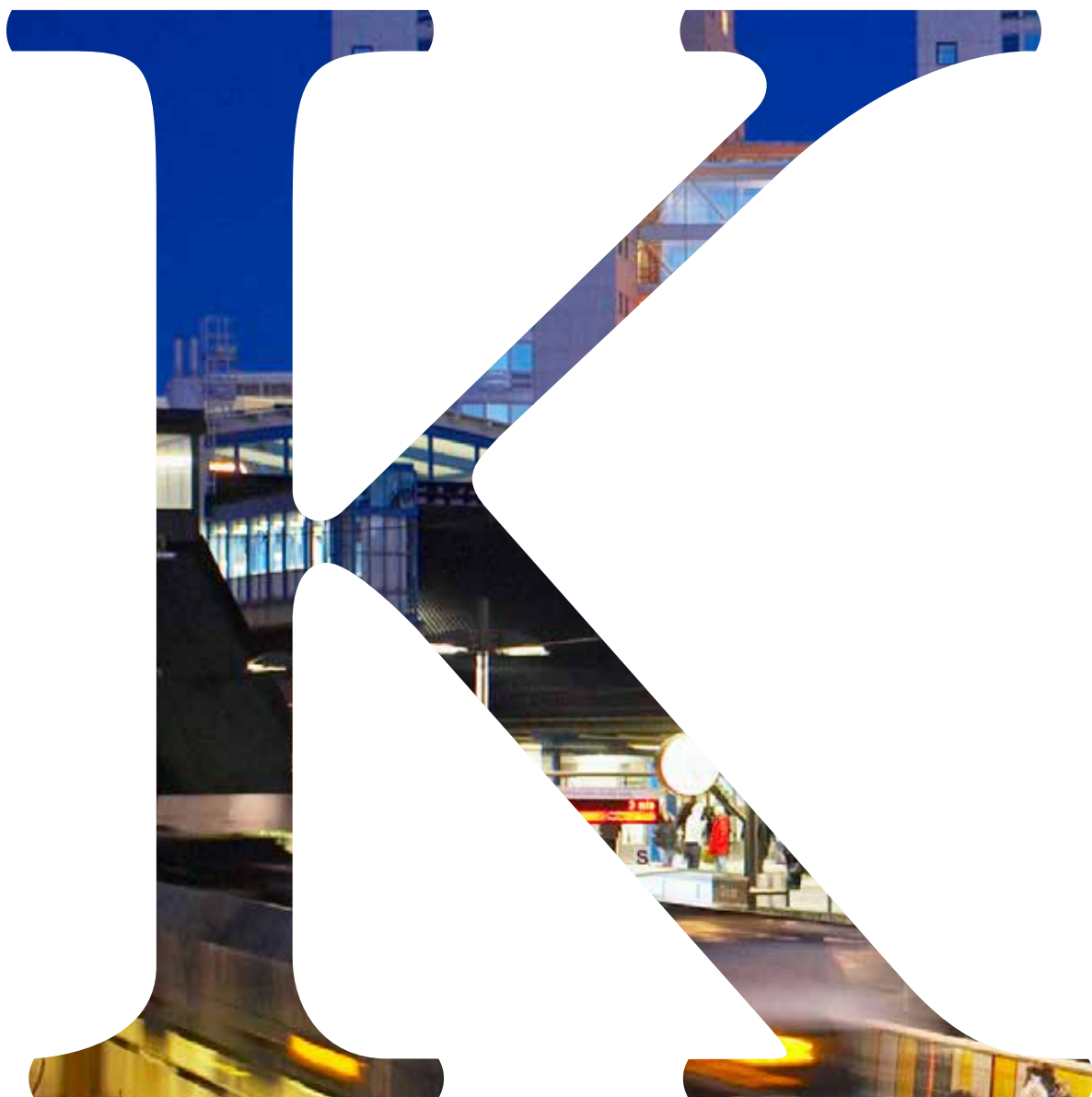


Annual report 2020



KLÖVERN

Annual report 2020



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“Klövern's large project portfolio has a fantastic potential”

STATEMENT BY THE CEO:
Nine eventful years,
page 6



PROJECT DEVELOPMENT:
Long-term value-creating urban development,
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TRANSACTIONS:
Focusing geographically and by type of product,
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Sustainability is competitiveness,
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Business concept

Klövern shall, with *closeness and commitment*, offer attractive premises and actively contribute to urban development in growth regions.



This is Klöver

Klöver is one of Sweden's largest listed real estate companies, mainly focusing on commercial properties.

350

Number of properties

57.4

Value of properties, SEKbn

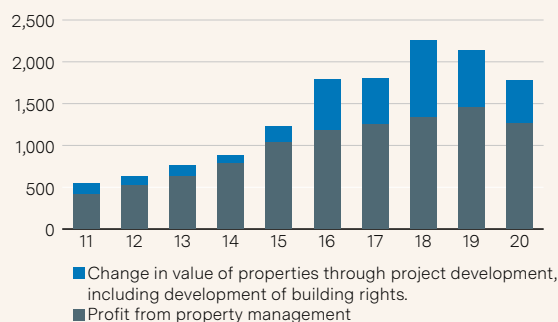
3.8

Rental value, SEKbn

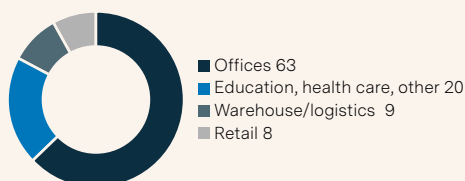
43.2

Equity ratio, adjusted, %

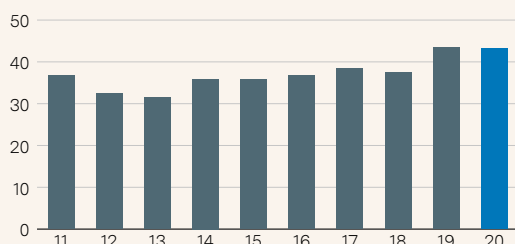
PROFIT FROM PROPERTY MANAGEMENT AND CHANGE IN VALUE THROUGH PROJECT DEVELOPMENT/ BUILDING RIGHTS, SEKm



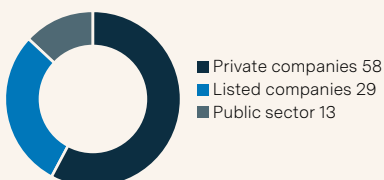
PROPERTY VALUE BY TYPE OF PROPERTY, %



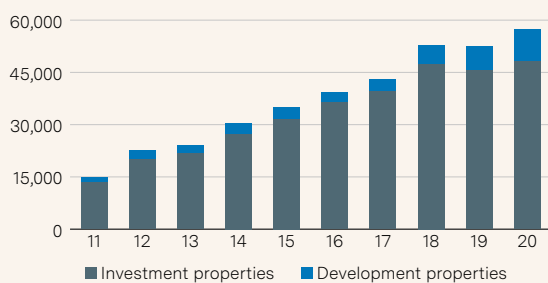
EQUITY RATIO, adjusted, %



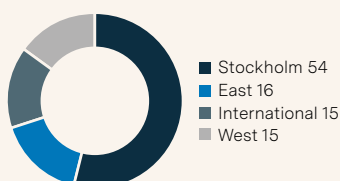
CONTRACT VALUE BY CUSTOMER CATEGORY, %



PROPERTY VALUE, SEKm



PROPERTY VALUE BY REGION, %



2020 in brief

Q1

Klövern announces acquisition of a project property on Park Avenue in New York for a total purchase price of USD 184 million.



Q2

The Covid-19 pandemic has a global impact with major effects on society. Klöver makes active efforts to adapt its operations, secure financing and engage in a proactive dialogue with tenants.

Klövern refinances SEK 5 billion in bank loans/bonds, obtains new loans and credit decisions for new loans of over SEK 4 billion and obtains an investment grade rating (BBB- with stable outlook) from Scope.

Q3

The strategic streamlining of the property portfolio continues through divestment of two properties in Västerås.

Five-year lease contracts are signed with Smartoptics in Kista and NetOnNet in Norrköping.

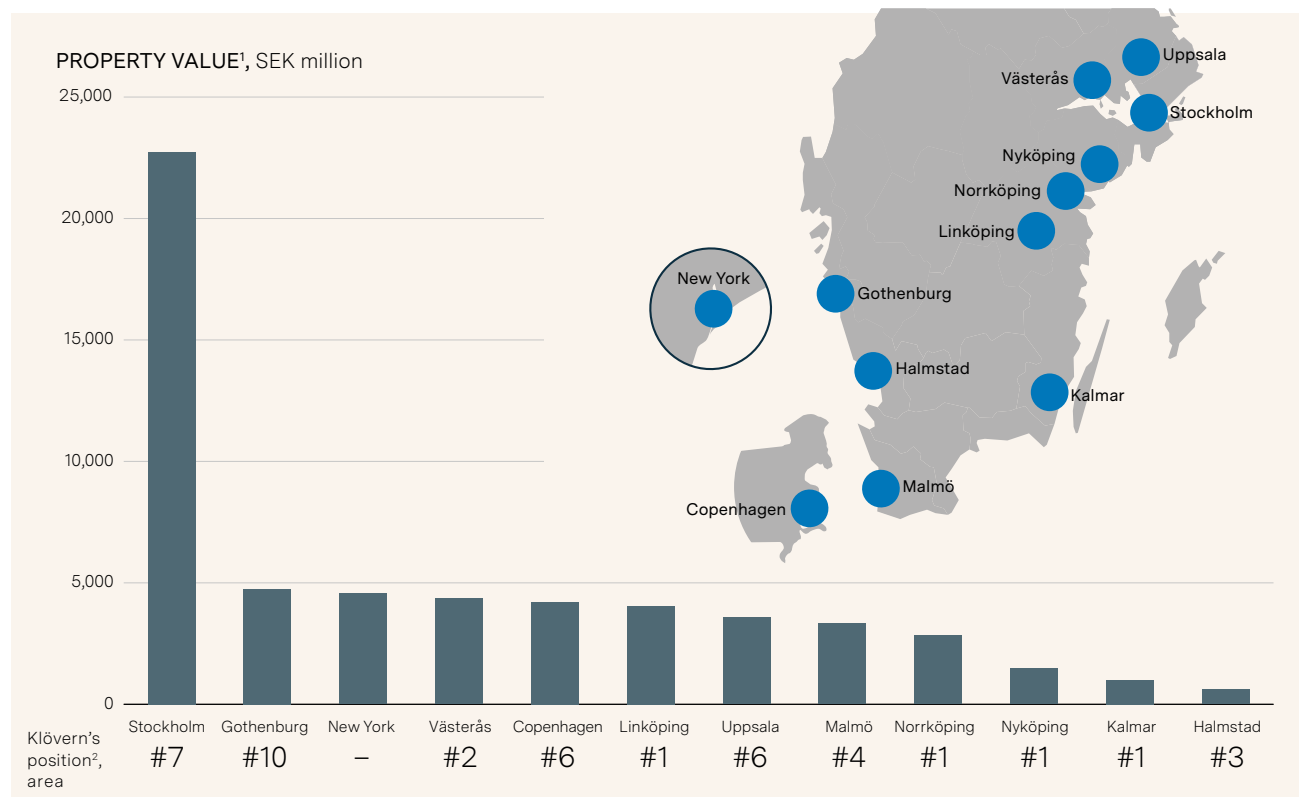


Q4

A contract is signed with Mileway to divest 12 properties – mainly for warehousing/logistics – in Malmö, Lund, Norrköping and Västerås for SEK 610 million.

A rights issue of ordinary shares of SEK 2 billion is carried out, which creates room for continued value creation through, among others, project development.

Klövern signs contracts for extension of two large leases in Kista for a total of approximately 42,100 sq.m.



1) The diagram shows property value per business unit and New York. The Stockholm North and Stockholm South business units are combined into one bar in the diagram.
2) Refers to sq.m. commercial properties with the exception of Copenhagen which only refers to offices.

Stable property management with great potential through projects

2020 was in many ways a very unusual year, affected by a pandemic which had effects that no one could have anticipated at the beginning of the year. Despite this, Klöver achieved a fine result for the year with a strengthened financial position. 2020 was also my last full year as Klöver's CEO.

“Our diversified portfolio provided stability during 2020; we are now positioned for a continued economic recovery.”



NINE EVENTFUL YEARS

After nine years as Klöver's CEO, I am leaving a completely different company than the one I took over in 2012. The total property value then was SEK 15 billion. After these years of substantial growth, the corresponding figure is now SEK 57 billion. During the same period, the average rent per square metre has increased by 49 per cent, which reflects the upgrading of the portfolio. We have also taken the step to expand outside Sweden. The international portfolio in Copenhagen and New York now makes up 15 per cent of total property value.

Today, Klöver is a company with a strong, stable base constituted by management of around 350 properties. At the same time, there has been a repositioning to enable the company to increase its value-creating operations in project development. Our large project portfolio has a fantastic potential and includes a number of urban development projects in Sweden and abroad.

During my years as CEO, we have also placed great focus on sustainable development. I am convinced that sustainability will become even more important not only in the environmental sphere but also with regard to social aspects and finance, in the form of green financing, among others.

GOOD EARNINGS IN 2020

Klöver's earnings for 2020 are good and have, thanks to effective property management, among other things, developed in a stable way despite some loss of income associated with the challenging conditions in the world. Some tenants have, of course, had a tough time but overall our diversified portfolio has provided stability. Klöver has received 99 per cent of the rents invoiced for 2020. For a comparable portfolio, i.e. properties owned throughout the whole of 2019 and 2020, both income and the operating surplus were at the same level as in 2019.

A RECOVERING MARKET

The pandemic has had a marked negative effect on both the global and the Swedish economy. However, the ongoing vaccination provides hope for a good recovery during 2021. We can

“In all, the contracts for divestment of properties signed during 2020 have exceeded book values by 20 per cent.”

ourselves see that the market is gradually recovering by increased demand in the rental and transaction markets and by an increasing improvement in financing conditions in the capital market.

NET MOVING-IN REFLECTS THE CHALLENGES OF THE YEAR

During the year, the external net moving-in amounted to SEK –90 million. The explanation for this is mainly several small vacations that we have known about for a long time during the first quarter and to the hesitant letting market during the second and third quarters. However, the series of negative net moving-in figures during the first three quarters was brought to an end in the fourth quarter when net moving-in amounted to SEK 11 million.

During the year, new leases have been signed, among others, with Volvo Cars, Strukton Rail, Parfums Christian Dior, Politiforbundet and a number of municipalities and regions. In December 2020 and January 2021, we have also extended three large leases for a total of approximately 52,600 sq.m. in Kista.

STREAMLINING BY LOCATION AND PRODUCT

We have worked for many years with the strategy of focusing the property portfolio on the growth locations and markets where we want to be long-term owners, and primarily on office properties. During the fourth quarter, we took another big step in line with the strategy through divesting 12 properties in a transaction with Mileway, mainly consisting of warehouses and logistics premises. The transaction took place at a premium of 21 per cent in relation to book value. In total, the contracts for divestment of properties signed during 2020 have exceeded book values by 20 per cent.

REPOSITIONING FOR INCREASED PROJECT DEVELOPMENT

For the past couple of years, Klövern has increasingly carried out repositioning to increase project development. Capacity in value-creating project development has been increased at the same time as properties at less prioritized locations have been divested, including the whole of Klövern's property portfolio in Karlstad and all investment properties in Örebro. At the year-end, development properties accounted for 16 per cent of the total property value. In all, project development, including development of building rights, contributed SEK 513 million to increases in value of properties in 2020.

Klövern's largest urban development projects are in Kista Science City and Söderstaden, both in Stockholm, and in Uppsala and Västerås. The two largest ongoing projects, two office properties in New York, are expected to be completed during the third quarter of 2021 and the beginning of 2022 respectively. Letting work is in process and in February this year, the first lease contract at project 1245 Broadway was signed. During 2020, the letting market in New York has for natural reasons been affected by the pandemic. However, we are secure in that all our properties in Manhattan are in exceptionally good locations.

In all, ongoing projects in Sweden and abroad are expected to have a large positive effect on net moving-in during the coming two years.

STRENGTHENED FINANCIAL POSITION

During 2020, we have placed special emphasis on securing good long-term financing and enhancing our financial strength even more. During the second quarter, SEK 5 billion in existing bank loans and secured bonds were refinanced. We also obtained new loans and credit decisions for new loans of over SEK 4 billion. In June, Klövern obtained an investment grade rating (BBB- with stable outlook) from Scope Ratings and in October SEK 2 billion of green bonds were issued. At the end of the year, a fully guaranteed rights issue of around SEK 2 billion was completed which provides us with even greater opportunities of value creation through efficiently financed project development of commercial and residential premises.

POSITIONED FOR A CONTINUED RECOVERY

I hope that we now, when vaccination can take place on a broad scale, will see a gradual return to our normal existence. It is difficult to say anything about the long-term effects of the pandemic but Klövern has shown in the past year that it stands on a stable foundation and we are now positioned for a continued economic recovery. Finally, I would like to emphasize the fine, committed work that all Klövern's employees have performed during my nine years as CEO. I am also happy to conclude this Statement by the CEO with good hope of a more stable year for society at large in 2021.

Stockholm, 22 March 2021

Rutger Arnhult
CEO

On 25 March 2021, Rutger Arnhult left his position as CEO. Peeter Kinnunen, Head of Transactions, has been appointed acting CEO by the Board of Directors. See press releases on 29 December 2020 och 24 March 2021.

A very different year

During the year, something happened that no one could predict. Covid-19 shaped and changed conditions for both individuals, businesses and countries. Besides the impact of the pandemic on people's health, we experienced a fall in economic growth, interruption of global trade and rising unemployment, in a way that had not happened since the second world war.

“Klövern’s bearing idea is to understand and to work closely with its customers.”

But we also saw an acceleration of trends which are now taking place at an extremely fast rate. These include digitalization, the shift to e-commerce, introduction of AI, distance work, and increases in productivity and innovation in a number of areas. Estimates indicate that digitalization which has previously taken about two years to introduce, was implemented in two months last year. Other dominant trends are the even more clear focus on the environment and sustainability on the part of countries, lenders and investors. The importance of this issue was shown, for example, by that it was the theme of the World Economic Forum in Davos. Climate and sustainability are now an issue relating to safeguarding the long-term increase of value in a business.

A new although already worn expression is *the new normal* which is thoughts about human behaviour and how businesses and societies way of functioning will be changed during 2021 and after.

The uncertainty also remains in the financial market despite the continued low level of interest rates and certain measures of support and despite the Swedish economy recovering more quickly than expected in the fourth quarter.

What has this different year meant for Klöver?

It can be noted that the first months of the year were about dealing with and adjusting to the situation for both employees and tenants and that this was done quickly and well. The chosen strategy has continued to be implemented. This means that the company expands in selected growth areas both in Sweden and abroad, continues to reinforce its role in urban development especially in the Stockholm area and that project development is an important part of this activity. During the spring, extensive

refinancing took place and during the autumn there was a guaranteed rights issue of SEK 2 billion with a view to benefiting from opportunities for further increase in value. The company also obtained an investment grade rating from Score Ratings during the year, which is a strong point in the current situation.

The daily effects of the pandemic are the necessary social distancing and that many people are working from home at present. The retail trade is most exposed to these changed patterns, but it only accounts for 8 per cent of Klöver’s portfolio. It is not known exactly what the workplaces of the future will look like and how flexibility about working from home will be arranged. What we do know is that people have social needs and that many people are longing to return to their places of work. To monitor and understand trends in the world is an increasingly important factor for success.

Klövern’s bearing idea is to understand and work closely with its customers. The company is accordingly well equipped to meet changes. Sustainability-related work is another area that links together different parts of Klöver and drives forward quality and long-term value development.

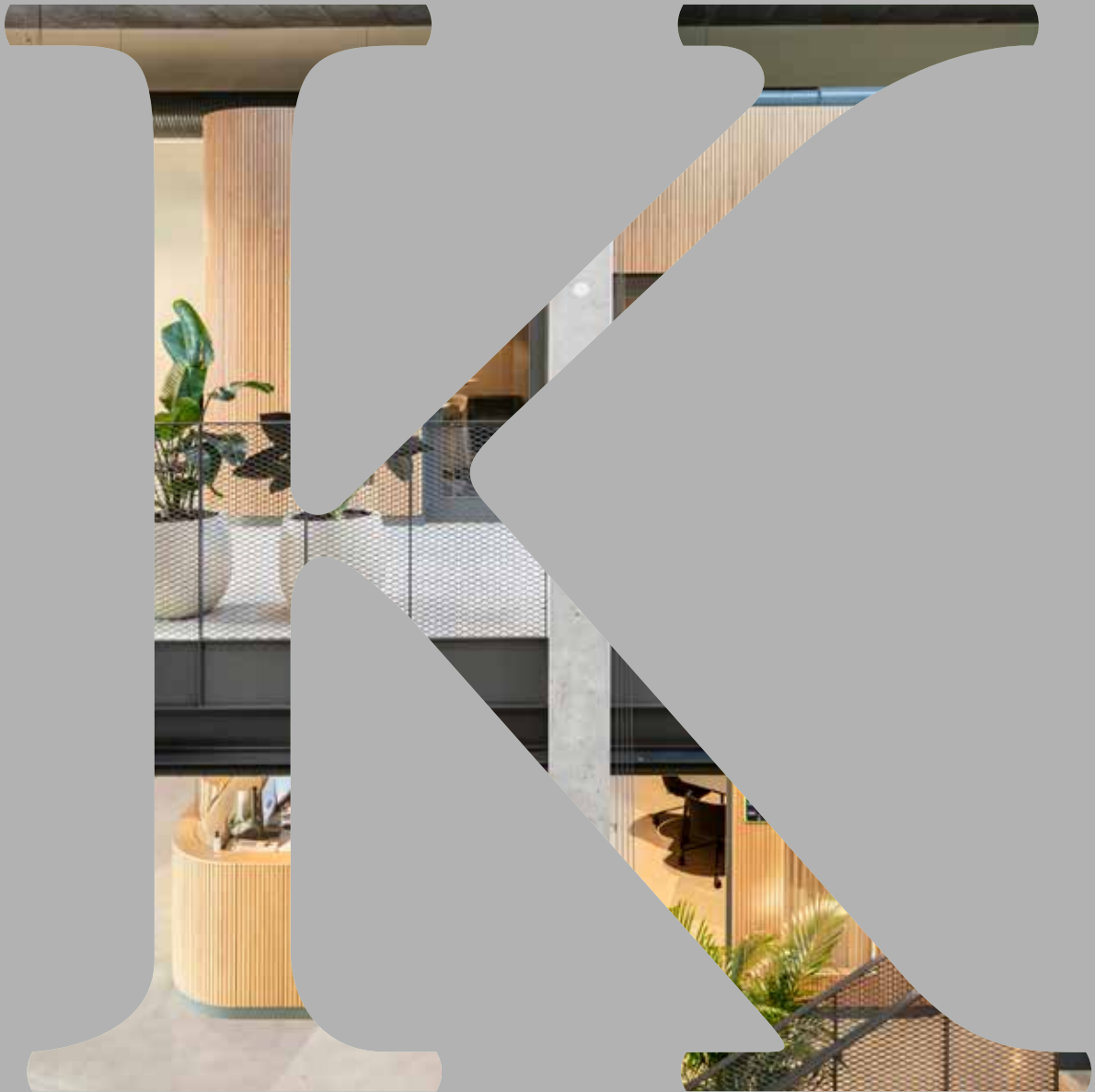
The profit for the year also shows that Klöver operates in a committed way with great professionalism among its employees during tough times.

Stockholm, 22 March 2021

Pia Gideon
Chairman



Business concept, goals and strategy



Business concept, goals and strategy

Klövern's overall objective is to generate good value growth for the shareholders in a long-term, sustainable way. To achieve this, a number of goals have been specified in the areas of Finance, Property Management, Transactions & Projects and from a Social perspective. Integrated with these targets, a number of sustainability goals have also been selected. All of these goals – like the company's vision and business concept – are key parts of the strategy and business plan adopted by the board once a year.

VISION

Klövern creates attractive and sustainable environments for future enterprise, individuals and society..

By being an active participant in creating secure, stimulating and sustainable working and living environments, Klövern can contribute to innovative urban development.

BUSINESS CONCEPT

Klövern shall, with closeness and commitment, offer attractive premises and actively contribute to urban development in growth regions.

The premises and housing developed and provided by Klövern shall be adapted to the customers' wishes and needs in a proactive, responsive and sustainable way. Premises shall be

provided, and customers treated, with closeness and commitment. The closeness and commitment that Klövern seeks to provide can only be achieved with the company's own locally-based staff.

The property portfolio is to be focused on selected growth regions. An expanding business sector and an increasing population are common features for growth regions.

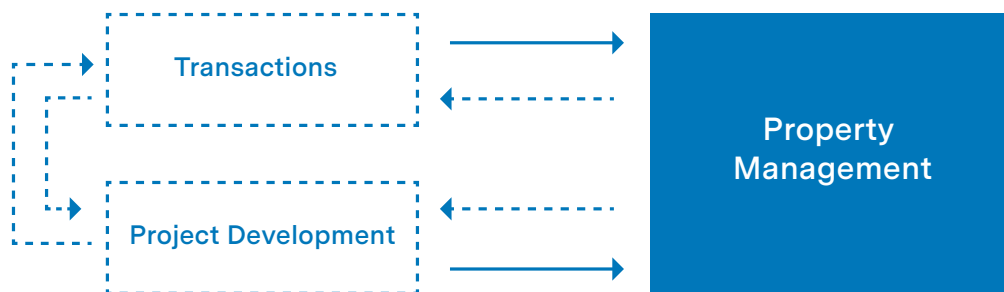
Effective financing is a prerequisite for fully realizing the business concept. Klövern works in a structured manner with financing and uses a palette of instruments, such as bonds and commercial paper in addition to conventional bank loans. Leverage and the mix of financial instruments shall contribute to good increase in value for the shareholders at the same time as always ensuring financial stability.



Kopparhusen in Norrköping. A completely new city neighbourhood has been developed. The project was completed in 2020.



Staff at Klöver's business unit in Gothenburg.



KLÖVERN'S BUSINESS MODEL

The central point of Klöver's business model is management of the company's around 350 properties. Management is to be done by the company's own staff to ensure high quality in everything from customer service to energy optimization.

Through transactions additional properties are added to the portfolio at the growth locations that the company has chosen to focus on. In this way, additional economies of scale are achieved in property management at the same time as the ability to offer a varied range of attractive premises is improved. By divestment of properties with a lower geographic priority and those which are fully developed from Klöver's point of view, it

is endeavoured to continuously concentrate and optimize the portfolio. A natural part of Klöver's business is also acquisitions and divestments of building rights and properties in different project phases.

Project development of commercial premises has, in line with the company's strategy, expanded in recent years. In this way, additional properties are added to the portfolio under management. Project development includes everything from creation of completely new buildings, including residential buildings, to improvement of existing premises in connection with a change of tenant.

GOALS AND OUTCOME 2020

Finance and Property Management

FINANCIAL TARGETS

Goal

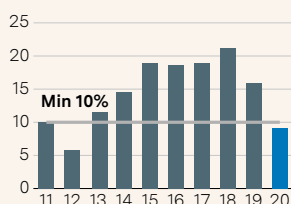
Outcome 2020

Objective

RETURN ON EQUITY

Return on equity shall in the long term amount to at least 10 per cent

Return on equity amounted to 9.1 per cent. During the past ten years, the average return has been 14.5 per cent.



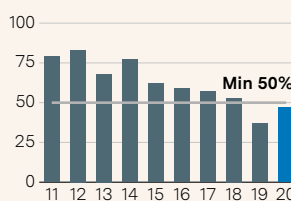
Return on equity must be reasonable in proportion to the risk level and the return on other types of investments. The goal should be regarded as an average during a number of years, since the return is partly affected by factors over which Klöver has no control.

■ Return on equity, %
■ Goal

DIVIDEND

The dividend shall in the long term be at least 50 per cent of the profit from property management. Dividend to preference shareholders shall in the long term not exceed 30 per cent of the profit from property management.

A dividend of SEK 0.26 per ordinary share and SEK 20.00 per preference share is being proposed to the 2021 Annual General Meeting. The proposed dividend for ordinary and preference shares corresponds to 47 per cent of the profit from property management. The proposed dividend for preference shares alone corresponds to 26 per cent of the profit from property management.



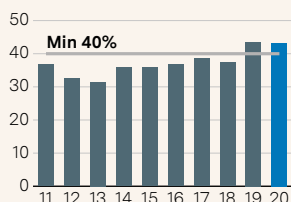
The profit from property management shows the progression of the real estate operations, including financing costs and central administration. When assessing the size of the dividend, consideration shall be given to the company's investment alternatives, financial position and capital structure.

■ Dividend for ordinary and preference shares in relation to profit from property management, %
■ Goal

ADJUSTED EQUITY RATIO

The adjusted equity ratio shall in the long term be at least 40 per cent¹.

The adjusted equity ratio was 43.2 per cent at year-end 2020.



At the same time as making optimal use of shareholders' equity, it is important to secure long-term stability and make sure that attractive investments can be made in the future.

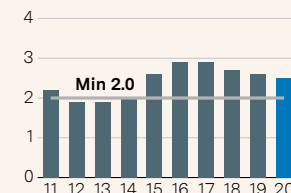
■ Adjusted equity ratio, %
■ Goal

1) The goal was reformulated in 2020 from *The adjusted equity ratio shall in the long term be 40 per cent*.

INTEREST COVERAGE RATIO

The interest coverage ratio shall be at least 2.0.

The interest coverage ratio amounted to 2.5.



Interest is one of the single largest cost items for Klöver, and it is therefore important that earnings capacity covers the current interest rate level by a broad margin. An interest coverage ratio of 2.0 means that profit after financial income is twice as high as interest costs.

■ Interest coverage ratio
■ Goal

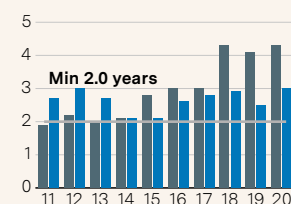
PERIOD OF TIED-UP CAPITAL AND FIXED INTEREST

The period of tied-up capital shall be at least 2.0 years.

The period of tied-up capital amounted to 4.3 years at the end of 2020.

The period of fixed interest shall be at least 2.0 years.

The period of fixed interest amounted to 3.0 years at the end of 2020.



The period of tied-up capital shows the weighted average remaining time to maturity of Klöver's borrowing. The goal for the period of tied-up capital has been set in order to secure financing of the company in the long term. The period of fixed interest is the weighted average remaining period of fixed interest for Klöver's borrowing, with derivatives taken into account. The objective for the goal for the period of fixed interest is to limit interest rate risk.

■ Average period of tied-up capital, years
■ Average period of fixed interest, years
■ Goal

PROPERTY MANAGEMENT GOALS

Goal	Outcome 2020		Objective																						
NET MOVING-IN																									
Net moving-in shall amount to at least one per cent of the rental value per year	Net moving-in totalled SEK –90 million or –2.4 per cent of the rental value.	<table border="1"><caption>Net moving-in, %</caption><thead><tr><th>Year</th><th>Net moving-in, %</th></tr></thead><tbody><tr><td>11</td><td>0.5</td></tr><tr><td>12</td><td>3.0</td></tr><tr><td>13</td><td>2.0</td></tr><tr><td>14</td><td>1.0</td></tr><tr><td>15</td><td>1.5</td></tr><tr><td>16</td><td>0.5</td></tr><tr><td>17</td><td>1.5</td></tr><tr><td>18</td><td>2.0</td></tr><tr><td>19</td><td>3.0</td></tr><tr><td>20</td><td>-2.4</td></tr></tbody></table>	Year	Net moving-in, %	11	0.5	12	3.0	13	2.0	14	1.0	15	1.5	16	0.5	17	1.5	18	2.0	19	3.0	20	-2.4	Net moving-in shows the net of the contract value on an annual basis for the tenants who move in during a year and those who move out. Positive net moving-in leads to a gradual increase in Klöver's occupancy rate.
Year	Net moving-in, %																								
11	0.5																								
12	3.0																								
13	2.0																								
14	1.0																								
15	1.5																								
16	0.5																								
17	1.5																								
18	2.0																								
19	3.0																								
20	-2.4																								
OPERATING MARGIN																									
The operating margin shall amount to at least 65 per cent	The operating margin amounted to 67 per cent.	<table border="1"><caption>Operating margin, %</caption><thead><tr><th>Year</th><th>Operating margin, %</th></tr></thead><tbody><tr><td>11</td><td>63</td></tr><tr><td>12</td><td>62</td></tr><tr><td>13</td><td>63</td></tr><tr><td>14</td><td>65</td></tr><tr><td>15</td><td>66</td></tr><tr><td>16</td><td>66</td></tr><tr><td>17</td><td>66</td></tr><tr><td>18</td><td>67</td></tr><tr><td>19</td><td>68</td></tr><tr><td>20</td><td>67</td></tr></tbody></table>	Year	Operating margin, %	11	63	12	62	13	63	14	65	15	66	16	66	17	66	18	67	19	68	20	67	The operating margin, the operating surplus in relation to income, is an important key figure in Klöver's internal evaluation of the real estate operations and is continuously measured for every property.
Year	Operating margin, %																								
11	63																								
12	62																								
13	63																								
14	65																								
15	66																								
16	66																								
17	66																								
18	67																								
19	68																								
20	67																								
ECONOMIC OCCUPANCY RATE																									
The economic occupancy rate shall be at least 90 per cent.	The economic occupancy rate amounted to 87 per cent at the end of 2020.	<table border="1"><caption>Economic occupancy rate, %</caption><thead><tr><th>Year</th><th>Economic occupancy rate, %</th></tr></thead><tbody><tr><td>11</td><td>88</td></tr><tr><td>12</td><td>88</td></tr><tr><td>13</td><td>89</td></tr><tr><td>14</td><td>89</td></tr><tr><td>15</td><td>90</td></tr><tr><td>16</td><td>89</td></tr><tr><td>17</td><td>89</td></tr><tr><td>18</td><td>89</td></tr><tr><td>19</td><td>89</td></tr><tr><td>20</td><td>87</td></tr></tbody></table>	Year	Economic occupancy rate, %	11	88	12	88	13	89	14	89	15	90	16	89	17	89	18	89	19	89	20	87	The economic occupancy rate is measured as contract value in relation to rental value. An improved economic occupancy rate creates the prerequisites for an increased operating margin.
Year	Economic occupancy rate, %																								
11	88																								
12	88																								
13	89																								
14	89																								
15	90																								
16	89																								
17	89																								
18	89																								
19	89																								
20	87																								
ENERGY USE																									
By 2022, all energy used in Klöver's buildings shall originate from renewable sources.	The consumption of energy from renewable sources in Klöver's buildings amounted to 90 per cent at year-end 2020.	<table border="1"><caption>Energy Use Data</caption><thead><tr><th>Year</th><th>Proportion of energy originating from renewable sources, %</th><th>Proportion of properties using less than 100 kWh/sq.m., %</th></tr></thead><tbody><tr><td>2019</td><td>68</td><td>50</td></tr><tr><td>2020</td><td>90</td><td>68</td></tr><tr><td>2021</td><td>90</td><td>68</td></tr><tr><td>2022</td><td>90</td><td>68</td></tr></tbody></table>	Year	Proportion of energy originating from renewable sources, %	Proportion of properties using less than 100 kWh/sq.m., %	2019	68	50	2020	90	68	2021	90	68	2022	90	68	Klöver works actively to reduce energy consumption at the properties, which reduces the costs and the negative impact on the environment.							
Year	Proportion of energy originating from renewable sources, %		Proportion of properties using less than 100 kWh/sq.m., %																						
2019	68		50																						
2020	90		68																						
2021	90	68																							
2022	90	68																							
By 2022, at least 75 per cent of Klöver's properties shall have energy consumption lower than 100 kWh/sq.m. ¹	The share of properties with an energy consumption of less than 100 kWh/sq.m. amounted to 68 per cent at year-end 2020.																								
¹ Ahead of 2020 the goal was formulated <i>By 2022, at least half of Klöver's properties shall have energy consumption lower than 100 kWh/sq.m.</i> The goal was adjusted in early 2021.																									
ELECTRICITY CONSUMPTION																									
By 2025, the equivalent of 5 per cent of electricity consumption shall be self-produced and come from renewable sources.	In 2020, Klöver produced electricity from renewable sources amounting to 0.8 per cent of consumption.	<table border="1"><caption>Electricity Consumption from Renewable Sources, %</caption><thead><tr><th>Year</th><th>Renewable sources, %</th></tr></thead><tbody><tr><td>19</td><td>0.5</td></tr><tr><td>20</td><td>0.8</td></tr><tr><td>21</td><td>0.8</td></tr><tr><td>22</td><td>0.8</td></tr><tr><td>23</td><td>0.8</td></tr><tr><td>24</td><td>0.8</td></tr><tr><td>25</td><td>0.8</td></tr></tbody></table>	Year	Renewable sources, %	19	0.5	20	0.8	21	0.8	22	0.8	23	0.8	24	0.8	25	0.8	Climate impact is to continually decline through low energy consumption, increased proportion of renewable energy and increased resource efficiency.						
Year	Renewable sources, %																								
19	0.5																								
20	0.8																								
21	0.8																								
22	0.8																								
23	0.8																								
24	0.8																								
25	0.8																								

Strategy and goals 2021

COMPONENTS OF THE STRATEGY	GOAL
FINANCE <ul style="list-style-type: none"> The interest rate risk shall be limited by hedging a certain share of the credit portfolio. The refinancing risk should be limited by a spread of credit maturities and creditors. 	<ul style="list-style-type: none"> Return on equity shall in the long term amount to at least 10 per cent. The dividend to the shareholders shall in the long term amount to at least 50 per cent of the profit from property management. The dividend to preference shareholders shall in the long term not exceed 30 per cent of the profit from property management The adjusted equity ratio shall in the long term be at least 40 per cent. The interest coverage ratio shall be at least 2.0. The period of tied-up capital shall be at least 2.0 years. The period of fixed interest shall be at least 2.0 years.
PROPERTY MANAGEMENT <ul style="list-style-type: none"> Management shall be done by Klöver's own personnel and with local commitment. Administrative efficiency shall be enhanced by focusing on improving the operating margin. Focused letting work shall increase the economic occupancy rate. Customer surveys shall be made and serve as the basis for improved customer care. The impact on the environment shall be continuously reduced by low energy consumption, an increased proportion of renewable energy and increased efficiency in use of resources. A common effort to achieve sustainable work places shall be a key part of the dialogue with new and existing tenants. 	<ul style="list-style-type: none"> Net moving-in shall amount to at least 1 per cent of the rental value per year. The operating margin shall amount to at least 65 per cent. The economic occupancy rate shall amount to at least 90 per cent. The Satisfied Customer Index (NKI) shall amount to at least 75. By 2022, all energy used in Klöver's buildings shall originate from sustainable sources. By 2022, at least 75 per cent of Klöver's properties shall have energy consumption lower than 100 kWh/sq.m. By 2025, the equivalent of 5 per cent of electricity consumption shall be self-produced and come from sustainable sources. By 2030, energy consumption shall be halved compared with the year 2018's level 101 kWh/sq.m. The number of suppliers shall be reduced by 10 per cent every year.
TRANSACTIONS AND PROJECTS <ul style="list-style-type: none"> Acquisitions and divestments shall be focused on geographic concentration with a view to attaining a strengthened market position and creating effective management in prioritized markets. Projects with the highest return shall be prioritized. Value is to be created by development and making use of building rights or through new production projects for own management or for divestment. 	<ul style="list-style-type: none"> Acquired investment properties shall have on average a long-term yield of at least 5 per cent per year. Project investments shall give a return on equity of at least 15 per cent.
SOCIAL <p><i>External</i></p> <ul style="list-style-type: none"> Klöver shall develop properties in a sustainable and innovative way to create attractive urban districts with a long-term value development. There shall be close collaboration with prioritized schools and a systematic approach to dealing with trainees, students looking for essay topics as well as those looking for a job at Klöver. <p><i>Internal</i></p> <ul style="list-style-type: none"> Annual development dialogues shall be carried out with individual goals linked to the level of remuneration. 	<ul style="list-style-type: none"> Sustainability frameworks shall be produced for all urban development projects. Klöver's suppliers shall work in accordance with Klöver's Code of Conduct for suppliers. Klöver shall have committed and business-driven staff, who live up to the Company's values and are good ambassadors. Klöver shall provide a healthy and safe working environment where everyone feels well.

SELECTED SUSTAINABILITY GOALS 2021

AREA	FOCUS AREAS	GOAL
ECONOMIC	Long-term value growth	<ul style="list-style-type: none"> The adjusted equity ratio shall in the long term be at least 40 per cent. The operating margin shall amount to at least 65 per cent. The Satisfied Customer Index (NKI) shall be at least 75.
ENVIRONMENTAL	Climate	<ul style="list-style-type: none"> By 2022, all energy used in Klöver's buildings shall originate from sustainable sources. By 2022, at least 75 per cent of Klöver's properties shall have energy consumption lower than 100 kW/sq.m. By 2025, the equivalent of 5 per cent of electricity consumption shall be self-produced and come from renewable sources.
SOCIAL	Long-term value development and Health and Commitment	<ul style="list-style-type: none"> Klöver's suppliers shall work in accordance with Klöver's Code of Conduct for suppliers. Klöver shall have committed and business-driven staff who live up to the Company's values and are good ambassadors. Klöver shall provide a sound and healthy work environment where everyone feels well.

For definitions of key figures, refer to pages 170–171.



Solar cells on the roof of Kista Gate, Stockholm.



Klövern has reached the finals of the competition "Sveriges snyggaste kontor" ("Sweden's most attractive office") with its own newly refurbished office premises in Gothenburg.

Markets



The economy and real estate market

After a long period of strong growth, followed by slowing down to some extent during 2019, 2020 was a year with a sharp drop in Swedish GDP due to the pandemic. The expected recovery during 2021 depends to a large extent on the rate at which vaccination against Covid-19 takes place, not only in Sweden but also internationally. At the same time short- and long-term interest rates are at historically very low levels, which still means, overall, relatively favourable conditions for the Swedish real estate market.

THE ECONOMY

Growth in the global economy has been very greatly affected by the pandemic. The US Federal Reserve acted quickly in March 2020 by cutting interest rates by a total of 150 basis points to a targeted Fed funds rate of 0.00–0.25 per cent. During the year, this was combined with extensive quantitative easing in the form of bond purchases in the market. The European Central Bank retained the deposit rate at the level of –0.50 per cent throughout 2020 while at the same time sharply expanding the programmes for quantitative easing.

The Swedish economy slowed down substantially during 2020. According to the Riksbank's forecast in February 2021, GDP fell by 2.8 per cent in 2020 although the prospects for 2021 are a strong recovery of +3.0 per cent. In December 2020, inflation in Sweden amounted to 0.5 per cent, measured as CPIF, i.e. with fixed interest. Inflation was accordingly considerably lower than the Riksbank's target of 2.0 per cent. At the same time, the krona strengthened markedly during the year. After the increase of the repo rate by 25 basis points to 0.00 per cent which took place in December 2019, the Riksbank, like the ECB, did not make any

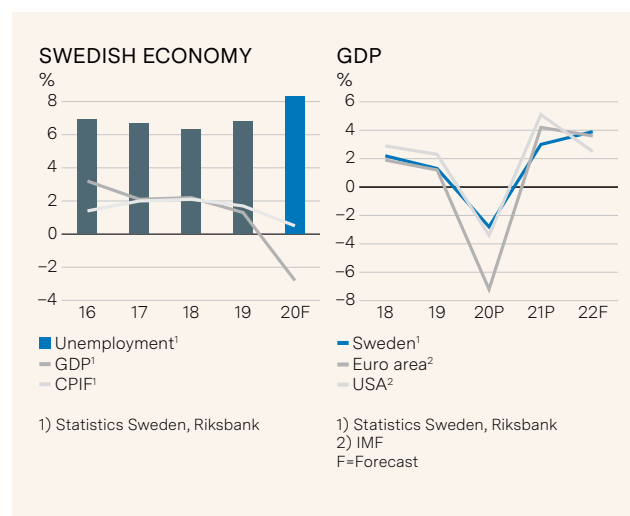
additional adjustment of the interest rate during 2020. However, the Riksbank has adjusted its future scenario for the repo rate, it is now expected that the zero interest rate will be retained at least until the first quarter of 2024. Also for longer maturities, interest rates remained very low during 2020. The Swedish ten-year government bond rate ended the year at the level of 0.03 per cent.

THE SWEDISH REAL ESTATE MARKET

The Swedish transaction market for real estate has for a number of years been characterized by good access to capital, favourable financing and strong demand. The previous record, from 2016, was broken in 2019 when properties to a value of SEK 230 billion changed owner. 2020 also got off to a strong start with a transaction volume of over SEK 40 billion during the first quarter. Europe was affected by the covid-19 outbreak at the end of the first quarter when international investors disappeared and the transaction market became more cautious with lower transaction volumes. According to Cushman & Wakefield, the volumes amounted to SEK 35 billion in the second quarter and SEK 28 billion in the third quarter. During the autumn, however, international investors returned and activity also rose among the Swedish players. After a record strong fourth quarter with a transaction volume of over SEK 80 billion, the volume for the whole year totalled SEK 185 billion. The foreign investors' share amounted to 24 per cent of the investment volume in 2020, compared with 28 per cent in 2019.

The most attractive segment of the transaction market was residential properties. Residential properties accounted for 36 per cent of the total volume in 2020 compared with 32 per cent the previous year. Interest in the industrial and logistics market has increased sharply linked to the development that has taken place in e-commerce and its distribution. The share of the segment amounted to 20 per cent of the total volume; this proportion has never been so high before.

In total, the rental market is strong or stable in the metropolitan areas and in a number of expanding regional cities. Population growth in the metropolitan areas has been high for a number of



POPULATION AND LABOUR MARKET STATISTICS

Municipality	Population ¹	Population change, 1 year, %	Population change, 10 years, %	Employment ²	Of which, public sector ² , %	Change in employment ² , 1 year, %	Unemployment ³ , %	Change in unemployment, 1 year, %	Share of Klövern's property value 31.12.2020 ⁴ , %
Gothenburg	583,056	0.7	13.5	368,996	24	1.9	9.4	2.4	7.8
Halmstad	103,754	1.0	13.0	51,350	34	1.7	9.1	1.2	1.1
Kalmar	70,329	1.2	12.0	37,332	35	2.2	7.7	0.9	1.5
Linköping	164,616	1.0	12.4	90,156	32	4.4	7.1	1.1	6.6
Lund	125,941	0.8	14.0	75,350	41	4.3	7.8	1.3	1.0
Malmö	347,949	1.1	16.4	191,766	27	3.5	15.3	1.7	4.8
Norrköping	143,478	0.2	10.3	68,991	32	1.8	11.7	1.2	4.9
Nyköping	57,071	0.8	10.5	25,067	36	1.7	9.3	2.0	2.6
Solna	83,162	0.9	22.0	99,552	25	4.8	6.3	1.9	5.5
Stockholm	975,551	0.2	15.2	708,729	15	1.8	8.1	2.3	30.3
Täby	72,755	1.2	14.1	25,760	13	0.1	4.4	1.1	2.0
Uppsala	233,839	1.3	18.2	112,950	39	4.2	7.6	2.0	6.2
Västerås	155,551	1.0	13.4	76,083	25	2.0	10.3	1.9	7.0
Total	3,117,052	0.7	14.6	1,932,082	24	2.5	–	–	81.3
SWEDEN	10,379,295	0.5	10.2	5,054,893	28	1.7	8.5	1.5	84.8

Source: Statistics Sweden, the Swedish Employment Service, Klövern.

1) Statistics Sweden: Refers to December 2020.

2) Statistics Sweden/RAMS 2019

3) Refers to the average for 2020. According to the Swedish Employment Service (registered unemployed and jobseekers in programmes with activity support, proportion of the register-based labour force, 16–64 years old).

4) Gothenburg also includes Lerum, Mölndal and Partille. Stockholm also includes Danderyd, Sollentuna and Huddinge.

years. Population growth is a key variable for the whole of the real estate market although the growth in employment is at least as important a factor for the rental market for premises.

Office rent levels continue to develop positively for modern, well-located premises that make efficient use of space in the larger cities. The older stock of office premises often requires smart, cost-effective and sustainable refurbishments to be able to compete with newly-built offices. Besides good communications, in particular tram or train, services such as restaurants, cafes and gyms are becoming increasingly important to attract new office tenants, in particular in the metropolitan regions.

Rental levels for logistics and warehouse premises have generally been relatively stable for a number of years with the exception of modern, newly produced logistics premises in good locations where a continued increase in rental levels may be noted. The expansion of e-commerce has had a positive effect

on demand, while it continues to cause significant insecurity over consumption in brick-and-mortar outlets and therefore rental developments in the future. The pandemic reinforced this trend during 2020 and part of the hotel and restaurant business was also affected by a fall in the number of customers, which also had a short-term impact on rent development and rental levels.

In accordance with Chapter 6, section 11, of the Annual Accounts Act, Klövern AB (publ) has decided to prepare the statutory sustainability report as a separate report from the annual report. The sustainability report has been submitted to the auditor at the same time as the annual report. The sustainability report (in Swedish) is available at www.klovern.se/en/about-klovern/investor-relations/financial-reports/.



Kista Gate in the autumn with parts of Klövern's property portfolio in the background.

STOCKHOLM REGION

Stockholm

Stockholm North

In Kista, Klövern has during December/January extended three large leases by between three and five years, the major part being office premises. The aggregated contract value of the extension periods amounts to SEK 430 million. In Kista, urban development takes place in close collaboration with other property owners and with the City of Stockholm. As part of this development, Klövern Padelcenter opened during the spring. There has been great demand for courts which shows that the padelcenter is a greatly appreciated addition to the services on offer in Kista.

During the year, the property Solna Gate has reinforced its profile as a full-service property. Klövern Meeting which provides reception and conference services has been started up at the property and Klövern has also established a FirstOffice. During the year, lease contracts have been signed with several new tenants at Solna Gate including Volvo Cars, Datema and Mestergruppen (XL Bygg).

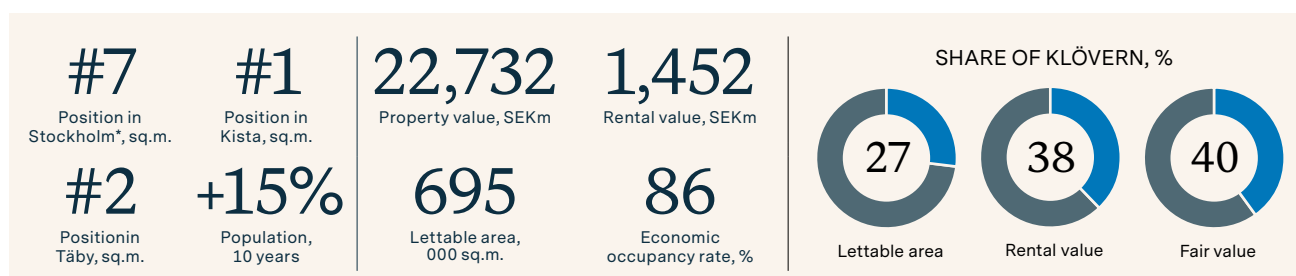
During the year, the business unit Stockholm North has also placed great focus on measures to improve energy efficiency, and,

among other things, has included ten energy projects to be able to use AI for more efficient and climate-neutral control of properties.

Stockholm South

Klövern's property portfolio in the southern part of Stockholm is predominantly concentrated in the Globen area, which is a central part of the future urban development area, Söderstaden. During the year, Klövern signed a contract to acquire the site leasehold to the property Sandhagen 8, which has a strategic location in Söderstaden and the Meatpacking District (Slakthusområdet). Klövern also signed a land allocation agreement for purchase of part of the property Enskede Gård 1:1 as a step in the development of Globen Shopping.

The occupancy rate in the portfolio is high and during the year, Klövern has with the aid of the few vacancies within the portfolio moved a number of tenants in the area to enable major redevelopment of around 10,000 sq.m. of office premises to create "The office space of the future".



*Ranking within Stockholm county.



The Meatpacking District (Slakthusområdet) in Gothenburg.

WEST REGION

Gothenburg

During 2020, there continued to be a great focus on the development of the property Mejramen 1 in Mölndal after KFC moved in. Customization of ABB's existing spaces is in process at the property and the last phase is completed during the first quarter of 2021. A new office building is being built where phase 2 has been initiated, consisting of around 3,500 sq.m. for WH Bolagen Sverige and Kollmorgen Automation. It is intended for the building to be environmentally certified in compliance with Miljöbyggnad Silver. In all, the property has an additional building right available for development of around 11,000 sq.m.

During the year, Åby Arena vacated its fair premises of approximately 15,000 sq.m. in Mölndal. The major part of this space has been let since the end of 2020 to Klöver's partly owned company Klöver Padel which in spring 2021 will open one of the world's largest padel centres with around 25 courts.

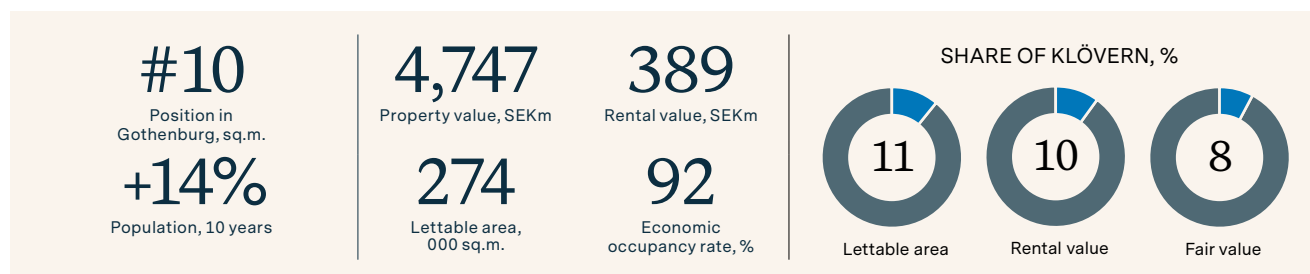
During the year, the Gothenburg business unit has also focused on meeting the needs of existing tenants, letting

vacant spaces and actively worked on energy optimization.

A number of major lettings have been successfully carried out, among others, to Mobergs Bil of around 5,300 sq.m. at the property Tuve 86:2, to Byggnads Väst of around 2,000 sq.m. at Kallebäck and to Increment Security Group of just under 900 sq.m. at the property Törnössan 4.

At the property Sävenäs 67:4 at Torpavallsgatan 11, Klöver has during the year carried out an extensive technology project to meet customers' requirements for the best possible indoor climate and the company's own aim for an energy-efficient and cost-efficient facility.

There is great development potential in the portfolio with new local plans being drawn up. During the autumn, the business unit has focused on development of the Fiskhamnen area with coming major changes in the properties and the area.





The terrace at the top of the 22-storey high project property 1245 Broadway in New York.

INTERNATIONAL

New York

In 2020, all units were acquired in a housing co-operative, a 14-story residential building on Park Avenue in Manhattan. Each of the 29 unit holders in the co-operative sold their units through individual sales contracts. Klöver and the local collaboration partner GDSNY are evaluating a future development of the property and now have through this acquisition four project properties in Manhattan.

Two projects are in process of production and these are developing according to plan, both projects will be environmentally certified in accordance with Leed Silver. The first project 1245 Broadway located on 31st Street in Midtown, is expected to be completed in the third quarter of 2021. In February 2021, it was announced that the first lease contract at the project property had been signed, which was for a restaurant with

a total of 730 sq.m. on the ground and basement floors. The second project 28&7 is expected to be completed in early 2022. This project is located close to Penn Station and Madison Square Garden with neighbours such as Amazon and Facebook in properties close by.

During 2020, the letting market in New York has for natural reasons been affected by the Covid pandemic. As a result, letting processes have become longer and the supply of, among others, sublet offices has increased. This is also expected for the foreseeable future to lead to slightly reduced rental levels compared with the record levels agreed on Manhattan before the pandemic. However, Klöver is secure in that the company's four project properties in Manhattan are in exceptionally good locations.





Klöverns property S7 (Sigurd 7) is close to the travel interchange in Västerås.

STOCKHOLM REGION

Västerås

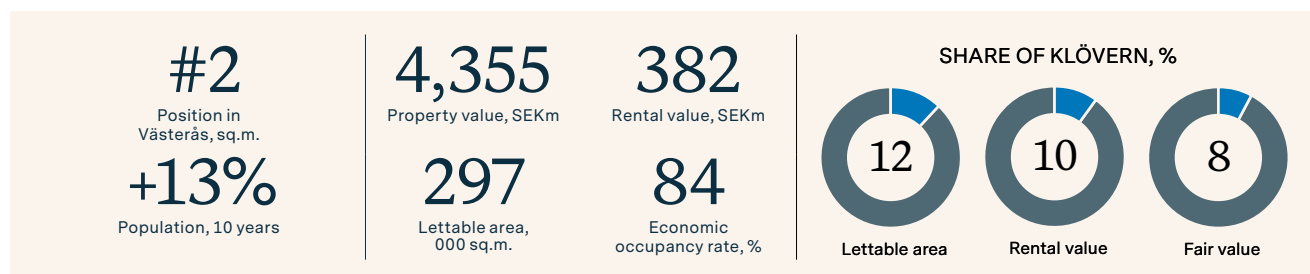
During 2020, the work on the new urban development strategy for Klöverns in Västerås has continued. The development of the city has been driven forward by the work with four centrally located retail properties, with a total lettable area of around 75,000 sq.m., for development of the most central parts of Västerås.

Other parts of Klöverns's urban development project in Västerås consist of the city's new travel interchange and the Sigurd 3 block, Kopparlunden and Öster Mälarstrand. In Kopparlunden, construction of a new padel centre is in process which is expected to be completed during the second quarter of 2021 and which will be operated by Klöverns Padel.

During the year, a number of major lease contracts were signed in Västerås, including Strukton Rail with 3,000 sq.m. and with Smartshake with 1,300 sq.m.

The operating organization has been reinforced with competence and resources in the form of technical managers focused on working more strategically with sustainability and energy-related issues in and around the properties. This has, among other things, led to a major solar energy project at the property Gustavsvik 13 which is being carried out during 2021.

Structurally, Klöverns's portfolio in Västerås has been further streamlined during the year by divestment of three properties totaling around 7,000 sq.m.





Fairway House in Copenhagen.

INTERNATIONAL

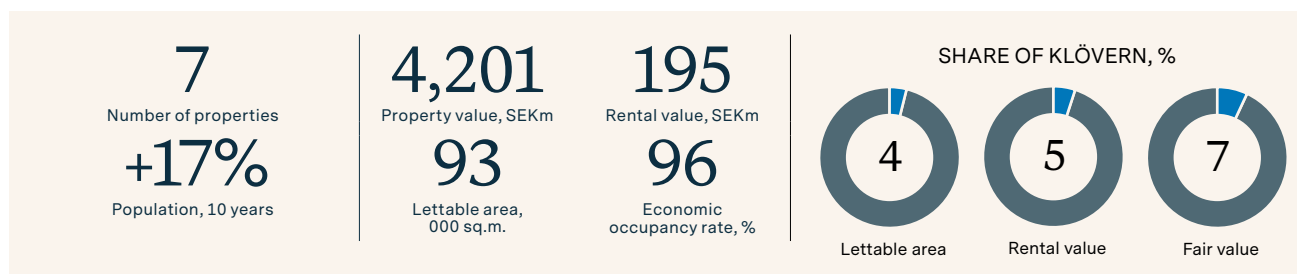
Copenhagen

During 2020, Klöver has in particular worked in a focused way with the so-called Codan building. The property has been transformed from a single-tenant property into a multi-tenant property with many new tenants and the premises are now fully let. During the year, contracts have been signed on letting a total of three floors to Dior and the Danish Police Union, Politiforbundet. The occupancy rate at the properties in Copenhagen continues to be at a high level and there is great interest in well located properties such as Klöver's.

During 2019, Klöver signed a contract to acquire a property at Kalvebod Brygge in central Copenhagen for an underlying

property value of DKK 1.4 billion. Since then, the property has been refurbished under supervision of Klöver's business unit in Copenhagen. It is planned to take over the 31,700 sq.m. property in the second quarter of 2021. The process is proceeding according to plan and Klöver looks forward to taking over the property and welcoming additional tenants in Copenhagen.

Klöver is continuing to focus on further development and expanding the Copenhagen portfolio and the organization in Denmark.



CODAN BUILDING, COPENHAGEN

Conversion with new *perspectives*



The Codan building in Copenhagen.

The so-called Codan building in Copenhagen is a well-known, iconic building in the Fredriksberg district of Copenhagen. Klöver acquired the property in early 2018. With its 19 floors and 66 metres, the building rises above the city and tenants have a fantastic view of Copenhagen and Öresund. The building was constructed in 1961 and was then Denmark's tallest office building, a position it retained for 36 years. The façade has long beautiful lines and the sex-sided building is a recognisable landmark from far away. It was originally constructed for the insurance company Codan as a single-tenant property but now functions as a multi-tenant property with many different tenants. The current tenants include

Codan, Tui, Ticket-Master, Ordnung, Phillips and Better Energy. At the end of 2020, contracts were also signed with Dior and the Danish Police Union, Politiforbundet, with moving-in during 2021.

There are 1,200 workplaces in this big building, just over 30,000 sq.m. of office space, and almost 12,000 sq.m. of garage, parking and storage space.

"We are continuing work on our plan to convert the property into an attractive modern multi-let property," says Andreas Lange, head of Klöver's Copenhagen business unit.

"A fantastic building to manage in the best way"

Andreas Lange, Head of Klöver's Copenhagen business unit



The property Glasblåsaren 7 in Linköping.

EAST REGION

Linköping

Klövern has been the largest commercial real estate owner in Linköping for many years. The property portfolio was expanded in 2020 through the acquisition of two new development properties, Morellen 1 and Mekanikern 18. Mekanikern 18 is an undeveloped plot and a major refurbishment project is taking place at Morellen 1 for the Swedish Transport Administration, among others, where modern offices and business space are being created. Ongoing tenant customization and extensions are expected to be completed during the first half of 2021. With the acquisition of the two properties, the lettable area of the business unit increased by 18,800 sq.m.

Klövern's other development properties in the city are largely in areas which in one way or another will be affected by the planned high speed railway, Ostlänken. In March 2021, the

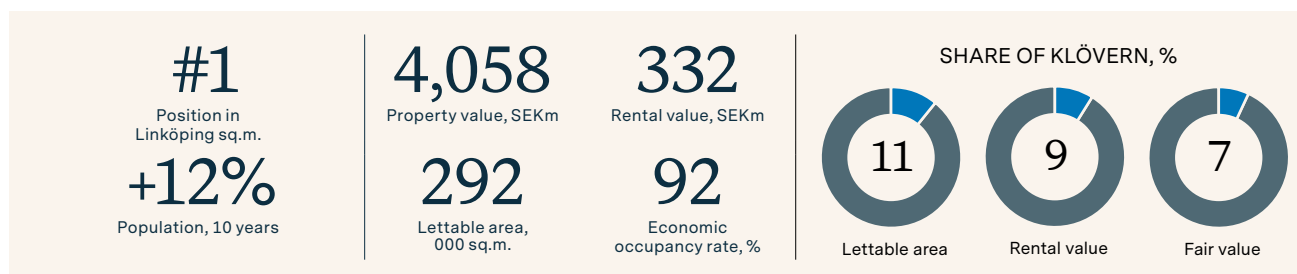
Swedish Transport Administration presented a report on the alternative routes of the railway.

Klövern's largest refurbishment project in Linköping in 2020 has been at Diskettgatan in Mjärdevi, where Infor moved in at the end of the year.

The National Swedish Museums of Military History moved into around 1,000 sq.m. at a property in Tornby in December.

During the year, the main focus has been on letting and to meet the needs of existing tenants who are both expanding and, in a few cases, shrinking.

As part of Klövern's sustainability work, tenants have been offered increased service as regards waste management and sorting.





Solar panels on the roof at Uppsala Gate.

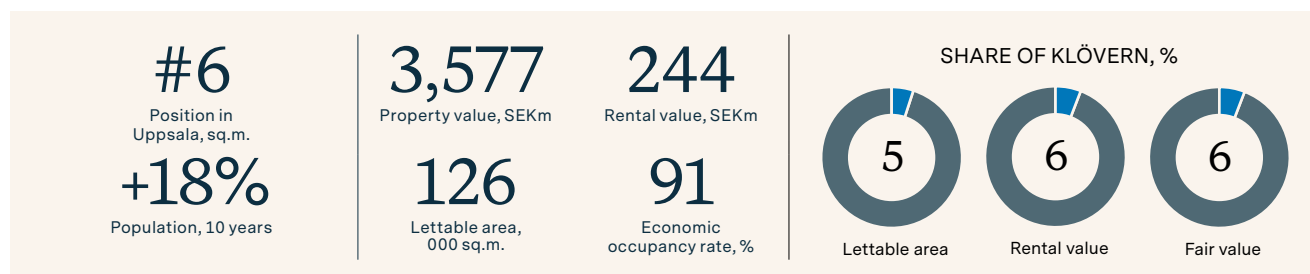
STOCKHOLM REGION

Uppsala

A new structural plan has been produced during the year for Uppsala Business Park, which is the single largest area in Klöver's Uppsala portfolio. The plan is intended to continue to develop the area into a world leading urban neighbourhood with innovation environments for Life Science companies. Klöver's ambition is to create a hotbed for future research and the area is one of Klöver's prioritized urban development areas. In Uppsala Business Park, Klöver has also completed during 2020 a new concept for laboratory environments, which are in great demand. The public spaces in the business park have also been updated and a new lounge has been opened. UBP Community is being created here, which encourages and makes possible more

spontaneous or planned meetings between different players in an attractive atmosphere. During the year, Klöver has developed its portfolio in Uppsala Business Park by acquisitions and divestments.

During the autumn of 2020, a lease contract was signed with Novavax to increase its premises at Kungshörnet with approximately an additional 1,150 sq.m. and Statens servicecenter (the National Government Service Centre) has re-established its service office in Uppsala at around 550 sq.m. in Kungsporten within Klöver's portfolio. FirstOffice has opened two new business centres totalling around 1,600 sq.m. in Uppsala during the year, one at Kungsporten and the other at Uppsala Gate.





View from Dragörkajen in Limhamn's former ferry harbour.

WEST REGION

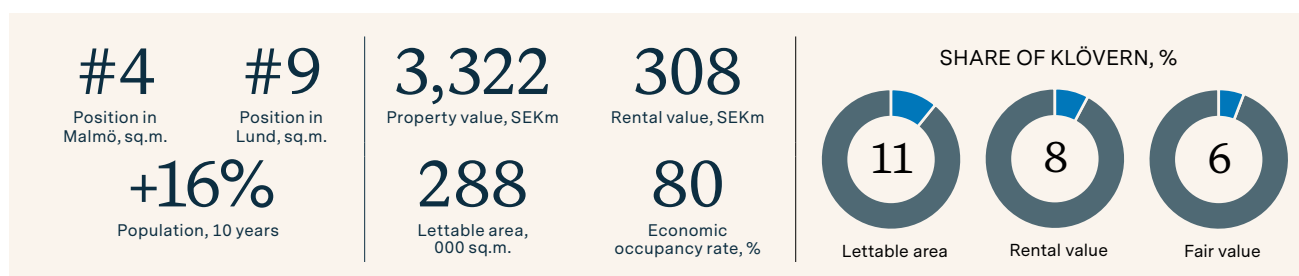
Malmö

Klövern's business unit in Malmö also comprises a number of properties in Lund. During the year, Klöver started to modernize and refurbish the exterior of the Caroli shopping centre and the deconsecrated Caroli church in Malmö, which will revitalize the neighbourhood.

The business centres operating under the FirstOffice brand have been expanded with additional rooms, both at the property Kullen 1 and at Västerbotten 9 during the year. At the end of 2020, it was also decided to establish an additional FirstOffice at Västra hamnen. This will be the business unit's most centrally located business centre within walking distance of the central station.

Work on Klöver's sustainability goals has led to the business unit from 2020 onwards having 100 per cent of its energy for electricity, heating and cooling classified as renewable. Work with self-produced energy has also continued by installation of another 142 kW solar panel produced electricity.

At the end of the year, Klöver carried out a strategic divestment of, among others, 8 properties in Malmö and Lund, of which one was Kullen 1, with a lettable area of as much as 85,000 sq.m. The portfolio was enlarged at the end of the year with a city property at Stortorget in Lund.





The property Dragör 1 in Malmö, known as Dragörkajen.



Kopparhusen in Norrköping.

EAST REGION

Norrköping

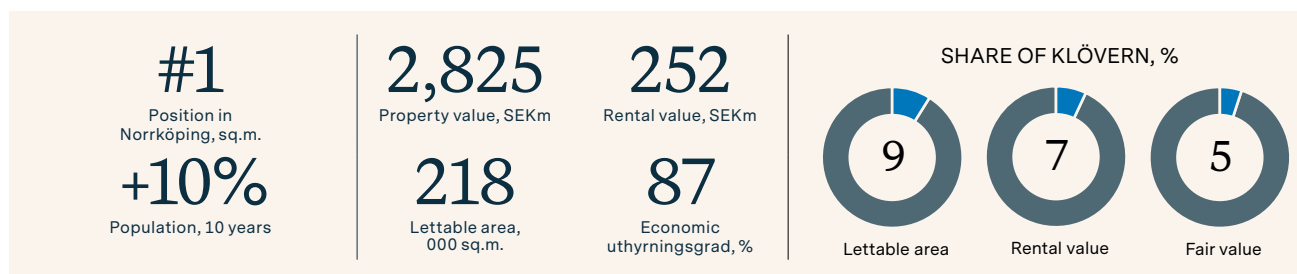
In 2020, Kopparhusen in Norrköping was completed. The project is a collaborative project with Hyresbostäder including researcher and student housing, garages, offices, restaurants and cafés. The property is located in a central position in the Industrielandskapet and there has been great interest in the new meeting space. Moving in took place before the summer and the occupancy ratio for Klöver's part of the project is 70 per cent. Klöver's eleventh business centre in Norrköping under the FirstOffice brand and the local business unit office are housed in Kopparhusen.

In 2020, Klöver has also focused on developing properties in the Ingelsta area. At the property Kondensatorn 1 on

Ståthögavägen, the wholesaler Ahsell has moved in to new premises of 5,100 sq.m. NetOnNet has also moved in to the same property to a total of 3,900 sq.m.

In Norrköping, there is now Klöver's to date largest solar cell facility. At one of the properties in the Ingelsta area, the solar cells installed on the roof correspond to 266 kW.

It can be noted for the coming years that there is great interest in the business unit's premises and properties also in the less central areas thanks to good communications to the city's main entry and access routes.



KOPPARHUSEN, NORRKÖPING

Urban development with both historical and new *perspectives*



Closeness and commitment.

In the Kopparhusen project, Klöver has in collaboration with Hyresbostäder built a new neighbourhood in Norrköping.

Kopparhusen has a clear link with the area's industrial heritage, with its metal clad facades with a textile-like pattern inspired by the textile manufacturing which once took place here. The attractive brick inner courtyards and the different heights of the buildings provide an association with yesterday's industries when factory chimneys rose over the house roofs. The completed project was inaugurated in 2020 and consists of offices, restaurants and cafes as well as student and researcher accommodation.

The Kopparhusen neighbourhood is a new landmark in Norrköping and links In-

dustrilandskapet with the university, the Visualization Centre and Norrköping Science Park as well as the rest of the city centre.

Lively squares have been created between the buildings and provide space for outdoor cafes and meetings. And it is not just people who live and work in the building who meet here but also those who have business here or have just discovered a new short cut through the neighbourhood.

Klöver's chain of business centres FirstOffice has also started up in the new premises offering efficient and flexible offices with work and meeting places for business in an inspiring environment.

Besides several tenants, Klöver's Norrköping office with its own staff is located in part of the property. "The location, in the immediate vicinity of tenants, makes it possible for us to provide swift service with both closeness and commitment" says Ove Hermansson, property engineer at Klöver.

Kopparhusen wants to contribute to a reduced impact on the environment and has been built in compliance with the requirements for environmental certification in accordance with Sweden Green Building Council's classification Miljöbyggnad Silver. Here there are green electricity, green district heating and cooling, charging points for electric cars and a cycle garage.



The properties Nyköpings bruk 1 and 7 consist of office premises attractively located beside the river Nyköpingsån close to the centre.

EAST REGION

Nyköping

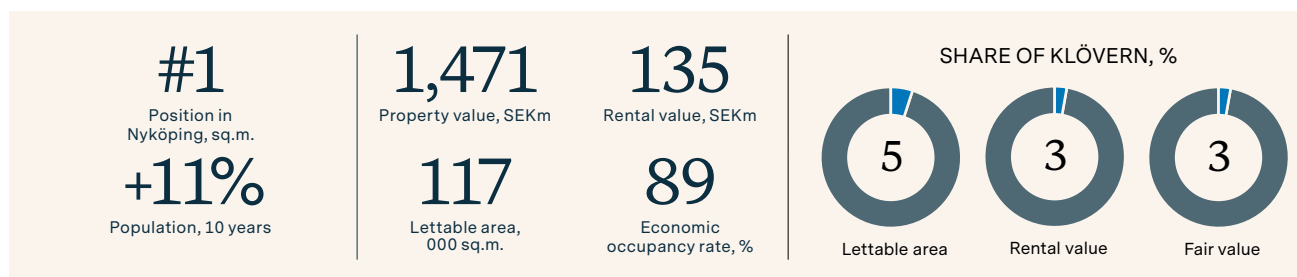
Klövern's property portfolio in Nyköping remained unchanged in 2020. The focus has been on further improving property management and continuing working with energy optimization and letting.

During the year, a number of large lease contracts were signed, among others with Region Sörmland, which rents two large premises totalling around 1,400 sq.m. and with Snackwell, which rents approximately 900 sq.m. There has been great demand for business centres during the year.

A solar cell project corresponding to 75 kW was decided upon during the year in a centrally located property. The project is expected to be completed during 2021.

During 2020, Klöver's organization in Nyköping has started to take care of the external environment of the properties in house through what is known as Klöver Green Team. This provides added value for both the tenants and Klöver.

A property which has previously served as a warehouse for Saab has been rebuilt into a self-storage facility and an indoor car parking facility. This will be completed during the first half of 2021 and consist of around 10,000 sq.m. newly refurbished space. The project is an important part of the development of the Spelhamnen city neighbourhood in Nyköping where Klöver is also engaged in local planning work for housing close to the water.





Staff at Klöver's head office in Nyköping.



The new city library in Kalmar.

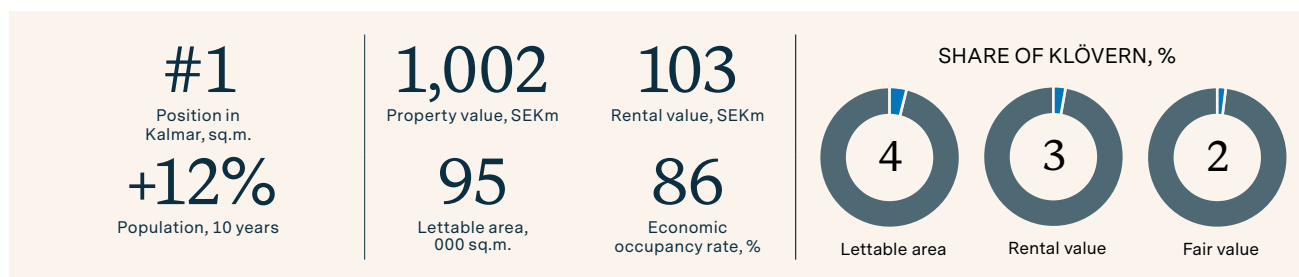
EAST REGION

Kalmar

Klövern's refurbishment project of Kalmar's old main post office as a new city library was completed in 2020. The library was inaugurated in October in the fine old premises from 1947. The library is part of Kalmar municipality's work to create a cultural district.

Klövern has produced a vision to refurbish the property Åldermannen 1 in central Kalmar for the Kvasten shopping mall with the idea of developing the activity and creating added

value. From having contained three floors of retail trade, the property is being transformed with the objective that the entire upper floor will consist of offices while retail outlets and restaurants will be retained on the ground floor to create a meeting space and a hub in central Kalmar that attracts activity and life.



THE CITY LIBRARY IN KALMAR

New *perspectives* through culture and architecture



A unique project.

A completely new city library was inaugurated in Kalmar in 2020. It is located in the former post office building in the cultural district, at Sveaplan, which has been respectfully transformed into a modern library fit for its purpose. The iconic building has been empty for a number of years but has now been restored and adapted to be filled with life and activity.

The City Library is in an attractive location right next to Systraströmmen, the river that flows past just outside the library on its way to Kalmar sound. The library is not just a library but also a meeting place where everyone is welcome. The space consists of a café, pleasant and comfortable corners to sit and read and study rooms, in all offering both places to socialize and to study in peace and quiet.

The library is part of the municipality of Kalmar's investment in culture and the cultural district. Many building details have been preserved, such as the Kolmården marble and limestone floors, as the building is listed and classified as a heritage building. Another detail that has been preserved is the large, beautiful post office clock.

Stefan Jönsson at Klöver has been project manager for the major part of the project and thinks that collaboration with Steele, the all-in contractor, has been excellent. The close collaboration with the municipality, the library and the County Museum has also worked well for all parties.

"In many ways, this has been a unique project with a number of special adaptations to make a rather down-at-heel listed building into a modern city library. It has been very successful and has also been a boost for Kalmar and the people who live and work here", says Stefan.

"History and modern architecture are interacting here"

Stefan Jönsson, project manager, Klöver





Halmstad Gate in central Halmstad.

WEST REGION

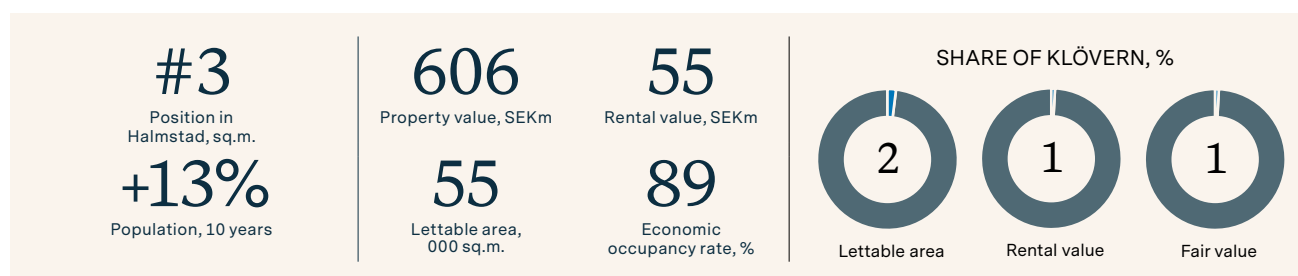
Halmstad

In 2020, the Halmstad business unit has focused work on surveying the need for energy optimization of buildings in parts of the portfolio, in order to achieve the goal of achieving energy consumption of below 100 kWh per square metre.

During the year, a six-year lease contract was signed with Försäkringskassan for around 2,300 sq.m. of office premises in a planned new building beside Lokstallarna in Halmstad. The new building will be five stories high and consist of a total of around 2,700 sq.m. of offices. Moving-in is expected to take

place in the second quarter of 2022. A business centre (First-Office) will also be established in the new building. In addition, a large lease contract has been signed with Nobina in Lokstallarna for just over 2,400 sq.m. during the year.

The property Ostkupan 3 is also undergoing a major development with a number of new tenants on their way in; the same applies for Slåttern 2 in Flygstaden, among others.



Real estate operations



Property Management

In 2020, property management has delivered stable flows with a development in a comparable portfolio, i.e. properties owned for the whole of 2019 and 2020, in line with the previous year. Income decreased by 1 per cent and the operating surplus was virtually unchanged. The economic occupancy rate for investment properties was 90 per cent at the end of 2020.

Properties

PROPERTY PORTFOLIO

At year-end 2020, Klöver had a total of 350 properties (343), excluding the 12 properties included in Tobin Properties' portfolio which are all classified as current assets. The 350 properties are located in 26 Swedish municipalities (25) and in Copenhagen and New York. The total property value was SEK 57,448 million (52,377), the lettable area was 2,551,000 sq.m. (2,542,000), of which investment properties comprised 2,249,000 sq.m. (2,222,000) and development properties 302,000 sq.m. (320,000). The rental value amounted to SEK 3,846 million (3,819).

The change in the value of properties during 2020 resulted from acquisitions of SEK 2,613 million (959), divestments of SEK 275 million (5,029), investments of SEK 2,376 million (1,550), unrealized changes in value of SEK 1,206 million (2,111) and foreign currency conversion of SEK -849 million (73). The value of the properties has increased, mainly due to investments made in connection with new letting, lower yield requirements and rising market rents.

INCOME AND AVERAGE RENT

Income amounted to SEK 3,294 million (3,638) in 2020. The decrease in income is mainly attributable to divestments of properties in 2019, including the whole portfolio in Karlstad and

COMPARABLE PORTFOLIO¹

	31.12.2020	31.12.2019	Change, %
Lettable area, 000 sq.m.	2,452	2,453	0%
Let area, 000 sq.m.	1,952	2,007	-3%
Fair value, SEKm	49,831	47,972	4%
Yield requirement, %	5.4	5.5	-0.1 pp
Economic occupancy rate, %	88	89	-1 pp
Area-based occupancy rate, %	80	82	-2 pp
Income SEK/sq.m.	1,602	1,569	2%
SEKm	2020	2019	
Income	3,128	3,150	-1%
Property costs	-1,015	-1,029	-1%
Operating surplus	2,113	2,121	0%

1) Refers to properties owned during the whole of 2019 and 2020.

all investment properties in Örebro, which together accounted for SEK 274 million of the income in 2019. Covid-related discounts had a negative impact amounting to SEK 11 million in 2020. Income for a comparable portfolio, i.e. properties owned for the whole of 2019 and 2020, decreased by 1 per cent to SEK 3,128 million (3,150).

The average rent on investment properties is calculated on the basis of the contract value and area let and amounted to SEK 1,624 per sq.m. (1,606) as at 31 December 2020. The average rent varies between different regions depending on the type of property, the location of the properties and the local rental market. Inflation, measured as KPI (CPI) for October 2020 was 0.3 per cent and thus has a positive impact on the contract value in 2021.

PROPERTY COSTS

Property costs increased to SEK 1,100 million (1,175), partly due to divestment of properties but also due to lower costs for energy and repairs & maintenance. Property costs for a comparable portfolio decreased by 1 per cent and amounted to SEK 1,015 million (1,029).

Provision for and actual rent losses amounted to SEK 26 million (12), or 0.79 per cent (0.33) of the total income.

PROPERTY COSTS FOR A COMPARABLE PORTFOLIO¹, SEK/SQ.M.

	2020	2019
Operating costs	208	211
Maintenance and repair	47	58
Property tax	71	70
Property administration	78	74
Rent losses	10	5
Total	414	419

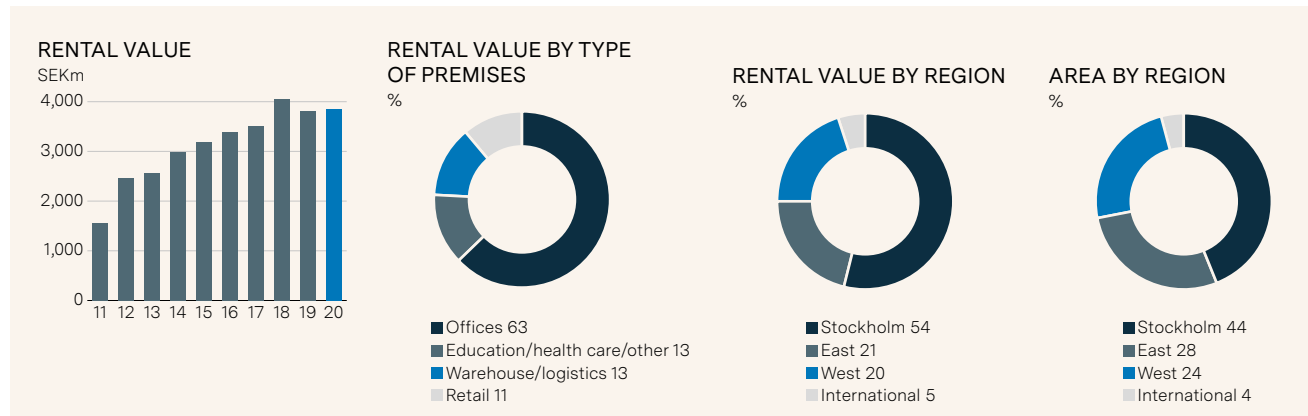
1) Refers to properties owned during the whole of 2019 and 2020.

OPERATING SURPLUS

The operating surplus amounted to SEK 2,194 million (2,463). For a comparable portfolio, the operating surplus amounted to SEK 2,113 million (2,121).

OPERATING MARGIN

The operating margin was 67 per cent (68). For investment properties, the operating margin was 69 per cent (70).



INCOME STATEMENT ITEMS AND INVESTMENT PER ORGANIZATIONAL UNIT AND PROPERTY SEGMENT

	Income, SEKm		Property costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Stockholm region	1,760	1,806	-617	-596	1,143	1,210	65	67	570	453
East region	711	740	-226	-243	485	497	68	67	471	332
West region	614	621	-206	-227	408	394	66	63	318	234
International	209	197	-51	-25	158	172	76	87	1,017	459
Divested activities ¹	-	274	-	-84	-	190	-	69	-	72
<i>of which</i>										
Investment	3,055	3,408	-961	-1,033	2,094	2,375	69	70	1,123	660
Development	239	230	-139	-142	100	88	42	38	1,253	890
TOTAL	3,294	3,638	-1,100	-1,175	2,194	2,463	67	68	2,376	1,550

KEY FIGURES PER ORGANIZATIONAL UNIT AND PROPERTY SEGMENT

	Fair value, SEKm		Yield requirement ² , %		Area, 000 sq.m.		Rental value, SEKm		Economic occupancy rate, %	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Stockholm region	30,663	29,534	5,1	5,2	1,118	1,129	2,077	2,078	86	88
West region	9,355	8,485	6,3	6,4	722	708	821	771	89	91
East region	8,675	8,067	6,1	6,2	618	609	752	729	87	87
International	8,755	6,291	4,2	4,2	93	96	196	241	96	100
<i>of which</i>										
Investment	48,472	45,743	5,4	5,5	2,249	2,222	3,504	3,455	90	92
Development	8,976	6,634	4,9	5,2	302	320	342	364	66	71
TOTAL	57,448	52,377	5,3	5,4	2,551	2,542	3,846	3,819	87	90

1) Refers to divested properties in Karlstad and Örebro. 2019's figures for the West and East regions have been adjusted accordingly.

2) Yield requirements are calculated excluding building rights.

Stockholm region consists of the Stockholm North, Stockholm South, Västerås and Uppsala business units.

West region consists of the Gothenburg, Malmö and Halmstad business units.

East region consists of the Linköping, Norrköping, Nyköping and Kalmar business units.



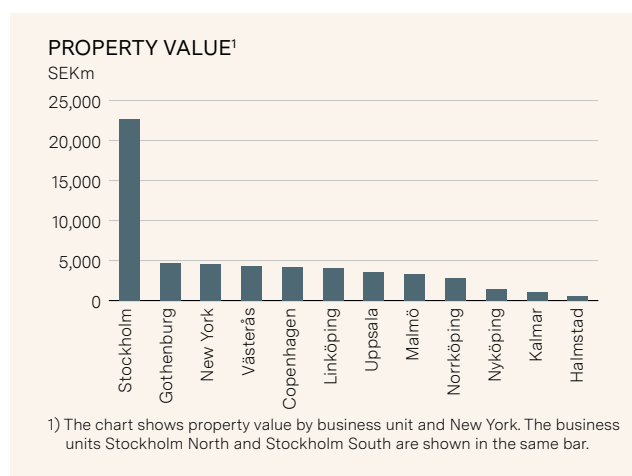
Fairway House in Copenhagen.

INVESTMENT PROPERTIES, AREA AND AVERAGE RENT PER TYPE OF PREMISES

	Offices		Warehouse/logistics		Retail		Education, health care, other ¹		Total	
	Total area, 000 sq.m.	Average rent ² , SEK/sq.m.	Total area, 000 sq.m.	Average rent ² , SEK/sq.m.	Total area, 000 sq.m.	Average rent ² , SEK/sq.m.	Total area, 000 sq.m.	Average rent ² , SEK/sq.m.	Total area, 000 sq.m.	Average rent ² , SEK/sq.m.
Stockholm region	543	2,288	165	1,075	110	1,848	165	1,951	983	1,998
East region	327	1,412	168	723	74	1,235	89	1,320	658	1,218
West region	240	1,593	149	959	66	1,450	59	1,660	513	1,397
International	73	1,990	–	–	–	–	20	2,120	93	2,019
Total	1,183	1,869	481	909	250	1,556	333	1,747	2,248	1,624

1) Comprises education, health care, physical recreation facilities, residential and other areas such as laboratories, fair, postal facilities and technical spaces.

2) Calculated on the basis of total contract value for Office, Warehouse/logistics, Retail and Other premises, and the let area.



OCCUPANCY RATE

The economic occupancy rate, lease contract value in relation to rental value, amounted to 87 per cent (90) at the end of 2020.

The economic occupancy rate for investment properties totalled 90 per cent while it was 66 per cent for development properties. The area-based occupancy rate totalled 79 per cent (81).

The area-based occupancy rate for investment properties was 83 per cent and the corresponding figure for development properties 56 per cent.



Klöver staff outside the new city library in Kalmar.

Tenants

NET MOVING-IN

The external net moving-in was negative during the year and totalled SEK –90 million (130), based on tenants moving in at a value of SEK 190 million (291) and vacating tenants at SEK 280 million (161). Lettings affect the rental value and rental income from the date that tenants move in.

The single largest tenants moving in during 2020 were Padel Partner in Gothenburg, Ahlsell in Norrköping and Volvo Cars in Stockholm. Tenants which have signed larger contracts during the year, but which have not yet moved in, include a 5-year lease with Smartoptics Sverige in Stockholm and a 5-year lease with Byggnads Väst in Gothenburg.

KLÖVERN'S TEN LARGEST TENANTS

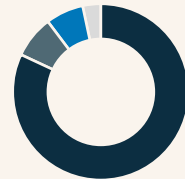
Tenant	Contract value, SEKm	Share of total contract value, SEKm	Average remaining contract term, years	Number of contracts	Area, 000 sq.m.
Ericsson	261	7.7	4.5	25	130
Tele2 Sverige	77	2.3	6.9	38	26
WSP Sverige	57	1.7	4.5	12	22
Codan Forsikring	42	1.3	1.5	1	19
Copenhagen Business School	41	1.2	7.9	1	19
CGI Sverige	35	1.0	2.6	19	16
Region Östergötland	32	1.0	6.6	15	20
Arbetsförmedlingen	29	0.9	2.2	21	14
ECDC	28	0.8	12.2	1	9
Elite Hotels of Sweden	25	0.7	16.2	3	10
TOTAL	627	18.6	5.4	136	286

CONTRACT VALUE BY CUSTOMER CATEGORY
%



■ Private companies 58
■ Listed companies 29
■ Public sector 13

LEASE CONTRACTS BY VALUE
Number



■ 5,744 < 0.5 SEKm
■ 541 0.5–1 SEKm
■ 482 1–3 SEKm
■ 230 >3 SEKm



The property Skevrodret 1 in Malmö with Klöver's business unit in Malmö as one of the tenants.

TURNOVER RATE

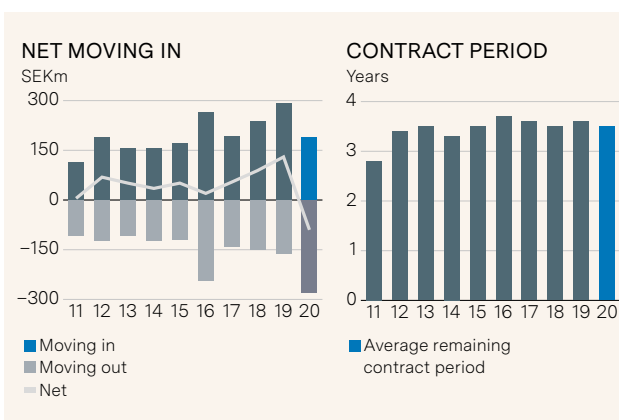
Limiting tenant turnover has a positive effect on earnings by a reduced loss of income due to fewer vacancy periods and lower costs for tenant customizations. Through structured customer meetings with the tenants, needs can be anticipated and customer loyalty increased.

During 2020, tenant turnover amounted to 7.3 per cent (4.4) and the average during the past ten years is 5.6 per cent.

CUSTOMER STRUCTURE AND CONTRACT VALUE

Klöver's business approach is reflected in 99 per cent of the contract value consisting of commercial lease contracts. At year-end, private companies accounted for 58 per cent (56), listed companies for 29 per cent (29) and public sector entities for 13 per cent (15) of the lease contract value. In all, Klöver had 7,000 lease contracts (7,200) with approximately 4,100 tenants (4,300) at the year-end. Out of all premise lease contracts, measured as a proportion of the contract value, 21 per cent (18) expire during 2021. The average lease term amounted to 3.5 years (3.6). Klöver's total contract value amounted to SEK 3,365 million (3,418) at the end of the year. Of the total contract value, excluding supplements, 87 per cent was indexed in relation to Sweden's consumer price index (KPI) or Denmark's net price index (NPI). 87 per cent (88) of the portfolio in Sweden was indexed in relation to KPI, while 96 per cent (98) of the portfolio in Denmark was indexed in relation to the NPI.

The share of the ten largest customers of Klöver's contract value amounted at the year-end to 19 per cent (19) and the average contract term for these was 5.4 years (5.0).

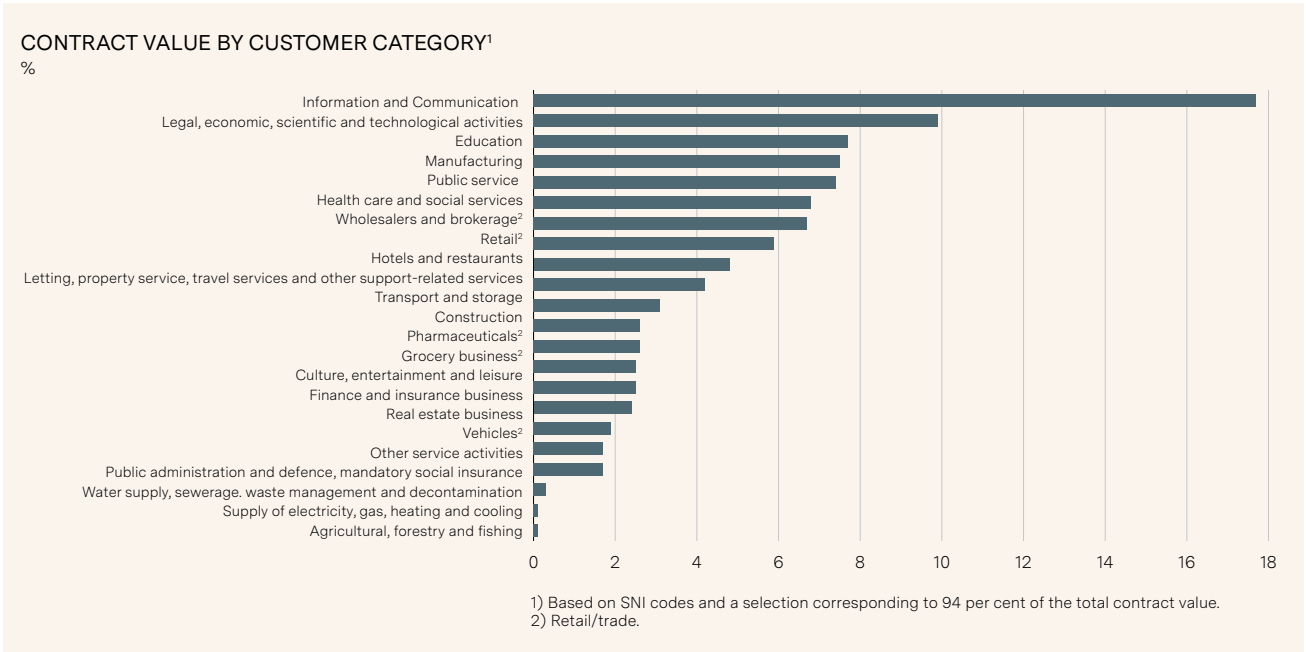


NKI – SATISFIED CUSTOMER INDEX

NKI measurements are carried out every other year. The most recent measurement was carried out in the autumn of 2019 with a total result of 70 (69) on a scale from 0 to 100. This is a good result, even if it is still just short of Klöver's goal of at least 75. Tenants score Klöver highly in the categories Service Report and Customer Care & Personal Service, but there is room for improvement in Customer dialogue and Repairs & Maintenance.



Staff at Klöver outside Kista Gate in Stockholm.



Concept Development

Klövern has a number of growing complementary activities which aim at supporting Klöverns core business. These activities have clear growth and profitability targets and can also be targeted on a broader group than Klöverns own tenants.



FirstOffice

FirstOffice is Klöverns coworking and business centre chain with just under 60 establishments in Sweden. FirstOffice's activities are primarily aimed at offering a workplace solution for those looking for 1–15 work places with shared facilities such as a kitchen, meeting rooms, etc. Despite the ongoing pandemic, demand has been relatively stable for FirstOffice's product with a positive net letting for the whole year. FirstOffice's business is operated as a separate organization with its own business unit manager and with site managers at the respective location. FirstOffice's income and earnings are not reported separately externally.



Big Pink → Servistore

For many years, Big Pink has been Klöverns wholly owned storage chain. Offering storage both to private individuals and corporate customers has been popular and several of the facilities can report a high occupancy rate. In the autumn of 2020, Klöverns signed a contract to acquire 50 per cent of the shares in the self-storage player Servistore. At that time, Big Pink had seven facilities in Sweden while Servistore had nine. In 2021, Big Pink's facilities will be digitalized and change name to Servistore.

The plan is to continue to expand the portfolio of self storage facilities in the coming years, both in Klöverns property portfolio and also at external property owners. During 2021, an additional facility has opened in Visby and the plan is to open a new facility in Nyköping during the second quarter.



Klövern Padel

In March 2020, Klöver opened its first padel facility in Kista. The popular padel sport is growing rapidly in Sweden and the booking rate at the facility has been very high during the year. For Klöver, the investment aims at developing the Kista/Stockholm North workplace area with still more attractive components. Due to the very positive response, a decision has been taken to start work on new padel establishments in Mölndal, Västerås and Norrköping among other places. During the year, Klöver has also chosen to create a jointly owned company with Padel Partners i Sverige AB, which is a company specialized in operating padel facilities. The new company will be called Klöver Padel and will operate both in Klöver's own properties and in padel facilities located at other real estate owners.



Proptech and add-on services

In recent years, Klöver has acquired minority holdings in a number of companies which either improve the managerial efficiency and facilitate letting of commercial properties or offer various add-on services to tenants. Klöver's total investment in these holdings amounted at the year-end 2020/21 to approximately SEK 59 million. Most of the companies, for example Myrspöven which makes properties energy consumption more efficient with the aid of AI and Corporate Fiber which develops fibre networks in commercial properties – are active in proptech, i.e. use of modern information technology in the real estate industry. The holdings include Newst which offers a digital market place for vacant premises, YouBe, which is a US company active in co-working and Elbilio which operates a digital platform for sharing/hiring electric cars.

Project Development

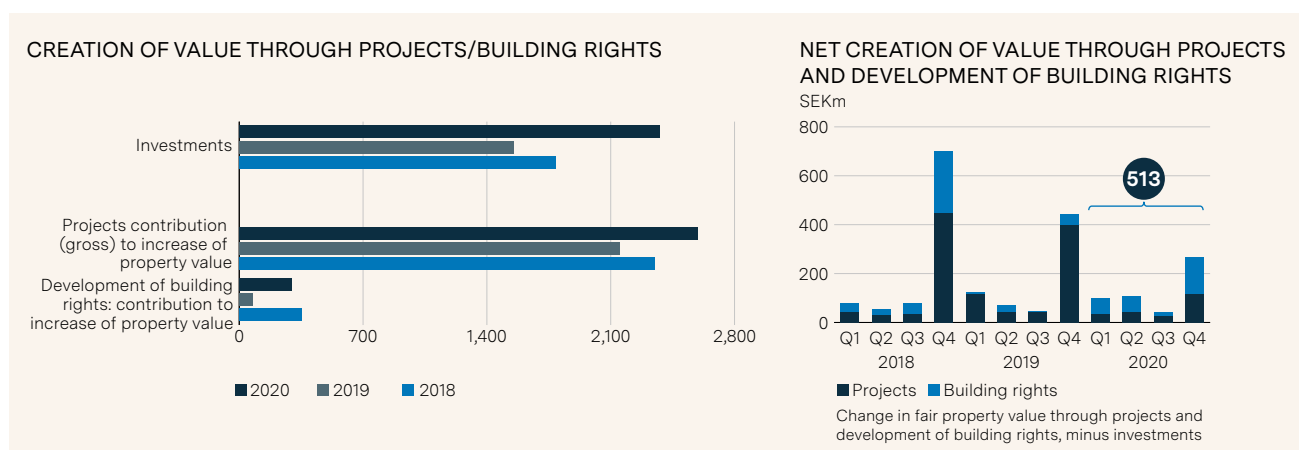
As an active urban developer, Klöver works with strengthening and developing entire city districts, not just individual properties. Investments take place in order to create sustainable urban environments and increasing the value of properties by improved cash flows.

In 2020, Klöver has intensified the development efforts in residential properties and commercial building rights and projects. SEK 2,376 million (1,550) was invested in total. The combined calculated expense for the 377 projects that were ongoing at year-end amounted to SEK 4,465 million (4,074), with a remaining investment of SEK 1,827 million (2,309). Of these projects, 69 (60) have a calculated investment exceeding SEK 10 million.

Klöver's business area for project development combines

the development of commercial properties and housing in the same unit. Project development is an important part of Klöver's business model and the business area has a key role in Klöver's position as a long-term urban developer.

In total, project development including development of building rights contributed SEK 513 million (681) to increases in value of properties during 2020.



KLÖVERN'S LARGEST ONGOING COMMERCIAL PROJECTS

City	Property	Type of project	Contractor	Largest tenant, moving in year/quarter	Project area, sq.m.	Fair value, SEKm	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value due to project, SEKm	Expected date, year/quarter
New York	1245 Broadway	Offices	Triton Construction	-	16,700	1,068	1,122	505	156	21Q3
New York	28&7	Offices	Triton Construction	-	9,100	745	626	264	75	22Q1
Örebro	Olaus Petri 3:234	Hotel/Offices	Peab	Scandic Hotels, 22Q1	8,638	174	274	151	22	22Q2
Linköping	Morellen 1	Offices	Åhlin & Ekroth	Trafikverket, 21Q2	3,687	126	110	18	9	21Q2
Gothenburg	Mejramen 1	Offices	WH FoB	Kollmorgen A., 21Q4	3,519	15	82	70	7	22Q1
TOTALT					41 644	2 128	2 214	1 008	269	

KLÖVERN'S LARGEST PLANNED COMMERCIAL PROJECTS

City	Property	Type of project	Project area, sq.m.	Estimated investment, SEKm	Expected project start, year
New York	417 Park Avenue	Offices	27,300	2,137	2022/2023
New York	118 10th Avenue	Offices	13,200	1,033	2022/2023
Stockholm	Orgelpipan 4	Offices	4,240	225	2021
Örebro	Olaus Petri 3:234	Offices	8,320	177	2021
TOTAL			53,060	3,572	

Commercial projects, New York



1245 BROADWAY

NEW YORK, 1245 BROADWAY

1245 Broadway is Klövern's largest ongoing project and is located on Broadway at 31st street. The 22-story office building has floor-to-ceiling windows. The use of natural light, modern fittings, and minimalist shapes will create a clear feeling of Nordic design. The building is environmentally certified in compliance with LEED Silver. The lettable area will amount to around 16,700 sq.m. when the building has been completed and the project is being carried out in cooperation with the locally based property developer GDSNY, and is estimated to be completed during the second half of 2021. Letting work is in process and in early 2021, Klövern was able to announce the first lease contract for 730 sq.m. of restaurant space on the ground and basement floors of the property with moving in planned to take place in the second quarter of 2022.



28
&7

NEW YORK, 28&7

28&7, a 12-floor office building at 322-326 7th Avenue near 28th Street, is Klövern's second largest ongoing project. The project is located close to Penn Station and major tenants in the area include both Facebook and Amazon. The total lettable area will amount to over 9,000 sq.m and the building will be certified in accordance with LEED Silver. The project is expected to be completed in the first quarter of 2022 and letting work is in progress.



NEW YORK, PARK VIEW (118 10TH AVENUE)

In 2020, Klövern acquired a small property adjacent to the future project Park View at 118 10th Avenue in New York. The acquisition makes possible further improvement of the efficiency of the project and to create a larger footprint. The property is located in the Meat-packing district between 17th and 18th Street, close to The High Line. There are a number of tech companies such as Google, Apple and Samsung in the area and rental levels are among the higher in Manhattan. The ambition is for Klövern, together with GDSNY, to develop a 10-story, LEED Gold-certified office building of over 13,000 sq.m., with construction beginning at the earliest in early 2022.



NEW YORK, 417 PARK AVENUE

In 2020, Klövern acquired all units in a housing co-operative located on 417 Park Avenue at 55th Street in New York. The acquisition was made like other projects on Manhattan in collaboration with the local real estate developer GDSNY. Each of the 29 unitholders sold their units through individual sales contracts and during the year, the work of vacating the building has been in process. The future development of a modern office building at the location is being evaluated and project management is in process.

Commercial projects, Sweden



STOCKHOLM, ORGELPIPAN 4

Orgelpipan 4 is located in the old Klara neighbourhood between Stockholm central station and Sergels torg. The old Klara neighbourhood was demolished through the Norrmalm redevelopment, the extensive revision of the city plan decided upon by the city council in 1945 and carried out between 1950 to 1970, to make space for modern building at the same time as facilitating the extension of the metro.

Orgelpipan was built in 1955 based on the drawings of the well-known architect Lennart Tham.

The exterior of the building is being respectfully renovated, among other things, parts of the white marble on the façade have been refurbished or replaced to raise it to its former lustre. The office and ground floor of 4,200 sq.m. of premises and technical installations are being modernized and priority given to security at the location in the project which is expected to be in process from 2021–2023. The aim is to achieve environmental certification in accordance with BREAAAM.



LINKÖPING, MORELLEN 1

In the first quarter of 2020, Klövern acquired an office/industrial property in Linköping with almost 19,000 sq.m. of lettable area. At the time of the acquisition, two major projects were in process. The smaller of these projects concerned the refurbishment into a gym, X-force, which opened for business in November 2020. The Swedish Transport Administration will move in during the second quarter of 2021 to the larger project where three floors of office space are being added to a part of the building.



ÖREBRO, ÖREBRO ENTRÉ

At the beginning of 2020, the first sod was cut for Örebro Entré. In the first stage of the project, Klövern is constructing a 14-floor building of around 8,600 sq.m. including a nine-story hotel with a restaurant, gym and attractive outside milieus. A 20-year rental agreement has been signed with Scandic Hotels, with moving-in planned for the first quarter of 2022. The hotel, Scandic Örebro Central, will include around 160 rooms and an area amounting to around 5,800 sq.m. The remaining floors will be offices. The first stage of the project is expected to be completed in mid-2022.

The second stage of the Örebro Entré project is a planned refurbishment of a former postal terminal, to encompass approximately 8,300 sq.m. of offices and other premises. In total, Örebro Entré will comprise of around 17,000 sq.m.



HALMSTAD, PART OF HALMSTAD 2:28

Alongside Lokstallarna in Halmstad, Klövern is planning a wholly new building which will have five floors and consist of offices. The social insurance agency Försäkringskassan will rent the largest part of the building but Klövern's own business centre concept FirstOffice will also occupy around 460 sq.m. on the ground floor of the building. Klövern has signed a six-year lease with Försäkringskassan for around 2,300 sq.m. and moving-in is expected to take place during the second quarter of 2022.

In all, there will be over 2,700 square metres of lettable area and the building is intended to be certified in accordance with Miljöbyggnad Silver.

Urban development



Söderstaden

Söderstaden is one of Stockholm's most interesting development areas. The heart of the neighbourhood is at the intersection of the Globen area, the Meatpacking District (Slakthusområdet), Gullmarsplan and Johanneshov. The content of the area with its arenas, offices and retail trade supports the City of Stockholm's vision of Söderstaden as a more multi-functional and dense urban environment which is linked with adjacent neighbourhoods.

Klövern wants to contribute by creating the best conditions for an interlinked, urban, diverse and vibrant urban landscape with improved flows, simple and comfortable journeys and an improved visitor experience.

The new metro exit, adjacent to Globen Shopping, which Klöver is planning, aims to reduce the barrier effect of existing properties and to connect the Meatpacking District and Arenavägen's lower level with the square Globentorget. The improved accessibility will increase interest for arena events, workplaces, housing, retail trade and other activities in the whole Globen area.

At present, Klöver manages approximately 120,000 sq.m. of lettable area in the existing portfolio in Söderstaden. The rental value amounts to around SEK 360 million. To enable expansion of services in Globen Shopping, Klöver and the City of Stockholm are planning land along Arenavägen. Klöver has also signed a contract to acquire the site leasehold to Sandhagen 8, located

at the planned new Evenemangstorget. The property will be planned for commercial building rights and has the potential to develop into one of Söderstaden's most important hubs. Klöver has also signed a contract to acquire the property Hjälpslaktaren 4 in the Meatpacking District which is planned for residential purposes and has during the year obtained a land allocation for an additional 90 housing units in the southern Meatpacking District. In all, additional building rights for commercial purposes are assessed to amount to around 68,000 sq.m. gross area (BTA) in the vicinity.





Uppsala Business Park

Here Klöver is creating a vibrant city neighbourhood and an innovation environment that will attract businesses and talents from the whole world. Uppsala Business Park is associated with world-leading global companies with advanced research and products mainly in the life science sector. Today, UBP houses around 85 different businesses and approximately 3,000 people work at the location. Now the successful culture of collaboration, innovation, belief in the future and research is being further developed to also include more industries and activities which together will contribute to the vitally important issues of the future.

It is not just about creating an attractive location but a context where businesses are able to collaborate and contribute to one another's success. To meet the strong demand, Klöver initiated in 2020 a new zoning plan with mixed form of tenure in accordance with the criteria for a resilient campus environment which will increase the property portfolio many times over and meet future needs for services and premises. The zoning plan is intended to create a building right for around 270,000 sq.m. gross area (BTA) in addition to the existing building rights. Today, Klöver manages around 62,000 sq.m. of premises at UBP and the rental value amounts to approximately SEK 120 million. The aim of the planning work is to create opportunities for a total portfolio of premises of 400,000 sq.m. with 15,000 employees, 1,500 students and 500 student/long-stay residents and 3 million visitors a year.

Measures to open up the park will preliminarily start in 2021 and will take place in parallel with planning work. Planning work is expected to take around two years and the plan can preliminarily obtain legal force in 2022. Strategically located land at the primary entrance to the park and the area's north-eastern entrance was acquired during 2020 and contracts on divestment of land have been entered into for the benefit of adjacent property owners.





Västerås

Klövern manages around 160,000 sq.m. of lettable area with a rental value of approximately SEK 230 million in the City, Mälarporten, Kopparlunden and Öster Mälarstrand areas. In all, around 240,000 sq.m. of new building rights are planned for commercial premises and housing. Through development of the three city center shopping malls and Mälarporten close to the station, Klöver has a strong presence in the hub made up by the heart of the city, the present congress centre, and the travel interchange with public transport, train and bus traffic.

The development of Mälarporten aims at reducing the barrier and strengthening the link between the centre and Mälaren and at present building rights are being planned at Klöver's property Sigurd 3 for commercial and residential buildings alongside the city's new travel interchange.

At a short walking or cycling distance from the centre of Västerås, is the historic Kopparlunden where Klöver is improving existing buildings and land for residential and commercial purposes.

At Öster Mälarstrand, Klöver is planning building rights for housing in surroundings close to nature.



Kista Science City

At Kista Science City, Klöver is creating a city neighbourhood with space for all functions to collaborate. Modern workplaces and educational facilities are complemented by housing, social service, culture, entertainment and retail trade. An attractive destination is growing up here in a complete diverse urban environment where the ambition is to create a vibrant city life within walking distance and round the clock.

Klövern also wishes to contribute to a varied offering of secure green places for play, training and rest as well as working to make use of available green areas such as the close by Kymlinge and Ursvik. Through the link to Helenelund, existing properties and neighbourhoods are being developed to enrich the city enabling new and existing businesses, activities and people to grow and continue to develop.

Klövern is the largest real estate owner in Kista. Its own portfolio consists of a total of 32 properties and around 330,000 sq.m. of lettable area. The rental value amounts to almost SEK 700 million. With the planned development of the area that Klöver is working for, building rights are being created for an additional around 355,000 sq.m., of which approximately 140,000 sq.m. is already included in the zoning plan.

As part of the development of Kista, a popular padel facility was opened during the year, Klöver Padelcenter. The development of Myrvatten/Dalvik is continuing and the zoning plan is expected to attain legal force in 2021 allowing around 460 residential units and space for commercial purposes.

BUILDING RIGHTS

Development potential on the company's own land in the form of building rights within the existing property portfolio has increased over time. Through active zoning plan efforts, Klöver is continually working with developing the Company's portfolio of building rights. This takes the form of developing existing building rights and adding new building rights. As a result of this, Klöver currently has building rights according to local plans (zoning) and/or assessed building rights at all prioritized locations in Sweden. Assessed building rights are building rights that can reasonably be assumed to be created on the basis of the contents of general plans and surrounding zoning plans, given the nature and location of the property. Normally, about 10–20 zoning plan applications are being pursued. This work is conducted in close cooperation with municipalities.

Building rights with zoning plans or assessed building rights (excluding Tobin Properties), commercial and residential, amounted on 31 December 2020 to 1,880,000 sq.m. (1,893,000) and were valued at SEK 1,894 million (1,592). Of these, 427,000 sq.m. (439,000) were building rights with zoning plans.

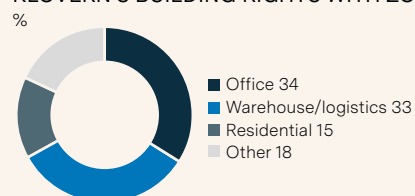
RESIDENTIAL PROJECTS

Klöver is working on a large number of residential projects. The four ongoing projects, which became a part of Klöver through the acquisition of Tobin Properties, comprise a total of around 477 housing units in the Stockholm area.

Residential projects which are planned but not yet under construction are in various stages of development, but they are all for the purpose of creating opportunities for future construction of housing within Klöver's existing property portfolio. There may in the longer term, primarily through new or amended zoning plans, be space within the portfolio for as many as 10,000 apartments, among others in Stockholm, Uppsala, Västerås and Nyköping. In addition, there are 2,550 planned apartments within Tobin Properties where construction has not yet begun.

The pace and extent of future expansion depends in part on which volume of zoning plan building rights for housing that are created going forward and on the development of the housing market. Alternative ways of realizing the value of building rights provide good flexibility when it comes to investment volumes and the balance between risk level and value creation.

KLÖVERN'S BUILDING RIGHTS WITH ZONING PLANS



BUILDING RIGHTS

	Total building rights, 000 sq.m. GA ¹	Building rights with zoning plans, 000 sq.m. GA ¹	Assessed building rights, 000 sq.m. GA ¹	Of which housing of total building rights, 000 sq.m. GA ¹	Fair value, total building rights, SEKm	Fair value, total building rights, SEK/sq.m.
Stockholm North	385	156	229	266	614	1,594
Stockholm South	53	15	38	0	120	2,280
Uppsala	484	18	466	40	426	880
Västerås	309	20	290	201	418	1,350
Stockholm Region	1,231	208	1,023	507	1,577	1,281
Linköping	336	85	251	127	95	282
Norrköping	53	31	22	0	24	463
Nyköping	76	26	51	75	73	958
Kalmar	31	0	31	20	0	0
Örebro	4	4	0	0	25	6,250
East Region	500	145	355	222	218	435
Göteborg	99	27	73	5	81	816
Malmö	38	35	4	0	18	478
Halmstad	12	12	0	0	0	0
West Region	150	74	76	5	99	663
TOTAL	1,880	427	1,453	733	1,894	1,007
Tobin Properties	184	98	86	184		
TOTAL, INCLUDING TOBIN PROPERTIES	2,064	525	1,540	917		

1) GA, gross area refers to the area of measurable sections of one or more floors limited by the external surface of the building elements enclosing them.

Ongoing residential projects



RIO, STOCKHOLM

The Rio project consists of 173 apartments in central Sundbyberg. Rio is the third stage of four in the Sprängaren block, a highly varied building of residential units and premises at street level. Rio is full of social spaces, with many smart solutions which simplify life. The project is ready for occupation.



VYN, STOCKHOLM

The project consists of 96 apartments in Tollare, Nacka. Tollare is like a small town on the waterfront with Stockholm just around the corner and the archipelago in the other direction. All apartments have layouts with views and lines of sight, which makes them very airy as the apartments look out over the surrounding water and green areas. The project is ready for occupation.



UNUM, STOCKHOLM

The Unum project is in central Täby with good transport possibilities. The project consists of 148 studio apartments that make smart use of space with well-thought out layouts and ingenious design. Unum offers an attractive life with social interaction, training and everyday luxury in an inspiring and well thought out environment. The project is ready for occupation.



NACKA STRAND, STOCKHOLM

Around 560 apartments are planned in Nacka Strand where construction started on the first stage of 60 apartments in the latter part of 2020. There is a good offering of service, workplaces and restaurants here, which are directly adjacent to the sea and nature. The good transport possibilities will be further improved by the planned extension of the metro to Nacka.

TOBIN PROPERTIES' LARGEST ONGOING HOUSING PROJECTS

City	Area	Project name	Owner-ship share, %	Specified in zoning plan	No. resi-dential units	Resi-dential units sold	Proportion sold, %	Gross area, sq.m.	Area, sq.m.	Sales start, year	Expected completion, year
Stockholm	Sundbyberg	Rio	100	Yes	173	162	94	11,700	8,700	2017	2021
Stockholm	Nacka	Vyn	100	Yes	96	72	75	9,600	7,500	2016	2021
Stockholm	Roslags-Näsby	Unum	30	Yes	148	131	89	6,900	5,000	2017	2021
Stockholm	Nacka	Nacka Strand 1A	100	Yes	60	0	0	5,000	3,700	2021	2022
Total					477	365	77	33,200	24,900		

TOBIN PROPERTIES' AND KLÖVERN'S LARGEST PLANNED RESIDENTIAL PROJECTS

City	Area	Project name	Owner-ship share, %	Specified in zoning plan	No. resi-dential units		Gross area, sq.m.	Area, sq.m.	Project start, year	Expected completion, year
Tobin Properties										
Stockholm	Tyresö	Golfbäcken 1	44.4	No	180		14,500	10,900	2022	2024
Stockholm	Tyresö	Golfbäcken 2	44.4	No	200		14,900	11,400	2023	2025
Stockholm	Nacka	Nacka Strand 1	100	Yes	180		15,300	11,600	2023	2025
Stockholm	Nacka	Nacka Strand 2 ¹	100	Yes	160		15,400	11,200	2025	2028
Stockholm	Nacka	Nacka Strand 3	100	Yes	160		14,000	11,300	2024	2027
Stockholm	Sundbyberg	Slaktaren 1 ¹	100	No	70		5,600	4,200	–	–
Stockholm	Norra Djurgårdstaden	Kolkajen ²	100	No	150		13,250	9,000	2029	2032
Stockholm	Liljeholmen	Marievik ¹	100	No	300		24,500	17,000	2023	2027
Stockholm	Kista	Kista Square ¹	49.9	Yes	1,000		48,600	27,900	2021	2027
Stockholm	Nacka	Orminge ¹	100	No	150		13,300	10,000	–	–
Total					2,550		179,350	124,500		
Klövern										
Västerås	Västerås	Öster Mälarstrand ¹	100	No	865		80,700	62,900	2022	2034
Stockholm	Kista	Myvatten/Dalvik ¹	100	No	460		51,000	32,900	2021	2031
Nyköping	Nyköping	Spelhamen ^{1,2}	100	No	495		44,700	34,900	2022	2034
Uppsala	Uppsala	Kungstorget ¹	100	No	470		40,000	30,000	2024	2028
Västerås	Västerås	Mälarporten ¹	100	No	400		35,000	27,300	2022	2037
Västerås	Västerås	Kopparlunden ¹	100	No	700		64,820	13,000	2022	2029
Stockholm	Slakthusområdet	Söderstaden, etapp 3 ²	100	No	90		9,000	6,750	2023	2025
Stockholm	Slakthusområdet	Hjälpslaktaren 4 ²	100	no	130		11,550	9,000	2024	2027
Göteborg	Askim	Askim ²	100	No	300		25,000	19,500	2025	2029
Total					3,910		361,770	236,250		

1) Includes properties generating net operating income during development.

2) Purchase contract/land allocation agreement. Transfer of possession when the plan attains legal force.

Planned residential projects



MYVATTEN/DALVIK, KISTA, STOCKHOLM

The project for around 460 new residential units and commercial premises with garage space, pre-school and a new park within the four blocks is Klövern's starting point for the exciting and urban Kista Science City. The local plan has been approved and is expected to attain legal force during 2021.



SPELHAGEN, NYKÖPING

On the western quay of Spelhagen, Klövern is planning to build around 500 residential units in three blocks close to water, the centre and attractive recreation areas. Business premises with service are planned in strategic positions and an old brick warehouse has been retained for this purpose. Zoning plan work is in process and consultations will take place in the first half of 2021.



MÄLARPORTEN, VÄSTERÅS

Planning work is in process for Klövern's property Sigurd 3 which is part of the Mälarpporten development project, located between Lake Mälaren and the centre of Västerås. Sigurd 3 is to be converted from current industrial use into a block with a diversity of functions with premises and residential units. Development and integration of the adjacent station area and travel interchange will simplify everyday life for thousands of commuters and increase the accessibility of the area. The building rights amount to 67,000 sq.m gross area and the zoning plan is expected to obtain legal force in 2022.



MARIEVIK, LILJEHOLMEN STOCKHOLM

Marievik is located at Liljeholmskajen in Stockholm and offers exceptionally good transport links with metro, tram, bus and commuter train stations nearby. The project comprises around 300 residential units, and the zoning plan is expected to be in force in 2021.

Transactions

During 2020, Klöver has continued to streamline its Swedish portfolio at the same time as the national and international portfolios were expanded by acquisitions, including in the USA.

ACQUISITIONS

During the year, Klöver has taken possession of nine properties currently with a lettable area of 35,236 sq.m. The total purchase price was SEK 2,613 million.

In New York, an additional project property was acquired in Manhattan, a 14-story residential building on Park Avenue. It is intended to develop the property together with the local property developer GDSNY. In September, a small complementary property was acquired in New York, adjacent to Klöver's project property at 118 10th Avenue with a view to further improving the project's development potential.

In January, two development properties were acquired in Linköping. The acquisition was made at an underlying property value of SEK 345 million.

On 1 October, the site leasehold to a property in Gothenburg was taken possession of with a lettable area of 1,745 sq.m. On the same day, almost 33,000 sq.m. of land was taken possession of at Fyrislund in Uppsala, as part of the development of Uppsala Business Park.

In October, Klöver, which is one of the largest real estate owners in Söderstaden, also signed a contract to acquire a site leasehold in the Meatpacking District in Söderstaden. The property has a strategically important location adjacent to Klöver's existing portfolio.

At the end of the year, Klöver also acquired a property in central Lund with a mix of residential units and commercial premises.

DIVESTMENTS

In all, the contracts for divestment of properties signed during 2020 have exceeded book values by 20 per cent.

During the year, five properties were divested and handed over with a total lettable area of 15,420 sq.m. for SEK 387 million. Two of the properties were located in Västerås and consist of a mix of office, warehouse, health care premises and residential units. At Fyrislund in Uppsala, a property was divested that contains a laboratory among other activities. In Karlstad, two site leaseholds were divested with residential building rights.

At the end of the year, a contract was signed for divestment of 12 warehouse and logistics properties in Malmö, Lund, Norrköping and Västerås with transfer of possession during the first quarter of 2021. The properties have a total lettable area of around 120,700 sq.m. and the transaction took place at an underlying property value of SEK 610 million. Through the divestment, the property portfolio has been concentrated on office properties to an even greater extent.

PROPERTY TRANSACTIONS IN 2020: ACQUISITIONS

City	Property	Property classification	Lettable area, sq. m.	Quarter
Linköping	Morellen 1	Office	18,817	Q1
Linköping	Mekanikern 18	Land	0	Q1
Visby	Gotland Visby S:ta Maria 37	Övrigt	115	Q1
New York	417 Park Avenue ¹	Office	8,300	Q1
Mölnådal	Väskan 2	Office	2,280	Q2
New York	116 10th Avenue ¹	Office	225	Q3
Göteborg	Göteborg Majorna 223:5	Warehouse/logistics	1,745	Q4
Uppsala	Uppsala Fyrislund 6:7	Land	0	Q4
Lund	St Clemens 8	Office	3,754	Q4
TOTAL			35,236	

1) Project property.

PROPERTY TRANSACTIONS IN 2020: DIVESTMENTS

City	Property	Property classification	Lettable area, sq. m.	Quarter
Uppsala	Part of Fyrislund 6:6	Övrigt	9,518	Q1
Västerås	Manfred 6	Other	4,275	Q3
Västerås	Ringborren 13	Office	1,627	Q3
Karlstad	Viken 2:16	Land	0	Q4
Karlstad	Kanoten 11	Land	0	Q4
SUMMA			15,420	

Property value

On 31 December 2020, the fair value of Klöver's 350 properties (which is excluding properties classified as current assets) was SEK 57,448 million. At the same time, the average yield requirement for the property portfolio, excluding land and building rights, was 5.3 per cent. The changes in value amounted during the year to SEK 1,322 million.

The Swedish real estate market continued to be very strong during 2020. According to Cushman & Wakefield, the transaction volume, amounted to SEK 185 billion, 20 per cent lower than the record year of 2019 but over 10 per cent higher than in 2018. Despite interruption in the second quarter, foreign investors accounted for 24 per cent of the transaction volume in 2020 compared with 28 per cent in 2019 which shows that interest from foreign investors has continued to be at a high level.

Residential properties were the most attractive segment of the transaction market. Housing accounted for 36 per cent of the total volume of transactions in 2020, compared with 32 per cent the previous year. The interest in residential properties and residential building rights is attributable to the housing shortage in Sweden's growth cities. Population growth combined with an

almost complete absence of vacancies for rented properties in strong sub-markets has also led to an increase in demand for investment in the market for rented housing in recent years. Interest in the industrial and logistics market has increased sharply associated with the development that has taken place in e-commerce and its distribution. The segment's share amounted to 20 per cent of the total volume and it has never previously been so high.

During 2020, the share of Swedish investors increased, accounting for 76 per cent of the transaction volume compared with 72 per cent in 2019. Among the international investors, buyers from Norway, USA and Germany have been most active and investors from these countries have together acquired properties in Sweden for SEK 39 billion, corresponding to over 20 per cent.



Part of Klöver's portfolio in Söderstaden, Stockholm.



Glashuset in Gothenburg with the property designation Ugglum 176.

CHANGES IN PROPERTY VALUES

Changes in property values amounted to SEK 1,322 million (2,125) in 2020. The changes in value include realized changes of SEK 116 million (14) and unrealized changes of SEK 1,206 million (2,111), corresponding to 2.5 per cent of Klövern's property value at the beginning of 2020.

At year-end 2020, the average yield requirement for Klövern's properties was 5.3 per cent (5.4), excluding land and building rights. The main reasons for the rise in the value of properties were investments made in connection with new letting, renegotiations and increased operating surplus at a number of office properties. During the period, the value of a number of properties has decreased, mainly due to a weaker development of the restaurant, hotel and retail trade segment.

Klövern's average yield requirement has dropped by 0.1 percentage points compared to the previous year, mainly linked to the strong interest among investors.

VALUATION MODEL

Klövern reports investment properties at their fair value. Every quarter, 100 per cent of the properties are valued, 20–30 per cent normally by external valuers and the rest internally. Every property in the portfolio is valued externally at least once during a rolling 12-month period.

The valuations are yield-based, using the cash flow method, i.e. based on forecasts of future cash flow. The yield requirements of the properties have been assessed on the basis of the unique risks of each property as well as transactions made at the respective location according to the location price method.

All external valuations have been carried out in accordance with the international valuation standard. External valuations have been carried out by Cushman & Wakefield, Savills and Newsec.

Klövern uses yield-based valuation according to the cash flow method both for external and internal valuations.

	Rental income (payments)
–	Operating expenses (payments)
=	Operating surplus
–	Deduction for investments
=	Property cash flow

- The property's cash flow is discounted to present value each year using the cost of capital/discount rate.
- The residual value of the properties is assessed by perpetual capitalization for which the yield requirement is used. The residual value is then discounted by the cost of capital to yield a present value.
- The value of any building rights and undeveloped land is added to the present value.
- The normal period of calculation is five or ten years.
- The long-term development of inflation has been assessed at 2 per cent (The Riksbank's inflation target).

BASIS FOR VALUATION

Every assumption about a property has been assessed individually on the basis of the available material about the property and the market information and experience-based assessments of the external valuers.

RENTAL INCOME

The current lease contracts, as well as known lettings and vacancies, provide the basis for an assessment of the property's rental income. The external valuers have, in collaboration with Klöver's property managers, made an individual assessment of the market rent for vacant areas as well as let areas when the contract expires. The external valuers also assess long-term vacancy in each property.

OPERATING EXPENDITURE

Operating expenditure comprises the costs for the normal operation of the properties, including property tax, repairs and maintenance, property administration and site leasehold charges. The assessment of operating expenditure is based on the properties' budgets and outcome and the external valuers' experiences of comparable properties. The maintenance level of the properties is assessed on the basis of their current condition, ongoing and budgeted maintenance measures as well as the assessment of future maintenance requirements by the external valuers.

INVESTMENT REQUIREMENTS

The property's investment requirements are assessed by the external valuers on the basis of the condition of the property. Klöver informs the external valuers about any ongoing projects. In the event of major vacancies in the property, the need for investments often increases.

YIELD REQUIREMENT AND COST OF CAPITAL

The yield requirement for each property has been assessed on the basis of the unique risk for each property and can be divided into two parts, a general market risk and a specific property risk. Market risk is associated with the general state of the economy and is affected, for instance, by the priority given by investors to different types of assets and financing possibilities. The specific

property risk is affected by the location of the properties, the type of property, efficiency of its use of space, the standard of the premises, the quality of the installations, site leasehold, type of tenant, and the terms of the lease.

From a theoretical perspective, the cost of capital is set by adding a risk-free real interest rate to inflation expectations as well as a risk factor. The cost of capital is calculated individually for every property.

RESIDUAL VALUE

Residual value consists of the operating surplus during the remaining economic lifetime, which is based on the year after the last calculation year. The residual value is calculated for each property by perpetual capitalization of the estimated market-based operating surplus and the assessed market yield requirement for each property. The yield requirement consists of the risk-free interest rate together with the unique risk of each property. A property's unique risk is assessed on the basis of the external valuers' market databases, experience and transactions made according to the location price method in each specific market. The cost of capital/discount rate is used to discount the residual value of the properties to present value.

CALCULATION PERIODS

The calculation periods are mainly five years. The exceptions are properties with substantial contracts which have a remaining term of more than five years. In that case, a calculation period of ten years or the remaining contract term plus at least one year has been used.

BUILDING RIGHTS AND LAND

Properties which have unutilized building rights and land are valued on the basis of the location price method or alternatively a present value based on the estimated market value after development of building rights and land.

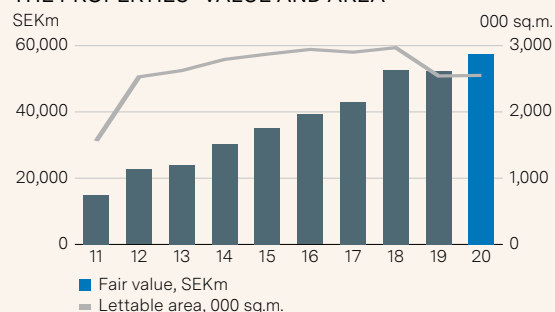
INSPECTION OF THE PROPERTIES

Over a three-year period all properties are inspected by external valuers. Where major refurbishment has taken place, new tenants have moved in, or in other circumstances that may have a significant impact on the value, new inspections are made.

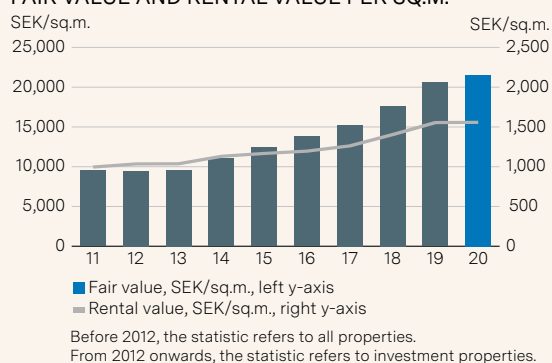


The property Arenan 3 in Söderstaden adjacent to Globen in Stockholm.

THE PROPERTIES' VALUE AND AREA



INVESTMENT PROPERTIES: FAIR VALUE AND RENTAL VALUE PER SQ.M.



SUMMARY

Value date	31 December 2020
Fair value	SEK 57,448 million
Calculation period	Normally 5 or 10 years
Yield requirement for assessment of residual value	Between 3.40 and 9.00 per cent
Cost of capital/discount rate	Between 5.40 and 11.00 per cent
Long-term vacancy	Normally between 5 and 10 per cent
Inflation	2 per cent

PROPERTIES: FAIR VALUE, SEKM

	2020	2019
Fair value as at 1 January	52,377	52,713
Acquisitions	2,613	959
Investments	2,376	1,550
Divestments	-275	-5,029
Unrealized changes in value	1,206	2,111
Foreign currency conversion	-849	73
FAIR VALUE AT YEAR END	57,448	52,377

SENSITIVITY ANALYSIS, PROPERTY VALUATION

	Change +/-	Effect on property value, SEKm	Effect on property value, %
Yield requirement	0.5 percentage point	-4,927/+5,947	-8.6/+10.4
Rental income	SEK 50 per sq.m.	+/-2,393	+/-4.2
Operating costs	SEK 25 per sq.m.	-/+1,197	-/+2.1
Vacancy rate	1.0 percentage point	-/+722	-/+1.3

PROPERTY PORTFOLIO AND VALUATION AT FAIR VALUE

	Fair value, SEKm	No. of properties	Rental value, SEKm	Economic occupancy rate, %	Lettable area, 000 sq.m.	Cost of capital, %	Yield requirement, %	Yield requirement average, %
Stockholm region	30,663	120	2,077	86	1,118	5.40-11.00	3.40-9.00	5.1
East region	9,355	115	821	89	722	6.90-11.00	4.90-9.00	6.3
West region	8,675	103	752	87	618	6.00-10.75	4.00-8.75	6.1
International	8,755	12	196	96	93	5.75-8.25	3.75-6.25	4.2
<i>of which</i>								
Investment	48,472	304	3,504	90	2,249	5.75-11.00	3.75-9.00	5.4
Development	8,976	46	342	66	302	5.40-11.00	3.40-9.00	4.9
TOTAL	57,448	350	3,846	87	2,551			5.3

Finance



Financing

In 2020, Klöver placed special focus on securing long-term, competitive financing. Substantial refinancing was carried out both on the bank and capital markets to extend the period of tied-up capital. At the end of the year, a fully guaranteed new issue of ordinary shares for around SEK 2 billion took place with the view of securing opportunities for continued value creation by developing existing properties and selective acquisitions, and to maintain a balance between equity and liabilities. Klöver's average interest rate amounted to 2.4 per cent at the end of 2020.

The Riksbank maintained its prime rate, the repo rate, unchanged at 0 per cent during the year. Uncertainty about the ongoing pandemic and the pace of recovery of the world economy make it probable interest rates will remain low in the coming years and a new period of negative repo rate cannot be ruled out. Klöver has, however, continued to have a large proportion of its debt portfolio protected against interest rate increases.

KLÖVERN'S FINANCIAL MANAGEMENT

The finance department is an integrated part of the company's core activities and is to keep the long-term cost of borrowed capital at a minimum. Its tasks are to manage the existing debt, take care of new borrowing for investments and acquisitions, improve the efficiency of cash management and limit the financial risks. This work is governed and controlled by the financial policy adopted by the Board once each year. The financial policy establishes the allocation of responsibility for financial matters

and the rules relating to reporting, monitoring and control. Financial matters of strategic importance are dealt with by Klöver's Board of Directors.

CREDIT RATING

In June, Klöver obtained an investment grade rating BBB- with stable outlook from Scope Ratings which has been positive from the point of view of financing. The rating also entailed that capital market products issued by Klöver were covered by the Riksbank's programme for purchases on the second-hand market during the year.

RAISING CAPITAL

Running a real estate company is capital intensive. The total amount of assets, which to a large extent is constituted by the value of the properties, is financed with equity and liabilities.

The proportions of these two depend on various factors such as the cost of the different forms of finance, the focus of the property portfolio and the risk aversion of the shareholders and creditors. For a company like Klöver equity is normally the most expensive form of financing.

On 31 December 2020, Klöver's assets amounted to SEK 62,395 million (57,615), of which investment properties accounted for SEK 57,448 million (52,377) or 92 per cent (91).

Equity

At year-end 2020, Klöver's equity (attributable to the Parent Company's shareholders) totalled SEK 22,649 million (20,031). The equity ratio was 36.3 per cent (34.9). If equity is adjusted for the value of derivatives, goodwill, repurchased shares and deferred tax liability exceeding 5 per cent of the difference between the tax value and the fair value of the properties and placed in relation to the reported assets adjusted for goodwill and right-of-use assets, the equity ratio, referred to by Klöver as adjusted equity ratio, was 43.2 per cent (43.5).

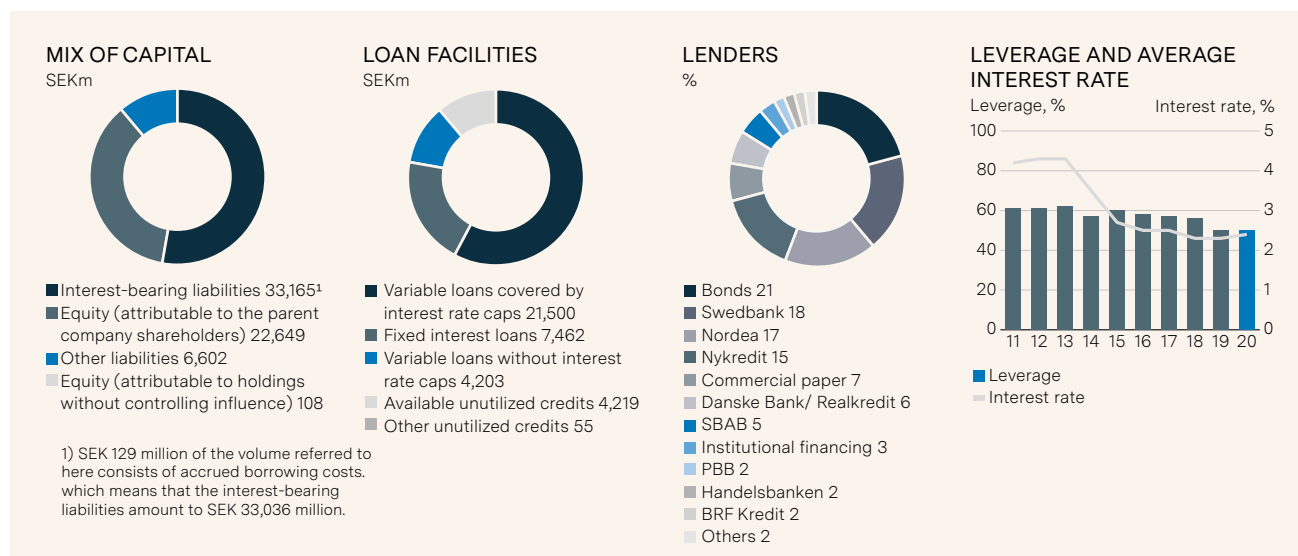
Return on equity is calculated as profit after tax in relation to average equity. As from 2017, the goal is for the return in the

FIXED INTEREST AND TIED-UP CAPITAL

Maturity year	Fixed interest	Tied-up capital			
	Loan volume, SEKm	Contract volume, SEKm	Utilized, SEKm	Of which outstanding bonds, SEKm	Unutilized, SEKm
Variable ¹	25,703	–	–	–	–
2021	50	7,694 ²	5,600	1,750	2,094
2022	14	7,967	7,147	2,500	820
2023	–	6,272	5,590	700	682
2024	898	2,824	2,824	2,000	–
2025	–	8,445	7,767	–	678
2026	–	70	70	–	–
Future	6,500	4,167	4,167	–	–
TOTAL	33,165	37,439	33,165	6,950	4,274

1) SEK 21,500 million of the reported variable volume is covered by interest rate caps.

2) Adjusted for refinancing of a bond in February 2021, and certificates with back-up facilities, SEK 3,174 million remains.



long term to amount to at least 10 per cent. The return on equity was 9.1 per cent (15.9) in 2020. During the past ten years, the average return on equity has amounted to 14.5 per cent. As net profit is not only affected by the operating profit but also by changes in value of properties, currency and derivatives, the level of return varies sharply from year to year.

Klövern is listed on Nasdaq Stockholm and belongs to the Large Cap segment; further information about shares may be found on pages 68–72.

Liabilities

At the year-end, the total liabilities in the balance sheet amounted to SEK 39,638 million (37,455). Interest-bearing liabilities accounted for SEK 33,165 million, of which accrued borrowing costs amounted to SEK 129 million, which entails that the interest-bearing liabilities reported in the balance sheet amounted to SEK 33,036 million (31,538). 89 per cent of the interest-bearing liabilities were in Swedish kronor, 7 per cent in Danish kroner (DKK) and 4 per cent in US dollar (USD).

As interest-bearing liabilities are normally a cheaper form of financing than equity, there is an incentive to have a relatively high share of interest-bearing liabilities, within the given risk mandate. At the year-end, the interest-bearing liabilities accounted for 53 per cent (55) of the total financing. Leverage, measured as interest-bearing liabilities after deduction for the market value of listed shareholdings and liquid funds in relation to total assets amounted to 50 per cent (50). Leverage secured, i.e. interest-bearing liabilities with collateral in properties after deduction for the market value of listed shareholdings and liquid funds in relation to total assets at the end of the period, amounted to 36 per cent (34). Interest-bearing liabilities, which do not have collateral in properties consist mainly of unsecured bonds and commercial paper issued by Klövern.

Practically all loans are based on the variable Stibor rate, which normally makes it possible to change the capital structure

without having to pay early redemption charges. With a view to reducing the interest rate risk, Klövern has chosen to swap 20 per cent (14) of the interest-bearing liabilities, SEK 6,500 million (4,415) for fixed interest with a long maturity. Normal fixed-interest loans total 3 per cent (3) or SEK 962 million (908). Variable loans account for 77 per cent (83) or SEK 25,703 million (26,330), SEK 21,500 million (24,000) of which are covered by interest-rate caps.

During the year, SEK 4,976 million of existing credit facilities have been refinanced and SEK 6,891 million raised in new loans.

Other liabilities consist mainly of deferred tax liability, accounts payable, liabilities for leasing liabilities, prepaid income, derivatives and accrued expenses. At year-end, other liabilities amounted to SEK 6,602 million (5,917) and constituted 11 per cent (10) of Klövern's total financing.

The accrued tax liability amounted to SEK 3,722 million (3,220) and includes differences between the properties' and the derivatives' fair value and tax value. The tax liability is realized when and if the derivatives are sold and the properties are divested as separate properties. There will be no tax effect if companies, with properties as assets, are sold. In Klövern's case, practically all properties are sold in corporate form, which, given current tax legislation, means that it is highly probable that only a small part of the total deferred tax liability will be paid. The difference between the tax value and the fair value of the investment properties amounted to SEK 27,544 million (27,162) at the year-end.

BANKS

At the year-end, bank credits amounted to SEK 22,767 million, corresponding to 69 per cent of the interest-bearing liabilities. The debt portfolio is distributed to a number of credit institutions, the largest being, Swedbank, Nordea, Nykredit, Danske Bank/Realkredit, SBAB, Deutsche Pfandbriefbank, Handelsbanken and BRF Kredit. Liabilities to banks are mainly secured by security in the form of mortgages and pledging of shares.



Klövern's office in Gothenburg at the property Gamlestaden 39:13.

In addition to existing bank loans, Klöver had unused credit facilities and overdraft facilities of SEK 4,274 million (3,760), of which SEK 4,219 million (3,520) was available for immediate use with existing securities. The unused loan facilities are distributed among four lenders and will fall due for renegotiation in 2021–2025.

THE CAPITAL MARKET AND ALTERNATIVE FORMS OF FINANCING

Banks continue to be relatively conservative when it comes to leverage, i.e. the proportion of loans in relation to the property value. Most of the newly extended bank loans have a leverage of around 55–65 per cent. To optimize the company's capital structure, it is necessary to continue to look for alternative sources of finance, such as bonds and commercial paper. The capital raised from alternative sources of financing is not only used to cover the difference between the banks' maximum leverage limit and Klöver's wishes but also to simplify and enable projects and acquisitions.

Bonds

During 2020 real estate bonds to a value of around SEK 139 billion were issued in the Swedish market. The absolute majority of the volume of bonds issued by real estate companies in 2020 were unsecured bonds. Secured bonds at a value of only SEK 2 billion were issued during the year. The Swedish bond market was relatively stable during the year.

During the year, Klöver has established an unsecured Medium-Term Note programme (MTN) with a framework amount of SEK 10 billion. In all, bonds were issued for a value of SEK 2,000 million during 2020, all of them under the new framework. The issues were carried out in collaboration with Danske Bank, Nordea and Swedbank.

Klöver has also a secured MTN programme with a framework amount of SEK 10 billion, which is secured with a property as underlying asset and full mortgage coverage. As at 31 December 2020, SEK 450 million had been issued under the secured MTN programme.

In addition to bonds issued under Klöver's two MTN programmes, there were outstanding unsecured bonds of an additional SEK 4,500 billion.

Klöver has a green framework (Green Bond Framework) that is complied with on issue of green bonds. The framework, which was updated in 2020, has a so-called second opinion

from Cicero and an official ESG rating via Sustainalytics of 15.4. Bonds issued in line with the green framework amounted at year-end to SEK 4,500 million, of which SEK 2,000 million is in the new unsecured MTN programme.

A large number of institutions invest in Klöver's different bonds. A considerable part has also been invested via the banks' various Private Banking activities. Among the investors are pension funds, trade unions, real estate companies, private companies and individual investors. The minimum subscription amount for the bonds issued by Klöver in 2020 was SEK 1.25 million.

Of the bonds issued by Klöver as at 31 December 2020, all were listed on the corporate bond list at Nasdaq Stockholm. Trading in the respective bond loan does not take place at the stock exchange, however, but via Swedish banks and brokers. Some of these market participants publish indicative prices in the respective bond loan on a voluntary basis.

All of Klöver's outstanding bonds have a coupon which is based on a set margin over 3 months Stibor.

OUTSTANDING REAL ESTATE BONDS ISSUED IN SEK

Issuers	Outstanding volume, SEKm
Vasakronan	23 499
Castellum	19 300
Willhem	14 730
Hemsö	14 024
Samhällsbyggnadsbolaget i Norden	13 210
Balder	11 550
Rikshem	9 621
Humlegården	9 150
Kungsleden	8 595
Fabege	7 950
Klöver ¹	6 950
Atrium Ljungberg	6 900
Hufvudstaden	6 200
Jernhusen	5 707
FastPartner	4 300

Source: Swedbank

1) As at 5 March 2021, Klöver's outstanding bonds amounted to SEK 8,800 million.

Commercial paper programme

During 2015, Klöver established a commercial paper programme that is traded via Danske Bank, Nordea and Swedbank. A commercial paper programme works in the same way as bonds with the exception of the period to maturity, which is limited to a maximum of 364 days. The short time to maturity means that the proportion of early maturing credit in the loan portfolio rises but this is compensated by unutilized credit frameworks and overdraft facilities.

In 2020, the size of Klöver's commercial paper programme was unchanged at SEK 4,000 million. Despite the uncertainty of the capital markets at times, commercial paper has been issued continuously during the year. The outstanding volume as at 31 December 2020 amounted to SEK 2,220 million (2,472).

Institutional financing

Nordic institutional investors have enabled bilateral financing of USD 150 million via unlisted secured bonds. The instruments run with a set margin above a variable interest rate of 3 months Libor. Institutional financing is based on long-term relationships and is thus reported as traditional bank loans.

Hybrid bonds

As at 31 December 2020, the total volume of outstanding hybrid bonds was SEK 1,300 million. The hybrid bond loan has a perpetual maturity and is reported as equity in the balance sheet. Klöver is able to redeem the hybrid bonds prematurely on 21 June 2023 and on every subsequent interest payment day.

The instrument runs with a variable interest rate of Stibor 3 months + 600 basis points until the first redemption date.

COVENANTS AND RISK-TAKING

Klöver's financial risk taking and position are shown, among other things, by the key figures equity ratio, interest coverage ratio and leverage. There are sometimes set limit values, known as covenants, in credit agreements with banks and credit institutions specifically for these three key figures.

Klöver's goal is for the adjusted equity ratio in the long term to amount to at least 40 per cent. The banks that have an equity ratio covenant have set 20–25 per cent as the lower limit.

Klöver's goal for the interest coverage ratio target is that it should be at least 2.0, which exceeds the banks' requirements

OVERVIEW OF BONDS – KLÖVERN

ISIN code	Type	Issued	Maturity	Fixed/Variable	Volume, SEKm	Spread over 3-month Stibor on issue, %	Current spread over 3-month Stibor, % ¹
SE0010831198	Unsecured	Jan 18	Feb 21 ²	Variable	1,300	3.50	–
SE0010546747	Secured	Nov 17	Nov 21	Variable	450	1.70	1.24
SE0011063163	Unsecured	Apr 18	Apr 22	Variable	2,500	4.00	1.66
SE0012702785	Unsecured	Jun 19	Jun 23	Variable	700	4.25	2.55
SE0013104205	Unsecured	Oct 20	Apr 24	Variable	2,000	3.25	2.95

1) As at 2 March 2021

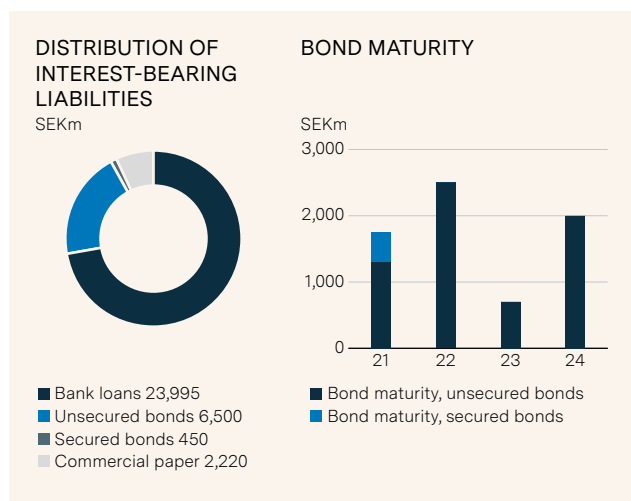
2) The bond maturity was refinanced in February 2021 with a new bond of SEK 2,500 million.



Lokstallarna in Halmstad. Part of the property Halmstad 2:28.

of 1.25–1.50. Klöver has no goal of its own for leverage but the banks' requirements vary between 50 and 70 per cent for individual properties, depending for instance on the volume of collateral.

Klöver met all of the banks' requirements as at 31 December 2020 and expects that it will continue to do so in 2021. The equity ratio was 36.3 per cent (34.9), the adjusted equity ratio 43.2 per cent (43.5), the interest coverage ratio 2.5 (2.6), leverage 50 per cent (50) and leverage secured amounted to 36 per cent (34).



Property mortgages of SEK 29,805 million (28,205) have been provided as collateral for the major part of the interest-bearing liabilities. In addition, Klöver has provided pledges in the form of shares in property-owning subsidiaries and a parent company guarantee from Klöver AB.

AVERAGE INTEREST RATE

At year-end, Klöver's average interest rate was 2.4 per cent (2.3). Excluding costs for derivatives in the form of interest rate swaps and interest rate caps, as well as costs for credit facilities and overdraft facilities, Klöver's average borrowing rate was 2.2 per cent (2.1).

FIXED INTEREST AND TIED-UP CAPITAL

At year-end, the average period of fixed interest, taking into account derivatives, was 3.0 years (2.5).

At year-end, the average period of tied-up capital was 4.3 years (4.1). A contract volume of SEK 7,694 million (5,790) matures during 2021. Adjusted for refunding of a bond in February 2021, and commercial paper with back-up facilities, SEK 3,174 million remains.

DERIVATIVES

Klöver uses derivatives in order to reduce the interest rate risk and achieve the desired fixed interest. Derivatives totalled SEK 28,000 million (28,415) at year-end, corresponding to 84 per cent (90) of the interest-bearing liabilities. Taken together with fixed-interest loans of SEK 962 million, this entails that the

fixed-interest share of credit volume amounted to 87 per cent. Klöver normally uses two types of derivatives: interest rate swaps and interest rate caps.

Holdings of interest rate caps amounted to SEK 21,500 million (24,000) at year-end. Interest rate caps protect against rising variable interest rates by providing interest income when the pre-selected variable market rate in the form of Stibor with a certain maturity passes the strike level. A premium is paid to the bank for the interest rate cap, which is booked as a cost during the time to maturity of the cap and increases Klöver's average borrowing rate. The counterparties for the interest rate caps are Danske Bank, Nordea and Swedbank.

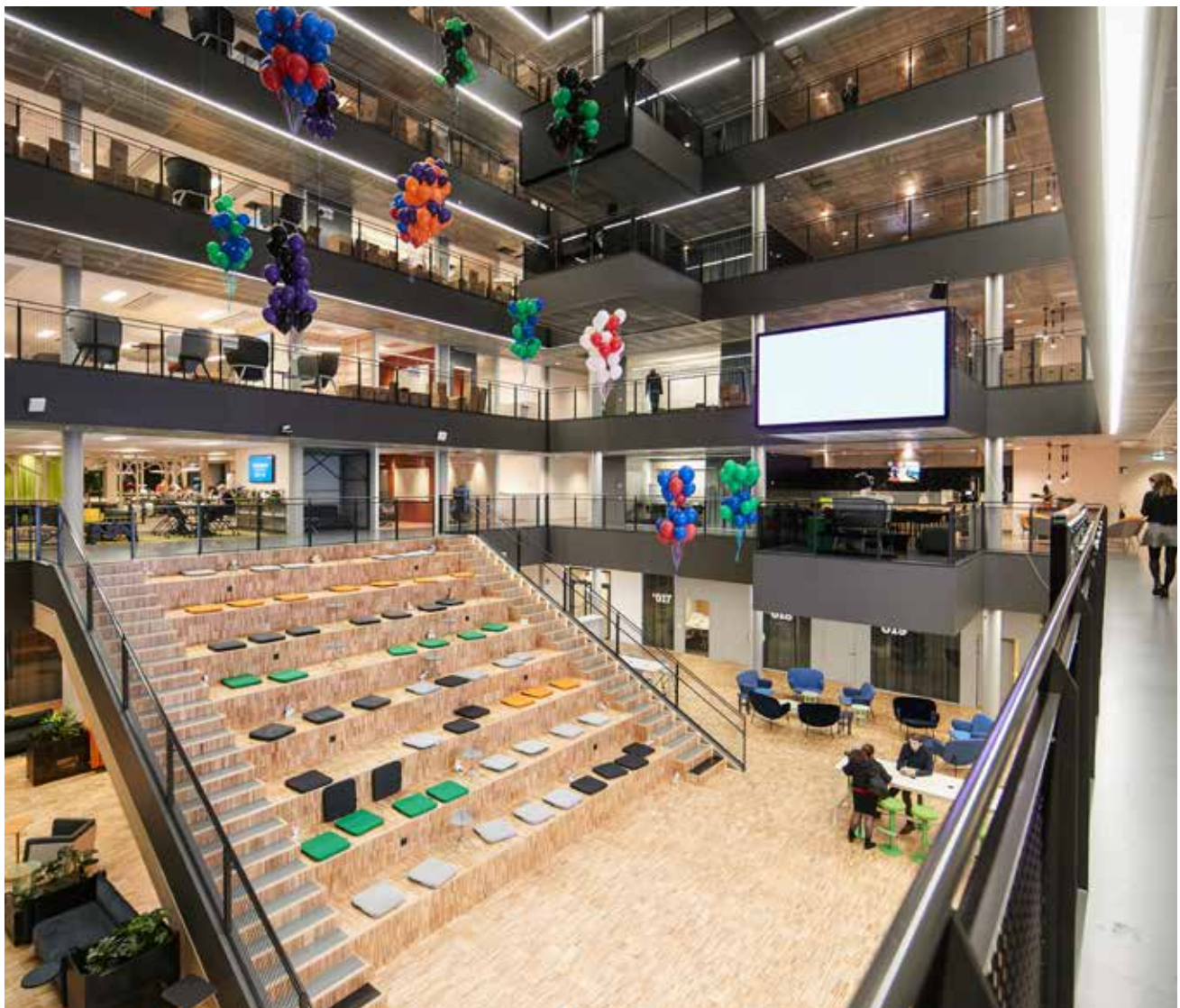
Interest rate swaps entail an agreement between two parties to exchange interest payments with one another. Klöver has chosen in all its swap agreements to exchange variable for fixed interest. The variable Stibor rate is obtained for swaps, primarily

with three months' maturity, and fixed interest is paid varying between 0.34 and 1.25 per cent. At year-end 2020, the volume of interest rate swaps was SEK 6,500 million (4,415). No premium has been paid for the interest rate swaps. The counterparties for swaps are Danske Bank and Swedbank.

Valuation of derivatives

The value of the interest rate caps and swaps changes when market rates change and when the period to maturity decreases. On maturity, the value is always zero. During 2020, the change in value of the derivatives amounted to SEK –32 million (–14), of which SEK 2 million (0) was realized. The value of derivatives at year-end was SEK –86 million (–65).

All changes in value regarding derivatives have been reported in the income statement. Hedge accounting has not been applied.



Tele2's head office at the property Isafjord 8 in Kista.

Shares

Klövern is listed on Nasdaq Stockholm and belongs to the Large Cap segment. The total market value – the market capitalization – of Klövern's registered ordinary and preference shares at 30 December 2020 was SEK 22,703 million.

MARKET INFORMATION

On 30 December 2020, the closing price for Class A ordinary shares in Klövern was SEK 15.55, and for Class B ordinary shares SEK 15.54, while the closing price for the preference shares was SEK 320.

The share price performance during 2020, adjusted for the rights issue made during the year, amounted to –27 per cent for Class A and Class B ordinary shares. The corresponding figures for 2019 were +126 per cent and +124 per cent respectively. In comparison the Stockholm stock exchange, measured by the OMX Stockholm All-Share index (OMXSPI), rose by 13 per cent in 2020 while the OMX Stockholm Real Estate index (SX35PI) fell by 6 per cent. Including two quarterly dividends paid, the total return was –26 per cent for Klövern's Class A and B ordinary shares. The corresponding figures for 2019 were +130 per cent and +128 per cent.

The share price performance of the preference shares during 2020 amounted to –14 per cent. Including the dividend paid of SEK 20.00 per preference share this resulted in a total return of –9 per cent. The corresponding figures for 2019 were +21 per cent and +28 per cent.

Klövern's market capitalization amounted to SEK 22,703 million (27,177) at the end of 2020, of which ordinary shares accounted for SEK 17,441 million and preference shares SEK 5,262 million. The turnover rate was 21 per cent (11) for Class A ordinary shares, 97 per cent (56) for Class B ordinary shares and 39 per cent (33) for preference shares.

DIFFERENT CLASSES OF SHARES

Klövern has three classes of shares: Class A and Class B ordinary shares and preference shares. There are differences between the share classes with regard to voting rights and entitlement to the company's assets and profit. The regulations on voting rights and dividends are decided upon by the Annual General Meeting and can be found in the Articles of Association.

Ordinary shares

Klövern's Class A ordinary shares, which until the middle of November 2014 were called only ordinary shares, have been listed on Nasdaq Stockholm since 2003. A new class of share, Class B ordinary shares, was added in December 2014 through a bonus issue. A Class A ordinary share entitles the holder to one vote unlike a Class B ordinary share, which entitles the holder to one tenth of a vote.

Class B ordinary shares enable growth with limited dilution of votes for Class A ordinary shares.

In connection with the introduction of Class B ordinary shares, a conversion clause was introduced, according to which ordinary Class A shares may at the request of the owner of such shares be converted into Class B ordinary shares. This may take place on two occasions during the year, in January and July. More details about this may be found in article 5.6 of the Company's articles of association and on Klövern's website under the heading Investor Relations. After a total of 2,592,545 Class A ordinary shares had been converted to Class B ordinary shares during 2020, the total number of Class A ordinary shares amounted to 86,698,378 and Class B ordinary shares to 1,035,554,911.

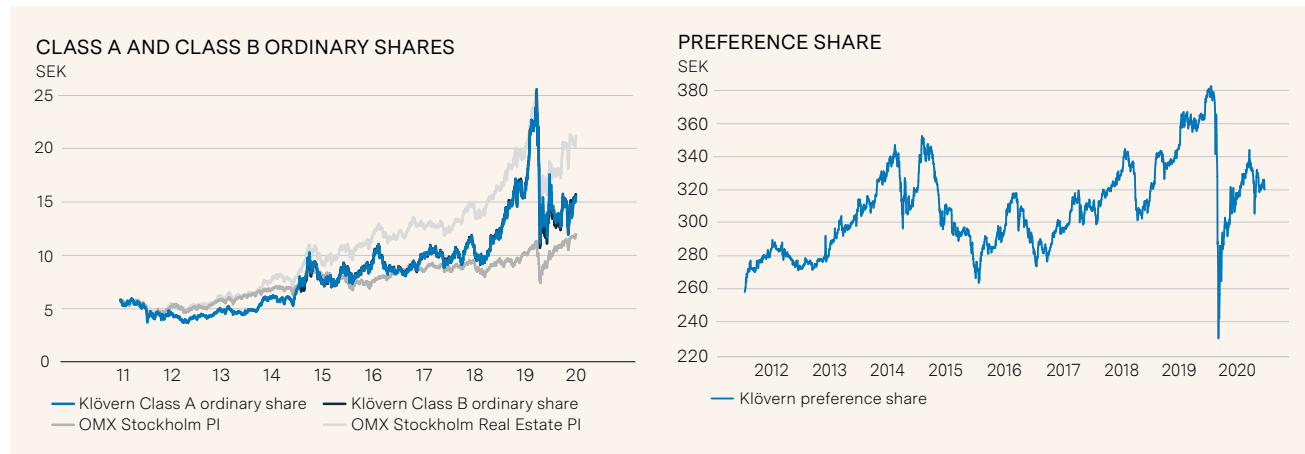
Preference shares

Klövern's preference shares have been traded on Nasdaq Stockholm since January 2012. A preference share entitles the holder to one tenth of a vote. The total number of outstanding preference shares remained unchanged at 16,444,000 during 2020.

Klövern's preference shares confer a preferential right over ordinary shares to an annual dividend of SEK 20.00 per preference share. Payments of the decided dividend are made quarterly with SEK 5.00 per preference share. The preference share does not otherwise confer a right to dividend. If the general meeting decides not to pay a dividend or to pay a dividend below SEK 5.00 per preference share during a quarter, the difference between the dividend paid and SEK 5.00 has to be accumulated and adjusted upwards with an annual interest rate of 8 per cent until the full dividend has been distributed. No dividends may be distributed to the ordinary shareholders until the holders of preference shares have received their full dividend including the withheld amount. Any difference between SEK 5.00 and the dividend paid per preference share is accumulated for each quarter.

The annual general meeting may decide to redeem preference shares, in which case for the sum of SEK 500 plus any withheld amount. In the event of liquidation, the preference shares have priority over the ordinary shares corresponding to an amount of SEK 400 plus any withheld amount.

The record days for payments are the last weekday in the months of June, September and December respectively after the Annual General Meeting and in the month of March the year after the Annual General Meeting.



KEY FIGURES, SHARES

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Equity per ordinary share, SEK ¹	16.17	15.97	13.50	10.42	8.45	6.82	5.39	4.64	4.25	4.98
NRV per ordinary share, SEK ¹	19.87	19.67	16.84	13.52	10.94	8.81	7.11	5.66	5.41	5.52
Equity per preference share, SEK	283.92	283.92	283.92	283.92	283.92	283.92	283.92	283.92	283.92	–
Profit from property management per ordinary share, SEK ¹	0.96	1.19	1.07	0.96	0.86	0.72	0.57	0.46	0.41	0.45
Earnings per ordinary share, SEK ¹	1.67	2.92	3.26	2.35	1.96	1.70	0.95	0.63	0.21	0.49
Share price at end of period, Class A ordinary shares, SEK ¹	15.55	21.29	9.44	10.11	8.72	8.79	7.63	4.82	4.33	4.38
Share price at end of period, Class B ordinary shares, SEK ¹	15.54	21.35	9.55	9.96	8.87	8.83	7.06	–	–	–
Share price at end of period, preference shares, SEK	320.00	373.00	307.00	309.60	288.50	281.50	317.50	300.00	273.50	–
Market capitalization, SEKm	22,703	27,177	14,455	14,922	13,479	13,327	12,232	7,527	6,670	4,165
No. of registered ordinary shares at end of period, million	1,122.3	916.0	916.0	916.0	916.0	916.0	916.0	916.0	916.0	916.0
No. of outstanding ordinary shares at end of period, million	1,031.3	825.0	825.8	876.6	916.0	916.0	916.0	916.0	888.5	884.4
Average no. of outstanding ordinary shares at end of period, million	897.5 ¹	824.9	852.4	902.8	916.0	916.0	916.0	914.9	874.0	884.4
No. of registered preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4	9.3	9.3	–
No. of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4	9.3	9.3	–
Average no. of outstanding preference shares, million	16.4	16.4	16.4	16.4	16.4	16.4	10.5	9.3	5.9	–
Dividend per ordinary share, SEK ²	0.26	0.26	0.46	0.44	0.40	0.35	0.30	0.27	0.27	0.23
Dividend per preference share, SEK ²	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Dividend for ordinary and preference shares in relation to profit from property management, % ²	47	37	53	57	59	62	77	68	83	79
Dividend for preference shares in relation to profit from property management, % ²	26	22	24	26	28	32	42	29	35	27
Dividend yield, Class A ordinary shares, % ²	1.7	1.1	4.5	4.1	4.3	3.7	3.7	5.3	5.9	4.8
Dividend yield, Class B ordinary shares, % ²	1.7	1.1	4.5	4.1	4.2	3.7	3.9	–	–	–
Dividend yield, preference shares, % ²	6.3	5.4	6.5	6.5	6.9	7.1	6.3	6.7	7.3	–
Total return, Class A & B ordinary shares, % ³	–26.1	127.8	–0.2	14.4	4.2	28.9	53.0	17.2	3.7	–19.4
Total return, preference shares, %	–8.8	28.0	5.6	14.2	9.6	–5.0	12.5	17.0	–	–

1) Adjusted for the discount (bonus issue component) in the preferential emission which took place in Q4 2020, weighted average correction figure A/B 0.929.

2) For 2020, based on proposed dividend.

3) Based from 2015 on Class B.

ISSUES

After the new issues of preference shares that took place during 2014 and the bonus issue 10:1 of ordinary shares of Class B, which took place at the end of the same year, no new shares have been issued before the rights issue of Class A and Class B ordinary shares which took place during the fourth quarter of 2020.

Through the rights issue, where four existing ordinary shares conferred the right to subscribe to one new share of the same class, a total of 206,259,309 ordinary shares were issued, which contributed SEK 2,063 million to Klöver before deduction for issue costs.

REPURCHASE

Since 2007, the Board of Directors of Klöver has been authorized by the Annual General Meeting to repurchase shares up to a maximum of ten per cent of the total number of registered shares. This is intended, inter alia, to enable continuous adaptation to the company's capital requirements and thus contribute to increased shareholder value. In accordance with this authorization, Klöver's holding of its own shares amounted to 90,956,740 Class B ordinary shares, corresponding to 8,0 per cent of the total number of registered shares.

DIVIDEND

Klöver's goal is that dividends (on ordinary shares and preference shares) in the long term shall amount to at least 50 per cent of the profit from property management.

The Board of Directors' proposal to the Annual General Meeting for the financial year 2020 is for a dividend of SEK 0.26 (0.26) per ordinary share to be paid in two instalments of 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. This proposal means that the dividend amounts to 47 per cent (37) of the profit from property management. Over the past ten years, this would mean an average dividend amounting to 62 per cent of the profit from property management.

Klöver also has a goal that in the long term dividend to preference shareholders shall not exceed 30 per cent of the

profit from property management. The proposed dividend for 2020 corresponds to 26 per cent (22) of the profit from property management.

During 2020 a total of SEK 526 million (692) has been paid as dividend, of which SEK 329 million (329) to holders of preference shares and SEK 198 million (363) to holders of ordinary shares.

The dates for record days and distribution of dividends are available in the calendar on Klöver's website.

DIVIDEND YIELD

The proposed dividend of SEK 0.26 per ordinary share and SEK 20.00 per preference share corresponds to a dividend yield of 1.7 per cent for Class A ordinary shares, 1.7 per cent for Class B ordinary shares and 6.3 per cent for preference shares based on share prices at year-end 2020.

RETURN ON EQUITY

Klöver's goal for return on equity is that it should in the long term amount to at least 10 per cent. The return on equity attained during 2020 was 9.1 per cent (15.9).

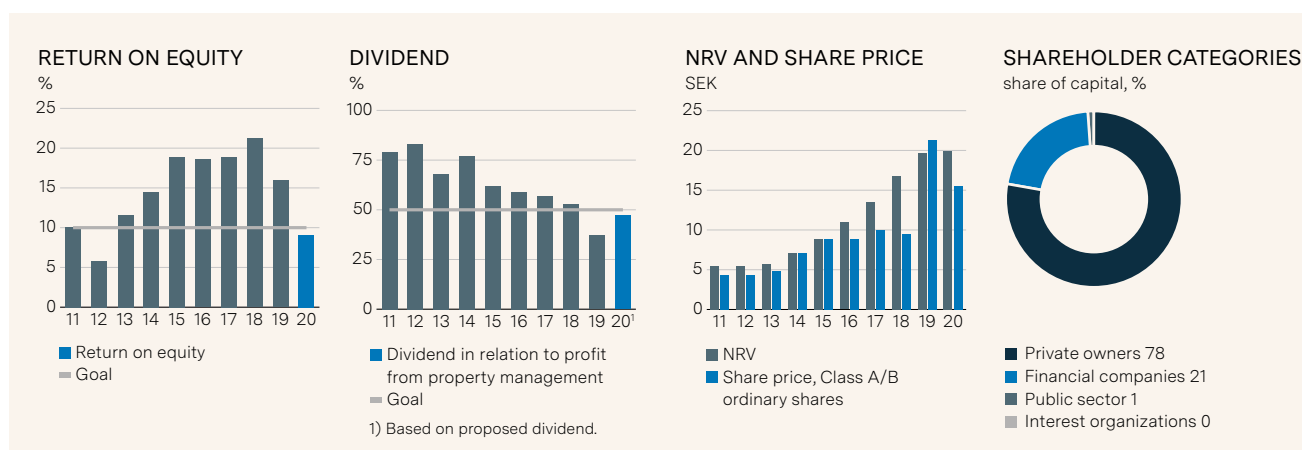
EQUITY PER ORDINARY SHARE AND NRV

Equity per ordinary share amounted at year-end 2020 to SEK 16.17 (15.97). The long-term net asset value per ordinary share (NRV), calculated by adding back derivatives and deferred tax liability to equity, amounted on the same date to SEK 19.87 (19.67).

OWNERSHIP STRUCTURE

At year-end there were 61,203 shareholders (53,843) in Klöver. The 15 largest shareholders represented 67 per cent (63) of the total number of registered shares. 76 per cent (78) of the total number of shares were held by Swedish shareholders.

Rutger Arnhult (via company), Corem Property Group and Gårdariki had shareholdings that each exceeded 10 per cent of the capital as at 31 December 2020.



DEVELOPMENT OF THE SHARE CAPITAL 2010–2020

	No. of Class A ordinary shares	No. of Class B ordinary shares	No. of Class A&B ordinary shares	No. of preference shares	Accumulated share capital, SEK
1 Jan. 2010	166,544,326	–	166,544,326	–	832,721,630
13 Jan. 2012 Cash issue	166,544,360	–	166,544,360	–	832,721,800
13 Jan. 2012 Bonus issue	166,544,360	–	166,544,360	4,163,609	853,539,845
6 March 2012 New issue	166,544,360	–	166,544,360	11,708,140	891,262,500
10 April 2012 New issue	166,544,360	–	166,544,360	11,774,778	891,595,690
19 April 2012 New issue	166,544,360	–	166,544,360	11,775,363	891,598,615
29 June 2012 New issue	166,544,360	–	166,544,360	12,238,363	893,913,615
09 July 2012 New issue	166,544,360	–	166,544,360	12,686,363	896,153,615
14 Sept. 2012 New issue	166,544,360	–	166,544,360	13,598,863	900,716,115
17 Sept. 2012 New issue	166,544,360	–	166,544,360	13,731,338	901,378,490
08 Oct. 2012 New issue	166,544,360	–	166,544,360	17,314,688	919,295,240
08 Oct. 2012 New issue	166,544,360	–	166,544,360	18,419,688	924,820,240
17 Oct. 2012 New issue	166,544,360	–	166,544,360	18,536,338	925,403,490
24 March 2014 New issue	166,544,360	–	166,544,360	18,836,338	926,903,490
11 April 2014 New issue	166,544,360	–	166,544,360	19,823,806	931,840,830
28 May 2014 New issue	166,544,360	–	166,544,360	20,388,000	934,661,800
11 Nov. 2014 Reduction of share capital	166,544,360	–	166,544,360	20,388,000	186,932,360
25/27 Nov. 2014 New issue	166,544,360	–	166,544,360	32,888,000	199,432,360
5. Dec. 2014 Bonus issue	166,544,360	1,665,443,600	1,831,987,960	32,888,000	1,864,875,960
22 Dec. 2014 Reverse split	83,272,180	832,721,800	915,993,980	16,444,000	1,864,875,960
20 Jan. 2015 Conversion	82,187,432	833,806,548	915,993,980	16,444,000	1,864,875,960
3 Feb. 2015 Conversion	81,871,406	834,122,574	915,993,980	16,444,000	1,864,875,960
16 July 2015 Conversion	81,862,506	834,131,474	915,993,980	16,444,000	1,864,875,960
5 Aug. 2015 Conversion	81,862,397	834,131,583	915,993,980	16,444,000	1,864,875,960
4 Feb. 2016 Conversion	79,861,425	836,132,555	915,993,980	16,444,000	1,864,875,960
9 Aug. 2016 Conversion	78,360,480	837,633,500	915,993,980	16,444,000	1,864,875,960
3 Feb. 2017 Conversion	74,787,201	841,206,779	915,993,980	16,444,000	1,864,875,960
3 Aug. 2017 Conversion	74,552,820	841,441,160	915,993,980	16,444,000	1,864,875,960
5 Feb 2018 Conversion	74,389,011	841,604,969	915,993,980	16,444,000	1,864,875,960
3 Aug 2018 Conversion	73,660,263	842,333,717	915,993,980	16,444,000	1,864,875,960
4 Feb 2019 Conversion	73,307,804	842,686,176	915,993,980	16,444,000	1,864,875,960
9 Aug 2019 Conversion	71,951,248	844,042,732	915,993,980	16,444,000	1,864,875,960
6 Feb 2020 Conversion	69,358,703	846,635,277	915,993,980	16,444,000	1,864,875,960
8/16 Dec 2020 New issue	86,698,378	1,035,554,911	1,122,253,289	16,444,000	2,277,394,578

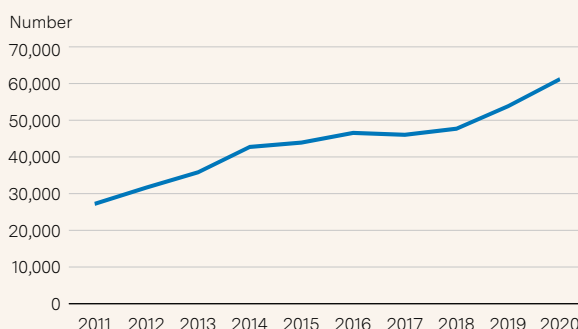


Klövern's head office in Nyköping, the property Ana 11.

BREAKDOWN OF SHAREHOLDINGS

Shareholdings	No. of shareholders
1 – 500	38,332
501 – 1,000	6,978
1,001 – 5,000	10,551
5,001 – 10,000	2,435
10,001 – 15,000	1,033
15,001 – 20,000	472
20,001 –	1,402
BASED ON NUMBER OF REGISTERED SHARES	61,203

NO. OF SHAREHOLDERS



SHAREHOLDERS

Name	No. of Class A ordinary shares, 000s	No. of Class B ordinary shares, 000s	No. of preference shares, 000s	Proportion of share capital, %	Proportion of votes, % ¹
Rutger Arnhult via companies	15,661	159,274	655	15.4	17.3
Corem Property Group	11,875	161,750	–	15.2	15.3
Gårdarike	39,475	77,106	50	10.2	25.8
Länsförsäkringar fund management	–	75,846	–	6.7	4.1
Handelsbanken funds	–	54,773	–	4.8	3.0
State Street Bank and Trust Co, W9	0	50,144	203	4.4	2.8
Swedbank AS (Estonia)	2	23,219	58	2.0	1.3
CBNY-Norges Bank	716	18,738	175	1.7	1.4
Alfred Berg	–	16,221	–	1.4	0.9
JPM Chase NA	1	13,246	197	1.2	0.7
UBS Switzerland AG	208	10,456	15	0.9	0.7
Avanza Pension	666	8,685	717	0.9	0.9
Prior & Nilsson	–	10,051	–	0.9	0.5
SEB Investment Management	–	9,294	14	0.8	0.5
JP Morgan Bank Luxembourg S.A.	–	8,702	–	0.8	0.5
Total major owners	68,604	697,505	2,084	67.5	75.8
Other owners	18,094	247,093	14,360	24.5	24.2
TOTAL OUTSTANDING SHARES	86,698	944,598	16,444	92.0	100.0
Repurchased own shares	–	90,957	–	8.0	–
TOTAL REGISTERED SHARES	86,698	1,035,555	16,444	100.0	100.0

Due to new routines at Ålandsbanken and Banque Internationale à Luxembourg, the banks have registered in Euroclear's shareholder's register as owners to some of their clients' Klövern shares. Klövern assesses that the table above provides a correct picture of the company's 15 largest owners.

1) Repurchased shares cannot be represented at General Meetings.

Taxes

Klövern reports tax expenses in the income statement in the form of current tax and deferred tax. In addition to tax on profit, real estate companies in Sweden pay property tax, value-added tax, stamp tax, advertising tax and energy tax.

CURRENT TAX

Current tax is tax payable for the current year. Current tax is calculated on the taxable profit, which in most cases is less than the reported profit. This is mainly due to the possibility of making use of deductible depreciation on properties, tax deduction for certain refurbishment, tax-free divestments of properties via companies and utilization of tax loss carryforwards from previous years. Current tax can also include tax arising from reassessment of previous years and tax from companies acquired or sold during the year, see also Note 8. The income tax rate for 2020 amounted to 21.4 per cent.

Current tax is the tax paid and thus, unlike deferred tax, has an effect on the cash flow.

DEFERRED TAX

Deferred tax means a schematic calculation of possible future tax. The deferred tax includes changes in deferred tax assets and deferred tax liabilities. The items are reported as net values under deferred tax liabilities in the balance sheet and the deferred tax in the income statement corresponds to the change in the balance sheet item deferred tax liabilities, see also Note 8.

Deferred tax assets are attributable to tax loss carry forwards and are reported to the extent that it is probable that it will be possible to make use of the tax loss carryforwards to set off against future taxable profit and thus reduce tax.

Deferred tax liability is calculated in accordance with the balance sheet method at nominal amounts on temporary differences, that is the difference between the fair value and the tax value of properties and derivatives.

Temporary differences acquired through company acquisitions are handled differently depending on whether they are asset acquisitions or business combinations. No deferred tax liabilities are reported on the temporary differences for asset acquisitions. If the acquisition is classified as a business combination, the deferred tax liabilities are reported for the entire temporary difference.

If a company is sold with the property as an asset, there is normally no tax effect, which means that the previously reported deferred tax is reversed. The tax liability is realized if the properties are sold separately. In Klöver's Swedish companies, deferred tax in 2020 is calculated at a nominal tax rate of 20.6 per cent (20.6) on the difference between reported value and tax value of assets and liabilities. Deferred tax in the Danish companies has been calculated at 22.0 per cent.

OTHER TAXES

In addition to tax on profit, real estate companies pay a number of other taxes. Some of these taxes with the greatest impact on Klöver's profit and cash flow are described below.

Property tax: Property tax is paid on almost all properties in the Group. The amount of tax paid depends on the type of building involved. In the case of offices, tax is 1 per cent of the tax value and for logistics and warehouse properties 0.5 per cent. No tax is payable for special buildings such as communication buildings, educational and health care buildings.

Value-added tax: Properties are exempt from mandatory value-added tax. If letting of premises takes place to a customer who regularly engages in activities subject to value-added tax, the property owner may voluntarily register for value-added tax and in this way be able to deduct input VAT on both operating expenses and investments. No deductions may be made for input VAT for housing and premises not subject to tax. This non-deductible value-added tax is an expense which is charged against profit from property management and has a negative effect on the cash flow.

Stamp tax: Stamp tax (land registration) of 4.25 per cent is payable when acquiring properties in Sweden on whichever is the higher of the purchase price and the tax value. The corresponding tax in Denmark is 0.6 per cent. In addition, stamp tax of 2.0 per cent is payable on mortgage deeds in properties (1.5 per cent in Denmark).

Risk and risk management

A real estate company is exposed to various risks in its business. A number of internal guidelines and policies have been adopted by Klöver to limit exposure to various risks. Risk management is continuously updated and adjusted through a well-developed annual process.

Klöver has identified eight main categories of risks which are shown in the table below. Each of these risk categories is in turn broken down into a number of underlying risks. For example, the category Change in value of properties is affected by the underlying risk geographic mix. As assessment has also been made of how large the impact (Low, Medium, High) of each category of

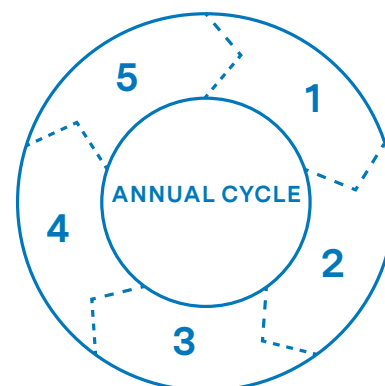
risk is on Klöver as a company and what the probability is on the same scale. The assessment of which are the main categories of risks as well as the underlying risks and management of these risks are continuously updated and adjusted.

The following section includes comments on the eight identified main categories of risk.

RISK CATEGORIES AND UNDERLYING RISKS

Risk category	Impact	Probability	Risk
Change in value of properties	High	Low	Geographic mix Product mix Customer mix Rental levels Occupancy rate Property costs The economy Yield requirements
Project operations	High	High	Project implementation Suppliers Letting
Financial risks	High	Low	Financing Interest rates Currency
Reputation and brand name	Medium	Low	Unethical conduct Corruption Provision of information Security and safety Climate impact
Organization and personnel	Medium	Medium	Competence Working environment
IT security	High	Low	Operational disruption Intrusion into systems Data virus Digitalization
Political decisions and changes in rules	Medium	Low	Tax legislation Environmental legislation
Pandemic	High	Medium	Pandemic

PROCESS FOR RISK MANAGEMENT



- 1. Risk inventory**
Workshop with various parts of operations
- 2. Risk assessment and decision on important risks**
The Executive Management assesses the risks in the inventory on the basis of effect and probability.
- 3. Decision on important risks**
The Board makes decisions on important risks and risk mandates.
- 4. Risk management**
Allocation of responsibility, prioritization and proposed measures. Risks are broken down to unit level and co-ordinated with business planning.
- 5. Follow-up**
The Executive Management undertakes continuous follow-up. Annual reporting on risk-related work to the Board and the Audit Committee.

CHANGE IN VALUE OF PROPERTIES

The value of Klöver's investment properties, the market value of which is continuously assessed, amounted on 31 December 2020 to SEK 57,448 million, corresponding to 92 per cent of the Group's total assets. Change in value of properties is a risk and an opportunity. During 2020, the change in value totalled SEK 1,322 million, corresponding to 2.5 per cent of the value of the properties at the beginning of the year, or 54 per cent of profit before tax for the year.

Change in value is affected by a large number of factors such as the geographic mix and product mix of the portfolio, the mix of customers and how well Klöver has succeeded in managing and developing its properties, which in turn is reflected in rental levels, occupancy rate and property costs. In addition, the economy and the yield requirement in valuations have an effect on the size and direction of changes in value.

Risk management is reflected in Klöver during the past few years concentrating and focusing the property portfolio geographically to fewer – and larger – cities at the same time as the portfolio has to a greater extent been focused in terms of products on modern offices. The customer mix is very diversified in the form of around 4,100 tenants in a broad spectrum of industries which creates stability when the economy slows down. Klöver's largest tenant is Ericsson, whose total contract value at the end of 2020 amounted to SEK 261 million, which corresponds to 7.7 per cent of Klöver's contract value.

KLÖVERN'S TEN LARGEST TENANTS

Tenant	Contract value, SEKm	Proportion of total contract value, %
Ericsson	261	7.7
Tele2 Sverige	77	2.3
WSP Sverige	57	1.7
Codan Forsikring	42	1.3
Copenhagen Business School	41	1.2
CGI Sverige	35	1.0
Region Östergötland	32	1.0
Swedish Employment Service	29	0.9
ECDC	28	0.8
Elite Hotels of Sweden	25	0.7
TOTAL	627	18.6

Klöver conducts credit ratings in connection with all new letting. On the basis of a credit rating, supplementary guarantees, deposits or bank guarantees are required for certain leases. All rents are paid in advance. In 2020, provision for and actual rent losses amounted to SEK 26 million, corresponding to 0.79 per cent of income.

Day-to-day property management takes place through the company's own locally based staff at all business units, with the focus on achieving the best possible long-term mix of rental levels and occupancy rate. As regards property costs, the continuous long-term work with energy efficiency and reduced impact on the environment is very important. To reduce costs

for unforeseen repairs, there is an ambitious maintenance programme with preventive measures.

To manage the risk in the actual valuation of the properties, this takes place in a systematic process, where Klöver values 100 per cent of its property portfolio every quarter, of which 20–30 per cent is normally valued externally. During 2020, the external valuations were performed by Cushman & Wakefield, Savills and Newsec. Every property is externally value at least once during a rolling 12-month period.

The table below shows how many per cent the fair value is affected if Klöver's yield requirement and/or operating surplus is changed.

Sensitivity analysis**SENSITIVITY ANALYSIS – IMPACT ON FAIR VALUE OF PROPERTIES**

		Operating surplus		
		–5%	+/-0	+5%
Yield requirement, %	+0.5	–13%	–9%	–4%
	+/-0	–5%	0	+5%
	–0.5	+5%	+10%	+16%

SENSITIVITY ANALYSIS – IMPACT FROM CHANGE IN VALUE OF PROPERTIES

	–10%	–5%	0%	5%	10%
Change in profit before tax, SEKm	–5,745	–2,872	0	2,872	5,745
Equity ratio, %	32	34	36	38	40
Equity ratio, adjusted, %	39	41	43	45	47
Leverage, %	55	52	50	48	46

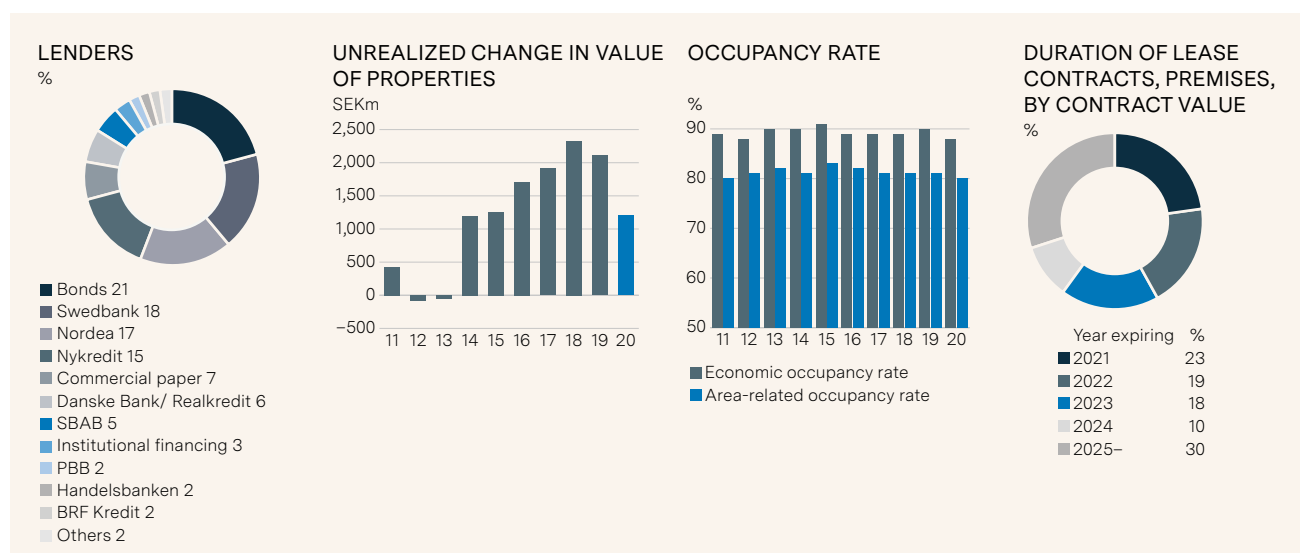
The sensitivity analysis is based on the Group's statement of income for 2020 and the balance sheet as at 31 December 2020. The sensitivity analysis shows the effects on the Group's profit before tax after full impact of each of the variables in the table below. Interest-bearing liabilities and lease contracts run for several years, which mean that changes in level do not have their full impact in a single year but only in a longer perspective.

SENSITIVITY ANALYSIS – EFFECT ON PROFIT BEFORE TAX

	Change +/-	Annual effect on profit, SEKm
Economic occupancy rate	1 percentage point	+/- 38
Rental income	1%	+/- 33
Property costs	1%	-/+ 11
Klöver's average interest rate	1 percentage point	-/+ 332

PROJECT OPERATIONS

There are risks attached to all phases of development and new construction and the risks increase depending on the complexity of the project. This applies both to the total project implementation and to supplier risks, workplace accidents, and the risk that letting of the premises will not proceed as planned.



Risk management takes place, in amongst other ways, by Klövern for a long time – in a large number of projects carried out – having developed a high level of expertise in project organization, which is combined with a dedicated project control and systematic follow-up. In addition, there are clear internal regulatory frameworks and processes for quality assurance, a well-developed code of conduct for suppliers and systematic work with the working environment. On the US market, risk management is assured by external project management by Klövern's local partner.

FINANCIAL RISKS

On 31 December 2020, the interest-bearing liabilities amounted to SEK 33,165 million. 72 per cent of the interest-bearing liabilities consisted of borrowing from banks and credit institutions and just over 28 per cent of borrowing from the capital market via bonds and commercial paper. Of the total interest-bearing liabilities, 7 per cent were denominated in Danish kroner (DKK), while 4 per cent were in US dollars (USD).

Klövern is, among other things, exposed to financing risk, interest rate risk and currency risk.

The financing risk is managed by goals in the financial policy regarding tied-up capital, loan maturity volumes in particular years and loan volumes in relation to counterparts.

For 2020, the goal was for tied-up capital to be at least 2.0 years. Tied-up capital amounted to 4.3 years at year-end. No more than 40 per cent of the total interest-bearing liabilities should mature in any single year according to Klövern's financial policy. Spreading borrowing between many lenders reduces the financing risk. Klövern has loans from a number of credit institutions and its liabilities to any one of them do not exceed the maximum of 40 per cent of Klövern's interest-bearing liabilities. In addition to bank loans, at year-end 2020, Klövern had outstanding bonds totalling SEK 6,950 million and commercial paper of which the outstanding volume totalled SEK 2,220 million.

Klövern has limited the interest rate risks by entering into forward rate agreements. At year-end 2020, the total volume amounted to SEK 6,500 million interest rate swaps and SEK

21,500 million interest-rate caps which, together with fixed-interest loans of SEK 962 million, means that 87 per cent of Klövern's credit was hedged or at a fixed interest at that time. At the same time Klövern is prepared and has approved derivative lines in order to restructure its derivative portfolio if needed.

When the agreed interest for derivatives deviates from the market rate, there is a change in value that affects the company's income statement and balance sheet. However, the change in value has no effect on the cash flow. Through Klövern using various derivatives to manage its interest rate risks and possibly in future its currency risks as well, the Company is exposed to the risk that the value of the derivatives changes. However, on maturity, the value of the derivatives is always zero.

Klövern reduces currency risk in the foreign property holdings by to a great extent financing these properties in the local currencies. According to the financial policy, Klövern's net exposure may maximally amount to ten per cent of total assets.

REPUTATION AND BRAND

Klövern's reputation, including its brand, can be damaged by personnel, the Board, or suppliers acting unethically, in breach of rules, providing insufficient or incorrect information, or otherwise acting in conflict with the Company's values. Furthermore, the brand may be affected if, for example, serious personal injury is incurred by personnel or tenants or if Klövern does not work in a proactive way to reduce the Company's impact on the environment.

To manage these risks in the best possible way, there are a number of guidelines, policies and other documents with clear allocation of responsibility and authorities. These include a clear code of conduct both for personnel and suppliers as well as a communications policy, supplemented with detailed guidelines for communication. As regards the impact on the environment, Klövern has a comprehensive sustainability strategy which includes a number of long-term goals, including energy efficiency.

GOALS AND OUTCOME ACCORDING TO FINANCIAL POLICY

	Goals 2020	Outcome 2020	Goals 2021
Interest coverage ratio	Shall amount to at least 2.0.	✓ Achieved, 2.5.	Shall amount to at least 2.0.
Adjusted equity ratio	Shall in the long term amount to at least 40 per cent.	✓ Achieved, 43.2%.	Shall in the long term amount to at least 40 per cent.
Interest rate risk	At least 50 per cent of total loan volume shall have fixed interest or be hedged. The average period of fixed interest shall be at least 2.0 years.	✓ Achieved, 87%. ✓ Achieved, 3.0 years.	At least 50 per cent of total loan volume shall have fixed interest or be hedged. The average period of fixed interest shall be at least 2.0 years.
Base risk	Tied-up capital shall be at least 2.0 years. At most 40 per cent of the total liability should mature during the same year.	✓ Achieved, 4.3 years. ✓ Achieved, 23%.	Tied-up capital shall be at least 2.0 years. At most 40 per cent of the liabilities should mature during the same year.
Refinancing risk	No more than 40 per cent of the capital requirement should derive from the same lender.	✓ Achieved, maximum share 18%.	No more than 40 per cent of the capital requirement should derive from the same lender.
Currency risk	At most 10 per cent of the total assets	✓ Achieved, 9%	At most 10 per cent of the total assets.

ORGANIZATION AND STAFF

Committed staff with the correct expertise are crucial for Klövern to be able to compete successfully in the real estate industry. There is always a risk that competent personnel will leave the company and that Klövern does not succeed in attracting and recruiting new competence. There is also a risk that the commitment and performance of personnel will be affected if the Company does not communicate in a clear way what its strategy entails, does not provide opportunities for internal development or does not ensure a secure and safe working environment.

These risks are managed, in among other ways, by established processes which ensure long-term provision of expertise, including succession planning for key individuals, good management and an openness for internal recruitment when new posts are to be filled. The Company also works actively to offer relevant development opportunities through Klövern Academy and to take care of the brand as an attractive employer. This includes, for example, that Klövern shall be a sustainable company in all dimensions. As regards understanding of the Company's strategy and values, this is ensured at an early stage by the so-called on-boarding programme which all new staff participate in. Klövern's managers and a safety organization have an important role in ensuring that a good working environment is offered.

IT SECURITY

Klövern is dependent on IT systems for operation of important business systems, including systems that are used by administrative and financial functions in the Company. A number of underlying risks are associated with this in the form of, for example, stoppage of servers and virus attacks, which could have a large negative impact on the Company's operations. There is also a risk that unauthorized persons will intrude into the Company's IT system and cause damage to Klövern or the Company's tenants. Digitalization creates new commercial opportunities, but can also mean new risks including as regards management of personal data.

Klövern engages in continuous proactive work with IT security and the Company's IT policy, combined with the document Guidelines for information security, IT and telephone provides clear guidance for all employees.

POLITICAL DECISIONS AND CHANGES IN RULES

There is a risk that political decisions and changes in rules will lead to a deterioration in the conditions for Klövern's operations. Two examples of such decisions and changes in rules are changed tax legislation and environmental legislation, which could affect future investment opportunities, development of value, development of earnings and financing.

A high level of expertise in the areas concerned is required to be able to manage and respond to new political decisions and rules in the best way. The expertise that Klövern's personnel have is supplemented when necessary by assistance from external counterparties, for example, with regard to financial accounting, tax legislation or other areas of law. It is also important for Klövern to attempt to anticipate changes by continuously monitoring political developments, to be updated on questions concerning the real estate industry and to have an ongoing dialogue with important counterparties.

PANDEMIC

A pandemic risks having an extensive negative impact on the markets where Klövern operates. Klövern is affected mainly indirectly by public authorities' recommendations and decisions which entail various degrees of closing down society and which specifically restrict the business of certain industries. Tenants' reduced turnover may have a negative effect on Klövern through demands for reduced rental levels and temporary rental discounts as well as increased vacancies. There is a risk of this having an effect on Klövern's turnover, cash flow, valuation of properties and the Company's terms of financing.

Klövern manages and reduces the risks entailed by a pandemic by, among other things, having a diversified mix of customers in the form of a broad spectrum of tenants in different industries. A continuous dialogue is conducted with tenants which is combined with an ongoing risk analysis of both industries and tenants. As regards financing, continuous work is performed to create confidence in the company by open and transparent provision of information and an ongoing dialogue with lenders and investors.

Investor Relations

Klövern's IR activities shall strive for good relations with the participants in the capital market, create confidence in the company and in this way contribute to cost-effective financing through the company receiving a fair valuation by the market. IR activities and related provision of information shall take place in compliance with current legislation, the EU Market Abuse Regulation (MAR), Nasdaq's rules, the Swedish financial supervisory authority, Finansinspektionen's guidelines for listed companies, the Swedish Code of Corporate Governance and Klöver's communication policy and guidelines for communication.

Klövern was ranked #2 out of 39 real estate companies in the 2020 edition of Hugin & Munin, Fastighetsvärlden's competition for best information and communication efforts. The ranking, which was conducted for the 22nd time, incorporates a number of aspects such as annual report, property portfolio, projects, sustainability, IR/quick facts, financing, and web/social media. Klöver achieved a #1 ranking for, among other things, the Annual Report – both in the category Professional and in the category Laymen – and for Sustainability. In 2020, Klöver was also nominated for the Swedish Design prize in the category Annual Report Print.

Press releases, interim reports, annual reports and sustainability reports are published and can be downloaded, from Klöver's website which was also relaunched in a completely new version in 2020. It also offers the possibility of subscribing to press releases and reports.

Klövern has a large number of shareholders. On 31 December 2020, the number of shareholders totalled 61,203 (53,843).



EQUITY ANALYSTS

Company	Analyst
ABG Sundal Collier	Tobias Kaj
Carnegie	Erik Granström, Fredrik Cyon
Danske Bank Markets	Philip Hallberg
DnB Markets	Simen Mortensen, Niklas Wetterling
Handelsbanken	Johan Edberg
Kepler Cheuvreux	Jan Ihrfelt
Nordea	David Flemmich
Pareto Securities	Markus Henriksson
SEB	Stefan Andersson

Press releases, 2020

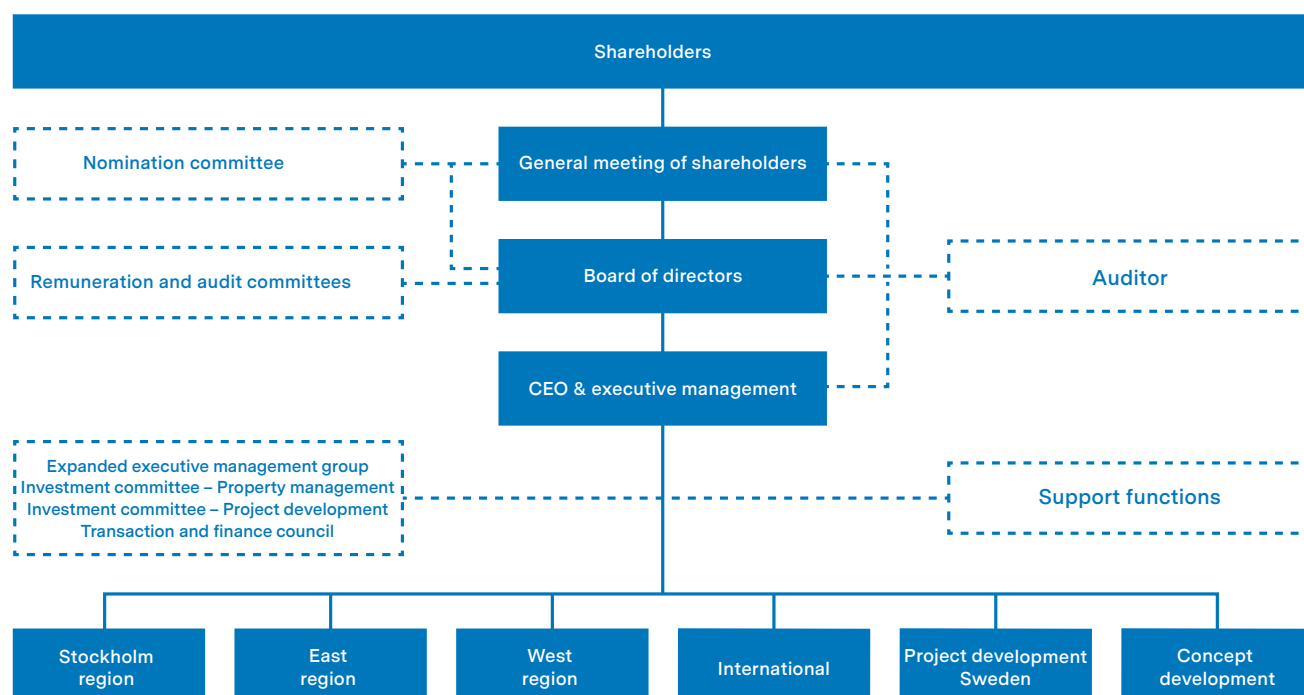
- 2020.02.07 Klöver publishes a base prospectus in respect of the establishment of an MTN programme
- 2020.02.12 Year-end report January–December 2019
- 2020.02.18 Klöver acquires a property in New York
- 2020.02.28 No. of shares in Klöver as of 28 February 2020
- 2020.03.18 Klöver reports the hotel industry's share of contract value and property value
- 2020.03.20 Klöver's annual report and sustainability report for 2019
- 2020.03.26 The board of Klöver adjusts the dividend proposal for the 2019 financial year.
- 2020.03.27 Notice of Annual General Meeting of Klöver AB (publ)
- 2020.04.24 Decisions at Annual General Meeting of Klöver AB (publ)
- 2020.04.24 Interim Report January–March 2020
- 2020.04.28 Klöver announces tender offer regarding outstanding SEK denominated senior secured bonds
- 2020.05.04 Klöver announces final tender results for certain SEK denominated senior secured bonds
- 2020.05.19 Klöver provides information about new financing
- 2020.06.10 Klöver receives BBB-rating with stable outlook from Scope
- 2020.06.18 Klöver divests two properties in Västerås for SEK 116 million
- 2020.07.14 Interim Report January–June 2020
- 2020.10.06 The Board of Directors of Klöver has resolved on a fully covered preferential rights issue of approximately SEK 2 billion supported by the two largest shareholders
- 2020.10.06 Klöver considers issuance of green SEK bonds and announces tender offer for the outstanding 2020 SEK bonds
- 2020.10.07 Notice of Extraordinary General Meeting of Klöver AB
- 2020.10.09 Klöver issues green bonds of SEK 2,000 million and announces results from tender offer for the outstanding 2020 SEK bonds
- 2020.10.21 Interim Report January–September 2020
- 2020.10.30 Klöver acquires half of the self-storage company Servistore.
- 2020.11.09 Klöver acquires a property and signs a land allocation agreement in Stockholm.
- 2020.11.10 Klöver announces terms of the preferential rights issue of approximately SEK 2 billion
- 2020.11.13 Decision of Extraordinary General Meeting of Klöver AB (publ)
- 2020.11.16 Klöver publishes a prospectus regarding its fully covered preferential rights issue
- 2020.11.24 Klöver signs two new rental contracts in Copenhagen
- 2020.11.25 Klöver divests 12 properties in Malmö, Lund, Norrköping and Västerås for SEK 610 million
- 2020.12.04 Klöver publishes provisional outcome of preferential rights issue
- 2020.12.07 Klöver acquires a property in Lund for SEK 134 million
- 2020.12.07 Klöver announces final outcome of preferential rights issue
- 2020.12.22 Klöver signs contracts for extension of rental contracts encompassing approximately 42,000 sq.m. in Kista
- 2020.12.29 Rutger Arnhult leaves his position as CEO of Klöver
- 2020.12.30 Number of shares in Klöver as of 30 December 2020

Corporate governance



Corporate governance report

Klövern AB is a Swedish public limited real estate company which is listed on Nasdaq Stockholm and belongs to the Large Cap segment. Klöver's corporate governance describes how the owners control the company through the general meeting and the board and ensure that the CEO and the executive management create value and deal with the business risks.



The external framework for corporate governance is the Swedish Companies Act, the articles of association, Nasdaq's rules for issuers and the Swedish Code of Corporate Governance (The "Code"). There is also an internal framework issued by the Board, the most important parts being the rules of procedure of the Board, the instructions for the CEO and policies that serve as the framework for day-to-day operations including risk management, ethics and the code of conduct.

The Code, which is supervised by the Swedish Corporate Governance Board, www.bolagstyrning.se, is based on self-regulation. The intention is to create good prerequisites for active responsible ownership. In 2020, Klöver has complied with the Code and there are accordingly no deviations to explain.

SWEDISH CODE OF CORPORATE GOVERNANCE

The Swedish Code of Corporate Governance supplements current legislation and other regulations in order to provide appropriate and effective corporate governance. The code is not binding but deviations require explanation according to the principle of "comply or explain".

SHAREHOLDERS AND GENERAL MEETING

Shares and ownership

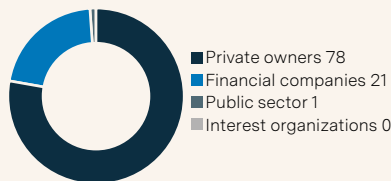
At year-end 2020, Klöver had 61,203 (53,843) shareholders and a share capital of SEK 2,277 million (1,865).



The property Blåfjäll 1 in Kista.

OWNER CATEGORIES

share of capital, %



The shares consisted of 86,698,378 ordinary shares of Class A, 1,035,554,911 ordinary shares of Class B and 16,444,000 preference shares, each with a quote value of SEK 2.00. Of the total number of shares 76 per cent (78) are owned by Swedish investors.

A Class A ordinary share confers one (1) vote while a Class B ordinary share, like a preference share, confers one-tenth (1/10) of a vote.

The fifteen largest shareholders represented together 67 per cent of the total share capital at the end of the year. Three shareholders, Rutger Arnhult via companies, Corem Property Group and Gårdarike, each had a holding that exceeds 10 per cent of the capital at the end of 2020.

During the year, the share capital and the number of votes have changed through a preferential rights issue of Class A and Class B ordinary shares. In addition, the number of voting rights has changed through conversion of Class A ordinary shares to Class B ordinary shares. Further information is contained in the section Shares section on pages 68–72. There are no warrants or corresponding securities that can lead to additional shares in the company.

Articles of association

The name of the company is Klöver AB and the company is a Swedish public limited company, whose shares are listed on Nasdaq Stockholm and belong to the Large Cap segment. The company's corporate ID number is 556482-5833 with its registered office in Stockholm. Klöver AB has head offices in Stockholm and Nyköping. General meetings may be held in Stockholm or Solna. Klöver AB's operations are, either directly or indirectly through subsidiaries, to own, manage, develop and sell properties as well as engaging in compatible activities. Class A ordinary shares, Class B ordinary shares and preference shares can be issued. The Company's financial year is the calendar year. Changes to the articles of association are made in accordance with the provisions of the Companies Act. The articles of association are shown in their entirety at www.klovern.se.

THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2020

Director	Elected	Independent	No. of board meetings attended	No. of meetings of remuneration committee attended	Fee, Board, SEK 000s	Shareholding ³ , % of equity	Shareholding ³ , % of votes
Pia Gideon, Chairman	2013	Yes	21/21	5/5	430	0,0	0,0
Rutger Arnhult, CEO ^{1,2}	2009	No	21/21	–	–	15,4	17,3
Eva Landén ¹	2011	No	21/21	–	210	–	–
Johanna Fagrell Köhler	2018	Yes	21/21	–	210	–	–
Ulf Ivarsson	2018	Yes	21/21	5/5	210	–	–

1) Rutger Arnhult and Eva Landén are dependent in relation to large owners and dependent in relation to the company and the Executive Management.

2) At the turn of the year 2020 Rutger Arnhult also held shares corresponding to 52.2 per cent of the votes in Corem Property Group Source. Corem's Year-end report for 2020.

3) Direct or indirect shareholding in the Company as at year-end 2020. Percentage of votes has been calculated excluding repurchased shares.

Minutes from all general meetings of shareholders are available at www.klovern.se. The 2021 annual general meeting will be held on 28 April 2021. Participation will only be possible by postal voting.



Welcoming courtyard at Kista Gate, Stockholm

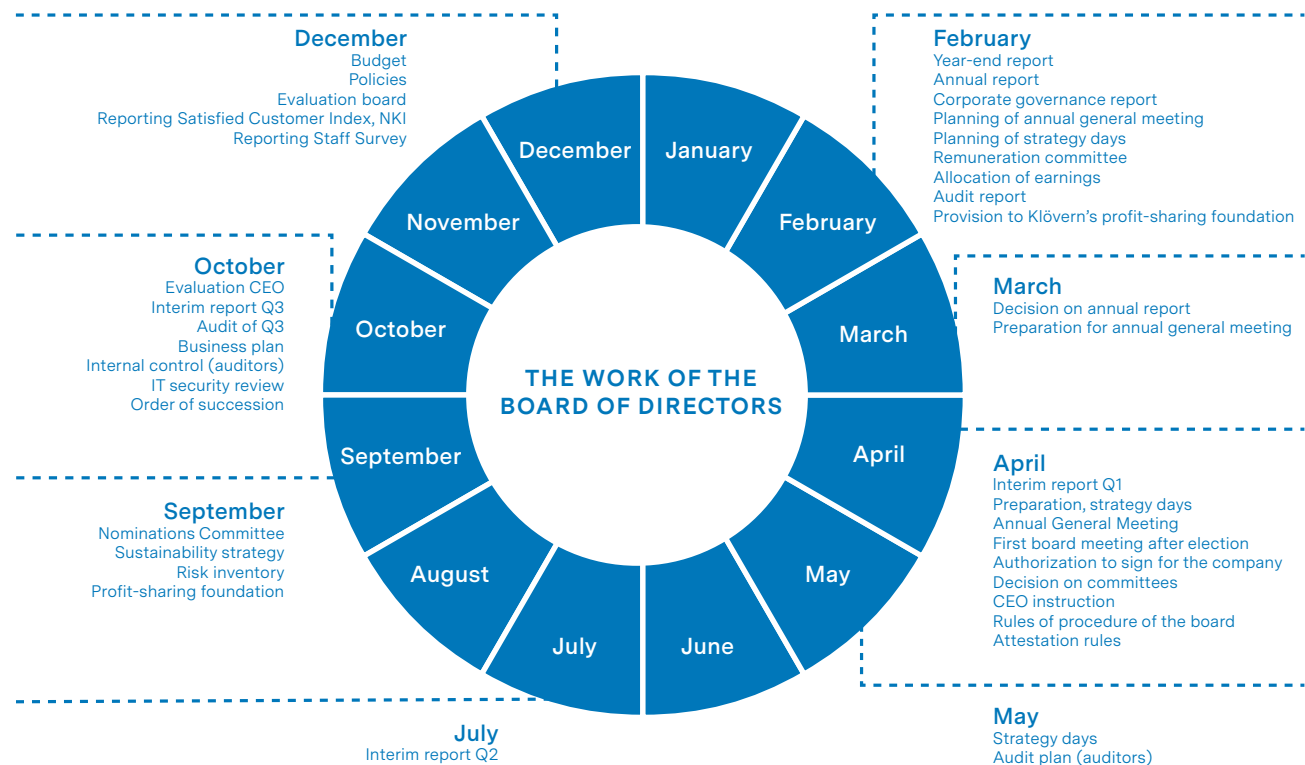
GENERAL MEETINGS OF SHAREHOLDERS AND VOTING RIGHTS

The general meeting of shareholders is subject to the provisions of the Swedish Companies Act and the articles of association and is the highest decision-making body in a limited company. According to the Companies Act and the articles of association, all shareholders, who have a shareholding registered in their own name a certain number of days prior to the meeting and who have notified their intention to attend in the stipulated way, are entitled to participate in the general meeting and vote for the shares they own and represent. Shareholders also have the right to raise issues for discussion at the general meeting provided that the matter has been notified to the Board within the time limits specified in the Companies Act. Notice of general meetings of shareholders is issued in accordance with the Companies Act and the articles of association and is published by the Board. Notice of the annual general meeting of shareholders or an extraordinary shareholders meeting where the articles of association are to be considered shall be given no more than six weeks and no less than four weeks prior to the meeting. Notice of other extraordinary general meetings shall be given no more than six weeks and no less than three weeks prior to the meeting. At the meeting, shareholders have the right to decide, inter alia, on the appointment of the Board and auditors. Decisions at the annual general meeting are made with a majority of votes as stipulated by the Companies Act.

2020 ANNUAL GENERAL MEETING

Klövern's 2020 annual general meeting was held on 24 April at Klövern's property, Kista Gate in Kista, Stockholm. In order to minimize the number of people physically present, because of the Covid-19 pandemic, shareholders were able prior to the meeting to give a power of attorney and voting instructions to a representative appointed by the company or to vote by post. The meeting was attended by 34 persons physically present including shareholders, the Board, the auditor, representatives, assistants, analysts, Klövern employees and other guests. They represented together 64 per cent (30) of the votes in the company. In addition to the mandatory items of business stated in the articles of association, decisions were made, inter alia, on

- A dividend of SEK 0.26 per ordinary share, in two instalments of SEK 0.13 and SEK 20.00 per preference share, over four instalments of SEK 5.00 each.
- Re-election of Pia Gideon as Chairman of the Board. Re-election of directors Rutger Arnhult, Johanna Fagrell Köhler, Ulf Ivarsson and Eva Landén.
- Re-election of Ernst & Young AB, with Fredrik Hävrén as auditor in charge.
- To increase the Board's fee from a total of SEK 1,020,000 to SEK 1,060,000, of which SEK 430,000 (420,000) shall be the fee for the Chairman of the Board and SEK 210,000 (200,000) the fee for each director. No fee is paid to directors who are employed by the company. No additional fee is paid to directors who perform work in committees. The auditor's fee is paid according to approved invoice.
- Renewed authorization for the Board to acquire and transfer the Company's own shares.



The state of the market/business environment, transactions and projects, financial position, culture and organization, and update on strategic initiative are taken up at every Board meeting.

- Renewed authorization for the Board to decide on new issues of ordinary and/or preference shares.
- Adjusted principles for allocation to Klövern's profit-sharing foundation.
- To resume allocation to Klövern's profit-sharing foundation.
- To introduce a cash settled option programme for senior executives, excluding the CEO, and key people in the company related to the share price performance of Klövern's Class B ordinary share. Due to uncertainty and other circumstances in the market, the Board decided, however, not to implement Option Programme 2020.

SHARE REPURCHASE

Klövern has been authorized by the 2020 Annual General Meeting, until the 2021 Annual General Meeting, to repurchase its own shares so that the company holds a maximum of 10 per cent on any occasion of the total number of registered shares.

At the end of the year, the holding of own shares amounted to 90,956,740 Class B ordinary shares (90,956,740), corresponding to 8.0 per cent (9.8) of the total number of registered shares. The repurchased shares do not have any voting rights at general meetings or any rights to dividends.

EXTRAORDINARY GENERAL MEETING 2020

Klövern held an extraordinary general meeting on 13 November 2020. Shareholders were able prior to the meeting to give a power of attorney and voting instructions to a representative

appointed by the company or to vote by post. The meeting was attended by 20 persons physically present including shareholders, the Board, the auditor, representatives, assistants, analysts, Klövern employees and other guests. They represented together 57 per cent of the votes in the company. The extraordinary general meeting approved the board of director's resolution of 6 October 2020 regarding the new issue of Class A and B ordinary shares with preferential rights for the holders of ordinary shares.

The new issue entailed proceeds of approximately SEK 2 billion, before any costs relating to the issue. The purpose is to use the issue proceeds to continue to implement the company's strategy by giving the company room for continued value creation through selective acquisitions to the Swedish or international property portfolio as well as project development of commercial and residential premises. In addition, the issue proceeds will give the company a stronger balance sheet, lower leverage and increased financial flexibility.

NOMINATION COMMITTEE

The work of the Nomination Committee

The 2020 Annual General Meeting decided that the Nomination Committee should be appointed annually and consist of the Chairman of the Board and representatives of each of the four largest shareholders in the Company on the last day of trading in September of the year prior to the annual general meeting. If one of these shareholders when approached does not wish to nominate a member to the committee, the next largest share-

holder who has not yet been approached is to be asked to nominate a member.

The Nomination Committee ahead of the 2021 Annual General Meeting consists of Mia Arnhult (Rutger Arnhult via companies), Fredrik Rapp (Corem Property Group), Lars Höckenström (Gårdarike), Johannes Wingborg (Länsförsäkringars fondförvaltning) and Pia Gideon (Chairman of the Board). Mia Arnhult has been Chairman of the Nomination Committee during the year. No remuneration was paid to the members of the Nomination Committee.

Shareholders wishing to make proposals to the Nomination Committee may do so by e-mail to styrelsenominering@klovern.se or by telephone on +46 10-482 70 00. The Nomination Committee has had three minutes meetings in preparation for the 2021 Annual General Meeting and has also been in contact by phone and e-mail.

The members of the Nomination Committee have considered and established that there is no conflict of interest in accepting the commission of member of Klövern's Nomination Committee. The work of the Nomination Committee has consisted of examining the evaluation of the Board and analyzing the experience and expertise required for the Board to work well based on the Company's strategy, position and business environment. The Nomination Committee has also held individual interviews with the board members. It is also the Nomination Committee's task to take into account in its work the matters referred to in the Code.

In its work ahead of the 2021 Annual General Meeting, the Nomination Committee has considered the company's strategy and its need of expertise in order to create good value growth for shareholders in a long-term sustainable way.

As a diversity policy, the company has applied Rule 4.1 of the Code which entails that there shall be an even gender distribution in the board, and that the Board otherwise, taking into consideration the Company's operations, stage of development and other factors, shall be diverse and broad with regard to competencies, experience and background. These qualifications taken together shall contribute to the independence and critical calling into question of the Board.

In the process of nominating directors, the Nomination Committee has applied Rule 4.1 of the Code. Klövern has for a long time had an even gender distribution, and will, if the Annual General Meeting vote according to the proposals of the Nomination Committee, continue to comply with the guidelines of the Code on this point. If the Annual General Meeting votes according to the proposals of the Nomination Committee, it is the understanding of the Nomination Committee that the Board will, given the above, be soundly composed.

The Nomination Committee has also examined and taken into account the recommendations of the Audit Committee on the appointment of an auditor.

The tasks of the Nomination Committee

The Nomination Committee shall make proposals to the annual general meeting on

- the chairman of the general meeting
- the chairman of the board

- board members with justification and the number of members and fees
- remuneration for participation in the work of committees
- rules for the composition of the Nomination Committee ahead of the next annual general meeting
- the procedure for replacement of a member of the Nomination Committee before the work of the committee is completed.

The Nomination Committee shall also examine the recommendation of the Audit Committee on the appointment of auditor and the fee paid to the auditor, as well as making a proposal to the annual general meeting on the appointment of auditors.

THE BOARD OF DIRECTORS

The responsibility of the Board of Directors

The Board elected at the annual general meeting has the overall responsibility for the Company's strategy, organization and management on behalf of all shareholders. The Board works for the long-term creation of value in the Company. The responsibility of the Board of Directors comprises:

- drawing up a strategy, goal, budget and business plan,
- examining and approving the accounts,
- making decisions on investments and divestments,
- making decisions on capital structure and financial risk,
- developing the Group's policies,
- ensuring that there is a control system for follow-up,
- decisions on important changes of the organization and operations,
- appointing the CEO
- determining the salary and remuneration of the CEO and senior executives.

COMPOSITION

According to the Articles of Association, Klövern's Board of Directors shall consist of no less than four and no more than eight members. During 2020 the Board consisted of five directors, Pia Gideon (chairman), Rutger Arnhult (CEO), Johanna Fagrell Köhler, Ulf Ivarsson and Eva Landén.

INDEPENDENCE

According to the Swedish Code of Corporate Governance and Nasdaq Stockholm, the majority of the directors elected by the annual general meeting must be independent in relation to the Company and the Executive Management. At least two of the directors who are independent in relation to the Company and the Executive Management must also be independent in relation to the Company's major shareholders. To determine the independence of a director, the Nomination Committee is to make an overall assessment of all circumstances that may call into question the independence of that director. The results of the considerations made by the Nomination Committee must be presented in the Notice of the Annual General Meeting.



Klövern's business unit office at Gallerian in Västerås was nominated in "Sweden's most attractive office".

Three of Klövern's five directors, Ulf Ivarsson, Johanna Fagrell Köhler and Pia Gideon are independent both in relation to the Company and to the Executive Management. These three directors are also independent in relation to the major shareholders.

Rules of procedure

The work of the Board takes place in accordance with the rules of procedure adopted at the first ordinary board meeting after the annual general meeting. These rules of procedure include directives about the division of duties and reporting between the Board, the Chairman of the Board and the CEO and the plan for the year which is followed for the work of the Board.

The Board's work during 2020

During 2020, there have been 21 (17) meetings, of which one (1) meeting following its election and four (3) meetings with decisions by circulation. In addition, the Board, senior executives and external lecturers have met for strategy-related work.

The major part of the Board's work has taken place digitally. The work of the Board, especially during the first half of the year, was greatly affected by the consequences of the pandemic which were difficult to assess. There was great focus then on ensuring that conditions were as good as possible for employees and tenants at the same time as the developments in various industries and parts of society were closely monitored.

The unique conditions due to the pandemic and the increased insecurity have led the Board to invite external speakers both from the US and the Swedish market on repeated occasions during the year.

Every ordinary board meeting deals with the state of the market, acquisitions, divestments and investments, strategic initiatives, financial follow-up, the financial position, organization and company culture, a report from the property management organization, customer-related issues and the state of the credit and financial markets. The head of finance reports regularly at

every board meeting. In addition, members of the executive management are regularly invited to the Board to report on strategic initiatives.

During the year, focus has been placed on developing the Company's work with sustainability, project development and the execution of a strategy resulting in a concentration on selected growth regions as well as expansion into markets outside of Sweden. The Board has also continued to follow the development of organization and leadership.

The Board has worked continuously with matters relating to internal control and risk management in the presence of the auditor. During the year, the Board has met the auditor without the CEO or another representative of the Company being present.

The work of the Board is continuously evaluated and an annual systematic and structured evaluation is drawn up in writing and the result reported by the Chairman of the Board to the Nomination Committee.

The outcome in 2020 showed that the work of the Board functioned well, that the members of the Board had complementary expertise and that the composition of the Board promotes a good and open climate of discussion and collaboration.

THE TASK OF COMMITTEES

If the Board appoints committees, the rules of procedure must make clear which tasks and decision-making power have been delegated to the committees by the Board and how the committees are to report to the Board. The Audit Committee shall consist of at least three members of the Board. The majority of its committee members shall be independent in relation to the Company and the Executive Management. At least one of the members who are independent in relation to the Company and the Executive Management must also be independent in relation to the Company's major shareholders.

Audit committee

In the light of matters concerning financing, financial follow-up and risk management being so important in a real estate company of Klöver's size, the Board has decided that the whole board, with the exception of the CEO, shall constitute the Company's audit committee.

The Audit Committee and the board of the Company meet the Company's auditor on a number of occasions during the year.

Remuneration Committee

The task of the Remuneration Committee is to prepare items of business concerning remuneration to the CEO and the senior executives and general principles for wages and incentives for decision by the Board. In 2020, the Remuneration Committee has consisted of the Chairman of the Board, Pia Gideon and Ulf Ivarsson. Malin Lundgren, Klöver's Head of HR up until the end of November, has been reporting to the committee. The Remuneration Committee has had five minuted meetings in 2020 and in addition continuously consulted on questions regarding remuneration and incentives.

The Remuneration Committee has also used external expertise to ensure that the Company's wages and incentives are at a market level.

Important decisions by the board

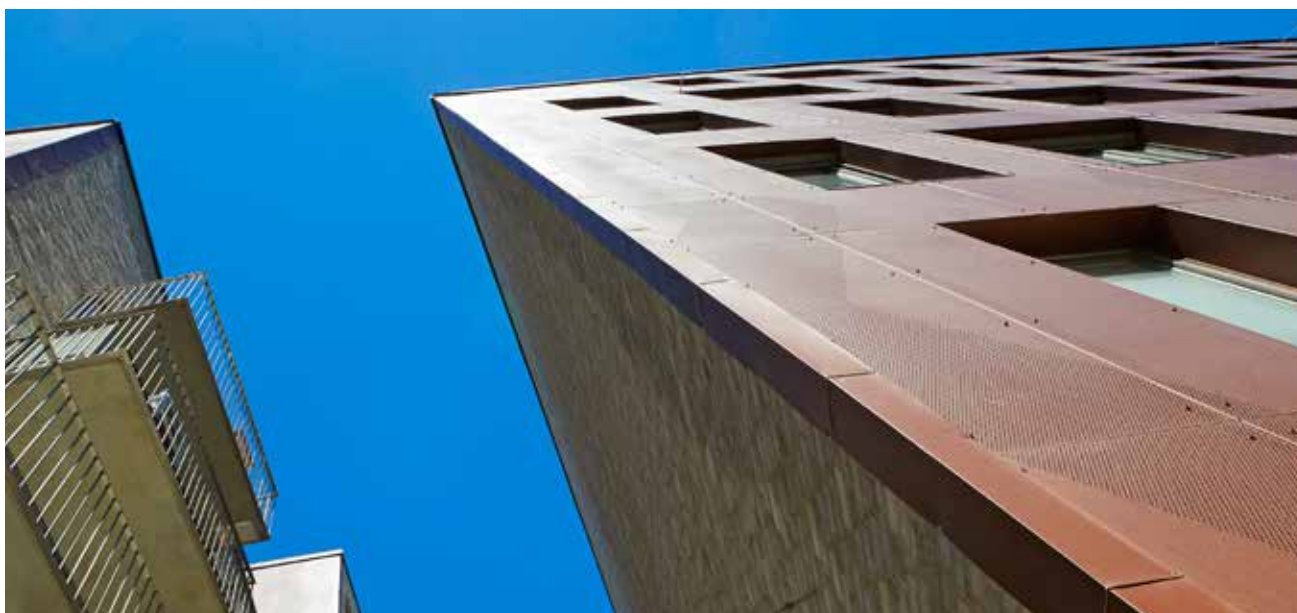
- In February, Klöver published a base prospectus in respect of the establishment of an unsecured Medium-Term Note Programme with a framework amount of SEK 10 billion.
- In February, it was announced that Klöver had acquired a property in New York in the form of all units of a co-op for USD 184 million.

- During the period February–June, the Board made a number of decisions on financing, which created the prerequisites for a total SEK 9 billion in refinancing and new financing during the second quarter.
- In June, contracts were signed to divest two properties in Västerås for an aggregate underlying property value of SEK 116 million.
- In October, the Board decided on a fully covered new issue of around SEK 2 billion with preferential rights for existing holders of ordinary shares subject to approval at an extraordinary general meeting.
- As part of the streamlining of Klöver, a contract was signed in November with Mileway on divestment of 12 properties for an aggregate underlying property value of SEK 610 million. The properties – located in Malmö, Lund, Norrköping and Västerås – have a lettable area of around 120,700 sq.m. and mainly consist of warehousing/logistics premises.

AUDITORS

Ernst & Young AB was re-elected as the Company's auditor at the 2020 Annual General Meeting for the period until the 2021 Annual General Meeting. Fredric Hävrén is auditor-in-charge at Klöver AB. According to the Articles of Association, the auditor is elected annually. The auditor's mandate includes examination of the Company's accounts and annual report, as well as the management of the Company by the executive management and the Board. Unless specifically decided otherwise, the auditor is to examine the Company's corporate governance report, review remuneration to senior executives and review the Company's nine-month report.

Klöver's statutory sustainability report is also examined by Ernst & Young.



Kopparhusen in Norrköping.

The fee to the auditor is established, after a proposal from the Nomination Committee, at the Annual General Meeting. The 2020 Annual General Meeting decided that the fee to the auditor should be paid in accordance with approved invoices.

THE GROUP

The Group structure of Klöver AB consists of the parent company Klöver AB and 28 directly owned subsidiaries (30). The operations in Sweden are divided into 11 business units in three regions: Stockholm, West and East. Klöver also has properties in Copenhagen (which is a separate business unit) and New York. More information about the business units is available in page 20–36.

FREDRIC HÄVRÉN

Born in 1971. Authorized public accountant since 2003.

Employed by Ernst & Young AB since 1999.

Other assignments: Magnolia Bostad AB, Heba Fastighets AB, Nordisk Renting AB, Byggvesta AB, HSB Stockholm Ek. för and HSB Bostad AB.

Shareholding in Klöver: no shares.

THE CEO AND EXECUTIVE MANAGEMENT

The CEO reports to board meetings and provides the Board with ongoing information about the development of the Company.

The CEO leads the work of the Executive Management. As well as the CEO, the Executive Management in 2020 consisted of the head of transactions, the head of finance, the corporate lawyer and the head of business support.

The work of the Executive Management during 2020

The Executive Management deals with matters relating to ongoing activities and also matters of a financial character, strategy, personnel, transactions and financial reporting.

The Executive Management participates in various councils and meetings within the organization.

The Executive Management, the regional managers and other key personnel meet regularly in a forum called the Expanded Executive Management Group. Property management-related, development and project-related issues are dealt with there.

The Investment Committee – Property Management meets every other week and consists of the CEO, project controllers, project managers, regional managers, head of valuation and head of transactions.

The Investment Committee – Project Development meets every sixth week and consists of the Executive Management and the head of the business area Project Development Sweden and project controllers. The Investment Committees scrutinize all major projects in the Regions and Project Development and is also a preliminary body for projects that are to be passed on to the Board for approval.

The Executive Management also continuously participates in Klöver's Transactions and Finance Council, where current transactions and financing are discussed.

Once a year, the Executive Management and all personnel meet for a Klöver conference.

REMUNERATION AND INCENTIVE PROGRAMME

Remuneration for the CEO and senior executives

The Board proposes that the 2021 Annual General Meeting decides upon the following guidelines for remuneration to senior executives.

The ability to recruit and retain highly qualified senior executives is an important prerequisite to make it possible to successfully implement Klöver's business strategy and sustainability agenda, both in the short and long-term. An important part of this is for the Company to be able to offer a competitive total basic salary, which is made possible by these guidelines.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability.

Remuneration components and conditions for the Executive Management

Klöver shall offer a salary which is at market level and competitive and take into account the areas of responsibility and experience of the individual. The salary shall furthermore be linked to factors such as the importance of the work and the employee's competence, experience and performance. Remuneration shall consist of a fixed salary, potentially variable remuneration, pension benefits and other benefits. The general meeting may in addition – and independently of these guidelines – decide on, for example, share-related and share price-related remuneration.

Fixed salary

The fixed salary shall be at a market level and be competitive, taking into account the individual's areas of responsibility and experience. The basic salary is reviewed every year. Senior executives do not receive a fee for board appointments in the Company or its subsidiaries.

Variable remuneration

Variable remuneration is to be linked to predetermined and measurable criteria, designed with the intention of promoting the long-term creation of value in the Company. The variable remuneration may amount to at most 25 per cent of the fixed annual salary. Variable remuneration is paid in the form of salary that does not confer pension rights.

Pension benefits

Senior executives shall receive pension benefits in the form of old age pension and release from premiums, which is to be defined premium and health insurance which is to be defined benefit. Pension premiums for senior executives may amount to at most 35 per cent of the fixed annual salary. and the retirement age is 65. Variable cash remuneration shall not confer pension rights.

Other benefits

Benefits in addition to salary, variable remuneration and pension are paid for all senior executives in the form of a company car, health insurance, subsidized lunches and participation in Klöver's profit-sharing foundation.

Allocations to the foundation may at most amount to a price base amount per employee and year and determined with the guidance of set goals in Klöver's business plan.

Premiums and other costs arising from such benefits may together amount to at most ten (10) per cent of the fixed annual salary. For members of the Executive Management working in another country, regulation of pension benefits and other benefits are made in accordance with set or mandatory local practice although adjustments shall as far as possible be kept within the framework of these guidelines.

Termination of employment and severance pay

The period of notice for senior executives is six to twelve (6–12) months if notice is given by the Company and six (6) months if notice is given by the employee. During the period of notice, full salary is paid and other employment benefits are provided with a deduction for salary and other remuneration received from other employment or business activity engaged in by the employee during the period of notice. No severance pay is paid.

Criteria for payment of variable cash remuneration

Variable cash remuneration shall be clearly connected with the Company's financial or qualitative goals, which in turn shall be measurable and pre-determined. Criteria may furthermore consist of individually-adapted qualitative or quantitative goals. Criteria shall be designed in such a way as to promote the Company's business strategy and long-term interests, including the sustainability agenda by for example, having a clear connection with the business strategy or promoting the postholders long-term personal development.

It shall be possible to measure compliance with the criteria for payment of variable remuneration for a period of a year. At the end of the measurement period for performance of the criteria for payment of variable remuneration, an assessment shall be made and decided upon of the extent to which the criteria have been met. The CEO is responsible for assessment of other members of the Executive Management. Assessment of outcome is based on financial goals from the most recent financial information published by the Company.

The possibility to demand reimbursement of variable salary depends on the programme conditions as valid from time to time. This is a summary of the guidelines, see www.klovern.se for the complete guidelines.

Additional information on remuneration may be found in Note 3.

REMUNERATION TO SENIOR EXECUTIVES

The process for determining the conditions for remuneration to the senior executives is to be formalized and transparent and take up the relationship between fixed and variable remuneration, as well as taking into account the link between performance and remuneration.

Long-term incentive programme

In addition to remuneration according to the guidelines above for remuneration to senior executives, senior executives shall also be offered to participate in long-term incentive programmes if such programmes are established by the company. In 2017, Klöver established a long-term cash-based option programme to senior executives, excluding the CEO, and key employees in the company. Option programme 2017 was decided upon at the 2017 Annual General Meeting and matured in 2020. The 2020 Annual General Meeting decided to introduce a new long-term incentive programme ("Option Programme 2020") on substantially the same conditions as Option Programme 2017. Due to uncertainty and other circumstances in the market, the Board decided, however, not to implement Option Programme 2020.

Board of directors and committees

Fees for the Board and participation in committees are proposed by the Nomination Committee and adopted by the annual general meeting.

INTERNAL GOVERNANCE AND CONTROL

Klöver is a highly active company with extensive transactions and projects that are initiated, carried out and completed during a financial year. Klöver encounters risks every day that can have an impact on its operations and ability to achieve the set goals. Risk management, good internal governance and control is therefore a high priority for the board and the Company.

The Board's responsibility for financial reporting

According to the Companies Act and the Code, the Board bears ultimate responsibility for ensuring that the Company has sound internal governance and control and that its financial reporting complies with the applicable requirements. This is based on the parameters of COSO, the Committee of Sponsoring Organizations of the Treadway Commission.

The internal control affects all functions in the Company and includes risk assessment and routines as well as following up goals.

THE RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board has the overall responsibility for the Company and is elected at the Annual General Meeting following a proposal made by the Nomination Committee. Its task is to manage the Company's business and safeguard the interests of all shareholders. Its undertakings are regulated by the Companies Act, the Articles of Association, the Swedish Code of Corporate Governance and its own rules of procedure. The Board must be of the size and composition that will ensure its ability to manage the Company's business with integrity and efficiency.

The control environment

The control environment and control measures ensure the effectiveness of the Company and serve as the basis for internal control. The formal decision-making procedure is based on the division of responsibility between the Board and the CEO and includes rules of procedure for the Board and instructions to the

CEO. Overall policies are continuously updated and adopted by the Board once a year. During the year, the Board has adopted the following policies:

- Audit policy
- Close associates policy
- Code of conduct and Sustainability policy
- Communication policy
- Crisis management and security/safety policy
- Financial policy
- IT policy
- Working environment policy

Important processes, in addition to financial reporting, such as accounting instructions, project administration and rental administration are laid down in separate documents, which are evaluated and developed continuously in accordance with changes in laws, recommendations, risks and procedures.

Risk assessment and control activities

The extent and assessment of the Company's risk management as a whole and financial reporting in particular is undertaken continuously by the Executive Management, the Board and the auditors. Through the Company's ongoing work related to sustainability, risks are identified and action proposed and implemented.

The finance department and the real estate department work alongside one another to ensure compliance with the guidelines.

A limited number of persons are entitled to sign for the Company and attestation rules have been drawn up.

Matters for decision are prepared in the Investment Committees, the Expanded Executive Management Group and the Transaction and Finance Council with the Executive Management participating. Representatives of the Executive Management regularly attend board meetings and the Board then follows up current issues and assessments directly with senior executives. The Group's operations, financial management and administration are reviewed twice a year by the Company's auditors who report their observations and any points of view directly to the Board.

Principles for accounting, reporting and audit are reviewed at the ordinary audit of the annual report and continuously in a dialogue between the Board and auditors.

Information and communication

External information is communicated through press releases and the website and taken care of in accordance with the communication policy adapted in accordance with Nasdaq Stockholm's rules and the Code.

Internal information is communicated through regular meetings within the organization and also via the Company's intranet. The main purpose of the intranet is to provide employees with a structured overall picture of operations and to serve as an easily accessible platform through which current and relevant information and documentation can be made available.

Follow-up

Financial follow-up takes place quarterly of all business units and companies and at group level. The follow-up takes place in relation to budgets and forecasts, according to a tried and tested model. Follow-up regarding liquidity and financial ratios take place monthly. The result is analyzed by the business unit, the real estate and finance departments and the regional manager responsible for performance. Reports are submitted to the Executive Management, the Board and the auditors.

Internal audit

Klövern's Board has made the assessment that no separate function for internal audit need be established. The method of work applied by Klövern for follow-up and control is considered to be sufficient and takes place as follows.

Klövern has a decentralized and transparent organization. The financial operations, accounting and rental administration as well as external information and the major part of internal information are handled mainly by the head office in Stockholm and Nyköping. The follow-up of profit and balance take place quarterly by both the various functions and by the business units, the Executive Management and the Board. The head of finance, the head of transactions and regional managers regularly attend board meetings. Clear documentation through policies and instructions together with recurrent follow-up and regular, ongoing and active discussions with auditors, ensure the correctness of the process. Management and reporting are formally scrutinized by the Company's auditor three times a year and reported to the Board.

Detailed information about Klövern's risk assessment, exposure and management is available in the section Risk and risk management on page 74–77.

Whistleblower function

Klövern has a whistleblower function to ensure correct application of the Code of Conduct. The whistleblower function is available for all employees, hired staff and consultants. To ensure anonymity and correct handling of the information, the function is administered by an external party.

Board of directors



PIA GIDEON

Chairman since the 2016 Annual General Meeting. Director 2013–2016.

Born 1954.

Independent director.

Education: Graduate in business administration.

Other board assignments: Chairman of Action Aid Sverige and Qlucore AB.

Director of Metria AB and Apoteket AB.

Shareholding in Klöver: 39,375 Class B ordinary shares.



RUTGER ARNHULT¹

Director since 2009.

Born 1967.

CEO of Klöver AB.

Dependent in relation to the Company, the Executive Management and major shareholders

Education: Graduate in business administration.

Other board assignments: Chairman of M2 Asset Management AB (publ), Director of Corem Property Group AB (publ).¹

Shareholding in Klöver: 15,660,605 Class A ordinary shares, 159,274,373 Class B ordinary shares and 655,284 preference shares, via company, directly and indirectly.

1) Until 25 March 2021.



JOHANNA FAGRELL KÖHLER

Director since the 2018 Annual General Meeting.

Born 1966.

CEO of Creuna AB.

Independent director.

Education: Graduate in business administration.

Other board assignments: Chairman of ClayPort AB. Director of G5 Entertainment AB (publ), S-group Holding AB.

Shareholding in Klöver: No shareholding



ULF IVARSSON

Director since the 2018 Annual General Meeting.

Born 1961.

Co-founder and executive chairman of AB Stratio.

Independent director.

Education: Graduate in business administration.

Other board assignments: Chairman of Curago AB, FlexQube AB (publ), SmartHome4U Sweden AB, Syntegra Invest AB and Playground TV AB. Director of PostProcess Technologies Inc.

Shareholding in Klöver: No shareholding



EVA LANDÉN

Director since the 2011 Annual General Meeting.

Born 1965.

CEO of Corem Property Group AB (publ).

Dependent in relation to the Company, the Executive Management and major shareholders.

Education: Graduate in business administration.

Other board assignments: Chairman of Specialfastigheter Sverige AB (publ)

Shareholding in Klöver: No shareholding

Shareholding as at 31.12.2020.

Executive management



RUTGER ARNHULT¹

CEO

Born in 1967

Employed since 2012.

Education: Graduate in business administration.

Board assignments: Chairman of M2 Asset Management AB (publ), Director of Klövern AB (publ.)¹ and Corem Property Group AB (publ.)¹

Shareholding in Klövern: 15,660,605 Class A ordinary shares, 159,274,373 Class B ordinary shares and 655,284 preference shares, via company, directly and indirectly.



JENS ANDERSSON

Head of Finance

Born in 1973

Employed since 2013.

Education: Graduate in business administration.

Previous employment: Project manager, Catella Corporate Finance 2012–2013, CFO Vanir Asset Management 2010–2012. Senior Vice President Aareal Bank 2001–2010.

Board assignments: No external assignments.

Shareholding in Klövern: 83,250 Class A ordinary shares and 133,750 Class B ordinary shares via company directly and indirectly.



SUSANNE HÖRNFELDT

Head of Business Support

Born 1969

Employed since 2014.

Education: Master's degree in engineering.

Previous employment: Consultant/Partner Newsec 2001–2014.

Board assignments: None.

Shareholding in Klövern: No shareholding.

1) Until 25 March 2021.



PEETER KINNUNEN²

Head of Transactions

Born 1973

Employed since 2012.

Education: Master's degree in engineering.

Previous employment: COO Vanir Asset Management 2010–2012, Head of Transactions and Research Kungsleden AB 2007–2010.

Board assignments: No external assignments.

Shareholding in Klövern: 149,460 Class B ordinary shares and 1,685 preference shares.



MALIN LÖVEBORG

Corporate lawyer

Born 1978

Employed since 2017.

Education: Graduate in law.

Previous employment: Lawyer/senior assistant lawyer Setterwalls advokatbyrå 2007–2017, assistant lawyer Hamilton advokatbyrå 2005–2007.

Board assignments: No external assignments.

Shareholding in Klövern: No shareholding.

2) Acting CEO from 26 March 2021.

Shareholding as at 31.12.2020.



Rendering of Klövern's property 28&7 in New York.

Sustainability



Sustainability strategy and management

The starting point for Klöver's sustainability strategy can be found in the company's vision, business concept and values. It describes Klöver's economic, environmental and social responsibility based on the UN global sustainability goals and the global climate agreement.

A strategic approach makes it possible to manage operations in a responsible way and respond to sustainability-related challenges and opportunities. Klöver's brand name has to inspire confidence and provide stability for shareholders and customers as well as our staff and other stakeholders.

For Klöver being a sustainable company is self-evident. As well as extensive environmental work, Klöver wishes to take social responsibility for its personnel and all the people in and around our properties. We are convinced that sustainability is a prerequisite for successful business operations, attractive properties, satisfied customers and committed personnel. Through sustainability Klöver creates value.

Work with sustainability applies to the whole organization. Responsibility is clearly shared in the organization through policies, guidelines, overarching goals and detailed plans of action. In addition, there are a number of laws, guidelines and regulations that govern activities. Klöver applies UN Global Compact and the principle of prudence concept in all aspects of its operations. Work with sustainability is an ongoing process and supplements are therefore continuously made to the sustainability policy and guidelines. A starting point for our work is to give priority to the areas where we have the greatest possibility to make a difference and to make this a natural component of our business.



Solar panels on the property Kopperhammaren 2 in Norrköping. In 2020, six new solar cell facilities were installed at Klöver's properties.

DIALOGUE WITH STAKEHOLDERS AND MATERIALITY ANALYSIS

Klövern's work with sustainability is based on a materiality analysis, together with a close relationship with the most important groups of stakeholders. Dialogue with stakeholders ensures that the work with sustainability has the right focus. When we see that important aspects have changed, this affects both the focus areas and sustainability goals for future years. The most important stakeholders are customers, suppliers, owners, creditors, employees and other participants in society.

DEALING WITH CLIMATE RISKS

Some of the areas that have increased in importance in recent years in connection with stakeholder dialogues are access to quality assured green assets, green financing and dealing with climate risks. Klöver's deliberate ongoing work to improve energy efficiency and an increased proportion of green assets ensures access to green financing in the long term. Klöver's work on control and management of climate risks will be

deepened during 2021 as the Board has decided that Klöver shall start full implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). TCFD's recommendations provide us with the prerequisites to deal with and report climate-related risks and opportunities in the whole of our business. In the following table, Klöver describes where we stand today in relation to TCFD's recommendations per reporting category and our ambitions for 2021. This reporting is also publicly available in Klöver's annual reporting to CDP, Carbon Disclosure Project, www.cdp.org.

Klövern reports on its work with sustainability in accordance with the Global Reporting Initiative (GRI) Standards level core which describes how we have worked with sustainability-related issues during 2020. The starting point for the report is the dialogue that has taken place with stakeholders and the materiality analysis. The report has been reviewed by Ernst & Young AB.

CLIMATE-RELATED RISKS

* Task force on Climate-related Financial Disclosures (TCFD)'s summary of where we stand today and future reporting in line with TCFD's recommendations.

	Where we stand today	Priorities for 2021*
Control	Board decision that Klöver is to comply with TCFD's recommendations.	A dedicated board meeting with in-depth examination of TCFD's recommendations and training in climate-related risks and opportunities for the real estate sector.
	There is a clear annual plan for work with sustainability in the Company, which includes reporting last year's result to the Board, priorities for coming years and decisions on goals.	Subsequent annual review of climate-related risks in connection with the overarching risk process.
	The annual plan also includes the executive management's and the business unit's review of previous years' sustainability goals and evaluation of results, as well as a plan for improvement measures, handling of deviations and proposals for new goals.	Introduction throughout the company of TCFD task force with responsibility for managing the work with implementation of recommendations and annual risk review.
	Climate and sustainability goals are integrated in the business units' operating plans and budget for coming years.	Review of introduction of climate-related metrics in compensation policy to executive management and managerial staff.
	Risk management through policies and guidelines.	
Strategy	In 2020, a new sustainability policy was adopted. The policy includes reporting climate-related financial risks.	Update of strategies with respect to climate-related risks and opportunities. 1) In the short-, medium- and long-term. 2) In the organization's business, strategy and financial planning. 3) For different climate-related scenarios including a 1.5-degree scenario.
Risk management	Climate-related risks and opportunities are assessed on the basis of the materiality analysis in sustainability-related work.	Integrate climate-related risks in overarching risk process.
		Risk and opportunity analysis in compliance with TCFD's risk model.
Measurement and goals	Annual climate report with reporting of greenhouse gas emissions in accordance with GHG protocol scope 1, 2 and parts of scope 3.	Reporting of full scope 3.
	Annual reporting on climate-related risks and opportunities to CDP.	Review of operational goals so that climate-related risks and opportunities are dealt with in line with the strategy and risk management process.
		Report important metrics in accordance with TCFD Sector specific guidance for real-estate companies.

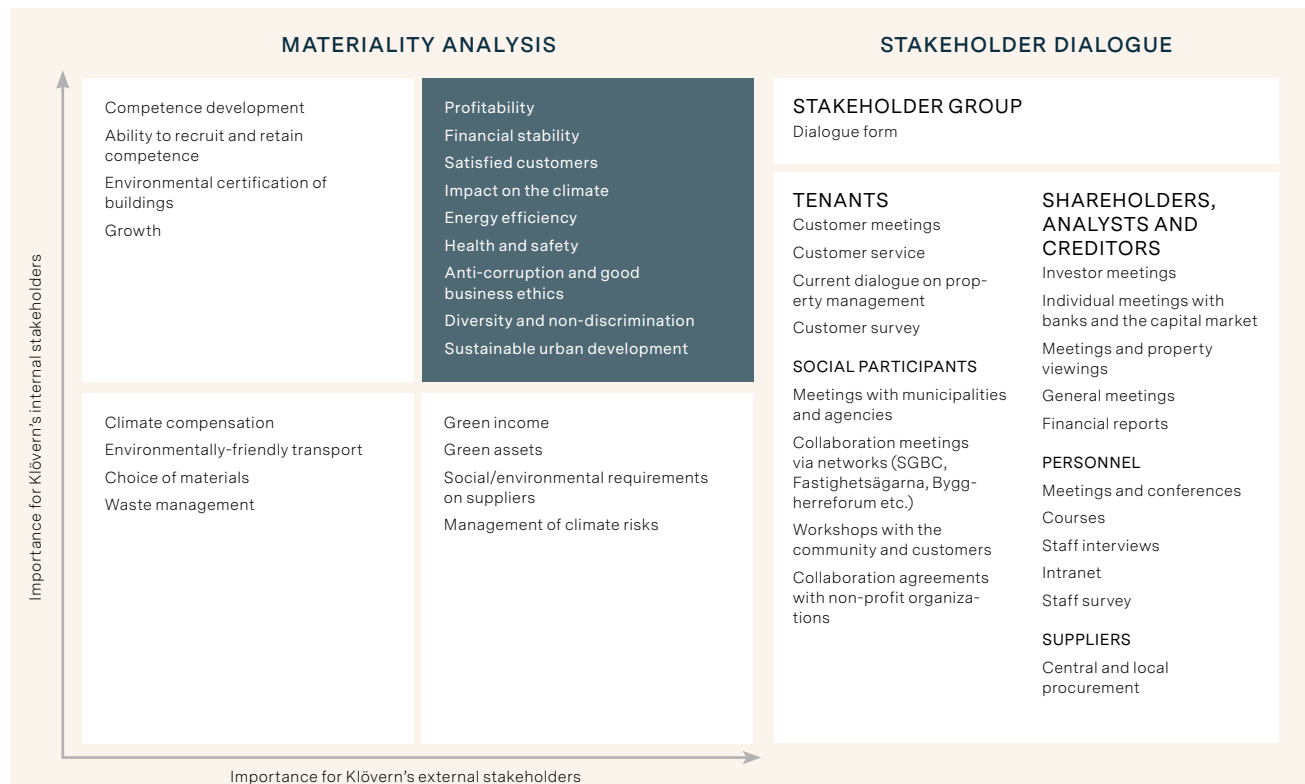
Sustainability goals

Klövern has long-term oriented and ambitious goals for sustainability. The overall goal is to ensure an attractive property portfolio which creates long-term sustainable value without a negative impact on people or the environment.

The work with sustainability is categorized on the basis of four focus areas. It is integrated into all aspects of operations and shall lead to tangible results. The focus areas and sustainability goals reflect Klöver's responsibility to its stakeholders but also the areas where the opportunities for having an impact are greatest, the most important aspects. Klöver's goals aim to ensure that it maintains its position as one of the most sustainable real estate

companies. Through stakeholder dialogue, the materiality analysis has changed over the years. The clearest change that can be seen is the impact of the EU package for sustainable finances and the financiers' increased demand for green assets to invest in, requirements for management of climate-related risks and opportunities and an increased focus on reduced impact on the climate.





SUSTAINABILITY GOALS AND OUTCOME 2020

	Goals	Outcome	Status
FINANCIAL	The operating margin shall amount to at least 65 per cent.	The operating margin amounted to 67 per cent.	●
	The adjusted equity ratio shall in the long term be at least 40 per cent.	The adjusted equity ratio amounted to 43.2 per cent.	●
	The satisfied customer index (NKI) shall in the long term amount to at least 75.	At the most recent survey in 2019, NKI amounted to 70.	●
	Klövern's suppliers shall work in compliance with Klövern's Code of Conduct for suppliers.	The work of ensuring a sustainable supply chain is long-term. The sub-target for 2020 has been achieved through risk classification of suppliers and implementation of a self-assessment form for sustainability risks.	●
ENVIRONMENTAL	By 2022, all energy used in Klövern's buildings shall originate from renewable sources.	The outcome in 2020 was 90 per cent and we have come a good way towards achieving the goal.	●
	By 2022, at least 75 per cent of Klövern's properties shall have energy consumption lower than 100 kWh/sq.m. ¹	In 2020, 68 per cent of the properties had a lower energy consumption than 100 kW per sq.m.	●
	By 2025, the equivalent of 5 per cent of electricity consumption shall be self-produced and come from renewable sources.	In 2020 0.8 per cent of electricity consumption was self-produced and came from renewable sources. With a continued pace of construction in line with 2020 the goal will be reached.	●
	By 2025, Klövern's property management shall be climate-neutral.	With a 90 per cent share of renewable energy, we have come a good way to achieving our goal by 2025.	●
	By 2030, energy consumption shall be halved compared with the year 2018's level 101 kWh/sq.m.	In 2020, energy consumption had decreased by 12 per cent compared with 2018.	●
SOCIAL	Buildings corresponding to half of Klövern's property value shall have been environmentally certified by 2025.	In 2020, buildings corresponding to a property value of 18 per cent had been environmentally certified.	●
	Klövern shall have committed, business-driven staff who live up to the Company's values and are good ambassadors.	In 2020, Klövern's eNPS was 19 compared with the benchmark of 12. No cases had been reported via the whistleblower function.	●
	Klövern shall provide a healthy and safe working environment where everyone feels well.	In 2020, outcome in the staff survey for the category Organizational and Social Working Environment index was 77 against the benchmark of 73.	●
	A sustainability framework shall be produced for all urban development projects.	Sustainability frameworks have been defined for all large urban development projects.	●

1) Ahead of 2020 the goal was formulated *By 2022, at least half of Klövern's properties shall have energy consumption lower than 100 kWh/sq.m.* The goal was reformulated at the beginning of 2021.

Klövern reports its work with sustainability in compliance with the Global Reporting Initiative (GRI) Standards, core level, which describes how we have worked with sustainability-related issues during 2020. The starting point for the report is the stakeholder dialogue that has taken place and the materiality analysis. The report has been reviewed by Ernst & Young AB.

Economic

Klövern's overall objective is to generate good value growth for the shareholders in a long-term sustainable way. Good profitability and financial stability are prerequisites for being able to invest in sustainability with full force, which in turn can contribute to the company's profitability in a virtuous cycle.

PROFITABILITY AND FINANCIAL STABILITY

Due to Covid-19, 2020 has been a year unlike any other. We can, however, note that Klöver's business is long term, stable and has proven able to deliver a good result even in a challenging market. We have benefited from our contractual rental income and a diversified stock of tenants which has led to us coping with the current market conditions without too much impact.

GOOD PROFITABILITY

Klövern's tenants have generally been affected to a relatively small extent by the pandemic. A limited part of the customer base, not least in the hotel, restaurant and fairs industry has for natural reasons had a tougher situation. We have engaged in a very close dialogue with tenants who have applied for some form of rent relief. Assessments have been made on an individual basis of the extent to which the prerequisites are met to grant, for example, discounts and respite in combination with government rent support.

To sum up, we could note, in connection with publication of the year-end report on 17 February that 99 per cent of the invoiced rents for 2020 had been received, that profit before tax amounted to SEK 2,467 million and that return on equity amounted to 9 per cent.

A FINANCIALLY STABLE PARTNER

Being a financially stable commercial partner is important not only in the Company's dialogue with the capital market but also in relation to tenants, suppliers and existing and future staff. Klöver's financial stability, measured as the adjusted equity ratio, amounted at the year-end to 43.2 per cent, which is above the long-term goal of at least 40 per cent.

It can be noted through the dialogue with stakeholders that it is important to achieve Klöver's financial goals. The stakeholder dialogue also indicates that climate impact is one of the most important areas for tenants. This is of key importance for Klöver; without customers who are satisfied with Klöver's work to reduce the company's climate impact, it may be difficult to achieve the goals for, for example, net moving-in and profitability.

GREEN FINANCING

Green financing is becoming an increasingly important part of Klöver's financing. Apace with implementation of the EU's

package for sustainable finances, green financing will become even more important and the need for green assets to invest in will increase substantially.

In 2020, Klöver issued SEK 2,000 million of unsecured green bonds with final maturity in April 2024. In connection with the issue, a new green framework was produced which defines what green assets mean to Klöver. The framework was reviewed by a third party, Cicero and pronounced as being medium green.

In early 2021, green financing was expanded by an additional SEK 2,500 million of unsecured bonds with maturity in February 2025.

VALUE CREATION

The economic value created by Klöver consists mainly of rental income but also of changes in value of properties including the value created by project development and development of building rights. Income and changes in value ultimately create scope for dividend for shareholders; after suppliers, creditors, personnel and society have taken their share of the value created.

CUSTOMER SATISFACTION

Klövern's business concept is, with closeness and commitment, to offer attractive premises and actively contribute to urban development in growth regions. By being close at hand with its own locally based personnel, Klöver can provide fast service and keep good contact with its tenants. Being close also means having good knowledge of the market and good knowledge of the tenants and their everyday situation.

Klövern works in a structured and continuous way with customer care. This work includes internal workshops and measurement of the Satisfied Customer Index (NKI), an important tool to follow up customer service and ensure quality. The result of the NKI measurements also serves as the basis for improvement measures which can create even better customer satisfaction and loyalty.

NKI is measured every other year. The most recent measurement took place during the autumn of 2019 and produced an NKI of 70 (69) on a scale from 0 to 100. This is a good result even if some way still remains to Klöver's goal of at least 75. The tenants give Klöver a good rating in the categories Service report and Customer care & personal service while there is scope for improving Customer dialogue and Care & Maintenance.

Environment

Klövern is part of a sustainable future. Through a high level of requirements and ambition, we create attractive and sustainable solutions for the businesses, individuals and society of the future.

Klövern works continuously to decrease the climate impact by:

- Lower use of energy
- An increased share of renewable energy
- Increased resource efficiency

The energy issue is key for Klöver. A large part of a real estate company's climate impact derives from the energy used in the buildings; Accordingly, our work of adaptation includes improving the efficiency of energy consumption and making exclusive use of renewable energy.

ENERGY EFFICIENCY

Klövern has always worked to reduce the properties' energy consumption and optimize operation. This has been shown in comparative figures where Klöver's average energy consumption per square metre is among the lowest in the industry despite a large and demanding property portfolio. New long-term energy targets were adopted in 2019. The new targets are in line with Science Based Targets and entail, among other things, halving of energy consumption per square metre by 2030 in comparison with 2018. To achieve such a challenging goal, a long-term energy strategy is needed.

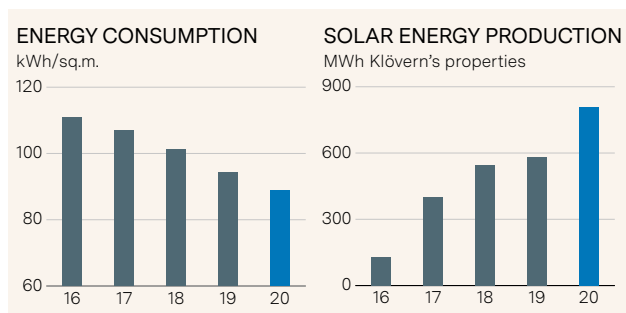
The first intermediate goal in the energy strategy was that at least half of the properties shall have a lower energy consumption than 100 kWh/sq.m. by 2022. This goal was achieved already in 2019 and was further confirmed during 2020 with 68 per cent of the properties. The goal has been achieved in among other ways by optimizing operations and replacing older inefficient

technology with modern technology, which reduces energy consumption. In line with this, the efforts in AI technology continues. The average energy consumption in 2020 was 88.7 kWh/sq.m; an improvement of 12 per cent since 2018, Klöver's base year for the energy targets. Part of the reduced energy consumption in 2020 is due to the pandemic and then mainly because our operating staff have had more time to work with energy optimization when many of our tenants have worked from home. In some buildings, we have been able to reduce energy consumption as they have been empty, while in others it has increased slightly. The increase is due to a decrease in energy from operations, which is usually recovered for heating, leading to an increase in purchased energy.

RENEWABLE ENERGY

Energy consumption in the form of electricity, cooling and heating accounts for a large part of a real estate company's climate impact. The energy purchased by Klöver is accordingly crucial for the work of adaptation. The goal is for all energy consumed in the buildings to have originated from renewable sources by 2022. During 2020, the share of renewable energy increased from 68 per cent to 90 per cent.

All electricity used in Klöver's buildings is renewable and comes from solar power, wind or hydro-electric power. In cases when the district heating supplier cannot offer district heating solely from renewable sources of energy, climate compensation is made by the supplier for the emissions. The changeover to using only renewable energy is a crucial part of Klöver's goal to be climate-neutral in the property management by 2025 at the latest.



One of Klöver's 18 solar cell facilities is at Uppsala Gate.



The property Hilton 3 in Solna is environmentally certified in compliance with the BREEAM certificate Very Good.

Our ambition to adjust also entails producing renewable energy. We do this by using our roofs for solar power facilities. By 2025, the equivalent of five per cent of electricity consumption shall be self-produced from renewable sources, which corresponds to 5 GWh. During 2020, we produced 810 MWh solar energy. Six new facilities were built during the year in Malmö, Norrköping, Stockholm, Uppsala and Västerås with total installed power of 124 kW. If possible, solar cells are to be installed at all new buildings.

RESOURCE EFFICIENCY, RENOVATION AND RECYCLING

The impact on the climate of new buildings or refurbishment is among the real estate industry's great challenges. For new buildings or total refurbishment, Klöver uses environmental certification systems which ensure sustainable construction. In the case of customization, we have started work to find local recycling solutions, which are environmentally smart while at the same time being suitable for our tenants.

We see great opportunities to contribute to resource efficiency and a circular economy by environmentally-smart management of the flows of material and new business models. During 2019, we started work on sustainable local customization and increased reuse during refurbishment. In the sustainability report for 2019, we described, among other things, how Klöver's new office in Kista was refurbished on the basis of 100 per cent of recycled material. The project aims at understanding and increasing competence on the process and methods of work with recycled material, which new business models are required and the climate impact and financial aspects. The project was halted during the first half of 2020 due to the pandemic but was

resumed with full force in the fourth quarter of the year. Moving in will take place in the spring of 2021. Preliminary results indicate a great climate benefit but also a positive financial effect on parts of the project.

ENVIRONMENTAL CERTIFICATION

During 2020, Klöver has continued to work on environmentally classifying all properties. This means that we work, measure and report in the same way at all properties and can thus monitor, compare and plan improvement work. During the year, implementation of common systems for following up operations has continued as well as the introduction of a new operating organization which is to secure the correct method of work.

During the year, Klöver has decided to increase its ambition considerably as regards environmental certification of properties and has adopted a new target that buildings corresponding to half of Klöver's property value shall be certified at the latest by 2025. In 2020, buildings corresponding to 18 per cent of the value had been certified.

CLIMATE REPORT

Our long-term aim is for operations to give rise to as little negative impact on the environment as possible. Since 2013, Klöver has calculated emissions according to the Greenhouse Gas Protocol, the global standard used for calculating and reporting on greenhouse gas emissions. Klöver uses the protocol's Scope 1, 2 and parts of Scope 3. The aim is to increase the number of categories in Scope 3 and continuously improve the statistics. For 2020 Klöver's climate impact was 2.8 kg CO₂e per sq.m.

Social

Klövern takes responsibility for sustainability in the capacity of employer, company and participant in the community. This entails creating prerequisites for all personnel to prevent occupational injuries and ill health, and for seeing how people's differences and complementary expertise contribute to an innovative corporate culture.

For us, sustainability means people who are committed and who feel well. We therefore work continuously for Klöver to contribute to improvement in the health of tenants and staff.

The pandemic has placed all of us in a completely new situation. Offices, gyms, restaurants and other meeting places have had to close. Everything that normally contributes to better physical and mental health and a pleasant working environment. During the year, we have worked to reduce the spread of infection and make it easier for our customers by measures such as provision of information, signage, increased cleaning, etc. Our indoor gyms have had to close but we have instead been able to open outdoor gyms adjacent to our properties. Klöver's external commitment as title sponsor to Lidingöloppet on Tour Powered by Klöver was also given a completely new form in 2020 as it took place virtually.

COMMITTED STAFF

Committed and business driven staff are Klöver's most important asset. Together with our personnel, we want to create a corporate culture that feels good and which we can be proud of – this strengthens Klöver's brand both as employer and real estate company. Klöver's basic values consist of three parts; driving force, closeness and commitment.

During the year, all staff have participated in the development of our customer and staff commitments and the conduct that we engage in to fulfil our undertakings. This is part of our work with a new strategic framework which provides a clear picture of where we are and where we are going. We call the framework "The House" and it describes Klöver's aims, our vision and business concept, what we promise our customers and the values and conduct that governs our actions. The House is quite simply an attempt to describe our culture.

Our culture is the basis for what we do. It is the culture that differentiates us from others and unites us who work here. Together we are Klöver.

We carry out an annual staff survey to find out how our staff perceive their work situation and also how attractive they regard Klöver as an employer. We know that well-functioning work groups, leadership and a good culture lead to committed personnel, growth and efficiency.

Klövern's stable result year after year and with index in line with or just above the external benchmarks show the high level of satisfaction and great commitment. Klöver's eNPS (employee Net Promoter Score) in 2020, was 19. This is slightly lower than in 2019 (22) but considerably higher than the external benchmark (12).

HEALTH AND BENEFITS

During a year greatly affected by the pandemic, Klöver has invested in a number of activities to prevent ill health and contribute to increased commitment.

- In May-June, all staff were offered a free fitness hour a week. As many gyms and training facilities closed during the spring, we took the opportunity of stimulating one another by digitally sharing our keep fit tips in our social channels. The free keep-fit hour was subsequently extended to November and December.
- After a proposal from a member of staff, Klöver decided to donate SEK 100 to BRIS [Children's Rights in Society] for every completed keep-fit hour. Klöver has supported BRIS for a long time and it has felt particularly valuable to be able to involve all members of staff in contributing a bit more in a period affected by the pandemic.
- For a number of years, Klöver has given a Christmas present to an organization, which we care about. This year, we continued our commitment to supporting vulnerable children by giving our Christmas present to BRIS.
- Training and health are also an important topic for external activities and events where both customers and staff are invited to participate. An example is "Lidingöloppet on Tour – Powered by Klöver" where we invite tenants to run together with Klöver. In 2020, Lidingöloppet on Tour took place virtually – Virtual Terrain Series in Sweden.
- Klöver invests in the fast growing sport padel. In recent years, we have, among other things, sponsored Swedish Padel Open and opened our first facility Klöver Padel-center in Kista. Through creation of Klöver Padel and the merger with Padel Partners, two facilities in Uppsala were added and a number of large facilities are planned in coming years.
- Keep-fit grants. All permanent employees have an annual keep-fit grant, which was used at a rate of 78 per cent in 2020 (79), which is a high take-up rate.

- Other benefits. All staff are offered health insurance, an occupational pension, subsidized lunches and participation in Klöver's profit-sharing foundation. At the end of 2020, the profit-sharing foundation had shares corresponding to 0.5 per cent of the share capital.

WORKING ENVIRONMENT AND SAFETY

It is important that Klöver's staff feel that they work in a secure and safe working environment. There is a clear policy anchored in the Company and new guidelines for the organization's work. In addition to the policy and guidelines, there is a web-based safety handbook, which ensures compliance with laws and routines. During the year, the safety handbook has been totally revised to ensure that it meets our requirements and expectations. There is a safety representative at all of our offices in order to create a safe working environment throughout the organization. At the beginning of 2019, the project Arbetsmiljö 2.0 (Working environment 2.0) was created with the intention of further improving our work with the working environment and safety. The project which is in process between 2019 and 2021 has during the year continued to focus on development and implementation of systematic methods of work to ensure a good physical, organizational and social working environment for all those present in our buildings.

RESPONSIBLE OPERATIONS

Klöver works in a long-term way in accordance with principles that strive for a high level of morality and ethics in internal and external relationships. During the year, the code of conduct has been updated which together with the business ethical guidelines is intended to provide a good understanding of the ethical dilemmas in business that may arise in the course of work and how to deal with these. Since 2016, there has been an external whistleblower service to capture any deviations from the code of conduct and business ethical guidelines. At the end of 2020, no one had used the service.

Our suppliers of goods and services shall comply with the same requirements on environmental consideration, social responsibility, business ethics and efficiency which Klöver

makes on its own operations. The demands on suppliers are defined in our code of conduct for suppliers. Work with a sustainable supply chain which was started in 2019 is long-term and will be implemented over a number of years. This contains a number of steps from risk analysis to risk management and final follow-up of suppliers. During the year, all suppliers have been risk classified on the basis of industry-specific sustainability risks and a supplier's tool for self-rating has been introduced.

SUSTAINABLE URBAN DEVELOPMENT

The topic for this year's sustainability report is sustainable urban development and growth through diversity. In the sustainability report, we describe how we work systematically to ensure that our urban development projects are permeated by all dimensions of sustainability. During the year, we have defined our sustainability framework which is the overall concept for how we work with sustainability in urban development. This includes a method for sustainability analysis at an early stage, how sustainability is included in the design of the offer made to the customer and the physical arrangement, and what a sustainability programme should include in the implementation stage of the project. The sustainability analysis provides the foundation for the goals and strategy produced for the urban development projects and which then accompanies the projects throughout complete development.

STAFF SURVEY

	2020	2019	External benchmark
eNPS	19	22	12
Team Efficiency Index (TEI)	76	76	75
Leadership Index (LSI)	75	77	77
Commitment Index (EI)	82	82	79
Organizational and Social Working Environment Index (OSI)	77	77	73



Committed and business-driven employees are Klöver's main asset.

Financial reports



Consolidated Statement of Income

Amount in SEK million	Notes	2020	2019
Income	2, 4, 28	3,294	3,638
Property costs	3, 4, 6	-1,100	-1,175
Operating surplus		2,194	2,463
Central administration	3, 5, 6	-157	-159
Financial income	7	21	19
Financial expenses	7	-745	-818
Costs relating to site leaseholds	7	-44	-44
Profit from property management (properties)		1,269	1,462
Income, residential development		35	6
Costs, residential development	3, 5	-95	-181
Net financial items, residential development		-26	9
Profit, residential development		-86	-166
Share in earnings of associated companies	13	7	17
Changes in value, properties	10	1,322	2,125
Changes in value, derivatives	25	-32	-14
Change in value, financial assets	25	-13	13
Impairment of goodwill	9	-	-6
Profit before tax		2,467	3,431
Tax on profit for the year	8	-565	-410
NET PROFIT FOR THE YEAR		1,902	3,021
Attributable to:			
Parent Company shareholders		1,908	3,002
Holdings without controlling influence		-6	19
		1,902	3,021

Consolidated Report of Comprehensive Income

Amount in SEK million	Notes	2020	2019
Net profit for the year		1,902	3,021
Other comprehensive income			
Translation difference for international operations		-651	33
Other comprehensive income after tax		-651	33
NET COMPREHENSIVE INCOME FOR THE YEAR		1,251	3,054
Attributable to:			
Parent Company shareholders		1,257	3,035
Holdings without controlling influence		-6	19
		1,251	3,054
Earnings per ordinary share, SEK ¹	20	1.67	2.92
Dividend per ordinary share, SEK		0.26 ²	0.26
Dividend per preference share, SEK		20.00 ²	20.00

1) No dilution. Adjusted for the discount in the preferential rights issue in 2020.

2) Proposed dividend.

Consolidated Balance Sheet

Amount in SEK million	Notes	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Goodwill	9	148	148
Investment properties	10	57,448	52,377
Right of use assets	11	730	733
Machinery and equipment	12	61	28
Shares in associated companies	13	437	411
Financial assets valued at fair value	14	160	145
Other long-term receivables	15	714	1,007
Total non-current assets		59,698	54,849
Current assets			
Properties classified as current assets	16	1,107	1,055
Accounts receivable	17	71	72
Other receivables		500	577
Prepaid expenses and accrued income	18	448	612
Liquid funds		571	449
Total current assets		2,697	2,766
TOTAL ASSETS		62,395	57,615
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	19	2,277	1,865
Other capital contributed		6,402	4,786
Retained profits including net profit for the year		13,970	13,380
Shareholders' equity attributable to the Parent Company's shareholders		22,649	20,031
Holdings without controlling influence		108	129
Total shareholders' equity		22,757	20,160
Long-term liabilities			
Other provisions	21	24	48
Deferred tax liability	8	3,722	3,220
Interest-bearing liabilities	22, 26	27,227	25,903
Other long-term liabilities		0	39
Leasing liabilities	11	536	481
Derivatives	25, 26	86	65
Total long-term liabilities		31,595	29,756
Current liabilities			
Interest-bearing liabilities	22, 26	5,809	5,635
Accounts payable		279	247
Tax liability		66	52
Leasing liabilities	11	194	252
Other liabilities	23	709	543
Accrued expenses and prepaid income	24	986	970
Total current liabilities		8,043	7,699
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		62,395	57,615

Consolidated Report of Change in Group Shareholder's Equity

Amount in SEK million	Share capital	Other capital contributed	Foreign currency conversion reserves	Retained earnings including net profit for the year	Total	Holdings without controlling influence	Total shareholders' equity
Opening shareholders' equity, 01.01.2019	1,865	4,786	63	11,258	17,972	172	18,144
Effect of changed accounting policy	–	–	–	–119	–119	–1	–120
Adjusted shareholders' equity, 01.01.2019	1,865	4,786	63	11,139	17,853	171	18,024
Net profit for the year	–	–	–	3,002	3,002	19	3,021
Other comprehensive income	–	–	33		33	–	33
Comprehensive income for the year			33	3,002	3,035	19	3,054
Repurchase of own shares	–	–	–	–7	–7	–	–7
Dividend to holders of ordinary shares	–	–	–	–380	–380	–8	–388
Dividend to holders of preference shares	–	–	–	–329	–329	–	–329
Hybrid bonds	–	–	–	–78	–78	–	–78
Redemption of preference shares				–	–	–76	–76
Change in holdings without controlling influence	–	–	–	–62	–62	23	–39
Total contributions from and transfers of value to the company's owners	–	–	–	–857	–857	–61	–918
Shareholders' equity, 31.12.2019	1,865	4,786	96	13,284	20,031	129	20,160
Net profit for the year	–	–	–	1,908	1,908	–6	1,902
Other comprehensive income	–	–	–651		–651		–651
Total comprehensive income for the year			–651	1,908	1,257	–6	1,251
New issue	412	1,616	–	–	2,028		2,028
Dividend to ordinary shareholders	–	–	–	–268	–268	–	–268
Dividend to preference shareholders	–	–	–	–329	–329	–	–329
Hybrid bonds	–	–	–	–80	–80	–	–80
Changes in holdings without controlling influence	–	–	–	10	10	–15	–5
Total contributions from and transfers of value to the company's owners	412	1,616		–667	1,361	–15	1,346
Shareholders' equity, 31.12.2020	2,277	6,402	–555	14,525	22,649	108	22,757

Consolidated Statement of Cash Flow

Amount in SEK million	Notes	2020	2019
Current operations			
Operating surplus		2,194	2,463
Central administration		-157	-159
Earnings from residential development		-86	-166
Reversal of depreciation		32	15
Interest received		15	19
Interest paid		-787	-843
Income tax paid		-44	-3
Cash flow from current operations before changes in working capital		1,167	1,328
Change in properties (current assets)		-52	-134
Change in operating receivables		50	-52
Change in operating liabilities		113	-374
Total change in working capital		111	-560
Cash flow from current operations		1,278	768
Investment operations			
Divestment of properties	10	391	5,014
Acquisition of and investment in properties	10	-4,989	-2,510
Acquisition of machinery and equipment	2	-54	-16
Increase in financial non-current assets		-616	-774
Decrease in financial non-current assets		1,047	51
Cash flow from investment operations		-4,221	1,765
Financing operations			
Loans raised		11,867	7,470
Amortization		-10,159	-9,230
Realized changes in value, derivatives		-46	-
Repurchase of own shares		-	-7
New issue		2,028	-
Capital contribution ¹		-80	-78
Dividend		-527	-692
Changes in holdings without controlling influence		-5	-123
Cash flow from financing operations		3,078	-2,660
Cash flow for the period		134	-127
Liquid funds at beginning of year		449	576
Exchange difference in liquid funds		-12	-
Liquid funds at year-end		571	449

1) In its entirety hybrid bonds.

Parent Company Statement of Income

Amount in SEK million	Notes	2020	2019
Net sales	2	307	264
Cost of services sold	29	-248	-201
Gross profit		59	63
Central administration	3, 5, 6	-156	-137
Operating profit		-97	-74
Change in value of derivatives	26	-32	24
Financial income	7	2,397	2,694
Financial expenses	7	-1,247	-1,520
Profit before tax		1,021	1,124
Tax on profit for the year	8	-75	-87
NET PROFIT FOR THE YEAR		946	1,037

Parent Company's Report on Comprehensive Income

Amount in SEK million	Notes	2020	2019
Net profit for the year		946	1,037
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		946	1,037

Parent Company Balance Sheet

Amount in SEK million	Notes	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Machinery and equipment	11	10	6
Participation rights in group companies	30	1,766	1,917
Receivables from group companies	29	27,654	24,069
Derivatives	25, 26	9	16
Deferred tax assets	8	227	300
Total non-current assets		29,666	26,308
Current assets			
Accounts receivable	17	0	0
Receivables from group companies	29	3,022	6,557
Other receivables		326	534
Prepaid expenses and accrued income	18	15	276
Cash and bank		59	309
Total current assets		3,422	7,676
TOTAL ASSETS		33,088	33,984
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	19	2,277	1,865
Statutory reserve		25	721
Retained earnings		7,025	4,353
Net profit for the year		946	1,037
Total shareholders' equity		10,273	7,976
Long-term liabilities			
Interest-bearing liabilities	22, 26	15,319	14,147
Derivatives	25	86	65
Liabilities to group companies	28	478	895
Other liabilities		–	4
Total long-term liabilities		15,883	15,111
Current liabilities			
Interest-bearing liabilities	22, 26	5,090	5,209
Accounts payable		14	14
Liabilities to group companies	29	1,233	5,174
Other liabilities	23	477	404
Accrued expenses and prepaid income	24	118	96
Total current liabilities		6,932	10,897
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		33,088	33,984

See Note 28 for information about the parent company's pledged assets and contingencies.

Change in Parent Company's Shareholders' Equity

Amount in SEK million	Share capital	Statutory reserve	Retained earnings including net profit for the year	Total shareholders' equity
Shareholders' equity, 01.01.2019	1,865	721	5,148	7,734
Net profit for the year	–	–	1,037	1,037
Other comprehensive income	–	–	–	–
Total change in assets, excluding transactions with the company's owners	–	–	1,037	1,037
Repurchase of own shares	–	–	–7	–7
Dividend to holders of ordinary shares	–	–	–380	–380
Dividend to holders of preference shares	–	–	–329	–329
Hybrid bonds	–	–	–78	–78
Total contribution from and transfer of value to owners	–	–	–794	–794
Closing shareholders' equity, 31.12.2019	1,865	721	5,390	7,976
Net profit for the year	–	–	946	946
Other comprehensive income	–	–	–	–
Total change in assets, excluding transactions with the company's owners	–	–	946	946
New issue	412	–	1,616	2,028
Reclassification ¹	–	–696	696	–
Dividend to holders of ordinary shares	–	–	–268	–268
Dividend to holders of preference shares	–	–	–329	–329
Hybrid bond	–	–	–80	–80
Total contribution from and transfer of value to owners	412	–696	1,636	1,352
Shareholders' equity 31.12.2020	2,277	25	7,971	10,273

1) The share premium fund has been reclassified from restricted to non-restricted equity.

Parent Company Statement of Cash Flow

Amount in SEK million	Notes	2020	2019
Current operations			
Operating profit		-97	-74
Reversal of depreciation		2	2
Interest received		1,101	660
Interest paid		-1,177	-848
Income tax paid		-17	0
Cash flow from current operations before changes in working capital		-188	-260
Change in operating receivables		3,012	-2,395
Change in operating liabilities		-3,964	4,960
Total change in working capital		-952	2,565
Cash flow from current operations		-1,140	2,305
Investment operations			
Acquisition of machinery and equipment	12	-6	-2
Investment in non-current financial assets	31	-3,454	-2,695
Cash flow from investment operations		-3,460	-2,697
Financing operations			
Change in long-term receivables		195	-195
Loans raised		8,507	1,720
Amortization		-7,184	-1,464
Realized change in value of derivatives		-46	-
Change in long-term liabilities		-407	-133
Repurchase of own shares		-	-7
New issue		2,028	-
Capital contribution ¹		-80	-78
Dividend/group contribution from subsidiaries		1,865	1,513
Dividend		-527	-692
Cash flow from financing operations		4,351	664
Cash flow for the period		-249	272
Liquid funds at beginning of year		309	37
Liquid funds at year-end		59	309

1) In its entirety hybrid bonds.

Notes

Amounts are given in SEK million, unless otherwise stated.

NOTE 1 ACCOUNTING POLICIES

GENERAL INFORMATION ABOUT THE COMPANY

Klövern AB (publ), company registration no. 556482-5833 is a Swedish limited company with its registered office in Stockholm. The Parent Company's shares are listed on Nasdaq Stockholm.

The consolidated accounts for 2020 consist of the Parent Company and its subsidiaries, together referred to as the Group. The annual accounts and consolidated accounts have been approved for publication by the Board on 25 March 2021. The Group's statements of income and other comprehensive income and the statement of financial position and the Parent Company's statement of income and balance sheet will be presented for adoption by the Annual General Meeting on 28 April 2021.

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements made by the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the EU. The consolidated accounts have also been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting rules for groups.

The Parent Company applies the same accounting policies as the Group except in the cases stated below in the section "Parent Company's Accounting Policies". The deviations between the Parent Company's and the Group's policies are due to limitations in the applicability of IFRS to the Parent Company as a consequence of the Annual Accounts Act and, in some cases, for tax reasons.

BASIS OF VALUATION APPLIED IN THE PREPARATION OF THE FINANCIAL REPORTS

Assets and liabilities are reported at their historical acquisition values, except for certain financial assets and liabilities as well as investment properties, which are valued at their fair value in the consolidated balance sheet. Financial assets and liabilities valued at their fair value consist of derivative instruments and securities, valued at fair value in the consolidated statement of income. Investment properties are valued at fair value.

The Group's accounting policies have been applied consistently to the reporting and consolidation of the Parent Company and subsidiaries.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Parent Company and the Group. All amounts, unless otherwise stated, are rounded off to the nearest million.

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL REPORTS

In preparing these financial statements according to the IFRS, the Executive Management makes judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may deviate from these estimates and assessments.

Estimates and assessments are regularly reviewed. Changed estimates are reported in the period that the change takes place if the change affects only this period, or in the period the change is made and in future periods if the change affects both the current and subsequent periods.

See also note 33.

NEW STANDARDS WHICH HAVE COME INTO EFFECT IN 2020

As of 2020, the IASB has introduced changes concerning the definition of business combinations in IFRS 3. The new definition entails, among other things, that if the purchase consideration for shares in a business combination in all material respects is attributable to the market value of the properties thereby acquired, then the acquisition is classified as an asset acquisition. This means, in other words, that the excess value is allocated in its entirety to the properties and that no goodwill arises.

No other new or changed standards that have come into effect in 2020 have had any significant impact on Klöver's reporting or financial position.

NEW STANDARDS WHICH HAVE NOT YET COME INTO EFFECT

Reworking of existing standards and other approved new standards and statements by the IFRS Interpretations Committee which come into effect during the coming financial year are not considered to have any significant impact on Klöver's reporting or financial position.

CLASSIFICATION AND RELATED MATTERS

Non-current assets and long-term liabilities in the Parent Company and the Group consist only of amounts expected to be recovered or paid after more than 12 months from the balance sheet date while current assets and current liabilities in the Parent Company and Group consist only of amounts that are expected to be recovered or paid within 12 months of the balance-sheet date.

Input data for valuation at fair value

- Level 1 – Listed, unadjusted prices on active markets for identical assets or liabilities which Klöver has access to at the time of valuation.
- Level 2 – Other input data than the listed prices which are included in Level 1 which are directly or indirectly observable for assets and liabilities.
- Level 3 – Input data at Level 3 are non-observable input data for assets and liabilities.

Asset acquisition or business combination

Acquisition of companies can be classified either as business combination or asset acquisition in accordance with IFRS 3. An individual assessment is to be made for each particular acquisition. In the event of the company acquisition mostly only consisting of property/ies and not including any significant processes, the acquisition is classified as an asset acquisition.

In the event of acquisition of operations, an assessment is made of how the acquisition should be reported based on the following criteria: The existence of employees and the complexity of the internal processes. Further, the number of operations and existence of agreements of various degrees of complexity. In the Group, company acquisitions are usually classified as asset acquisitions as the primary objective is normally to acquire the company's property.

Asset acquisition

In the event of acquisition of a subsidiary which is an asset acquisition, the acquisition cost is distributed to the individual assets and liabilities based on their fair values at the time of acquisition. Transaction expenses are added to the acquisition cost for the acquired net assets.

Properties and financial instruments are valued at fair value. Other items have not been revalued. In the event of asset acquisition, no deferred tax is reported attributable to the property acquisition. Any discount for acquisition value which is not tax deductible instead reduces the property's acquisition value.

All acquisitions that were made during the 2020 financial year have been classified as asset acquisitions.

NOTE 1 CONTINUED**Business combinations**

In the event of business combinations where the transferred payment, any holding without controlling influence and the fair value of previously held share (in the event of acquisition in stages), exceeds the fair value of the acquired assets and liabilities taken over which are reported separately, the difference is reported as goodwill. When the difference is negative, a low-price acquisition is reported directly in net profit for the year.

In the event of the acquisition not consisting of 100 per cent of the subsidiary, a holding without controlling influence arises. Klövern reports the holding without controlling influence at fair value, which means that the holdings without controlling influence have a share of goodwill.

In the event of an acquisition in stages, the goodwill is established on the date that the controlling influence arises. Previous holdings are valued at fair and value changes are reported in net profit for the year.

In the event of business combinations, full deferred tax is payable on the temporary differences between the asset's fair value and its residual value for tax purposes.

CONSOLIDATION POLICIES**Subsidiaries**

Subsidiaries are companies where the Parent Company Klövern has a controlling influence. A controlling influence entails directly or indirectly a right to determine a company's financial and operational strategies with a view to obtaining financial benefits. In the assessment of whether a controlling influence exists, potential voting shares that can be used without delay or converted shall be taken into consideration. Subsidiaries are consolidated in accordance with the acquisition accounting method. The method means that acquisition of a subsidiary is to be treated as a transaction through which the Group indirectly acquires the subsidiary's assets and takes over its liabilities and contingencies. The acquisition value for the Group is determined by an acquisition analysis at the time of the acquisition. In the analysis, the fair value at the time of acquisition is established of the acquired identifiable assets, and debts assumed as well as any holding without controlling influence.

The subsidiary's financial reports are included in the consolidated accounts from the date of acquisition until the date when the controlling influence ceases.

Associated companies

A company is reported as an associated company as Klövern owns at least 20 per cent but not more than 50 per cent of the votes or otherwise has a substantial influence over the operational and financial control. Associated companies are reported in the consolidated accounts in accordance with the equity method. The equity method means that the value of the shares in associated companies reported in the Group is corresponded to by the Group's share of the associated company's equity and goodwill and any residual surplus value or undervalue in the Group. In the Group's net profit for the year, the Group's share in the earnings of associated companies adjusted for depreciation, impairment and dissolution of acquired surplus value or undervalue, is reported as "Share in earnings of associated companies". This share of earnings decreased by dividends received from associated companies are the main change of the reported value of shares in associated companies. The Group's share of other comprehensive income in associated companies is reported on a separate line in the total comprehensive income for the Group. Klövern does not own any shares in companies classified as jointly-owned companies.

Transactions which are to be eliminated on consolidation

The Group's receivables and liabilities, income or expenses and unrealized gains or losses that arise from intra-group transactions are eliminated in their entirety when preparing the consolidated accounts.

Holdings without controlling influence

In a not wholly-owned subsidiary, holdings without controlling influence are reported as external shareholder's share of the subsidiary's equity. This item is included as part of Klövern's equity. The share is included in the statement of income attributed to holdings without controlling influence. The disclosure about the share of earnings attributable to holding without controlling influence is reported together with the statement of income. The effects of transactions with holders without controlling influence are reported in equity if they do not lead to any change in the controlling influence.

TRANSLATION OF FOREIGN OPERATIONS

The accounts for each of the foreign subsidiaries are reported in the functional currency which is the local currency where the operation takes place. The Group's financial reports are presented in Swedish kronor (SEK). The statements of income and balance sheets of foreign operations are converted into SEK in accordance with the current method, which means that the balance sheets are converted at the exchange rate on the balance sheet date except non-monetary assets and liabilities that are converted at the historical acquisition values. The statements of income are converted at the average exchange rate for the period. The exchange rate differences on conversion are reported through other comprehensive income as a translation difference.

Transactions in foreign currency

Transactions in foreign currency are converted at the exchange rate at the time of the transaction. Monetary assets and liabilities in foreign currency are converted at the rate on the balance sheet date. Exchange rate differences arising in conversion are reported in net profit for the year. Exchange rate differences regarding accounts receivable and accounts payable are reported in the operating profit, whereas exchange-rate differences regarding financial assets and debt are reported in net financial items.

INCOME

Klövern's income consists of rental income from letting of commercial properties. Rental income is reported in the period which the tenant makes use of the premises in accordance with IFRS 16 Leases. IFRS 15 requires a breakdown between rent for premises and services. Approximately 9 per cent of rental income consists of service income. Actions that Klövern undertakes in tenancy agreements such as providing the premises with, for example, heating and cooling are an integrated part of the rent as the tenants cannot affect the choice of supplier, frequency or other influence over performance. The service that is provided to the tenants has thus been considered to be an integrated part of the rent so that all compensation is reported as rent.

Rental income from investment properties is reported in the statement of income based on the terms of the lease contracts. In cases where leases allow for a reduced rent for a particular period, which is compensated for by a higher rent during another period, the difference is accrued on the straight-line method over the lease contract term. IAS 20 Accounting for Government Grants and Disclosures of Government Assistance has been applied for government assistance in the form of compensation for reduced rents that are expected to be received. Government assistance is reported when there is reasonable assurance that the company will comply with the conditions attached to the grants and the grants will with reasonable assurance be obtained. The assistance is reported within Income in operating surplus in the same period as the reduced rental income.

Other income consists of income from early termination of leases, which is recognized as income at the time that the payment is received and income from rental guarantees recognized during the period covered by the guarantee as well as insurance indemnification. Moreover, income from the concept development business is recognized as other income.

Income from property divestments is normally reported on the date of transfer of possession unless the risks and benefits have passed to the purchaser at an earlier date. Control over the asset may have been transferred on an earlier occasion than the date of taking possession and, if this has been the case, the property divestment is reported as income at that earlier date. The assessment of appropriate revenue recognition considers the agreements made by the parties with regard to risks and benefits and commitment in the continuing administration of the property. In addition, circumstances are taken into account that may affect the result of the transaction, which are outside the control of the vendor and/or purchaser. The realized change in value of properties sold is based on the difference between the fair value of the properties in the most recent financial statements and the price that the properties have been sold for. Unrealized changes in value from previous years are included in the properties' fair value and are therefore not visible in the realized change in value.

SEGMENT REPORTING

An operating segment is a part of the group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available.

The operations of the Group are divided into operating segments that are followed up by the executive management, which are three regions

NOTE 1 CONTINUED

and international operations. Each segment has a manager who is responsible for the everyday operations and who makes regular reports to the executive management. The executive management follows up the operating profit and on the asset side the value of the properties and investments. Financing takes place centrally and is not divided up by segment.

RESIDENTIAL DEVELOPMENT

Klövern's residential development operations take place mainly in the subsidiary Tobin Properties AB and are reported under the heading Residential development. The focus of this operation is development of housing.

Contract work

Tobin's residential project development takes place mainly through the company entering into agreements with a tenant-owners' association where one part concerns the transfer of land and the other the contract. These agreements are conditional on one another and are treated for accounting purposes as a single combined agreement.

As of and including the 2020 financial year, Klöver has started consolidating projects with tenant-owners' associations in the Group, recognizing income and expenses according to the completed contract method. Previously, the percentage of completion method was used. This change follows on from the decision by the Swedish financial supervisory authority, Finansinspektionen, on the application of IFRS 10 Consolidated Financial Statements. This entails a change in the time at which project income and project expenses are recognized. Income for transferring a residential project to a tenant-owners' association is reported when control passes to the final purchaser of the tenant-owned housing.

The changed accounting policy has not had any significant effect on Klöver's income statement and balance sheet. The changed application has been adjusted retroactively in accordance with IAS 8.

In the balance sheet as at 31 December 2019, the total assets have decreased by SEK 97 million (0.17 per cent) and equity attributable to the parent company's shareholders by SEK 122 million (0.60 per cent). Historical key figures have not been recalculated as there is no significant difference for the Group. Klöver's risk scenario and financial position are not changed due to the changed accounting.

OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSE Property costs

Property costs consist of costs for operation, caretaking, letting, administration and maintenance of the property portfolio.

Central administration

Central administration consists of costs for group functions and ownership of the Group's subsidiaries.

Financial income and expenses

Financial income and expenses consists of interest income on bank funds and receivables and interest expenses on loans. Interest expenses include accrued amounts of issue costs and similar direct transaction costs to raise loans.

Dividend income is reported when the right to receive payment is established. Realized and unrealized profits and losses on financial investments and derivative instruments used in the financial operations are recognized as changes in value under a separate heading in the statement of income. Interest income and expenses are reported in profit in the period to which they are attributed.

TAXES

Income taxes comprise current and deferred tax. Taxes are reported in the statement of income except when the underlying transaction is reported directly against equity, in which case the accompanying tax effect is recognised directly in equity.

Current taxes are taxes payable or to be refunded relating to the current year, applying the tax rates that have been decided or are in practice decided on the balance-sheet date. Adjustment of current taxes attributable to earlier periods is also included here.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between reported and tax values of assets and liabilities. The following temporary differences are not taken into account: temporary differences that have arisen at the time of initial reporting of assets and liabilities which are asset acquisitions

and which at the time of the transaction neither affect the reported nor taxable earnings. Neither are temporary differences taken into account that relate to shares in subsidiaries or associated companies which are not expected to be cancelled in the foreseeable future. Deferred tax is calculated applying the tax rates and tax rules that have been decided or in practice are decided on the balance-sheet date.

Deferred tax assets relating to deductible temporary differences or deficit deductions are reported only to the extent that it is probable these will be exploited. The value of the deferred tax assets is reduced when it is no longer regarded as probable that they can be used.

Current tax has been calculated at a tax rate of 21.4 per cent. Deferred tax has been calculated at the tax rate 20.6 per cent which is applicable from 2021 onwards. With respect to Denmark, current and deferred tax are calculated at 22.0 per cent.

FINANCIAL INSTRUMENTS

Financial instruments reported in the balance sheet include on the asset side liquid funds, accounts receivable, other receivables and derivatives and securities. Liabilities include accounts payable, loan debts, other liabilities and derivatives and financial instruments.

Accounts receivable and debt instruments issued are reported when they are issued. Other financial assets and financial liabilities are reported when the Group becomes a party in accordance with the instrument's contractual terms.

Financial instruments are recognized initially at fair value, corresponding to acquisition value, with a supplement for transaction costs, with the exception of the category of financial instruments recognized at fair value through the statement of income where transaction costs are not included.

A financial asset is removed from the balance sheet when the rights in the agreement have been realized, mature or the company no longer has control over it. A financial liability is removed from the balance sheet when the obligation in the agreement has been performed or otherwise extinguished.

Financial assets and financial liabilities are set off and reported at a net amount in the statement of financial position only when the Group has a legal right to set off the reported amounts and it is intended to adjust the items at a net amount or to realize the asset at the same time and settle the debt at the same time.

Classification and valuation

Financial assets

The applicable categories for Klöver's financial assets are accrued acquisition value and fair value through profit or loss.

A financial asset is valued at accrued acquisition value if it is held with the intention of receiving contractual cash flows and it gives rise on set dates to cash flows that are only payments of principal amounts and interest on the outstanding principal. Klöver's financial assets included in this category are accounts receivable, liquid funds and other receivables.

The expected maturities of accounts receivable are, however, short, and the value is accordingly reported at the nominal amount without discounting. Accounts receivable and loans receivable are recognized at the amount expected to be received, that is after deduction for doubtful claims. Liquid funds and other assets with short maturities are reported at nominal value.

Financial liabilities

Financial liabilities are classified as valued at accrued acquisition value or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as being held for purpose of trade, as a derivative for which hedge accounting is not applied or it has been identified as such at the time of initial recognition.

Subsequent valuation of other financial liabilities takes place at accrued acquisition value according to the effective interest method. Interest expense and profits or losses on removal from the balance sheet are reported in earnings. In particular, the Group's interest-bearing liabilities are included in this category. Accounts payable and other short-term operating liabilities which are financial liabilities are recognized due to the short maturity at nominal value.

Derivative Instruments

Derivative instruments are reported in the balance sheet on the contract date and are valued at fair value, both initially and in subsequent revaluations. The Group uses derivatives of financial instruments to reduce interest rate risks. Borrowing at variable interest is exchanged for a fixed

NOTE 1 CONTINUED

interest loan by interest rate swap contracts. The Group reports interest rate swap contracts as financial instruments valued at fair value through the statement of income. Hedge accounting is not applied. Interest rate coupons which are placed on interest rate swaps are reported under interest expenses.

Impairment

The Group makes an assessment on each balance-sheet date whether there are objective grounds for impairment of a financial asset. A provision is made for deterioration of value of accounts receivable by an assessment of expected credit losses. Significant financial difficulties for the debtor, the probability of a debtor being declared bankrupt or undergoing financial reconstruction and non- or delayed payments (more than 30 days past their due date) are considered as indicators that there may be a need for impairment of an account receivable.

INTANGIBLE ASSETS**Goodwill**

Goodwill mainly arises through deferred tax calculated according to accounting rules and the value of deferred tax set by the parties in transactions. In accounting terms, deferred tax is calculated on the difference between fair values and tax values. In transactions, deferred tax is evaluated usually based on the probability of it falling due for payment as well as a time factor when any payment will take place. Consideration of impairment requirements of goodwill relating to divestments and impairments of the value of the properties is made annually.

TANGIBLE NON-CURRENT ASSETS**Assets owned**

Tangible non-current assets are reported in the Group at acquisition value after deduction for accumulated depreciation and any impairment. The acquisition value includes the purchase price and costs directly attributable to the asset to bring it to the location and to put it in a condition to be used in accordance with the intention of the acquisition.

Lease contracts

Lease contracts where all significant risks and benefits associated with ownership pass to the lessor are classified as operational lease contracts. Tenancy contracts pertaining to investment properties are to be treated as operational lease contracts.

Assets and liabilities attributable to all lease contracts are recognized, with few exceptions, in the balance sheet as rights of use assets/leasing liabilities and chiefly comprise site leaseholds. Site leaseholds are regarded by IFRS 16 as perpetual tenancy agreements and reported at fair value and will thus not be amortized. The value of right of use assets remain to the next renegotiation of the respective site leasehold. Lease liability is not amortized, the value is unchanged until the renegotiation of the respective site leasehold. Site leasehold costs are reported in their entirety as a financial expense. Other lease contracts primarily relate to vehicles, where the rights of use assets are amortized over the term of the lease while leasing liabilities run with interest and are amortized over the term of the lease.

Klövern continuously analyses the valuation of the lease liability on the basis of changed or additional lease contracts. Short-term leasing and leasing involving small values are expensed over the term.

Depreciation principles, machinery and equipment

Linear depreciation takes place over the estimated period of use of the asset.

Estimated periods of use:

– machinery and equipment 3–10 years

Assessment of the residual value of an asset and period of use is made annually.

Investment properties

Investment properties are properties held with a view to obtaining rental income or an increase in value or a combination of these purposes. Initially, an investment property is entered in the balance sheet at its acquisition cost, which includes expenses directly attributable to the acquisition.

Investment properties are reported in the consolidated balance sheet at their fair value, see Note 10. Every quarter, Klövern values 100 per cent of the property portfolio, of which normally 20–30 per cent externally and the rest internally. This means that every property in the portfolio is valued externally at least once during a rolling 12-month period. The valuation model used by both the external valuers and Klövern is yield valuation according to the cash flow model. From the outcome of the cash flow model, the fair value of the property is assessed before deduction for selling expenses.

Both realized and unrealized changes in value are recognised in the statement of income. Rental income and income from property divestments are recognized in accordance with the policies described in the section on reporting of income. Additional expenses, which increase value, are capitalized. All other additional expenses are reported as a cost in the period in which they occur. Repairs and maintenance are expensed in connection with the expense arising. In major projects, the interest expense is capitalized during the period of production.

Impairment

The Group's reported tangible non-current assets are assessed on every balance-sheet date to determine whether there are indications that impairment is required. Exemptions are made for investment properties which are reported at fair value according to IAS 40. If there are indications of an impairment requirement, the asset's recovery value is calculated.

LIQUID FUNDS

Liquid funds consist of cash and immediately available deposits at banks and corresponding institutions. Savings accounts deposits are funds that serve as collateral for repayment of loans or for financing of investments in properties and are reported as other receivables.

STATEMENT OF CASH FLOW

The statement of cash flow has been prepared using the indirect method.

REPURCHASE OF OWN SHARES

Acquisition of own shares is reported as a deductible item from equity. Payments for divestments of such an equity instrument are reported as an increase in equity. Any transaction expenses are reported directly against equity.

DIVIDENDS

Dividends are reported as a liability after the annual general meeting/ extraordinary general meeting of shareholders has approved the dividend. Anticipated dividend is reported as a financial income at the recipient.

EARNINGS PER SHARE

Earnings per share is calculated on the basis of net profit for the year in the Group attributable to the parent company's shareholders and on the weighted average number of outstanding shares during the year.

REMUNERATION TO EMPLOYEES

Pensions may be classified as defined contribution or defined benefit schemes. Plans where the company's undertaking is limited to the contributions the company has undertaken to pay are classified as defined contribution pension schemes. Klövern's pension schemes are considered to be defined contribution. Undertakings concerning contributions to defined contribution pension schemes are reported as a cost in the income statement when they arise.

Compensation to employees such as salaries, social costs, vacation and paid sickness leave are reported as the employees perform services.

NOTE 1 CONTINUED

Share-related remuneration

Cash-regulated options give rise to an undertaking to the employee, which is valued at fair value and reported as an expense with a corresponding increase of liabilities. Fair value is initially calculated on the allocation date and apportioned over the earning period. The fair value of the cash-regulated options is calculated applying the Black-Scholes model taking into consideration the terms and conditions and prerequisites of the instruments allocated. The liability is revalued on every balance-sheet date as well as when it is settled. All changes in fair value of the liability are reported in net profit for the year.

PROVISIONS

A provision is reported in the balance sheet when the Group has an existing legal or informal undertaking which is a consequence of an event that has taken place, and it is probable that an outflow of financial resources will be required to settle the undertaking and a reliable estimate of the amount can be made.

When the effect of the time at which the payment is made is important, provisions are calculated by discounting the expected future cash flow at an interest rate before tax which reflects current market assessments of the time value of money and, if applicable, the risks associated with the debt.

PROPERTIES CLASSIFIED AS CURRENT ASSETS

Short-term development properties

The group's short-term development properties are wholly attributable to residential development operations, which are conducted in the subsidiary Tobin Properties AB. Short-term development properties are properties that are undeveloped or built for future production of tenant-owned apartments. The properties are not intended to be held in the long term. Short-term development properties are reported in accordance with IAS 2 Inventories which entails valuation at the lowest of acquisition value and the net divestment value (estimated sale price after deduction of estimated completion costs). Property acquisitions take place either as direct acquisition of one or more individual properties or as acquisition of shares in a property-owning company. Short-term development properties acquired by direct acquisition are normally reported as an asset during the reporting period when the binding agreement on acquisition was entered into unless circumstances in the agreement's wording affect the reporting period chosen. On acquisition of shares in a property-owning company, the asset is normally reported in the period when access to the shares takes place. Production costs for short-term development properties include direct costs and a reasonable share of indirect costs.

THE PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company has drawn up its annual accounts according to the Annual Accounts Act (1995:1554) and the recommendation of the Swedish Financial Reporting Board RFR 2, Reporting of a legal entity. The statements of the Swedish Financial Reporting Board on listed companies are also applied. According to RFR 2, the Parent Company shall apply all of the IFRSs approved by the EU and opinions to the greatest possible extent in the annual accounts for the legal entity within the framework of the Annual Accounts Act and taking into consideration the link between accounting and taxation. The recommendation states the exceptions and additions that are to be made in relation to IFRS being applied consistently in all periods presented in the Parent Company's financial reports.

Differences between the Group's and the Parent Company's accounting policies

The differences between the Group's and the Parent Company's accounting policies are shown below. The accounting policies for the Parent Company shown below have been applied consistently in all periods presented in the parent company's financial reports.

Changed accounting policies

Unless otherwise stated below, the Parent Company's accounting policies during 2020 have been changed in accordance with the above statements applicable to the Group.

Invoiced sales to subsidiaries

In the capacity of Parent Company, Klöver continuously provides the subsidiaries with services relating to operation, management, marketing, accounting, legal and financial advice, IT support, invoicing services, and group purchases. The amounts are invoiced to the subsidiaries quarterly in arrears and based on the respective subsidiary's property portfolio.

Lease contracts

The Parent Company does not apply IFRS 16 but instead makes use of the exception in RFR 2 and reports leasing fees from any lease contracts as an expense on a linear basis over the term of the lease. Any right of use asset and lease liability are thus not reported in the balance sheet.

Subsidiaries

Shares in subsidiaries are reported in the Parent Company in accordance with the cost method. Group contributions and dividends received are reported as income. The value of shares in subsidiaries are continuously assessed. If the book value of the shares exceeds the consolidation value, impairment is made that is charged to earnings.

Financial instruments

The Parent Company applies the exemption in RFR 2 and reports financial instruments based on the principles of the Annual Accounts Act. The differences that this entails in comparison with the Group's principles are that the Parent Company's holding of interest rate derivatives is reported in accordance with a form of the lower of cost or market, where values that are lower than the acquisition value are reported in the balance sheet with the change of value reported in the statement of income. Accordingly, interest rate swaps with a negative value are reported as a liability in the balance sheet at this negative value.

Receivables in the Parent Company consist only of receivables from subsidiaries recognized at acquisition value. Receivables on subsidiaries are analyzed in the general model and the expected credit provisions are calculated based on the contracts with adjustments for forward-looking factors and taking into consideration the value of collateral. Receivables without collateral in properties amount to insignificant amounts and given the value of the collateral the provisions are insignificant amounts.

The Parent Company applies the exemption not to evaluate financial guarantee agreements in favour of subsidiaries and associated companies in accordance with the rules in IFRS 9, but instead applying the principles of valuation according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Tangible non-current assets

Machinery and equipment in the Parent Company are reported at acquisition value after deduction for accumulated depreciation and any impairment in the same way as for the Group but with an addition for any write-ups.

Group contributions, dividends and shareholder contribution for legal entities

Group contributions from subsidiaries shall be reported in accordance with the same policies as dividend in the Parent Company. Group contributions are thus reported as financial income. Dividends are reported as a liability after the general meeting of shareholders has made a decision regarding the dividend. Anticipated dividend is reported as financial income at the recipient. Shareholders' contributions are reported directly against equity at the recipient and capitalized in shares and participation rights at the donor, to the extent that impairment is not required.

Contingencies

The Parent Company's financial guarantee agreements consist mainly of guarantees in favour of subsidiaries. A contingency is reported when there is a possible undertaking that derives from events that have occurred and whose existence is confirmed only by one or more uncertain future events or when there is an undertaking that is not reported as a liability or a provision due to it not being probable that an outflow of resources will be required.

NOTE 2 DISTRIBUTION OF INCOME

	2020	2019
Group		
Rental income	3,266	3,613
Rental guarantees	–	0
Redemption of lease contracts	2	7
Insurance indemnification	17	18
Other income	9	–
Total income	3,294	3,638
Parent company		
Invoiced administration to subsidiaries	306	264

See note 4 for the geographical breakdown.

NOTE 3 EMPLOYEES, PERSONNEL COSTS AND REMUNERATION FOR SENIOR EXECUTIVES

Average number of employees	2020	Proportion of women, %	2019	Proportion of women, %
Parent Company – Sweden	252	45	248	44
Total Parent Company	252	45	248	44
Subsidiaries – Sweden	15	64	24	52
Subsidiaries – Denmark	3	–	3	–
Total subsidiaries	18	53	27	46
Group total	270	45	275	44

Gender distribution in executive management

Proportion of women, %	2020	2019
Parent Company		
Board	60	60
Other senior executives	40	40
Group total		
Board	60	60
Other senior executives	40	40

On 31 December 2020, the number of senior executives in the Parent Company was five (5), of which two (2) women. The Executive Management included Rutger Arnhult, CEO, Peeter Kinnunen, Head of Transactions, Jens Andersson, Head of Finance, Malin Löveborg, Corporate Lawyer and Susanne Hörnefeldt, Head of Business Support. On 31 December 2020, the Board of the Parent Company consisted of five (5) members – Pia Gideon, Rutger Arnhult, Eva Landén, Johanna Fagrell Köhler and Ulf Ivarsson – of which three women (3). The Chairman of the Board is Pia Gideon.

Remuneration

Principles for remuneration to the CEO and the executive management are decided upon by the Annual General Meeting. Remuneration and benefits for other senior executives are proposed by the Remuneration Committee and decided upon by the Board. A fee is paid to the Chairman of the Board and the board members in accordance with a decision at the Annual General Meeting. No director's fee is paid to a board member who is employed by the Company.

The CEO does not have a performance-based salary. The CEO is entitled to a company car as well as a subsistence benefit, health insurance and participation in Klöver's profit-sharing foundation. While in the employment of the Company, the pension premium may amount to at most 35 per cent of the basic salary. The retirement age of the CEO is 65. The period of notice for the CEO is 12 months in the event of termination at the company's initiative, and six months in the event of termination at the CEO's initiative. In the event of termination at the Company's initiative, full salary and all benefits are payable during the period of notice. The compensation is reduced by any income earned from any other employer. In the event of termination at the CEO's initiative, full salary and all benefits are payable during the period of notice while the employment continues.

The salary paid to other senior executives is to be at a market level and competitive. Variable salary may amount to at most the equivalent of three months' basic salary (not conferring pension rights). The pension premium may amount to at most 35 per cent of the basic salary during the period of employment. The retirement age of other senior executives is 65. The period of notice for termination at the Company's initiative is 12 months and at the employee's initiative six months. Other senior executives are entitled to a company car, subsistence benefit, health insurance and participation in Klöver's profit-sharing foundation.

There are no agreements on severance pay.

Share-related remuneration

The options issued in 2017 by Klöver to senior executives and key people matured in 2020. The options were settled for a market-level remuneration of SEK 39m. Less premiums paid, the net profit gained by the option holders amounted to SEK 35m.

At year-end 2020, there are no outstanding options.

Remuneration and benefits for the Board and senior executives, Parent Company

Amount in SEK 000s	2020	2019
Chairman of the Board		
Pia Gideon	430	420
Other members of the Board		
Eva Landén	210	200
Johanna Fagrell Köhler	210	200
Ulf Ivarsson	210	200
CEO		
<i>Remuneration from Parent Company</i>		
Basic salary	5,769	5,638
Variable salary	–	–
Benefits	276	247
Pension cost	3,271	1,649
<i>Remuneration from subsidiaries</i>		
Board fees	–	17
Other senior executives, 4 persons (4)		
Basic salary	5,590	5,159
Variable salary	1,056	773
Benefits	304	294
Pension cost	1,415	1,247
Total	18,741	16,044

NOTE 3 CONTINUED

Salaries, other remuneration and social security contributions

	Salaries and remuneration		of which the Board, senior executives and CEO ¹		Social security contributions		of which pension costs	
	2020	2019	2020	2019	2020	2019	2020	2019
Parent Company ²	156	144	13	13	79	74	22	21
Subsidiaries	11	34	–	–	6	14	2	4
International	2	2	–	–	0	0	0	0
Total, Group³	169	180	13	13	85	89	24	26

1) The Board of the Parent Company (excluding the CEO) consists of 4 people (4) and senior executives of 5 people (5).

2) SEK 4.7 million (2.9) of the pension costs of the Parent Company are for the CEO and senior executives.

3) SEK 4.7 million (2.9) of the pension costs of the Group are for the CEO and senior executives. The Group has no outstanding pension obligations for these individuals.

Profit-sharing foundation

Klövern has a profit-sharing foundation that covers all employees according to rules in the foundation's statutes. Allocation to the foundation can at most amount to one price basic amount per employee and year, and is determined based on goals in Klövern's business plan. For the 2020 financial year, SEK 15 million including wages tax is reserved for the foundation. At year-end, the foundation owned 387,803 Class A ordinary shares and 5,303,546 Class B ordinary shares, corresponding

to 0.5 per cent of the share capital and 0.5 per cent of the number of votes.

Defined contribution schemes

The Group's employees are covered by defined contribution pension schemes, which are wholly paid for by the company. Payment takes place on an ongoing basis according to set rules.

NOTE 4 BUSINESS SEGMENTS

Klövern's operations are divided into business segments based on which parts of the business the most senior decision-makers monitor.

Items not allocated are dealt with at group level.

Ericsson is Klövern's largest tenant and accounted for 8 per cent (7) of Klövern's contract value at year-end 2020. The area leased by Ericsson amounted to 130,000 sq.m. (129,000) and the average remaining contract period was 4.5 years (4.0).

	Stockholm region		East region		West region		International ¹		Not allocated ²		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income	1 760	1 806	711	740	614	621	209	197	–	274	3 294	3 638
Property costs	–617	–596	–226	–243	–206	–227	–51	–25	–	–84	–1 100	–1 175
Operating surplus	1 143	1 210	485	497	408	394	158	172	–	190	2 194	2 463
Central administration	–	–	–	–	–	–	–	–	–157	–159	–157	–159
Net financial items	–	–	–	–	–	–	–	–	–768	–842	–768	–842
Profit from property management	1 143	1 210	485	497	408	394	158	172	–925	–811	1 269	1 462
Profit, residential development	–	–	–	–	–	–	–	–	–86	–166	–86	–166
Share in earnings of associated companies	–	–	–	–	–	–	–	–	7	17	7	17
Changes in value, properties	897	1 209	150	261	85	21	186	634	4	–	1 322	2 125
Changes in value, derivatives	–	–	–	–	–	–	–	–	–32	–14	–32	–14
Changes in value, financial assets	–	–	–	–	–	–	–	–	–13	13	–13	13
Impairment, goodwill	–	–	–	–	–	–	–	–	–	–6	–	–6
Profit before tax	2 040	2 419	635	758	493	415	344	806	–1 045	–967	2 467	3 431
Tax on profit for the year	–	–	–	–	–	–	–	–	–565	–410	–565	–410
Net profit for the year	2 040	2 419	635	758	493	415	344	806	–1 610	–1 377	1 902	3 021

Investment properties – investment, acquisition, divestment per segment

Investment	570	453	471	332	318	234	1 017	459	–	72	2 376	1 550
Acquisition	43	646	247	–	214	–	2 109	313	–	–	2 613	959
Divestment	258	209	–	2 072	–	2 748	–	–	17	–	275	5 029

1) Income amounted to SEK 189 million (193) in Denmark and SEK 20 million (4) in the United States, property costs amounted to SEK 13 million (15) in Denmark and SEK 38 million (10) in the United States.

2) Unallocated income, property costs, changes in value of properties, investments and divestments relate to divested properties in Karlstad and Örebro in 2019.

NOTE 4 CONTINUED**Key figures per business segment and property segment**

	Fair value, SEKm		Yield requirement ¹ , %		Area, 000' sq.m.		Rental value, SEKm		Economic occupancy rate, %	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31	2020-12-31	2019-12-31	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Stockholm region	30,663	29,534	5,1	5,2	1,118	1,129	2,077	2,078	86	88
East region	9,355	8,485	6,3	6,4	722	708	821	771	89	91
West region	8,675	8,067	6,1	6,2	618	609	752	729	87	87
International	8,755	6,291	4,2	4,2	93	96	196	241	96	100
Total	57,448	52,377	5,3	5,4	2,551	2,542	3,846	3,819	87	90
of which										
Investment	48,472	45,743	5,4	5,5	2,249	2,222	3,504	3,455	90	92
Development	8,976	6,634	4,9	5,2	302	320	342	364	66	71

1) Yield requirement is calculated excluding building rights.

NOTE 5 FEES AND REIMBURSEMENT TO AUDITORS

SEK 000s	Group		Parent Company	
	2020	2019	2020	2019
Ernst & Young AB				
Audit assignments	5,383	5,760	3,480	3,156
Tax advice	–	50	–	50
Other assignments	676	20	676	20
Total	6,059	5,830	4,156	3,226
KPMG				
Other assignments	65	286	65	286
Total	65	286	65	286
Deloitte AB				
Tax advice	88	–	88	–
Total	88	–	88	–
PwC AB				
Other assignments	57	–	57	–
Total	57	–	57	–
GRAND TOTAL	6,269	6,116	4,366	3,512

Audit assignments mean statutory audit of annual accounts and consolidated accounts and accounting records as well as the administration by the board of directors and the CEO and audit and other reviews performed by agreement or contract.

This includes other work performed by the company's auditor and advice or other assistance occasioned by observations in the course of such audit or performance of other work. All other services provided are other assignments.

NOTE 6 OPERATING EXPENSES BROKEN DOWN BY TYPE

Group	2020	2019
Property costs		
Operating costs	–588	–627
Repairs and maintenance	–125	–183
Property tax	–192	–195
Personnel costs	–169	–156
Other property costs	–26	–14
Total	–1,100	–1,175
Central administration		
Personnel costs	–82	–89
Allocation to profit-sharing foundation	–6	–3
IT, advertising and cost of premises	–28	–29
Audit fees	–4	–5
Other costs	–37	–33
Total	–157	–159

NOTE 7 NET FINANCIAL ITEMS

	2020	2019
Group		
Interest income, other financial assets	12	19
Exchange rate differences, financial items	9	–
Financial income	21	19
Interest expense, loans ¹	–667	–731
Exchange rate differences, financial items	–1	–3
Other financial expense	–78	–83
Site leasehold expenses	–44	–44
Financial expense	–790	–861
Net financial items	–768	–842
Parent Company		
Interest income, group companies	1,138	793
Interest income, other	8	11
Exchange rate differences, financial items	140	25
Dividend from group companies	765	1,235
Group contribution, group companies	346	630
Financial income	2,397	2,694
Impairment of shares in subsidiaries	–20	–560
Interest expense, group companies	–532	–401
Interest expense, loans ¹	–591	–506
Interest expense, group companies	–35	–
Other financial expense	–69	–53
Financial expense	–1,247	–1,520
Net financial items	1,150	1,174

1) SEK 632 million (691) of the Group's interest expense is attributable to liabilities valued at accrued acquisition value. The corresponding figure for the Parent Company is SEK 497 million (470). The remaining interest expense refers to current interest attributable to Klövern's interest rate derivatives which are valued at fair value in the result.

NOTE 8 TAXES

Tax reported in consolidated Statement of Income

	2020	2019
Current tax	–62	–44
Current tax relating to previous years	4	0
Deferred tax income/expense (+/–)	–506	–365
Total taxes	–565	–410

Reconciliation, tax expense

	2020	2019
Reported profit before tax	2,467	3,431
Tax according to tax rate 21.4%	–528	–734
Tax effect relating to		
Foreign tax rates	36	–2
Tax attributable to previous years	4	0
Capitalization of previously not capitalized loss carryforwards	11	119
Divestment of subsidiaries not subject to tax	13	326
Goodwill	–	–1
Non-deductible expenses	–197	–147
Income not subject to tax	99	63
Other tax-related adjustments	–2	–33
Reported tax	–565	–410
<i>Effective tax</i>	<i>23%</i>	<i>12%</i>

Deferred tax assets and deferred tax liabilities are reported net in the balance sheet. Deferred tax is calculated in accordance with the balance-sheet method on all temporary differences that arise between reported values and tax values, with the exception of temporary differences on properties in the event of asset acquisitions. Properties, derivative instruments and tax loss carryforwards are the main items that serve as a basis for reporting deferred tax. In the valuation of tax loss carryforwards, an assessment is made of the probability of it being possible to use the tax loss carryforwards in the future. Klövern's established/available tax loss carryforwards are fully valued and amount to SEK 1,180 million (1,490). The tax loss carryforwards are not limited in time.

Deferred tax reported in the consolidated balance sheet

	2020	2019
Tax loss carryforwards	243	307
Investment properties	–5,624	–5,132
Asset acquisition (less)	1,704	1,633
Derivatives and financial assets	16	8
Project properties	–59	–36
Untaxed reserves	–2	–1
Total deferred tax	–3,722	–3,220

NOTE 8 CONTINUED**Changes in deferred tax, Group**

2020	Opening balance	Reported in earnings	Closing balance
Tax loss carryforwards	307	-64	243
Investment properties	-5,132	-492	-5,624
Asset acquisitions (less)	1,633	71	1,704
Derivatives and financial assets	8	8	16
Project properties	-36	-23	-59
Untaxed reserves	-1	-1	-2
	-3,220	-502	-3,722
2019	Opening balance	Reported in earnings	Closing balance
Tax loss carryforwards	351	-44	307
Investment properties	-4,817	-315	-5,132
Asset acquisitions (less)	1,605	29	1,633
Derivatives and financial assets	16	-8	8
Project properties	-37	2	-36
Untaxed reserves	-1	0	-1
	-2,884	-336	-3,220
Parent Company		2020	2019
Profit before tax		1,021	1,124
Current tax		-2	-16
Deferred tax		-73	-71
Net profit		946	1,037
Deferred tax asset			
At beginning of year		300	371
Change during the year		-73	-71
At year-end		227	300

NOTE 9 GOODWILL

On 2 March 2012, Klöver AB acquired Dagon AB (publ). In conjunction with the drawing up of an acquisition analysis and the acquisition being classified as a business combination, an adjustment was made of the deferred tax liability in the balance sheet. Goodwill mainly arises owing to deferred tax being calculated in accordance with accounting rules and the value of deferred tax being set between the parties in the transaction. For the purpose of accounting, deferred tax is calculated as the difference between fair values and tax values. Impairment of goodwill is attributable to divestments and impairment of the fair value of the properties.

	2020	2019
Business combination	148	183
Impairment attributable to properties sold	-	-34
Closing balance	148	148

NOTE 10 INVESTMENT PROPERTIES

The investment properties are valued in accordance with the fair value method and all have been valued in accordance with valuation Level 3. No properties have been shifted between different valuation levels. Every quarter, Klöver AB values the whole of the property portfolio of which 20–30 per cent is normally valued externally, the rest being internally valued. This means that every property in the portfolio is externally valued at least once during a rolling 12-month period.

The valuations are yield-based using the cash flow method, i.e. based on forecasts of future cash flows. The yield requirement of the properties has been determined on the basis of their unique risk and completed transactions, according to the location price method. Changes during the period in the non-observable input data applied in the valuations are analysed by the executive management when closing the accounts in relation to internally available information, transactions that been carried out or which are planned and information from the external valuers.

All external valuations have been carried out in accordance with the international valuation standard's instructions ("Red book"). External valuations have been carried out by Cushman & Wakefield, Savills and Newsec.

Calculation of the fair value of the property

- The cash flow of the property is discounted to present value each year with the cost of capital/discount rate.
- The property's residual value is assessed by a perpetual capitalization whereupon the yield requirement is used. The residual value is then discounted to present value with the cost of capital.
- The value of any building rights and undeveloped land is added to the present value.
- The normal calculation period is five or ten years.
- Inflation has been assessed at two per cent (The Riksbank's inflation target).

Summary

Value date	31 December 2020
Fair value	SEK 57,448 million
Calculation period	Normally 5 or 10 years
Yield for assessment of residual value	Between 3.40 and 9.00 per cent
Cost of capital/discount rate	Between 5.40 and 11.00 per cent
Long-term vacancy	Normally between 5 and 10 per cent
Inflation	2 per cent

VALUATION METHOD

Klöver AB uses yield-based valuations according to the cash flow method for external and internal valuations. The same valuation method has been used for all of Klöver AB's properties except for building rights and land; see the section Building rights and land below for the valuation methods used for these. The fair value of the property before deduction for selling expenses is calculated from the outcome in the cash flow method. The investment amount in 2020 included capitalized loan expenditure of SEK 116 million (-). An interest rate of 4.4 per cent has been used to determine the amount.

VALUATION MODEL

+ Rent payments
 – Operating expenses (payments)
 = Operating surplus
 – Deduction for investments
 = The property's cash flow

NOTE 10 CONTINUED

Sensitivity analysis

A property valuation is an estimate of the value that an investor is willing to pay for the property at a given time. The valuation is made on the basis of generally accepted models and certain assumptions on different parameters. The market value of the property can only be reliably established in a transaction between two independent parties. An uncertainty interval is stated in the property values and is between

+/- 5–10 per cent in a normal market. A changed property value of +/- 5 per cent affects Klöver's property value by +/- SEK 2,872 million. The table shows how different parameters affect the property value. The different parameters are each affected by different assumptions and do not normally interact in the same direction.

Sensitivity analysis, property valuation

	Change, +/-	Effect on profit, property values, SEKm	Effect on profit, property values, %
Yield requirement	0.5 percentage point	-4,927/+5,947	-8.6/+10.4
Rental income	SEK 50/sq.m.	+/-2,393	+/-4.2
Operating cost	SEK 25/sq.m.	-/+1,197	-/+2.1
Vacancy rate	1.0 percentage point	-/+722	-/+1.3

Property portfolio and valuation at fair value as of 31 December 2020

	Fair value, SEKm	No. of properties	Rental value, SEKm ¹	Economic occupancy rate, %	Lettable area, 000 sq.m.	Cost of capital, %	Yield requirement, %	Yield requirement, average, %
Stockholm region	30,663	120	2,077	86	1,118	5.40–11.00	3.40–9.00	5.1
East region	9,355	115	821	89	722	6.90–11.00	4.90–9.00	6.3
West region	8,675	103	752	87	618	6.00–10.75	4.00–8.75	6.1
International	8,755	12	196	96	93	5.75–8.25	3.75–6.25	4.2
Total	57,448	350	3,846	87	2,551			5.3

of which

Investment	48,472	304	3,504	90	2,249	5.75–11.00	3.75–9.00	5.4
Development	8,976	46	342	66	302	5.40–11.00	3.40–9.00	4.9

1) The rental value includes the lease contract value for the areas let and assessed market rents for vacant space.

BASIS FOR VALUATION

Every assumption about a property is assessed individually on the basis of the material available about the property as well as the market information and experience-based assessments of the external valuers.

Rental payments

The current lease contracts and known lettings moving in/out serve as the basis for an assessment of the property's rental payments. The external valuers have, in collaboration with Klöver's property managers, made an individual assessment of the market rent for the vacant areas, and the areas let at the end of the contract term. The external valuers also assess the long-term vacancy of each property.

Contract structure

The most common maturity for newly signed contracts is 3–5 years with a period of notice of 9 months. Klöver's average lease contract period is 3.5 years (3.6).

Maturity year	Contract value, SEKm	Proportion of contract value, %	Area, 000 sq.m.
2021	760	23	491
2022	659	19	436
2023	604	18	366
2024	333	10	226
2025	338	10	161
2026	161	5	93
2027	126	4	61
2028	146	4	63
2029–	238	7	130
Total	3,365	100	2,027

NOTE 10 CONTINUED**Operating payments**

Operating payments consist of payments for the property's normal operations, including property tax, repairs and maintenance, property administration and, if appropriate, site leasehold charges. The assessment of operating payments is based on the properties' budgets and outcomes as well as the experiences of the external valuers of similar properties. The maintenance of the properties is assessed on the basis of their current state, ongoing and budgeted maintenance measures and the assessment by the external valuers of future maintenance requirements.

Required investment

The property's required investment is assessed by the external valuers on the basis of the state of the property. Klöver informs the external valuers about ongoing projects. In the event of large vacancies at the property, the required investment often increases.

Yield requirement and cost of capital

The yield requirement of the properties has been assessed on the basis of the unique risk of each property. It can be divided into two components, a general market risk and a specific property risk. The market risk is associated with the general development of the economy and is affected, inter alia, by the priority given by investors to different types of assets and financing possibilities. The specific property risk is affected by the location of the properties, effective use of space, the standard of the premises, the quality of the installations, site leasehold, type of tenant and the terms of the lease contracts. In a theoretical reasoning, the cost of capital is set by inflation expectations being added to a risk-free real interest rate and a risk factor. The cost of capital is assessed for each property individually.

Residual value

Residual value consists of the operating surplus during the remaining economic lifetime which is based on the year after the last calculation year. Calculation of residual value takes place for every property by perpetual capitalization of the estimated market operating surplus and the estimated market yield requirement for the respective property. The yield requirement consists of the risk-free rate and each property's unique risk. The unique risk of the properties is assessed on the basis of the external valuers' market databases, experiences and transactions carried out in accordance with the location price method in the respective market. The cost of capital/discount rate is used to discount the residual value of the properties to present value.

Calculation periods

The calculation periods are mainly five years. Exceptions are properties with major contracts where the remaining contract term exceeds five years. In these cases, a calculation period corresponding to 10 years or the remaining contract term plus at least one year has been adopted.

Building rights and land

At the properties where there are unused building rights and land, these are valued on the basis of the location price method or a present value based on the estimated market value on development of the building rights and land.

Inspection of the properties

All properties are inspected by the external valuers within a three-year period. The external valuers make new inspections where major refurbishment, moving-in or other circumstances affecting the value have taken place.

INTERNAL PROPERTY VALUES

In the internal property valuations, the yield requirements are decided after review with the external valuers. The development of the yield requirements of the internal valuations in this way complies with the external valuations. The internal valuations are performed in the same valuation models as the external valuations.

CHANGES IN VALUE

The fair value of Klöver's properties was SEK 57,448 million (52,377) on 31 December 2020. Changes in value for 2020 amounted to SEK 1,322 million (2,125). The changes in value include realized changes in value of SEK 116 million (14) and unrealized changes in value of SEK 1,206 million (2,111). Klöver's property portfolio has been valued at an average yield requirement of 5.3 per cent (5.4) on 31 December 2020.

Group	Properties
Opening fair value, 1 January 2019	52,713
Acquisitions	959
Investments	1,550
Divestments	-5,029
Unrealized changes in value	2,111
Currency conversion	73
Closing fair value, 31 December 2019	52,377
Acquisitions	2,613
Investments	2,376
Divestments	-275
Unrealized changes in value	1,206
Currency conversion	-849
Closing fair value, 31 December 2020	57,448

TAX ASSESSMENT VALUES

Group	2020	2019
Tax assessment values, buildings	13,931	13,835
Tax assessment values, land	6,654	6,623
Total tax assessment value	20,585	20,458

TAX RESIDUAL VALUE

The residual value of the properties for tax purposes totalled SEK 25,350 million (25,215) on 31 December 2020.

NOTE 11 RIGHT-OF-USE ASSETS AND LIABILITIES

Right-of-use assets

2020	Site leaseholds	Land lease	Vehicles	Total
Opening amount	508	218	7	733
The year's capitalizations	8	39	6	53
Depreciation	–	–	–5	–5
Divestment	–1	–48	–2	–51
Closing amount	515	209	6	730

2019	Site leaseholds	Land lease	Vehicles	Total
1 January 2019	480	218	14	712
The year's capitalizations	43	–	2	45
Depreciation	–	–	–6	–6
Divestment	–15	–	–2	–17
Closing amount	508	218	7	733

The rights-of-use have been discounted at an average interest rate of 5.78 per cent (5.73).

Lease liabilities

	2020	2019
Reported value as at 1 January	733	703
New contracts	47	43
Acquired contracts	–	3
Amortization	–1	–1
Terminated contracts	–49	–15
Reported value as at 31 December	730	733
of which short-term	194	252
of which long-term	536	481

Due date structure of lease liabilities

	2020	2019
1 year	194	252
Between 2 and 5 years	136	193
Later than 5 years	400	288
	730	733

Items attributable to leasing with impact on profits

	2020	2019
Interest expense on leasing liabilities	–44	–44
Depreciation of right-of-use assets	–5	–6
Costs attributable to short-term leasing and small-value leasing	–5	–4
	–53	–54

During 2020, the cash flow has been affected by SEK 56 million (55) for leasing. Future cash flows attributable to leasing are shown in the table above, Due date structure of lease liabilities.

NOTE 12 MACHINERY AND EQUIPMENT

	Group		Parent Company	
	2020	2019	2020	2019
Accumulated acquisition values				
Opening balance	75	67	16	15
Purchases	47	18	6	3
Acquisition of subsidiaries	2	–	–	–
Divestments and disposals	–4	–10	–1	–2
Total	120	75	21	16
Accumulated scheduled depreciation				
Opening balance	–47	–40	–10	–9
Acquisition of subsidiaries	–2	–	–	–
Divestments and disposals	3	5	1	1
The year's scheduled depreciation on acquisition values	–13	–12	–2	–2
Total	–59	–47	–11	–10
Reported value at end of period	61	28	10	6

NOTE 13 PARTICIPATION RIGHTS IN ASSOCIATED COMPANIES

The following companies are owned to such an extent that they are referred to as associated companies and are reported in accordance with the equity method.

Company, company registration no. and registered office	Owner-ship share, %	Reported value 2020	Reported value 2019		2020	2019
Servistore AB, 556621-9688, Linköping	50.0	20	–	Reported value at the start of the year	411	217
Gladan Holding II AB, 559064-9918, Stockholm	25.0	0	0	Changed accounting policy	–	–2
Fagerö Holding AB, 559042-7521, Stockholm	33.0	8	12	Investment	47	355
Portgås Fastighets AB, 559073-2300, Stockholm	30.0	12	42	Divestment	–	–59
Golfbäcken Holding AB, 559003-1869, Stockholm	43.0	3	3	Dividend	–29	–116
Fyrsidan Holding AB, 556990-6711, Stockholm	49.9	393	355	Share of earnings	7	17
Kista Square Garden Förvaltning AB, 559030-7897, Stockholm	49.8	0	0	Amount at year-end	437	411
		437	411			

Associated companies' statement of income and balance sheet (100 per cent), summary

2020	Servistore AB	Gladan Holding II AB	Fagerö Holding AB	Portgås Fastighets AB	Golfbäcken Holding AB	Fyrsidan Holding AB	Kista Square Garden Förvaltning AB	Total
Net sales	15	–	5	1	–	12	–	33
Earnings (coincides with comprehensive income)	1	0	4	–1	1	–20	–	–14
Total comprehensive income	1	0	4	–1	1	–20	–	–14
Current assets	6	0	14	42	29	13	0	105
Non-current assets	13	–	34	–	0	528	–	576
Current liabilities	–7	0	–24	–1	–20	–208	–	–259
Long-term liabilities	–8	–	–	0	–2	–21	–	–31
Net assets	4	0	25	41	8	313	–	391

2019	Gladan Holding II AB	Fagerö Holding AB	Portgås Fastighets AB	Golfbäcken Holding AB	Fyrsidan Holding AB	Kista Square Garden Förvaltning AB	Total
Net sales	–	3	10	0	–	–	13
Earnings (coincides with comprehensive income)	–	5	12	2	–	–	19
Total comprehensive income	–	5	12	2	–	–	19
Current assets	40	3	12	22	363	0	440
Non-current assets	0	38	133	0	–	–	170
Current liabilities	–40	–	–3	–15	–	–	–58
Long-term liabilities	–	–	–	–1	–21	–	–22
Net assets	0	41	142	6	342	–	531

**NOTE 14 FINANCIAL ASSETS AT FAIR VALUE VIA
THE INCOME STATEMENT**

Group	2020	2019
Other securities	160	145
Other items	–	–
Total	160	145

SEK 80 million (95) has been valued at the listed price and is therefore allocated to Level 1. SEK 80 million (50) in other securities are holdings in unlisted companies. The value is based on assumptions that are not supported by prices of observable data and they are accordingly allocated to Level 3.

NOTE 15 OTHER LONG-TERM RECEIVABLES

	2020	2019
Vendor loan	160	173
Receivable, property development	516	792
Other	39	42
Total	714	1,007

NOTE 16 PROPERTIES CLASSIFIED AS CURRENT ASSETS

	2020	2019
At beginning of year	1,055	444
Changed accounting policy	–	405
Acquisitions	–	109
Investment for the year	52	97
Amount at year-end	1,107	1,055

Properties (current assets) are wholly attributable to Tobin Properties AB.

NOTE 17 ACCOUNTS RECEIVABLE

A business model is applied for the Group's accounts receivable that is intended to collect contractual cash flows which entail reporting according to accrued acquisition value as the cash flows only consist of payments on principal amounts and interest. Klöver's accounts receivable are reported at the amount that is expected to be received after deduction of doubtful accounts receivable which are assessed individually. The expected maturity of accounts receivable is short and the value is accordingly reported at nominal amounts without being discounted. Impairment of accounts receivable is reported in operating expenses.

Days	2020	2019
0 – 29	23	44
30 – 89	11	7
90 –	63	37
Doubtful claims	–26	–16
Total	71	72

Doubtful accounts receivable	2020	2019
Doubtful accounts receivable at beginning of year	16	20
Provisions anticipated rent losses	28	3
Payment anticipated rent losses	–	–2
Established rent losses	–18	–5
Doubtful accounts receivable at year-end	26	16

NOTE 18 PREPAID EXPENSES AND ACCRUED INCOME

	2020	2019
Group		
Accrued property costs	39	10
Accrued project costs	74	50
Accrued rent discounts	205	223
Prepaid site leasehold charges	10	10
Property acquisition in process	56	225
Accrued interest income	39	79
Receivables tenants	16	–
Prepaid insurance	4	1
Other prepaid expenses	5	14
Total	448	612
Parent Company		
Prepaid financial expense	–	87
Property acquisition in process	6	184
Accrued income	2	–
Other prepaid expenses	7	5
Total	15	276

NOTE 19 SHAREHOLDERS' EQUITY

No. of shares, thousands	2020	2019
Class A ordinary shares		
Issued as at 1 January	71,951	73,660
New issue	17,340	–
Conversion A to B	–2,593	–1,709
Total	86,698	71,951
Class B ordinary shares		
Issued as at 1 January	844,043	842,334
New issue	188,919	–
Conversion A to B	2,593	1,709
Total	1,035,555	844,043
Non-redeemable preference shares		
Issued as at 1 January	16,444	16,444
Total	16,444	16,444

As at 31 December 2020, the registered share capital consisted of 1,122,253,289 (915,993,980) ordinary shares and 16,444,000 (16,444,000) preference shares. All shares have a quota value of SEK 2 per share. Class B ordinary shares and preference shares confer a tenth of a vote per share unlike Class A ordinary shares which confer one vote per share. All shares have the same right to the Company's remaining net assets, except that preference shares confer the right to receive SEK 400 per share as well as any withheld amount before distribution to ordinary shareholders takes place. As regards the shares owned by Klövern (see below), all rights are cancelled until these shares are re-issued.

Repurchased shares, which are included in the equity item retained earnings including net profit for the year

	No. of shares, thousands		Amounts that have affected equity, SEKm	
	2020	2019	2020	2019
Opening repurchased own shares	90,957	90,200	984	977
Repurchased shares during the year	–	757	–	7
Closing repurchased own shares	90,957	90,957	984	984

Repurchased shares include the acquisition expense for Klövern's own shares held by the Parent Company.

Dividend

The Board of Directors of Klövern propose to the Annual General Meeting that the dividend for the 2020 financial year shall amount to SEK 0.26 per ordinary share (0.26) and SEK 20.00 (20.00) per preference share, totalling SEK 597 million (543).

Parent Company**Restricted funds**

Restricted funds must not be reduced by distribution of earnings.

Non-restricted equity

Non-restricted equity consists of retained earnings and net profit for the year, i.e. the amount available for distribution to shareholders.

Retained earnings

Retained earnings consist of the previous year's retained earnings and net profit after deduction of the profit distributed during the year. In addition, capital contributions and repurchased shares as well as a premium of a new issue are included.

NOTE 20 EARNINGS PER SHARE

The calculation of earnings per ordinary and preference share for 2020 has been based on the net profit for the year attributable to the Parent Company's shareholders amounting to SEK 1,908 million (3,002). Earnings per preference share have been calculated on the basis of the year's dividend to the preference shares of SEK 329 million distributed to 16.4 million outstanding preference shares. The remaining part of the year's earnings, after deduction of interest for hybrid bonds of SEK 80 million (78), amounted to SEK 1,499 million which has been distributed to 897.5 million average number of outstanding ordinary shares.

Net profit attributable to the Parent Company's shareholders

	2020	2019
Net profit attributable to the Parent Company's shareholders	1,908	3,002
Earnings per ordinary share, SEK ¹	1.67	2.92
Earnings per preference share, SEK	20.00	20.00

1) Adjusted for the discount in the preferential rights issue carried out in 2020, weighted average correction factor ordinary shares A/B 0.929.

NOTE 21 OTHER PROVISIONS

There is a dispute where Region Uppsala has claimed compensation due to cancellation of a property transfer agreement. SEK 24 million (24) has been set aside.

The provisions are not expected to fall due for payment within 12 months.

NOTE 22 INTEREST-BEARING LIABILITIES

The following section contains information about the company's contract terms for interest-bearing liabilities.

Please refer to Note 26 for more information about the company's exposure to interest rate risk and the risk of exchange rate fluctuations.

	Group		Parent Company	
	2020	2019	2020	2019
Long-term liabilities				
Long-term interest-bearing liabilities	27,227	25,903	15,319	14,147
Total	27,227	25,903	15,319	14,147
Current liabilities				
Current interest-bearing liabilities	5,809	5,635	5,090	5,209
Utilized overdraft facility	–	–	–	–
Total	5,809	5,635	5,090	5,209
Unused overdraft facility	558	558	550	550

Current interest-bearing liabilities include recurrent maturities of facilities at credit institutions with which Klövern has a long-term relationship. The current interest-bearing liabilities also include SEK 2,220 million of commercial paper with long-term back-up facilities. As from 2019, interest-bearing liabilities and accrued borrowing overheads are reported net.

Interest-bearing liabilities, nominal

Group	2020	2019
Opening liabilities	31,653	33,688
Changed accounting policy	–	23
Refinancing	4,976	2,469
New loans	6,891	5,001
Amortization	–10,355	–9,528
Liabilities at year-end	33,165	31,653

NOTE 23 OTHER CURRENT LIABILITIES

	2020	2019
Group		
Personnel's withholding tax and social security contributions	9	8
Dividend shares	433	366
Liabilities to previous property owners	244	98
Liabilities to purchasers	0	42
Other items	23	29
Total	709	543
Parent Company		
Personnel's withholding tax and social security contributions	9	8
Dividend shares	433	362
Tax liability	19	17
Value-added tax	16	17
Total	477	404

NOTE 24 ACCRUED EXPENSES AND PREPAID INCOME

	2020	2019
Group		
Prepaid rents	629	629
Accrued property costs	131	201
Accrued interest expense	87	86
Accrued personnel costs	25	38
Other items	114	16
Total	986	970
Parent Company		
Accrued interest expense	59	59
Accrued personnel costs	24	19
Accrued costs, profit-sharing foundation	15	14
Other items	20	4
Total	118	96

NOTE 25 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities valued at fair value in the balance sheet

In compliance with IRFS 13, financial instruments are reported on the basis of fair value in a hierarchy of three levels, based on the input data used in valuation. When establishing the fair value of listed shareholdings, listed prices are used and they are accordingly attributable to Level 1.

The fair value of derivatives is calculated by the company's banks guided by current interest rate terms and the market rate. Input data is based on observable market values, which means that they are attributable to Level 2.

Valuation of unlisted shareholding is based on assumptions which are not based on prices of observable data and are therefore attributable to Level 3.

Financial assets and liabilities are set off and reported at a net amount in the balance sheet when there is a legal set-off right.

Financial assets and liabilities not valued at fair value in the balance sheet

There is no material difference between reported value and fair value for loans since they have variable interest.

Financial assets and liabilities are otherwise reported at accrued acquisition value with a deduction for impairment and the reported value is accordingly considered to coincide with the fair value.

No reclassifications have taken place during the period.

	Financial assets/ liabilities valued at fair value through the statement of income		Financial assets/ liabilities valued at accrued acquisition value	
Group	2020	2019	2020	2019
Assets				
Financial assets	160	145	–	–
Other long-term receivables	0	0	714	1,007
Accounts receivable	–	–	71	72
Other receivables	–	–	405	494
Liquid funds	–	–	571	449
Total	160	145	1,761	2,022
Liabilities				
Long-term interest-bearing liabilities	–	–	27,227	25,903
Derivatives	86	65	–	–
Current interest-bearing liabilities	–	–	5,809	5,635
Accounts payable	–	–	279	247
Other liabilities	–	–	709	579
Total	86	65	34,024	32,364

NOTE 25 CONTINUED

Parent Company	Financial assets/ liabilities valued at fair value through the statement of income		Financial assets/ liabilities valued at accrued acquisition value	
	2020	2019	2020	2019
Assets				
Financial assets	–	–	9	16
Receivables from group companies	–	–	30,676	30,626
Accounts receivable	–	–	0	0
Other receivables	–	–	221	445
Liquid funds	–	–	59	309
Total	0	0	30,965	31,396
Liabilities				
Long-term interest-bearing liabilities	–	–	15,319	14,147
Derivatives	86	65	–	–
Liabilities to group companies	–	–	1,711	6,069
Current interest-bearing liabilities	–	–	5,090	5,209
Accounts payable	–	–	14	14
Other liabilities	–	–	388	375
Total	86	65	22,522	25,814

NOTE 26 FINANCIAL RISKS AND RISK MANAGEMENT

Through its operations, the Group is exposed to different kinds of financial risks. Financial risks mean fluctuations in the Company's profit and cash flow due to changes in, for example, interest rate levels. Klövern is mainly exposed to liquidity risk, financing risk, interest rate risk, currency risk and credit risk. The Group's financial policy for managing financial risks has been formulated and decided upon by the Board. The financial policy creates a framework of guidelines and rules in the form of risk mandates and limits for financial activities.

Responsibility for the Group's financial transactions and financial risks is dealt with centrally by the Parent Company's finance function. The overall aim of the finance function is to provide cost-effective financing and to minimize negative effects on the Group's profit due to market fluctuations. Financial issues of strategic importance are dealt with by the Board. Additional information is contained in the section on Financing on pages 62–67 and in Risk and risk management on pages 74–77.

Liquidity and financing risk

Liquidity risk means the risk of liquidity being insufficient to meet future payment commitments. Internal liquidity forecasts are drawn up in connection with quarterly reports for the coming twelve months where all items affecting cash flows are analysed in aggregate form. The liquidity forecast is intended to verify the need of capital. The financing risk also refers to the risk that financing cannot be obtained at all, or only at greatly increased costs. To manage this risk, the financial policy contains rules on the spread of tied-up capital for the loan stock and the size of unutilized loan facilities and investments. According to the financial policy, the average remaining maturity, the period of tied-up capital, on the loan stock should be at least 2.0 years, and at most 40 per cent of the loan stock should mature in one and the same year. Moreover, investments and confirmed credit facilities should be kept at an average level that

corresponds to the due date of the tied-up capital during a quarter. As at 31 December 2020, the average remaining term of the loan stock was 4.3 years (4.1). At the same time, liquid assets were available totalling SEK 571 million (449) and granted, but not utilized credit facilities of SEK 4,274 million (3,760), SEK 558 million (558) of which were unutilized overdraft facilities.

Structure of tied-up capital

Maturity year	Credit agreement, SEKm	Utilized, SEKm	Share, %
2021	7,694	5,600	17
2022	7,967	7,147	21
2023	6,272	5,590	17
2024	2,824	2,824	9
2025–	12,682	12,004	36
Total	37,439	33,165	100

Liquidity flows

Year	Maturing loans ¹	Interest on loans ²	Interest on derivatives ³	Total
2021	5,832	687	35	6,554
2022	7,271	506	35	7,812
2023	5,526	355	35	5,916
2024	2,789	213	35	3,037
2025–	11,747	506	180	12,433
Total	33,165	2,267	320	35,752

1) Including expected current amortization

2) When calculating interest on liabilities, the Stibor interest rate is assumed to be unchanged during the period to maturity.

3) When calculating the interest on derivatives, the variable portion is assumed to run at the Stibor rate as at 31 December 2020 over the whole period to maturity.

Interest rate risks

The interest rate risk can partly consist of a change in fair value due to changes in interest rates, the price risk, and changes in cash flow, the cash flow risk. A significant factor that affects the interest rate risk is the period of fixed interest. Long periods of fixed interest entail a higher price risk while shorter periods of fixed interest entail a higher cash flow risk. Of the total interest-bearing liabilities of SEK 33,165 million (31,653), 78 per cent (83) had variable interest and the average fixed-interest period was 3.0 years (2.5) at year-end. As at balance-sheet day, the Group had the following fixed interest in its financial instruments excluding the effects of interest caps.

Interest maturity structure

Maturity year	Loan volume, SEKm	Proportion, %
Rörligt	25,703	78
2021	50	0
2022	14	0
2023	–	–
2024	898	3
2025–	6,500	19
Total	33,165	100

NOTE 26 CONTINUED

According to the financial policy, the cash flow risk is to be limited as follows: At least 50 per cent of the total loan volume should have fixed interest or be hedged with derivative instruments. Swapped volumes are classified as being equivalent to fixed-interest loans. The average remaining period of fixed interest, according to the financial policy, should be at least 2.0 years; at the year-end it was 2.5 years (2.9). The strike level for the interest rate caps may when taken be equivalent to at most the five-year government bond rate plus 3.0 percentage points. At year-end, Klövern had a volume of SEK 21,500 million (24,000) interest rate caps and SEK 7,462 million (5,323) fixed interest loans (mainly through swaps), totalling SEK 28,962 million, corresponding to 87 per cent of the total loan volume, compared with SEK 16,583 million, 50 per cent, which was a minimum requirement according to the policy.

During 2020, changes in value of interest rate caps amounted to SEK 0 million (–10). The fair value amounted to SEK 0 million (1) at year-end. At year-end, Klövern had 4 interest rate swap agreements maturing between 2029 and 2030. The fair value of the swaps amounted to SEK –86 million (–66) and changes in value totalled SEK –32 million (29) during the year, of which SEK 2 million (0) were realized. Value changes of options to senior executives and key personnel amounted to SEK 0 million (–33). Total value changes for derivatives were SEK –32 million (–14). Interest caps and swaps both increase Klövern's price risk. The interest rate caps have been valued by Danske Bank, Nordea and Swedbank based on the current interest rate curve and the volatility of the respective maturity. The interest rate swaps have been valued by Danske Bank and Swedbank by expected future cash flows being discounted to present value. In the Parent Company, the interest rate caps are reported at acquisition value.

Derivatives

Interest rate swaps

Maturity date	Nominal amount, SEKm	Interest rate level, %	Fair value, SEKm
2029-12-27	1,000	1.3	–84
2030-03-18	2,500	0.3	0
2030-03-18	2,500	0.3	1
2030-06-24	500	0.4	–3
	6,500	0.5	–86

Interest rate caps

Maturity date	Nominal amount, SEKm	Interest rate level, %	Fair value, SEKm
2021-06-05	1,000	3.0	0
2021-06-28	5,000	2.5	0
2021-12-12	2,500	3.0	0
2022-12-22	2,000	3.0	0
2022-12-22	2,000	3.0	0
2023-01-02	3,000	2.5	0
2023-01-02	3,000	2.5	0
2023-05-04	2,500	3.0	0
2024-12-27	500	2.5	0
	21,500	2.7	0

Currency risk

The risk that fair values and cash flows of financial instruments may fluctuate when the value of foreign currency changes is referred to as currency risk. In Klövern's financial policy, the currency risk is defined as a cash flow risk and a price risk. According to the policy, these are to be

limited by total currency exposure not being permitted to exceed 10 per cent of the balance sheet total after deduction of currency derivatives and financing in local currency.

The currency risk in Klövern is primarily attributable to statements of income and balance sheets in foreign currency which are converted into Swedish kronor.

The functional currency for the group companies is mainly SEK. Transactions are made in SEK, DKK, EUR and USD. Klövern does not at present hedge conversion exposures in foreign currency. Conversion of foreign net assets affected Klövern's equity by SEK –651 million (33) during 2020.

Credit risks

Credit risks mean the risk of counterparty or issuer not being able to comply with its undertakings to Klövern and thus causing the Group to incur a financial loss. Klövern's exposure to credit risk is overall very little. Rent is invoiced in advance, which leads to small accounts receivable and the tenants consist of a deliberate selection, which limits their credit risk. Exposure to individual customers/tenants is also limited and the ten largest customers/tenants account together for 19 per cent of the contract value. Liquid funds are only deposited in stable banks with a high credit rating. In total, possible expected credit losses are an insignificant amount for the Group.

Covenants and risk-taking

Klövern's financial risk-taking and position can be seen, inter alia, from the key figures, equity ratio, interest coverage ratio and leverage. There are often set limit values, known as covenants, in the credit agreements with banks and credit institutions, specifically for these three key figures. Klövern's own goals accord well with the banks' requirements. Klövern's goal is for the adjusted equity ratio to be at least 40 per cent in the long term. The banks usually set 25 per cent as a lower limit for the equity ratio. Klövern's goal is for the interest coverage ratio to be at least 2.0, while the banks' requirements are usually 1.25 to 1.50. Klövern has not set its own goal for leverage although the banks usually have a limit of 50–70 per cent for individual properties.

Klövern meets all goals and requirements for 2020 by a good margin. The equity ratio was 36.3 per cent, the adjusted equity ratio 43.2 per cent and the interest coverage ratio 2.5. Leverage amounted to 50 per cent and leverage secured was 36 per cent.

Sensitivity analysis

In connection with the quarterly reports, an interest sensitivity analysis is also prepared, measuring the effects of changes in short market interest rates on the borrowing rate and the interest coverage ratio. A change in short market interest rates of +1 percentage point at year-end would have meant that Klövern's average borrowing rate would have changed by +0.8 percentage points, which would have been equivalent to a change in interest expense of SEK +260 million. The effect of large increases in the interest rate is markedly limited by interest rate caps.

The calculations of the sensitivity analysis are based on the Group's earning capacity and balance sheet as at 31 December 2020. The sensitivity analysis shows the effect on the Group's annual profit after full impact of each of the parameters. Interest-bearing liabilities and lease contracts have a term of a number of years, which means that level changes do not have full impact in one particular year but only over a longer period.

	Change +/-	Annual effect on profit, SEK m
Economic occupancy rate	1 percentage point	+/- 38
Rental income	1 per cent	+/- 33
Property expenses	1 per cent	–/+ 11
Klövern's average interest rate	1 percentage point	–/+ 332

NOTE 27 OPERATIONAL LEASING

The Group mainly lets investment properties using operational lease contracts. The breakdown of future rental income which is attributable to operational lease contracts, which cannot be terminated, is as follows:

	2020	2019
Matures within a year	770	758
Matures between one and five years' time	6,135	5,862
Matures later than five years' time	5,605	6,245

NOTE 28 ASSETS PLEDGED AND CONTINGENCIES

	Group		Parent Company	
	2020	2019	2020	2019
Assets pledged				
Property mortgages ¹	29,805	28,205	–	–
Company mortgages	10	10	–	–
Total assets pledged	29,815	28,215	–	–
Contingencies				
Guarantees in favour of subsidiaries	–	–	12,654	12,274
Other contingencies	198	198	–	–
Total contingencies	198	198	12,654	12,274

1) Refers to assets pledged for credits in banks and for secured bonds..

NOTE 29 CLOSE ASSOCIATES

	Year	Services sold	Services purchased	Receivable	Liability
Group					
Other close associates	2020	6	3	–	–
Other close associates	2019	6	4	–	–
Parent Company					
Subsidiary	2020	306	16	30,676	1,711
Subsidiary	2019	263	14	30,626	6,069
Other close associates	2020	–	1	–	–
Other close associates	2019	–	1	–	–

The Parent Company has a close associate relationship with its subsidiaries, see Note 30. Transactions with close associates are priced on market terms.

Rutger Arnholt, who, as at 31 December 2020, was Klövern's CEO and a board member, is owner of M2 Asset Management AB, which is the main owner of Wästbygg AB. Lease contracts with Wästbygg AB have an annual contract value of SEK 2 million (2). Klövern AB has a lease contract with M2 Gruppen (which is part of M2 Asset Management AB) with an annual contract value of SEK 1 million (1).

Pia Gideon is a board member of Apoteket AB and is the chairman of the board of Klövern. Lease contracts with Apoteket AB have an annual contract value totalling SEK 4 million (4).

Eva Landén is CEO of Corem Property Group and a board member of Klövern.

Johanna Fagrell Köhler is CEO of Creuna AB and a board member of Klövern. During 2020, Creuna AB has in total invoiced Klövern SEK 0.2 million (0.2).

Payments to the Board of Directors, the CEO and other senior executives are shown in Note 3.

NOTE 30 PARTICIPATION RIGHTS IN GROUP COMPANIES

SEK 000's	31.12.2020	31.12.2019
Accumulated acquisition values		
Opening balance	2,331,059	1,826,130
Acquisitions	500	–
Contributions	20,497	505,179
Divestments	–152,175	–250
Reported value, closing balance	2,199,881	2,331,059
Accumulated impairment		
Opening balance	–413,748	146,551
Impairment for the year	–20,497	–560,299
Reported value closing balance	–434,245	–413,748
Total	1,765,636	1,917,311

Specification of the Parent Company's directly owned subsidiaries is shown below. Other group companies are included in the respective subsidiary's annual reports.

Subsidiary/Reg. No./ Registered Office	No. of shares	Share in % ¹	Book value, SEK 000s
Klövern Ström AB, 556603-1067, Nyköping	104,000	100	53,631
Klövern Komp Ström AB, 556688-5256, Nyköping	1,000	100	100
Klövern Adam AB, 556494-9699, Nyköping	1,000	100	107,700
Klövern Komp Adam AB, 556643-6647 Nyköping	1,000	100	100
Klövern Barkenlund AB, 556554-8772, Nyköping	1,000	100	1,766
Klövern Bobby AB, 556594-9780, Nyköping	1,000	100	120
Klövern Komp Bobby AB, 556678-9938, Nyköping	100,000	100	100
Klövern Dante AB, 556594-9830, Nyköping	1,000	100	100
Klövern Efraim AB, 556594-9855, Nyköping	1,000	100	100
Klövern Frippe AB, 556634-5657, Nyköping	1,000	100	100
Klövern Ett AB, 556610-3106, Nyköping	1,000	100	15,974

Subsidiary/Reg. No./ Registered Office	No. of shares	Share in % ¹	Book value, SEK 000s
Klövern Komp Ett AB, 556613-4085, Nyköping	1,000	100	100
Klövern Karl AB, 556708-7985, Nyköping	1,000	100	5,139
Klövern Gerhard AB, 556634-5723, Nyköping	1,000	100	100
Klövern Helmut AB, 556634-5731, Nyköping	1,000	100	12,600
Klövern Ingmar AB, 556634-6598, Nyköping	1,000	100	100
Dagon AB, 556431-0067, Nyköping	23,580,999	100	1,519,055
Klövern Linus AB, 556896-7409, Nyköping	50,000	100	50
Klövern Verner AB, 556896-7474, Nyköping	50,000	100	10,050
Klövern Mari AB, 556944-2196, Nyköping	50,000	100	50
Klövern Valdemar AB, 559003-2446, Nyköping	50,000	100	50
Klövern Gabriella AB, 556983-7544, Nyköping	50,000	100	50
Klövern Jonathan AB, 556634-6606, Nyköping	1,000	100	100
Klövern Lovisa AB, 559068-5334, Nyköping	50,000	100	50
Klövern Alfred AB, 556922-4255, Nyköping	50,000	100	50
Klövern CPH AB, 559042-7562, Nyköping	50,000	100	18,550
Klövern Signe AB, 559171-8779, Nyköping	50,000	100	19,050
Klövern Tage AB, 559171-8761, Nyköping	50,000	100	50
Other subsidiaries, dormant			650
Total			1,765,636

1) Refers to the ownership portion of the capital, which also complies with the proportion of votes for the total number of shares.

NOTE 31 CASH FLOW ANALYSIS**Reconciliation of cash flows attributable to financing operations**

Group	2020	Cash flow	Changes that do not affect the cash flow				2019
			Change in fair value	Acquisitions	Exchange rate changes	Accrued loan overheads	
Long-term liabilities to credit institutions	27,227	1,554	–	–23	–193	–14	25,903
Current liabilities to credit institutions	5,809	154	–	–	–	–2	5,658
Derivatives	86	–11	31	–	–	–	65
Total liabilities attributable to financing operations	33,122	1,697	31	–23	–193	–16	31,626

Group	2019	Cash flow	Changes that do not affect the cash flow				2018
			Change in fair value	Acquisitions	Exchange rate changes	Accrued loan overheads	
Long-term liabilities to credit institutions	25,903	–2,325	–	–230	–68	–115	28,641
Current liabilities to credit institutions	5,658	565	–	23	–	–	5,070
Derivatives	65	–	–20	–	–	–	85
Total liabilities attributable to financing operations	31,626	–1,760	–20	–207	–68	–115	33,796

Parent company	2020	Cash flow	Changes that do not affect the cash flow				2019
			Change in fair value	Acquisitions	Exchange rate changes	Accrued loan overheads	
Long-term liabilities to credit institutions	15,319	1,417	–	–	–168	–77	14,147
Current liabilities to credit institutions	5,090	–94	–	–	–	–25	5,209
Derivatives	86	–11	31	–	–	–	65
Total liabilities attributable to financing operations	20,495	1,312	31	–	–168	–102	19,421

Parent company	2019	Cash flow	Changes that do not affect the cash flow				2018
			Change in fair value	Acquisitions	Exchange rate changes	Accrued loan overheads	
Long-term liabilities to credit institutions	14,147	–1,422	–	–	–28	–	15,597
Current liabilities to credit institutions	5,209	1,679	–	–	–	–	3,530
Derivatives	65	–	–24	–	–	–	89
Total liabilities attributable to financing operations	19,421	257	–24	–	–28	–	19,216

Investments in financial non-current assets

Parent Company	2020	2019
Shares in group companies	–21	–504
Derivatives	–6	–1
Receivables from group companies	–3,428	–2,190
Total	–3,454	–2,695

NOTE 32 EVENTS AFTER THE PERIOD COVERED BY THE REPORT

On 18 January 2021, it was announced that Klöver AB had signed agreements in two separate transactions to acquire two office properties in Lund and Malmö for a total underlying property value of SEK 113 million.

On 3 February 2021, it was announced that Klöver AB had issued green bonds amounting to SEK 2,500 million with a maturity of four years at the same time as a voluntary redemption offer for outstanding bonds maturing on 26 February was carried out.

During February 2021 1,226,625 Class A ordinary shares were converted into Class B ordinary shares. Thereafter, the total number of registered shares amount to 1,138,697,289, of which 85,471,753 Class A ordinary shares, 1,036,781,536 Class B ordinary shares and 16,444,000 preference shares.

Covid-19 has continued to create uncertainty about the development of the economy. Klöver AB is monitoring the situation carefully and is engaging in a long-term constructive dialogue with tenants in particularly hard-hit industries. In some cases, including in the hotel and restaurant industry, this has led to rental payments for the first quarter of 2021 being paid monthly in advance instead of quarterly. As at 15 February 2021, Klöver AB's received rental payments and payments assessed as secure totalled 98 per cent of the invoiced rents for the first quarter. At the corresponding time in 2020, 99 per cent of the rents had been received.

On 25 March 2021, Rutger Arnhult left Klöver AB's Board of Directors and his position as CEO. Peeter Kinnunen, Head of Transactions, has been appointed acting CEO by the Board of Directors.

NOTE 33 IMPORTANT ESTIMATES AND ASSESSMENTS

Preparing the financial statements in compliance with IFRS requires that the Board and the Executive Management make assessments and estimates and assumptions that affect the application of the accounting policies and the amounts reported of assets, liabilities, income and expenses.

The estimates and assumptions are based on historical experiences and a number of other factors that would appear to be reasonable in present circumstances. The result of these estimates and assumptions is then used to assess the reported values of assets and liabilities which are not otherwise evident from other sources. The actual outcome may vary from these estimates and assessments. Estimates and assessments are regularly reviewed.

Investment properties

In the sphere of valuation of investment properties, assessments and assumptions may have a considerable impact on the Group's earnings and financial position. The valuation requires an assessment of and assumptions on the future cash flow as well as determination of a discount factor (yield requirement). To reflect the uncertainty contained in the assumptions and assessments made, an uncertainty range of +/- 5–10 per cent is usually stated in the property valuation. More information about this and the assumptions and assessments made are shown in Note 10.

Deferred tax

An assessment of the probability of it being able to use the loss carryforwards is made when valuing the loss carryforwards. Established loss carryforwards which can be very probably used to set off future profits serve as the basis for calculation of the deferred tax asset.

Classification of acquisitions

An assessment is made, in connection with acquisitions of companies, of whether the acquisition is to be regarded as asset acquisition or as a business combination. Companies containing only properties without appurtenant property management/administration are normally classified as asset acquisitions. See Note 1 Classification and related matters for more information.

Arrangement of the statement of income

The Group applies the arrangement which is usual for a large number of companies in the real estate industry. This means that the statement of income shows the result for operating profit, profit from property management and profit before tax. Profit from property management includes net financial items. Changes in value are reported after net financial items.

Reporting of preference shares

The company's assessment is that there is no contractual obligation to pay dividend between Klöver AB and the holders of preference shares at the time of issue of the preference shares. Klöver AB cannot with certainty conclude that in the future dividend will be paid to the holders of preference shares. Dividend payment ultimately depends on a decision by a general meeting of shareholders. In the light of this, the preference shares have been classified as equity.

NOTE 34 INFORMATION ABOUT THE PARENT COMPANY

Klöver AB (publ), reg. no, 556482-5833, is a Swedish-registered limited company with its registered office in Stockholm. The Parent Company's shares are registered on Nasdaq Stockholm. The address of the head office in Stockholm is Bredgränd 4, SE-111 30 Stockholm and the address of the head office in Nyköping is Box 1024, SE-611 29 Nyköping, Sweden. The consolidated accounts for 2020 consist of the Parent Company and its subsidiaries, jointly referred to as the Group.

NOTE 35 PROPOSED APPROPRIATION OF PROFITS

SEK

The following earnings are available to the Annual General Meeting:

Amount brought forward	7,024,729,619
Net profit for the year	946,384,085
Total	7,971,113,704

The Board proposes that profits be allocated as follows:

Dividend to shareholders	
SEK 0.26 per ordinary share, total	268,137,103
SEK 20.00 per preference share, total	328,880,000
To be carried forward	7,374,096,601
Total	7,971,113,704



The project 1245 Broadway in New York is expected to be completed during the second half of 2021.

Appropriation of profits

DIVIDEND

The dividend shall in the long term amount to at least 50 per cent of the profit from property management. The profit from property management shows how the real estate operations develop, including financial and central administration costs. When assessing the size of the dividend, consideration shall be given to the company's investment alternatives, financial position and capital structure.

The proposal of the Board of Directors to the 2021 Annual General Meeting is that a dividend of SEK 0.26 per ordinary share be paid in two instalments of SEK 0.13 and a dividend of SEK 20.00 per preference share be paid in four instalments of SEK 5.00.

The proposal means a dividend corresponding to 47 per cent of the profit from property management for 2020. During the past ten years, this would correspond to an average dividend of 62 per cent of the profit from property management.

PROPOSED APPROPRIATION OF PROFITS

The Board proposes that the earnings (SEK) in the Parent Company available for distribution by the Annual General Meeting be allocated as follows:

Amount brought forward	7,024,729,619
Net profit for the year	946,384,085,
Total	7,971,113,704
Dividend to ordinary shareholders	268,137,103,
Dividend to preference shareholders	328,880,000
To be carried forward	7,374,096,601
Total	7,971,113,704

As at 31 December 2020, the number of registered ordinary shares in Klöver AB totalled 1,122,253,289 of which outstanding shares totalled 1,031,296,549 and repurchased shares 90,956,740. The total number of preference shares amounted to 16,444,000.

Allocation of earnings

THE BOARD'S STATEMENT ON THE PROPOSED ALLOCATION OF EARNINGS

The Board's proposal

In the proposed allocation of earnings for the 2020 financial year, the Board of Directors proposes to the Annual General Meeting on 28 April 2021 that a dividend be paid of SEK 0.26 per ordinary share in two instalments of SEK 0.13, and SEK 20.00 per preference share, distributed equally over four quarters. In addition, the Board proposes that the shareholders at the Annual General Meeting authorize the Board to set 30 September 2020 and 31 March 2022 as the record days for dividend on ordinary shares and 30 June 2021, 30 September 2021, 30 December 2021 and 31 March 2022 as record dates for preference shares.

If the AGM votes according to the proposal, the associated payment days are estimated to be 5 July 2021 and 5 October 2021 and 5 January 2022 and 5 April 2022.

The following earnings (SEK) are available to the Annual General Meeting for disposition:

Amount brought forward	7,024,729,619
Net profit for the year	946,384,085,
Total	7,971,113,704

The Board proposes that the earnings be allocated as follows:

Dividend to shareholders	
SEK 0.26 per ordinary share, total	268,137,103,
SEK 20.00 per preference share, total	328,880,000,
To be carried forward	7,374,096,601
Total	7,971,113,704

The above calculation is based on the total number of outstanding ordinary shares, 1,031,296,549 and the total number of outstanding preference shares, 16,444,000.

The Board further proposes that the Annual General Meeting decides that all new shares – a total of 112,225,328 ordinary shares and 1,644,400 preference shares – which may be issued by virtue of the Annual General Meeting's authorization, shall confer entitlement to dividend from and including the day on which they have been registered in the share register kept by Euroclear Sweden AB, entailing a first dividend of SEK 0.13 per ordinary share and SEK 5.00 per preference share on the next following record day according to the above.

In the event of a maximum use of the authorization for the Board to decide on new issues, a dividend for additional ordinary shares of at most SEK 29,178,585 and for preference

shares of at most SEK 32,888,000 will be paid. Dividend for repurchased shares amounts to SEK 23,648,752. At least SEK 7,288,381,264 of the amount available for distribution will remain after dividends totalling at most SEK 682,732,440.

Klövern's financial position

Klövern's financial goals for 2020 were:

- Return on equity shall in the long term amount to at least 10 per cent.
- Dividend to the shareholders shall in the long term amount to at least 50 per cent of the profit from property management.
- Dividend to the preference shareholders shall in the long term not exceed 30 per cent of the profit from property management.
- The adjusted equity ratio shall in the long term be at least 40 per cent.
- The interest coverage ratio shall be at least 2.0.
- The period of tied-up capital shall be at least 2.0 years.
- The period of fixed interest shall be at least 2.0 years.

All the financial goals were achieved in 2020 except the return on equity, which amounted to 9.1 per cent and the proposed dividend for 2020, which corresponds to 47 per cent of the profit from property management. However, these are both long-term goals.

According to the annual report, Klöver's equity ratio is 36.3 per cent in the Group and 31.0 per cent in the Parent Company. After the proposed dividend, the equity ratio will be 35.7 per cent in the Group and 29.8 per cent in the Parent Company. The proposed dividend constitutes 2.6 per cent of the equity in the Group and 5.8 per cent of the equity in the Parent Company.

Motivation by the Board of Directors

With reference to what has been stated, the Board considers that the proposed dividend can be justified taking into consideration the requirements made in Chapter 17, section 3, second and third paragraphs, of the Companies Act. The type and scope of activity does not entail risks to a greater extent than those normally occurring in the industry.

The assessment by the Board of the financial position of the Parent Company and the Group means that the dividend is justifiable in relation to the requirements that the type of business, extent and risks make on the size of the equity of the Parent Company and the Group and the consolidation requirements, liquidity and position otherwise of the Parent Company and the Group. The Board considers that the proposed dividend will not affect the ability of Klöver to comply with its commitments in the short and long term or to make the necessary investments.

The undersigned certify that the annual accounts and the consolidated accounts have been prepared in compliance with the IFRS international accounting standards, as adopted by the EU, and with generally accepted auditing standards, and provide a true and fair picture of the Group's position and earnings, as well as that the administration report for the Group and the Parent Company provides a true and fair overview of the development of the Group and the company's business operations, its position and earnings, and describes the important risks and uncertainty factors facing the companies belonging to the Group.

Stockholm, 25 March 2021

Board of Directors of Klöver AB (Publ), reg. no. 556482-5833

Pia Gideon
Chairman

Rutger Arnhult
CEO

Johanna Fagrell Köhler
Board member

Eva Landén
Board member

Ulf Ivarsson
Board member

Our audit report was submitted on 26 March 2021
Ernst & Young AB

Fredric Hävrén
Authorized public accountant

Audit report

To the Annual General Meeting in Klöver AB (publ)
Reg. no. 556482-5833

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual report and the consolidated accounts of Klöver AB (publ) for the 2020 financial year, with the exception of the Corporate Governance Report on pages 79–92. The annual report and consolidated accounts of the Company are on pages 17–92 and 103–141 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and presents fairly, in all material respects, the financial position of the Parent Company as of 31 December 2020 and of its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and are a fair presentation in all material respects of the financial position of the group as at 31 December 2020 and of its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not apply to the corporate governance report on pages 79–92. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

Areas of particular importance

Areas of particular importance for the audit are the areas which, in our professional judgment, were the most important for the audit of the annual accounts and the consolidated accounts for the current period. These areas are also treated within the framework of the audit of, and in our position on, the annual report and the consolidated accounts as a whole, although we state no separate opinions on these areas. The following description of how the audit was performed shall be read in this context.

We therefore recommend that the Annual General Meeting of Shareholders adopt the statement of income and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual report and the consolidated accounts comply with the content in the additional report submitted to the Parent Company's audit committee in accordance with article 11 of the Regulation (EU) No. 537/2014.

Grounds for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section The auditor's responsibility. We are independent in relation to the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise complied with our professional responsibility in accordance with these requirements. This means that, to the best of our knowledge and conviction, no prohibited services as referred to article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, in relevant cases, to its parent company or its controlling company in the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate for its purpose to provide a basis for our opinions.

We have performed the obligations described in the section The auditor's responsibility in our report on the annual report also in these areas. In this way, audit measures were undertaken to take into account our assessment of the risk of material errors in the annual report and the consolidated accounts. The outcome of our audit and the audit measures performed to deal with the areas shown below form the background for our audit report.

Valuation of investment properties

Description of the area

On 31 December 2020, the fair value of the Group's investment properties was SEK 57,448 million and changes in value amounted to SEK 1,322 million. The Group's investment properties constituted 92 per cent of the total assets on 31 December 2020. Valuation at fair value is by nature associated with subjective assessments and a minor change in assumptions made on which valuations are based may have an important effect on the reported amounts.

The valuations are yield-based in accordance with the cash flow method, which means that future cash flows are forecast. The properties' yield requirements are assessed on the basis of the unique risk of each property and transactions made in the market. A description of the valuation of the property portfolio is contained in Note 10 Investment properties, and Note 33 Important estimates and assessments. Due to the many assumptions and assessments that take place in conjunction with the valuation of investment properties, we make the assessment that this area is to be regarded as being of particular importance in our audit.

How this area was taken into account in the audit

In our audit, we have evaluated and tested the executive management's process for property valuation.

We have examined input data for the external valuations from the Company's system for a selection of properties.

We have discussed important assumptions and assessments with those responsible for valuation at Klöver. Our selection has mainly comprised the largest properties by value in the portfolio, as well as the properties with the greatest variation in value compared with previous quarters and the previous year. We have also made comparisons with known market information. We have evaluated the competence and expertise of the external valuers.

With the support of our valuation specialists, we have examined the reasonableness of the assumptions made for a selection of the properties, such as yield requirements, vacancy rate, rental income and operating expense.

We have assessed the information provided in the annual report.

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and the consolidated accounts that can be found on pages 2–16, 93–102 and 142–172. The Board of Directors and the CEO are responsible for this other information.

Our statement regarding the annual report and the consolidated accounts does not include this information and we make no statement certifying this other information.

In connection with our audit of the annual report and the consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is incompatible to a significant extent with the annual accounts and the consolidated accounts. In this review, we also take into account the knowledge we have otherwise obtained during the audit and assess whether the information otherwise appears to contain material misstatements.

If we, on the basis of the work performed relating to this information, draw the conclusion that the other information contains material misstatements, we are obliged to report this. We have nothing to report in this respect.

The responsibility of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for preparing the annual report and the consolidated accounts and for it containing a fair picture in accordance with the Annual Accounts Act and, as regards the consolidated accounts, in compliance with the IFRS as adopted by the EU. The Board and the CEO are also responsible for the internal control that they believe necessary to prepare an annual report and

consolidated accounts that do not contain any material misstatements, regardless of whether these are wilful or due to error.

When preparing the annual report and the consolidated accounts, the Board and the CEO are responsible for the assessment of the company's ability to continue as a going concern. They notify, when appropriate, circumstances that may affect the ability to continue as a going concern and to apply the assumption of a going concern. The assumption of a going concern is not applied, however, if the Board and the CEO intend to liquidate the company, cease the activity, cease business or have no realistic alternative to doing one of these.

The Board's audit committee shall, without this affecting the responsibility and other tasks of the Board, inter alia, monitor the company's financial reporting.

The auditor's responsibility

Our goal is to obtain a reasonable degree of assurance that the annual report and the consolidated accounts as a whole do not contain any material misstatements, whether due to fraud or error and to produce an audit report containing our opinions. Reasonable assurance is a high degree of assurance but is not absolute assurance that an audit performed in compliance with ISA and generally accepted auditing standards in Sweden will always detect material misstatement if such exists. Misstatements may arise due to fraud or error and are considered to be material if these misstatements individually or taken together may reasonably be expected to affect the financial decisions made by the user on the basis of the annual accounts and consolidated accounts.

As part of an audit in compliance with ISA, we apply our professional judgment and have a professionally sceptical approach throughout the audit.

Furthermore:

- we identify and assess the risk of material misstatement in the annual report and the consolidated accounts, whether due to fraud or error, design and perform audit procedures, inter alia, on the basis of these risks and obtain audit evidence which is sufficient and appropriate for its purpose to serve as a basis for our opinions. The risk of not detecting material misstatement due to fraud is higher than for material misstatement due to error, as misstatements may include action in collusion, counterfeiting, deliberate omission, incorrect information or setting aside internal control.
- we obtain an understanding of the company's internal control, which is important for our audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- we assess the suitability of the accounting policies applied and the reasonableness of the Board and the CEO's estimates in the accounts and supplementary disclosures.
- we draw a conclusion on the suitability of the Board and the CEO applying the assumption of a going concern when drawing up the annual accounts and the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, whether there is any material uncertainty factor, concerning such events or circumstances that may lead to considerable doubt about the company's ability to continue as a going concern. If we draw the conclusion that there is a significant uncertainty factor, we must draw attention in the Audit Report to the disclosures about the significant uncertainty factor or, if such disclosures are insufficient, modify the statement

about the annual accounts and the consolidated accounts. Our conclusions are based on the audit evidence obtained until the date of the audit report. However, future events or circumstances may mean that the company is unable to continue as a going concern.

- we evaluate the overall presentation, structure and content of the annual report and the consolidated accounts, including the supplementary disclosures and, whether the annual report and the consolidated accounts reproduce the underlying transactions and circumstances in a way that provides a fair picture.
- we obtain sufficient audit evidence that is appropriate for its purpose concerning the financial information for the units or business operations in the group to make a statement on the consolidated accounts. We are responsible for control, monitoring and drawing up of the audit for the group. We bear sole responsibility for our opinions.

We must notify the Board about, inter alia, the planned extent and direction of the audit, and on the date for it. We must also inform about important observations during the audit, including important deficiencies in internal control that we have identified.

We must also provide the Board with a statement that we have applied relevant professional ethical requirements and taken up all relationships and other circumstances that can reasonably affect our independence and in applicable cases associated countermeasures.

Out of the areas communicated with the Board, we establish which of these areas that have been of greatest importance for the audit of the annual report and the consolidated accounts, including the most important assessed risks for significant misstatements, and which therefore constitute the areas of particular importance for the audit. We describe these areas in the audit report as long as laws or other regulations do not prevent such information.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual report, we have also performed an audit of the management by the Board of Directors and the CEO of Klöver AB (publ) for the 2020 financial year and of the proposals for the appropriation of the Company's profit or loss.

We approve the annual general meeting appropriating the profit in accordance with the proposal in the Administration Report and granting the members of the Board and the CEO release from liability for the financial year.

Grounds for our opinions

We have performed the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility

according to these standards is described in more detail in the section The auditor's responsibility. We are independent in relation to the Parent Company and the Group in compliance with good auditing standards in Sweden and have otherwise complied with our professional ethical responsibility in accordance with these requirements.

We consider that the audit evidence obtained is sufficient and fit for its purpose as a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriation of the company's profit or loss. In connection with proposed dividend, this includes an assessment of whether the dividend is defensible taking into consideration the requirements made by the Company's and the Group's

type of operations, the extent and risks made on the size of the Parent Company's and Group's equity, consolidation requirements, liquidity and position otherwise.

The Board is responsible for the Company's organization and administration of the Company's business. This includes, inter alia, making a continuous assessment of the Company's and the Group's financial situation, and ensuring that the organization of the Company is designed in such a way that the accounting, management of funds, and the Company's financial concerns are otherwise controlled satisfactorily. The CEO shall take care of the day-to-day management in accordance with the Board's guidelines and instructions and, inter alia, undertake the measures necessary for the Company's accounts to be drawn up in compliance with the law and that management of funds has been satisfactorily taken care of.

The auditor's responsibility

Our responsibility with regard to the audit of the management, and thus our opinion on discharge from liability, is to obtain audit evidence in order with a reasonable degree of assurance to be able to assess whether any board member or the CEO has in any important respect:

- undertaken any measure or become liable to any neglect which may lead to a duty of compensation to the Company.
- in any other way acted in conflict with the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective as regards the audit of the proposal for appropriation of the Company's profit or loss, and thus our opinion on this, is to assess with reasonable degree of assurance whether the proposal complies with the Companies Act.

Reasonable assurance is a high extent of assurance, but not absolute assurance that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect procedures or neglect which may lead to an obligation to compensate the Company or that a proposal on appropriation of the company's profit or loss is not compatible with the Companies Act.

As part of the audit in accordance with generally accepted auditing standards in Sweden, we use professional judgment have a professional sceptical approach throughout our audit. Scrutiny of the management and the proposal for appropriation of the Company's profit or loss are based primarily on audit of the accounts. The additional audit

procedures performed are based on our professional assessment based on risk and importance. This means that we focus the examination on such procedures, areas and circumstances that are important for the business and where deviations and breaches would be especially important for the Company's situation. We review and test decisions made, bases for decision, measures undertaken and other circumstances that are relevant for our statement on discharge from liability. As a basis for our opinion on the Board's proposal for appropriations of the Company's profit or loss, we have examined the Board's reasoned statement as well as a selection of documentation for this to be able to assess whether the proposal complies with the Companies Act.

The auditor's review of the Corporate Governance Report

The Board is responsible for the Corporate Governance Report on pages 79–92 and for it being drawn up in accordance with the Annual Accounts Act.

Our review has been performed in accordance with FAR's statement RevU 16 The Auditor's review of the Corporate Governance Report. This means our review of the Corporate Governance Report has another direction and considerably less scope than the direction and extent of an audit in accordance with the International Standards of Auditing and generally accepted auditing standards in Sweden. We believe that this review is sufficient for our opinions.

A corporate governance report has been drawn up. Disclosures in accordance with Chapter 6, section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, section 31, second paragraph, of the same Act are compatible with the other parts of the annual report and the consolidated accounts and in compliance with the Annual Accounts Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed as auditor of Klöver AB by the Annual General Meeting on 24 April 2020 and has served as the Company's auditor since 2000.

Stockholm, 26 March 2021

Ernst & Young AB

Fredric Hävrén

Authorized Public Accountant



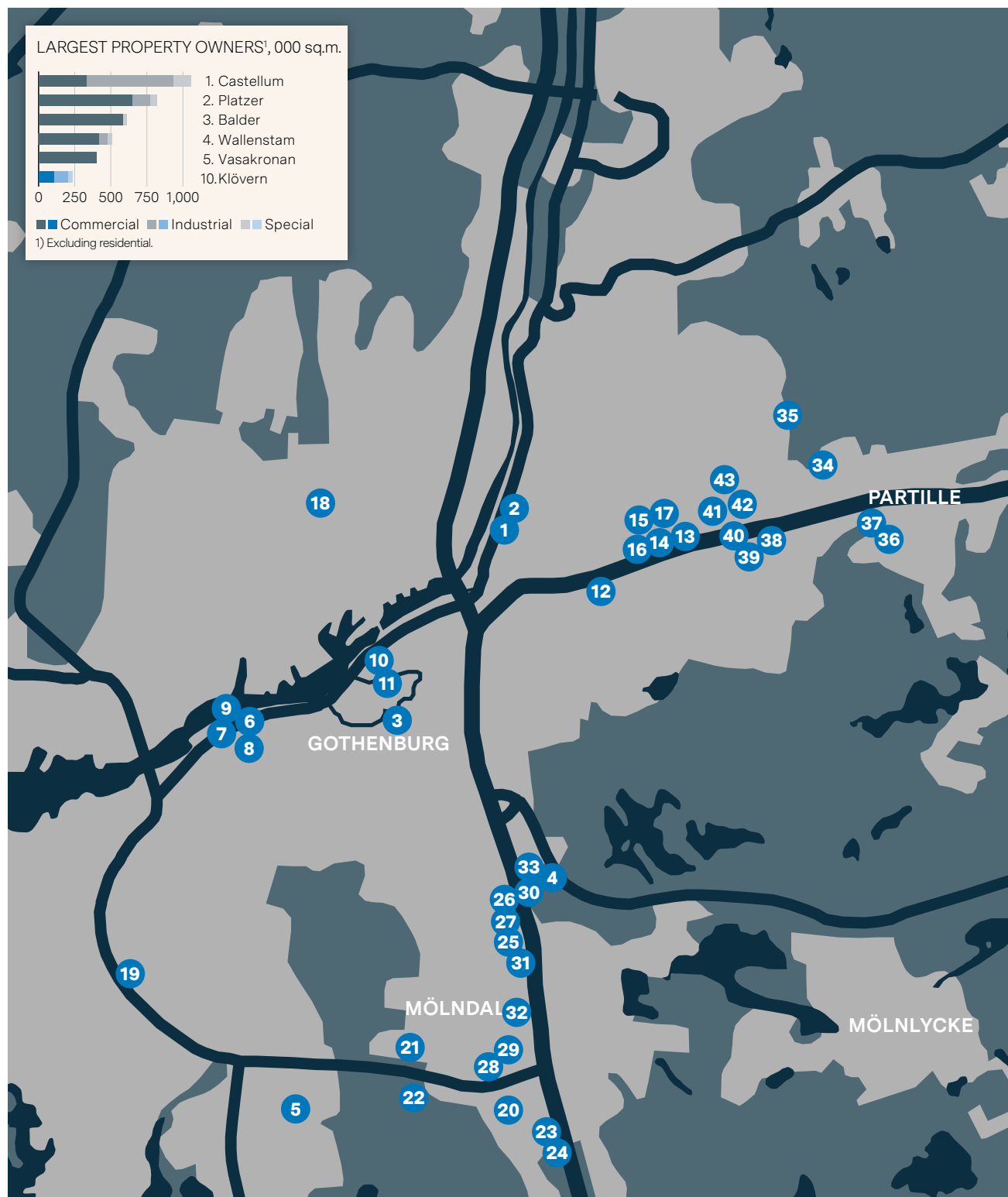
Interior of the Codan building in Copenhagen.

Property list



WEST REGION

Gothenburg



GOTHENBURG

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware- house/ logistics	Retail	Other*	Total			
1	Gamlestaden 39:13	Lilla Waterloogatan 810, Gothenburg	-	1963/1963	Office	7,418	5,811	445	157	13,831	22.3	98	65.5
2	Gamlestaden 39:14	Lilla Waterloogatan 15, Gothenburg	-	1905/1952	W/L**	-	880	-	-	880	2.1	100	3.0
3	Inom Vallgraven 15:2	Drottningg. 28, Södra Hamng. 27, Gothenburg	-	2003/2003	Office	4,123	-	-	217	4,340	14.1	100	128.9
4	Kallebäck 17:1	Solhusg. 11, Gothenburg	-	1992/2000	Office	20,170	-	-	200	20,370	23.6	94	137.1
5	Kobbegården 6:141	Datav. 6, 8, 10, Gothenburg	-	1983/1983	Office	10,129	2,021	1,447	23	13,620	17.4	92	107.5
6	Majorna 219:7	Fiskhamnsg. 6A-C, Skärgårdsg. 1, Gothenburg	S	2002/2002	Office	11,679	1,933	1,897	201	15,710	28.2	97	175.0
7	Majorna 220:4	Fiskhamnsg. 2, Gothenburg	-	1986/1986	Office	5,663	33	-	-	5,696	10.5	80	54.6
8	Majorna 220:5	Skärgårdsg. 4, Gothenburg	-	1990/1990	E/H/O***	579	16	-	3,815	4,410	8.1	100	0.0
9	Majorna 223:5	Fiskhamnen 11	S	1994/1987	Office	1,745	-	-	-	1,745	2.0	100	9.1
10	Nordstaden 18:3	Kronhusg. 7, Torgg. 17, Gothenburg	-	1985/1985	Office	1,911	6	354	-	2,271	6.1	100	46.6
11	Nordstaden 18:4	Torgg. 19, Gothenburg	-	1985/1985	Office	-	-	-	-	-	0.0	-	0.0
12	Sävenäs 67:4	Torpavallsg. 11, 13, Gothenburg	-	1982/1991	Office	2,336	-	-	-	2,336	3.1	71	10.5
13	Sävenäs 169:1	von Utfallsg. 21, Gothenburg	-	1975/1975	W/L**	-	7,667	-	-	7,667	6.4	88	19.8
14	Sävenäs 170:12	von Utfallsg. 18, 20, Gothenburg	-	1990/1990	W/L**	894	3,178	-	-	4,072	3.8	100	15.5
15	Sävenäs 170:13	von Utfallsg. 16, 16A, Gothenburg	-	1979/1979	Office	1,624	465	-	-	2,089	2.1	100	10.5
16	Sävenäs 170:14	von utfallsg. 16B-C, Gothenburg	-	1991/1991	Office	4,700	509	250	-	5,459	5.8	90	28.4
17	Sävenäs 170:17	von Utfallsg. 18, 20, Gothenburg	-	1990/1990	W/L**	-	-	-	-	-	0.0	-	2.0
18	Tuve 86:2	Hildedalsg. 1, Gothenburg	S	2007/2007	W/L**	-	5,301	-	-	5,301	4.9	100	29.7
19	Tynnered 1:15	Femvågsskålet 4, Gothenburg	S	1979/1979	W/L**	-	2,600	-	-	2,600	2.7	100	16.7
20	Gastuben 3	Argong. 2D, Mölndal	-	1991/1994	Office	5,990	-	-	-	5,990	9.0	88	57.8
21	Hårddisken 3	Alfag. 8, Mölndal	-	2012/2012	Office	3,274	-	-	-	3,274	5.3	100	32.8
22	Mejramen 1	Lunnagårdsg. 4, Mölndal	-	1999/1999	Office	8,123	2,617	741	117	11,598	18.3	93	98.7
23	Potttegården 2	Taljegårdsg. 1, Mölndal	-	1965/1965	W/L**	429	1,371	-	-	1,800	1.5	90	11.2
24	Potttegården 4	Kråketorpsv. 20, Mölndal	-	1991/1991	Office	3,059	1,871	-	-	4,930	5.1	92	34.0
25	Spinnaren 5	Göteborgsv. 44, Mölndal	-	1973/1973	W/L**	-	-	-	-	-	0.4	100	1.9
26	Stockrosen 2	Norra Äg. 40, Mölndal	-	1988/1988	Retail	1,102	-	1,937	-	3,039	3.8	100	11.3
27	Stockrosen 7	Norra Äg. 32, Mölndal	-	1947/1997	Office	3,322	1,012	433	-	4,767	7.2	96	36.6
28	Travbanan 2	Äbyvägen, Mölndal	-	2018/2018	E/H/O***	3,561	-	-	9,646	13,207	32.7	87	163.0
29	Travbanan 3	Äbyvägen, Mölndal	-	2018/2018	E/H/O***	-	-	-	15,376	15,376	20.5	100	129.6
30	Törnrosen 4	Flöjelbergsg. 14C, Mölndal	-	1989/1989	Office	2,683	773	-	-	3,456	4.7	78	14.2
31	Violen 1	Göteborgsv. 40, Mölndal	-	1958/1980	Retail	-	-	718	238	956	0.9	100	8.7
32	Väskan 2	Gamla Kungbackav. 15, Mölndal	-	1961/1971	Office	1,184	95	1,005	-	2,284	3.1	100	7.7
33	Ängsviolen 1	Flöjelbergsg. 18, Mölndal	-	1960/1960	W/L**	2,571	2,797	180	-	5,548	5.4	100	22.0
34	Mellby 3:198	Mellbyv. 21, 23, Partille	-	1967/1983	E/H/O***	-	-	-	2,576	2,576	3.2	100	0.0
35	Mellby 5:120	Ögärdesv. 19, Partille	-	1990/1990	Office	3,862	1,230	-	-	5,092	6.1	97	28.7
36	Partille 4:2	Kung Göstas v. 4, Partille	-	Tomt	E/H/O***	-	-	2,843	-	2,843	4.9	100	1.4
37	Partille 4:25	Gamla Kronv. 22, Partille	-	1981/2008	Retail	-	-	-	-	-	0.0	-	13.8
38	Ugglum 1:76	Göteborgsv.88, Tillfällav. 27-29, Partille	-	1988/1988	Retail	1,860	270	1,931	421	4,482	6.3	95	29.6
39	Ugglum 8:37	Tillfällav. 23-25, Göteborgsvägen 78-84, Partille	-	1937/1975	Office	1,951	114	1,324	278	3,667	4.9	82	31.9
40	Ugglum 8:92	Tillfällav. 17-21, Göteborgsvägen 74-76 Partille	-	1992/1992	Office	4,789	337	720	78	5,924	8.2	88	46.0
41	Ugglum 9:242	Industriv. 2, 4, 6, 51, 53, 55, 57, 59, Partille	-	1989/1989	Office	10,469	4,590	365	588	16,012	16.7	89	70.4
42	Ugglum 9:243	Industriv., Partille	-	Tomt	E/H/O***	-	-	-	-	-	0.0	-	5.0
43	Ugglum 7:117	Industriv. 39, Partille	-	1969/1999	W/L**	819	2,176	-	325	3,320	3.4	99	14.4
-	Öslanda 1:255	Gråbov. 13, Lerum	-	1974/2011	E/H/O***	-	-	121	4,430	4,551	4.3	100	0.0
-	Bromsen 3 och 4	Bergslenag. 41, Borås	-	1945/1971	Retail	1,505	5,763	10,604	4,860	22,732	29.6	68	188.8
-	Spindeln 13 och 14	Bergslenag. 41, Borås	-	1945/1971	Retail	-	-	-	-	-	0.0	-	0.0
-	Termiten 1	Bergslenag. 8, Borås	-	1971/1978	Retail	24	832	13,821	-	14,676	20.5	96	125.0
TOTAL GOTHENBURG						133,548	56,268	41,136	43,546	274,497	388.9	92	2,045.1

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

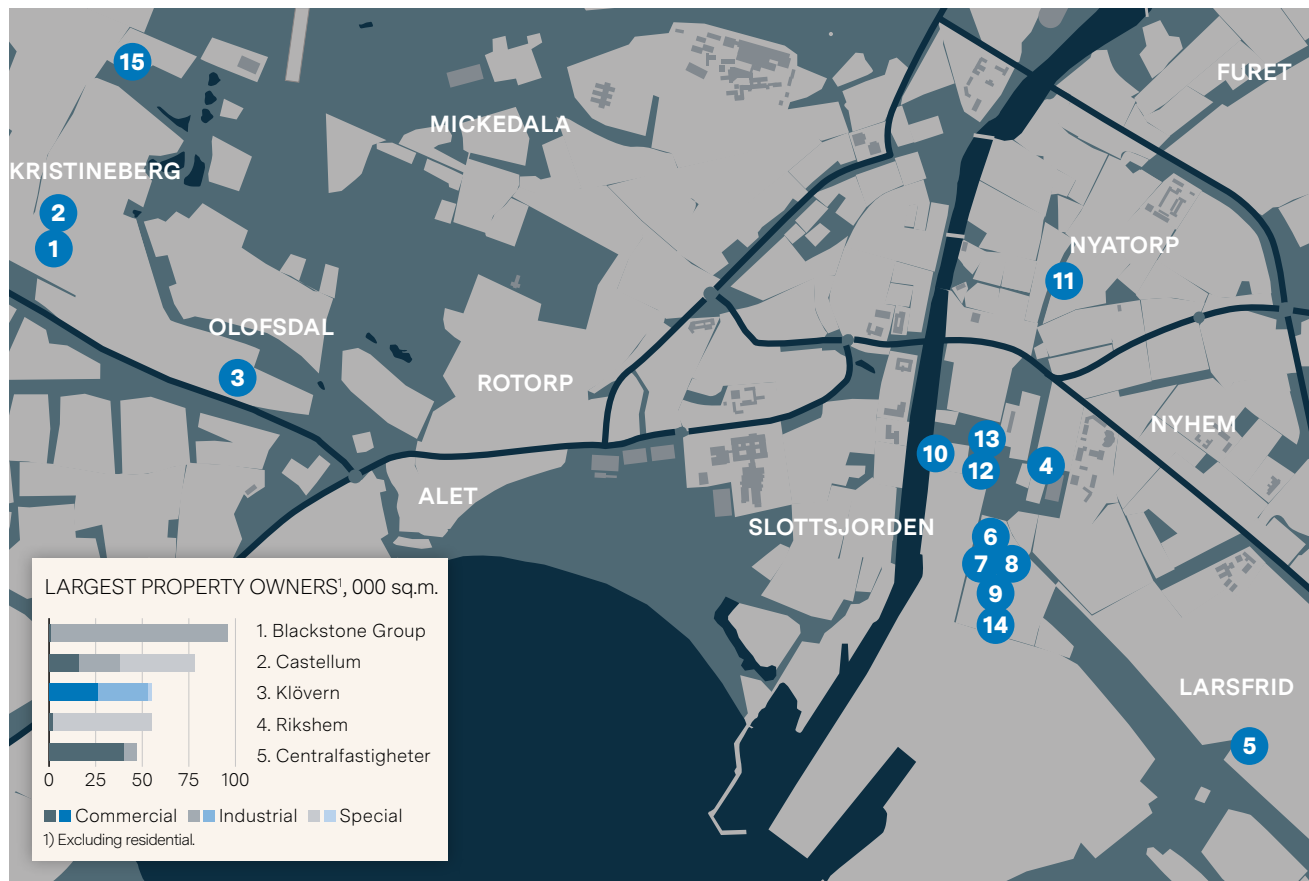
*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

■ Acquisition during 2020

WEST REGION

Halmstad



HALMSTAD

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware-house/ logistics	Retail	Other*			
1	Eketånga 24:37	Kristinebergsv. 18-20, Halmstad	-	1989/1990	W/L**	611	1,107	-	-	1,718	1.0	7.0
2	Eketånga 24:49	Kristinebergsv. 22, Halmstad	-	1989/1989	W/L**	1,898	3,512	-	-	5,410	2.9	18.6
3	Eketånga 5:417	Industriv. 1, Halmstad	-	1962/1962	W/L**	277	3,275	-	-	3,552	1.6	9.9
4	Fotbollen 17	Bolmeng 11, Halmstad	-	1929/1929	Office	480	-	-	-	480	0.7	0.0
5	Fregatten 7	Svetsareg. 8, Halmstad	-	1978/1978	Office	1,517	-	-	-	1,517	1.2	5.2
6	Halmstad 2:25	Stationsg. 37, Halmstad	-	Tomt	E/H/O***	-	-	-	-	0.0	-	0.0
7-9	Halmstad 2:28	Stationsg. 37, Halmstad	-	1920/1929	W/L**	2,395	10,270	1,915	200	14,780	18.2	78.8
10	Halmstad 2:49	Strandg 1, 3, Halmstad	-	1911/1953	Office	3,119	-	-	-	3,119	5.9	28.0
11	Järnvägen 3	Garnetullsg. 12,14, Halmstad	-	2017/2017	Office	4,727	-	-	1,053	5,780	13.3	72.4
12	Orkanen 1	Stationsg. 52, Halmstad	-	1930/1930	W/L**	211	939	-	256	1,406	0.6	1.0
13	Orkanen 2	Stationsg. 50, Halmstad	-	1948/1948	W/L**	-	1,300	-	-	1,300	0.0	0.7
14	Ostkupan 3	Stålverksg. 1, Halmstad	-	1950/1950	Office	6,848	5,772	-	-	12,620	6.0	30.8
15	Slättern 2	Kundv. 15, Halmstad	-	2008/2008	Retail	-	-	3,616	-	3,616	3.6	25.9
TOTAL HALMSTAD						22,083	26,175	5,531	1,509	55,298	55.0	278.2

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

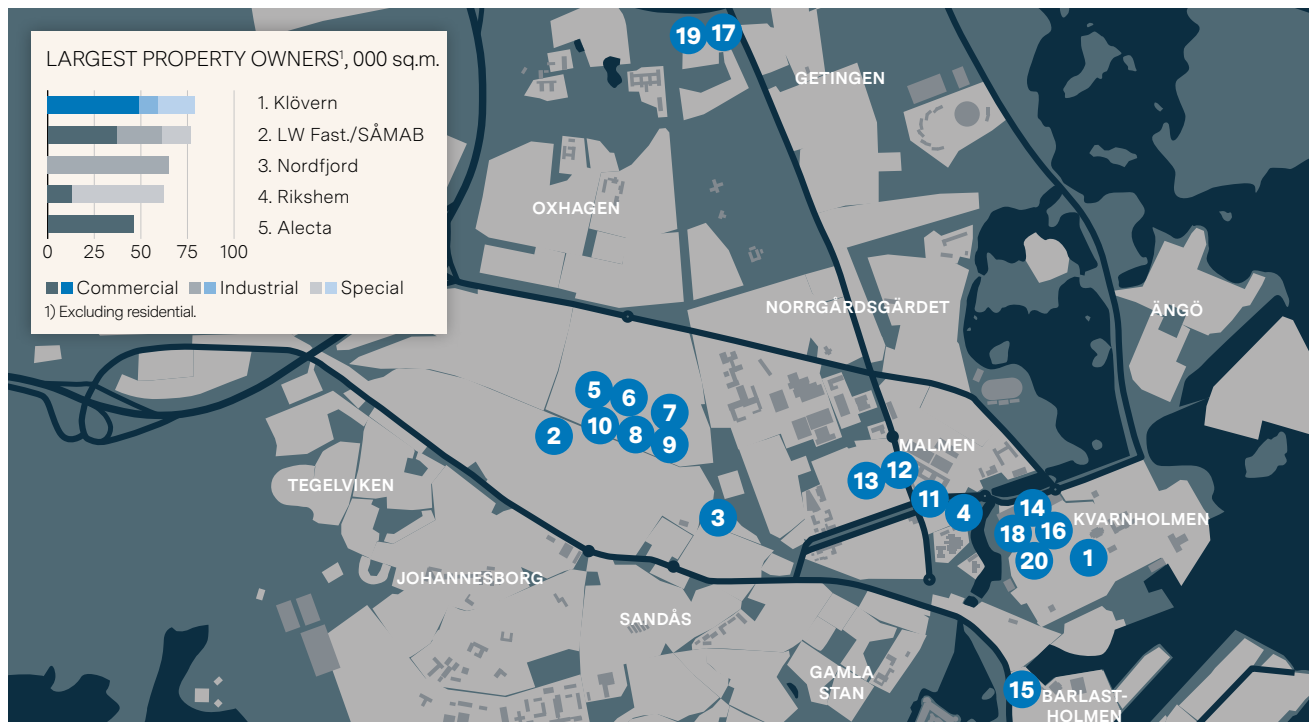
** Warehouse/logistics

*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

EAST REGION

Kalmar



KALMAR

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.				Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
						Office	Ware-house/logistics	Retail	Other*			
1	Apotekaren 20	Storg. 28, 30, V. Sjög. 13, Kalmar	-	1965/1965	Retail	771	101	817	182	1,871	3.4	24.2
2	Elefanten 3	Torsåsg. 9, Kalmar	-	1970/1971	Office	3,923	2,072	2,500	-	8,495	7.2	28.5
3	Fredriksdal 1	Lorensbergsleden 1, 3, Kalmar	-	1975/1975	E/H/O***	750	913	-	1,835	3,498	2.9	0.0
4	Guldfisken 2	Postg. 2, Kalmar	-	1947/1947	E/H/O***	-	-	-	3,848	3,848	3.5	0.0
5-9	Gumsen 31	Verkstadsq. 3, Kalmar	-	1950/1960	W/L**	6,681	9,864	1,026	7,617	25,188	17.9	49.8
10	Gumsen 41	Torsåsg. 16, Kalmar	-	1975/1975	Office	2,042	-	-	-	2,042	1.5	6.4
11	Koljan 24	N. V. 18, S. Malmg. 7, Kalmar	-	1967/1967	E/H/O***	1,617	552	477	3,171	5,817	7.4	0.0
12	Korpen 18	Fabriksq. 31, Kalmar	-	1976/1976	Office	3,117	694	-	-	3,811	5.0	26.0
13	Korpen 20	Fabriksq. 29, Nyg. 30, Kalmar	-	1979/1979	Office	3,129	190	-	2,967	6,286	8.5	0.0
14	Lärningen 5	Kaggensg. 40, 42, 44, Strömg. 7, Kalmar	-	1960/1960	Office	2,182	245	318	1,829	4,574	6.0	34.0
15	Matrosen 1	Tjärhovsg. 1, 3, 5, 7, Kalmar	S	1995/1995	E/H/O***	971	-	-	1,288	2,259	3.4	11.2
16	Mästaren 28	Kaggensg. 30, Fiskareg. 20, Kalmar	-	1962/1962	Retail	568	68	712	-	1,348	2.3	17.0
17	Rybsen 1	Dagöv. 1B, Kalmar	-	2000/2000	Office	1,112	-	-	-	1,112	1.3	7.1
18	Tenngjutaren 1	Strömg. 2, Larmg. 40, Kalmar	-	1974/1979	Office	1,199	92	-	297	1,588	2.3	16.1
19	Timotejen 1	Öselv. 1, Kalmar	-	1991/1991	Office	902	-	650	-	1,552	1.6	5.6
20	Åldermannen 25	Kaggensg. 29, Storg. 21, Kalmar	-	1978/1978	Retail	1,782	458	3,695	2,613	8,548	16.3	111.9
-	Fläkten 11	Kvarnv. 2, Växjö	-	1982/1982	Office	8,200	-	-	-	8,200	8.9	47.8
-	Fläkten 14	Kvarnv. 26, 28, Växjö	-	1982/1982	W/L**	-	5,300	-	-	5,300	3.6	25.3
TOTAL KALMAR						38,946	20,548	10,195	25,647	95,336	103.2	411.0

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

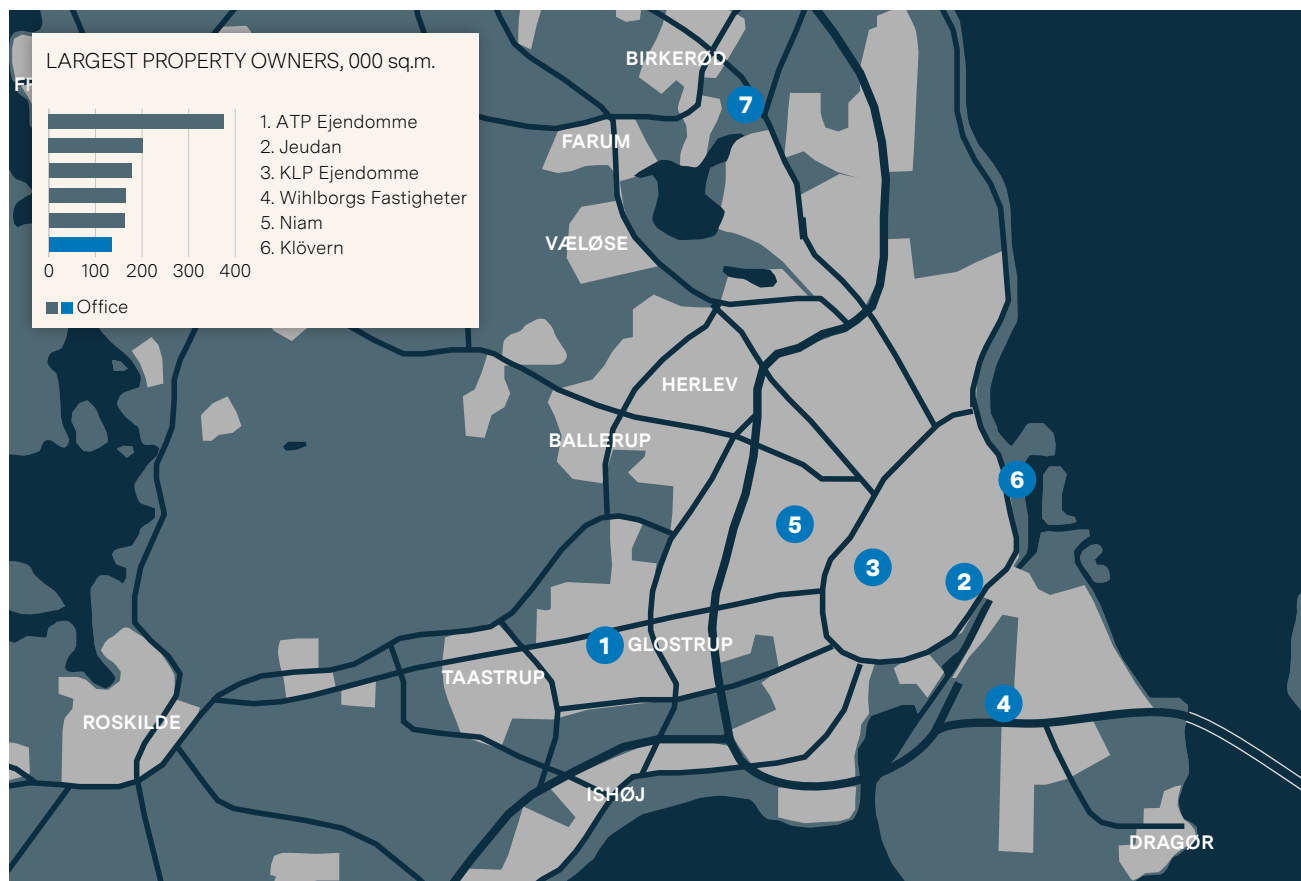
** Warehouse/logistics

*** Education/Health care/Other

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INTERNATIONAL

Copenhagen



COPENHAGEN

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Warehouse/logistics	Retail	Other*			
1	12p Vridsløse-lille By	Roskildevej 157, Albertslund	-	1982/2000	Office	8,630	-	-	-	8,630	12.2	100
2	24a Frederiks-berg (1, 2)	Gammel Kongevej 60, Frederiksberg	-	1967/2004	Office	30,845	559	-	-	31,404	80.0	97
3	26er, 26fg, 26fi Frederiksberg	Porcelænsbøden 16A, 18A og 26, Frederiksberg	-	1922/2005	E/H/O***	-	-	-	19,300	19,300	40.9	100
4	383 Eksercer-pladsen	Arne Jacobsens Allé 7, Copenhagen	-	2012/2012	Office	15,663	-	-	-	15,663	27.4	80
5	3269b Vanløse	Indertofte 10, Copenhagen	-	1964/1964	Office	6,675	271	-	-	6,946	11.0	100
6	984 Østervold Kvarter	Amerika Plads 38, Copenhagen	-	2008/2008	Office	6,034	-	-	-	6,034	16.3	100
7	1kh Rudegård Ny Holte	Kongevejen 495B, Rudersdal	-	1994/1994	Office	5,341	-	-	-	5,341	7.7	100
TOTAL COPENHAGEN						73,188	830	-	19,300	93,318	195.4	96

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

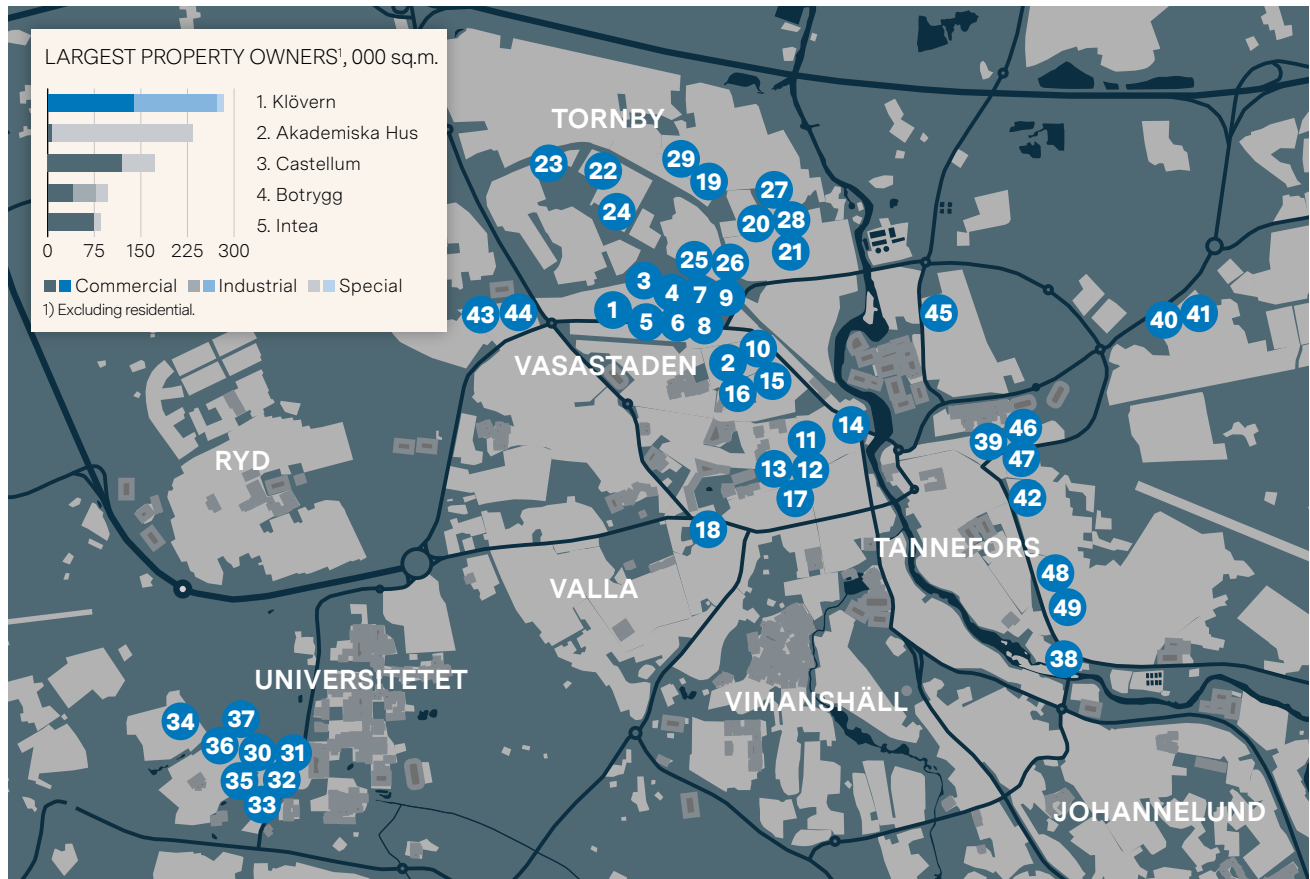
** Warehouse/logistics

*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

EAST REGION

Linköping



LINKÖPING

No.	Property	Address	Site lease-hold	Building year/ value year	Type of property	Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware-house/ logistics	Retail	Other*			
1	Ackordet 10	Industrig. 15, Linköping	–	1954/1954	Retail	1,207	181	2,984	–	4,372	4.6	87
2	Amor 1	Platensg. 26, Linköping	–	1929/1990	Office	3,292	–	–	–	3,292	7.1	100
3	Antennen 15	Mellang. 9, Linköping	–	1986/1986	Office	7,452	1,622	977	1,450	11,501	6.8	81
4	Antennen 16	Bangårdsg. 6, Linköping	–	1986/1986	Office	–	–	–	–	–	0.0	–
5	Antennen 23	Industrig. 11A–C, Linköping	–	1986/1986	Office	–	–	–	–	–	0.0	–
6	Antennen 24	Industrig. 11A–C, Linköping	–	1947/1972	Office	–	–	–	–	–	0.0	–
7	Antennen 5	Bangårdsg. 4, Linköping	–	1954/1988	W/L**	808	1,262	–	–	2,070	1.1	87
8	Antennen 6	Industrig. 9, Linköping	–	1954/1988	W/L**	–	–	–	–	–	0.0	–
9	Antennen 9	Alkag. 4–6, Linköping	–	1948/1988	W/L**	847	2,356	–	2,057	5,260	7.8	99
10	Beridaren 12	Platensg. 29, Hertig Karlsq. 5A–D, Linköping	–	1929/1959	Office	3,996	361	112	–	4,469	7.7	99
11	Brevduvan 17	Kungsg. 20, S:t Larsg. 18, 20, Linköping	–	1916/1978	Office	7,391	391	–	130	7,912	14.3	99
12	Brevduvan 20	Åg.31, S:t Larsg. 24, Linköping	–	1990/1990	Office	3,441	223	480	67	4,211	7.1	98
13	Brevduvan 21	Klosterg. 19, Åg. 33–37, Linköping	–	1991/1991	Office	8,661	68	348	511	9,588	13.7	99
14	Bromsaren 4	Stureg. 1, S:t Larsg. 1–3, Linköping	–	1958/1992	E/H/O***	5,097	201	–	5,177	10,475	18.9	95
15	Bävern 13	Hertig Karlsq. 2 A–C, 4 A–B, Linköping	–	1981/1981	Office	5,434	403	–	55	5,892	8.8	99
16	Bävern 2	Platensg. 25, Linköping	–	1940/1940	E/H/O***	145	8	–	1,017	1,170	1.1	91
17	Dahlia 18	S:t Larsg. 30, Storg. 38, Linköping	–	1963/1963	Retail	1,828	284	2,249	298	4,659	9.7	99
18	Elefanten 17	Barnhemsg. 2, Storg. 80, 82, Linköping	–	1978/1985	Office	6,310	–	–	–	6,310	10.2	100
19	Galgan 3	Gillbergag. 23, 25, Linköping	–	1975/1975	Retail	715	942	1,622	625	3,904	2.6	79
20	Ganymeden 7	Roxeng. 9, 11, Linköping	–	1963/1973	W/L**	3,130	9,710	440	2,079	15,359	7.4	86
21	Garvaren 9	Florag. 10, Norra Oskarsg. 27A–D, Roxeng. 18, Linköping	–	1946/1960	Office	3,640	710	–	–	4,350	4.0	92
22	Glasberget 1	Attorpsg. 7–23, Linköping	–	1989/1992	Office	6,922	730	–	1,995	9,647	10.7	90
23	Glasbitten 1	Attorpsg. 2, Linköping	–	1977/1977	W/L**	–	4,160	–	–	4,160	3.7	66
24	Glasbitten 7	Roxtorpsg. 9, Linköping	–	1973/1989	W/L**	1,085	10,289	–	–	11,374	14.6	100
25–26	Glasblåsaren 7	Tornbyv. 1, Linköping	–	1929/1929	Office	4,527	744	4,222	496	9,989	12.7	86
27	Guvernören 13	N Oskarsg. 18, Linköping	–	1968/1971	W/L**	680	1,407	614	570	3,271	1.8	99
28	Gymnasten 2	Roxeng. 7, Linköping	–	1977/1977	Office	1,422	–	310	380	2,112	2.6	99
29	Gården 1	Gottorpsg. 1, Linköping	–	1987/1987	Office	1,140	332	–	–	1,472	1.9	92
30	Idégivaren 1	Teknikringen 4, Linköping	–	1989/1989	Office	3,946	66	–	–	4,012	5.3	91
31–33	Idéläran 1	Teknikringen 2, Teknikringen 6, Diskettg. 11, Linköping	–	1986/1999	Office	15,416	974	–	231	16,621	28.7	99
34	Idéskaparen 2	Datalinjen 4, Linköping	–	1999/2002	Office	23,650	–	–	–	23,650	25.9	100
35	Idéskissen 1	Teknikringen 3, Linköping	–	1984/1984	E/H/O***	–	–	–	4,726	4,726	7.3	100
36–37	Idétävlingen 4	Wallenbergsg. 4, Teknikringen 8, Linköping	–	1990/2001	Office	21,201	105	670	620	22,596	28.6	81
38	Kvarnen 4	Nya Tanneforsv. 96, 96A–B, Linköping	–	1935/1955	Retail	1,934	1,017	2,154	–	5,105	4.6	90
39	Magasinet 1	Hagalundsv. 3A, Linköping	–	1929/1929	W/L**	–	635	–	–	635	0.2	–
40	Magneten 2	Finnög. 12, Linköping	S	1980/1980	W/L**	48	6,181	–	–	6,229	4.0	99
41	Megafonen 4	Finnög. 10, Linköping	S	1980/1980	W/L**	–	–	–	–	–	0.0	–
42	Mekanikern 22	G Tanneforsv. 17A, Vimarkg. 1, 3, 5, 7, 9, Linköping	–	1947/1998	W/L**	1,686	14,025	312	4,933	20,956	14.8	94
43–44	Oboisten 2	Barhällsg. 1, 10, Linköping	–	1952/1952	W/L**	1,373	7,693	568	–	9,634	3.8	85
45	Paletten 1	Gumpekullav. 8, Ottarg. 3, Linköping	–	1980/1980	Office	5,343	341	–	8	5,692	5.4	77
46	Tannefors 1:89	Hagalundsv. 3B, Linköping	–	1986/1986	W/L**	–	1,071	–	–	1,071	0.1	–
47	Tannefors 1:90	Hagalundsv. 3B, Linköping	–	Tomt	E/H/O***	–	–	–	–	–	0.0	–
48	Mekanikern 18	Gelbgjutareg., Linköping	–	Tomt	E/H/O***	–	–	–	–	–	0.1	99
49	Morellen 1	Gelbgjutareg. 2, Linköping	–	1929/1949	W/L**	2,637	9,711	–	2,672	15,020	16.0	100
–	Olaus Petri 3:234	Ö Bang. 7, Örebro	–	1979/1979	E/H/O***	2,034	2,437	–	4,430	8,901	6.2	4
TOTAL LINKÖPING						158,438	80,640	18,062	34,527	291,667	331.5	92
												1,802.1

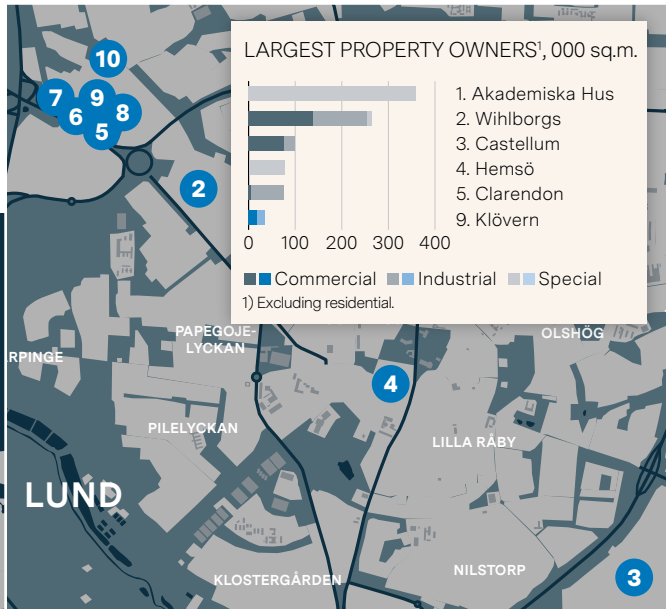
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** Warehouse/logistics

*** Education/Health care/Other

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■ Acquisition during 2020



MALMÖ

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware-house/logistics	Retail	Other*	Total			
1	Sunnanå 12:26	G:a Staffanstopsv., Burlöv	–	Tomt	E/H/O***	–	–	–	–	–	0.0	–	1.3
2	Annedal 9	Annedalsv. 2B, Lund	–	1990/1990	W/L**	–	1,296	–	–	1,296	1.6	100	6.6
3	Kvartsen 6	Skifferv. 25, Lund	–	1992/1992	W/L**	–	5,010	–	–	5,010	4.8	100	28.6
4	Sankt Clemens 8	Kattesund 6A, Lund	–	1976/1976	Office	1,515	446	400	1,393	3,754	10.2	99	89.0
5–6	Traktorn 4	Traktorv. 13, Lund	–	1983/1983	Office	6,985	1,366	5,650	–	14,001	17.8	73	108.1
7	Trumlan 1	Traktorv. 19, Lund	–	1991–1994 /1991–1994	W/L**	358	1,263	904	–	2,525	3.1	100	13.3
8	Välten 4	Traktorv. 8, Lund	–	2004/2004	W/L**	–	3,100	–	–	3,100	3.5	100	20.2
9	Välten 5	Traktorv. 10, Lund	–	1974/1987	W/L**	–	3,645	–	–	3,645	3.6	100	13.3
10	Årdret 12	Höstbruksv. 14, Lund	–	1991/1991	W/L**	–	2,049	–	–	2,049	1.9	52	8.8
11	Betongen 11	Krang. 4, Malmö	S	1992/1992	Office	4,872	37	–	–	4,909	8.3	90	35.8
12	Brandnåvan 1	Stenbärsgr. 3, Malmö	S	Tomt	E/H/O***	–	–	–	–	–	0.0	–	3.3
13	Brandnåvan 2	Stenbärsgr. 1, Malmö	S	1989/1989	Office	2,550	272	–	–	2,822	2.6	–	13.4
14	Carolus 32	Österg. 12, Malmö	–	1971/1999	Retail	–	31	14,685	1,164	15,880	39.7	65	243.0
15	Innerstaden 1:152	Österg. 12, Malmö	–	1971/1999	Retail	–	–	–	900	900	0.3	–	8.2
16	Dragör 1	Öv. 6, Malmö	–	2014/2014	Office	1,694	46	618	–	2,358	7.0	82	39.7
17–18	Flygfyrn 1	Höjdroderg. 29, Flygfältsv. 1, Malmö	–	1955–2004 /1955–2004	W/L**	360	9,958	1,830	–	12,148	10.9	83	53.1
19	Flygfyrn 3	Höjdroderg. 25, Malmö	–	1990/1990	Office	3,298	1,281	595	–	5,174	6.1	91	32.8
20	Flygledaren 3	Höjdroderg. 18, Malmö	S	1990–2000 /1990–2000	W/L**	745	852	–	–	1,597	2.1	100	8.0
21	Flygvärdinnan 4	Vattenverksv. 47, Höjdroderg. 30–34, Malmö	S	1940–2001 /1978–2001	Office	6,309	2,739	–	210	9,258	12.6	84	67.5
22	Fältsippan 8	Regnvatteng. 2, Rimfrostg. 1, Malmö	–	1990/1990	W/L**	–	3,975	–	–	3,975	3.8	100	22.0
23	Höjdrodret 3	Kabing. 11, Malmö	–	1990/1990	Office	1,182	162	–	–	1,344	1.7	78	9.2
24	Krukskärvan 9	Stenyxeg. 32, Malmö	S	1981/1981	W/L**	–	2,680	–	–	2,680	2.3	100	15.5
25–28	Kullen 1	Hanög. 9, 11, Kosterög. 11, 13, 15, Malmö	–	1961/1961	W/L**	5,030	79,651	445	389	85,515	31.5	66	153.9
29	Murman 7	Murmansg. 124 A–C, Kruseg. 25, Malmö	S	1959/1959	W/L**	2,186	4,324	–	–	6,510	5.2	86	18.9
30	Murman 8	Murmansg. 126, Kruseg. 27, Malmö	–	1960/1968	Office	5,912	1,286	–	–	7,198	8.6	80	23.9

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** Warehouse/logistics

*** Education/Health care/Other

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■ Acquisition during 2020



MALMÖ CONTINUED

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware- house/ logistics	Retail	Other*			
31	Murman 11	Murmansg. 118–120, Kruseg. 21, Malmö	S	1960/1960	W/L**	3,372	4,290	–	789	8,451	6.4	23.3
32	Nejljke- buketten 4	Derbyv. 6, Malmö	–	1991/1991	Office	5,926	–	–	617	6,543	10.5	51.4
33	Nejljke- buketten 6	Derbyv. 4, Malmö	–	1987/1987	Office	1,750	–	–	–	1,750	2.4	9.9
34	Skevrodret 1	Kabing. 9, Malmö	–	1978/1978	Office	1,982	–	–	–	1,982	3.5	8.6
35	Stapelbädden 2	Östra Varvsg. 2, Malmö	–	2005/2005	Office	4,468	24	–	–	4,492	11.4	97.0
36	Stapelbädden 4	Östra Varvsg. 4, Malmö	–	2008/2008	Office	7,699	27	309	–	8,035	18.4	160.0
37	Stiglädret 10	Sadelg. 16, Betseg. 6A–B, Malmö	S	1978/1978	W/L**	387	2,598	–	–	2,985	3.2	18.1
38	Stillman 40	Kruseg.34, Malmö	–	1961/1975	W/L**	479	1,274	–	–	1,753	1.7	6.9
39	Sufflören 4	Axel Danielssonsv. 261, Malmö	–	1988/1988	Office	4,270	–	–	1,043	5,313	5.3	25.0
40	Svedjenävan 3	Stenbärgsg. 4–6, Malmö	–	1991/1991	Office	4,299	–	614	–	4,913	8.1	39.5
41	Svedjenävan 4	Stenbärgsg. 2, Malmö	S Tomt		E/H/O***	–	–	–	–	–	–	2.0
42	Tränsbättet 2	Travbaneg. 4, Malmö	–	1989/1989	W/L**	265	3,373	–	–	3,638	2.2	15.9
43	Ventilen 4	Kamaxelg. 7, 9, 11, Ventilg. 8, Malmö	S	2003/2003	W/L**	621	1,771	–	–	2,392	2.4	13.8
44	Vårbuketten 3	Husiev. 21, Malmö	–	1992/1997	W/L**	1,595	1,722	–	–	3,317	3.9	17.3
45–46	Västerbotten 11	Estlandsg. 2, 4, 6, Fosiev. 4, 6, 8, Malmö	–	1971/1971	E/H/O***	2,141	5,112	922	6,571	14,746	15.0	16.1
47–48	Västerbotten 9	Ystadsv. 15, 17, 19, Fosiev. 2, Malmö	–	1929/1929	Retail	5,846	2,543	8,317	3,682	20,388	24.4	54.6
TOTAL MALMÖ						88,096	148,203	35,289	16,758	288,346	308.0	1,596.9

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

*** Education/Health care/Other

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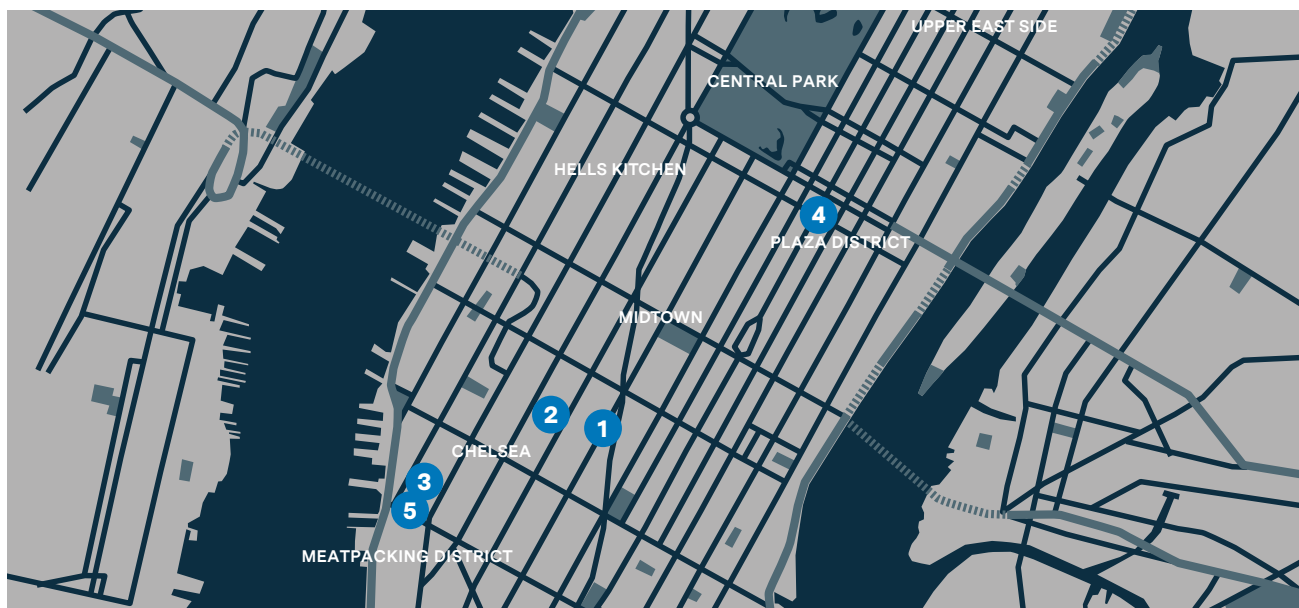
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INTERNATIONAL

New York



NEW YORK

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office**	Ware- house/ logistics	Retail	Other*			
1	1241-1251 Broadway	1241-1251 Broadway, Manhattan	S	-	Office	-	-	-	-	-	-	-
2	322-326th Avenue	322-326th Avenue, Manhattan	-	1940	Office	-	-	-	-	-	-	-
3	118 10th Avenue	118 10th Avenue, Manhattan	S	Tomt	Office	-	-	-	-	-	-	-
4	417 Park Avenue, New York 10022	417 Park Avenue	-	-	Office	-	-	-	-	-	-	-
5	116 10th Avenue	116 10th Avenue	-	-	Office	-	-	-	-	-	-	-
TOTAL NEW YORK						-	-	-	-	-	-	-

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Project property.

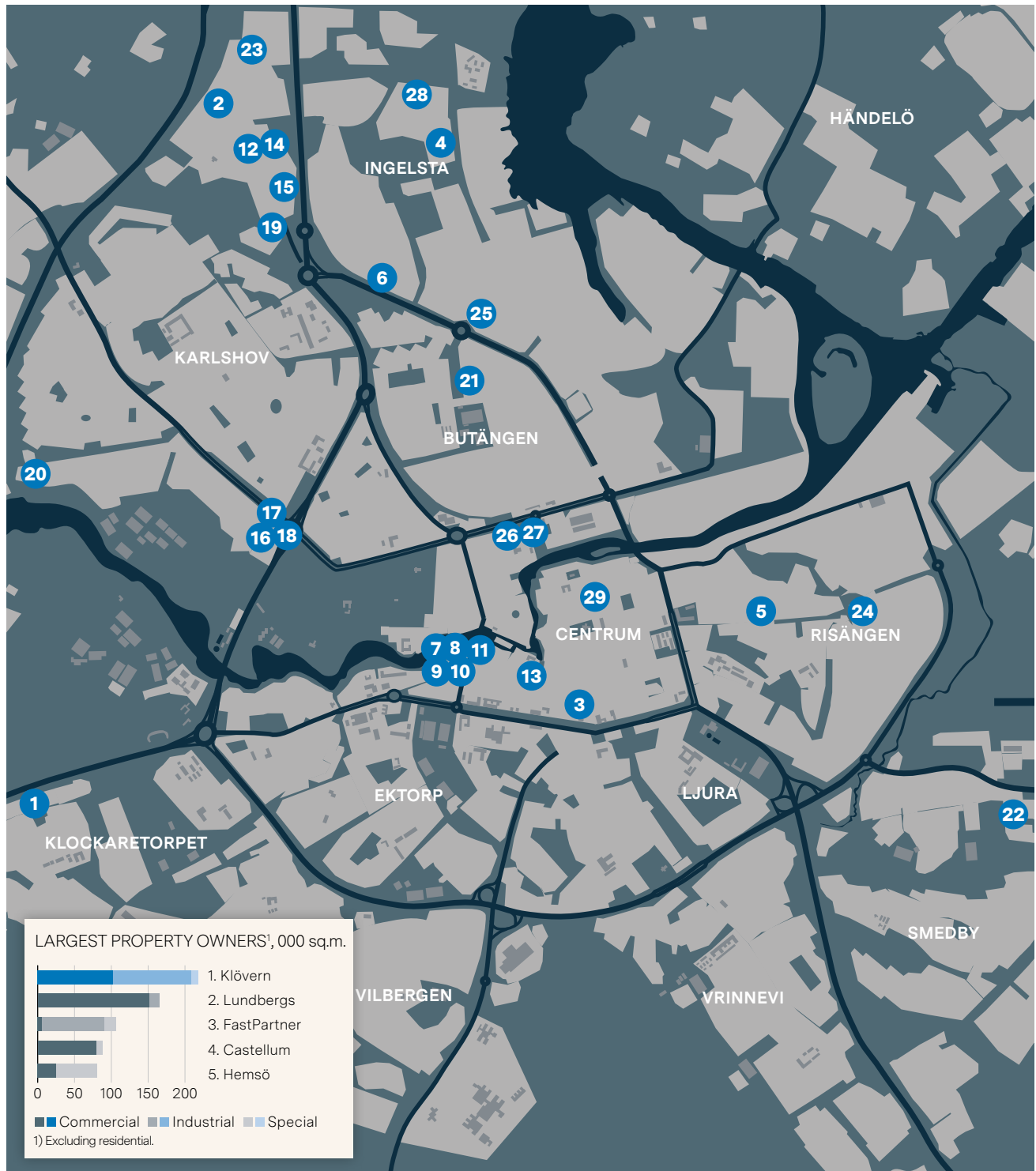
A property can consist of a number of jointly administered properties or several large buildings.

■ Acquisition during 2020



EAST REGION

Norrköping



NORRKÖPING

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware- house/ logistics	Retail	Other*	Total			
1	Basfiolen 9	Moa Martinsons g. 10b, Norrköping	S	1983/1983	Office	1,146	58	–	–	1,204	1.1	14	4.5
2	Bronsen 2	Tenng. 4, Norrköping	–	1971/1971	Office	4,948	3,750	1,803	41	10,542	9.1	92	42.7
3	Diket 10	Drottningg. 66, Nyg. 93, Norrköping	–	1968/1968	Office	2,814	164	1,364	571	4,913	8.8	84	61.3
4	Järnet 5	Malmg. 39, 41, Blyg. 4, Norrköping	–	1976/1976	Retail	–	–	14,975	–	14,975	18.4	98	120.2
5	Kabeln 1	Bangårdsg. 5, Lindöv. 25, 27, Växthusg. 2, 4, Norrköping	–	1940/1993	Office	2,555	2,292	–	40	4,887	4.9	93	17.4
6	Kondensatorn 1	Ståthögav. 48, Norrköping	–	1960/1993	W/L**	9,122	15,512	3,228	3,981	31,843	30.6	85	106.2
7–10	Koppar- hammaren 2	N Grytsg. 6–10, Norrköping	–	1929/1999	Office	33,223	1,248	1,082	8,512	44,065	68.5	85	246.5
11	Koppar- hammaren 7	Kungsg. 56, N Grytsg. 246, Norrköping	–	1929/1929	Office	3,382	106	–	990	4,478	9.3	99	0.0
12	Kopparn 10	Kopparg. 11–15, Norrköping	–	1980/1989	Office	4,203	2,987	–	–	7,190	6.4	93	43.2
13	Kvarnholmen 4	Dalsg. 7, Norrköping	–	1993/1993	Office	8,149	–	–	1,616	9,765	16.9	99	104.0
14	Malmen 5	Kopparg. 18, Norrköping	–	1969/1982	W/L**	1,270	2,436	282	–	3,988	3.3	93	15.3
15	Malmen 8	Kopparg. 10, Norrköping	–	Tomt	E/H/O***	–	–	–	–	–	1.0	100	2.4
16–18	Omformaren 7	Hagag. 4–10, Norrköping	–	1951/1968	W/L**	–	4,960	4,178	3,065	12,203	8.8	90	34.6
19	Platinan 1	Platinag. 1, Norrköping	–	1988/1988	W/L**	–	2,800	1,575	–	4,375	2.5	–	15.9
20	Regulatorn 3	Kabelv. 15, Norrköping	–	1996/1996	W/L**	1,395	2,287	580	473	4,735	3.2	71	18.5
21	Ritsaren 10	Industrig. 7–9, Masking. 23, Norrköping	–	1964/1986	W/L**	–	5,002	–	696	5,698	3.4	29	21.6
22	Rotfjärilen 1	Svärmareg. 1, 3, Norrköping	–	1992/1993	Office	5,741	1,698	–	–	7,439	8.5	93	37.2
23	Silvret 2	Kopparg. 28, Norrköping	–	1988/1988	W/L**	–	6,866	–	–	6,866	3.2	100	32.4
24	Slakthuset 14	Lindöv. 70, Norrköping	–	1985/1985	W/L**	–	2,805	–	–	2,805	1.3	100	10.9
25	Statorn 10	Malmg. 4, Norrköping	–	1938/1978	Office	1,891	1,758	1,085	61	4,795	5.6	95	22.2
26	Stjärnan 15	Slottsg. 114, 116, Norrköping	–	1958/1958	Office	8,641	245	2,878	810	12,574	18.5	93	112.0
27	Stjärnan 16	Slottsg. 114, 116, Norrköping	–	1958/1958	Office	–	–	–	–	–	0.0	–	0.0
28	Stålet 3	Malmg. 18, Norrköping	–	1976/1976	W/L**	1,127	9,187	–	93	10,407	6.8	87	52.0
29	Svärdet 8	Hospitalsg. 17 et al., Norrköping	–	1967/1976	Office	7,638	15	365	1	8,019	12.1	70	81.2
TOTAL NORRKÖPING						97,245	66,176	33,395	20,950	217,766	252.1	87	1,202.2

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

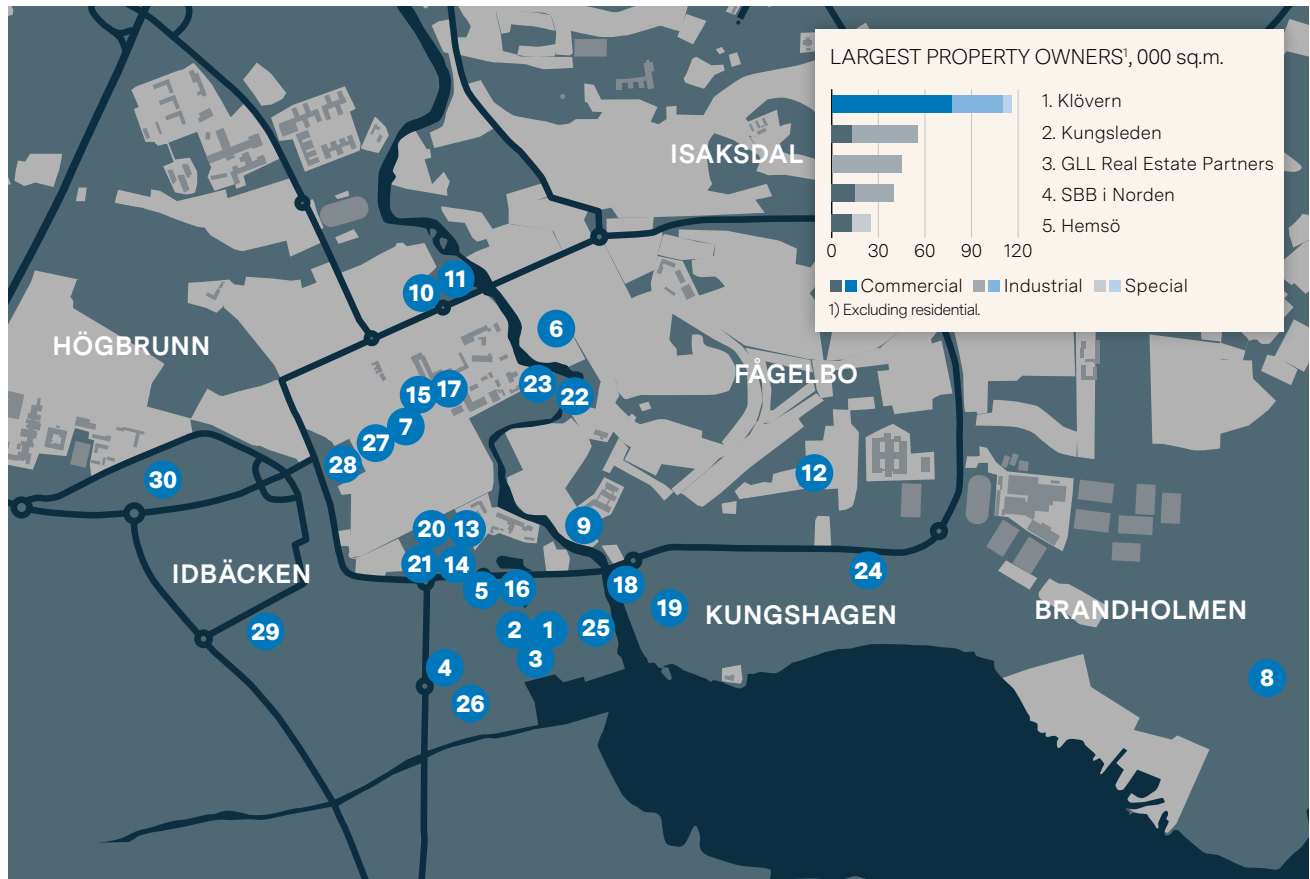
*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.



EAST REGION

Nyköping



NYKÖPING

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware-house/logistics	Retail	Other*	Total			
1-3	Ana 11	Gästabudsv. 2 et al., Spelhagsv. 3 et al., Nyköping	-	1940/1978	Office	13,247	7,359	-	5,453	26,059	27.5	88	102.3
4	Ana 12	Spelhagsvägen 1, Nyköping	-	1984/1984	W/L**	-	2,710	520	10	3,240	3.4	96	11.5
5	Ana 13	Nyckelv. 14, Nyköping	-	Tomt	E/H/O***	-	-	-	-	-	0.0	-	1.1
6	Bagaren 20	Ö Storg. 5, S:t Anneg. 6, Nyköping	-	1962/1962	Retail	400	-	802	681	1,883	2.5	100	17.5
7	Biografen 19	V Storg. 18, 20, Brunnsg. 29, Nyköping	-	1929/1987	Retail	626	19	1,091	856	2,592	4.2	92	28.3
8	Brandholmen 1:9	Pontong. 11, Nyköping	-	1962/1970	W/L**	251	6,764	-	797	7,812	4.1	77	27.9
9	Brädgården 3	Folkkungav. 1, Nyköping	-	Tomt	E/H/O***	-	-	-	-	-	0.4	94	0.0
10-11	Fors 11	Repslagareg. 43, Nyköping	-	1929/1987	Office	9,015	2,010	506	-	11,531	15.1	89	56.1
12	Furan 2	Domänv. 11, Nyköping	-	2001/2001	E/H/O***	-	17	-	3,807	3,824	5.2	100	0.0
13	Glödlampen 16	Bagareg. 2, 4, Hamnv. 6, Nyköping	-	1929/1929	Office	783	16	-	-	799	1.1	98	4.5
14	Glödlampen 17	Bagareg. 2, 4, Hamnv. 6, Nyköping	-	1929/1929	Office	535	-	-	-	535	1.2	99	4.3
15	Gripen 1	V Storg. 25, Nyköping	-	1929/1986	Retail	475	168	523	-	1,166	1.7	98	12.7
16	Jarlen 1	Nyckelv. 14, Nyköping	-	1899/2003	Office	680	-	-	-	680	1.1	100	2.9
17	Klädes-handlaren 15	Brunnsg. 36, 38, 40. V. Storg. 24, 26, 28. V. Trädgårdsg. 39, 41	-	1962/1972	Retail	4,797	459	6,769	651	12,676	18.3	80	119.0
18	Kungshagen 1:6	Ö Skeppsbron 1, Ö Längdg. 4, 6, Nyköping	-	1929/1989	Office	1,143	-	450	-	1,593	2.4	100	11.8
19	Lansen 13	Gasverkstv. 2, Ö Längdg. 5, 7, Nyköping	-	1977/1991	Office	4,065	312	1,993	-	6,370	8.1	95	39.2
20-21	Mjölklaskan 8	Bagareg. 3 A-C, Fruängsg. 4, Kungsg. 16, Nyköping	-	1929/1940	E/H/O***	3,752	334	157	3,955	8,198	11.6	94	0.0
22	Nyköpings Bruk 1	V Kvarng. 64, Nyköping	-	1929/1983	Office	1,854	20	270	-	2,144	3.1	88	15.6
23	Nyköpings Bruk 7	V Kvarng. 62, Nyköping	-	1910/1991	Office	1,547	274	-	100	1,921	2.2	96	12.9
24	Skölden 2	Gasverkstv. 15, Nyköping	-	1989/1989	Office	1,927	73	-	-	2,000	1.9	100	9.1
25	Spelshagen 1:7	V Skeppsbron 6, Nyköping	-	1929/1929	W/L**	190	5,813	-	-	6,003	1.7	15	8.4
26	Spånten 7	Spelhagsv. 4, 6, 8, Nyköping	-	2009/2009	Retail	-	-	1,280	-	1,280	1.4	100	13.6
27-28	Standard 17	V Storg. 2-6, 8, 10, Bagareg. 29, Fruängsg. 28, 30, Nyköping	-	1969/1993	Office	3,057	44	2,975	550	6,626	9.8	93	69.8
29	Stensötan 5	Idbäcksv. 8 B, Nyköping	-	1971/1985	Retail	173	1,460	3,285	-	4,918	3.9	100	15.8
30	Säven 4	Norrköpingsv. 9, Nyköping	-	1987/1987	E/H/O***	-	-	-	1,853	1,853	2.1	100	0.0
-	Fabrikatet 1	Materialv. 3, Nyköping	-	1980/1980	W/L**	-	954	-	810	1,764	0.6	-	14.9
-	Fabrikatet 4	Materialv. 3, Nyköping	-	Tomt	W/L**	-	-	-	-	-	0.0	-	0.7
-	Fabrikatet 5	Materialv. 3, Nyköping	-	Tomt	W/L**	-	-	-	-	-	0.0	-	0.4
TOTAL NYKÖPING						48,517	28,806	20,621	19,523	117,467	134.5	89	600.2

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

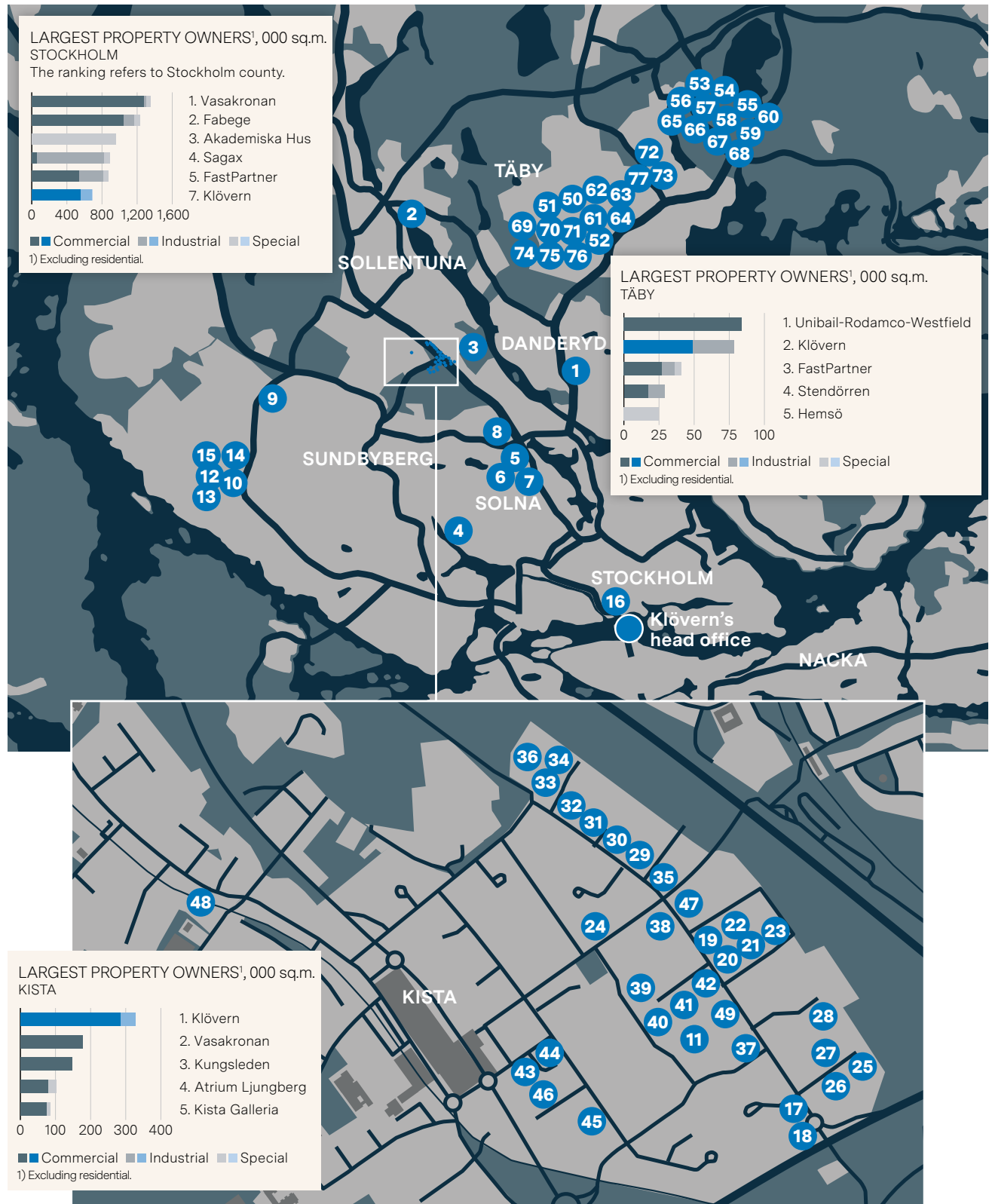
** Warehouse/logistics

*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

STOCKHOLM REGION

Stockholm North



STOCKHOLM NORTH

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware- house/ logistics	Retail	Other*	Total			
1	Timmer- huggaren 2	Vendev. 90, Danderyd	–	1969/1969	Office	6,170	1,947	1,118	1,400	10,635	17.0	85	87.0
2	Ekplantan 1	Djupdalsv. 17, 19, Sollentuna	–	1988/1988	Office	2,600	–	–	–	2,600	1.6	–	8.8
3	Malten 1	Vetenskapsv. 10, 12, 14, Sollentuna	–	2005/2005	Office	12,393	527	690	253	13,863	29.1	99	202.0
4	Aprikosen 2	Hemvärnsg. 5, 7, 9, Solna	–	1975/1992	Office	26,603	3,413	1,987	3,660	35,663	81.5	85	508.0
5–7	Hilton 3	Gustav III:s Boulevard 40–46, Solna	–	2003/2003	Office	19,037	682	326	6	20,051	60.3	85	498.0
8	Startboxen 3	Vallg. 5–9 Solna	–	1985/1985	Office	10,425	762	–	7,706	18,893	38.0	78	257.0
9	Domnarvet 11	Domnarvsg. 35, Stockholm	S	1978/1978	Office	1,895	1,778	–	–	3,673	4.4	100	31.6
10	Johannelund 7	Krossg. 10, 12, 14, 16, 18, Sorterarg. 23, Stockholm	S	1969/1969	Office	16,390	4,438	505	801	22,134	24.5	72	81.5
11	Blåfjäll 1	Kistav. 21–25, Kista	–	2002/2002	Office	18,720	–	–	6	18,726	52.4	100	395.0
12	Singeln 13	Krossg. 26–28, Stockholm	S	1966/1966	W/L**	1,807	2,293	–	–	4,100	3.8	37	17.1
13	Stenen 1	Krossg. 15, 17, Sorterarg. 31, 33, 35, Stockholm	S	1970/1970	Office	9,132	2,221	–	–	11,353	9.5	46	41.1
14	Stenmjölet 1	Siktg. 1, 3, Stockholm	S	1960/1960	Office	2,439	340	975	2,110	5,864	6.1	47	31.4
15	Stenmjölet 2	Siktg. 3A–3B, Stockholm	S	1960/1960	W/L**	1,018	2,726	1,076	–	4,820	5.5	59	16.0
16	Orgelpipan 4	Klarabergsg. 33, 35, Stockholm	S	1957/1957	Office	3,490	343	–	684	4,517	13.5	–	237.0
17	Alptanäs 2	Torshamnsg. 7, 7A, 9, Haukadalsg. 1, Kista	S	1981/1981	Office	2,783	247	–	–	3,030	3.7	51	23.8
18	Alptanäs 3	Torshamnsg. 1, 3, 5, Kista	S	Tomt	E/H/O***	–	–	–	–	–	1.5	100	5.3
19	Borg 1	Torshamnsg. 16, Kista	S	1977/1977	Office	1,411	–	–	–	1,411	2.0	80	12.0
20	Borg 2	Strömg. 3, Kista	S	1981/1981	W/L**	–	4,655	–	–	4,655	5.6	100	33.4
21	Borg 3	Strömg. 5, Kista	S	1978/1978	W/L**	–	1,837	–	–	1,837	2.3	100	13.7
22	Borg 4	Våggög. 6, Kista	S	1979/1979	Office	1,931	–	–	–	1,931	3.2	100	34.7
23	Borg 6	Strömg. 7, Våggög. 8, Kista	S	1980/1980	W/L**	1,505	4,912	–	–	6,417	8.3	84	50.2
24	Borgarfjord 4	Kistagången 12, Torshamnsg. 31–33, Kista	S	1983/1983	Office	12,723	182	654	69	13,628	34.6	94	146.0
25	Geysir 1	Österög. 4, Kista	S	1979/1979	W/L**	–	5,110	–	–	5,110	6.2	100	40.4
26	Geysir 2	Österög. 2, Kista	S	1980/1980	W/L**	1,862	5,001	165	–	7,028	9.8	90	52.2
27	Gullfoss 3	Österög. 1, 3, Kista	S	1979/1983	Office	4,855	1,098	–	1,565	7,517	10.9	44	64.3
28	Gullfoss 5	Viderög. 6, Kista	S	1979/1983	Office	3,508	–	–	–	3,508	5.9	100	28.9
29	Helgafjäll 1	Torshamnsg. 22, 24 A–D, 26 A–B, Kista	S	1979/1979	Office	10,673	1,592	–	–	12,265	26.7	94	154.0
30–31	Helgafjäll 2	Torshamnsg. 28 A–B, 30 A–E, 32 A–D, 34 A–B, Kista	S	1981/1981	Office	17,039	2,348	–	7,560	26,947	54.4	81	253.0
32	Helgafjäll 3	Torshamnsg. 36, 38, 40, Kista	S	1980/1990	W/L**	3,965	10,502	–	–	14,467	18.1	73	115.8
33–34	Helgafjäll 4	Torshamnsg. 42, 44, 46, Kista	S	1998/1998	Office	11,317	2,370	226	–	13,913	28.4	56	185.5
35	Helgafjäll 5	Kistagången 2, 4, Torshamnsg. 20, Kista	S	1978/1988	Office	10,420	522	1,342	3,147	15,431	27.5	70	206.0
36	Helgafjäll 7	Torshamnsg. 48, 50, 52, 54, Kista	–	2001/2002	Office	20,371	110	1,013	372	21,866	50.3	66	313.1
37	Isafjord 1	Skaftåg. 2A–B, Kista	–	Tomt	E/H/O***	–	–	–	–	–	2.8	100	0.0
38	Isafjord 4	Torshamnsg. 21, 23, Torshamns- gränd 2, 4, 6, Grönlandsg. 10, Kista	–	1976/2008	Office	62,231	20	–	9,807	72,058	159.5	100	857.0
39	Isafjord 5	Grönlandsg. 8, Kista	–	Tomt	E/H/O***	–	–	–	–	–	0.0	–	0.0
40	Isafjord 6	Grönlandsg. 6, Torshamnsgränd 9, Kista	–	1976/2008	E/H/O***	–	–	–	3,222	3,222	3.9	100	0.0
41	Isafjord 7	Hans Werthéns Gata 19, Kista	–	Tomt	E/H/O***	–	–	–	–	–	1.1	100	0.0
42	Isafjord 8	Torshamnsg. 17, Hans Werthéns Gata 19, Torshamnsgränd 3, Skaftåg. 14, 16, Kista	–	2016/2016	Office	23,698	271	1,230	–	25,199	67.8	99	464.0
43	Knarrarnäs 3	Färög. 5, 7, Kista	S	1985/1985	Office	5,504	234	–	1,417	7,155	13.9	55	97.3
44	Knarrarnäs 4	Färög. 3, Isafjordsg. 19, 21, Kista	S	1985/1985	E/H/O***	1,213	194	–	7,012	8,419	16.4	82	97.0
45	Knarrarnäs 6	Isafjordsg. 3, 5, Kista	S	1987/1987	Office	4,419	293	–	–	4,712	9.2	57	65.0
46	Knarrarnäs 9	Knarrarnäsg. 15, Kista	S	1984/1986	Office	4,748	172	–	3	4,923	10.4	76	75.8

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** Warehouse/logistics

*** Education/Health care/Other

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STOCKHOLM NORTH CONTINUED

						Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm	
No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Office	Ware- house/ logistics	Retail	Other*				Total
47	Lidarände 1	Torshamnsg. 18, Kista	-	1979/2008	E/H/O***	3,007	126	533	16,280	19,946	36.6	89	202.6
48	Röros 1	Norgeg. 1, Kista	S	1985/1985	Office	3,312	7	-	1	3,320	5.1	72	26.6
49	Skaftå 1	Torshamnsg. 19, Kista	-	Tomt	E/H/O***	-	-	-	-	-	2.6	98	0.0
50	Kannringen 1	Enhagsslingan 2, 4, Täby	-	1988/1988	Office	4,101	-	-	-	4,101	6.2	91	35.8
51	Kannringen 2	Enhagsslingan 6, 8, Täby	-	1991/1991	Office	1,990	16	-	-	2,006	3.0	100	18.1
52	Kardborren 13	Kanalv. 15, 17, Täby	-	1981/1981	Office	12,797	351	-	1,374	14,522	18.7	75	118.0
53	Linjalen 60	Måttbandsv. 12, Täby	-	1991/1991	Office	3,072	766	-	-	3,838	4.7	84	28.6
54	Linjalen 61	Tillverkarv. 9, Täby	-	1990/1990	W/L**	-	778	-	-	778	0.9	100	7.7
55	Linjalen 65	Måttbandsv. 8, 10, Täby	-	1989/1989	W/L**	-	872	526	-	1,398	1.4	100	7.8
56	Linjalen 66	Linjalv. 9, 11, Täby	-	1990/1990	W/L**	-	3,815	108	-	3,923	4.7	100	22.6
57	Linjalen 7	Måttbandsv. 4, Täby	-	1989/1989	W/L**	-	800	-	-	800	0.8	100	5.1
58	Linjalen 8	Måttbandsv. 6, Täby	-	1989/1989	W/L**	-	600	-	-	600	0.7	100	3.7
59	Lodet 2	Tumstocksv. 9, 11, Täby	-	1990/1990	Office	5,059	3,383	70	6	8,518	10.0	91	56.0
60	Mätstängen 2	Linjalv. 6 A-B, Kundv. 5, Täby	-	1991/1991	Office	3,847	-	-	-	3,847	4.6	90	27.4
61	Roslags-Näsby 24:44	Stockholmsv. 100, 102, Täby	-	1965/1965	Retail	-	-	-	-	-	0.0	-	13.8
62	Roslags-Näsby 24:45	Stockholmsv. 100, 102, Täby	-	1965/1965	Retail	-	-	-	-	-	0.0	-	0.0
63	Roslags-Näsby 25:7	Stockholmsv. 100, 102, Täby	-	1965/1965	Retail	-	530	2,181	-	2,711	3.3	100	0.0
64	Roslags-Näsby 25:8	Stockholmsv. 100, 102, Täby	-	1965/1965	Retail	-	-	-	-	-	0.0	-	0.0
65	Smygvinkeln 10	Ritarslingan 20, Täby	-	1991/1991	Office	930	-	-	-	930	1.2	100	6.3
66	Smygvinkeln 11	Ritarslingan 18, Täby	-	1991/1991	W/L**	-	1,634	258	500	2,392	2.9	81	12.7
67	Smygvinkeln 12	Ritarslingan 16, Täby	-	1992/1992	W/L**	550	1,314	-	-	1,864	2.3	100	21.0
68	Smygvinkeln 9	Ritarslingan 22, Täby	-	1991/1991	W/L**	-	960	-	-	960	0.5	35	5.8
69	Svånghjulet 1	Enhagsslingan 23, 25, Täby	-	1990/1990	E/H/O***	-	424	445	3,493	4,362	6.5	98	0.0
70	Svånghjulet 2	Enhagsslingan 5, 7, 9, 11, 13, Täby	-	1989/1989	Office	1,660	12	-	1,323	2,995	4.0	85	25.4
71	Svånghjulet 3	Enhagsslingan 15, 17, 19, 21, Täby	-	1991/1991	Office	4,329	579	-	-	4,908	6.8	90	36.8
72-73	Tryckaren 3	Reprov. 6, Viggbyholmsv. 81, Täby	-	1945/1992	W/L**	1,367	2,131	-	-	3,498	3.7	81	18.5
74	Ventilen 1	Enhagsslingan 1A-B, Täby	-	1987/1987	Office	1,981	678	296	-	2,955	4.0	93	20.2
75	Växellådan 1	Enhagsv. 7, Täby	-	1978/1983	Office	2,400	390	-	-	2,790	3.2	73	20.2
76	Växellådan 3	Enhagsv. 9, Täby	-	1978/1978	Office	1,210	353	313	-	1,876	2.1	79	12.8
77	Åkerby 10	Kemistv. 6, Täby	-	1975/1989	Office	1,195	12	-	-	1,207	1.6	100	9.3
-	Gotland Visby S:ta Maria 37	Ryska gränd 22, Visby	-	1909/1960	E/H/O***	-	-	-	115	115	0.0	-	4.4
TOTAL STOCKHOLM NORTH						391,101	83,670	16,037	73,892	564,701	1,073.4	84	6,567.1

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

*** Education/Health care/Other

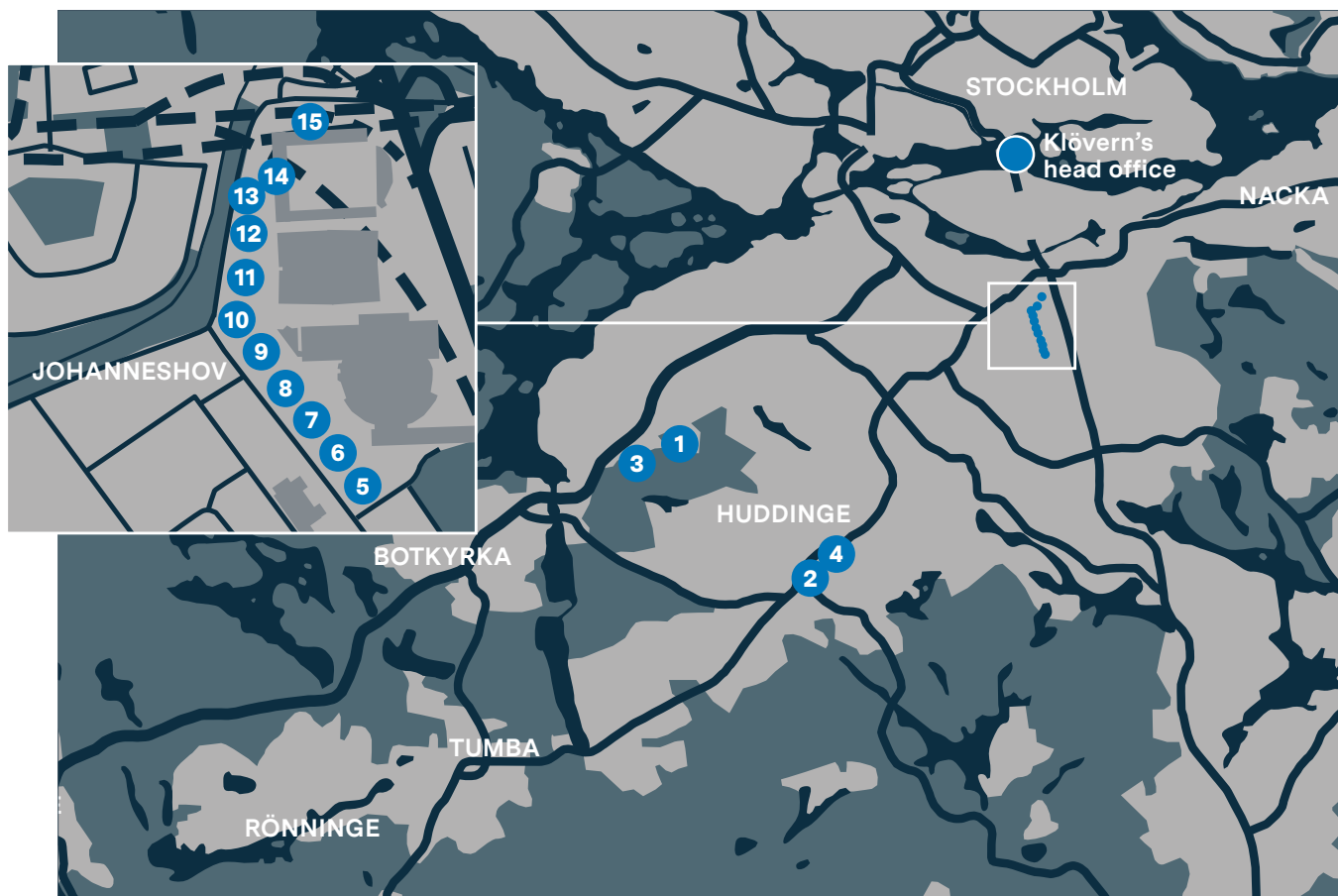
A property can consist of a number of jointly administered properties or several large buildings.

■ Acquisition during 2020



STOCKHOLM REGION

Stockholm South



STOCKHOLM SOUTH

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.				Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware-house/ logistics	Retail	Other*			
1	Ellipsen 5	Ellipsv., Huddinge	-	1997/1997	Office	2,800	-	-	-	2,800	1.7	19.5
2	Förstugan 1	Fullersta Torg 18, 20, Huddinge	-	1989/1989	Office	1,600	-	-	-	1,600	3.4	23.2
3	Rektangeln 3	Pyramidb. 2, 4, Huddinge	-	1986/1986	E/H/O***	-	477	-	2,654	3,131	8.4	26.9
4	Valen 2	Kommunalv. 1, 3, 5, Huddinge	-	1987/1987	Office	4,248	232	-	-	4,480	8.9	60.2
5-8	Arenan 2	Arenaslingan 1-3, Arenav. 49, 55-63, Johanneshov	-	1989/1989	Office	34,210	4,742	16,531	1,334	56,817	169.5	1 286.0
9-10	Arenan 3	Arenav. 39-47, Johanneshov	-	1989/1989	Office	13,755	1,007	-	1,799	16,561	54.4	384.0
11-14	Arenan 6	Arenav. 17, 21-35, Johanneshov	-	1991/1993	Office	17,693	2,837	2,824	7,392	30,746	91.6	348.0
15	Arenan 8	Arenav. 7-13, Johanneshov	-	2001/2001	Office	14,150	-	-	-	14,150	40.6	333.0
TOTAL STOCKHOLM SOUTH						88,456	9,295	19,355	13,179	130,285	378.4	2,480.7

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

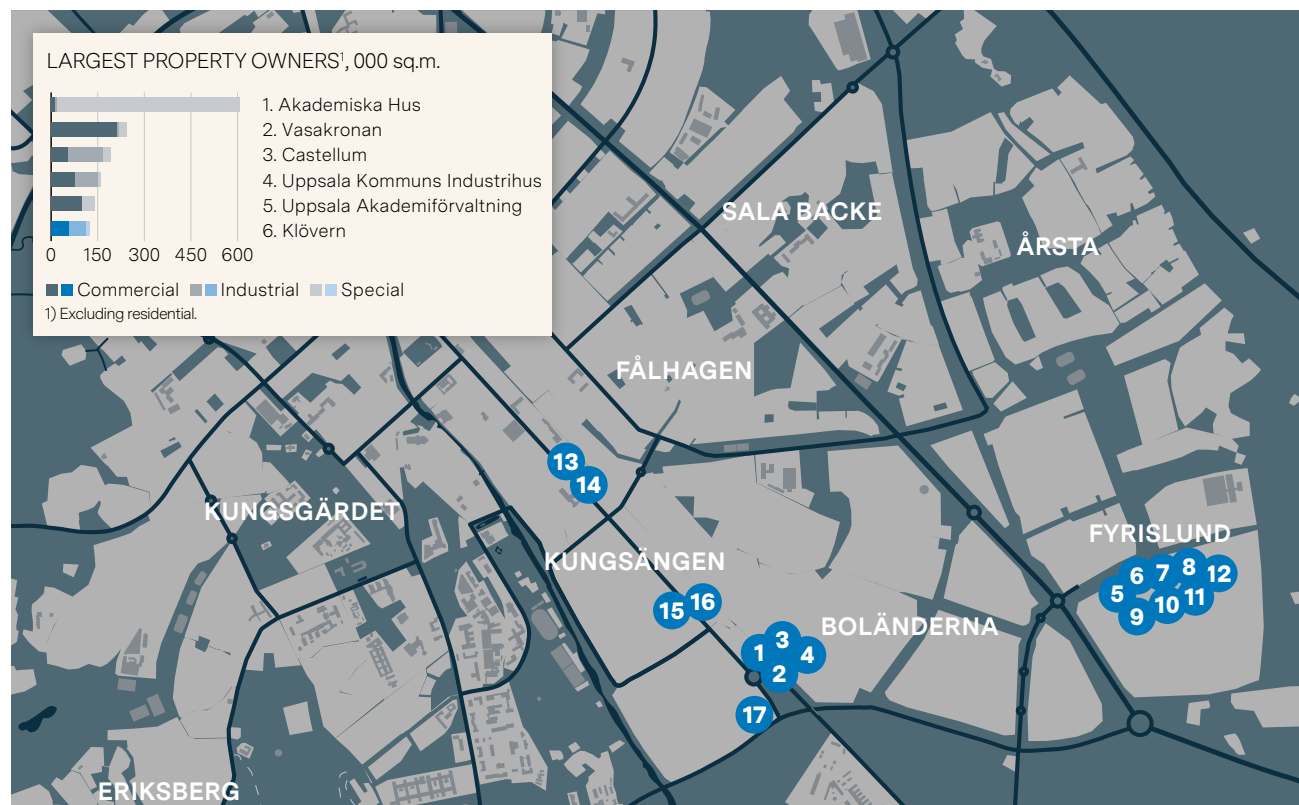
** Warehouse/logistics

*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

STOCKHOLM REGION

Uppsala



UPPSALA

No.	Property	Address	Site lease-hold	Building year/value year	Type of property	Area, sq.m.				Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
						Office	Ware-house/logistics	Retail	Other*			
1-4	Boländerna 33:2	Kungsängsv. 15 et al., Uppsala	-	1991/1991	Office	17,884	391	486	239	19,000	28.4	191.0
5-11	Fyrislund 6:6	Rapsg. 7, Uppsala	-	1921/2003	E/H/O***	23,541	9,156	1,843	27,139	61,679	123.1	585.5
12	Fyrislund 6:7	Rapsg. 7, Uppsala	-	Tomt	E/H/O***	-	-	-	-	-	0.0	0.0
13	Kungsängen 10:1	Bävernsgränd 17, 19, 21, Kungsg. 48, 50, Uppsala	-	1966/1989	E/H/O***	8,943	137	-	10,132	19,212	51.5	172.0
14	Kungsängen 10:2	Suttungsgränd 4, 6, Uppsala	-	2017/2017	E/H/O***	-	-	-	-	-	0.0	154.0
15	Kungsängen 24:3	Kungsängsg. 70-74, Uppsala	-	1998/1998	Retail	696	-	5,665	-	6,361	10.2	77.2
16	Kungsängen 29:1	Kungsg. 70A-E, Uppsala	-	1985/1985	Office	2,540	342	1,595	-	4,477	5.5	42.4
17	Kungsängen 37:13	Kungs. 107-115, Stallängsg. 19-25	-	1989/1989	Office	7,899	612	6,621	-	15,132	25.1	164.0
TOTAL UPPSALA						61,503	10,638	16,210	37,510	125,861	243.9	1,386.1

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

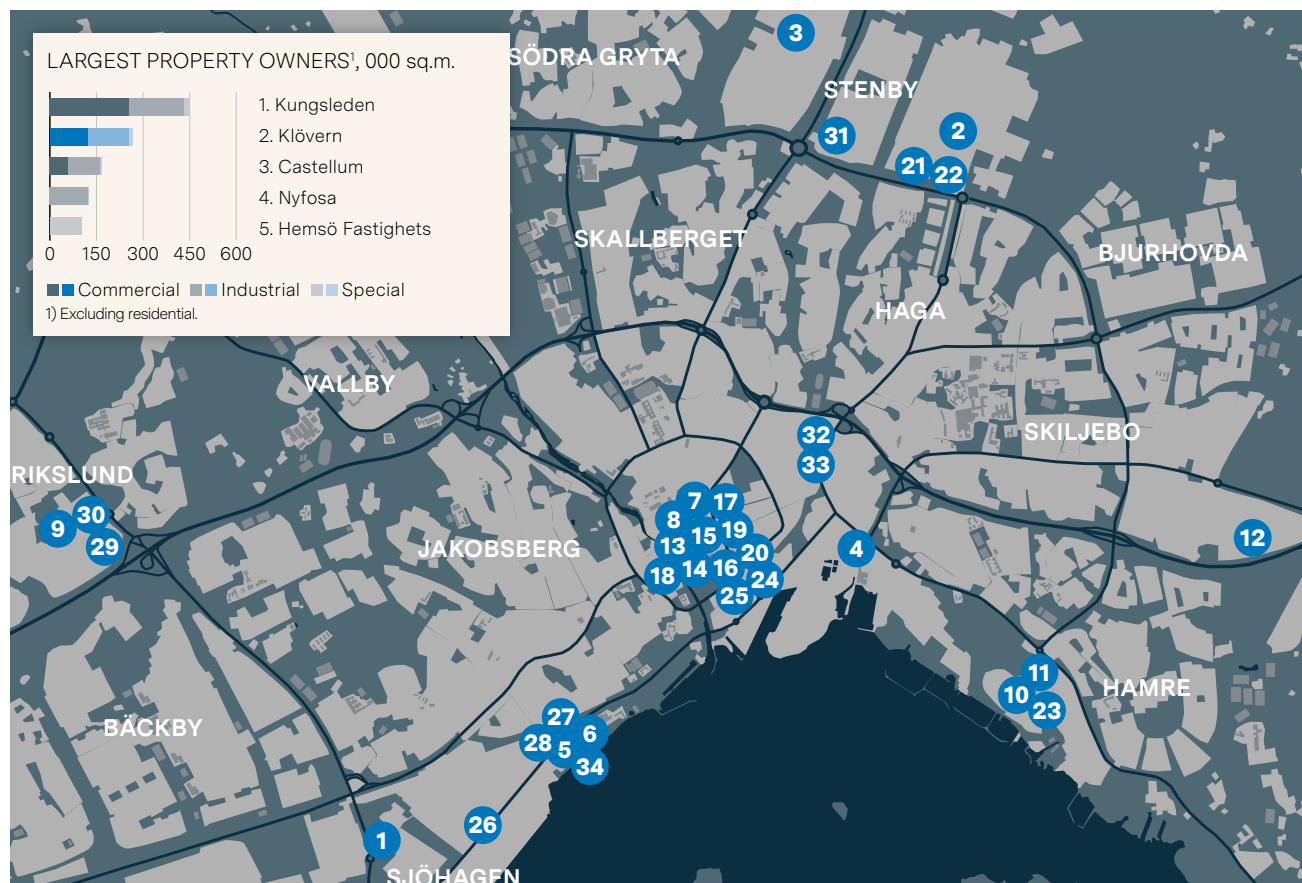
*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

■ Acquisition during 2020

STOCKHOLM REGION

Västerås



VÄSTERÅS

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware- house/ logistics	Retail	Other*	Total			
1	Bogserbåten 1	Sältängsv. 22, Västerås	-	Tomt	E/H/O***	-	-	-	-	-	0.0	-	1.6
2	Finnslättan 2	Hydrov. 1, 3, 5, 7, 9, Turbov. 2, 4, 6, Västerås	-	1966/1990	Office	3,399	929	-	1,617	5,945	5.9	76	28.6
3	Friledningen 18	Elledningsg. 5B, Västerås	-	1988/1988	W/L**	-	940	-	-	940	0.5	100	5.4
4	Gastuben 5	Björnö. 8, Västerås	-	1943/1943	Retail	-	-	2,442	-	2,442	2.1	92	12.5
5	Gustavsvik 13	Sjöhagsv. 3, 5, 7, Stensborgsg. 2, Västerås	-	1957/1962	W/L**	9,881	14,472	450	5,053	29,856	22.5	57	85.6
6	Icander 1	Stensborgsg. 1, Västerås	-	1987/1987	E/H/O***	-	-	-	2,517	2,517	5.8	76	0.0
7	Inge 10	Smedjeg. 8, Västerås	-	1939/1960	E/H/O***	636	308	2,282	2,629	5,855	7.8	95	57.2
8	Klas 8	Smedjeg. 13, Västerås	-	1956/1956	Retail	1,309	196	2,196	1,774	5,475	9.5	88	54.7
9	Kranlinan 1	Traversg. 13, Västerås	-	2009/2009	W/L**	-	2,582	2,423	-	5,005	5.3	61	32.0
10-11	Kryssen 3	Regattag. 7-31, 33-53, Västerås	-	1940/1980	W/L**	4,714	9,413	220	4,193	18,540	11.2	75	49.2
12	Köpmannen 5	Hällag. 10, Stockholmsv. 136, Västerås	-	1984/1984	Retail	-	752	13,690	2,300	16,742	19.9	88	87.1
13-16	Leif 19	Hantverkarg. 2, Västerås	-	1929/1964	Retail	5,138	1,081	7,984	6,883	21,086	38.1	96	250.2
17	Lennart 17	Vasag. 12, Västerås	-	1965/1994	Retail	3,286	283	7,774	1,894	13,237	28.7	98	182.0
18	Livia 16	Skomakarg. 2, Västerås	-	1992/1992	Office	4,960	378	595	-	5,933	11.8	86	76.4
19	Loke 24	Kopparbergsv., Västerås	-	1962/1983	Retail	4,591	2,215	11,285	3,179	21,269	27.2	59	203.2
20	Mats 5	Stora g. 21, Västerås	-	1968/1983	Retail	466	1,318	10,821	6,661	19,265	44.5	87	305.7
21-22	Omformaren 6	Betongg. 1, Wijkmansg. 7, Västerås	-	1962/1985	Office	6,263	3,678	-	-	9,941	7.4	87	45.2
23	Regattan 46	Regattag. 8-28 etc, Västerås	-	1940/1970	W/L**	3,087	7,833	111	-	11,031	7.1	85	52.8
24	Sigurd 3	Sigurdsg. 27, 29, 31, 33, 35, 37, Västerås	-	1932/1989	W/L**	2,275	3,526	1,324	2,997	10,122	9.5	66	36.1
25	Sigurd 7	Sigurdsg. 23, Västerås	-	1929/1929	E/H/O***	2,486	1,223	-	5,097	8,806	17.2	98	93.2
26	Sjöhagen 12	Sjöhagsv. 14, Västerås	-	1952/1980	W/L**	618	6,614	-	-	7,232	6.0	93	21.8
27	Stensborg 2	Sjöhagsv. 2, Västerås	-	1957/1977	Office	738	134	-	-	872	0.8	66	4.3
28	Stensborg 4	Sjöhagsv. 4, Västerås	-	1989/1989	E/H/O***	-	-	-	2,143	2,143	6.7	100	0.0
29	Traversföaren 1	Traversg. 2, Västerås	-	1988/1996	Retail	-	300	2,200	-	2,500	3.0	-	19.8
30	Traversföra- ren 3	Traversg. 4, Västerås	-	1990/1990	Retail	-	-	2,572	-	2,572	3.5	89	24.2
31	Turbinen 1	Stenbyg. 2-4, Västerås	-	1968/1986	W/L**	-	17,757	-	-	17,757	8.3	56	57.2
32-33	Verkstaden 11	Metallverksg. 19, 21, Pressverksg. 4, Västerås	-	1929/1956	W/L**	2,377	13,184	2,660	2,322	20,543	18.4	83	67.4
34	Västerås 2:5	Stensborgsg. 4, Västerås	-	1982/1989	Office	1,450	-	-	-	1,450	2.2	73	7.8
-	Vampyren 9	Kungsg. 25, Eskilstuna	-	1937/1975	E/H/O***	3,936	833	5,855	6,137	16,761	25.6	93	185.0
-	Vestalen 8	Rademacherg. 29, Eskilstuna	-	Tomt	E/H/O***	-	-	-	-	-	0.4	-	0.0
-	Vestalen 10	Kungsg. 24, Eskilstuna	-	1966/1966	Retail	-	344	7,847	2,510	10,700	24.7	91	165.6
TOTAL VÄSTERÅS						61,610	90,292	84,730	59,905	296,537	381.6	84	2,211.9

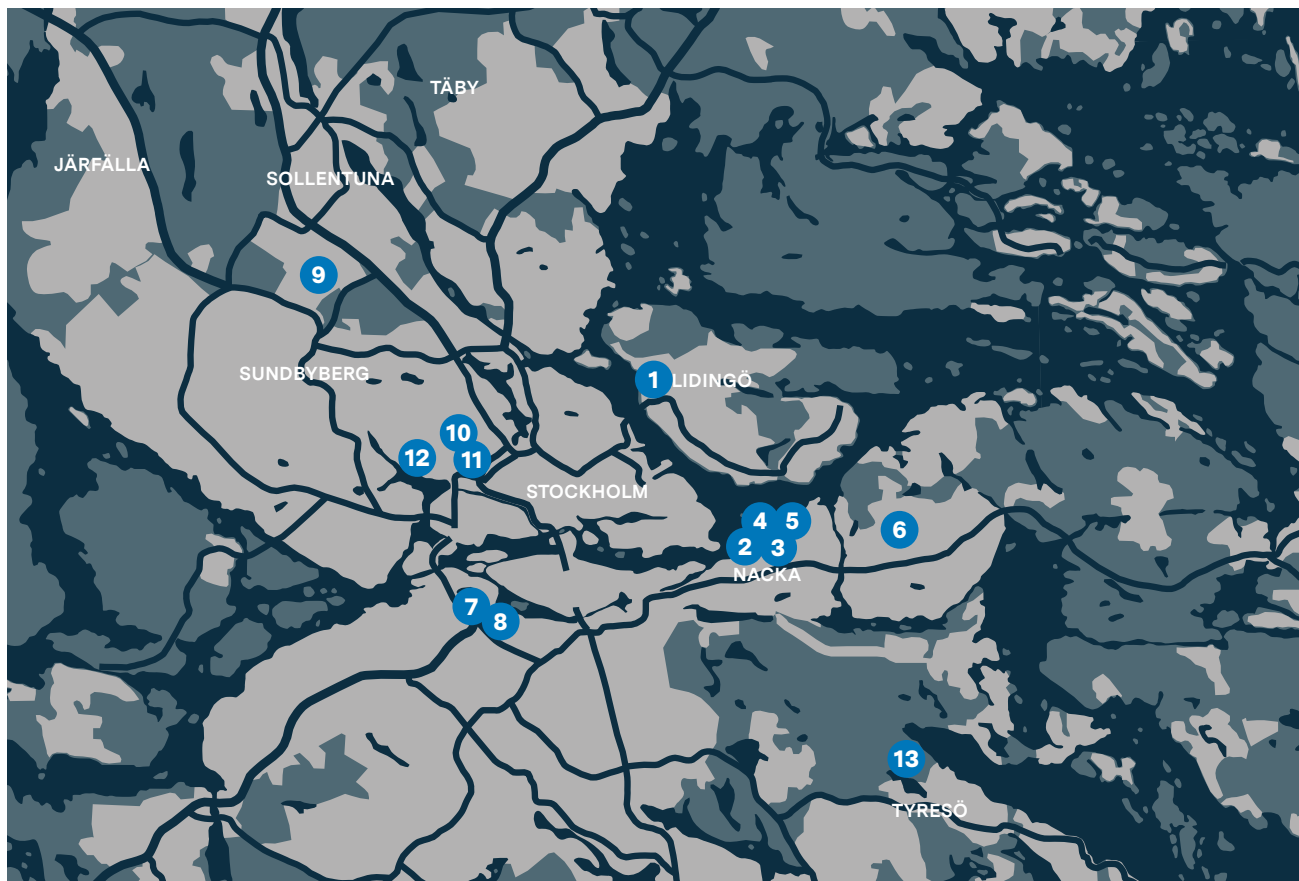
* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

Tobin Properties



TOBIN PROPERTIES¹

No.	Property	Address	Site lease- hold	Building year/ value year	Type of property	Area, sq.m.					Rental value, SEKm	Economic occupancy rate, %	Tax value, SEKm
						Office	Ware- house/ logistics	Retail	Other*	Total			
1	Torselden 8	Torsvikssv. 7, 9, 70, Lidingö	–	1950	E/H/O***	–	–	–	–	–	–	–	16
2	Sicklaön 13:138	Augustensdalsv. 11, 13, 15, Nacka	–	–	E/H/O***	–	–	–	–	–	–	–	90
3	Sicklaön 369:33	Augustensdalsv. 17, 19, 39, Nacka	–	1996	Office	6,655	–	–	–	6,655	3	31	92
4	Sicklaön 369:39	Tändkulev. 1, 3 5, 9, 11, Nacka	–	–	E/H/O***	–	–	–	–	–	–	–	28
5	Sicklaön 13:142	Fabrikörvägen 11, 15, 17, 19, Nacka	–	–	E/H/O***	–	–	–	–	–	–	–	–
6	Orminge 1:59	Värmdöv. 697, Nacka	–	1999	E/H/O***	–	314	–	712	1,026	1	91	11
7	Marievik 22	Årstaängsv. 7, 7A, 7B, 9, Stockholm	–	1989	Office	4,447	–	–	–	4,447	6	78	–
8	Marievik 29	Årstaängsv. 9A, 9B, 9C, Stockholm	–	1989	E/H/O***	–	–	–	–	–	–	–	22
9	Skalholt 1 ¹	Färög. 2, 4, 6, Stockholm	–	1985	Office	41,535	–	–	–	41,535	–	–	366
10–11	Slaktaren 12	Ekensbergsv. 126, Sundbyberg	–	1972	E/H/O***	1,655	–	–	1,035	2,690	3	51	30
12	Sprängaren 9	Ekenbergsv. 128, Sundbyberg	–	2019	Office	998	–	885	–	1,883	6	93	42
13	Bävern 2	Bäverbäcksv. 1, 14A, 14B, 16, Tyresö	–	1950/1998	E/H/O***	–	–	–	–	–	–	–	80
TOTAL TOBIN PROPERTIES						54,548	314	885	2,538	58,236	18	–	777

* Consists of education, health care, gym/leisure, residential, land and other space such as laboratory, fair, post centre and technical facilities.

** Warehouse/logistics

*** Education/Health care/Other

A property can consist of a number of jointly administered properties or several large buildings.

1) Tobin Properties' properties are reported as properties classified as current assets. Skalholt 1 is owned by Fyrsidan Holding AB, which is an associated company of Tobin Properties.

Historical overview and Key figures

Statement of Income, SEKm	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Income	3,294	3,638	3,250	3,029	2,876	2,718	2,521	2,220	1,948	1,364
Property costs	-1,100	-1,175	-1,080	-1,023	-985	-952	-878	-828	-733	-507
Operating surplus	2,194	2,463	2,170	2,006	1,891	1,766	1,643	1,392	1,215	857
Central administration	-157	-159	-126	-108	-100	-92	-84	-78	-86	-71
Net financial items	-768	-842	-700	-635	-611	-631	-770	-678	-605	-358
Profit from property management	1,269	1,462	1,344	1,263	1,180	1,043	789	636	524	428
Profit from residential development	-86	-166	-59	-	-	-	-	-	-	-
Shares in earnings of associated companies	7	17	7	-	-	171	-126	5	-	-
Revaluation, transition from associated company to subsidiary	-	-	22	-	-	-	-	-	-	-
Changes in value, properties	1,322	2,125	2,309	1,913	1,709	1,252	1,207	-28	-33	435
Changes in value, derivatives	-32	-14	67	100	-114	91	-565	337	-175	-225
Changes in value, financial assets	-13	13	25	-15	-19	-4	-	71	10	-
Impairment of goodwill	-	-6	-27	-50	0	-12	-10	-34	-95	-
Profit before tax	2,467	3,431	3,688	3,211	2,756	2,541	1,295	987	231	638
Taxes	-565	-410	-354	-600	-497	-533	-131	-179	-108	-173
Net profit	1,902	3,021	3,334	2,611	2,259	2,008	1,164	808	339	465
Translation difference	-651	33	63	-	-	-2	4	-2	-	-
Comprehensive income	1,251	3,054	3,397	2,611	2,259	2,006	1,168	806	339	465
Balance Sheet, SEKm	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Goodwill	148	148	155	183	233	233	245	255	289	-
Investment properties	57,448	52,377	52,713	42,961	39,234	35,032	30,208	24,059	22,624	14,880
Right of use assets	730	733	-	-	-	-	-	-	-	-
Machinery and equipment	61	28	27	16	18	12	12	12	14	8
Participation rights in associated companies	437	411	217	-	-	-	448	488	-	-
Financial assets valued at fair value	160	145	74	113	99	112	35	30	330	-
Properties classified as current assets	1,107	1,055	444	-	-	-	-	-	-	-
Other receivables	1,733	2,268	2,256	945	814	482	424	302	163	94
Liquid funds	571	449	576	39	129	12	286	84	375	11
Total assets	62,395	57,615	56,462	44,257	40,527	35,883	31,658	25,230	23,795	14,993
Shareholders' equity attributable to parent company shareholders	22,649	20,031	17,972	14,505	12,999	11,390	9,988	7,198	6,696	4,740
Equity attributable to holdings without controlling influence	108	129	172	0	0	0	0	0	0	-
Other provisions	24	48	-	-	-	-	-	-	-	-
Deferred tax liability	3,722	3,220	2,884	2,550	1,978	1,503	978	861	681	276
Interest-bearing liabilities	33,036	31,538	33,688	25,529	23,869	21,486	18,870	16,163	15,229	9,345
Derivatives	86	65	85	367	482	467	709	144	432	242
Lease liabilities	730	733	-	-	-	-	-	-	-	-
Accounts payable	279	247	270	368	259	250	197	193	158	49
Other liabilities	776	634	486	403	251	188	206	132	140	34
Accrued expenses and prepaid income	986	970	905	535	689	599	710	539	459	307
Total shareholders' equity and liabilities	62,395	57,615	56,462	44,257	40,527	35,883	31,658	25,230	23,795	14,993

	2020	2019	2018	2017	2016
Property					
Number of properties	350	343	426	405	431
Lettable area, 000 sq.m.	2,551	2,542	2,969	2,900	2,943
Rental value, SEKm	3,846	3,819	4,063	3,507	3,386
Rental value per lettable area, SEK/sq.m.	1,508	1,502	1,368	1,209	1,151
Fair value of properties, SEKm	57,448	52,377	52,713	42,961	39,234
Yield requirement, valuation, %	5.3	5.4	5.7	5.9	6.2
Operating margin, %	67	68	67	66	66
Economic occupancy rate, %	87	90	89	89	89
Area-based occupancy rate, %	79	81	81	81	82
Average lease contract period, years	3.5	3.6	3.5	3.6	3.7
Financial					
Return on equity, %	9.1	15.9	21.2	18.9	18.6
Equity ratio, %	36.3	34.9	31.8	32.8	32.1
Adjusted equity ratio, %	43.2	43.5	37.4	38.5	36.7
Leverage, %	50	50	56	57	58
Leverage secured, %	36	34	42	40	42
Interest coverage ratio	2.5	2.6	2.7	2.9	2.9
Average interest, %	2.4	2.3	2.3	2.5	2.5
Average period of fixed interest, years	3.0	2.5	2.9	2.8	2.6
Average period of tied-up capital, years	4.3	4.1	4.3	3.0	3.0
Interest-bearing liabilities, SEKm	33,165	31,653	33,688	25,529	23,869
Share					
Equity per ordinary share, SEK ¹	16.17	15.97	13.50	10.42	8.45
NRV per ordinary share, SEK ¹	19.87	19.67	16.84	13.52	10.94
Equity per preference share, SEK	283.92	283.92	283.92	283.92	283.92
Profit from property management per ordinary share, SEK ¹	0.96	1.19	1.07	0.96	0.86
Earnings per ordinary share, SEK ¹	1.67	2.92	3.26	2.35	1.96
Share price, ordinary share Class A at end of period, SEK ¹	15.55	21.29	9.44	10.11	8.72
Share price ordinary share Class B at end of period, SEK ¹	15.54	21.35	9.55	9.96	8.87
Share price preference share at end of period, SEK	320.00	373.00	307.00	309.60	288.50
Market capitalization, SEKm	22,703	27,177	14,455	14,922	13,479
Number of registered ordinary shares at end of period, million	1,122.3	916.0	916.0	916.0	916.0
Number of outstanding ordinary shares at end of period, million	1,031.3	825.0	825.8	876.6	916.0
Number of registered preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4
Number of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4
Dividend per ordinary share, SEK	0.26 ²	0.26	0.46	0.44	0.40
Dividend per preference share, SEK	20.00 ²	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	47 ²	37	53	57	59
Dividend preference shares in relation to profit from property management, %	26 ²	22	24	26	28

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

1) Adjusted for the discount in the preferential rights issue carried out in Q4 2020, weighted average correction factor ordinary share A/B 0.929.

2) Proposed dividend.

Definitions

Properties

CHANGES IN VALUE PROPERTIES, REALIZED

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

CHANGES IN VALUE PROPERTIES, UNREALIZED

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

CONTRACT VALUE

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

DEVELOPMENT PROPERTIES

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

INCOME

Rental income and other income.

INVESTMENT PROPERTIES

Properties currently being actively managed. For accounting purposes in the balance sheet, Investment properties also include Development Properties.

NET MOVING-IN

Contract value of tenants moving in less contract value of vacating tenants.

OCCUPANCY RATE, AREA-BASED

Let area in relation to total lettable area.

OCCUPANCY RATE, ECONOMIC

Contract value in relation to rental value.

OPERATING MARGIN

Operating surplus in relation to income.

OPERATING SURPLUS

Income less property costs.

PROFIT FROM PROPERTY MANAGEMENT

Income less property expenses, central administration and net financial items.

PROPERTIES CLASSIFIED AS CURRENT ASSETS

Properties in Tobin Properties with ongoing production of tenant-owned apartments or which are intended for future tenant-owned production.

PROPERTY COSTS

Operating costs, repairs and maintenance, property tax and property administration.

PROPERTY TYPE

The principal use of a property with respect to type of premises.

RENTAL INCOME

Charged rents including additions such as compensation for media costs and property tax.

RENTAL VALUE

Contract value plus assessed market rent for space not let.

TURNOVER RATE

Contract value of vacating tenants during the year in relation to the average contract value during the year.

YIELD REQUIREMENT

The required yield of property valuations on the residual value.

Finance

EQUITY RATIO

Equity¹ in relation to 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 total assets adjusted for goodwill and right-of-use assets.

INTEREST COVERAGE RATIO

Profit from property management plus earnings from residential development excluding financial costs² in relation to financial costs².

LEVERAGE

Interest-bearing liabilities after deduction of the market value of listed 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

DIVIDEND YIELD

Share dividend for the respective year in relation to the share price at the end of the same year.

EARNINGS PER ORDINARY SHARE⁴

Net profit, after deduction of dividend on preference shares and interest on hybrid bonds in relation to the average number of outstanding ordinary shares.

EQUITY PER ORDINARY SHARE

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

EQUITY PER PREFERENCE SHARE

The average issue price of the preference share.

NRV PER ORDINARY SHARE³

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.

PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE⁴

Profit from property management after deduction of dividend on preference shares and interest on hybrid bonds, in relation to the average number of outstanding ordinary shares.

TURNOVER RATE

Total number of traded shares in relation to the average number of outstanding shares.

TOTAL RETURN

The share price development and paid dividend during the same year in relation to the share price at the beginning of the year.

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

1) Shareholders' equity attributable to the Parent Company's shareholders.

2) Excluding site leasehold expenses.

3) The name of the key figure NAV was changed to NRV in 2020. On 31 December 2020, equity attributable to preference shares amounted to SEK 4,669 million and outstanding hybrid bonds to SEK 1,300 million.

4) The definition of the key figure was changed in connection with the interim report for January–June 2020. Historic figures have been adjusted in line with the new definition.

History

2020 During the year, Klövern acquired nine properties for SEK 2,613 million and divested five properties for SEK 387 million. The largest acquisition was a project property in New York, a 14-story building on Park Avenue, Manhattan. Property value: SEK 57,448 million.

2019 During the year, Klövern acquired three properties for SEK 959 million and sold 86 properties for SEK 5,029 million. One additional property was acquired in New York while the whole portfolio in Karlstad, consisting of 42 properties, was divested. Furthermore, contracts were signed to acquire a large office property in Copenhagen with estimated transfer of possession in 2021. Property value: SEK 52,377 million.

2018 Klövern acquired 38 properties for SEK 8,056 million, including seven properties in Copenhagen and two properties in New York. 17 properties were divested for SEK 2,464 million, including the portfolio in Härnösand, Sollefteå and Falun. Tobin Properties and Agora were consolidated in Klövern. Property value: SEK 52,713 million.

2017 Klövern acquired 27 properties for SEK 2,116 million and divested 54 properties for SEK 1,796 million. Among other properties, the divestments included the whole portfolio in Borås and Karlskrona. Furthermore, a contract was signed to acquire a property in Denmark, with transfer of possession in 2018. Property value: SEK 42,961 million.

2016 Klövern acquired 32 properties for SEK 1,484 million and divested 15 properties for SEK 630 million. The largest transaction was the acquisition of 28 properties in Malmö and Lund. Klövern announced that it intended to expand its property portfolio with residential projects. Property value: SEK 39,234 million.

2015 19 properties were acquired for SEK 2,732 million. The largest acquisition was Aprikosen 2, more known by the name Solna Gate. The lettable area encompasses 35,200 sq.m. and consists mainly of office space. In all, 14 properties were sold for a total of SEK 546 million. Property value: SEK 35,032 million.

2014 Klövern acquired 19 properties during the year for a total of SEK 4,452 million. Among other properties, Klövern acquired and took possession of Globen City, encompassing almost 115,000 sq.m. During the year, Klövern launched its business centre operations under the brand name of First Office. The self-storage operations were also launched under a separate brand name: Big Pink. During 2014, 13 properties were sold for a total of SEK 531 million. Property value: SEK 30,208 million.

2013 Klövern took possession of 23 properties for a total of SEK 1,020 million, including a large logistics unit at Jordbro, south of Stockholm, with a lettable area of 28,000 sq.m. and two office properties in Gothenburg, encompassing 9,800 sq.m. During the year, Klövern divested 12 properties for SEK 387 million. Property value: SEK 24,059 million.

2012 Klövern acquired a total of 137 properties for SEK 7,459 million, of which 124 came from the acquisition of Dagon. With the purchase of Dagon, Klövern became established in new expansive markets, including Öresund and Gothenburg. Eleven properties were divested for a total of SEK 543 million. Property value: SEK 22,624 million.

2021 ANNUAL GENERAL MEETING

Klövern's Annual General Meeting will be held on 28 April 2021. Participation will only be possible through postal voting. The notice of the meeting, proposed dividend and information about notification of participation is available at www.klovern.se.

CALENDAR

Interim report January to March	28 April 2021
Interim report, January to June	14 July 2021
Interim report, January to September	22 October 2021
Year-end report 2021	11 February 2022

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

2011 Klövern acquired eight properties for SEK 315 million and divested five properties for SEK 48 million. In December, a public offer was made to purchase all shares in Dagon AB (publ). Property value: SEK 14,880 million.

2010 Klövern acquired a large portfolio of 37 properties with a total area of 157,000 sq.m. The purchase price was SEK 1,055 million. Klövern sold nine properties for SEK 368 million. Property value: SEK 13,493 million.

2009 Kistamässan was completed and the first sod was cut for the adjacent Victoria Tower. Klövern sold four properties in Karlstad, Linköping and Nyköping for SEK 162 million and acquired five properties in Borås, Kista and Nyköping, as well as 17 site leaseholds in Karlstad for a total of SEK 179 million. Property value: SEK 12,032 million.

2008 Three properties in Karlstad, Kista and Nyköping were divested for SEK 327 million. Three properties were acquired in Kista for a total of SEK 135 million. Property value: SEK 11,895 million.

2007 Klövern concluded an agreement to construct the new Kistamässan and renegotiated and entered into new leases with Ericsson for around 50,000 sq.m. The Kalmar and Eskilstuna units and an additional 12 properties were divested for SEK 1,236 million. Acquisitions of a total of 47 properties in, inter alia, Karlstad, Västerås and Nyköping for SEK 989 million. Property value: SEK 12,154 million.

2006 Klövern's investment in Science and Business Parks was reinforced by an acquisition of Pfizer's head office in Uppsala for SEK 235 million. Seven properties were acquired in Nyköping for SEK 245 million and 46 properties in Kista and Täby for over SEK 4 billion. Property value: SEK 10,701 million.

2005 Properties were acquired for SEK 1,700 million, mainly in Linköping and Norrköping. 36 properties were divested for SEK 557 million. Property value: SEK 5,968 million.

2004 Klövern became established in Borås through acquisition of properties for SEK 210 million. During the year, establishment also took place in Västerås through acquisition of 41 properties with a value of SEK 1 billion. Divestment of a total of 20 properties for SEK 307 million. Property value: SEK 4,193 million.

2003 Klövern was listed on the stock exchange's O list. Properties were acquired in Kalmar, Karlstad, Linköping, Norrköping, Örebro and Kumla for SEK 1,107 million. During the year, 15 properties were sold at unprioritized locations for SEK 185 million. Property value: SEK 2,890 million.

2002 The then IT company Adcore's business was split up and Adcore AB's name was changed to Klövern AB with the focus on real estate. Klövern acquired its first portfolio consisting of Postfastigheter for SEK 1.3 billion. During the year, properties were acquired in Nyköping and Norrköping. Property value: SEK 1,876 million.

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The photographs have mainly been taken by Per-Erik Adamsson.

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