

- » Net profit increased by 73 per cent to SEK 2,008 million (1,164), corresponding to SEK 1.83 (1.02) per ordinary share.
- » Income increased by 8 per cent to SEK 2,718 million (2,521).
- » The operating surplus increased by 7 per cent to SEK 1,766 million (1,643).
- » Profit from property management increased by 32 per cent to SEK 1,043 million (789).
- » Changes in value of properties amounted to SEK 1,252 million (1,207).
- » After taking possession of 19 properties for SEK 2,732 million, sale of 14 properties for SEK 546 million and investments of SEK 1,386 million, the value of the property portfolio amounted to SEK 35,032 million.
- » The Stockholm Region's share of the property value increased to 49.4 per cent (47.6).
- » The Board of Directors is proposing a dividend of SEK 0.35 (0.30) per ordinary share and a dividend of SEK 20.00 (20.00) per preference share.

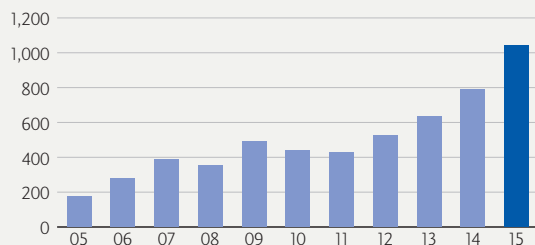
THIS IS KLÖVERN

KLÖVERN IS A REAL ESTATE COMPANY committed, with closeness and commitment, to offering customers efficient premises in selected growth regions.

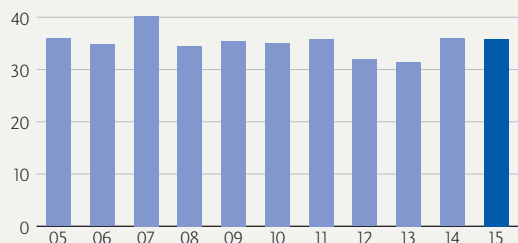
Our vision is to create environments for future enterprise. This requires active construction of city neighbourhoods, districts and other business clusters.

Klövern is one of the larger listed real estate companies in Sweden specializing in commercial premises.

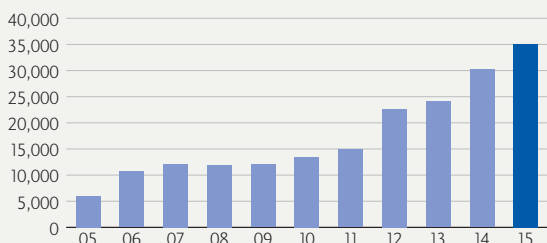
PROFIT FROM PROPERTY MANAGEMENT, SEKm



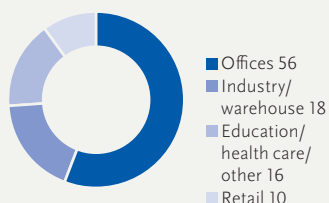
EQUITY RATIO, adjusted, %



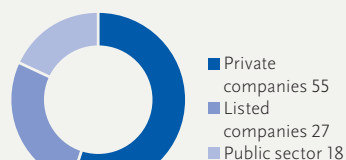
PROPERTY VALUE, SEKm



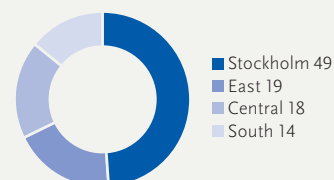
RENTAL VALUE BY TYPE OF PREMISES, %



CONTRACT VALUE BY CUSTOMER CATEGORY, %



PROPERTY VALUE BY REGION, %



2015 was another strong year for Klöver

Klövern's profit continued to develop well during the last quarter of 2015 with a 32 per cent increase in profit from property management. While there are some challenges ahead for the Swedish economy, the market conditions for real estate companies are favourable. The economy is in good shape and interest rates are at a historically very low level. Hand in hand with this, the transaction market continues to be strong, as reflected in rising property values, which in its turn means that it is important to be selective when making acquisitions. In the choice between acquisitions and projects, we often see a greater potential for long-term value creation in projects at many of the locations where Klöver has a leading position.

Moving in of new tenants was strong during the last quarter of the year, including IP-Only which moved into brand new premises in Uppsala. The goal for the full year of a net moving-in of at least 1 per cent of the rental value was achieved by a broad margin. The goal of an economic occupancy rate of 91 per cent was also achieved, primarily due to the inflow of new tenants.

The divestment of the shareholding in the real estate company Tribona strengthened the cash flow by SEK 604 million and led to a positive impact on profit before tax of SEK 147 million. We are satisfied with the value development of the holding in Tribona which, including dividends, has generated a total return of around 20 per cent and regard the divestment as strategically natural for Klöver which is now focusing to an even greater extent on office properties.

Our property portfolio grew by 16 per cent during 2015 to SEK 35 billion through a combination of acquisitions, value-increasing investments and positive changes in value. During the year, we have primarily strengthened Klöver's position in Stockholm and Gothenburg by acquisition of high-quality properties with a long list of solid well-known tenants such as BMW, Pfizer, Santander, Bristol-Myers Squibb, GlaxoSmithKline, Abbott, AbbVie, Toyota, Det Norske Veritas and Swedbank. In all, Klöver has over 5,000 tenants in a broad spectrum of industries, geographically dis-

tributed at a number of growth locations. This mix, in combination with almost every fifth krona of our income deriving from public sector activities, creates stability.

Stable revenue enables us to develop the business through projects. Major ongoing projects include Tele2's new head office in Kista, Elite Hotel's new landmark hotel at the central station in Uppsala and the completion of the Swedish Transport Agency's new premises in Örebro. We are continuing to work intensively in a structured process by looking at how changed local plans can create opportunities for both new offices and housing, sometimes including infill building to create even more attractive urban environments. A good example of a new project of this kind, where construction will soon start, is the construction of an exciting modernist building of approximately 8,000 sq.m. at the central station in Västerås. About half of this property, known as S7, will be occupied up by a hotel for which Nordic Choice Hotels has signed a 15-year lease.

Overall, we are very satisfied with developments during 2015 and see good prospects for Klöver continuing to expand in a balanced way during 2016.

Rutger Arnhult, CEO, Klöver



The property Sigurd 7 in Västerås.



The property Aprikosen 2, Solna Gate, acquired during the second quarter and taken possession of during the fourth quarter.

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

PROFIT

The operating surplus increased to SEK 433 million (405) during the fourth quarter and to SEK 1,766 million (1,643) during the year. For a comparable portfolio the operating surplus rose 1 per cent during 2015. The operating margin amounted to 61 per cent (62) during the quarter and 65 per cent (65) during the year. Profit from property management, i.e. profit excluding changes in value and tax, increased during the quarter to SEK 257 million (195). The operating surplus as well as profit from property management were positively affected by net acquisitions. Net profit increased to SEK 653 million (334) during the quarter and was affected by SEK 168 million (327) relating to changes in value of properties, SEK 79 million (–141) for derivatives, and SEK 147 million through the divestment of the shareholding in Tribona.

INCOME AND EXPENSES

Income increased to SEK 705 million (658) during the quarter and to SEK 2,718 million (2,521) during the year. The change in income is mainly attributable to net acquisitions. For a comparable portfolio income rose 1 per cent during 2015. Property costs increased to SEK 272 million (253) during the quarter. The property costs include rent losses of SEK 2 million (–1), or a total of SEK 9 million (1) during the year. Central administration costs amounted to SEK 26 million (25) during the quarter.

NET MOVING-IN AND OCCUPANCY RATE

Net moving-in amounted to SEK 28 million (16) in the quarter, the corresponding figure during the period January–December being SEK 51 million (35).

Among the largest tenants moving in during the quarter were IP-Only encompassing 3,200 sq.m. at the property Kungsängen 10:1 in Uppsala, BRIS at the property Arenan 2 in the Globen area (Stockholm) with 800 sq.m. and Beijer Electronics Products at the property Kullen 1 in Malmö with 2,300 sq.m. The largest vacating tenants were Event Design Group Europe at the property Geysir 2 in Kista

encompassing 4,700 sq.m. and Go Excellent Holding at the property Hilton 3 in Solna with 700 sq.m.

The average remaining lease contract period as at 31 December was 3.5 years (3.3). The economic occupancy rate for all properties was 91 per cent (90) and the area-based occupancy rate 83 per cent (81). The economic occupancy rate for investment properties was 93 per cent (92) and for development properties 62 per cent (57).

The major contracts signed during the year where the tenant has not yet moved in include a 15-year lease contract with Nordic Choice Hotels. This contract comprises approximately 4,000 sq.m. of hotel space in a planned new building at the central station in Västerås.

SHAREHOLDINGS

During the fourth quarter, Klöver divested the whole of its shareholding in Tribona for SEK 42 in cash per share or a total of SEK 604 million.

Klöver's holding in the property company A Group Of Retail Assets Sweden (Agora) amounts to 2,325,000 shares corresponding to 9.3 per cent of the total number of outstanding shares. Agora is reported as financial assets valued via the income statement.

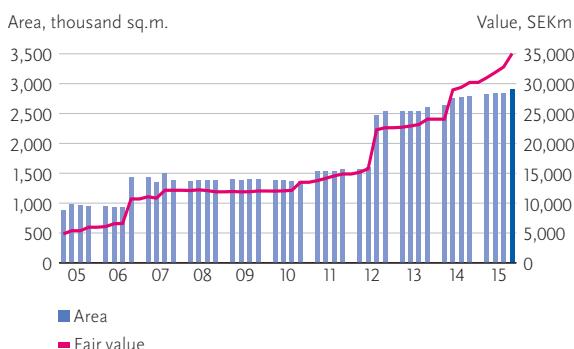
CASH FLOW

The cash flow from operating activities amounted during the quarter to SEK 347 million (315). Investment activities have affected the cash flow by SEK –1,458 million (–492) net, by a combination of net acquisitions of properties and investments in existing properties. The cash flow from financing activities has affected the cash flow by SEK 999 million (458). Overall, the cash flow amounts to SEK –112 million (281). Liquid assets at the end of the quarter totalled SEK 12 million compared with SEK 286 million as at 31 December 2014.

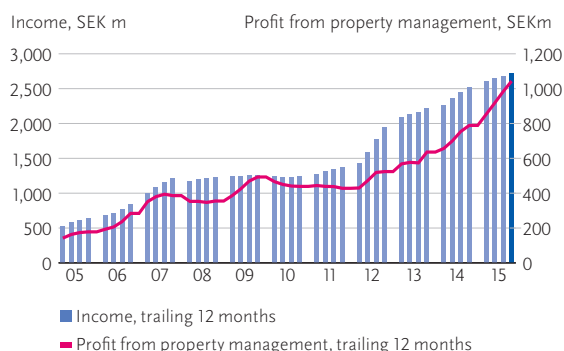
FINANCING

At the year-end, the interest-bearing liabilities amounted to SEK 21,486 million (18,870) and the average financing rate for the whole financial portfolio was 2.7 per cent (3.5). Net financial income during the quarter totalled SEK –150 million (–185), of which financial income accounted for SEK 1 million (2). The average period of fixed interest as at 31 December was 2.1 years (2.1). Credit volumes with swap agreements are treated as having fixed interest. At the end of the period, Klöver had interest swaps totalling

PROPERTIES: VALUE AND AREA



INCOME & PROFIT



SEK 10,040 million (8,166). The average remaining term of derivatives was 3.9 years.

The average period of tied-up capital was 2.8 years (2.1) as at 31 December. Unutilized credit volumes, including unused credit facilities of SEK 359 million (400), amounted to SEK 2,954 million (2,043).

Klövern's outstanding commercial paper amounted at year-end to SEK 1,622 million (–). The commercial paper programme has a framework amount of SEK 2,500 million.

Interest rate swaps effectively limit the interest rate risk. An increase in the short market rates of one percentage point would increase Klöver's average borrowing rate by 0.5 percentage points and Klöver's financial expenses by SEK 99 million. Changes in value of derivatives amounted during the quarter to SEK 79 million (–141). On 31 December, the value was SEK –467 million (–709).

Unrealized change in value does not affect the cash flow. On maturity, the value of the derivative is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the period. Klöver's assessment is that there is no

significant difference between the book value and the fair value of interest-bearing liabilities.

At the end of the period, the adjusted equity ratio was 35.8 per cent (35.9).

PROPERTY TRANSACTIONS

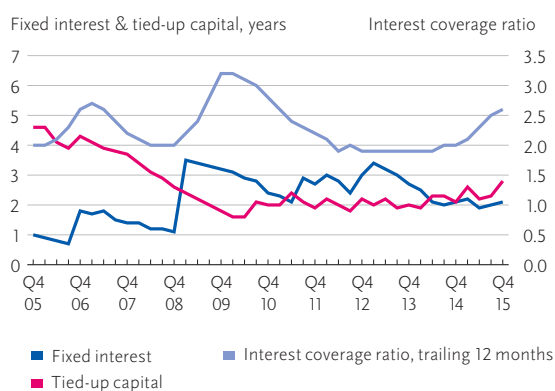
During the period January–December, 19 properties (19) have been taken possession of for a total purchase price of SEK 2,732 million (4,452). Klöver has sold and handed over 14 properties (13) during the period for a total of SEK 546 million (531).

INVESTMENTS AND BUILDING RIGHTS

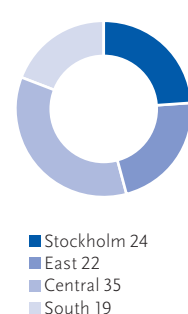
Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernising the premises and thus increasing the rental value. A total of SEK 1,386 million (1,021) was invested during the period. In all, 310 projects (301) are in process and SEK 1,606 million (1,265) remains to be invested in these properties. Total estimated expenditure for the projects amounts to SEK 3,451 million (2,439).

At year-end, assessed building rights and building rights with local plans totalled 2,225,000 sq.m. (1,417,000)

FIXED INTEREST, TIED-UP CAPITAL & INTEREST COVERAGE RATIO



BUILDING PLANS WITH LOCAL PLANS, PER REGION, %



PROJECT VOLUME PER REGION, %



FIXED INTEREST AND TIED-UP CAPITAL

Year due	Fixed interest		Tied-up capital			
	Loan volume, SEKm	Interest, %	Contract volume, SEKm	Utilized, SEKm	Of which bonds outstanding, SEKm	Unutilized, SEKm
Floating	10,666	2.1	—	—	—	—
2016	1,680	2.4	4,553	3,401	—	1,152
2017	730	3.3	7,850	6,950	1,150	900
2018	3,900	2.3	8,784	7,882	1,750	902
2019	815	3.4	1,090	1,090	1,000	—
2020	815	3.6	—	—	—	—
2021	500	4.5	—	—	—	—
2022	1,280	5.3	—	—	—	—
2023	1,100	4.4	—	—	—	—
2024	—	—	—	—	—	—
Later	—	—	2,163	2,163	—	—
Total	21,486	2.7	24,440	21,486	3,900	2,954

and are valued at SEK 1,023 million (864). 817,000 sq.m. (551,000) of the building rights are included in local plans. During the fourth quarter, the company carried out an extensive inventory of building rights, which substantially explains the increase in building rights area compared with the previous year-end. The breakdown of the building rights with local plans is as follows: 42 per cent offices, 24 per cent industry/warehouse, 20 per cent residential and 14 per cent other.

PROPERTY TRANSACTIONS 2015: ACQUISITIONS

City	Property	Category	Lettable area, sq.m.	Quarter
Örebro	Karossen 5	Office	5,127	Q1
Örebro	Karossen 19	Education, Health care/other	12,754	Q1
Västerås	Livia 16	Office	5,962	Q1
Västerås	Kranlinan 1	Retail	5,005	Q1
Västerås	Traversföaren 1	Retail	2,500	Q1
Mölnådal	Spinnaren 5	Industry/warehouse	1,763	Q2
Gothenburg	Majorna 220:4	Office	5,709	Q2
Gothenburg	Majorna 219:7 ¹	Office	15,760	Q2
Gothenburg	Sävenäs 170:12	Industry/warehouse	4,106	Q2
Gothenburg	Sävenäs 170:17	Education, Health care/other	0	Q2
Lund	Rivan 1	Office	1,484	Q2
Mölnådal	Gastuben 3	Office	5,990	Q2
Örebro	Bageriet 2	Retail	2,570	Q3
Örebro	Vindtunneln 1	Office	3,318	Q3
Stockholm	Malten 1	Office	13,318	Q3
Stockholm	Aprikosen 2	Office	35,158	Q4
Gothenburg	Inom Vallgraven 15:2	Office	4,340	Q4
Malmö	Spindeln 2 ¹	Industry/warehouse	7,248	Q4
Gothenburg	Ugglum 6:146	Education, Health care/other	0	Q4
Total			132,112	

¹ Site leasehold

PROPERTIES: FAIR VALUE

SEKm	2015 Jan–Dec	2014 Jan–Dec
Fair value, as per January 1	30,208	24,059
Acquisitions	2,732	4,452
Investments	1,386	1,021
Sales	–546	–531
Change in value	1,252	1,207
Fair value at the end of the period	35,032	30,208

PROPERTY TRANSACTIONS 2015: DIVESTMENTS

City	Property	Category	Lettable area, sq.m.	Quarter
Karlstad	Bromsen 13	Retail	370	Q1
Västerås	Skonerten 2 ¹	Industry/warehouse	4,720	Q1
Stockholm	Luna 1	Office	6,651	Q1
Stockholm	Opalen 40	Office	770	Q1
Stockholm	Båglampan 35	Industry/warehouse	7,855	Q1
Stockholm	Sjöhjälten 2	Office	3,409	Q1
Eslöv	Rådjuret 1	Office	3,206	Q2
Eslöv	Kidet 1	Education, Health care/other	0	Q2
Katrineholm	Nejlän 13	Education, Health care/other	2,566	Q2
Eskilstuna	Vampyren 9	Retail	16,422	Q2
Karlskrona	Garvaren 26	Industry/warehouse	3,625	Q2
Linköping	Masugnen 1	Retail	1,054	Q3
Linköping	Masugnen 2	Industry/warehouse	3,461	Q3
Gothenburg	Tingstadsvassen 27:2 ¹	Office	3,868	Q3
Total			57,977	

¹ Site leasehold

KLÖVERN'S LARGEST PROJECTS IN PROGRESS

City	Property	Project type	Entreprenör	Largest tenant	Project area, sq.m.	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value due to project, SEKm	Estimated completion year
Kista	Isafjord 8	Office	In3prenör	Tele2	26,112	675	277	60	2017
Uppsala	Kungsängen 10:1/10:2	Office/hotel	Wästbygg	Elite Hotels	19,240	484	203	33	2016
Karlstad	Pinassen 2	Office	Peab Sverige	—	14,099	292	152	29	2017
Kista	Borgarfjord 4	Office	Gärahovs Bygg	Eniro	13,356	170	112	19	2017
Kista	Helgafjäll 1 och 2, Hus 4 Hotel	Office	Gärahovs Bygg	StayAt Hotel	13,293	167	122	21	2017
Örebro	Vindhjulet 3	Office	Peab Sverige	Transportstyrelsen	19,343	164	22	11	2016
Gothenburg	Gamlestaden 39:13	Office	AF Bygg Göteborg	—	11,478	127	98	11	2017
Total					116,921	2,079	986	184	

PROPERTIES AND CHANGES IN VALUE

As at 31 December 2015, Klöver's portfolio consisted of 415 properties (408). The number of properties has increased during the period due to net acquisitions and sub-division of properties in the portfolio. The rental value amounted to SEK 3,182 million (2,983) and the fair value of the properties was SEK 35,032 million (30,208).

The total lettable area amounted to 2,872,000 sq.m. (2,792,000). The changes in value of the properties totalled SEK 1,252 million (1,207) during the year. The changes in value include realized changes in value of SEK –2 million (8) and unrealized changes in value of SEK 1,254 million (1,199). The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio, as at 31 December, has been valued with a yield requirement of 6.5 per cent (6.9). 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 and Savills. Every property in the portfolio has thus been valued externally at least once during a rolling 12-month period. All properties are classified at Level 3 in accordance with IFRS 13. No properties have changed

SHAREHOLDERS 31-12-2015

	No. ordinary shares A thousands	No. ordinary shares B thousands	No. preference shares, thousands	Share of capital, %	Share of votes, %
Corem Property Group	16,100	160,000	—	18.8	19.2
Arvid Svensson Invest	13,300	132,997	685	15.7	15.9
Rutger Arnhult via companies	9,377	85,174	597	10.2	10.7
Gårdarike	7,531	2,250	46	1.0	4.6
Länsförsäkringar funds	—	61,711	—	6.2	3.6
Handelsbanken funds	1,300	35,160	—	3.9	2.8
CBNY-Norges Bank	2,453	22,838	54	2.7	2.8
Swedbank Robur funds	2,184	21,813	—	2.5	2.6
SEB Investment Management	1,162	11,265	0	1.3	1.3
Nordnet Pensionsförsäkring	1,743	2,247	266	0.4	1.1
Nordea Investment Funds	744	11,424	164	1.3	1.1
Deutsche Bank AG LDN- Prime, Brokerage	1,404	—	—	0.1	0.8
Goldman Sachs Int'l, W8IMY	1,158	0	7	0.1	0.6
Avanza Pension	612	4,448	781	0.6	0.6
Robur Försäkring	374	6,171	569	0.7	0.6
Total largest shareholders	59,442	557,498	3,169	66.5	69.2
Other shareholders	22,420	276,634	13,275	33.5	30.8
Total outstanding shares	81,862	834,132	16,444	100.0	100.0
Repurchased own shares	—	—	—		
Total registered shares	81,862	834,132	16,444		

Shares of capital/votes have been rounded off downwards to the nearest one-tenth of a percentage point.

DEVELOPMENT OF SHARE CAPITAL

Date	Event	Number of ordinary shares A	Number of ordinary shares B	Number of ordinary shares A+B	Number of preference shares	Accumulated share capital, SEK
01.01.2010		166,544,326		166,544,326		832,721,630
13.01.2012	New issue	166,544,360		166,544,360		832,721,800
13.01.2012	Bonus issue	166,544,360		166,544,360	4,163,609	853,539,845
06.03.2012	New issue	166,544,360		166,544,360	11,708,140	891,262,500
10.04.2012	New issue	166,544,360		166,544,360	11,774,778	891,595,690
19.04.2012	New issue	166,544,360		166,544,360	11,775,363	891,598,615
29.06.2012	New issue	166,544,360		166,544,360	12,238,363	893,913,615
09.07.2012	New issue	166,544,360		166,544,360	12,686,363	896,153,615
14.09.2012	New issue	166,544,360		166,544,360	13,598,863	900,716,115
17.09.2012	New issue	166,544,360		166,544,360	13,731,338	901,378,490
08.10.2012	New issue	166,544,360		166,544,360	17,314,688	919,295,240
08.10.2012	New issue	166,544,360		166,544,360	18,419,688	924,820,240
17.10.2012	New issue	166,544,360		166,544,360	18,536,338	925,403,490
24.03.2014	New issue	166,544,360		166,544,360	18,836,338	926,903,490
11.04.2014	New issue	166,544,360		166,544,360	19,823,806	931,840,830
28.05.2014	New issue	166,544,360		166,544,360	20,388,000	934,661,800
11.11.2014	Reduction of share capital	166,544,360		166,544,360	20,388,000	186,932,360
25/27.11.2014	New issue	166,544,360		166,544,360	32,888,000	199,432,360
05.12.2014	Bonus issue of B-shares	166,544,360	1,665,443,600	1,831,987,960	32,888,000	1,864,875,960
22.12.2014	Reverse split	83,272,180	832,721,800	915,993,980	16,444,000	1,864,875,960
20.01.2015	Conversion	82,187,432	833,806,548	915,993,980	16,444,000	1,864,875,960
03.02.2015	Conversion	81,871,406	834,122,574	915,993,980	16,444,000	1,864,875,960
16.07.2015	Conversion	81,862,506	834,131,474	915,993,980	16,444,000	1,864,875,960
05.08.2015	Conversion	81,862,397	834,131,583	915,993,980	16,444,000	1,864,875,960

classification during the period. See Klöver's annual report for 2014 for a detailed description of valuation principles.

THE SHARE

At year-end, the total number of registered shares in the company was 932,437,980, of which 81,862,397 were ordinary shares of class A, 834,131,583 ordinary shares of class B and 16,444,000 preference shares. An ordinary share of Class A confers entitlement to one vote while an ordinary share of Class B, like a preference share, confers entitlement to one-tenth of a vote. Klöver's shares are listed on Nasdaq Stockholm. On 30 December, the share price was SEK 9.45 per ordinary share of Class A, SEK 9.50 per ordinary share of Class B and SEK 281.50 per preference share, corresponding to a total capitalization of SEK 13,327 million (12,232). The number of shareholders at the end of the period was approximately 43,900 (42,700). 80 per cent (79) of the total number of shares are Swedish-owned. Klöver does not hold any of its own ordinary or preference shares.

PROFIT AND KEY RATIOS

The tables below show income statement items and key ratios broken down according to Klöver's regions. For the group as a whole, the corresponding figures are also broken

down according to investment and development properties. The operating surplus is affected by projects or restrictions on letting before development of the properties. The income statement table shows current operations, including properties sold during the period and investments made. The table with key ratios shows the situation at the end of the respective quarter, and the figures in the two tables are accordingly not wholly comparable.

ORGANIZATION

Klöver's business model entails closeness to the customer by having our own local staff at all 17 business units, allocated to four geographic regions. The regions are Stockholm (Stockholm North, Stockholm South and Uppsala), East (Linköping, Norrköping, Nyköping, Karlskrona and Kalmar), Central (Västerås, Karlstad, Örebro, Falun/Säter and Härnösand/Sollefteå) and South (Gothenburg, Malmö, Borås and Halmstad). As from 1 January 2016, the Globen business unit has changed name to Stockholm South. At the same time, the Kista and Greater Stockholm units have been merged under the name Stockholm North.

At year-end, Klöver had 214 employees (190). The average age was 43 (45) and the proportion of women was 39 per cent (42).

PROFIT PER PROPERTY SEGMENT AND REGION

	Income, SEKm		Property costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2015 Jan-Dec	2014 Jan-Dec	2015 Jan-Dec	2014 Jan-Dec	2015 Jan-Dec	2014 Jan-Dec	2015 Jan-Dec	2014 Jan-Dec	2015 Jan-Dec	2014 Jan-Dec
Stockholm	1,106	985	-371	-318	735	667	66	68	879	401
East	646	636	-221	-219	425	417	66	66	150	214
Central	606	571	-231	-216	375	355	62	62	219	212
South	360	329	-129	-125	231	204	64	62	138	194
Investment	2,604	2,414	-872	-796	1,732	1,618	67	67	601	624
Development	114	107	-80	-82	34	25	30	24	785	397
Total	2,718	2,521	-952	-878	1,766	1,643	65	65	1,386	1,021

KEY RATIOS PER PROPERTY SEGMENT AND REGION

	Fair value, SEKm		Required yield ¹⁾ , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Stockholm	17,316	14,376	6.0	6.4	809	777	1,353	1,244	90	90
East	6,651	6,360	7.0	7.2	750	758	714	711	91	91
Central	6,145	5,626	7.2	7.3	750	734	680	655	90	89
South	4,920	3,846	6.7	7.3	563	523	435	373	91	90
Investment	31,625	27,315	6.5	6.9	2,551	2,474	2,978	2,797	93	92
Development	3,407	2,893	6.5	7.0	321	318	204	186	62	57
Total	35,032	30,208	6.5	6.9	2,872	2,792	3,182	2,983	91	90

¹⁾ Required yield are estimated excluding building rights.

Stockholm: Stockholm North, Stockholm South and Uppsala. **East:** Linköping, Norrköping, Nyköping, Karlskrona and Kalmar. **Central:** Västerås, Karlstad, Örebro, Falun/Säter and Härnösand/Sollefteå. **South:** Gothenburg, Malmö, Borås and Halmstad.



The property Aprikosen 2, Solna Gate, acquired in 2015.

TAXES

In the fourth quarter deferred tax amounted to SEK –125 million (–60) whereas current tax amounted to SEK –2 million (–2).

During the second quarter of 2015, the Supreme Administrative Court decided to refer the case concerning upward adjustment of tax of SEK 77 million made by the Tax Agency, to the Administrative Court. No provisions have been made in the accounts.

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 64–67 of the 2014 annual report.

DISPUTES

Klöver has settled a larger rental dispute during the year. By reduction of rental income, Klöver has previously reserved SEK 15 million for 2012 and SEK 15 million for 2013. The settlement of the dispute entailed that an additional SEK 6 million was charged to the result (by reduction of the rental income) during the third quarter of 2015.

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, the Annual Accounts Act. The new interpretation of IFRIC 21: Levies has been applied since 1 January 2015. For the Group, IFRIC 21 entails that property tax is recorded as a liability in its entirety from the time that the obligation to pay arises. This means that the liability for the property tax for the whole year is reported as at 1 January and also recorded as a prepaid expense which is accrued on a linear basis over the financial year. Other accounting policies applied in this interim report are in essential parts those described in Note 1 of Klöver's annual report for 2014.

Klöver's holding in Tribona AB (publ) amounted to 29.5 per cent at the opening of the fourth quarter 2015. The whole shareholding was divested at the end of October. Holdings, which exceed 20 per cent, but are less than 50 per cent of the votes, are reported as participation rights in associated companies and Klöver therefore reported the holding in Tribona as participation rights in associated companies when the shares were divested. The holding was reported in accordance with the equity method. This means that the book value for the Group of the holding is adjusted by Klöver's share of the net profit and other comprehensive income with the exception of any dividend received.

Associated companies are reported at acquisition value in the parent company. The participation rights in Tribona were previously reported as financial assets valued in the statement of income. This means that the participation rights have been valued at fair value as at 7 June 2013 when the company became an associated company. The holding in Tribona has affected Klöver's statement of income as follows:

- Klöver's share of Tribona's net profit for the period, is reported as Share of profit in an associated company.
- Klöver's share of Tribona's other comprehensive income, is reported as Other comprehensive income.
- The realized change in value which the divestment of the shares in Tribona during the fourth quarter of 2015 has entailed is reported as Share of profit in associated companies.

DIVIDEND

The Board of Directors is proposing to the Annual General Meeting, for the 2015 financial year, a dividend of SEK 0.35 (0.30) per ordinary share and a dividend of SEK 20.00 (20.00) per preference share. The dividend on the preference share is paid at SEK 5.00 per quarter. It is proposed that the record date for dividend to ordinary shareholders be 21 April 2016 and the expected payment date be 26 April 2016. The record date for dividend to the preference shareholders is the last weekday of the respective calendar quarter and the payment date approximately three bank days later. During the fourth quarter of 2015, dividend totalling SEK 82 million (51) has been paid to the preference shareholders. The

annual general meeting will be on 19 April 2016. The notice of the meeting and prerequisites for notification of attendance at the annual general meeting will be advertised in the Official Swedish Gazette, Post & Inrikes Tidningar, and on www.klovern.se. Notification that notice has been given will be published in an advertisement in Svenska Dagbladet. Shareholders wishing to make proposals to the Nominations Committee may do so by e-mail.

EVENTS AFTER THE END OF THE PERIOD

At the beginning of February 2016 Klöver acquired the site leasehold to the property Orgelpipan 4 in central Stockholm for 340 million with transfer of possession on 5 April. The acquisition is Klöver's first in the central part of Stockholm and comprises a development property with a lettable area of around 4,500 sq.m., as well as around 1,300 sq.m. garage, which through reconstruction and extension is intended to be developed into a modern office- and retail property.

Klöver is exploring the possibility of divesting the properties Isafjord 4 and Isafjord 5 in Kista. Isafjord 4 is Klöver's single most valuable property and consists of more than 70,000 sq.m. of lettable space, primarily office space.

Stockholm 11 February 2016

The Board of Directors of Klöver AB (publ)

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

The property Orgelpipan 4 in central Stockholm, acquired after the end of the year.



Consolidated Statement of Income

SEKm	2015 3 months Oct–Dec	2014 3 months Oct–Dec	2015 12 months Jan–Dec	2014 12 months Jan–Dec
Income	705	658	2,718	2,521
Property costs	–272	–253	–952	–878
Operating surplus	433	405	1,766	1,643
Central administration	–26	–25	–92	–84
Net financial items	–150	–185	–631	–770
Profit from property management	257	195	1,043	789
Share in earnings of associated companies	147	–47	171	–126
Changes in value, properties	168	327	1,252	1,207
Changes in value, derivatives	79	–141	91	–565
Changes in value, financial assets	4	—	–4	—
Write-down of goodwill	–2	—	–12	–10
Profit before tax	653	334	2,541	1,295
Current tax	–2	–2	–2	–2
Deferred tax	–125	–60	–531	–129
Net profit for the period	526	272	2,008	1,164
Other comprehensive income, items which may later be reversed in the income statement	–2	2	–2	4
Comprehensive income for the period	524	274	2,006	1,168
Earnings per ordinary share ¹ , SEK	0.48	0.21	1.83	1.02
No. of ordinary shares outstanding at the end of the period ¹ , million	916.0	916.0	916.0	916.0
No. of preference shares outstanding at the end of the period ¹ , million	16.4	16.4	16.4	16.4
Average no. of outstanding ordinary shares ¹ , million	916.0	916.0	916.0	916.0
Average no. of outstanding preference shares ¹ , million	16.4	12.6	16.4	10.5

The profit is fully attributable to the parent company's shareholders.

There are no outstanding warrants or convertibles.

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

Consolidated Balance Sheet

SEKm	31.12.2015	31.12.2014
ASSETS		
Goodwill	233	245
Investment properties	35,032	30,208
Machinery and equipment	12	12
Participation rights in associated companies	—	448
Financial assets at fair value through statement of income	112	35
Other receivables	482	424
Liquid funds	12	286
TOTAL ASSETS	35,883	31,658
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	11,390	9,988
Minority interest	0	0
Deferred tax liability	1,503	978
Interest-bearing liabilities	21,486	18,870
Derivatives	467	709
Accounts payable	250	197
Other liabilities	188	206
Accrued expenses and prepaid income	599	710
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	35,883	31,658

Change in Consolidated Shareholders' Equity

SEKm

Shareholders' equity 31.12.2013	7,198
New issue	2,138
Dividend	–516
Other comprehensive income	4
Net profit for the period	1,164
Shareholders' equity 31.12.2014	9,988
Dividend	–604
Other comprehensive income	–2
Net profit for the period	2,008
Shareholders' equity 30.12.2015	11,390

Consolidated Cash Flow Statement

SEKm	2015 3 months Oct–Dec	2014 3 months Oct–Dec	2015 12 months Jan–Dec	2014 12 months Jan–Dec
Current operations				
Profit from property management	257	195	1,043	789
Adjustment for items not included in the cash flow	1	1	4	4
Income tax paid	–2	–2	–2	–2
Cash flow from current operations before change in working capital	256	194	1,045	791
Changes in working capital				
Change in operating receivables	–107	–72	–70	–127
Change in operating liabilities	198	193	–77	179
Total change in working capital	91	121	–147	52
Cash flow from current operations	347	315	898	843
Investment operations				
Divestment of properties	3	142	411	531
Acquisition of and investment in properties	–2,067	–636	–4,118	–5,473
Acquisition of machinery and equipment	0	–1	–4	–4
Change in financial assets	606	3	678	–95
Cash flow from investment operations	–1,458	–492	–3,033	–5,041
Financing operations				
Change in interest-bearing liabilities	1,177	–1,342	2,616	2,707
Realized changes in value, derivatives	–95	—	–151	—
New issue of preference shares	—	1,851	—	2,138
Dividend	–83	–51	–604	–445
Cash flow from financing operations	999	458	1,861	4,400
Total cash flow	–112	281	–274	202
Liquid funds at the beginning of the period	124	5	286	84
Liquid funds at the end of the period	12	286	12	286

Parent Company Income Statement

SEKm	2015 3 months Oct–Dec	2014 3 months Oct–Dec	2015 12 months Jan–Dec	2014 12 months Jan–Dec
Net sales	46	55	195	187
Cost of services sold	–53	–39	–155	–143
Gross profit	–7	16	40	44
Central administration	–26	–25	–92	–84
Operating profit	–33	–9	–52	–40
Net financial items	1,045	561	761	279
Profit before tax	1,012	552	709	239
Current tax	—	—	—	—
Deferred tax	–24	25	–24	25
Net profit for the period	988	577	685	264
Other comprehensive income	—	—	—	—
Comprehensive income for the period	988	577	685	264

Parent Company Balance Sheet

SEKm	31.12.2015	31.12.2014
Assets		
Machinery and equipment	5	4
Participation rights in group companies	1,875	1,875
Participation rights in other companies	—	522
Receivables from group companies	18,095	13,662
Deferred tax assets	340	364
Accounts receivables	58	41
Liquid funds	100	277
TOTAL ASSETS	20,473	16,745
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	7,340	7,259
Interest-bearing liabilities	11,578	8,361
Liabilities to group companies	1,298	856
Accounts payable	7	9
Other liabilities	179	179
Accrued expenses and prepaid income	71	81
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	20,473	16,745

Key ratios

	2015-12-31 3 months Oct–Dec	2014-12-31 3 months Oct–Dec	2015	2014	2013	2012	2011
Property							
Number of properties	415	408	415	408	402	387	255
Lettable area, 000 sq.m.	2,872	2,792	2,872	2,792	2,624	2,529	1,561
Rental value, SEKm	3,182	2,983	3,182	2,983	2,570	2,468	1,554
Fair value properties, SEKm	35,032	30,208	35,032	30,208	24,059	22,624	14,880
Yield requirement valuation, %	6.5	6.9	6.5	6.9	7.2	7.2	7.1
Operating margin, %	61	62	65	65	63	62	63
Occupancy rate, economic, %	91	90	91	90	90	88	89
Occupancy rate, area, %	83	81	83	81	82	81	80
Average lease term, years	3.5	3.3	3.5	3.3	3.5	3.4	2.8
Financial							
Return on equity, %	4.7	3.0	18.9	14.5	11.6	5.8	10.1
Equity ratio, %	31.7	31.5	31.7	31.5	28.5	28.1	31.6
Equity ratio, adjusted, %	35.8	35.9	35.8	35.9	31.4	31.9	35.8
Leverage, %	61	60	61	60	65	64	63
Leverage properties, %	47	51	47	51	57	59	63
Interest coverage ratio	2.7	2.0	2.6	2.0	1.9	1.9	2.2
Average interest, %	2.7	3.5	2.7	3.5	4.3	4.3	4.2
Average fixed-interest period, years	2.1	2.1	2.1	2.1	2.7	3.0	2.7
Average period of tied-up capital, years	2.8	2.1	2.8	2.1	2.0	2.2	1.9
Interest-bearing liabilities, SEKm	21,486	18,870	21,486	18,870	16,163	15,229	9,345
Share¹							
Equity per ordinary share, SEK	7.38	5.20	7.38	5.20	4.83	4.69	5.36
EPRA NAV, SEK	9.53	7.05	9.53	7.05	5.93	5.94	5.95
Equity per preference share, SEK	281.50	317.50	281.50	317.50	300.00	273.50	—
Profit from property management per ordinary share, SEK	0.19	0.12	0.78	0.61	0.49	0.43	0.48
Earnings per ordinary share, SEK	0.48	0.21	1.83	1.02	0.68	0.23	0.53
Share price ordinary share A at end of period, SEK	9.45	8.20	9.45	8.20	5.18	4.65	4.71
Share price ordinary share B at end of period, SEK	9.50	7.60	9.50	7.60	—	—	—
Share price preference share at end of period, SEK	281.50	317.50	281.50	317.50	300.00	273.50	—
Market capitalization, SEKm	13,327	12,232	13,327	12,232	7,527	6,670	4,165
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	916.0	916.0	916.0	916.0	916.0	888.5	884.4
Total no. of registered preference shares at end of period, million	16.4	16.4	16.4	16.4	9.3	9.3	—
Total no. of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	9.3	9.3	—
Dividend per ordinary share, SEK	—	—	0.35 ²⁾	0.30	0.27	0.27	0.23
Dividend per preference share, SEK	—	—	20.00 ²⁾	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	62 ²⁾	77	68	83	79

¹⁾ Historical figures are adjusted for the bonus issue and reverse share split completed during Q4 2014.²⁾ Proposed dividend

NUMBER OF PROPERTIES

415

PROPERTY VALUE,
SEK BILLION

35.0

RENTAL VALUE,
SEK BILLION

3.2

Definitions

PROPERTY

AREA-BASED OCCUPANCY RATE

Let area in relation to total lettable area.

DEVELOPMENT PROPERTIES

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

ECONOMIC OCCUPANCY RATE

Lease value in relation to rental value.

INVESTMENT PROPERTIES

Properties currently being actively managed.

LEASE VALUE

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

NET MOVING-IN

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

OPERATING MARGIN

Operating surplus in relation to income.

OPERATING SURPLUS

Income less property costs.

PROFIT FROM PROPERTY MANAGEMENT

Profit before changes in value and tax.

REALIZED CHANGE IN VALUE, PROPERTIES

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

RENTAL VALUE

Lease value plus assessed market value for space not rented.

REQUIRED YIELD, VALUATION

The required yield of property valuations on the residual value.

UNREALIZED CHANGE IN VALUE, PROPERTIES

Change in fair value excluding acquisitions, divestments, investments and realized change in value.

FINANCE

EQUITY RATIO

Reported equity in relation to reported total assets.

EQUITY RATIO, ADJUSTED

Reported equity adjusted for the value of derivatives, goodwill and deferred tax liabilities exceeding 5 per cent of the difference between taxable value and fair value of the properties in relation to reported total assets adjusted for goodwill.

INTEREST COVERAGE RATIO

Profit from property management plus financial costs in relation to financial costs.

LEVERAGE

Interest-bearing liabilities after deduction of the market value of the listed share portfolio and liquid funds in relation to the fair value of the properties.

LEVERAGE PROPERTIES

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

RETURN ON EQUITY

Net profit in relation to average equity.

SHARE

EARNINGS PER ORDINARY SHARE

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

EPRA NAV

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

EQUITY PER ORDINARY SHARE

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

EQUITY PER PREFERENCE SHARE

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

PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE

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

LETTABLE AREA,
THOUSAND SQ.M.

2,872

EQUITY RATIO,
ADJUSTED, %

35.8

NUMBER OF
SHAREHOLDERS

43,900

Calendar

Final day for trading conferring right to dividend to preference shareholders	29 March 2016
Record date for dividend to preference shareholders	31 March 2016
Expected date for dividend to preference shareholders	5 April 2016
Interim report, Jan–March 2016	19 April 2016
Annual General Meeting 2016	19 April 2016
Interim report, Jan–June 2016	11 July 2016
Interim report, Jan–Sep 2016	20 Oct 2016

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The information in the interim report is such that Klöver AB (publ) is obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was made available for publication on 11 February 2016.

KLÖVERN

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