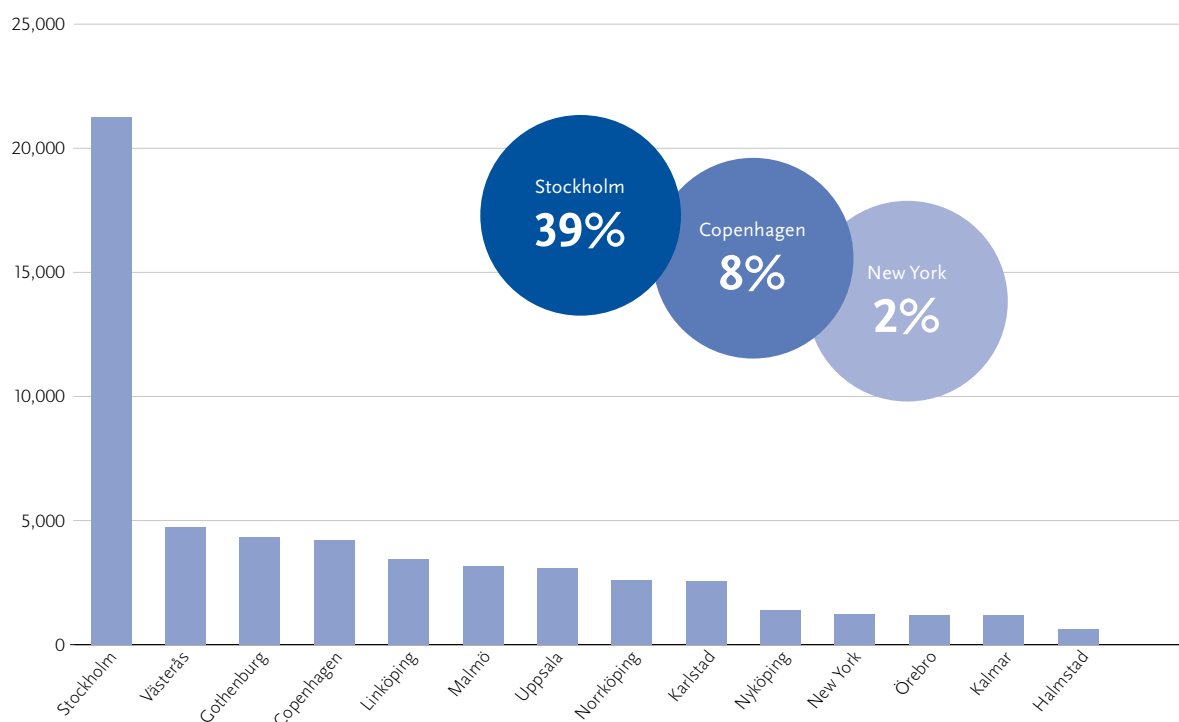


located between 17th Street and 18th Street close to The High Line. The aim is to develop a high-quality 10-story office building encompassing around 12,000 sq.m.

At the end of June, an agreement was concluded on sale of 21 properties in Örebro, Malmö, Haninge and Växjö for a total underlying property value of SEK 1,570 million. The properties' lettable area amounts to around 123,000 sq.m. and consists mainly of warehouse/logistics premises but also contains two properties, in Växjö and Örebro, which were included in the acquisition of Agora. Transfer of possession is planned to take place on 30 August 2019 and will be reported during the third quarter of 2019.

At the end of June, an agreement was signed to divest a part of the property Fyrislund 6:6 in Uppsala Business Park, consisting of around 17,500 sq.m. of land with a building encompassing 9,500 sq.m. of laboratory and industrial premises for an underlying property value of SEK 258 million.

## 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.

Transfer of possession and reporting has been preliminarily set to be during the third quarter of 2019.

The property divestments agreed upon during the first six months of the year have on average taken place at levels 12 per cent above the reported market values.

### PROPERTIES AND CHANGES IN VALUE

As at 30 June 2019, Klöverns portfolio consisted of 416 properties (426). The rental value amounted to SEK 4,230 million (4,063) and the fair value of the properties was SEK 54,975 million (52,713). The total lettable area amounted to 2,977,000 sq.m. (2,969,000).

The changes in value of the properties totalled SEK 770 million (546) during the period January–June, corresponding to 1.5 per cent of Klöverns property value at the beginning of the year. The changes in value included realized changes in value of SEK 4 million (–26) and unrealized changes in value of SEK 766 million (572). The unrealized changes in value do not affect the cash flow. On average, Klöverns property portfolio, as at 30 June, has been valued with a yield requirement of 5.6 per cent (5.7). The value of the properties has increased, mainly due to investments made in connection with new letting, rising market rents and lower yield requirements.

Klövern 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 has thus been 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 Klöverns annual report for 2018 for a detailed description of valuation principles.

### SHARES

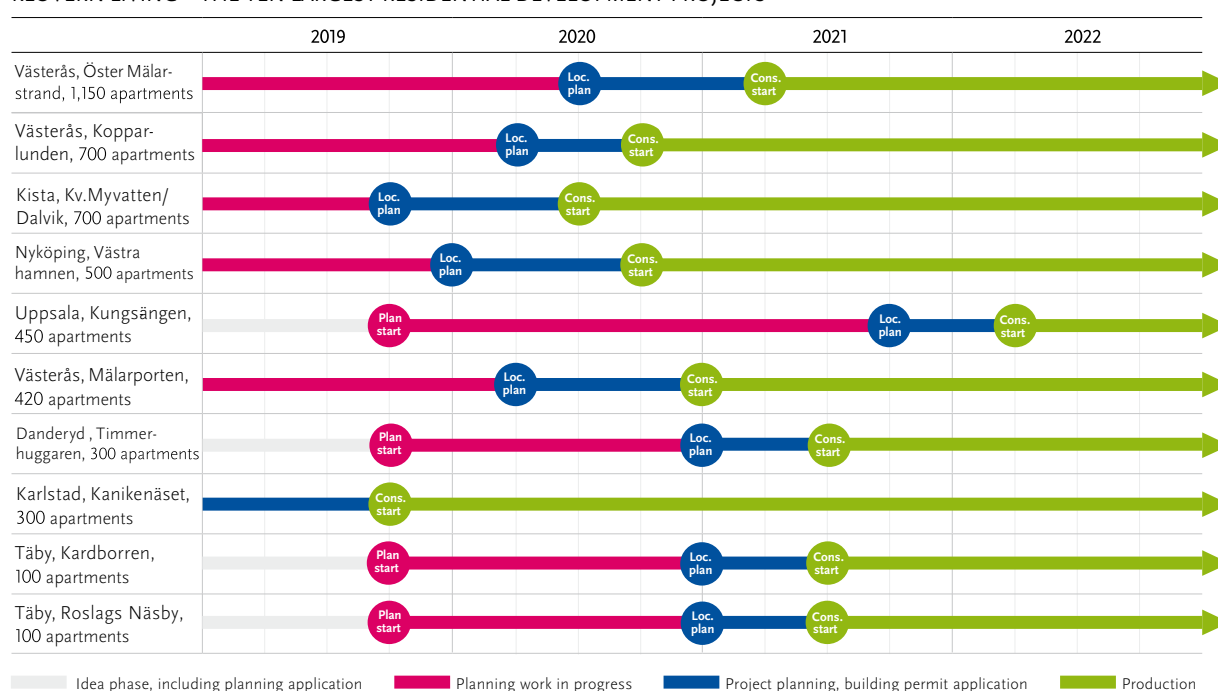
As at 30 June, the total number of registered shares in Klövern was 932,437,980, of which 73,307,804 were ordinary shares of class A, 842,686,176 ordinary shares of class B and 16,444,000 preference shares. An ordinary share of class A confers one vote while an ordinary share of class B, like a preference share, confers a tenth of a vote. Klöverns shares are listed on Nasdaq Stockholm. On 28 June, the closing price was SEK 14.50 per ordinary share of class A, SEK 14.60 per ordinary share of class B and SEK 339.00 per preference share, corresponding to a total market capitalization of SEK 18,941 million (14,455). The number of shareholders at the end of the period amounted to around 49,300 (47,700). 81 per cent (80) of the total number of shares are Swedish-owned. As at 30 June 2019, the company’s holding of its own shares consisted of 90,956,740 ordinary shares of class B, corresponding to 9.8 per cent of the total number of registered shares. Repurchased shares cannot be represented at general meetings.

### TAXES

During the quarter, deferred tax amounted to SEK –95 million (77) and current tax to SEK –11 million (0).

Current tax is calculated at 21.4 per cent for 2019 while deferred tax has been calculated to the lower tax rate 20.6 per cent which applies from 2021. Klövern has no on-going tax disputes.

### KLÖVERN LIVING – THE TEN LARGEST RESIDENTIAL DEVELOPMENT PROJECTS





## LARGEST SHAREHOLDERS 30.06.2019 SORTED BY SHARE OF CAPITAL

	No. ordinary shares A thousands	No. ordinary shares B thousands	No. preference shares, thousands	Share of capital, %	Share of votes, <sup>1)</sup>
Rutger Arnhult via companies	12,528	127,419	655	15.1	16.9
Corem Property Group	9,500	129,400	—	14.9	14.9
Gårdarike	31,496	57,916	50	9.6	24.8
Länsförsäkringar fondförvaltning	—	35,247	—	3.8	2.3
SEB Investment Management	147	21,320	—	2.3	1.5
State Street Bank and Trust Co, W9	315	20,116	102	2.2	1.6
Swedbank AS (Estonia)	1	18,562	58	2.0	1.2
Swedbank Robur fonder	584	17,896	—	2.0	1.6
Prior & Nilsson	—	16,069	—	1.7	1.1
Handelsbanken fonder	—	14,870	—	1.6	1.0
UBS Switzerland AG	208	13,665	32	1.5	1.1
CBNY-Norges Bank	538	12,144	175	1.4	1.2
JPM CHASE	1	10,847	199	1.2	0.7
Alfred Berg	—	10,346	—	1.1	0.7
Svolder Aktiebolag	—	7,260	—	0.8	0.5
<b>Total largest shareholders</b>	<b>55,318</b>	<b>513,077</b>	<b>1,271</b>	<b>61.1</b>	<b>71.1</b>
Other shareholders	17,990	238,652	15,173	29.1	28.9
<b>Total outstanding shares</b>	<b>73,308</b>	<b>751,729</b>	<b>16,444</b>	<b>90.2</b>	<b>100.0</b>
Repurchased own shares <sup>1)</sup>	—	90,957	—	9.8	—
<b>Total registered shares</b>	<b>73,308</b>	<b>842,686</b>	<b>16,444</b>	<b>100.0</b>	<b>100.0</b>

Due to 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.

<sup>1)</sup> 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	
	2019 Jan–June	2018 Jan–June	2019 Jan–June	2018 Jan–June	2019 Jan–June	2018 Jan–June	2019 Jan–June	2018 Jan–June	2019 Jan–June	2018 Jan–June
Region Stockholm	897	762	–291	–248	606	514	68	67	190	333
Region West	422	349	–138	–123	284	226	67	65	174	341
Region East	409	385	–137	–122	272	263	67	68	171	148
International	89	37	–8	–1	81	36	91	97	94	3
Divested operations <sup>1)</sup>	—	52	—	–25	—	27	—	52	—	24
where of										
Investment	1,731	1,530	–520	–483	1,211	1,047	70	68	450	461
Development	86	55	–54	–36	32	19	37	35	179	388
<b>Total</b>	<b>1,817</b>	<b>1,585</b>	<b>–574</b>	<b>–519</b>	<b>1,243</b>	<b>1,066</b>	<b>68</b>	<b>67</b>	<b>629</b>	<b>849</b>

## KEY RATIOS PER PROPERTY SEGMENT AND REGION

	Fair value, SEKm		Yield requirements <sup>2)</sup> , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	30.06 2019	30.06 2018	30.06 2019	30.06 2018	30.06 2019	30.06 2018	30.06 2019	30.06 2018	30.06 2019	30.06 2018
Region Stockholm	29,044	24,874	5.3	5.4	1,176	1,101	2,088	1,824	88	88
Region West	10,684	9,369	6.3	6.4	853	785	992	813	88	88
Region East	9,798	8,824	6.4	6.6	853	834	913	836	92	92
International	5,449	2,770	4.4	4.0	95	50	237	134	99	98
Divested operations <sup>1)</sup>	—	788	—	8.5	—	142	—	118	—	87
where of										
Investment	50,259	43,138	5.6	5.8	2,693	2,599	3,954	3,472	91	91
Development	4,716	3,487	5.7	6.4	284	313	276	253	67	58
<b>Total</b>	<b>54,975</b>	<b>46,625</b>	<b>5.6</b>	<b>5.8</b>	<b>2,977</b>	<b>2,912</b>	<b>4,230</b>	<b>3,725</b>	<b>90</b>	<b>89</b>

On 1 January 2019 the structure of the Swedish operations was changed from four regions to three regions at the same time as Region South changed name to Region West. The business unit Västerås thereafter belongs to Region Stockholm whereas the business unit Örebro belongs to Region East. Historical figures have been adjusted for this.

<sup>1)</sup> Divested properties in Falun and Härnösand/Sollefteå.

<sup>2)</sup> Yield requirement is estimated excluding building rights.

## ORGANIZATION

Klövern's business model entails closeness to the customer by having own local staff at all 14 business units, as at 30 June 2019 allocated to three geographic regions in Sweden and international operations in Copenhagen (which is a business unit of its own) and New York.

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 its 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 30 June 2019, there were 255 employees (248). The average age was 43 (43) and the proportion of women was 43 per cent (42).

## SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

A real estate company is exposed to various risks and opportunities in its business activities. Internal regulations and policies limit exposure to different risks. Klöverns significant risks and exposure and their management are described on pages 58–61 of the 2018 annual report.

## DISPUTES

Klövern 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 Klöverns annual report for 2018.

As from 1 January 2019, the Group applies IFRS 16 Leasing. The standard means that lessees shall report all lease contracts in the balance sheet with the exception of contracts for shorter periods than 12 months or low value contracts. In principle, the standard does not entail any changes in accounting for lessors. Out of the Group's lease contracts, reporting of site leasehold agreements has most significance. As a result of the introduction of IFRS 16, Klöverns has reported a right of use asset and a financial leasing obligation, attributable to site leaseholds, in the balance sheet. Site leasehold fees and perpetual lease fees linked to these agreements, which were previously reported in the operating surplus, are reported as from 2019 in net financial items in the statement of income. Klöverns is not applying the standard retroactively so that comparison figures have not been adjusted.

The definitions of the key figures Interest coverage ratio and Adjusted equity ratio have been changed in connection with the introduction of IFRS 16, see page 19.

Otherwise, the accounting policies of the Group and the Parent Company are unchanged compared with the 2018 annual report.

## DIVIDEND

During the first and second quarter respectively, a dividend of SEK 0.11 per ordinary share and SEK 5.00 per preference share, totalling SEK 346 million has been paid.

The undersigned certify that the six-month report provides a fair overview of the activities of the Parent Company and the Group, the financial position and earnings as well as describing important risks and uncertainty factors confronting the Parent Company and the Group.

Stockholm, 12 July 2019  
Board of Directors of Klöverns AB (publ)

Pia Gideon  
*Chairman of the Board*

Rutger Arnhult  
*CEO*

Johanna Fagrell Köhler  
*Board member*

Ulf Ivarsson  
*Board member*

Eva Landén  
*Board member*

This interim report has not been reviewed by Klöverns auditors.

# Consolidated Statement of Income

## Summary

SEKm	2019 3 months Apr–Jun	2018 3 months Apr–Jun	2019 6 months Jan–Jun	2018 6 months Jan–Jun	2019 Trailing 12 months Jul–Jun	2018 12 months Jan–Dec
Income	921	813	1,817	1,585	3,482	3,250
Property costs	–277	–253	–574	–519	–1,135	–1,080
<b>Operating surplus</b>	<b>644</b>	<b>560</b>	<b>1,243</b>	<b>1,066</b>	<b>2,347</b>	<b>2,170</b>
Central administration	–37	–29	–77	–55	–148	–126
Net financial items	–216	–170	–412	–331	–781	–700
<b>Profit from property management (properties)</b>	<b>391</b>	<b>361</b>	<b>754</b>	<b>680</b>	<b>1,418</b>	<b>1,344</b>
Income, residential development	–1	10	0	10	113	123
Costs, residential development	–37	–18	–89	–18	–231	–160
Net financial items, residential development	–1	–4	1	–4	–17	–22
<b>Profit from residential development</b>	<b>–39</b>	<b>–12</b>	<b>–88</b>	<b>–12</b>	<b>–135</b>	<b>–59</b>
Share in earnings of associated companies	4	9	9	6	10	7
Revaluation, transition from share in earnings of associated co:s to subsidiary	—	22	—	22	—	22
Changes in value, properties	225	150	770	546	2,533	2,309
Changes in value, derivatives	–21	1	–35	10	22	67
Changes in value, financial assets	5	4	7	–6	38	25
Write-down of goodwill	—	—	–4	–2	–29	–27
<b>Profit before tax</b>	<b>565</b>	<b>535</b>	<b>1,413</b>	<b>1,244</b>	<b>3,857</b>	<b>3,688</b>
Taxes	–106	77	–322	–48	–628	–354
<b>Net profit for the period</b>	<b>459</b>	<b>612</b>	<b>1,091</b>	<b>1,196</b>	<b>3,229</b>	<b>3,334</b>
<b>Net profit for the period attributable to:</b>						
The parent company's shareholders	452	612	1,085	1,198	3,232	3,345
Holdings without controlling influence	7	0	6	–2	–3	–11
	<b>459</b>	<b>612</b>	<b>1,091</b>	<b>1,196</b>	<b>3,229</b>	<b>3,334</b>
<b>Other comprehensive income, items which may later be reversed in the income statement</b>						
Translation difference regarding foreign operations	9	38	71	78	56	63
<b>Comprehensive income for the period</b>	<b>468</b>	<b>650</b>	<b>1,162</b>	<b>1,274</b>	<b>3,285</b>	<b>3,397</b>
<b>Comprehensive income for the period attributable to:</b>						
The parent company's shareholders	461	650	1,156	1,276	3,288	3,408
Holdings without controlling influence	7	0	6	–2	–3	–11
	<b>468</b>	<b>650</b>	<b>1,162</b>	<b>1,274</b>	<b>3,285</b>	<b>3,397</b>
Earnings per ordinary share, SEK	0.45	0.62	1.12	1.20	3.49	3.54
No. of ordinary shares outstanding at the end of the period, million	825.0	856.0	825.0	856.0	825.0	825.8
No. of preference shares outstanding at the end of the period, million	16.4	16.4	16.4	16.4	16.4	16.4
Average no. of outstanding ordinary shares, million	825.0	856.0	824.7	864.2	832.8	852.4
Average no. of outstanding preference shares, million	16.4	16.4	16.4	16.4	16.4	16.4

There are no outstanding warrants or convertibles.



# Consolidated Balance Sheet

## Summary

SEKm	30.06.2019	30.06.2018	31.12.2018
<b>ASSETS</b>			
Goodwill	151	181	155
Investment properties	54,975	46,625	52,713
Right of use site leasehold	698	—	—
Machinery and equipment	33	21	27
Participation rights in associated companies	200	212	217
Financial assets at fair value through statement of income	137	108	74
Properties (current assets)	555	797	444
Other receivables	2,466	2,117	2,256
Liquid funds	698	996	576
<b>TOTAL ASSETS</b>	<b>59,913</b>	<b>51,057</b>	<b>56,462</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity attributable to the parent company's shareholders	18,393	15,626	17,972
Equity attributable to holdings without controlling influence	138	658	172
Deferred tax liability	3,197	2,682	2,884
Interest-bearing liabilities	35,257	29,842	33,688
Derivatives	94	351	85
Financial leasing	698	—	—
Accounts payable	85	197	270
Other liabilities	1,018	875	486
Accrued expenses and prepaid income	1,033	826	905
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>59,913</b>	<b>51,057</b>	<b>56,462</b>

# Change in Consolidated Shareholders' Equity

## Summary

SEKm	Shareholders' equity attributable to		
	The parent company's shareholders	Holdings without controlling influence	Total shareholders' equity
<b>Shareholders' equity 31.12.2017</b>	<b>14,505</b>	<b>0</b>	<b>14,505</b>
Repurchase of own shares	-558	—	-558
Dividend	-695	-11	-706
Hybrid bond	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
<b>Shareholders' equity 31.12.2018</b>	<b>17,972</b>	<b>172</b>	<b>18,144</b>
Repurchase of own shares	-7	—	-7
Dividend	-709	-15	-724
Hybrid bond	-39	—	-39
Change in holding without controlling influence	20	-25	-5
Other comprehensive income	71	—	71
Net profit for the period	1,085	6	1,091
<b>Shareholders' equity 30.06.2019</b>	<b>18,393</b>	<b>138</b>	<b>18,531</b>

# Consolidated Cash Flow Statement

## Summary

SEKm	2019 3 months Apr–Jun	2018 3 months Apr–Jun	2019 6 months Jan–Jun	2018 6 months Jan–Jun	2018 12 months Jan–Dec
<b>Current operations</b>					
Profit from property management and profit from residential development	352	349	667	668	1,285
Adjustment for items not included in the cash flow	3	2	6	3	6
Income tax paid	–3	0	–7	0	0
<b>Cash flow from current operations before change in working capital</b>	<b>352</b>	<b>351</b>	<b>666</b>	<b>671</b>	<b>1,291</b>
<b>Changes in working capital</b>					
Change properties (current assets)	–104	–15	–111	–15	–16
Change in operating receivables	124	353	–215	–481	–166
Change in operating liabilities	–83	–544	–334	111	139
<b>Total change in working capital</b>	<b>–63</b>	<b>–206</b>	<b>–660</b>	<b>–385</b>	<b>–43</b>
<b>Cash flow from current operations</b>	<b>289</b>	<b>145</b>	<b>6</b>	<b>286</b>	<b>1,248</b>
<b>Investment operations</b>					
Divestment of properties	92	36	214	680	2,303
Acquisition of and investment in properties	–611	–385	–1,569	–3,704	–7,289
Acquisition of subsidiaries	—	–52	—	–52	–174
Acquisition of machinery and equipment	0	–3	–12	–8	–15
Change in financial assets	–49	269	–25	171	–149
<b>Cash flow from investment operations</b>	<b>–568</b>	<b>–135</b>	<b>–1,392</b>	<b>–2,913</b>	<b>–5,324</b>
<b>Financing operations</b>					
Change in interest-bearing liabilities	899	–179	1,920	3,280	4,749
Acquisition of financial instruments	—	–9	—	–9	–217
Repurchase of own shares	—	—	–7	–214	–558
Dividend	–173	–174	–346	–344	–688
Hybrid bond	–20	793	–39	793	1,261
Change in holding without controlling influence	–5	78	–20	78	66
<b>Cash flow from financing operations</b>	<b>701</b>	<b>509</b>	<b>1,508</b>	<b>3,584</b>	<b>4,613</b>
<b>Total cash flow</b>	<b>422</b>	<b>519</b>	<b>122</b>	<b>957</b>	<b>537</b>
<b>Liquid funds at the beginning of the period</b>	<b>276</b>	<b>477</b>	<b>576</b>	<b>39</b>	<b>39</b>
<b>Liquid funds at the end of the period</b>	<b>698</b>	<b>996</b>	<b>698</b>	<b>996</b>	<b>576</b>

## Parent Company Income Statement

### Summary

SEKm	2019 3 months Apr–Jun	2018 3 months Apr–Jun	2019 6 months Jan–Jun	2018 6 months Jan–Jun	2018 12 months Jan–Dec
Net sales	63	50	116	104	237
Cost of services sold	–58	–52	–97	–97	–195
<b>Gross profit</b>	<b>5</b>	<b>–2</b>	<b>19</b>	<b>7</b>	<b>42</b>
Central administration	–35	–29	–67	–55	–119
<b>Operating profit</b>	<b>–30</b>	<b>–31</b>	<b>–48</b>	<b>–48</b>	<b>–77</b>
Changes in value, derivatives	–8	—	–2	—	70
Net financial items	–25	–123	–137	–229	1,056
<b>Profit before tax</b>	<b>–63</b>	<b>–154</b>	<b>–187</b>	<b>–277</b>	<b>1,049</b>
Taxes	1	—	0	—	–38
<b>Net profit for the period</b>	<b>–62</b>	<b>–154</b>	<b>–187</b>	<b>–277</b>	<b>1,011</b>
Other comprehensive income	—	—	—	—	—
<b>Comprehensive income for the period</b>	<b>–62</b>	<b>–154</b>	<b>–187</b>	<b>–277</b>	<b>1,011</b>

## Parent Company Balance Sheet

### Summary

SEKm	30.06.2019	30.06.2018	31.12.2018
<b>ASSETS</b>			
Machinery and equipment	6	6	6
Participation rights in group companies	1,973	1,875	1,973
Receivables from group companies	27,366	24,743	25,756
Derivatives	14	16	17
Deferred tax assets	372	330	371
Other receivables	486	344	132
Liquid funds	110	747	249
<b>TOTAL ASSETS</b>	<b>30,327</b>	<b>28,061</b>	<b>28,504</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	6,792	6,615	7,734
Interest-bearing liabilities	20,724	19,039	19,127
Derivatives	91	—	89
Liabilities to group companies	1,861	1,598	1,077
Accounts payable	6	3	13
Other liabilities	735	701	369
Accrued expenses and prepaid income	118	105	95
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30,327</b>	<b>28,061</b>	<b>28,504</b>



## Key ratios

	30.06.2019 3 months Apr–June	30.06.2018 3 months Apr–June	30.06.2019 6 months Jan–June	30.06.2018 6 months Jan–June	30.06.2019 Trailing 12 months July–June	2018	2017	2016	2015
<b>Property</b>									
Number of properties	416	404	416	404	416	426	405	431	415
Lettable area, 000 sq.m.	2,977	2,912	2,977	2,912	2,977	2,969	2,900	2,943	2,872
Rental value, SEKm	4,230	3,725	4,230	3,725	4,230	4,063	3,507	3,386	3,182
Rental value per lettable area, SEK/sq.m.	1,421	1,279	1,421	1,279	1,421	1,368	1,209	1,151	1,108
Fair value properties, SEKm	54,975	46,625	54,975	46,625	54,975	52,713	42,961	39,234	35,032
Yield requirement valuation, %	5.6	5.8	5.6	5.8	5.6	5.7	5.9	6.2	6.5
Operating margin, %	70	69	68	67	67	67	66	66	65
Occupancy rate, economic, %	90	89	90	89	90	89	89	89	91
Occupancy rate, area, %	82	81	82	81	82	81	81	82	83
Average lease term, years	3.6	3.7	3.6	3.7	3.6	3.5	3.6	3.7	3.5
<b>Financial</b>									
Return on equity, %	2.4	4.0	5.9	8.0	18.6	21.2	18.9	18.6	18.9
Equity ratio, %	30.7	30.6	30.7	30.6	30.7	31.8	32.8	32.1	31.7
Equity ratio, adjusted, %	37.5	35.8	37.5	35.8	37.5	37.4	38.5	36.7	35.8
Leverage, %	61	60	61	60	61	60	58	60	61
Leverage properties, %	46	44	46	44	46	48	42	44	47
Interest coverage ratio	2.7	2.9	2.7	2.9	2.6	2.7	2.9	2.9	2.6
Average interest, %	2.4	2.6	2.4	2.6	2.4	2.3	2.5	2.5	2.7
Average fixed-interest period, years	2.4	3.0	2.4	3.0	2.4	2.9	2.8	2.6	2.1
Average period of tied-up capital, years	4.2	4.0	4.2	4.0	4.2	4.3	3.0	3.0	2.8
Interest-bearing liabilities, SEKm	35,392	29,842	35,392	29,842	35,392	33,688	25,529	23,869	21,486
<b>Share</b>									
Equity per ordinary share, SEK	13.96	11.04	13.96	11.04	13.96	14.08	10.74	9.01	7.38
EPRA NAV, SEK	17.95	14.58	17.95	14.58	17.95	17.67	14.07	11.70	9.53
Equity per preference share, SEK	339.00	327.00	339.00	327.00	339.00	307.00	309.60	288.50	281.50
Profit from property management per ordinary share, SEK	0.37	0.33	0.71	0.60	1.31	1.19	1.03	0.93	0.78
Earnings per ordinary share, SEK	0.45	0.62	1.12	1.20	3.49	3.54	2.53	2.11	1.83
Share price ordinary share A at end of period, SEK	14.50	9.86	14.50	9.86	14.50	10.15	10.87	9.38	9.45
Share price ordinary share B at end of period, SEK	14.60	9.94	14.60	9.94	14.60	10.28	10.72	9.55	9.50
Share price preference share at end of period, SEK	339.00	327.00	339.00	327.00	339.00	307.00	309.60	288.50	281.50
Market capitalization, SEKm	18,941	14,476	18,941	14,476	18,941	14,455	14,922	13,479	13,327
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	916.0	916.0
Total no. of outstanding ordinary shares at end of period, million	825.0	856.0	825.0	856.0	825.0	825.8	876.6	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	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	16.4	16.4
Dividend per ordinary share, SEK	—	—	—	—	—	0.46	0.44	0.40	0.35
Dividend per preference share, SEK	—	—	—	—	—	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	—	—	—	53	57	59	62
Dividend preference shares in relation to profit from property management, %	—	—	—	—	—	24	26	28	32

Klövern shows some key figures in the interim report which have not been defined by IFRS. The company considers that these key figures provide important complementary information about the company. For further information about these key figures, see Klöver's website under the flap Financial Statistics.

VALUE OF PROPERTIES,  
SEK BILLION

55.0

RENTAL VALUE,  
SEK BILLION

4.2

LETTABLE AREA,  
THOUSAND SQ.M.

2,977

## Definitions

### PROPERTY

#### CHANGES IN VALUE PROPERTIES, REALIZED

Divestments after deduction of properties' most recent fair value and selling expenses.

#### CHANGES IN VALUE PROPERTIES, UNREALIZED

Change in fair value excluding acquisitions, divestments, investments and currency conversion.

#### 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

Contract value in relation to rental value.

#### INVESTMENT PROPERTIES

Properties currently being actively managed.

#### LEASE VALUE

Rent of 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 in relation to income.

#### RENTAL VALUE

Lease value plus assessed market value for space not rented.

#### YIELD REQUIREMENT, VALUATION

The required yield of property valuations on the residual value.

### FINANCIAL

#### EQUITY RATIO

Equity<sup>1</sup> in relation to reported total assets.

#### EQUITY RATIO, ADJUSTED

Equity<sup>1</sup> adjusted for the value of derivatives, goodwill, repurchased 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 tax value and fair value of the properties in relation to reported total assets adjusted for goodwill and right of use assets.

#### INTEREST COVERAGE RATIO

Profit from property management plus earnings from residential development, excluding financial costs<sup>2</sup> in relation to financial costs<sup>2</sup>.

#### LEVERAGE

Interest-bearing liabilities after deduction of the market value of listed share portfolio 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<sup>1</sup>.

### SHARE

#### EARNINGS PER ORDINARY SHARE

Net profit, 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 20.00 per preference share based on the number of outstanding preference shares at the end of each quarter.

#### EPRA NAV

Equity<sup>1</sup> 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<sup>1</sup> after deduction of equity attributable to preference shares and hybrid bonds in relation to the total number of outstanding 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 after deduction of earnings to preference shares, in relation to the average number of outstanding ordinary shares.

<sup>1</sup> Equity attributable to the Parent Company's shareholders.

<sup>2</sup> Excluding site leasehold expenses.

INTEREST COVERAGE  
RATIO, JAN–JUNE

2.7

EQUITY RATIO,  
ADJUSTED, %

37.5

NUMBER OF  
SHAREHOLDERS

49,300

# Calendar

Final day for trading conferring the right to dividend for ordinary and preference shareholders	26 September 2019
Record date for dividend to ordinary and preference shareholders	30 September 2019
Expected date for dividend to ordinary and preference shareholders	3 October 2019
Interim report, January–September 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 CEST on 12 July 2019.

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

# KLÖVERN