

- » Income increased by 16 per cent to SEK 896 million (772).
- » The operating surplus increased by 18 per cent to SEK 599 million (507).
- » Profit from property management increased by 13 per cent to SEK 362 million (319).
- » Profit before tax amounted to SEK 848 million (708) and net profit, attributable to the parent company's shareholders, totalled SEK 633 million (585), corresponding to SEK 0.67 (0.58) per ordinary share.
- » Changes in value of properties totalled SEK 544 million (395).
- » Project development, including development of building rights, contributed to increases in value of properties of SEK 122 million (80).
- » After taking possession of 1 property for SEK 632 million, transfer of possession of 5 properties for SEK 129 million and investments of SEK 326 million, the value of the property portfolio amounted to SEK 54,180 million.
- » The interest coverage ratio amounted to 2.6 (2.9) and the adjusted equity ratio improved to 38.2 per cent.
- » EPRA NAV increased to SEK 18.15.

”

A strong first quarter that forms the basis for a good continuation of 2019.

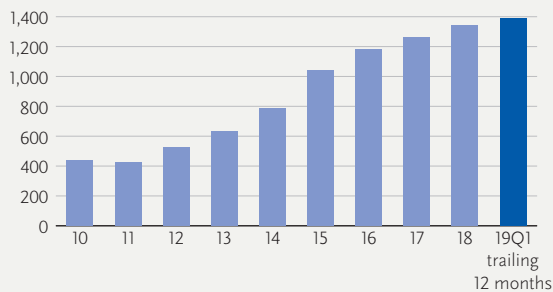
Rutger Arnhult, CEO

THIS IS KLÖVERN

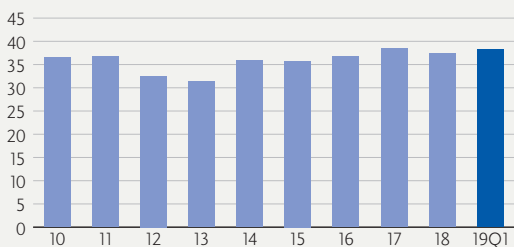
KLÖVERN IS A LISTED REAL ESTATE COMPANY which, with closeness and commitment, offers attractive premises and actively contributes to urban development in growth regions.

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

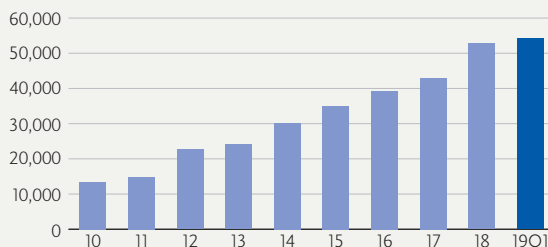
PROFIT FROM PROPERTY MANAGEMENT, SEKm



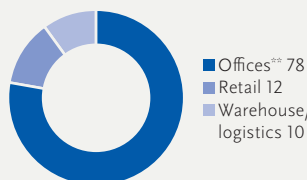
EQUITY RATIO, adjusted, %



PROPERTY VALUE, SEKm

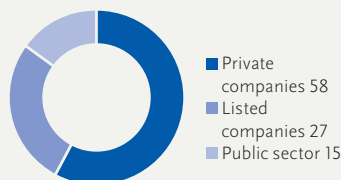


PROPERTY VALUE BY TYPE OF PROPERTY %

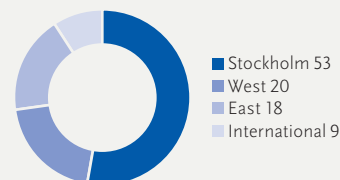


**Including education, health care, other.

CONTRACT VALUE BY CUSTOMER CATEGORY, %

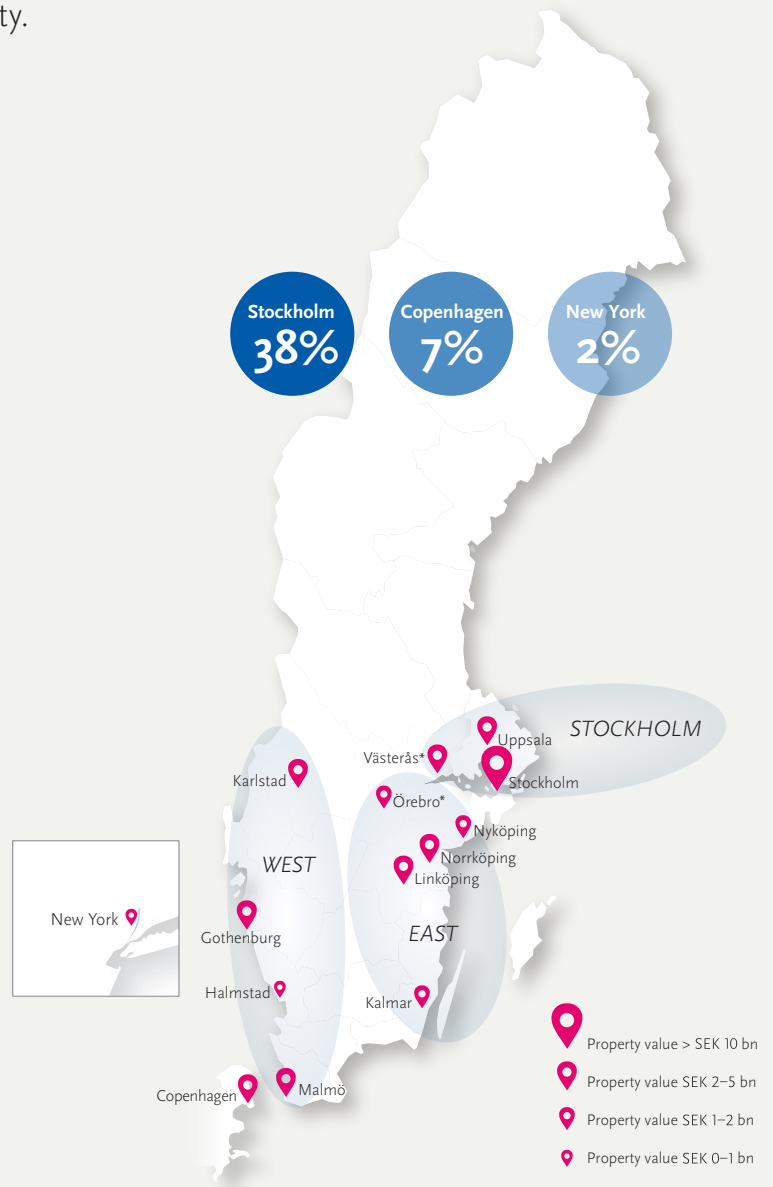


PROPERTY VALUE BY REGION, %



*) 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 property Blåfjäll 1 in Kista, Stockholm.



STATEMENT BY THE CEO

A strong first quarter

Klövern is reporting strong earnings for the first quarter of 2019. Acquisitions, high net moving-in, rising rent levels and continued positive changes in value of properties contributed to the good earnings performance. We have continued to realize our strategy of streamlining and concentration.

CONTINUED STRONG EARNINGS DEVELOPMENT

Income increased to SEK 896 million in the first quarter of 2019 and to SEK 3,374 million in the past 12 months. Profit from property management improved to SEK 362 million, with the operating margin amounting to 67 per cent. Positive changes in value of properties amounting to SEK 544 million contributed to a profit before tax of SEK 848 million. Net moving-in amounted to SEK 47 million, as compared with SEK 89 million in all of 2018. The two largest moving-in during the quarter were in Åby Arena in Gothenburg, where Åbymässan has moved in on approximately 15,000 square metres and Åby Hotel has opened a new hotel with around 8,000 square metres.

GOOD RENTAL MARKET

Despite a long period of strong rental growth, particularly in the Stockholm region, rental growth also remained good in the first quarter of the year. The vacancy rate for modern office premises is low in many places, both in Stockholm and in other metropolitan areas, as well as in Klöverns regional cities. The trend of rising rent levels has been offset to some extent in that many tenants have found a way to decrease their space by switching to a more flexible way of working, but the net effect is positive, as is reflected by the solid development in income.

COPENHAGEN FULLY LET

The property portfolio in Copenhagen, which constitutes 7 per cent of Klöverns total portfolio, is performing well. Including the two additional lease agreements that were signed in late March/early April, the economic occupancy rate in Klöverns seven properties in Copenhagen amounts to just over 99.9 per cent. In New York the project at 1245 Broadway is progressing according to plan. The ground-breaking at the parking lot was in January, and ground work in the form of excavation and laying the foundation is now being performed. The state-of-the-art office building will be 22 stories high with a project area of almost 17,000 square metres. It is a clear strategy on Klöverns part to invest outside of Sweden in order to minimize the geographic risk that focusing exclusively on the Swedish market would entail. We remain open to additional acquisitions of office properties, particularly in Copenhagen and New York.

PROJECT DEVELOPMENT CREATES VALUE

Project development is an important part of Klöverns business model. We consistently focus 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 122 million during the first quarter of 2019 and SEK 953 million during the last 12 months. The largest ongoing projects are 1245 Broadway in New York and the soon-to-be-completed Åby Arena in Gothenburg.

In the housing sector, we have continued to act carefully in Klöverns Living with a focus on pushing forward local plans and developing the future project portfolio while planned production starts have been postponed. However, through its ownership in Tobin Properties, Klöverns has an ongoing project development of housing. These projects will be completed with a high quality.

ACQUISITION IN STOCKHOLM

The first quarter of the year was relatively quiet on the transaction front. This came on the heels of a very intensive year in 2018 in which we were involved in 55 transactions to streamline our portfolio while at the same time entering two new foreign markets. In the first quarter of 2019 we strengthened our position in Stockholm by acquiring a high-quality office property in Kista with a lettable area of around 18,700 square metres. The property is a good complement to Klöverns already strong presence in Kista. Five smaller divestments were carried out during the quarter as part of the ongoing streamlining of the portfolio.

FINANCIAL STRENGTH

Klöverns financial strength continues to be good. The adjusted equity ratio improved during the quarter to 38.2 per cent. At the same time, the average period of tied-up capital amounted to 4.3 years, while the average fixed-interest period was 2.6 years, and as much as 90 per cent of the credit volume was interest rate hedged or at a fixed rate. The capital market continues to offer relatively good liquidity. During the first quarter of 2019, we issued SEK 1,600 million under an existing unsecured green bond programme.

GOOD VALUE GROWTH

The net asset value per share (EPRA NAV) amounted to SEK 18.15, corresponding to an increase of 3 per cent since the end of last year and 22 per cent during the past 12 months.

CONTINUED GOOD DEVELOPMENT

Overall, we are pleased with the result for the first quarter of the year and look forward to a continued good development during the rest of 2019.

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 and period refer to January–March and the year refers to January–December.

INCOME AND EXPENSES

Income increased to SEK 896 million (772) during the first 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 762 million (721) during the quarter.

Property costs totalled SEK 297 million (265). Property costs for a comparable portfolio, where also the first quarter of 2018 has been calculated according to IFRS 16, amounted to SEK 253 million (241). Central administration costs amounted to SEK 40 million (26). Agora, which is consolidated in Klöver from 9 November 2018, accounts for SEK 8 million of the increase in central administration costs during the quarter.

PROFIT

The operating surplus increased to SEK 599 million (507). The operating surplus for a comparable portfolio amounted to SEK 509 million (480). The operating margin amounted to 67 per cent (66). The profit from property management, i.e. profit excluding – among other things – changes in value, earnings from residential development and tax, amounted to SEK 362 million (319). 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 848 million (708) and was affected by SEK 544 million (395) relating to changes in value of properties and SEK –14 million (9) for derivatives.

NET MOVING-IN AND THE OCCUPANCY RATE

Net moving-in amounted to SEK 47 million (40) during the first quarter.

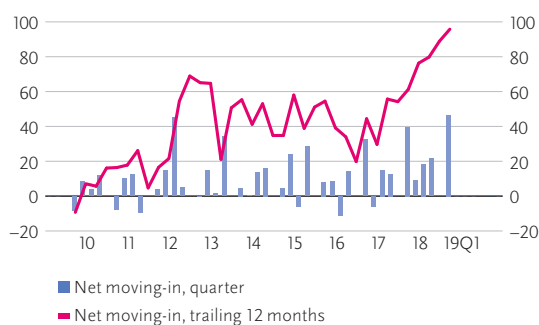
The two largest moving-in during the quarter were in Åby Arena in Gothenburg, where the largest tenant moving in was Åbymässan on 14,948 sq.m. in the property Travbanan 3, followed by HKC Åby Hotel on 7,918 sq.m. in the property Travbanan 2.

The largest vacating tenant during the quarter was Atoy Automotive Sweden on 2,904 sq.m. in the property Borg 6 in Kista.

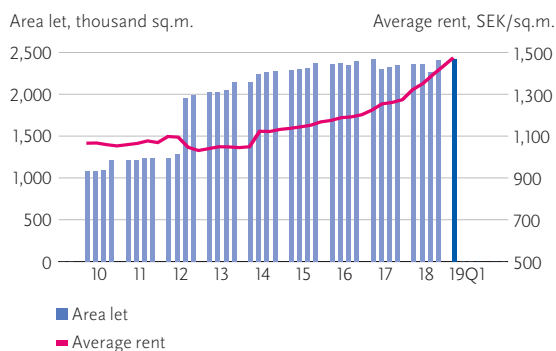
Among the larger contracts that were signed during the first quarter, where the tenant has not yet moved in, are a 6-year contract with JoGu for a total of 2,800 sq.m. in the property Platinan 1 in Norrköping and a 6-year rental contract with Förenade Care for 1,031 sq.m in the property Murman 8 in Malmö.

The average remaining lease contract period as at 31 March was 3.7 years (3.5). 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 63 per cent (66).

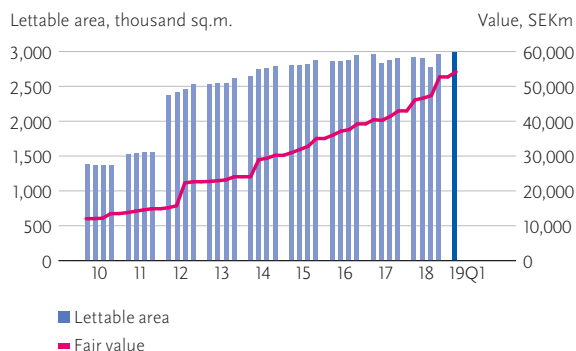
NET MOVING-IN, SEKm



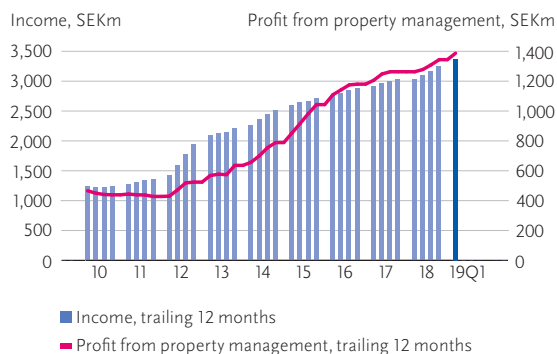
PROPERTIES: AREA AND RENT



PROPERTIES: VALUE AND AREA



INCOME & PROFIT



ACQUISITION OF TOBIN PROPERTIES

On 17 January 2018, Klöver acquired 7,500,000 ordinary shares in the housing developer 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. Its shareholding thereafter 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.

In February 2019, Klöver acquired a further 1,423,260 ordinary shares in Tobin Properties. Its shareholding thereafter 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.

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 (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 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.

Since Klöver announced the public offer at the beginning of October 2018 Agora's portfolio has been streamlined through divestment of properties in Tranås, Trollhättan, Nässjö, Södertälje, Falköping and Motala for a total underlying property value of SEK 626 million. 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 of Västerås, Malmö, Örebro och Kalmar.



The property Blåfjäll 1 in Kista, Stockholm. Acquired during the first quarter of 2019.

CASH FLOW

The cash flow from current operations amounted during the quarter to SEK –283 million (141). Investment operations have affected the cash flow by SEK –824 million net (-2,778), mainly by a combination of property transactions and investments in existing properties. Financing operations have affected the cash flow by SEK 807 million (3,075). In total, the cash flow amounted to SEK –300 million (438). Liquid assets at the end of the quarter amounted to SEK 276 million, compared with SEK 477 million as at 31 March 2018.

FINANCING

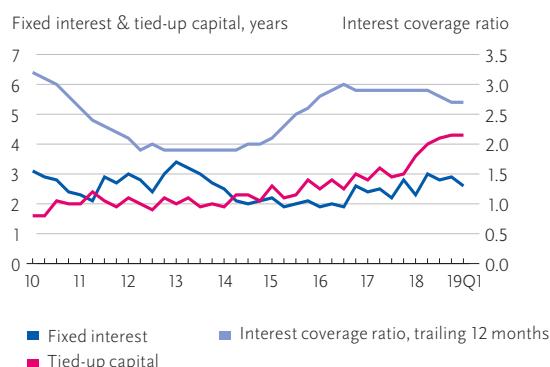
On 31 March 2019, the interest-bearing liabilities amounted to SEK 34,321 million (33,688). The average financing rate for the whole financial portfolio was 2.4 per cent (2.3). Net financial items, including residential development, amounted during the quarter to SEK –194 million (-162), of which financial income accounted for SEK 8 million (2) and site leasehold expenses amounted to SEK –11 million (-). The interest coverage ratio during the quarter amounted to 2.6 (2.9) and to 2.7 during the twelve-month period up to 31 March 2019.

The average period of fixed interest at the end of the quarter was 2.6 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 had interest rate swaps totalling SEK 5,730 million (5,730) and interest rate caps totalling SEK 23,500 million (23,500). The average remaining term of derivatives amounted to 2.8 years. The share of credit volume that is hedged or at a fixed rate amounted to 90 per cent.

The average period of tied-up capital was 4.3 years (4.3) as at 31 March. Unutilized credit volumes, including unutilized overdraft facilities of SEK 578 million (535), amounted to SEK 2,624 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

FIXED INTEREST, TIED-UP CAPITAL & INTEREST COVERAGE RATIO



unsecured bonds, SEK 1,975 million (1,845) and SEK 6,700 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 31 March 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 –14 million (9) during the quarter. As of 31 March, the value was SEK –84 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

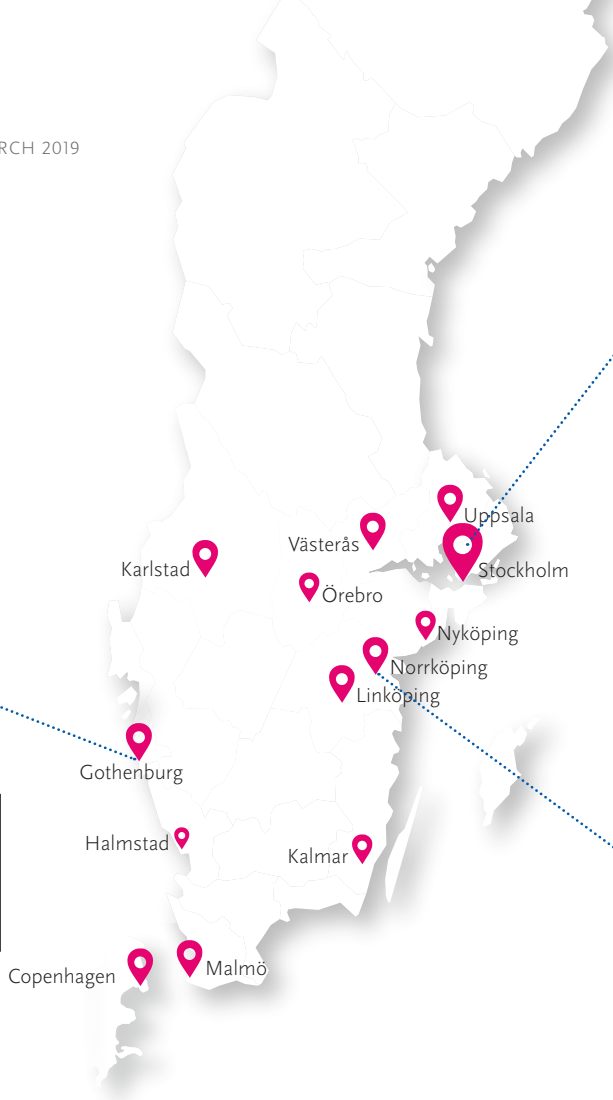
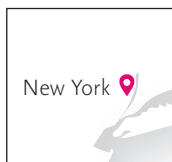
FIXED INTEREST AND TIED-UP CAPITAL

Year due	Fixed interest	Tied-up capital			
	Loan volume, SEKm	Contract volume, SEKm	Utilized, SEKm	Of which bonds outstanding, SEKm	Unutilized, SEKm
Floating *	27,070	—	—	—	—
2019	1,315	4,453	3,875	650	578
2020	2,180	4,265	4,265	2,250	—
2021	3,156	12,971	11,425	2,650	1,546
2022	—	5,652	5,152	2,500	500
2023	600	3,418	3,418	—	—
2024	—	—	—	—	—
2025	—	2,355	2,355	—	—
Later	—	3,831	3,831	—	—
Total	34,321	36,945	34,321	8,050	2,624

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



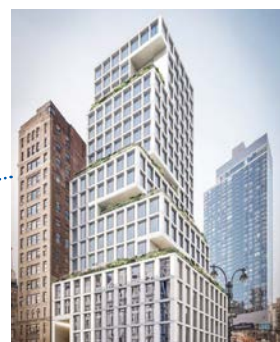
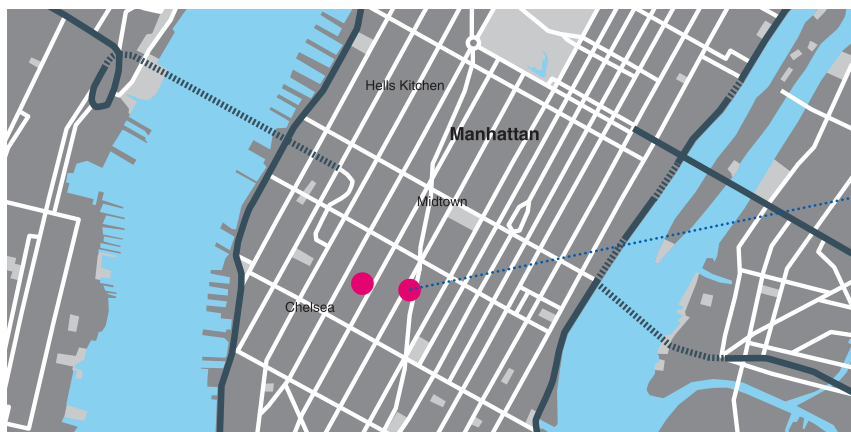
TRAVBANAN 2, 3,
GOTHENBURG
HOTEL/FAIR



HELGAFJÄLL 7, STOCKHOLM
OFFICE



KOPPARHAMMAREN 2,
NORRKÖPING
OFFICE



1245 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	1245 Broadway	Office	Triton Construction	-	16,700	484	1,160	1,088	184	20Q4
Gothenburg	Travbanan 2, 3	Hotel/fair	BRA Bygg	Åbymässan, 19Q1	29,187	640	556	29	58	19Q2
Norrköping	Kopparhammaren 2	Office	SEFAB	Gaia, 20Q1	4,775	113	143	42	10	20Q1
Kalmar	Guldfisken 2	Library	-	Kalmar kommun, 20Q1	3,848	45	54	53	5	20Q2
Stockholm	Helgafjäll 7	Office	Lindesbergs Bygg	Samsung, 19Q3	4,775	140	36	14	6	19Q3
Uppsala	Fyrislund 6:6	Laboratory	Byggconstruct	Recipharm, 19Q4	1,831	44	27	21	4	20Q1
Total					61,116	1,466	1,976	1,247	267	

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 period, the adjusted equity ratio was 38.2 per cent (37.4).

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 326 million (464) was invested during the quarter. As at 31 March 2019, 421 projects (402) were in process and SEK 1,915 million (759) remained to be invested. Total estimated expenditure for the same projects amounted to SEK 3,989 million (2,661).

All large ongoing projects, for example 1245 Broadway in New York and Åby Arena in Gothenburg, are proceeding according to plan.

At the end of the quarter, assessed building rights and building rights with local plans (zoning) totalled 1,848,000 sq.m. (1,857,000) and are valued at SEK 1,636 million (1,629). 612,000 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.

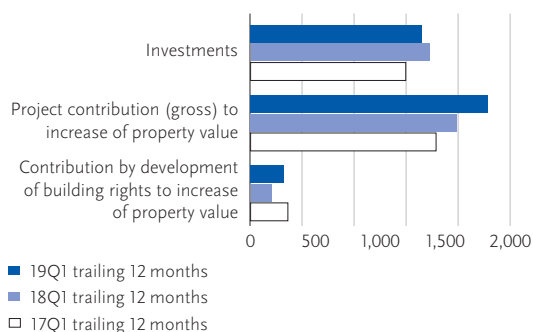
In total, Klöver's project development – including development of building rights – contributed to increases in value of properties of SEK 122 million (80) during the first quarter of 2019, or by SEK 953 million (470) during the past four quarters.

PROPERTY TRANSACTIONS

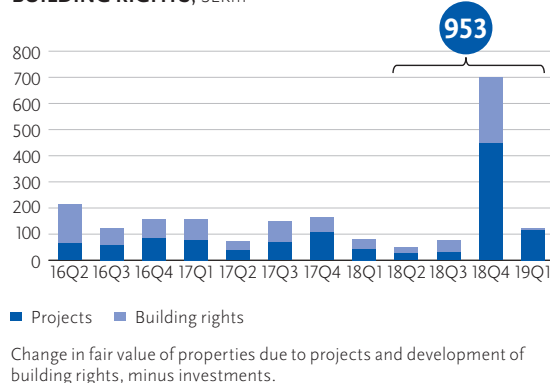
During the period January–March, 1 property (3) was taken possession of for a total purchase price of SEK 632 million (2,855) and 5 properties (2) have been divested and handed over for a total of SEK 129 million (648).

During the first quarter, an office building was acquired in Kista, Stockholm, for an underlying property value of SEK 632 million. The property, which has a lettable area of

VALUE CREATION THROUGH PROJECTS/BUILDING RIGHTS, SEKm



NET VALUE CREATION THROUGH PROJECTS/BUILDING RIGHTS, SEKm



PROPERTY TRANSACTIONS 2019: ACQUISITIONS

City	Property	Category	Lettable area, sq. m.	Quarter
Stockholm	Blåfjäll 1	Office	18,728	Q1
Total			18,728	

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	Retail	3,418	Q1
Total			21,112	



The Codan house in Copenhagen.

PROPERTIES: FAIR VALUE

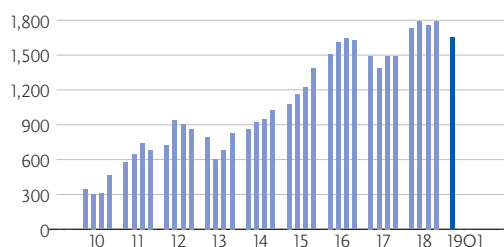
SEKm	2019 Jan–Mar	2018 Jan–Mar	2018 Jan–Dec
Fair value, as of 1 January	52,713	42,961	42,961
Acquisitions	632	2,855	8,056
Investments	326	464	1,791
Divestments	–125	–670	–2,464
Unrealized changes in value	547	421	2,324
Currency conversion	87	83	45
Fair value at the end of the period	54,180	46,114	52,713

CHANGES IN FAIR VALUE OF PROPERTIES, EXCL. TRANSACTIONS

SEKm	18Q1	19Q1	Trailing 12 months 19Q1*
Operating surplus and required yield	342	425	1,114
Development of building rights	35	7	324
Projects >25 million	282	204	1,032
Projects <25 million	226	237	1,251
Total changes in value (excluding transactions)	885	873	3,721

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

INVESTMENTS, trailing 12 months, SEKm



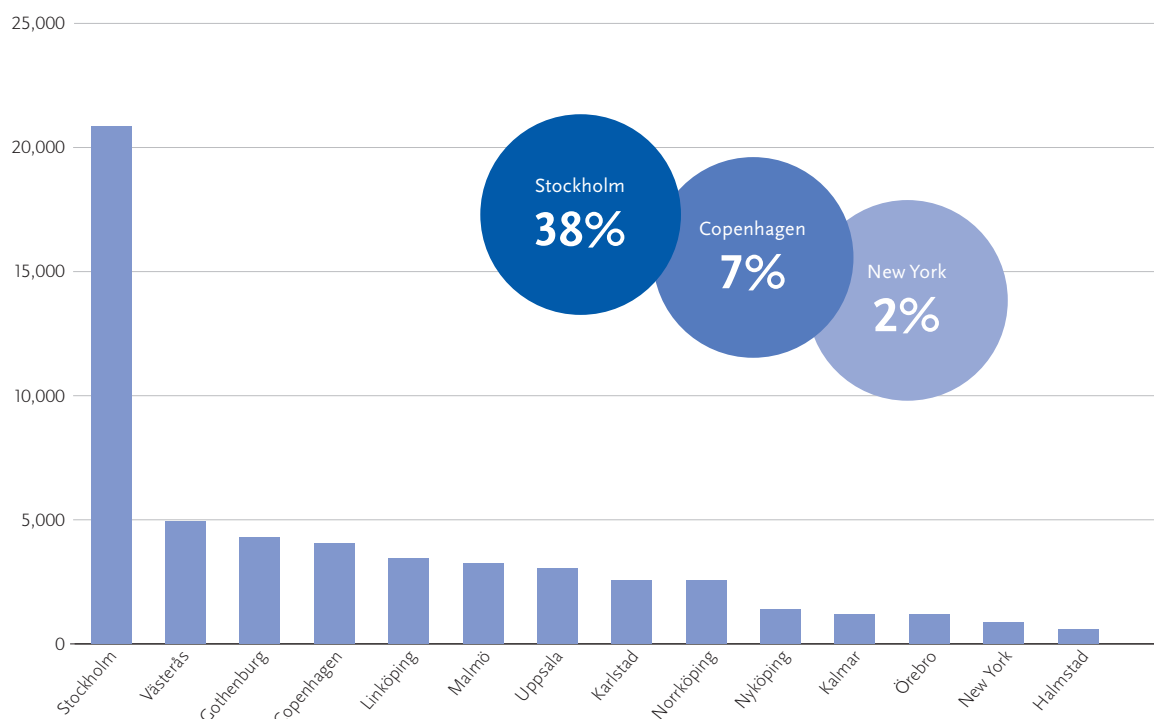
around 18,700 sq.m. was taken possession of on 4 March and is fully let to Ericsson with a lease extending to the second half of 2023.

PROPERTIES AND CHANGES IN VALUE

As at 31 March 2019, Klöver's portfolio consisted of 422 properties (426). The rental value amounted to SEK 4,215 million (4,063) and the fair value of the properties was SEK 54,180 million (52,713). The total lettable area amounted to 2,997,000 sq.m. (2,969,000).

The changes in value of the properties totalled SEK 544 million (395) during the quarter, corresponding to 1.0 per cent of Klöver's property value at the beginning of the year. The changes in value included realized changes in value of SEK –3 million (–26) and unrealized changes in value of SEK 547 million (421). The unrealized changes

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.

in value do not affect the cash flow. On average, Klöver’s property portfolio, as at 31 March, 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.

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 2018 for a detailed description of valuation principles.

SHARES

As at 31 March, the total number of registered shares in Klöver 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 one tenth of a vote. Klöver’s shares are listed on Nasdaq Stockholm. On 29 March, the closing price was SEK 12.75 per ordinary share of class A, SEK 12.75 per ordinary share of class B and SEK 337.00 per preference share, corresponding to a total market capitalization of SEK 17,221 million (14,455). The number of shareholders at the end of the period amounted to around 47,900 (47,700). 80 per cent (80) of the total number of shares are Swedish-owned. As at 31 March

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 –212 million (–125) and current tax to SEK –4 million (0).

The increase in deferred tax and current tax is, among other things, due to the new corporate taxation for limitation of interest deduction applicable from 1 January 2019.

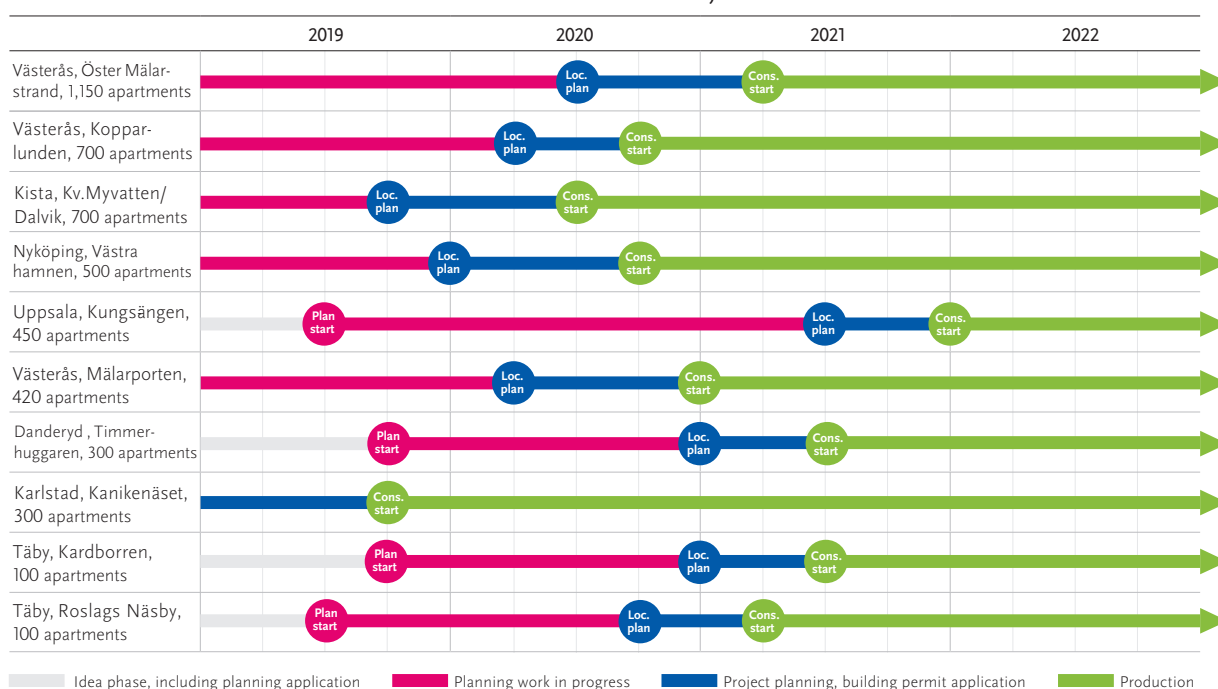
ORGANIZATION

Klöver’s business model entails closeness to the customer by having own local staff at all 14 business units, as at 31 March 2019 allocated to three geographic regions in Sweden and international operations in Copenhagen (which is a business unit of its own) 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 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 31 March 2019, there were 252 employees (248). The average age was 43 years (43) and the proportion of women was 42 per cent (42).

KLÖVERN LIVING – THE TEN LARGEST RESIDENTIAL DEVELOPMENT PROJECTS



LARGEST SHAREHOLDERS 31.03.2019, 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, ¹⁾
Rutger Arnhult via companies	12,528	127,419	655	15.1	16.9
Corem Property Group	9,500	129,400	—	14.9	14.9
Arvid Svensson Invest	13,300	52,997	685	7.2	12.4
Länsförsäkringar fonder	—	28,749	—	3.1	1.9
Gårdarike	18,196	4,919	50	2.5	12.5
SEB Investment Management	147	22,217	—	2.4	1.6
Handelsbanken fonder	—	22,000	—	2.4	1.5
Swedbank AS (Estonia)	1	18,562	58	2.0	1.2
State Street Bank and Trust Co, W9	66	18,358	142	2.0	1.3
Swedbank Robur fonder	584	17,290	—	1.9	1.5
Prior & Nilsson	—	14,401	—	1.5	1.0
UBS Switzerland AG	208	13,583	22	1.5	1.0
JPM CHASE	1	12,999	205	1.4	0.9
CBNY-Norges Bank	537	10,660	161	1.2	1.1
Svolder	—	9,000	—	1.0	0.6
Total largest shareholders	55,068	502,554	1,978	60.0	70.3
Other shareholders	18,240	249,175	14,466	30.2	29.7
Total outstanding shares	73,308	751,729	16,444	90.2	100.0
Repurchased own shares ¹⁾	—	90,957	—	9.8	—
Total registered shares	73,308	842,686	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' Klövern-shares. Klövern 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	
	2019 Jan–Mar	2018 Jan–Mar	2019 Jan–Mar	2018 Jan–Mar	2019 Jan–Mar	2018 Jan–Mar	2019 Jan–Mar	2018 Jan–Mar	2019 Jan–Mar	2018 Jan–Mar
Region Stockholm	444	374	–149	–128	295	246	66	66	105	190
Region West	206	174	–70	–60	136	114	66	66	94	191
Region East	204	192	–74	–64	130	128	64	67	93	71
International	42	6	–4	0	38	6	90	98	34	1
Divested operations ¹⁾	—	26	—	–12	—	13	—	52	—	11
where of										
Investment	848	745	–267	–246	581	499	69	67	209	241
Development	48	27	–30	–19	18	8	38	30	117	223
Total	896	772	–297	–265	599	507	67	66	326	464

KEY RATIOS PER PROPERTY SEGMENT AND REGION

	Fair value, SEKm		Yield requirements ²⁾ , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Region Stockholm	28,815	24,625	5.4	5.4	1,191	1,101	2,082	1,795	88	88
Region West	10,693	9,177	6.3	6.1	853	789	989	811	87	88
Region East	9,737	8,669	6.4	6.5	857	831	908	831	92	93
International	4,935	2,845	4.4	4.3	96	50	236	98	90	99
Divested operations ¹⁾	—	798	—	8.5	—	142	—	116	—	88
where of										
Investment	48,870	42,852	5.6	5.8	2,707	2,644	3,916	3,442	91	91
Development	5,310	3,262	5.7	5.3	290	269	299	209	63	54
Total	54,180	46,114	5.6	5.8	2,997	2,913	4,215	3,651	89	89

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.

¹⁾ Divested properties in Falun and Härnösand/Sollefteå.

²⁾ Yield requirement is estimated excluding building rights.

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. Klöver's significant risks and exposure and their management are described on pages 58–61 of the 2018 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 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 agreements, reporting of site leasehold agreements has the most significance. As a result of the introduction of IFRS 16, Klöver has reported a right of use asset and a financial leasing obligation, attributable to site leaseholds, in the balance sheet. Site leasehold fees and lease fees linked to these agreements, which have previously been reported in the operating surplus, are reported as from 2019 in net financial items in the statement of income. Klöver 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

The Board proposes to the Annual General Meeting a dividend of 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 and preference shares be 28 June 2019, 30 September 2019, 30 December 2019 and 31 March 2020. During the first quarter of 2019, a dividend of SEK 0.11 per ordinary share and SEK 5.00 per preference share, totalling SEK 173 million, has been paid.

EVENTS AFTER THE END OF THE PERIOD

At the beginning of April, Klöver announced that its property portfolio in Copenhagen is fully let after a further two lease contracts had been signed. A lease contract was signed with Better Energy for 977 sq.m. of office space in the so-called Codan building and a lease contract has been signed with Banking Circle for 2,180 sq.m. in the property on Amerika Plads which was acquired in the fourth quarter of 2018.

In April, a contract was signed to divest the properties Ugglum 126:4 in Partille and Allmogekulturen 5 in Västerås for a total underlying property value of SEK 75 million. Transfer of possession is planned to take place on 30 April 2019.

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 will be reported as a financial asset valued at fair value through the statement of income.

Stockholm, 26 April 2019

Board of Directors of Klöver AB (publ)

This interim report has not been reviewed by Klöver's auditors.



The property Blåfjäll 1 in Kista, Stockholm.

Consolidated Statement of Income

Summary

SEKm	2019 3 months Jan–Mar	2018 3 months Jan–Mar	Trailing 12 months Apr–Mar	2018 12 months Jan–Dec
Income	896	772	3,374	3,250
Property costs	–297	–265	–1,112	–1,080
Operating surplus	599	507	2,262	2,170
Central administration	–40	–26	–140	–126
Net financial items	–197	–162	–735	–700
Profit from property management (properties)	362	319	1,387	1,344
Income, residential development	1	—	124	123
Costs, residential development	–51	—	–211	–160
Net financial items, residential development	3	—	–19	–22
Profit from residential development	–47	—	–106	–59
Share in earnings of associated companies	5	–3	15	7
Revaluation, transition from share in earnings of associated co:s to subsidiary	—	—	22	22
Changes in value, properties	544	395	2,458	2,309
Changes in value, derivatives	–14	9	44	67
Changes in value, financial assets	2	–10	37	25
Write-down of goodwill	–4	–2	–29	–27
Profit before tax	848	708	3,828	3,688
Taxes	–216	–125	–445	–354
Net profit for the period	632	583	3,383	3,334
Net profit for the period attributable to:				
The parent company's shareholders	633	585	3,393	3,345
Holdings without controlling influence	–1	–2	–10	–11
	632	583	3,383	3,334
Other comprehensive income, items which may later be reversed in the income statement				
Translation difference regarding foreign operations	62	41	84	63
Comprehensive income for the period	694	624	3,467	3,397
Comprehensive income for the period attributable to:				
The parent company's shareholders	695	626	3,477	3,408
Holdings without controlling influence	–1	–2	–10	–11
	694	624	3,467	3,397
Earnings per ordinary share, SEK	0.67	0.58	3.65	3.54
No. of ordinary shares outstanding at the end of the period, million	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
Average no. of outstanding ordinary shares, million	824.4	872.5	840.5	852.4
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	31.03.2019	31.03.2018	31.12.2018
ASSETS			
Goodwill	151	181	155
Investment properties	54,180	46,114	52,713
Right of use site leasehold	698	—	—
Machinery and equipment	36	20	27
Participation rights in associated companies	196	265	217
Financial assets at fair value through statement of income	32	103	74
Properties (current assets)	451	—	444
Other receivables	2,642	1,610	2,256
Liquid funds	276	477	576
TOTAL ASSETS	58,662	48,770	56,462
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	18,642	14,919	17,972
Equity attributable to holdings without controlling influence	155	28	172
Deferred tax liability	3,093	2,675	2,884
Interest-bearing liabilities	34,321	29,030	33,688
Derivatives	84	360	85
Financial leasing	698	—	—
Accounts payable	194	262	270
Other liabilities	416	615	486
Accrued expenses and prepaid income	1,059	881	905
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	58,662	48,770	56,462

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 31.12.2017	14,505	0	14,505
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
Shareholders' equity 31.12.2018	17,972	172	18,144
Repurchase of own shares	-7	—	-7
Hybrid bond	-19	—	-19
Change in holding without controlling influence	1	-16	-15
Other comprehensive income	62	—	62
Net profit for the period	633	-1	632
Shareholders' equity 31.03.2019	18,642	155	18,797

Consolidated Cash Flow Statement

Summary

SEKm	2019 3 months Jan–Mar	2018 3 months Jan–Mar	2018 12 months Jan–Dec
Current operations			
Profit from property management and profit from residential development	315	319	1,285
Adjustment for items not included in the cash flow	3	1	6
Income tax paid	–4	0	0
Cash flow from current operations before change in working capital	314	320	1,291
Changes in working capital			
Change properties (current assets)	–7	—	–16
Change in operating receivables	–339	–834	–166
Change in operating liabilities	–251	655	139
Total change in working capital	–597	–179	–43
Cash flow from current operations	–283	141	1,248
Investment operations			
Divestment of properties	122	644	2,303
Acquisition of and investment in properties	–958	–3,319	–7,289
Acquisition of subsidiaries	—	—	–174
Acquisition of machinery and equipment	–12	–5	–15
Change in financial assets	24	–98	–149
Cash flow from investment operations	–824	–2,778	–5,324
Financing operations			
Change in interest-bearing liabilities	1,021	3,459	4,749
Acquisition of financial instruments	—	—	–217
Repurchase of own shares	–7	–214	–558
Dividend	–173	–170	–688
Hybrid bond	–19	—	1,261
Change in holding without controlling influence	–15	—	66
Cash flow from financing operations	807	3,075	4,613
Total cash flow	–300	438	537
Liquid funds at the beginning of the period	576	39	39
Liquid funds at the end of the period	276	477	576

Parent Company Income Statement

Summary

SEKm	2019 3 months Jan–Mar	2018 3 months Jan–Mar	2018 12 months Jan–Dec
Net sales	53	54	237
Cost of services sold	–39	–45	–195
Gross profit	14	9	42
Central administration	–32	–26	–119
Operating profit	–18	–17	–77
Changes in value, derivatives	6	—	70
Net financial items	–112	–106	1,056
Profit before tax	–124	–123	1,049
Taxes	–1	—	–38
Net profit for the period	–125	–123	1,011
Other comprehensive income	—	—	—
Comprehensive income for the period	–125	–123	1,011

Parent Company Balance Sheet

Summary

SEKm	31.03.2019	31.03.2018	31.12.2018
ASSETS			
Machinery and equipment	6	5	6
Participation rights in group companies	1,973	1,875	1,973
Receivables from group companies	25,870	24,364	25,756
Derivatives	16	13	17
Deferred tax assets	370	330	371
Other receivables	1,358	600	132
Liquid funds	281	947	249
TOTAL ASSETS	29,874	28,134	28,504
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7,582	6,660	7,734
Interest-bearing liabilities	20,109	18,867	19,127
Derivatives	83	—	89
Liabilities to group companies	1,773	2,302	1,077
Accounts payable	7	2	13
Other liabilities	200	195	369
Accrued expenses and prepaid income	120	108	95
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	29,874	28,134	28,504

Key ratios

	31.03.2019 3 months Jan–Mar	31.03.2018 3 months Jan–Mar	31.03.2019 trailing 12 months Apr–Mar	2018	2017	2016	2015	2014
Property								
Number of properties	422	406	422	426	405	431	415	408
Lettable area, 000 sq.m.	2,997	2,913	2,997	2,969	2,900	2,943	2,872	2,792
Rental value, SEKm	4,215	3,651	4,215	4,063	3,507	3,386	3,182	2,983
Rental value per lettable area, SEK/sq.m.	1,406	1,253	1,406	1,368	1,209	1,151	1,108	1,068
Fair value properties, SEKm	54,180	46,114	54,180	52,713	42,961	39,234	35,032	30,208
Yield requirement valuation, %	5.6	5.8	5.6	5.7	5.9	6.2	6.5	6.9
Operating margin, %	67	66	67	67	66	66	65	65
Occupancy rate, economic, %	89	89	89	89	89	89	91	90
Occupancy rate, area, %	81	81	81	81	81	82	83	81
Average lease term, years	3.7	3.7	3.7	3.5	3.6	3.7	3.5	3.3
Financial								
Return on equity, %	3.5	4.0	20.4	21.2	18.9	18.6	18.9	14.5
Equity ratio, %	31.8	30.6	31.8	31.8	32.8	32.1	31.7	31.5
Equity ratio, adjusted, %	38.2	36.4	38.2	37.4	38.5	36.7	35.8	35.9
Leverage, %	60	60	60	60	58	60	61	60
Leverage properties, %	47	45	47	48	42	44	47	51
Interest coverage ratio	2.6	2.9	2.7	2.7	2.9	2.9	2.6	2.0
Average interest, %	2.4	2.3	2.4	2.3	2.5	2.5	2.7	3.5
Average fixed-interest period, years	2.6	2.3	2.6	2.9	2.8	2.6	2.1	2.1
Average period of tied-up capital, years	4.3	3.6	4.3	4.3	3.0	3.0	2.8	2.1
Interest-bearing liabilities, SEKm	34,321	29,030	34,321	33,688	25,529	23,869	21,486	18,870
Share								
Equity per ordinary share, SEK	14.30	11.32	14.30	14.08	10.74	9.01	7.38	5.20
EPRA NAV, SEK	18.15	14.86	18.15	17.67	14.07	11.70	9.53	7.05
Equity per preference share, SEK	337.00	318.00	337.00	307.00	309.60	288.50	281.50	317.50
Profit from property management per ordinary share, SEK	0.34	0.27	1.26	1.19	1.03	0.93	0.78	0.61
Earnings per ordinary share, SEK	0.67	0.58	3.65	3.54	2.53	2.11	1.83	1.02
Share price ordinary share A at end of period, SEK	12.75	10.15	12.75	10.15	10.87	9.38	9.45	8.20
Share price ordinary share B at end of period, SEK	12.75	10.34	12.75	10.28	10.72	9.55	9.50	7.60
Share price preference share at end of period, SEK	337.00	318.00	337.00	307.00	309.60	288.50	281.50	317.50
Market capitalization, SEKm	17,221	14,686	17,221	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	916.0
Total no. of outstanding ordinary shares at end of period, million	825.0	856.0	825.0	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	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
Dividend per ordinary share, SEK	—	—	—	0.46 ¹⁾	0.44	0.40	0.35	0.30
Dividend per preference share, SEK	—	—	—	20.00 ¹⁾	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	—	53 ¹⁾	57	59	62	77
Dividend preference shares in relation to profit from property management, %	—	—	—	24 ¹⁾	26	28	32	42

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.

¹⁾ Proposed dividend.

PROPERTY VALUE,
SEK BILLION

54.2

RENTAL VALUE,
SEK BILLION

4.2

LETTABLE AREA,
THOUSAND SQ.M.

2,997

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

Equity¹ in relation to reported total assets.

EQUITY RATIO, ADJUSTED

Equity¹ 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 costs² in relation to financial costs².

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 equity¹.

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

Equity¹ 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

Equity¹ 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.

¹ Equity attributable to the Parent Company's shareholders.

² Excluding site leasehold expenses.

INTEREST COVERAGE
RATIO, JAN–MAR

2.6

EQUITY RATIO,
ADJUSTED, %

38.2

NUMBER OF
SHAREHOLDERS

47,900

Calendar

2019 Annual General Meeting	26 April 2019
Final day for trading conferring the right to dividend for ordinary and preference shareholders	26 June 2019
Record date for dividend to ordinary and preference shareholders	28 June 2019
Expected date for dividend to ordinary and preference shareholders	3 July 2019
Interim report, January–June 2019	12 July 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. This information was submitted for publication through the agency of the contact persons set out above at 07.30 CEST on 26 April 2019.

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

KLÖVERN