

- » Income increased by 12 per cent to SEK 3,638 million (3,250).
- » The operating surplus increased by 14 per cent to SEK 2,463 million (2,170).
- » Profit from property management increased by 9 per cent to SEK 1,462 million (1,344).
- » Profit before tax amounted to SEK 3,433 million (3,688) and net profit, attributable to the parent company's shareholders, totalled SEK 3,003 million (3,345), corresponding to SEK 3.24 (3.54) per ordinary share.
- » The return on equity amounted to 15.9 per cent (21.2).
- » Changes in value of properties totalled SEK 2,125 million (2,309). Project development, including development of building rights, contributed to increases in value of properties of SEK 681 million (910).
- » After taking possession of 3 properties for SEK 959 million, transfer of possession of 86 properties for SEK 5,029 million and investments of SEK 1,550 million, the value of the property portfolio amounted to SEK 52,377 million.
- » The interest coverage ratio amounted to 2.6 (2.7), leverage declined to 50 per cent (56) and the adjusted equity ratio increased to 43.5 per cent (37.4).
- » EPRA NAV increased by 17 per cent to SEK 21.17 (18.13).
- » For the 2019 financial year the Board of Directors proposes a dividend of in total SEK 0.50 (0.46) per ordinary share to be paid in four instalments and a dividend of in total SEK 20.00 (20.00) per preference share to be paid in four instalments.

” *During the year, in accordance with our strategy, we have continued to streamline and focus our portfolio and at the same time expanded abroad. We deliver in all aspects a very strong result.*

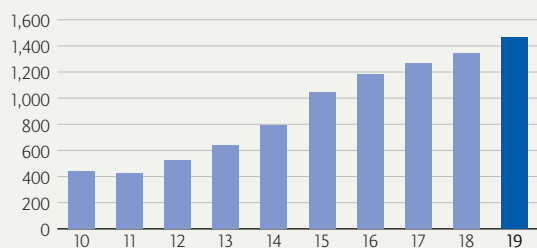
Rutger Arnhult, CEO

THIS IS KLÖVERN

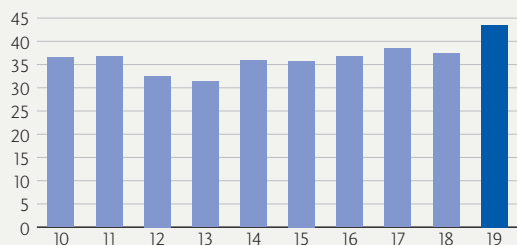
KLÖVERN IS A LISTED REAL ESTATE COMPANY which, with closeness and commitment, offers attractive premises and actively contributes to urban development in growth regions.

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

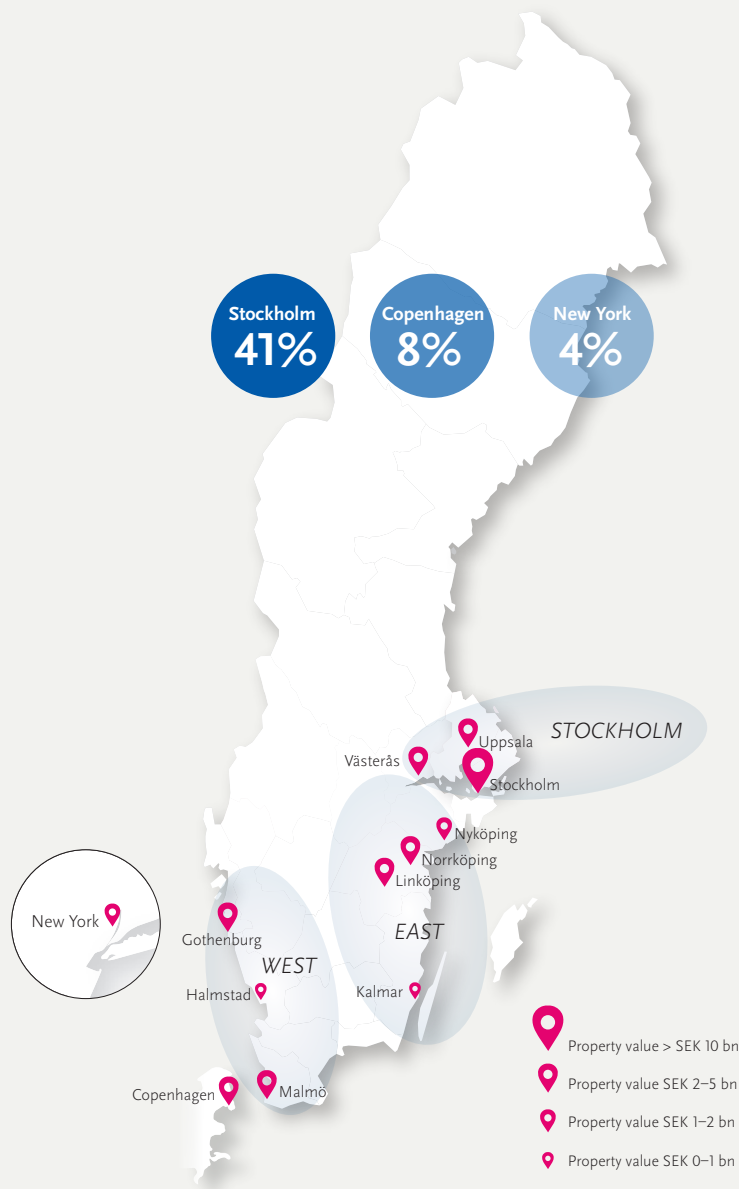
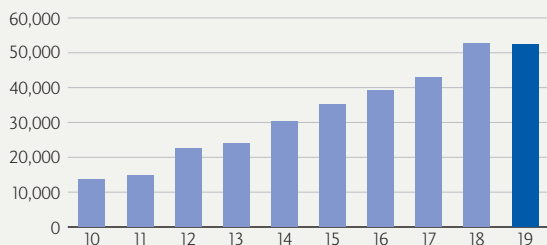
PROFIT FROM PROPERTY MANAGEMENT, SEKm



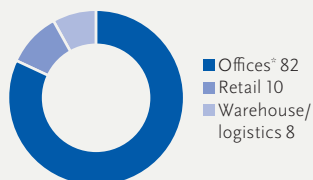
EQUITY RATIO, adjusted, %



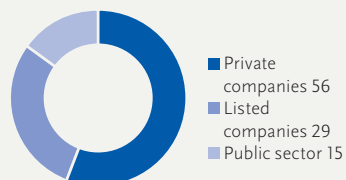
PROPERTY VALUE, SEKm



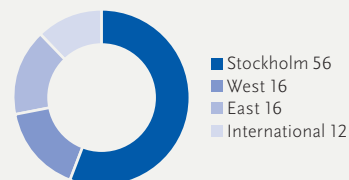
PROPERTY VALUE BY TYPE OF PROPERTY %



CONTRACT VALUE BY CUSTOMER CATEGORY, %



PROPERTY VALUE BY REGION, %



*Including education, health care, other.

STATEMENT BY THE CEO

Streamlining, value creation and financial strength

Summing up 2019, we can note that it has been a very intensive year with very strong earnings. We are particularly proud of the high net moving-in, the development in a comparable portfolio and the fine return on equity. We have continued to streamline the property portfolio to fewer locations in Sweden, at the same time as we have made further investments in our main locations, both in the domestic market and abroad. The pace of business has been high with the focus on profitability, sustainability, structural streamlining and financial strengthening with the aim of creating an even stronger Klöver for the future.

STRONG EARNINGS DEVELOPMENT

Klöver is again reporting strong earnings. During 2019, profit from property management improved by 9 per cent to SEK 1,462 million. After positive changes in value of properties amounting to SEK 2,125 million, profit before tax totalled SEK 3,433 million. After tax, this corresponds to earnings per share of SEK 3.24 and a return on equity of 16 per cent.

RECORD HIGH NET MOVING-IN AND GOOD DEVELOPMENT IN A COMPARABLE PORTFOLIO

All our prioritized markets have developed well during 2019, despite macrostatistics having indicated a slowdown in the economy. The year's net moving-in was record high amounting to SEK 130 million, which is far above the target of at least 1 per cent of the rental value. The development in a comparable portfolio, i.e. properties owned throughout 2018 and 2019, is very satisfying with an increase of income of 6 per cent and of operating surplus of 5 per cent.

STRONGER FINANCIAL POSITION

Klöver's financial position has been further strengthened during the year, both by good development of earnings and strategic net divestment of properties. The adjusted equity ratio improved by 6.1 percentage points to 43.5 per cent, which is above the target of 40 per cent, while leverage¹ declined to 50 per cent. At year-end as much as 93 per cent of the credit volume was hedged or at a fixed rate and the average financing rate was 2.3 per cent. The interest coverage rate is satisfactory, amounting to 2.6 during the year. In general, continued favourable loan terms are offered both in the bank market and the capital market. During 2019, Klöver issued a total of SEK 2,300 million in the bond market, of which SEK 1,600 million was within the framework of a green bond programme.

STREAMLINING AND INTERNATIONAL EXPANSION

During the year we continued to follow our strategy of streamlining the property portfolio, both geographically and in terms of products.

Amongst other things, we have divested the whole of our portfolio in Karlstad and all investment properties in Örebro. The Swedish property portfolio is now concentrated in 10 cities. 96 per cent of the total property portfolio is located in what we refer to as larger cities with over 100,000 inhabitants and 74 per cent in metropolitan regions with more than a million inhabitants.

The portfolio has to an even greater extent been focused on modern offices through divestment of warehouse and logistics

premises including seven properties sold to Blackstone, and acquisitions of and investments in modern office properties.

At the year-end, the international portfolio made up 12 per cent of the total property value and it is expected to continue to grow, in amongst other ways by further acquisitions but also apace with the completion of the projects in New York and Copenhagen. We can note that the two ongoing projects in New York, 1245 Broadway and 28&7, are developing completely according to plan and expect to start construction of the third project, 118 10th Avenue, during the second quarter of 2020. The total investment for the projects in Manhattan is expected to amount to just under SEK 3 billion with an assessed potential development profit of just over SEK 2 billion.

VALUE-CREATING PROJECT DEVELOPMENT

Project development is an important part of our business model and the new business area *Project development Sweden* which was created during 2019 has a key role in Klöver's position as a long-term city developer. Project development, including development of building rights, contributed to increases in value of properties of SEK 681 million during 2019.

FOCUS ON SUSTAINABILITY

We are pleased to note that our long-term sustainability work is producing results. In one of the Nordic region's largest brand surveys with the focus on sustainability, Sustainable Brand Index B2B, Klöver has been designated as Sweden's third most sustainable real estate company, and number two among the listed real estate companies.

GOOD VALUE GROWTH

The net asset value per share (EPRA NAV¹) has developed well and amounted at the year-end to SEK 21.17, corresponding to an increase of 17 per cent during 2019.

CONTINUED GOOD DEVELOPMENT

Overall, we have a very stable business which during 2019 showed high profitability and good underlying growth, at the same time as the financial position was further strengthened. I look forward to a continued good development during 2020.

Rutger Arnhult, VD Klöver

¹ The definition of leverage and the calculation of EPRA NAV have been changed in connection with this year-end report. Historical figures have been adjusted. See also page 19: Definitions.

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

INCOME AND EXPENSES

Income increased to SEK 900 million (852) during the fourth quarter and to SEK 3,638 million (3,250) during the year. The increase in income during the year is mainly attributable to acquisitions and net moving-in, but also to rising rental levels and a oneoff item of SEK 18 million in the fourth quarter for insurance indemnity. For a comparable portfolio, i.e. properties owned for the whole of 2018 and 2019, income amounted to SEK 699 million (664) during the quarter and SEK 2,760 million (2,614) during the year.

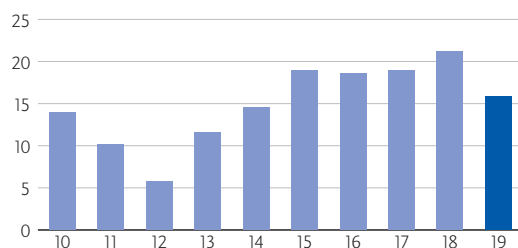
Property costs totalled SEK 330 million (328) during the quarter and SEK 1,175 million (1,080) during the year. Property costs for a comparable portfolio amounted to SEK 254 million (244) during the quarter and SEK 892 million (837) during the year, where the corresponding periods in 2018 have also been calculated in accordance with IFRS 16. Central administration costs amounted to SEK 53 million (43) during the quarter and SEK 159 million (126) during the year.

PROFIT

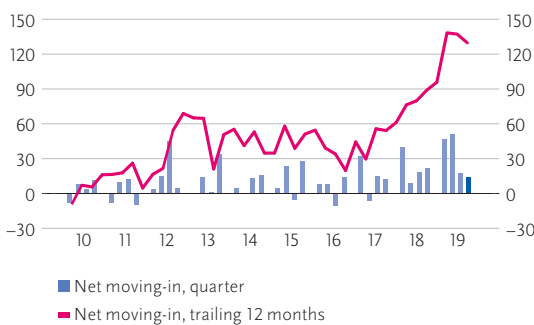
The operating surplus increased to SEK 570 million (524) during the fourth quarter and SEK 2,463 million (2,170) during the year. The operating surplus for a comparable portfolio amounted to SEK 445 million (420) during the quarter and SEK 1,868 million (1,777) during the year. The operating margin amounted to 63 per cent (61) during the quarter and 68 per cent (67) during the year. The profit from property management, i.e. profit excluding, among other things, changes in value, earnings from residential development and tax, amounted to SEK 314 million (297) during the quarter and SEK 1,462 million (1,344) during the year. The operating surplus and profit from property management of the year 2019 were both positively affected by – among other things – acquisitions, net moving-in and rising rental levels.

Profit before tax amounted to SEK 1,293 million (1,801) during the quarter and was affected, among other things,

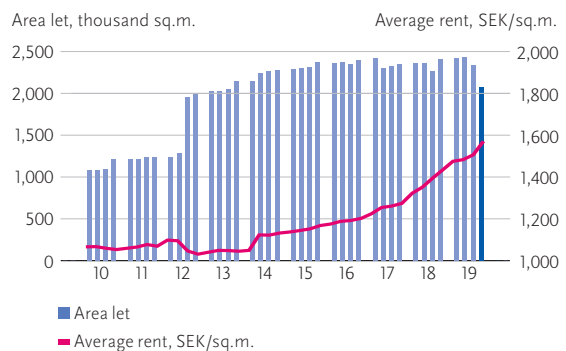
RETURN ON EQUITY, %



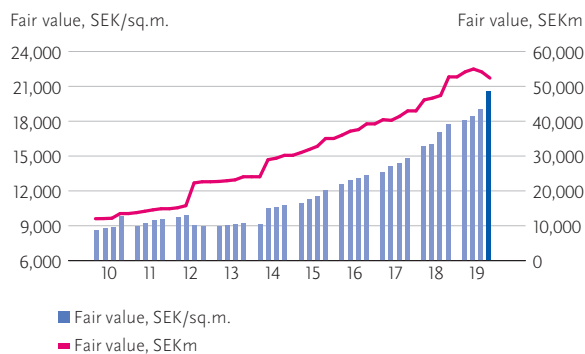
NET MOVING-IN, SEKm



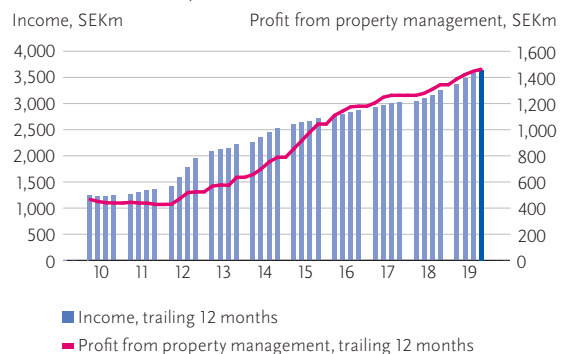
PROPERTIES: AREA AND RENT



PROPERTIES: VALUE



INCOME & PROFIT, SEKm



by SEK 1,028 million (1,492) relating to changes in value of properties. During the year, profit before tax amounted to SEK 3,433 million (3,688). The return on equity in 2019 amounted to 15.9 per cent (21.2)

NET MOVING-IN AND OCCUPANCY RATE

Net moving-in amounted to SEK 14 million (22) during the fourth quarter and SEK 130 million (89) during the year.

Among the largest tenants moving in during the quarter were Däckforum 2000 with approximately 2,293 sq.m. at the property Geysir 2 in Kista and Philips with 973 sq.m. at the property Gammel Kongevej 60 in Copenhagen and ABB with 695 sq.m. at the property Ana 11 in Nyköping.

The largest vacation during the year was Zenterio with 3,260 sq.m. at the property Idéläran 1 in Linköping.

Among the larger contracts that were signed during the fourth quarter, where the tenant has not yet moved in, are a 20-year lease with Scandic Hotels for around 5,800 sq.m. in a planned new building in Örebro, a five-year lease with Sony Nordic (Sweden) with 582 sq.m. in the property Helgafjäll 4 in Kista and a five-year lease with Vifor Pharma Nordiska at the property Hilton 3 in Solna.

The average remaining lease contract period as at 31 December 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 81 per cent (81). The economic occupancy rate for investment properties was 92 per cent (91) and for development properties 71 per cent (66).

CASH FLOW

The cash flow from current operations amounted during the quarter to SEK 338 million (1,065). Investment operations have affected the cash flow by SEK 2,012 million net (-1,802), mainly by a combination of property transactions and investments in existing properties. Financing operations have affected the cash flow by SEK -2,326 million (963). In total, the cash flow amounted to SEK 24 million (226). Liquid assets at the end of the year amounted to

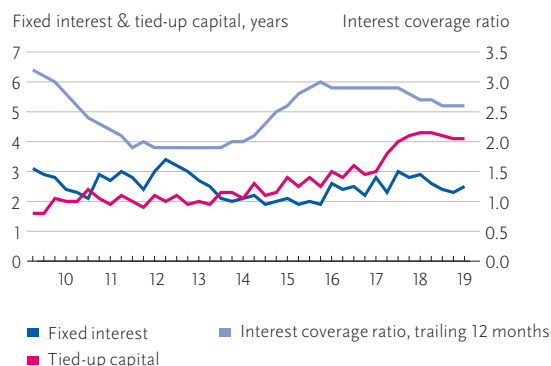
SEK 449 million, compared with SEK 576 million as at 31 December 2018.

FINANCING

On 31 December 2019, the interest-bearing liabilities amounted to SEK 31,630 million (33,688). Accrued borrowing overheads totalled SEK 115 million, which means that the reported interest-bearing liabilities in the balance sheet total SEK 31,515 million (33,688). The average financing rate for the whole financial portfolio was 2.3 per cent (2.3). Net financial items, including residential development, amounted during the quarter to SEK -204 million (-196), of which financial income accounted for SEK 4 million (11) and site leasehold expenses amounted to SEK -12 million (-). The interest coverage ratio during the quarter amounted to 2.3 (2.3) and to 2.6 (2.7) during the year.

The average period of fixed interest at the end of the quarter was 2.5 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 4,415 million (5,730) and interest rate caps totalling SEK 24,000 million (23,500). The average remaining term of derivatives amounted to 2.5 years.

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	Unused, SEKm
Floating *	26,307	—	—	—	—
2020	1,491	5,790	5,632	2,250	158
2021	1,900	11,176	8,074	2,350	3,102
2022	—	6,368	5,868	2,500	500
2023	100	5,286	5,286	700	—
2024	832	832	832	—	—
2025	—	2,355	2,355	—	—
Later	1,000	3,583	3,583	—	—
Total	31,630	35,390	31,630	7,800	3,760

* SEK 24,000 million of Floating volume is covered by interest-rate caps.

The share of credit volume that is hedged or at a fixed rate amounted to 93 per cent.

The average period of tied-up capital was 4.1 years (4.3) as at 31 December. Unutilized credit volumes, including unutilized overdraft facilities of SEK 558 million (535), amounted to SEK 3,760 million (2,110).

Klövern's interest-bearing liabilities are mainly secured by mortgages in properties. Unsecured interest-bearing liabilities consist of outstanding commercial paper and unsecured bonds, SEK 2,472 million (1,845) and SEK 6,950 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.

Klövern has a secured 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 December 2019, SEK 850 million had been issued within the framework amount.

Derivatives effectively limit the interest rate risk. An increase in short market rates of one percentage point normally affects Klövern'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 15 million (13) during the quarter. As of 31 December, the value was SEK –65 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. Klövern'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 year, the adjusted equity ratio was 43.5 per cent (37.4).

COMPULSORY REDEMPTION OF TOBIN PROPERTIES

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

At the start of 2019, Klövern'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. Subsequently, ownership has changed as follows.

In February, Klövern acquired 1,423,260 ordinary shares. Ownership then 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, Klövern 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, Klövern requested compulsory redemption of all remaining shares in Tobin Properties.

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

In accordance with the redemption clause in Tobin Properties' articles of association, Tobin Properties decided in November on compulsory redemption of all 1,000,242 Class A preference shares for SEK 110 per share. Redemption of the preference shares was completed in December.

During the third and fourth quarter respectively, Klövern has acquired an additional 325,811 and 128,393 ordinary shares in Tobin Properties. The ownership as of 31 December 2019 amounted to 114,739,749 ordinary shares, corresponding to 93.5 per cent of the share capital and 93.5 per cent of the voting rights.

COMPULSORY REDEMPTION OF AGORA

The real estate company A Group Of Retail Assets Sweden (Agora) is consolidated in Klövern from 9 November 2018.

On 4 October 2018, Klövern announced a public cash offer to the shareholders of Agora. The offered value for all shares, including the shares owned by Klövern on that date, amounted to SEK 1,023 million. After the offer's extended acceptance period, Klövern'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. Klövern requested compulsory redemption to acquire all shares not tendered in the offer. At the beginning of December 2018, Agora was de-listed from Nasdaq First North.

On 11 October 2019 a separate arbitral award was announced in the compulsory redemption process. As at 31 December 2019, Klövern's ownership in Agora amounted to 4,689,062 ordinary Class A shares, 26,094,011 ordinary Class B shares and 362,750 preference shares, corresponding to 99.997 per cent of the share capital and 99.999 per cent of the voting rights.

LISTED SHAREHOLDINGS

In April 2019, Klövern received 2,741,936 newly issued 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.

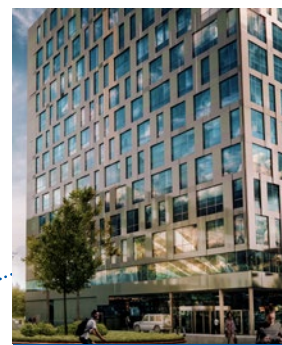
Klövern's holding of its own shares amounted at the year-end to 90,956,740 class B ordinary shares, corresponding to 9.8 per cent of the total number of registered shares. The shares have been acquired for a net total of SEK 984 million, corresponding to SEK 10.82 per share. As of 31 December 2019 the holding of own shares was worth SEK 2,090 million.

PROJECT DEVELOPMENT AND BUILDING RIGHTS

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernizing the premises and thus increasing the rental value. SEK 1,550 million (1,791) was invested during the year. As at 31 December 2019, 332 projects (402) were in process and SEK 2,309 million (759) remained to be invested.



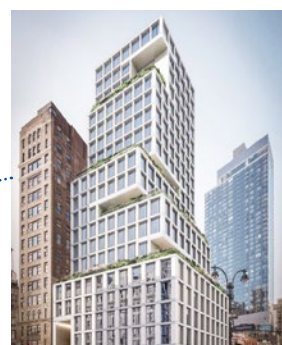
**28&7, NEW YORK,
(322–326, 7TH AVE)
OFFICE**



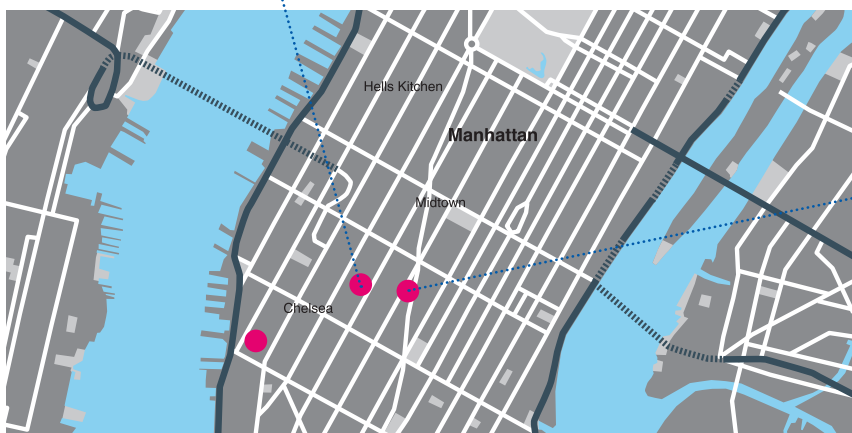
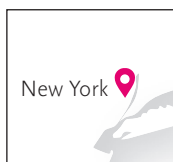
**ÖREBRO ENTRÉ, ÖREBRO
(OLAUS PETRI 3:234)
HOTEL/OFFICE**



**KOPPARHUSEN,
NORRKÖPING,
(KOPPARHAMMAREN 2),
OFFICE**



**1245 BROADWAY, NEW YORK
OFFICE**



KLÖVERN'S LARGEST COMMERCIAL 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	852	1,194	848	188	21Q1
New York	322–326,7th Ave	Office	Triton Construction	–	7,800	575	603	458	71	21Q4
Örebro	Olaus Petri 3:234	Hotel/office	Peab AB	Scandic Hotels, 21Q4	8,638	39	274	267	22	22Q1
Norrköping	Kopparhammaren 2	Office	SEFAB	Gaia, 20Q2	4,750	139	153	25	10	20Q2
Norrköping	Kondensatorn 1	Retail	ECC	Ahlsell, 20Q1	5,104	51	58	22	5	20Q2
Kalmar	Guldfisken 2	Library	Entreprenad AB Stele	Kalmar kommun, 20Q2	3,848	72	55	25	5	20Q2
Total					46,840	1,728	2,337	1,645	301	

TOBIN PROPERTIES' LARGEST ONGOING RESIDENTIAL PROJECTS

City	Location	Project name	Ownership share, %	Detailed plan/ No detailed plan	No. of units	Units sold	Share of units sold, %	Area, sq.m.	Sales start, year	Expected completion date, year
Stockholm	Sundbyberg	Rio	100,0	Detailed plan	173	144	83	8,700	2017	2019
Stockholm	Nacka	Vyn	100,0	Detailed plan	96	53	55	7,500	2016	2020
Stockholm	Rolags-Näsby	Unum	30,0	Detailed plan	148	102	69	5,000	2017	2019
Total					417	299	72	21,200		

TOBIN PROPERTIES AND KLÖVERN'S LARGEST PLANNED RESIDENTIAL PROJECTS

City	Location	Project name	Ownership share, %	Detailed plan/ No detailed plan	No. of units	Units sold	Share of units sold, %	Area, sq.m.	Sales start, year	Expected completion date, year
TOBIN PROPERTIES										
Stockholm	Tyresö	Golfbäcken 1	44,4	No detailed plan	167	—	—	10,300	2021	2024
Stockholm	Tyresö	Golfbäcken 2	44,4	No detailed plan	150	—	—	9,700	2022	2025
Stockholm	Nacka	Nacka Strand 1	100,0	Detailed plan	240	—	—	15,100	2020/2022	2021/2024
Stockholm	Nacka	Nacka Strand 2 ¹	100,0	Detailed plan	160	—	—	11,500	2025	2028/2029
Stockholm	Nacka	Nacka Strand 3	100,0	Detailed plan	160	—	—	11,600	2024	2028
Stockholm	Sundbyberg	Slaktaren 1 ¹	100,0	No detailed plan	60	—	—	3,200	2022	2024
Stockholm	Sundbyberg	Slaktaren 2 ²	100,0	—	—	—	—	—	—	—
Stockholm	Lidingö	Torsvik ¹	75,0	Detailed plan	46	—	—	3,700	2020	2022
Stockholm	Liljeholmen	Marievik ¹	100,0	No detailed plan	300	—	—	17,000	2022	2024/2026
Stockholm	Nacka	Orminge ¹	100,0	No detailed plan	150	—	—	10,000	—	—
Total					1,433			92,100		

KLÖVERN

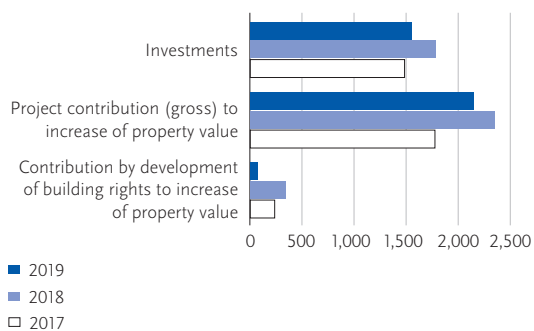
Västerås	Västerås	Öster Mälarstrand ¹	100,0	No detailed plan	1,150	—	—	74,100	2021	2035
Stockholm	Kista	Kista Square ¹	49,9	No detailed plan	1,000	—	—	20,500	2021	2029
Stockholm	Kista	Myvatten/Dalvik ¹	100,0	Detailed plan	700	—	—	39,800	2020	2030
Nyköping	Nyköping	Spelhagen ^{1,3}	100,0	No detailed plan	470	—	—	35,100	2020	2032
Uppsala	Uppsala	Kungstorget ¹	100,0	No detailed plan	450	—	—	31,200	2022	2026
Västerås	Västerås	Mälarporten ¹	100,0	No detailed plan	420	—	—	28,900	2021	2036
Stockholm	Danderyd	Timmerhuggaren ¹	100,0	No detailed plan	300	—	—	19,000	2022	2029
Västerås	Västerås	Kopparlunden Syd ¹	100,0	No detailed plan	150	—	—	13,300	2021	2028
Total					4,640			261,900		
Grand Total					6,073			354,000		

¹ Includes a property that generates an operating surplus during project development.

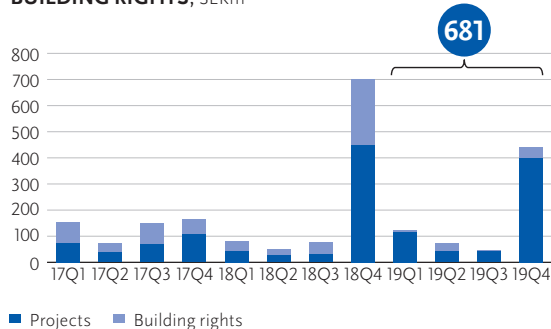
² No land allocation agreement.

³ The detailed plan includes, among others, the property Spelhagen 1:7.

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 ¹	Site leasehold	0	Q2
Eskilstuna	Vestalen 8	Site leasehold	0	Q3
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	Education/health care/other	3,418	Q1
Nässjö	Lejonet 2, 8, 13, 14 ²	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
Haninge	Jordbromalm 6:3, 6:20, 6:76 ²	Warehouse/logistics	27,625	Q3
Malmö	Brudbuketten 11	Office	1,346	Q3
Malmö	Getingen 5 ¹	Warehouse/logistics	8,335	Q3
Malmö	Lillgrund 5	Warehouse/logistics	4,430	Q3
Malmö	Spindeln 2 ¹	Warehouse/logistics	7,232	Q3
Motala	Plåtslagaren 7	Retail	8,124	Q3
Växjö	Sunaman 5	Education/health care/other	7,826	Q3
Örebro	Barkenlund 11	Office	2,819	Q3
Örebro	Forskarbyn 2	Office	5,501	Q3
Örebro	Fåraherden 1	Office	2,948	Q3
Örebro	Importören 2	Warehouse/logistics	2,565	Q3
Örebro	Karossen 5	Office	5,127	Q3
Örebro	Karossen 19	Warehouse/logistics	12,760	Q3
Örebro	Karossen 32	Education/health care/other	2,530	Q3
Örebro	Kitteln 11	Retail	13,620	Q3
Örebro	Lantmannen 2	Warehouse/logistics	10,480	Q3
Örebro	Oxbacken 7	Office	2,942	Q3
Örebro	Pigan 1	Office	931	Q3
Örebro	Vindrutan 1	Retail	1,315	Q3
Örebro	Vindtunneln 1	Office	3,369	Q3
Örebro	Bleckslagaren 3	Warehouse/logistics	18,842	Q4
Kalmar	Borret 10	Warehouse/logistics	10,898	Q4
Halmstad	Fläkten 1 ¹	Warehouse/logistics	12,200	Q4
Linköping	Kättaren 7	Warehouse/logistics	14,890	Q4
Linköping	Navbössan 1	Warehouse/logistics	11,212	Q4
Linköping	Navhålet 3	Warehouse/logistics	6,462	Q4
Västerås	Ringborren 15	Warehouse/logistics	19,609	Q4
Karlstad	Del av Kanoten 10 & Del av Vänersnipan 1 ⁴	Office	0	Q4
Karlstad	Del av Vänersnipan 1 ⁴	Office	0	Q4
Karlstad	Barkassen 9	Office	7,045	Q4

PROPERTY TRANSACTIONS 2019: DIVESTMENTS, CONTINUED

City	Property	Category	Lettable area, sq.m.	Quarter
Karlstad	Pinassen 2	Office	14,308	Q4
Karlstad	Tornadon 2	Warehouse/logistics	13,226	Q4
Karlstad	Barkassen 7	Office	12,338	Q4
Karlstad	Björnen 13	Office	7,453	Q4
Karlstad	Björnen 7	Office	3,324	Q4
Karlstad	Blåsten 3	Warehouse/logistics	2,088	Q4
Karlstad	Blåsten 4	Office	2,416	Q4
Karlstad	Brisen 4	Office	1,045	Q4
Karlstad	Bromsen 1	Retail	1,220	Q4
Karlstad	Bromsen 6	Warehouse/logistics	3,606	Q4
Karlstad	Bälgen 9, 10, 11 ⁵	Office	2,822	Q4
Karlstad	Druvan 13	Retail	4,241	Q4
Karlstad	Ekorren 11	Office	6,638	Q4
Karlstad	Fjädern 14	Retail	3,901	Q4
Karlstad	Fjädern 16	Office	4,330	Q4
Karlstad	Freja 13	Office	6,826	Q4
Karlstad	Grästegen 2 ¹	Office	2,523	Q4
Karlstad	Gångjärnet 2	Warehouse/logistics	3,069	Q4
Karlstad	Hammaran 21 ¹	Warehouse/logistics	1,946	Q4
Karlstad	Herrhagen 1:10	Education/health care/other	1,515	Q4
Karlstad	Hybelejen 17	Office	2,921	Q4
Karlstad	Kanoten 10	Office	10,072	Q4
Karlstad	Kulingen 4	Warehouse/logistics	8,165	Q4
Karlstad	Mercurius 3	Retail	2,605	Q4
Karlstad	Monitorn 9	Office	3,427	Q4
Karlstad	Passadvinden 3	Warehouse/logistics	3,684	Q4
Karlstad	Regnvinden 1	Warehouse/logistics	9,983	Q4
Karlstad	Skepparen 15	Education/health care/other	22,049	Q4
Karlstad	Släggan 13	Warehouse/logistics	1,750	Q4
Karlstad	Spärren 7	Office	1,908	Q4
Karlstad	Stolpen 1	Office	4,122	Q4
Karlstad	Stolpen 6	Office	598	Q4
Karlstad	Styrmannen 5 ¹	Office	7,388	Q4
Karlstad	Sågen 1	Office	3,213	Q4
Karlstad	Sågen 2	Office	1,611	Q4
Karlstad	Sågen 9	Office	2,301	Q4
Karlstad	Tängen 15	Office	1,974	Q4
Karlstad	Ugnen 1	Office	1,687	Q4
Karlstad	Vänersnipan 1	Office	8,894	Q4
Lerum	Berg 1:82	Education/health care/other	1,456	Q4
Lerum	Tollestorp 7:6	Warehouse/logistics	3,197	Q4
Lerum	Ölslanda 10:81	Warehouse/logistics	1,716	Q4
Total			477,509	

1) Site leasehold

2) The properties Jordbromalm 6:3, 6:20 and 6:76 are managed as one unit

3) The properties Lejonet 2, 8, 13 and 14 are managed as one unit

4) Building rights

5) The properties Bälgen 9, 10 and 11 are managed as one unit

Total estimated expenditure for the same projects amounts to SEK 4,074 million (2,661).

All large ongoing projects, for example, 1245 Broadway and 28&7 (322–326 7th Ave) in New York are proceeding according to plan. During the fourth quarter the project Örebro Entré was started where the first phase encompasses a new 14-floor building, in total 8,600 sq.m., of which the hotel Scandic Örebro Central accounts for around 5,800 sq.m.

On 31 December 2019, assessed building rights and building rights with local plans (excluding Tobin Properties) totalled 1,875,000 sq.m. (1,857,000) and are valued at SEK 1,592 million (1,629). 420,000 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 2 per cent of the building rights with local plans. Within the building rights portfolio, Klöver is working with a number of housing development projects. Klöver makes the assessment that there is potential, within the existing portfolio, mostly by new or amended local plans, to create as many as 11,000 apartments, in Stockholm, Uppsala, Västerås and Nyköping, among other places. In addition, there are around 1,400 apartments where construction has not yet started in Tobin Properties, which also has around 400 apartments in three ongoing projects.

In total, Klöver's project development, including development of building rights, contributed to increases in value of properties of SEK 681 million (910) during 2019, or by SEK 440 million (701) during the fourth quarter of the year.

PROPERTY TRANSACTIONS

During the period January–December, 3 properties (38) were taken possession of for a total purchase price of SEK 959 million (8,056) and 86 properties (17) have been divested and handed over for a total of SEK 5,029 million (2,464). The transactions include divestment of 7 properties on 15 October – mainly consisting of warehouse/logistics premises - in Örebro, Kalmar, Halmstad, Linköping and Västerås for a total underlying property value of SEK 622 million. During the fourth quarter, the whole of Klöver's portfolio in Karlstad was divested, consisting of 42 properties, for an underlying property value of SEK 2,610 million.

The contracts for divestment of properties that were signed in 2019 were on average at levels exceeding reported book values by 10 per cent.

In December, a contract was signed for acquisition of a large property at Kalvevod Brygge in central Copenhagen for an underlying property value of DKK 1,420 million, corresponding to around SEK 2 billion. The property, where the building is currently undergoing a total refurbishment, will be taken possession of on completion of the project, which is expected to be in April 2021.

In December, a contract was also signed to acquire two development properties in Linköping for an underlying property value of SEK 345 million with transfer of possession on 30 January 2020.

Furthermore, a joint venture with ALM Equity was established in December, with the aim of developing a property in Kista. Klöver acquired its ownership share (49.9 per cent) in the jointly owned company for a purchase price of SEK 355 million, based on an underlying property value of SEK 750 million.

PROPERTIES AND CHANGES IN VALUE

As at 31 December 2019, Klöver's portfolio consisted of 343 properties (426). The rental value amounted to SEK 3,819 million (4,063) and the fair value of the properties was SEK 52,377 million (52,713). The total lettable area amounted to 2,542,000 sq.m. (2,969,000).

The changes in value of the properties totalled SEK 2,125 million (2,309) during the period January–December, corresponding to 4.0 per cent of Klöver's property value at the beginning of the year. The changes in value included realized changes in value of SEK 14 million (–15) and unrealized changes in value of SEK 2,111 million (2,324). The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio, as at 31 December 2019, has been valued with a yield requirement of 5.4 per cent (5.7). The value of the properties has increased, mainly due to investments made in connection with new letting, lower yield requirements and rising market rents.

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 December, the total number of registered shares in Klöver was 932,437,980, of which 71,951,248 were ordinary shares of class A, 844,042,732 ordinary shares of class B and 16,444,000 preference shares. An ordinary share of class A confers one vote while an ordinary share of class B, like a preference share, confers a tenth of a vote. Klöver's shares are listed on Nasdaq Stockholm. On 30 December, the closing price was SEK 22.90 per ordinary share of class A, SEK 22.98 per ordinary share of class B and SEK 373.00 per preference share, corresponding to a total market capitalization of SEK 27,177 million (14,455). The number of shareholders at the end of the period amounted to around 53,800 (47,700). 78 per cent (80) of the total number of shares are Swedish-owned. As at the year-end, 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.

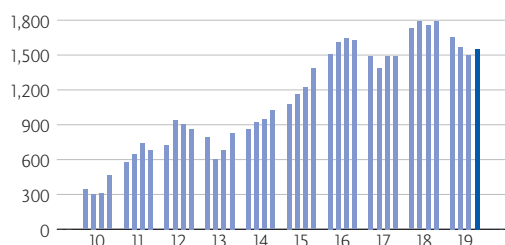
PROPERTIES: FAIR VALUE

SEKm	2019 Jan–Dec	2018 Jan–Dec
Fair value, as of 1 January	52,713	42,961
Aquisitions	959	8,056
Investments	1,550	1,791
Divestments	-5,029	-2,464
Unrealized changes in value	2,111	2,324
Currency conversion	73	45
Fair value at the end of the period	52,377	52,713

CHANGES IN FAIR VALUE OF PROPERTIES, EXCL. TRANSACTIONS AND CURRENCY CONVERSION

SEKm	19Q1	19Q2	19Q3	19Q4	Year 2019
Operating surplus and required yield	425	150	319	536	1,430
Development of building rights	7	27	3	41	78
Projects >25 million	204	87	166	623	1,080
Projects <25 million	237	262	206	368	1,073
Total	873	526	694	1,568	3,661

INVESTMENTS, trailing 12 months, SEKm



TAXES

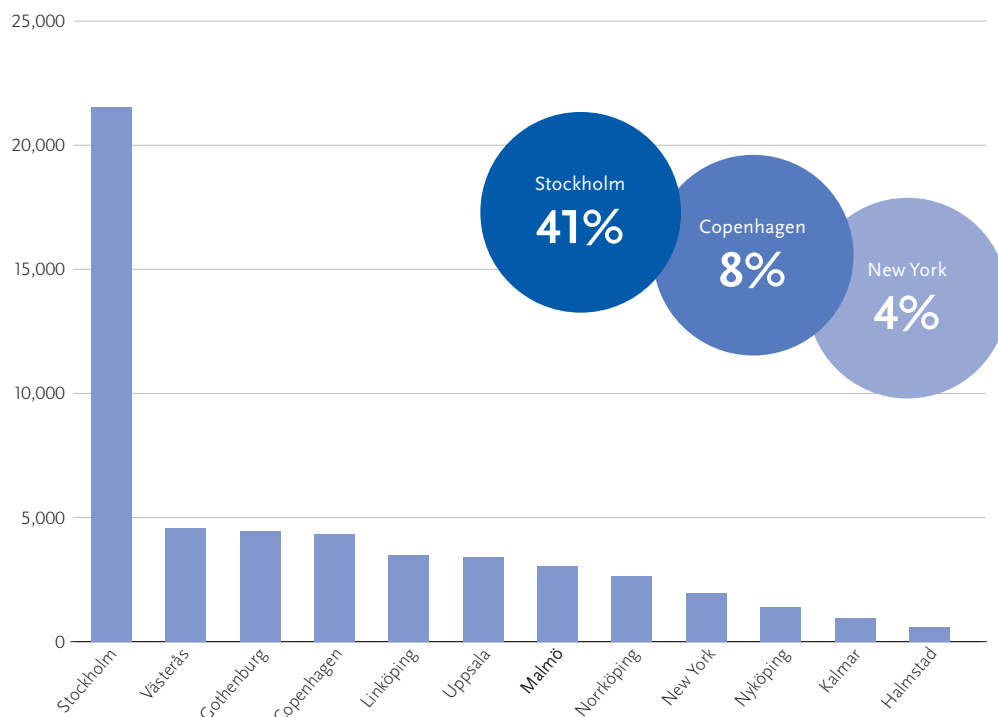
During the fourth quarter, deferred tax amounted to SEK 56 million (-224) and current tax to SEK -25 million (-16). During the year, deferred tax amounted to SEK -365 million (-337) and current tax to SEK -45 million (-17).

Current tax is calculated at 21.4 per cent for 2019 while deferred tax has been calculated at the tax rate 20.6 per cent which applies from 2021. Klöver'n has no ongoing tax disputes.

ORGANIZATION

Klöver'n's business model entails closeness to the customer by having own local staff at all 12 business units, as at 31

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.

LARGEST SHAREHOLDERS 31.12.2019 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	17.0
Corem Property Group	9,500	129,400	—	14.9	15.1
Gårdarike	31,500	59,571	50	9.8	25.2
Länsförsäkringar fondförvaltning	—	49,823	—	5.3	3.3
State Street Bank and Trust Co, W9	313	30,878	219	3.4	2.3
Swedbank AS (Estonia)	2	18,562	58	2.0	1.3
Swedbank Robur fonder	584	17,869	—	2.0	1.6
Handelsbanken fonder	—	16,375	—	1.8	1.1
Prior & Nilsson	—	15,729	—	1.7	1.1
UBS Switzerland AG	208	13,688	25	1.5	1.1
CBNY-Norges Bank	536	13,143	175	1.5	1.3
Alfred Berg	—	12,689	—	1.4	0.9
JPM Chase NA	1	9,485	199	1.0	0.7
Verdipapirfond Odin Ejendom	—	7,914	—	0.8	0.5
SEB Investment Management	—	7,235	14	0.8	0.5
Total largest shareholders	55,172	529,780	1,395	62.9	72.7
Other shareholders	16,779	223,306	15,049	27.4	27.3
Total outstanding shares	71,951	753,086	16,444	90.2	100.0
Repurchased own shares ¹	—	90,957	—	9.8	—
Total registered shares	71,951	844,043	16,444	100.0	100.0

Due to routines at Ålandsbanken and Banque Internationale à Luxembourg, the banks have been registered in Euroclear's share register as owners to some of their 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 ORGANIZATIONAL UNIT

	Income, SEKm		Property costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2019 Jan–Dec	2018 Jan–Dec	2019 Jan–Dec	2018 Jan–Dec	2019 Jan–Dec	2018 Jan–Dec	2019 Jan–Dec	2018 Jan–Dec	2019 Jan–Dec	2018 Jan–Dec
Region Stockholm	1,806	1,573	–596	–529	1,210	1,044	67	66	453	753
Region West	832	714	–287	–257	545	457	66	64	269	607
Region East	803	771	–267	–253	536	518	67	67	369	296
International	197	120	–25	–11	172	109	87	91	459	107
Divested operations ¹	—	72	—	–30	—	42	—	58	—	28
where of										
Investment	3,408	3,127	–1,033	–992	2,375	2,135	70	68	660	1,018
Development	230	123	–142	–88	88	35	38	28	890	773
Total	3,638	3,250	–1,175	–1,080	2,463	2,170	68	67	1,550	1,791

KEY RATIOS PER PROPERTY SEGMENT AND ORGANIZATIONAL UNIT

	Fair value, SEKm		Yield requirement ² , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	31.12 2019	31.12 2018	31.12 2019	31.12 2018	31.12 2019	31.12 2018	31.12 2019	31.12 2018	31.12 2019	31.12 2018
Region Stockholm	29,534	27,820	5.2	5.4	1,129	1,178	2,078	2,012	88	88
Region Väst	8,067	10,631	6.2	6.3	609	838	729	931	87	87
Region Öst	8,485	9,451	6.4	6.5	708	857	771	890	91	91
International	6,291	4,811	4.2	4.3	96	96	241	230	100	98
Divested operations ¹	—	—	—	—	—	—	—	—	—	—
where of										
Investment	45,743	47,380	5.5	5.7	2,222	2,683	3,455	3,766	92	91
Development	6,634	5,333	5.2	5.6	320	286	364	298	71	66
Total	52,377	52,713	5.4	5.7	2,542	2,969	3,819	4,063	90	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. Historical figures have been adjusted for this.

¹ Divested properties in Falun and Härnösand/Sollefteå.

² Yield requirement is estimated excluding building rights.

December 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. 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 and Halmstad) and East (Linköping, Norrköping, Nyköping, and Kalmar). With the divestment and transfer of possession of 13 properties in Örebro during the third quarter and 42 properties in Karlstad during the fourth quarter, these cities are no longer business units in Klöver.

On 31 December 2019, Klöver had 267 employees (274). The average age was 42 (44) and the proportion of women was 43 per cent (43).

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. There is a risk of a dispute (not with a significant profit impact) as Region Uppsala has made claims for compensation due to the cancellation of a property transfer contract. During the fourth quarter of 2019, Klöver has made a provision due to this claim which has burdened the line *Costs, residential development* in the income statement.

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

contracts, reporting of site leasehold agreements has 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 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. 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 of Directors proposes to the Annual General Meeting, for the 2019 financial year, a dividend of in total SEK 0.50 (0.46) per ordinary share to be paid in four instalments of SEK 0.12, SEK 0.12, SEK 0.13 and SEK 0.13 and a dividend of SEK 20.00 (20.00) per preference share to be paid in four instalments of SEK 5.00. The proposed record dates for dividend on ordinary and preference shares are 30 June 2020, 30 September 2020, 30 December 2020 and 31 March 2021.

During the fourth 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.

The annual general meeting will be held on 24 April 2020. Notification that notice has been given and prerequisites for attendance will be published in an advertisement in Svenska Dagbladet. Shareholders wishing to make proposals to the Nominations Committee may do so by e-mail.

EVENTS AFTER THE END OF THE PERIOD

On 17 January 2020, transfer of possession of part of the property Fyrislund 6:6 in Uppsala took place at an underlying property value of SEK 258 million.

On 30 January 2020, two development properties in Linköping were taken possession of. The acquisition was made at an underlying property value of SEK 345 million.

Stockholm, 12 February 2020

The Board of Directors of Klöver AB (publ).

This year-end report has not been subject to a review by Klöver's auditors.

Consolidated Statement of Income

Summary

mr	2019 3 months Oct–Dec	2018 3 months Oct–Dec	2019 12 months Jan–Dec	2018 12 months Jan–Dec
Income	900	852	3,638	3,250
Property costs	–330	–328	–1,175	–1,080
Operating surplus	570	524	2,463	2,170
Central administration	–53	–43	–159	–126
Net financial items	–203	–184	–842	–700
Profit from property management (properties)	314	297	1,462	1,344
Income, residential development	–6	71	0	123
Costs, residential development	–61	–88	–173	–160
Net financial items, residential development	–1	–12	9	–22
Profit from residential development	–68	–29	–164	–59
Share in earnings of associated companies	9	–5	17	7
Revaluation, transition from share in earnings of associated co:s to subsidiary	—	—	—	22
Changes in value, properties	1,028	1,492	2,125	2,309
Changes in value, derivatives	15	13	–14	67
Changes in value, financial assets	–2	33	13	25
Write-down of goodwill	–3	—	–6	–27
Profit before tax	1,293	1,801	3,433	3,688
Taxes	31	–240	–410	–354
Net profit for the period	1,324	1,561	3,023	3,334
Net profit for the period attributable to:				
The parent company's shareholders	1,315	1,567	3,003	3,345
Holdings without controlling influence	9	–6	20	–11
	1,324	1,561	3,023	3,334
Other comprehensive income, items which may later be reversed in the income statement				
Translation difference regarding foreign operations	–146	2	33	63
Comprehensive income for the period	1,178	1,563	3,056	3,397
Comprehensive income for the period attributable to:				
The parent company's shareholders	1,169	1,569	3,036	3,408
Holdings without controlling influence	9	–6	20	–11
	1,178	1,563	3,056	3,397
Earnings per ordinary share, SEK	1.49	1.78	3.24	3.54
No. of ordinary shares outstanding at the end of the period, million	825.0	825.8	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	825.0	834.3	824.9	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	31.12.2019	31.12.2018
ASSETS		
Goodwill	148	155
Investment properties	52,377	52,713
Right of use site leasehold	733	—
Machinery and equipment	28	27
Participation rights in associated companies	414	217
Financial assets at fair value through statement of income	145	74
Properties (current assets)	650	444
Other receivables	2,769	2,256
Liquid funds	449	576
TOTAL ASSETS	57,713	56,462
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity attributable to the parent company's shareholders	20,152	17,972
Equity attributable to holdings without controlling influence	131	172
Deferred tax liability	3,220	2,884
Interest-bearing liabilities	31,515	33,688
Derivatives	65	85
Right of use liabilities	733	—
Accounts payable	247	270
Other liabilities	680	486
Accrued expenses and prepaid income	970	905
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	57,713	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
Dividend	-709	-8	-717
Hybrid bond	-78	—	-78
Change in holding without controlling influence	-62	23	-39
Redemption preference shares	—	-76	-76
Other comprehensive income	33	—	33
Net profit for the period	3,003	20	3,023
Shareholders' equity 31.12.2019	20,152	131	20,283

Consolidated Cash Flow Statement

Summary

SEKm	2019 3 months Oct–Dec	2018 3 months Oct–Dec	2019 12 months Jan–Dec	2018 12 months Jan–Dec
Current operations				
Profit from property management and profit from residential development	245	269	1,299	1,285
Adjustment for items not included in the cash flow	111	2	121	6
Income tax paid	6	0	–3	0
Cash flow from current operations before change in working capital	362	271	1,417	1,291
Changes in working capital				
Change properties (current assets)	–2	297	–134	–16
Change in operating receivables	716	350	–157	–166
Change in operating liabilities	–738	147	–358	139
Total change in working capital	–24	794	–649	–43
Cash flow from current operations	338	1,065	768	1,248
Investment operations				
Divestment of properties	3,169	399	5,014	2,303
Acquisition of and investment in properties	–593	–1,776	–2,510	–7,289
Acquisition of subsidiaries	—	—	—	–174
Acquisition of machinery and equipment	6	–6	–16	–15
Change in financial assets	–570	–419	–723	–149
Cash flow from investment operations	2,012	–1,802	1,765	–5,324
Financing operations				
Change in interest-bearing liabilities	–2,064	978	–1,760	4,749
Acquisition of financial instruments	—	–208	—	–217
Repurchase of own shares	—	–113	–7	–558
Dividend	–173	–174	–692	–688
Hybrid bond	–19	480	–78	1,261
Change in holding without controlling influence	–70	—	–123	66
Cash flow from financing operations	–2,326	963	–2,660	4,613
Total cash flow	24	226	–127	537
Liquid funds at the beginning of the period	425	350	576	39
Liquid funds at the end of the period	449	576	449	576

Parent Company Income Statement

Summary

SEKm	2019 3 months Oct–Dec	2018 3 months Oct–Dec	2019 12 months Jan–Dec	2018 12 months Jan–Dec
Net sales	85	71	264	237
Cost of services sold	–54	–56	–201	–195
Gross profit	31	15	63	42
Central administration	–45	–36	–137	–119
Operating profit	–14	–21	–74	–77
Changes in value, derivatives	19	70	24	70
Net financial items	1,256	1,417	1,174	1,056
Profit before tax	1,261	1,466	1,124	1,049
Taxes	–86	–17	–87	–38
Net profit for the period	1,175	1,449	1,037	1,011
Other comprehensive income	—	—	—	—
Comprehensive income for the period	1,175	1,449	1,037	1,011

Parent Company Balance Sheet

Summary

mkr	31.12.2019	31.12.2018
ASSETS		
Machinery and equipment	6	6
Participation rights in group companies	1,917	1,973
Receivables from group companies	30,626	25,756
Derivatives	16	17
Deferred tax assets	300	371
Other receivables	810	344
Liquid funds	309	37
TOTAL ASSETS	33,984	28,504
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	7,976	7,734
Interest-bearing liabilities	19,356	19,127
Derivatives	65	89
Liabilities to group companies	6,069	1,077
Accounts payable	14	13
Other liabilities	408	369
Accrued expenses and prepaid income	96	95
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	33,984	28,504

Key ratios

	31.12.2019 3 months Oct–Dec	31.12.2018 3 months Oct–Dec	2019	2018	2017	2016	2015
Property							
Number of properties	343	426	343	426	405	431	415
Lettable area, 000 sq.m.	2,542	2,969	2,542	2,969	2,900	2,943	2,872
Rental value, SEKm	3,819	4,063	3,819	4,063	3,507	3,386	3,182
Rental value per lettable area, SEK/sq.m.	1,502	1,368	1,502	1,368	1,209	1,151	1,108
Fair value properties, SEKm	52,377	52,713	52,377	52,713	42,961	39,234	35,032
Yield requirement valuation, %	5.4	5.7	5.4	5.7	5.9	6.2	6.5
Operating margin, %	63	61	68	67	66	66	65
Occupancy rate, economic, %	90	89	90	89	89	89	91
Occupancy rate, area, %	81	81	81	81	81	82	83
Average lease term, years	3.6	3.5	3.6	3.5	3.6	3.7	3.5
Financial							
Return on equity, %	6.7	9.2	15.9	21.2	18.9	18.6	18.9
Equity ratio, %	34.9	31.8	34.9	31.8	32.8	32.1	31.7
Equity ratio, adjusted, %	43.5	37.4	43.5	37.4	38.5	36.7	35.8
Leverage, %	50	56	50	56	57	58	60
Leverage secured, %	34	42	34	42	40	42	46
Interest coverage ratio	2.3	2.3	2.6	2.7	2.9	2.9	2.6
Average interest, %	2.3	2.3	2.3	2.3	2.5	2.5	2.7
Average fixed-interest period, years	2.5	2.9	2.5	2.9	2.8	2.6	2.1
Average period of tied-up capital, years	4.1	4.3	4.1	4.3	3.0	3.0	2.8
Interest-bearing liabilities, SEKm	31,630	33,688	31,630	33,688	25,529	23,869	21,486
Share							
Equity per ordinary share, SEK	17.19	14.54	17.19	14.54	11.22	9.09	7.34
EPRA NAV, SEK	21.17	18.13	21.17	18.13	14.55	11.78	9.49
Equity per preference share, SEK	283.92	283.92	283.92	283.92	283.92	283.92	283.92
Profit from property management per ordinary share, SEK	0.28	0.26	1.37	1.19	1.03	0.93	0.78
Earnings per ordinary share, SEK	1.49	1.78	3.24	3.54	2.53	2.11	1.83
Share price ordinary share A at end of period, SEK	22.90	10.15	22.90	10.15	10.87	9.38	9.45
Share price ordinary share B at end of period, SEK	22.98	10.28	22.98	10.28	10.72	9.55	9.50
Share price preference share at end of period, SEK	373.00	307.00	373.00	307.00	309.60	288.50	281.50
Market capitalization, SEKm	27,177	14,455	27,177	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
Total no. of outstanding ordinary shares at end of period, million	825.0	825.8	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
Total no. of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Dividend per ordinary share, SEK	—	—	0.50 ¹⁾	0.46	0.44	0.40	0.35
Dividend per preference share, SEK	—	—	20.00 ¹⁾	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	51 ¹⁾	53	57	59	62
Dividend preference shares in relation to profit from property management, %	—	—	22 ¹⁾	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 Klövern's website under the flap Financial Statistics.

¹⁾ Proposed dividend.

VALUE OF PROPERTIES,
SEK BILLION

52.4

RENTAL VALUE,
SEK BILLION

3.8

LETTABLE AREA,
THOUSAND SQ.M.

2,542

Definitions

PROPERTY

CHANGES IN VALUE PROPERTIES, REALIZED

Property divestments after deduction of the properties' most recent fair value and selling expenses.

CHANGES IN VALUE PROPERTIES, UNREALIZED

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

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

Reported shareholders' 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 costs in relation to financial costs².

LEVERAGE³

Interest-bearing liabilities after deduction of the market value of listed shareholdings and liquid funds in relation to total assets.

LEVERAGE, SECURED

Interest-bearing liabilities with secured financing in properties after deduction of the market value of listed shareholdings and liquid funds in relation to total assets.

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 NAV⁵

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 SHARE⁵

Equity¹ after deduction of equity attributable to preference shares and hybrid bonds in relation to the total number of outstanding ordinary shares.

EQUITY PER PREFERENCE SHARE⁴

The preference share's average issue price.

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.

³ The definition of the key figure has been changed in connection with this year-end report. Previously, the denominator in the calculation has been the fair value of the properties. Historical figures have been adjusted in line with the new definition.

⁴ The definition of the key figure has been changed in connection with this year-end report. Previously, the key figure has been based on the share price of the preference share at the end of each period. Historical figures have been adjusted in line with the new definition.

⁵ The calculation of the key figure has been adjusted in connection with this year-end report since the definition of equity per preference share has been changed. Historical figures have been adjusted in line with the new definition.

INTEREST COVERAGE
RATIO, JAN–DEC

2.6

EQUITY RATIO,
ADJUSTED, %

43.5

NUMBER OF
SHAREHOLDERS

53,800

Calendar

Annual Report 2019	Week 12, 2020
Final day for trading conferring the right to dividend for holders of ordinary and preference shares	27 March 2020
Record date for dividend to holders of ordinary and preference shares	31 March 2020
Expected date for dividend to holders of ordinary and preference shares	3 April 2020
Interim report, January–March 2020	24 April 2020
Annual General Meeting 2020	24 April 2020
Interim report, January–June 2020	14 July 2020
Interim report, January–September 2020	21 October 2020
Year-end report 2020	17 February 2021

Contact

Rutger Arnhult, CEO

+46 70–458 24 70, rutger.arnhult@klovern.se

Lars Norrby, IR

+46 76–777 38 00, lars.norrby@klovern.se

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 CET on 12 February 2020.

This year-end report has been published in Swedish and in English. In the event of a discrepancy between the language versions, the Swedish version shall take priority.

KLÖVERN