



KLÖVERN

Annual Report 2002

Regularly scheduled Annual General Meeting

Annual General Meeting 2003

Klövern AB's regularly scheduled Annual General Meeting will be held at 2:00 p.m., Wednesday, April 23, 2003 at Salénhuset, Norrlandsgatan 15 D, Stockholm.

Shareholders who wish to participate in the proceedings of the general meeting of shareholders must:

- be registered in the share register maintained by VPC AB by Friday, April 11, 2003;
- notify the Company of their desire to attend not later than by 4:00 p.m., Tuesday, April 15, 2003 under address:
Klövern AB, P.O. Box 1024, SE-611 29 Nyköping, Sweden,
or by telephone +46-155 44 33 00, or via Klövern AB's home page www.klovern.se;
- such notice must contain the shareholder's name, personal registration number, address, telephone number and the number of shares owned;
- shareholders who have chosen to register their shares in the name of a nominee must temporarily re-register their shares in their own name with VPC in order to have the right to participate in the proceedings of the general meeting of shareholders. Request for such re-registration must be made well in advance of Friday, April 11.

The year in brief

Klövern underwent major changes during 2002. The transformation from an IT consulting business to a real estate company was initiated during early summer, with a new issue and acquisition of properties from Wihlborgs, and was completed during the fall with the acquisition of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB. In connection with the acquisition of StrandFastigheter and StrömFastigheter, a new management team took office with Gustaf Hermelin as President and CEO, and the property portfolio increased to total rentable space of 390 000 square meters. Annual rental revenue thereafter amounts to about MSEK 260, 69 percent of which comes from the eight largest locations.

- Change of business – from IT consultant to real estate.
- Profit after financial items amounted to MSEK 22.7.
- Profit after taxes – including items affecting comparability attributable to the transformation and the previous IT consulting business – amounted to MSEK 209.6 for the full year.
- New issue for MSEK 253 was full subscribed in July.
- New Board of Directors from September 2 with Stefan Dahlbo as Chairman.
- The acquisition of StrandFastigheter and StrömFastigheter was completed November 29.
- New management from November 29, with Gustaf Hermelin as President and CEO.

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President's Statement



Dear Shareholders,

Year 2002 was an inspiring and exciting year to say the least. In one of the most noticed deals in the real estate industry, IT consulting company Adcore was transformed and took the name Klöver, a very well known moniker in the real estate industry. In the process, the Company changed its business orientation to being a real estate company, with a focus on high-yielding properties outside the major metropolitan areas.

During the second half of the year, Klöver acquired properties from Wihlborgs valued at SEK 1.3 billion. To close out the year, StrandFastigheter and StrömFastigheter, with a property value of about MSEK 600, were acquired. This purchase also meant that new management took its place in the driver's seat.

The acquisition of StrandFastigheter and StrömFastigheter

In November 2002, Klöver acquired the established and well-functioning companies StrandFastigheter and StrömFastigheter in Nyköping and Norrköping, respectively. Together with the acquisitions from Wihlborgs, this constitutes the foundation of Klöver's portfolio of properties, with a total annual revenue volume of about MSEK 260. About 69 percent of the revenue comes from 8 locations in Central Sweden.

Built into this structure is already from the beginning a sharp focus on commercial space. As much as 97 percent of the rentable space is commercial and the remainder, a mere 3 percent, is residential.

With the purchase of StrandFastigheter and StrömFastigheter, Klöver gained access to experienced key persons, who now constitute the core of the management team of the New Klöver. The undersigned took office as President and CEO of Klöver November 29, 2002.

Success factors

During the past decade StrandFastigheter has developed a successful business model with the customer in focus. By tradition, the previous task of a real estate company was merely to manage properties, with technology and the property in focus, but by turning the perspective in the direction of the customer, we have also created joint added value.

Entirely in line with Klöver's business model, we have concentrated mostly on commercial premises in StrandFastigheter and StrömFastigheter. Especially because there we have an opportunity of keeping revenue in focus, contrary to what is the case with residential properties, where the revenue level is already set and opportunities are essentially limited to affecting the cost side of the equation.

In our work with commercial premises we have focused on customer groups that need office space, logistics buildings and education environments. The relationships we have built and the knowledge we have gained about the constantly changing needs of our customers, have enhanced our way of thinking so that we in a more deliberate way can work for creating, for example, stimulating education environments.

In addition, our offering a growing number of products and services in the fields of security, energy and communication, have proved to be profitable for both parties. What distinguishes the business is that we have been an active landlord who has created partnerships through mutually beneficial relationships with our tenants.

Another prescription for success has been the distribution of rental revenue of StrandFastigheter and StrömFastigheter, with about one third each from the segments of locally owned companies, public and/or

nationwide companies and public sector operations. This composition of customers reduces risks and provides opportunities for actively utilizing changes in the market.

This is how it is today

Since the end of the 2002, we have been working on organizing and building the business units that will realize Klöver's business model. Large parts of the organization have been in place for some time and can now further develop the existing customer structure and capitalize on opportunities in each respective market.

Posten

Many of the properties acquired from Wihlborgs consist of premises used by Posten, the Swedish postal authority. Posten is today Klöver's largest individual customer, with about 25 percent of the Company's total revenue volume.

Post offices are often centrally located and have good positions for, for example, stores, and most of the distribution facilities are located adjacent to major thoroughfares. Certain parts of Posten's business is growing, while other parts are being moved from current premises, but thanks to competitive locations, opportunities are good for finding new tenants for premises vacated by Posten.

The share

We have seen that the share has gone from SEK 9 to just over SEK 11 during the fall. Trading in the Klöver share varied during the last two quarters of 2002, at times being quite active. During the spring of 2003 the process of bringing the Company from the observation list to the O-list will be prioritized.

The future

Our intention is to sell off non-priority properties during 2003 at a rapid pace. These efforts will be especially pronounced with respect to individual residential properties and properties in localities where we believe it will be difficult to grow.

The goal is to gradually restructure the portfolio so that it shrinks from the original 40 localities to closer to half that number, but with a larger holding in each locality.

Refinement and rental

Despite a somewhat weak economic situation, there are good opportunities of renting out space that is currently vacant. Localities outside the major metropolitan areas have not in the same way been subjected to the current downturn, much thanks to less dependence on companies in industries such as the IT sector. New production has also been limited and the properties owned by Klöver are, in most cases, buildings in good locations.

New rental during the past year has been concentrated to central and local government. One example of this is the project kv Svärdet project in Norrköping which was completed in September 2003. Here, a previously empty property is being refurbished and refined. The local employment office moved in during 2002 and soon the Swedish Integration Board will also be moving in.

Organization

In order to maintain a high tempo, Klöver's organization is being continually adapted to the market situation, both in terms of the business units and the head office. The strength of the decentralized organization is combined with a cost-effective central organization. It is important for the associates out in the country to feel that they own the business and thus affect and assume responsibility for each respective unit's performance and development.

New business opportunities

Klöver's ambition for the next several years is to grow, and by acquisition expand the property portfolio in the interest of creating more strong main localities with StrandFastigheter and StrömFastigheter as a model.

During current economic conditions there are opportunities of selling and buying properties and portfolios at attractive levels. I am convinced that current and future restructuring of the property portfolio will bring a multitude of business opportunities that will increase Klöver's profitability.

Gustaf Hermelin

President and CEO

Business model, goals and strategies

- Klöver's *business model* "is as a partner with local ties, actively to acquire, develop and sell properties outside the major metropolitan areas in Sweden."
- Klöver has a *vision* of strengthening local business and commerce for the benefit of development of companies and individuals.
- Klöver's *organization* is distinguished by a sense of service, entrepreneurship and good business practice.
- Klöver's associates work according to the *motto* of "making the customer's day easier every day."

Financial goals

The long-term return on equity will be a minimum of 15 percent, the equity ratio will exceed 20 percent and the interest coverage ratio will be at least 130 percent.

Dividend policy

Klövern will transfer on a long-term basis at least 50 percent of earnings after taxes to the shareholders in the form dividends or buy-back of own shares. When assessing the size of the transfer, due consideration will be given to the Company's investment alternatives, financial position and capital structure.

Market

Klövern will be significant player in the real estate market for commercial premises outside the major metropolitan areas in Sweden.

The strategy is to create geographic and functional units of at least 100,000 square meters rentable space, or with rental revenue of at least MSEK 50.

The units will have strong local ties and the goal is to create leading market positions.

Customer

Klövern will create mutually profitable customer relationships. Aside from space, Klöver will deliver activities and services that provides added value to the customer.

Klövern strives for an even distribution between locally owned companies, public and/or nationwide companies and public sector operations.

Property portfolio

Holdings will in the first instance increase by acquisition of commercial property portfolios in priority markets. Acquisitions will be financed primarily through non-cash issues.

Investments in existing properties will improve the direct yield and return on equity for each individual object. Great emphasis will be placed on optimizing operation and maintenance of the portfolio of properties from an economic and environmental point of view.

The composition of the portfolio of properties will be evaluated continually.

Residential properties, geographically non-priority properties not expected to generate a return equivalent to the requirement will be sold.

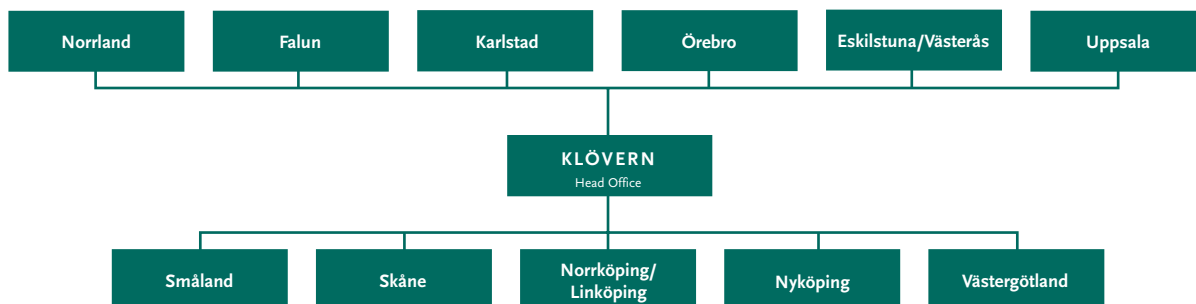
In order to generate refinement gains, individual properties and portfolios of properties will be sold after development and optimizing.

Education is an interesting future niche that Klöver is putting particular emphasis on. Here the Tullholm high school in Karlstad.



TULLY HOLMS

Organization and personnel



An important part of Klöver's business model is to have strong local ties in the localities where Klöver owns properties. The associates must know their circle of customers, they must be accessible and be able to respond quickly to customer needs. The portfolios acquired by the Company from Wihlborgs, StrandFastigheter and StrömFastigheter have therefore now been organizationally structured. Since December, the head office is located in Nyköping.

Eleven units

In the interest of proximity to the customer and the market, Klöver has divided operations into eleven geographic units. Each unit has responsible manager, who in close cooperation with Group Management sets guidelines for the operations. The economic administration is handled centrally, but each unit has responsibility for economic planning and follow-up.

The goal is to have a decentralized organization with engaged associates who take good care of their customers and who work for mutually profitable relationships. Top efficiency is achieved when the advantages of the central organization are fully utilized.

Good business practice

The basic values that typify Klöver's operations are consideration, consciousness of responsibilities and confidence. Klöver's associates strive for high quality and new ways of thinking and executing.

The organization is built in such a way that Klöver's associates work according to the motto "of making the customer's day easier every day." True to this motto everybody works according to lead words, such as sense of service, entrepreneurship and good business practice. Every associate has a defined area of responsibility with opportunities of affecting day-to-day operations.

Training

Klöver will continue to maintain, develop and increase the aggregate competence, in part to meet customer needs with the greatest possible knowledge, but also to ensure that Klöver's associates feel satisfaction in their jobs. The Company has started a training program where all employees will have opportunities of improving. There is also a personal development program.

The Company's management

With the purchase of StrandFastigheter and StrömFastigheter, Klöver gained access to experienced key persons. These now make up the majority of the management group of the New Klöver.

Environment

Concern for the environment is a natural part of day-to-day work at Klöver. The goal is that everybody in the organizations should feel responsibility for, and through their actions actively contribute to observance of the environmental policy that has been adopted. By cooperating in a wider perspective, Klöver involves employees as well as customers, suppliers, entrepreneurs and local authorities in the work for a long-term favorable environmental development.

Concrete action

The environmental policy developed by Klöver is manifested in several different ways in Klöver's operations. It is a part of the prerequisites in the

procurement process for contracts to achieve selective demolishing where parts of the construction material can be recycled. The Company chooses products and services with the least possible impact on the environment and strives to reduce paper consumption and the use of chemicals.

Another concrete result of Klöver's environmental policy is that source-sorting of trash has begun and will be introduced at all buildings. And just like energy optimization already implemented in several places, source-sorting is proving to achieve the desired effect in terms of economic profitability.

By taking environmental action in this way, Klöver not only contributes to more active environmental thinking, but also meets customer demands for environmental consciousness.



S:t Annekvarn in Nyköping, one of Klöver's properties where source-sorting has been introduced.

From Adcore to Klöver

Background

During the summer of 2000, IT consulting companies Connecta and Information Highway merged to form Adcore.

In response to powerful growth of demand for consulting services in the IT area, Adcore began a forceful expansion. In addition to organic growth, a large number of companies in Sweden and abroad were acquired. However, a rapid and profound change in market situation meant that the strategy could not be fulfilled. For the purpose of adapting operations to the current market situation, Adcore was forced to implement several action programs.

Concentration to the Swedish market

An extra general meeting of shareholders held July 9, 2001 resolved to close and sell all foreign units and concentrate the resources to the Swedish market. This was for the most part accomplished during the year and from the spring of 2002 the remaining consulting operations were concentrated to the Stockholm office in the then subsidiary Adcore Consulting AB.

Change of business orientation

In order to make the best possible use of the large tax loss carryforwards that arose in connection with Adcore's concentration to the Swedish market, the then Board of Directors decided for the company to change its orientation from consulting in the IT area to real estate.

In May 2002, these plans were announced and at the same point in time the company decided to change its name to Klöver AB and to distribute wholly owned subsidiary Adcore Consulting AB to the shareholders. In addition hereto, a reverse split 1:250 would be effected and a guaranteed rights issue would be floated.

New issue and reverse split

An extra general meeting of shareholders held June 18 passed the resolutions necessary to implement these changes and a prospectus was published at the end of June. Under the rights issue, each Class A share entitled its holder to subscribe for ten new Class B shares with low voting power at a price of SEK 11 per share. A total of MSEK 253 was expected to be infused into Klöver before issuing costs. The new issue was guaranteed by Catella Capital AB, Investment AB Öresund and Active Holding B.V. ovv B.V.B.A.

The reverse split was executed at the end of June and the new issue – which was fully subscribed – was subsequently floated in July and August.

Adcore Consulting AB changed its name to Connecta AB in connection with the distribution.

The "Postbonden" statue in front of the Guldfisken 2 property in Kalmar, vacated by Posten, making room for the National Road Administration and the students' union at the University in Kalmar.



BRASS
1000-1050 A.D.

Klövern in the market

Klövern's markets are larger Swedish cities outside the major metropolitan areas. The Company will build strong units, sufficient large to achieve a leading market position and to support its own local organization.

Leading player

Klövern will be visible in the market by having a market share of 10–20 percent of available commercial premises in the localities where the Company is active.

It is not only the properties as such that must generate a good return, but also the interplay between the Company's organization and its customers. This is one of the reasons why Klövernt intends to be in markets where the prerequisites are good for becoming a dominating player. A player that is always in demand. A player that is always accessible.

Attractive selling objects

Klövern will build units of at least 100,000 square meters of rentable space, or at least MSEK 50 annually in rental revenue. Each unit's portfolio of properties will be developed, adapted and optimized, in the interest of becoming well functioning and sufficiently large units, thereby also being attractive acquisition objects for real estate management companies.

Development of services for stronger relations

In order to complement the traditional rental role, Klövernt allocates resources for development of new services and products. This makes the Company more attractive as a landlord, makes daily life for the customer easier and strengthens the business relationship.

Examples of these types of services and products include cost-efficient communications solutions, energy systems and security systems, such as alarms, locks and surveillance. In those smaller units where Klövernt is active, new ideas are also interesting and generate media interest.

Larger units and higher turnover of properties

Most of the localities where Klövernt is active are growth markets, and thanks to its local presence, each unit has the opportunity of sensing changes and influencing the development in the right direction.

The direct yield in the type of localities where Klövernt operates is significantly higher than in the major metropolitan areas. Even centrally located properties can give 9 percent in direct yield, or higher.

The sensitivity to economic conditions and rental variations is normally lower than in the hotter major metropolitan areas. This particularly true of well located and high quality premises. Since the overall rent level in the market is reasonable, the customer often chooses the better premises with a slightly higher rent.

The opportunities for *turnover of the portfolio of properties* is often good in Klövernt's locations. The players are typically found among the local property owners, where there are sellers as well as buyers.

Vacant space

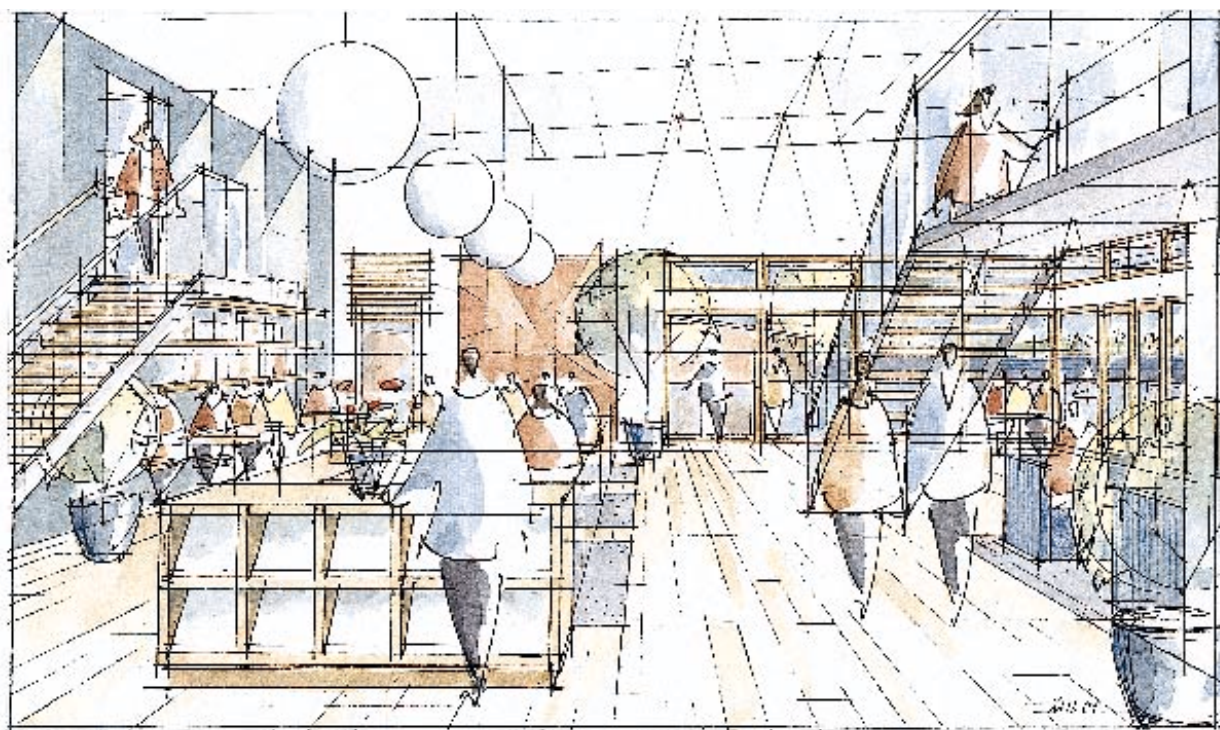
Klövern's vacancy rate was 11 percent of the total rental value at year-end. By working actively in the local market there are good opportunities of bringing down the vacancy rates, then selling the properties as complete management units. A high vacancy rate in newly acquired properties can therefore very well be an asset rather than a liability.

Customer needs

The organization in Klövernt is well experienced in rebuilding processes. The Company involves the new customers early in the projects and the needs are then jointly explored and solutions devised.

Getting to know the customers' needs and conditions well also opens possibilities for new business and rental. Here Klövernt sees an advantage in having an organization like Posten as a large customer. The need for premises and the design of the premises are similar regardless of where the new rental occurs.

Idéa



Customizing the offices of the local tax office in Nyköping is one example of close cooperation between customer and landlord.

Under construction



After moving in

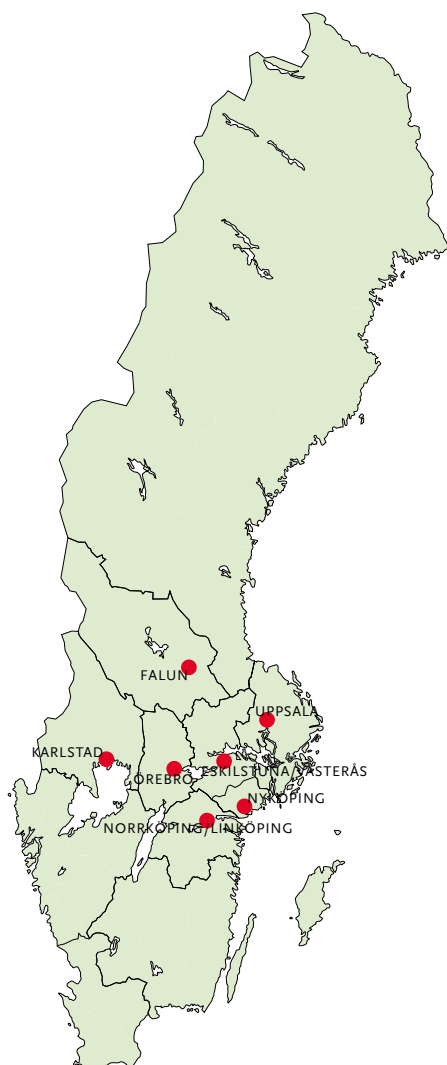


Properties

At year-end Klöver had a total of 80 properties at 40 locations, from Luleå in the north to Ystad in the South.

The portfolio of properties is divided into eleven geographic units. At these units Klöver has a combination of own personnel and external competence, depending on which solution best protects Klöver's interests in the local markets.

More than 86 percent of the rental value is in the 7 largest units.

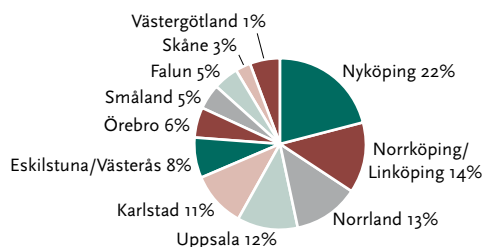


Strong commercial focus

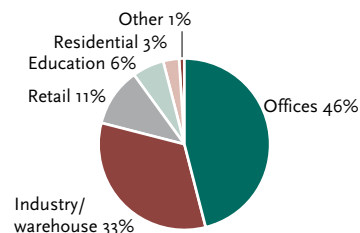
The Company's focus on commercial properties is already evident in the portfolio of properties. The proportion of residential space is only about 3 percent of the total rental value.

Klöver strives for an even distribution between locally owned companies, public and/or nationwide companies and public sector operations. This allows active utilization of changes in the market while minimizing risks in the rental portfolio.

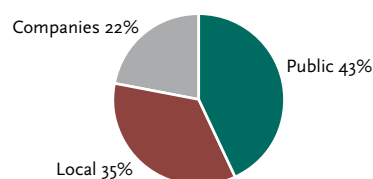
Distribution of the rental value by unit
"86 percent of the rental value is in the 7 largest units"



Distribution of rental value by type of premises
"79 percent of the rental value is in the offices and industry/warehouse categories"



Distribution of rental revenue by type of tenant



DISTRIBUTION OF RENTABLE AREA BY TYPE OF PREMISES

	Number of properties	Area square meters	Rental value MSEK	Economic rental rate %	Proportion of rental value %
Offices	30	148,641	132.3	88	46
Industry/warehouse	33	167,668	95.8	90	33
Retail	11	35,648	33.0	95	11
Education	3	22,411	16.9	75	6
Residential	3	12,221	9.3	91	3
Other	0	3,012	3.2	94	1
Total	80	389,601	290.5	89	100

DISTRIBUTION OF RENTABLE AREA BY UNIT

	Number of properties	Area square meters	Rental value MSEK	Economic rental rate %	Proportion of rental value %
Nyköping	17	111,313	64.7	93	22
Norrköping/Linköping	8	54,105	40.7	88	14
Norrland	11	44,470	36.7	86	13
Uppsala	8	36,075	33.8	83	12
Karlstad	6	49,150	32.7	89	11
Eskilstuna/Västerås	8	25,933	21.9	96	8
Örebro	1	12,427	16.5	91	6
Småland	8	21,751	15.5	82	5
Falun	4	15,896	14.4	83	5
Skåne	5	13,116	9.4	95	3
Västergötland	4	5,365	4.2	93	1
Total	80	389,601	290.5	89	100

CONTRACT STRUCTURE

Rental contract term	Year of minority	Number of contracts	Area square meters	Contract value MSEK	Proportion of contract value %
	2003	269	89,134	67.7	26
	2004	129	62,181	46.9	18
	2005	141	76,960	55.5	22
	2006	47	48,780	36.6	14
	2007	28	30,472	21.5	8
	>2008	15	16 121	18.8	7
Total		629	323,648	247	96
Residential		136	11,202	8.5	3
Total, not including garage space/parking		765	334,850	255.5	99
Garage space/parking		274	0	2.5	1
Total		1,039	334,850	258	100

The share and owners

Share capital and ownership

At the beginning of 2002 Klöver (the former Adcore) only had one class of shares outstanding. In connection with the transformation of the company during the spring and summer of 2002, new Class B shares were issued and subsequent thereto Klöver has two classes of shares, the original Class A shares and the new Class B shares.

As of December 31, 2002 Klöver's share capital amounted to SEK 206,619,900. The total number of shares outstanding was 41,323,980 divided into 2,583,239 Class A shares and 38,740,741 Class B shares. Class A shares entitle their holders to one vote per share and Class B shares entitle their holders to one tenth of one vote share. Class B shares may converted to Class A shares. All shares have the same rights to Klöver's assets and results.

The number of shareholders as of January 31 was 30,724. The distribution, detailing the holdings of the ten largest shareholders, is set forth below.

Owners	Number of owners	Number of A shares	Number of B shares	Total number of shares	Holding (%)	Votes (%)
Wihlborgs Fastigheter AB			12,011,016	12,011,016	29.1	18.6
Länsförsäkringar Sörmland			3,665,174	3,665,174	8.9	5.7
Nect Holding B.V.		177,046	2,770,909	2,947,955	7.2	7.0
Gustaf Hermelin			2,845,235	2,845,235	6.9	4.4
Catella Fonder			2,372,100	2,372,100	5.8	3.7
Banque Invik		293,981	1,694,546	1,988,527	4.8	7.2
Svenska Handelsbanken		8,720	1,221,366	1,230,086	3.0	2.0
Caesar Åfors		4	1,161,460	1,161,464	2.8	1.8
Tredje AP-fonden		107,284	872,840	980,124	2.4	3.0
Fonden Pecunia		0	952,400	952,400	2.3	1.5
Total 10 largest owners		587,035	29,567,046	30,154,081	73.2	54.9
Other owners	30,714	1,996,204	9,173,695	11,169,899	26.8	45.1
Total, all owners	30,724	2,583,239	38,740,741	41,323,980	100.0	100.0

Evolution of share capital

Day	Month	Year	Transaction	Share capital in SEK		Number of shares		Nominal SEK/share
				Change	Total number	Change	Total number	
4	February	1994	Company founded	–	50,000.00	500	500	100.00
8	September	1994	New issue	52,000.00	102,000.00	520	1,020	100.00
22	September	1995	New issue	34,000.00	136,000.00	340	1,360	100.00
20	June	1996	Stock dividend	544,000.00	680,000.00	–	1,360	500.00
8	July	1996	New issue ¹⁾	370,000.00	1,050,000.00	740	2,100	500.00
10	December	1996	Split 1:500	–	1,050,000.00	1,047,900	1,050,000	1.00
10	December	1996	Stock dividend	1,050,000.00	2,100,000.00	1,050,000	2,100,000	1.00
18	December	1996	Non-cash issue ²⁾	180,000.00	2,280,000.00	180,000	2,280,000	1.00
16	May	1997	Non-cash issue ³⁾	55,000.00	2,335,000.00	55,000	2,335,000	1.00
26	June	1997	New issue ⁴⁾	875,000.00	3,210,000.00	875,000	3,210,000	1.00
26	August	1997	Non-cash issue ⁵⁾	5,000.00	3,215,000.00	5,000	3,215,000	1.00
19	September	1997	Non-cash issue ⁶⁾	20,000.00	3,235,000.00	20,000	3,235,000	1.00
19	September	1997	Non-cash issue ⁷⁾	10,000.00	3,245,000.00	10,000	3,245,000	1.00
19	September	1997	Non-cash issue ⁸⁾	18,750.00	3,263,750.00	18,750	3,263,750	1.00
17	October	1997	Non-cash issue ⁹⁾	32,000.00	3,295,750.00	32,000	3,295,750	1.00
3	March	1998	Non-cash issue ¹⁰⁾	24,000.00	3,319,750.00	24,000	3,319,750	1.00
16	April	1998	Non-cash issue ¹¹⁾	22,000.00	3,341,750.00	22,000	3,341,750	1.00
17	April	1998	Non-cash issue ¹²⁾	70,000.00	3,411,750.00	70,000	3,411,750	1.00
4	February	1999	Non-cash issue ¹³⁾	200,000.00	3,611,750.00	200,000	3,611,750	1.00

The share and owners

Day	Month	Year	Transaction	Share capital in SEK		Number of shares		Nominal SEK/share
				Change	Total number	Change	Total number	
12	January	2000	Non-cash issue ¹⁴⁾	549,986.00	4,161,736.00	549,986	4,161,736	1.00
13	January	2000	Non-cash issue ¹⁵⁾	91,803.00	4,253,539.00	91,803	4,253,539	1.00
14	February	2000	Non-cash issue ¹⁶⁾	190,325.00	4,443,864.00	190,325	4,443,864	1.00
16	February	2000	Non-cash issue ¹⁷⁾	11,478.00	4,455,342.00	11,478	4,455,342	1.00
16	February	2000	Non-cash issue ¹⁸⁾	75,625.00	4,530,967.00	75,625	4,530,967	1.00
16	February	2000	Split 1:10	–	4,530,967.00	40,778,703	45,309,670	0.10
13	March	2000	New issue ¹⁹⁾	1,063,384.70	5,594,351.70	10,633,847	55,943,517	0.10
16	June	2000	Non-cash issue ²⁰⁾	6,347,396.30	11,941,748.00	63,473,963	119,417,480	0.10
28	June	2000	New issue ²¹⁾	152,807.70	12,094,555.70	1,528,077	120,945,557	0.10
25	July	2000	Non-cash issue ²²⁾	67,769.80	12,162,325.50	677,698	121,623,255	0.10
25	July	2000	Non-cash issue ²³⁾	1,631,987.60	13,794,313.10	16,319,876	137,943,131	0.10
22	September	2000	New issue ²⁴⁾	99,725.00	13,894,038.10	997,250	138,940,381	0.10
22	September	2000	New issue ²⁵⁾	154,204.50	14,048,242.60	1,542,045	140,482,426	0.10
28	September	2000	Non-cash issue ²⁶⁾	251,556.70	14,299,799.30	2,515,567	142,997,993	0.10
5	October	2000	Non-cash issue ²⁷⁾	22,749.40	14,322,548.70	227,494	143,225,487	0.10
6	October	2000	Non-cash issue ²⁸⁾	83,880.80	14,406,429.50	838,808	144,064,295	0.10
18	October	2000	New issue ²⁹⁾	7,037.10	14,413,466.60	70,371	144,134,666	0.10
17	November	2000	New issue ³⁰⁾	1,000.00	14,414,466.60	10,000	144,144,666	0.10
17	November	2000	New issue ³¹⁾	2,787.50	14,417,254.10	27,875	144,172,541	0.10
23	November	2000	Non-cash issue ³²⁾	170,329.60	14,587,583.70	1,703,296	145,875,837	0.10
28	February	2001	Non-cash issue ³³⁾	250,046.60	14,837,630.30	2,500,466	148,376,303	0.10
2	March	2001	Non-cash issue ³⁴⁾	329,124.20	15,166,754.50	3,291,242	151,667,545	0.10
6	March	2001	New issue ³⁵⁾	557.50	15,167,312.00	5,575	151,673,120	0.10
19	April	2001	Non-cash issue ³⁶⁾	6,265.40	15,173,577.40	62,654	151,735,774	0.10
28	June	2001	Non-cash issue ³⁷⁾	18,645.20	15,192,222.60	186,452	151,922,226	0.10
18	October	2001	Private placement ³⁸⁾	42,375,000.00	57,567,222.60	423,750,000	575,672,226	0.10
18	June	2002	Private placement ³⁹⁾	2.40	57,567,225.00	24	575,672,250	0.10
27	June	2002	Reverse split 1:250 ⁴⁰⁾	–	57,567,225.00	–573,369,561	2,302,689	25.00
27	June	2002	Reduction of share capital ⁴¹⁾	–46,053,780.00	11,513,445.00	–	–	5.00
7	August	2002	Rights issue ⁴²⁾	115,134,450.00	126,647,895.00	23,026,890	25,329,579	5.00
17	December	2002	Non-cash issue ⁴³⁾	79,972,005.00	206,619,900.00	15,994,401	41,323,980	5.00

1) New issue subscribed for by institutions, primarily equity funds and insurance companies and the public at an issue price of SEK 27 000 per share.

2) Non-cash issue to the sellers of PM Invest at an issue price of SEK 29 per share.

3) Non-cash issue to the sellers of XMS at an issue price of SEK 80 per share.

4) New issue subscribed for by the public and institutions at an issue price of SEK 80 per share.

5) Non-cash issue to the sellers of Planet Scandinavia at an issue price of SEK 80 per share.

6) Non-cash issue to the sellers of CultCom at an issue price of SEK 79 per share.

7) Non-cash issue to the sellers of Strateg Communication at an issue price of SEK 79 per share.

8) Non-cash issue to the sellers of Next at an issue price of SEK 75 per share.

9) Non-cash issue to the sellers of AbriCom at an issue price of SEK 80 per share.

10) Non-cash issue to the sellers of Igis at an issue price of SEK 125 per share.

11) Non-cash issue to the sellers of Dexpertgruppen at an issue price of SEK 150 per share.

12) Non-cash issue to the sellers of LiGa at an issue price of SEK 150 per share.

13) Non-cash issue to the sellers of Interaction Design at an issue price of SEK 126.10 per share.

14) Non-cash issue to the sellers of Veritema at an issue price of SEK 241.55 per share.

15) Non-cash issue to the sellers of ELK at an issue price of SEK 506.40 per share.

16) Non-cash issue to the sellers of Netmill at an issue price of SEK 382.60 per share.

17) Non-cash issue to the sellers of BMR at an issue price of SEK 766 per share.

18) Non-cash issue to the sellers of Pyramid at an issue price of SEK 912.40 per share.

19) Rights issue to the shareholders at an issue price of SEK 65 per share.

20) Merger between Connecta and Information Highway.

21) New issue after conversion of convertible debentures, conversion price SEK 9.40 per share.

22) Non-cash issue to the sellers of Implement at an issue price of SEK 139.85 per share.

23) Non-cash issue to the sellers of berens/partner at an issue price of SEK 128.80 per share.

24) New issue after utilization of warrants at an issue price of SEK 22.40 per share.

25) New issue after utilization of warrants at an issue price of SEK 9.50 per share.

26) Non-cash issue to the sellers of GroupeG at an issue price of SEK 73.55 per share.

27) Non-cash issue to the sellers of FacingFacts at an issue price of SEK 83.70 per share.

28) Non-cash issue to the sellers of Capito at an issue price of SEK 91.05 per share.

29) New issue after conversion of convertibles, conversion price of SEK 9.40 per share.

30) New issue after utilization of warrants at an issue price of SEK 22.40 per share.

31) New issue after utilization of warrants at an issue price of SEK 9.50 per share.

32) Non-cash issue to the sellers of Aseantic at an issue price of SEK 49.95 per share.

33) Non-cash issue to the sellers of Cell Strategy at an issue price of SEK 11.70 per share.

34) Non-cash issue to the sellers of Cell Strategy at an issue price of SEK 11.70 per share.

35) New issue after utilization of warrants at an issue price of SEK 9.50 per share.

36) Non-cash issue to the sellers of W³cube at an issue price of SEK 11.75 per share.

37) Non-cash issue to the sellers of Cell Strategy in Germany at an issue price of SEK 1.50 per share.

38) Private placement subscribed for by institutions and a consortium of private individuals at a share price of SEK 0.40.

39) Private placement at an issue price of SEK 0.50 per share, for the purpose of making the number of shares outstanding evenly divisible by 250 ahead of an anticipated split.

40) Reverse split 1:250, whereby 250 shares were combined into one share by changing the nominal value of the shares.

41) Reduction of the share capital in connection with distribution of the shares in Connecta AB (Adcore Consulting AB).

42) Rights issue to the shareholders where one Class A share entitled its holder to subscribe for ten Class B shares at a subscription price of SEK 11 per share.

43) Non-cash issue to the sellers of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB at a subscription price of SEK 10.50 per share.

Convertible debenture loan

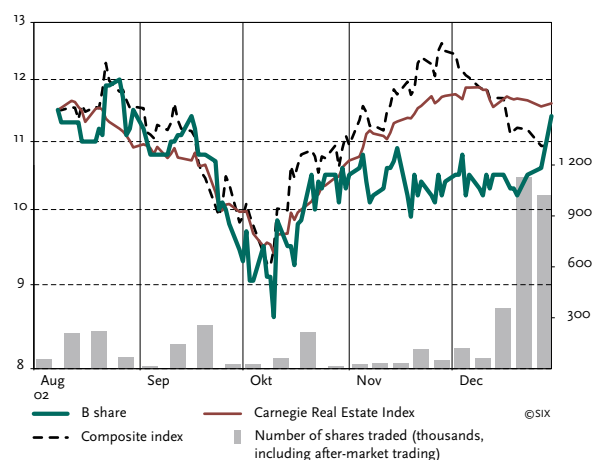
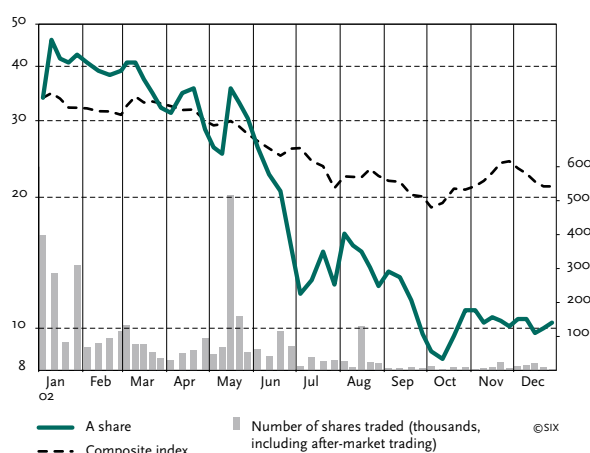
Klövern has issued a convertible debenture loan in the amount of MSEK 50. The loan – Klövern K2b – is listed and falls due on June 30, 2004 and carries interest at a rate of 6.25 percent p.a. Conversion to Class B shares may be effected August 15, 2002 – June 18, 2004 at a conversion price of SEK 11 per share. Upon full conversion due the debenture, 4,545,455 Class B shares may be added.

Warrants

During 2000–2002 the then Adcore issued a total of four remaining warrant programs. The number of shares per warrant as well as the subscription price per share has been recalculated due to consolidation, new issues and reduction of the share capital with distribution to the shareholders during 2002. Upon full utilization of all warrants, the number of shares outstanding will increase by 535,892. The level of subscription prices render dilution and ratios unaffected as of December 31, 2002.

Program	Year	Subscription period	Remaining number of options	Restated number of shares per warrant	Recalculated subscription price per share (SEK)
Warrant To3	2000	5/3/02–5/30/03	1,946,400	0.0118	10,630.70
Warrant To4	2000	5/3/02–5/30/03	9,468,200	0.0118	4,507.50
Warrant	2001	2/2/01–8/3/03	4,000,000	0.0118	122.47
Warrant To5	2002	10/4/01–11/30/04	30,000,000	0.0118	82.49
Total			45,414,600		

Share price performance



The diagrams above show share price performance and number of shares traded for Klövern/Adcore for the period January 2–December 30, 2002 and for Klövern Class B from the day of listing August 12, 2002 until December 30, 2002.

Tax situation

Deficit in 2002 tax assessment

For tax year 2001 Klöver had a deficit for tax purposes of MSEK 1,248, which was confirmed by the tax authority in the tax assessment for 2002. The deficit is mainly attributable to sales of Swedish and foreign subsidiaries.

Deferred tax claim/tax liability

A deferred tax claim relating to the tax loss carry-forward confirmed by the tax authority is reported in the financial statements as of December 31, 2002. In consideration of Klöver's current estimated earnings capacity with respect to current earnings, the Company reports a deferred tax claim in the amount of MSEK 200 for the financial year. The deferred tax claim reported in the financial statements as MSEK 200 was thus increased by a net of MSEK 1.9 during the year.

In connection with acquisition of shares in subsidiaries it has been estimated that a tax loss carry-forward of MSEK 41.8 not previously reported may be utilized. The deferred tax claim has in its entirety been offset against a deferred tax liability in the amount of MSEK 41.8 attributable to the acquired subsidiaries.

Tax effect

The tax effect of booked deferred tax claim (MSEK 200.0), and deferred tax claim offset against deferred tax liability in connection with acquisitions during 2002 mean that, in all, Klöver has accounted for about MSEK 863 of the confirmed deficit of MSEK 1,248.

Tax assessment 2003

Deferred tax claims will in the future be tried in connection with each closing of the books. The Board of Directors is of the opinion that, in addition to confirmed deficits, the Company has additional significant tax loss carryforwards. The majority of these deductions will be taken in the tax assessment for 2003. The Board of Directors is of the opinion that confirmed deficits and deficits not yet deducted amount to a total of MSEK 7,000.

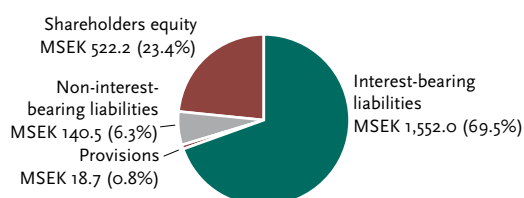
Financing and Sensitivity Analysis

Organization

Responsibility for and management of the Group's financial issues are centralized to the Parent Company. Klöver's Board of Directors has adopted a financial policy that sets goals for the financial operations and how financial risks are to be handled. The goal of financial management is to achieve the lowest possible cost of financing.

Financial structure

Klöver's financing as of December 31, 2002 is illustrated by the pie chart below. Interest-bearing liabilities amounted to MSEK 1,552.



Interest rate structure and risk

Klöver's single largest cost item is interest expense. In the interest of limiting the risk when interest rates change, the Company distributes interest maturity dates over the years in accordance with the financial policy. The average period of fixed interest was 2.5 years at year-end. Loans maturing during 2003 had an average period of fixed interest of 66 days at year-end.

According to the policy, the total interest rate risk in the portfolio of liabilities should not exceed a level where a change in the variable interest rate of 1 percentage point raises the average interest rate for the entire loan portfolio by more than 0.3 percentage point. If the interest rate level had been 1 percentage point higher as of December 31, 2002 Klöver's interest expense for 2003 would have increased by about MSEK 4.0.

Loan structure and refinancing risk

The loan portfolio is split between several lenders. The largest lender is Bayerische Hypovereinsbank, who financed most of the acquisition from Wihlborgs. Klöver has as its goal to differentiate between interest fixing risk and refinancing risk. At year-end the average period of capital being tied up was 3.9 years.

LOAN STRUCTURE AS OF DECEMBER 31, 2002

Interest maturity year	MSEK	Average interest, %	Percentage portion
2003	482	5.3	31
2004	64	6.0	4
2005	419	5.8	27
2006	91	6.0	6
2007	404	6.2	26
2008	42	6.1	3
Subordinated debenture loan	50	6.3	3
Total	1,552	5.8	100

Rental value and economic occupancy rate

Klöver's properties are located in localities outside the major metropolitan areas. These markets are less cyclical than the major metropolitan areas, which means less volatility in rental levels. At year-end Klöver had a total economic vacancy rate of 11 per cent. Basic demand for the type of premises offered by Klöver is stable, and opportunities for renting out currently vacant premises are good.

Risk diversification

So as to minimize the risk of tenants vacating properties for cyclical reasons and to reduce rental losses, Klöver strives to maintain an even distribution between locally owned companies, public and/or nationwide companies and public sector operations. Klöver also gives emphasis to education environments as being an interesting future market niche.

Major tenants

The Swedish postal authority (Posten) is Klöver's largest customer with a total rental value of about MSEK 64, which is equivalent to 25 percent of the Company's total revenue volume. Posten is involved in a transformation process which for Klöver translates into larger vacancies in certain locations, but at the same time a greater rental volume in others. The properties vacated by Posten are often in highly attractive locations and possibilities of finding new tenants to premises vacated by Posten are regarded as promising.

Other larger tenants include Komvux, the Municipality of Nyköping, the Municipality of Karlstad, Saab Automobile, Telia, Swenox, employment services, Lernia and IDA in front. Together, these tenants account for about 19 percent of Klöver's total rental revenue.

Property expenses

Overall, Klöver's properties are well maintained and in excellent shape, which means that day-to-day expenses are at a competitive level. The rapid rise in the price of electricity has not yet fully impacted operations since parts of the energy prices are fixed at a relatively low level. Practical initiatives and investments are always ongoing to improve cost efficiency, for example in the form of computerized operating surveillance systems.

Property sales

A significant feature of Klöver's business model is to sell properties, in part for the Company to realize renovation gains, but also to adjust the composition of the property portfolio.

The overall economic situation, inflation expectations and the level of interest rates are important factors affecting property prices, and therefore the result of future property sales. Market interest rates are especially important, and in general it can be said that lower interest rates create a climate of rising real estate prices.

In addition to being affected by factors in the surrounding world, the real estate market is influenced by the development of regional and local business. With a local presence in each respective market, Klöver has good possibilities of capitalizing on future business opportunities.

Disputes

Some disputes and economic claims on Klöver remain from the time before the company changed its business orientation. In the judgment of the Board of Directors and Management, provisions set aside in the amount of MSEK 18.7 in this year's closing of the books are sufficient to meet these demands.

Sensitivity analysis

The sensitivity analysis below is based on the Group's earnings capacity and balance sheet as of December 31, 2002. The sensitivity analysis shows the effects on the Group's earnings for the year after full impact of each of the parameters below. Interest-bearing liabilities and rental contracts run over several years, which means that changes do not get full impact during a single year, but only in a more extended perspective. Klöver's profitability will also be affected by results of property sales.

	Change	Earnings effect
Economic occupancy rate	+/- 1 %	+/- 2.9 MSEK
Rental income	+/- 1 %	+/- 2.6 MSEK
Property expenses	+/- 1 %	+/- 1 MSEK
Market interest rate, 2003	+/- 1 %	+/- 4.0 MSEK
Market interest rate, extended perspective	+/- 1 %	+/- 15.5 MSEK

Administration Report

Overview of operations

Klövern is a real estate company focused on high-yielding properties in larger and medium-sized localities outside the major metropolitan areas. Klövern's business concept is "as a partner with localities, actively to acquire, develop and sell properties outside the major metropolitan areas in Sweden." Klövern intends to expand by acquiring properties so as to achieve considerable size in a number of localities. This creates a foundation for efficient management and a leading position in the local market. Klövern will also achieve a size of its operations and a market capitalization that will make the Klövern share an attractive investment alternative for the stock market's players.

Earnings

The new real estate group's profit after net financial items – not including items affecting comparability – was MSEK 22.7 for the period January–December. Profit after taxes – including items affecting comparability attributable to the transformation and the previous IT consulting operation – amounted to MSEK 209.6 for the same period. Real estate revenue amounted to MSEK 96.5 and the operating surplus in real estate operations was MSEK 61.0. The net of financial items was MSEK –33.6 for the year.

Cash flow and financial position

The Group's cash flow during the year was MSEK –15.2 and the equity ratio stood at 23.4 percent at year-end, equivalent to 25.6 after full conversion. Shareholders' equity at year-end was MSEK 522.2; liquid funds amounted to MSEK 62.9. Interest-bearing liabilities stood at MSEK 1,552.9 at the same point in time. The average borrowing rate at year-end was 5.8 percent, with an average period of fixed interest of 2.5 years.

Parent Company

Profit after taxes in the Parent Company amounted to MSEK 139.9, MSEK 149.9 of which refers to result from the sale of the former subsidiary Adcore Stockholm AB. The Parent Company has also received group contributions totaling MSEK 21 from subsidiaries in the Group. The Parent Company's liquid funds amounted to MSEK 6.2 as of December 31.

Name-change, business and new issue

In May 2002, the plans to change business focus in the then Adcore AB from IT consulting operations to real estate was announced. At the same time the Company chose to change its name to Klövern AB and to distribute the wholly owned subsidiary, Adcore Consulting AB, to the shareholders. A reverse split 1:250 and a guaranteed rights issue was also announced.

Under the rights issue, each Class A share entitled its holder to subscribe for ten new Class B shares with low voting power at a price of SEK 11 per share. A total of MSEK 253 was estimated to be infused in Klövern before issuing costs. The new issue was underwritten by Catella Capital AB, Investment AB Östersund, Wihlborgs and Active Holding B.V. ovv B.V.B.A.

At an extra meeting of the shareholders held June 18, 2002 the resolutions necessary to make the changes were passed. A prospectus was published in the beginning of July. The reverse split was executed at the end of June and the new issue in the amount of MSEK 253 was then floated in July and August. Adcore Consulting AB changed its name to Connecta AB in conjunction with the distribution.

Sale of Adcore Stockholm AB

Subsidiary Adcore Stockholm AB was sold during 2001. The final selling price was set during the spring of 2002, which for the 2002 financial year gave a positive result of MSEK 149.4.

Acquisition of StrandFastigheter and StrömFastigheter

In August, Klöverns bid for real estate company StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB was announced. Based on an authorization by the general meeting of shareholders held September 24, Klövern acquired all shares outstanding in both companies effective as of November 29, 2002. The final acquisition value for the shares was set at MSEK 168, which was paid by 16 million newly issued Class B shares in Klövern.

From November 29, 2002 StrandFastigheter's former President, Gustaf Hermelin is new President and CEO of Klövern. Other members of senior management are Anders Lundquist, Chief Financial Officer, Thomas Nilsson, Real Estate Manager, and Caesar Åfors, Finance Manager.

Portfolio of properties

In connection with the restructuring, Klövern acquired a portfolio of properties from Wihlborg consisting of 60 objects with total rentable space of about 241,000 square meters. Earnings from these properties are consolidated in Klövern from July 1, 2002.

The acquisition of StrandFastigheter i Nyköping and StrömFastigheter i Norrköping meant that Klöverns portfolio of properties grew to total rentable space of 390,000 square meters, and the total annual revenue grew to about MSEK 260. Earnings from the acquired properties in StrandFastigheter i Nyköping and StrömFastigheter i Norrköping are consolidated in Klövern from November 29, 2002.

During the period July–December 2002 rental income amounted to MSEK 96.5 and real estate costs were MSEK 35.5, generating an operating surplus of MSEK 61.0. The occupancy rate in the portfolio of properties was 89 percent of rental value at year-end.

Related party disclosures

On June 17 a portfolio of 60 properties was acquired from the Wihlborg Group for a total purchase price of MSEK 1,240. The price was based on an appraisal made by an authorized independent party. Part of the purchase sum, MSEK 180, was paid in the form of a note that falls due during 2009. In connection with the new issue during July and August, Wihlborg Fastigheter received a guaranty fee of MSEK 1.4.

Active Holding B.V. has received MSEK 2.5 in fees for short-term financing during the summer of 2002, and as first-recourse guarantor in connection with the new issue.

The Board of Directors is of the opinion that the aforementioned transactions have been done on market terms.

Compulsory redemption procedure for Adcore Stockholm AB

During 2002 a compulsory redemption procedure for the shares of Adcore i Stockholm AB (the then Connecta AB) was initiated. During the spring of 2002, the then Adcore AB made an offer to the minority shareholders in Adcore i Stockholm AB, which meant that about 50 percent of the remaining outstanding shares were acquired by Adcore AB for SEK 25 per share.

October 15, 2002 an arbitration judgment was rendered in the matter, under setting an aggregate redemption price of MSEK 25 for the remaining shares outstanding. In December 2002 Klövern appealed the decision of the arbitration board. In connection with the distribution of the Adcore Group, Connecta has agreed to cover compulsory redemption costs in excess of MSEK 10. The Board of Directors of Klövern is of the opinion that no further provisions are necessary by reason of the judgment of the arbitration board.

Reporting and accounting principles

Because of Klöver's change of direction, from consulting in the IT area to real estate, certain changes and complements have been made to the financial reporting. In general, the changes are aimed at aligning Klöver's own financial reporting with that of other real state companies listed on the Stockholm Stock Exchange. The same accounting principles and calculation methods have been applied for drawing up the financial report as were used in Klöver's prospectus dated June 26, 2002.

The historic material relating to 2001 and until June 30, 2002 is in its entirety attributable to the then Adcore's consulting business. More explanatory comments will be found in conjunction with the income statement, balance sheet and reporting of financial indicators.

Outlook for 2003

During 2003 Klöver will continue to improve its operations. Properties will be sold and new acquisitions will be made to create strong market units. The coming year will be Klöver's first full year as a real estate company and there are good opportunities for a positive development.

Work of the Board of Directors

The Board of Directors convened on 20 occasions during 2003. Issues relating to the Company's restructuring process were dealt with at most meetings. From January 1 until September 1, the Board of Directors consisted of Lars Evander (Chairman), Ole Oftedal, Lars Carlqvist and Anders Liljeblad. A new Board of Directors was elected at the extra general meeting of shareholders held June 18, 2002. The new Board of Directors took office September 2 and consists of directors Stefan Dahlbo, Erik Paulsson, Ole Oftedal and Lars Evander. Stefan Dahlbo was appointed Chairman of the Board of Directors.

The Board of Directors appointed Gustaf Hermelin to the post of President and Chief Executive Officer November 29, 2002.

Dividend

Since extensive changes were made in the Company during the year, and real estate operations have been conducted for a mere six months, the Board of Directors proposes that no dividend be declared for the 2002 financial year. In a longer perspective, Klöver intends to apply at least 50 percent of its profit before taxes for payment of dividends, or to repurchase own shares. The Company's investment alternatives, financial position and capital structure will be taken into account when judging the size of the payout.

Proposed allocation of earnings

According to the Consolidated Balance Sheet, the Group's unrestricted equity amounts to SEK 185.705 thousand. SEK 20 thousand is proposed to be transferred to restricted reserves.

The Board of Directors and the President propose that the retained earnings available for disposition be allocated as follows:

To be carried forward	SEK 136,915,982
Total	SEK 136,915,982

Financial Statements

Statements of Income

Amounts in SEK thousand	Note	Group		Parent Company	
		2002	2001	2002	2001
Rental income		96,461	–	–	–
Net revenue		–	1,062,360	–	42,825
Property costs	2	–35,492	–	–	–
Operating surplus		60,969	1,062,360	–	42,825
Personnel expenses	1	–	–922,093	–	–33,357
Central administration/other external costs	1	–4,126	–287,792	–3,136	–52,692
Depreciation and amortization of tangible and intangible fixed assets	4	–515	–47,845	–8	–6,220
Amortization of goodwill		–	–48,418	–	–11,783
Writedown of shares in subsidiaries		–	–	–	–802,796
Writedown of goodwill		–	–1,299,318	–	–475,106
Other Items affecting comparability	3	143,426	–582,626	143,426	–422,866
Operating result		199,754	–2,125,732	140,282	–1,761,995
Result from financial items					
Result from shares in Group companies		–	–	–	–536,762
Interest expense and similar items	5	2,684	9,828	2,415	9,870
Interest expense and similar items	6	–36,298	–6,484	–4,740	–6,628
Result before taxes		166,140	–2,122,388	137,957	–2,295,515
Taxes on the year's result	7	43,506	–75,895	1,900	–51,019
Result for the year		209,646	–2,198,283	139,857	–2,346,534
Earnings per share¹⁾					
Earnings per share before dilution and conversion, SEK		15.76	–9.33	10.52	–9.96
Earnings per share after dilution and conversion, SEK		13.98	–9.33	9.37	–9.96
Number of shares outstanding before dilution and conversion, thousands		41,324	575,672	41,324	575,672
Number of shares outstanding after dilution and conversion, thousands		45,869	592,400	45,869	592,400
Average number of shares outstanding before dilution and conversion, thousands		13,311	235,590	13,311	235,590
Average number of shares outstanding after dilution and conversion, thousands		15,090	249,641	15,090	249,641

1) Translation taking reverse split 1:250 into account has been effected from the beginning of the year for the 2002 financial year. Translation for the 2001 financial has not been made, however, since the operations conducted in the then Adcore Group during 2001 had no connection with the present operations in the Klöver Group.

Balance Sheet

Amounts in SEK thousand	Note	Group		Parent Company	
		12/31/02	12/31/01	12/31/02	12/31/01
ASSETS					
Fixed assets					
<i>Intangible fixed assets</i>					
Patents licenses and similar rights	8	–	6,647	–	3,783
Goodwill		–	26,719	–	–
		–	33,366	–	3,783
<i>Tangible fixed assets</i>					
Equipment	9	5,361	28,956	32	822
		5,361	28,956	32	822
<i>Financial assets</i>					
Shares in Group companies	10	–	–	181,226	200
Due from Group companies	11	–	–	165,000	–
Deferred tax claim	12	200,000	197,799	200,000	198,100
		200,000	197,799	546,226	198,300
Total fixed assets		205,361	260,121	546,258	202,905
Current assets					
<i>Inventories</i>	13				
Properties		1,875,930	–	–	–
		1,875,930	–	–	–
<i>Short-term receivables</i>					
Accounts receivable		19,506	103,812	15,449	63
Due from Group companies		–	–	21,024	107,822
Tax claims		976	–	19	1,086
Other receivables		63,711	18,858	27,362	8,465
Prepaid expenses and accrued income		5,028	8,775	438	1,405
		89,221	131,445	64,292	118,841
<i>Cash and bank balances</i>		62,887	78,125	6,200	76,763
Total current assets		2,028,038	209,570	70,492	195,604
TOTAL ASSETS		2,233,399	469,691	616,750	398,509

Amounts in SEK thousand	Note	Group		Parent Company	
		12/31/02	12/31/01	12/31/02	12/31/01
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	14				
<i>Restricted equity</i>					
Share capital		206,620	57,567	206,620	57,567
Premium reserve		–	–	104,880	2,273,784
Restricted reserves		129,850	2,298,031	24,970	24,970
		336,470	2,355,598	336,470	2,356,321
<i>Unrestricted equity</i>					
Unrestricted reserves		–23,941	–32,463	–2,941	48,809
Net result for the year		209,646	–2,198,283	139,857	–2,346,534
		185,705	–2,230,746	136,916	–2,297,725
Total shareholders' equity		522,175	124,852	473,386	58,596
Provisions					
Other provisions	15	18,700	81,421	18,700	65,601
Total provisions		18,700	81,421	18,700	65,601
Long-term liabilities					
Convertible loans	16	50,000	–	50,000	–
Committed credit facility	17, 19	–	–	–	–
Other liabilities to credit institutions	18, 19	1,401,707	–	4,093	–
Other liabilities	20	24,347	21,503	–	6,328
Total long-term liabilities		1,476,054	21,503	54,093	6,328
Current liabilities					
Liabilities to credit institutions	19	60,972	–	–	–
Accounts payable		36,165	35,616	13,134	9,833
Due to Group companies		–	–	23,496	210,746
Other liabilities		34,456	141,143	30,868	43,991
Accrued expenses and prepaid income	21	84,877	65,156	3,073	3,414
Total current liabilities		216,470	241,915	70,571	267,984
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,233,399	469,691	616,750	398,509

Pledged assets and contingent liabilities

Amounts in SEK thousand	Group		Parent Company	
	12/31/02	12/31/01	12/31/02	12/31/01
Pledged assets				
<i>For own liabilities</i>				
Real estate mortgages	1,888,349	–	–	–
Corporate mortgages	5,000	–	–	–
Escrow funds	20,062	–	–	–
Total assets pledged	–	105,812	–	2,000
of which financed accounts receivable	–	103,812	–	–
Total pledged assets	1,913,411	105,812	–	2,000
Contingent liabilities	none	8,066	none	8,066

Statements of Cash Flow

Amounts in SEK thousand	Note	Group		Parent Company	
		2002	2001	2002	2001
Current operations					
Result after financial items		166,140	-2,122,388	137,957	-2,295,515
Adjustment for items not included in cash flow, etc.		-169,786	1,826,756	-180,395	2,193,292
		-3,646	-295,632	-42,438	-102,223
Current taxes		-19	-1,895	-	-952
<i>Cash flow from current operations before changes in working capital</i>		-3,665	-297,527	-42,438	-103,175
<i>Cash flow from changes in working capital</i>					
Increase(-)/Decrease(+) in operating receivables		42,224	-120,739	54,549	-24,788
Increase(-)/Decrease(+) in operating liabilities		-86,417	172,183	-197,413	136,064
Cash flow from current operations		-47,858	-246,083	-185,302	8,101
Investment activities					
Acquisition of subsidiaries	22	1,149	-115,835	-	-296,238
New issue in connection with acquisition		-	67,651	-	67,651
Sale of subsidiary		-	-31,206	-	-
Acquisition of properties		-1,145,056	-	-	-
Acquisition of intangible fixed assets		-	-10,243	-	-27,175
Investment in goodwill relating to additional purchase money		-	-40,102	-	-
Acquisition of tangible fixed assets		-5,876	18,715	-40	2,971
Investment in financial assets		-2,201	-	-165,000	-
Cash flow from investment operations		-1,151,984	-111,020	-165,040	-252,791
Financing activities					
New issue		253,296	157,512	253,296	157,512
Loans raised		952,590	29,323	47,765	6,327
Costs for new issues		-21,282	-	-21,282	-
Increase in long-term receivables		-	18,429	-	36,301
Option premiums received		-	28,451	-	28,451
Cash flow from financing activities		1,184,604	233,715	279,779	228,591
Cash flow for the year		-15,238	-123,388	-70,563	-16,099
Liquid funds at beginning of year		78,125	201,513	76,763	92,862
Liquid funds at year-end		62,887	78,125	6,200	76,763

Supplementary information to Statements of Cash Flow

Amounts in SEK thousand	Group		Parent Company	
	2002	2001	2002	2001
Interest paid				
Interest received	2,684	9,733	2,415	9,870
Interest paid	-36,298	-6,484	-4,740	-6,628

Accounting Principles and Notes to the Financial Statements

Amounts in SEK thousand unless otherwise specifically noted

General accounting principles

The Annual Accounts have been prepared in accordance with The Swedish Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Board and the Swedish Emerging Issues Task Force. A number of new accounting recommendations will come into force during 2003. The recommendation with the most effect on Klöver's financial reporting will be reporting of operating segments, RR25, which will be applied to Klöver's reporting from the first quarter of 2003.

Valuation principles, etc.

Assets, provisions and liabilities are valued at cost unless otherwise specifically noted below.

Inventories

Properties are valued at the lower of cost and market. When discrepancies are noted between reported value and estimated market value, a requisite writedown is made, or prior writedown is reversed, respectively. Market value estimates are based on external and internal appraisals performed in accordance with generally accepted valuation principles.

Taxes

The Company and the Group applies recommendation RR9 Income taxes of the Swedish Financial Accounting Standards Council.

Total taxes are comprised of current taxes and deferred taxes.

Taxes are reported in the income statement, except when the underlying transaction is reported directly against equity, in which case the accompanying tax effect is reported in equity. Current taxes (previously called Paid taxes) are taxes payable or to be refunded relating to the current year. Adjustments of current taxes attributable to prior periods are also included here. Deferred taxes are computed according to the balance sheet method, based on temporary differences between reported values and values for tax purposes of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be settled and on the tax rates (28 percent) and taxation rules resolved or advised as of year-end.

Deferred tax claims in deductible temporary differences and tax loss carryforwards are reported to the extent it is probable that they will entail lower tax payments in the future.

Receivables

Receivables are carried at the amount at which, after individual assessment, they are expected to be collected.

Borrowing costs

Borrowing costs are reported according to the main principle of recommendation RR21 of the Swedish Financial Accounting Standards Council, which means that borrowing costs are charged to the result in the period during which they arise.

Reporting of properties (Group)

The Group's properties (buildings, land improvements and land) are reported in the consolidated balance sheet as current assets (see Inventories above). No deduction for depreciation is made. In remodeling and renovation situations, the portion of the investment deemed to constitute maintenance is expensed.

Market value estimates are based on external and internal appraisals performed on an ongoing basis according to generally

accepted valuation principles. These principles are essentially based on present value computation of each respective property's estimated cash flow on the basis of market cost of capital and required return.

The reason why the properties are classified as current assets is that turnover of properties is an important part of Klöver's business.

Principles of depreciation of fixed assets

Depreciation according to plan is based on the original cost, less estimated residual value and assets are depreciated over their expected period of gainful use.

	Period of use	
	Group	Parent Company
The following depreciation periods are used:		
<i>Tangible fixed assets</i>		
Equipment	5 years	5 years

Leasing – lessor

The Group has leasing contracts relating to office machines and company cars. These contracts are operational leases. The leasing agreements are limited in scope.

Short-term investments

Liquid funds are valued in accordance with the Annual Reports Act at the lower of cost and market.

Consolidated accounting

The consolidated financial statements are prepared in accordance with recommendation RR1:00 of the Swedish Financial Accounting Standards Council, except that the result from the distributed subsidiary Adcore Consulting AB – the operations of which differ materially from the current Group's business – is not included in the Group's result up to the time of distribution (June 2002). The consolidated financial statements include companies in which the Parent Company directly or via subsidiaries hold more than 50 percent of the votes, or in other ways have controlling influence as defined in Chapter 1, Section 4 of the Swedish Annual Accounts Act.

Change from income statement classified according to type of cost to income statement classified according to function

Starting in 2002, the Company uses an income statement in format according to function. The reason for the change in format is that the Company changed the focus of its operations significantly during 2002. The income statement format according to function is better suited to the focus of operation. Comparative data for 2001 follow the format of classification according to type of cost. In the accounts for 2002, items not attributable to real estate operations are classified as items affecting comparability. The new format will be applied fully starting with the 2003 financial year.

Group contributions

The Company reports group contributions in accordance with the statement of the Emerging Issues Task Force of the Swedish Financial Accounting Standards Council.

Group contributions are reported according to their economic purport, namely to minimize the Group's taxes. Since the group contribution therefore does not constitute compensation for goods or services, it is reported directly against retained earnings after deduction of its tax effect.

Notes to the Financial Statements

Amounts in SEK thousand unless otherwise specifically noted

Note 1 Employees, personnel costs and fees to the Board of Directors and Auditors

<i>Average number of employees</i>	1/1/01 –12/31/02	of whom men	1/1/01 –12/31/02	of whom men
<i>Parent Company</i>				
Sweden	4	50%	26	41%
Parent Company total	4	50%	26	41%
<i>Subsidiaries</i>				
Sweden	13	76%	–	0%
Nordic Region	–	0%	1,335	73%
Subsidiary total	13	76%	1,335	73%
Group total	17	70%	1,361	72%

Salaries, other compensation and social benefits

	1/1/02–12/31/02 Salaries and compensation	1/1/02–12/31/02 Social benefits	1/1/01–12/31/01 Salaries and compensation	1/1/01–12/31/01 Social benefits
<i>Parent Company</i>	5,743	4,941	40,362	22,888
• (of which pension cost) ¹⁾		(3,054)		(9,641)
<i>Subsidiaries</i>	3,876	1,712	367,276	131,337
• (of which pension cost)		(457)		(33,463)
Total salaries and compensation in companies sold	–	–	456,274	–
Group total	9,619	6,653	863,912	154,225
• (of which pension cost) ²⁾		(3,511)		(43,104)

1) 1,843 of the Parent Company's pension costs (last year 3,027) refers to the group Board of Directors and former President.

2) 2,143 of the Group's pension costs (last year 5,606) refers to the group Board of Directors and former President.

Salaries and other compensation distributed among Directors, President, Executive Vice President and other employees

	1/1/02–12/31/02 Board of Directors and President	1/1/02–12/31/02 Other employees	1/1/01–12/31/01 Board of Directors and President	1/1/01–12/31/01 Other employees
<i>Parent Company</i>				
Sweden	4,210	1,533	11,091	29,271
• (of which bonus, etc.)	(–)	(–)	(–)	(–)
Parent Company total	4,210	1,533	11,091	29,271
• (of which bonus, etc.)	(–)	(–)	(–)	(–)
<i>Subsidiaries</i>				
Sweden	1,204	2,672	13,272	354,004
• (of which bonus, etc.)	(–)	(–)	(3,778)	(–)
Subsidiary total	1,204	2,672	13,272	354,004
• (of which bonus, etc.)	(–)	(–)	(3,778)	(–)
Group total	5,414	4,205	24,363	383,275
• (of which bonus, etc.)	(–)	(–)	(3,778)	(–)

Average number of employees, salaries, compensation and social benefits for 2002 refer to personnel in Sweden.

Average number of employees, salaries, compensation and social benefits in subsidiaries for the prior year refer to personnel in the Nordic Region.

Compensation to members of senior management

Fees to the Chairman of the Board of Directors and members of the Board of Directors are paid pursuant to resolution by the Annual General Meeting. No separate fees are paid for work on committees. The Board of Directors receives a fee totaling SEK 700 thousand to be distributed among the members of the Board of Directors as it sees fit. No director's fee is paid to Director, who is in the Company's employment.

Compensation to the President and CEO and other members of senior management consists of basic salary, variable compensation, other benefits and pension. Members of senior management are those 3 persons who together with the President and CEO make up Group Management. Refer to page 35 for the composition of Group Management.

The current President and CEO assumed his position November 29, 2002. The other members of senior management assumed their positions in November and December.

Compensation to the President and CEO

The President and CEO is paid a basic salary of SEK 1,080 thousand per year. In addition, the President and CEO receives an annual bonus amounting to one percent of the Company's profit before taxes, to the extent that amount exceeds set operating goals for the real estate operations. The maximum bonus amount is SEK 500 thousand per year. The President and CEO has the right to a company car. During the period of employment with the Company, the pension premium will amount to 25 percent of the pensionable salary. By pensionable salary is meant basic salary.

The following periods of notice apply to the President and CEO: in the event of termination at the Company's initiative, the period of notice is 12 months; in the event of termination at the President's initiative, the period of notice is 6 months. In the event of termination at the Company's initiative, the period of notice is 12 months. In the event of termination at the Company's initiative, full salary and benefits as described above is payable during the period of notice. The compensation is reduced by any income earned from other employer. In the event of termination at the President's initiative, full salary and benefits is payable during the period of notice while the employment continues.

Compensation to other members of senior management

The other members of senior management (3 persons) are paid a total basic salary of SEK 2,100 thousand per year. No variable compensation is paid. One person has the right to a company car. During the period of employment with the Company, the pension premium will amount to 15–25 percent of the pensionable salary. By pensionable salary is meant basic salary.

Members of senior management have the same periods of notice and compensation as described above during the period of notice as the President and CEO.

Compensation to the former President and CEO

The former President and CEO was paid salary and other benefits during the year in a total amount of SEK 3,315 thousand. The Company has paid an annual premium of 40 percent of an amount equivalent to the monthly salary x 12.2. This commitment was secured by pension insurance. There are no future obligations to the former President and CEO.

Fee and reimbursement to the auditors

	Group	Parent Company
<i>Ernst & Young AB</i>		
• Audit assignment	1,023	943
• Other assignments	81	81
<i>Deloitte & Touch AB</i>		
• Audit assignment	300	200
• Other assignments	577	577

Note 2 Real estate costs

	1/1/02 –12/31/02	1/1/01 –12/31/01
<i>Group</i>		
Operating and maintenance costs	–31,501	–
Real estate taxes and site-lease rent	–3,991	–
	–35,492	–

Note 3 Other items affecting comparability

	1/1/02 –12/31/02	1/1/01 –12/31/01
<i>Group</i>		
Restructuring costs	–5,968	–242,265
Obligations in connection with disposal of companies	–	–132,541
Writedown of intangible fixed assets	–	–31,145
Gain on sale of subsidiary	149,394	–
Items affecting comparability in companies sold up to time of sale	–	–176,675
	143,426	–582,626
<i>Parent Company</i>		
Restructuring costs	–5,968	–64,579
Obligations in connection with disposal of companies	–	–132,541
Gain on sale of subsidiary	149,394	–
Gain on sale of subsidiary fixed assets	–	–31,145
Writedown of loan to subsidiary sold	–	–28,122
Writedown of intra-Group receivables in connection with sales	–	–166,479
	143,426	–422,866

Note 4 Depreciation of tangible fixed assets

	1/1/02 –12/31/02	1/1/01 –12/31/01
<i>Group</i>		
Depreciation according to plan by class of asset		
• Patents, licenses and similar rights	–	–5,166
• Equipment	–515	–42,679
	–515	–47,845
<i>Parent Company</i>		
Depreciation according to plan by class of asset		
• Equipment	–8	–6,220
	–8	–6,220

Note 5 Interest income and similar items

	1/1/02 –12/31/02	1/1/01 –12/31/01
<i>Group</i>		
Interest income, Group companies	–	–
Interest income, others	2,684	9,828
	2,684	9,828
<i>Parent Company</i>		
Interest income, Group companies	–	–
Interest income, others	2,415	9,870
	2,415	9,870

Note 6 Interest expense and similar items

	1/1/02 –12/31/02	1/1/01 –12/31/01
<i>Group</i>		
Interest income, Group companies	–	–
Interest income, others	–36,298	–6,484
	–36,298	–6,484
<i>Parent Company</i>		
Interest income, Group companies	–	–
Interest income, others	–4,740	–6,628
	–4,740	–6,628

Note 7 Taxes on the year's result

	1/1/02 –12/31/02	1/1/01 –12/31/01
<i>Group</i>		
Current tax refund		
• Period's tax refund	4,286	–
	4,286	–
Deferred tax expense (–)/tax refund (+)		
• Deferred taxes on temporary differences	–4,472	–75,895
• Deferred tax refund on capitalized tax value of tax loss carryforward	43,692	–
	39,220	–75,895
Total tax reported in the Group	43,506	–75,895
<i>Parent Company</i>		
Current tax refund		
• Period's tax refund	–	18,981
	–	18,981
Deferred tax expense (–)/tax refund (+)		
• Deferred tax refund on capitalized tax value of tax loss carryforward	1,900	–70,000
	1,900	–70,000
Total tax reported in the Parent Company	1,900	–51,019

Financial Statements

Note 8 Patents, licenses and similar rights

	Group	Parent Company
<i>Accumulated cost</i>		
Opening balance	12,056	6,637
Sales and disposals	-12,056	-6,637
	-	-
<i>Accumulated depreciation according to plan</i>		
Opening balance	-5,409	-2,854
Sales and disposals	5,409	2,854
Year's depreciation according to plan	-	-
	-	-
Reported value at year-end	-	-

Note 9 Equipment

	Group	Parent Company
<i>Accumulated cost</i>		
Opening balance	58,012	6,391
New purchases	2,760	40
Acquisition of subsidiary	11,190	-
Sales and disposals	-59,242	-6,391
	12,720	40
<i>Accumulated depreciation according to plan</i>		
Opening balance	-29,056	-5,569
Acquisition of subsidiary	-7,358	-
Sales and disposals	29,570	5,569
Year's depreciation of cost according to plan	-515	-8
	-7,359	-8
Reported value at year-end	5,361	32

Note 10 Shares in Group companies

	12/31/02	12/31/01
<i>Accumulated cost</i>		
Opening balance	200	1,114,955
Purchases	181,126	-
Distribution/Sales ¹⁾	-100	-1,114,755
Reported value at year-end	181,226	200

1) For effects on the Parent Company, see note 14 Shareholders' equity.

Specification of the Parent Company's and the Group's holdings of shares in Group companies

Subsidiary/Organization number/ Registered office	Number of shares	Stake in % ¹⁾	Book value
StrandFastigheter i Nyköping AB, 556542-0098, Nyköping	80,000	100.0	126,395
StrömFastigheter i Norrköping AB, 556603-1067, Norrköping	104,000	100.0	53,631
Klövern Ett AB, 556610-3106, Stockholm	1,000	100.0	100
• Handelsbolaget Klövern Hattmakaren 14, 916463-6996, Falun		99.9	
• Fastighetsbolaget Klövern Kitteln Handelsbolag, 916577-3186, Örebro		99.9	
• Handelsbolaget Klövern Lyrän 2, 916476-8914, Umeå		99.9	
• Fastighetsbolaget Cylindern Handels- bolag, 916623-1507, Nacka		99.9	
• Kommanditbolaget Klövern Tornadon, AB Pionen & Co, 916572-9667, Karlstad		99.9	
• Klövern Malmbjörken Kommanditbolag, 969631-7339, Nacka		99.9	
• Klövern Skaftö 1 Kommanditbolag, 916839-8437, Göteborg		99.9	
• Klövern Skaftö 8 Kommanditbolag, 969620-8850, Göteborg		99.9	
• Klövern Skaftö Kommanditbolag 9, 969620-8868, Göteborg		99.9	
• Klövern Kyrkängen 9 Kommanditbolag, 969618-0687, Nacka		99.9	
• Klövern Tre Liljor 16 Kommanditbolag, 969618-0752, Värnamo		99.9	
• Klövern Tygvävaren 4 Kommanditbolag, 969618-0703, Nacka		99.9	
• Grabeto Kommanditbolag, 969677-2582, Nacka		99.9	
• Klövern Valhalla 2:19 Kommanditbolag, 916610-6824, Nacka		99.9	
Klövern Komp Ett AB, 556613-4085, Stockholm	1,000	100.0	100
• Klövern Komp Ett AB owns 0.1% of the above mentioned partnerships and limited partnerships			
Other subsidiaries, inactive			1,000
			181,226

1) Refers to the ownership stake of capital, which is also equivalent to the proportion of votes for the total number of shares outstanding.

Note 11 Due from Group companies

	Group	Parent Company
<i>Accumulated cost</i>		
Opening balance	–	–
Receivables added	–	165,000
Reported value at year-end	–	165,000

Note 12 Deferred tax claim

Group	Deferred tax claim	Deferred tax liability	Net
<i>12/31/02</i>			
Tax loss carryforward	241,792	–41,792	200,000
Offset	–41,792	+41,792	–
Deferred tax claim net	200,000	–	200,000

<i>12/31/01</i>			
Tax loss carryforward	198,100	–301	197,799
Offset	–301	+301	–
Deferred tax claim net	197,799	–	197,799

Parent Company	Deferred tax claim	Deferred tax liability	Net
<i>12/31/02</i>			
Tax loss carryforward	200,000	–	200,000
Deferred tax claim net	200,000	–	200,000
<i>12/31/01</i>			
Tax loss carryforward	198,100	–	198,100
Deferred tax claim net	198,100	–	198,100

The Group's and the Parent Company's change between the years is reported as a deferred tax refund.

The valuation of the deferred tax refund, which is attributable to Klövern AB's tax loss carryforwards, is based on the judgment of the Board of Directors of the Company's present earnings power.

The deficit for tax purposes of operations in 2001 (2002 tax assessment year) amounts to SEK 1.2 billion.

Change of deferred taxes in temporary differences and tax loss carryforwards

	Opening balance	Reported over income statement	Closing balance
<i>Group</i>			
Utilization of tax loss carryforwards	197,799	2,201	200,000
	197,799	2,201	200,000
<i>Parent Company</i>			
Utilization of tax loss carryforwards	198,100	1,900	200,000
	198,100	1,900	200,000

Note 13 Inventories

The aggregate tax assessment value of the properties is SEK 999,481 thousand, of which building value is SEK 841,909 thousand.

The residual value of the properties for tax purposes is 1,525,000 thousand.

Note 14 Shareholders' equity

Group	Share capital	Restricted reserves	Unrestricted equity
Opening balance	57,567	2,298,031	–2,230,746
New issue	115,135	138,161	–
New issue	79,972	87,969	–
Distribution Adcore Cons. AB	–46,054	–99,245	–66,979
Issuing costs	–	–21,282	–
Loss coverage from reserves	–	–2,273,784	2,273,784
Net profit for the year			209,646
Closing balance	206,620	129,850	185,705

Parent Company	Share capital	Premium reserve
Opening balance	57,567	2,273,784
New issue	115,135	138,161
New issue	79,972	87,969
Distribution Adcore Cons. AB	–46,054	–99,968
Issuing costs	–	–21,282
Loss coverage from reserves	–	–2,273,784
Closing balance	206,620	104,880

Parent Company	Legal reserve	Unrestricted equity
Opening balance	24,970	–2,297,725
Group contribution		21,000
Disposition pursuant to AGM resolution		
• Loss coverage from reserves		2,273,784
Net profit for the year		139,857
Closing balance	24,970	136,916

Note 15 Other provisions

Other provisions refers to provisions for disputes or commitments. The size of provisions set aside is equivalent to the Company's best assessment of (a) the probability that such disputes and commitments will result in utilization of the Company's (or its subsidiaries') resources, and (b) the currently estimated cost to settle such dispute or commitment.

Note 16 Convertible loan

The Company has an outstanding loan convertible into new subscription as follows:

Convertible note, SEK 50,000 thousand

May be exchanged for Class B shares with 0.1 vote per share with a nominal value of SEK 5. The conversion price is SEK 11 per share. Conversion may be effected during the period August 15, 2002 until June 18, 202, inclusive. The loan carries interest at a rate of 6.25 per cent p.a.

Note 17 Committed credit facility

	Group	Parent Company
Approved credit limit	15,000	–
Unutilized portion	–15,000	–
Utilized credit amount	–	–

Collateral is reported in Note 19 "Pledged assets for liabilities to credit institutions."

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Note 18 Other liabilities to credit institutions, long-term

	Group	Parent Company
Due date, 1–5 years from year-end	181,960	4,093
Due date, more than 5 years from year-end	1,219,747	–
	1,401,707	4,093

Note 19 Pledged assets for liabilities to credit institutions

	Group	Parent Company
Real estate mortgages	1,864,849	–
Corporate mortgages	5,000	–
Escrow funds	20,062	–
	1,889,911	–

Note 20 Other liabilities, long-term

	Group	Parent Company
Liabilities with due date more than five years from year-end	–	–
Pledged assets for other liabilities		
• Real estate mortgages	23,500	–
	23,500	–

Note 21 Accrued expenses and prepaid income

	Group	Parent Company
Invoiced rent for first quarter 2003	40,301	–
Accrued interest expense	10,093	1,761
Real estate taxes	2,950	–
Estimated stamp tax on acquired property	25,589	–
Other items	5,944	1,312
	84,877	3,073

Note 22 Acquisition of subsidiaries

	1/1/02	1/1/01
	–12/31/02	12/31/01
<i>Acquired assets and liabilities</i>		
Intangible fixed assets	–	230,171
Tangible fixed assets	–	17,538
Acquired properties	460,956	–
Financial assets	3,501	2,181
Operating receivables	4,210	28,716
Liquid funds	14,334	14,764
Total assets	483,001	293,370
Loans	–392,575	–73,415
Operating liabilities	–24,551	–89,356
Total provisions and liabilities	–417,126	–162,771
Purchase money	181,126	130,599
Less: Non-cash issue (entails no payment)	–167,941	–
Purchase money paid	13,185	130,599
Less: Liquid funds in acquired businesses	–14,334	–14,764
Effect on liquid funds (minus=increase)	–1,149	115,835

Stockholm, March 12, 2003

Stefan Dahlbo
Chairman

Lars Evander

Ole Oftedal

Erik Paulsson

Gustaf Hermelin
President and CEO

Our Audit Report was submitted March 13, 2003

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Deloitte & Touche AB

Svante Forsberg
Authorized Public Accountant

Audit Report

To the Annual General Meeting in Klöver AB (publ)

Organization number 556482-5833

We have examined the Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the Presidents of Klöver AB (publ) for the financial year ending December 31, 2002. Responsibility for the accounting records and management rests with the Board of Directors and the President. Our responsibility is to render our opinion on the Annual Accounts, the consolidated financial statements and the management based on our audit.

The audit was performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in such a way as to get reasonable assurance that the Annual Accounts and the consolidated financial statements contain no material errors. The audit procedure includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and the management's application thereof, and forming an opinion of the aggregate information contained in the Annual Accounts and the consolidated financial statements. We have examined significant decisions, actions and circumstances in the company to allow us to form an opinion as to whether any Director or the President is liable for damages to the company, or in any other way has acted contrary to the Companies Act, the Annual Accounts Act or the Articles of Association. We are of the opinion that our audit gives us a reasonable ground for our statements below.

The Annual Accounts and the consolidated financial statements are prepared in accordance with the Swedish Annual Accounts Act and therefore provide a true and fair picture of the Company's and the Group's performance and financial position in accordance with generally accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopts the Statement of Income and the Balance Sheet for the Parent Company and the Group, deals with the profit in the Parent Company in accordance with the recommendation contained in the Administration Report and that the members of the Board of Directors and the Presidents be granted discharge from liability for the financial year.

Stockholm, March 13, 2003

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Deloitte & Touche AB

Svante Forsberg
Authorized Public Accountant

Board of Directors, Management and Auditors

Board of Directors



Stefan Dahlbo, born 1959

Chairman since 2002.

Executive Vice President, Investment AB Öresund.

Other assignments: Hagströmer & Qviberg AB,

Johnson Pump AB, Chairman, HQ Finder AB.

Share ownership in Klöver: 11,000 Class B shares, privately.



Erik Paulsson, born 1942

Director since 2002.

President and CEO, Wihlborgs Fastigheter AB.

Other assignments: Skistar AB, Wihlborgs

Fastigheter AB.

Share ownership in Klöver: 120,000 Class A shares and 502,000 Class B shares, via company.



Lars Evander, born 1947

Director since 2000 (Connecta 1998).

Other assignments: ABCAZ Limited, Connecta AB and Nuffield Nursing Homes Trust.

Share ownership in Klöver: 4,210 Class A shares and 9,000 Class B shares, privately.



Ole Ofteidal, born 1954

Director since 2001.

Other assignments: Connecta AB, Corus Technologies

AB, CGEA Transport AB, i2i Venture AB, Kungsleden

AB, Salus Ansvar AB, Stockholm Chamber of

Commerce and Stream VPN (Ltd).

Share ownership in Klöver: 25,195 Class A shares,

25,000 warrants 1 and 25,000 warrants 2,

privately and via company.

Senior Management



Gustaf Hermelin, born 1956
President and CEO
Employed by Klöver since 2002.
Share ownership in Klöver:
2,845,235 Class B shares,
privately and via company.



Anders Lundquist, born 1963
Chief Financial Officer
Employed by Klöver since 2002.
Share ownership in Klöver:
3,000 Class B shares,
privately.



Thomas Nilsson, born 1951
Real Estate Manager
Employed by Klöver since 2002.
Share ownership in Klöver:
500,751 Class B shares, via
company.



Caesar Åfors, born 1959
Finance Manager
Employed by Klöver since 2002.
Share ownership in Klöver:
861,460 Class B shares and
4 Class A shares, via
company.

Auditors

Ernst & Young AB

Björn Fernström, born 1950
Authorized Public Accountant.
Auditor in the Company since 2000.

Deloitte & Touche AB

Svante Forsberg, born 1952
Authorized Public Accountant.
Auditor in the Company since 2000.

Definitions

Accounting-related

Calculation of ratios

Ratios are based on the average number of shares outstanding and are computed based on weighted averages. For ratios referring to 2002, due consideration was given to reverse split 1:250. In reported ratios after dilution, due consideration was given to the effect of issued warrants. In reported ratios after dilution, due consideration was given to the effect of issued convertible debenture.

Before conversion: The convertible debenture loan has not been converted to shares. This means that the debenture loan is classified as an interest-bearing liability and interest thereon is charged to interest expense.

After conversion: The convertible debenture loan is regarded as fully converted to shares, which means that it is regarded as equity and the number of shares outstanding increases as a consequence of conversion. The cost of interest for the convertible loan is reversed, which means that the net of financial items improves and profit increases.

Return on equity

Profit after taxes in relation to shareholders' equity.

Return on equity before items affecting comparability and taxes

Profit before items affecting comparability and taxes in percent of average equity.

Equity ratio

Reported shareholders' equity in relation to total assets at end of period.

Earnings per share

Profit for the period in relation to average number of shares outstanding.

Visible equity per share

Reported equity in relation to number of shares outstanding at end of period.

Interest coverage ratio

Profit after financial items, plus financial expenses, divided by financial expenses.

Leverage, real estate

Interest-bearing liabilities relating to real estate relative to book value of real estate for resale.

Debt equity ratio

Interest-bearing liabilities relative to equity.

Real-estate-related

Rental revenue

Rent charged, plus surcharges, such as compensation for heat and real estate taxes.

Rental value

Rental revenue, plus estimated market rent for space not rented.

Economic occupancy rate

Rental revenue reported during the period in percent of rental value at the end of the period. Properties acquired during the period are included as if owned during the entire period.

Property category

Principal use of a property with respect to type of premises. A particular property category may therefore contain smaller areas intended for other uses than the principal use.

Direct yield on properties

The operating surplus on properties in percent of book value at end of period.

Real estate expenses

Refers to direct real estate expenses, such as for electricity, water, heat, repairs, maintenance, lessee modifications, site-lease rent and real estate taxes.

Principles for pro forma reporting

In the interest of reflecting Klöver's earnings capacity on a full-year basis after acquisition of the properties from Wihlborgs and StrandFastigheter i Nyköping AB and StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB, pro forma accounting has been compiled. The pro forma accounting shows the level of earnings estimated to be achieved on a full-year basis, given the rental, cost and earnings situation as of December 31, 2002, in combination with Klöver's current balance sheet as of December 31, 2002.

The reporting of current earnings capacity should not be seen as a forecast of the actual outcome for coming years, but rather as an on-the-spot account of current earnings capacity on a full-year basis at year-end 2002.

Ratios and Pro Forma Reporting

Statement of Income

Amounts in MSEK	2002 12 months Jan–Dec	Pro forma Full year
Rental revenue	96.5	258.0
Real estate costs	–35.5	–93.0
Operating surplus	61.0	165.0
Central administration	–4.1	–12.0
Depreciation of equipment	–0.6	–2.0
Items affecting comparability	143.4	0.0
Operating profit	199.7	151.0
Net financial items	–33.6	–90.0
Profit before taxes	166.1	61.0
Taxes	43.5	0.0
Profit after taxes	209.6	61.0

Balance Sheet

Amounts in MSEK	12/31/02
ASSETS	
Fixed assets	
Deferred tax claim	200.0
Equipment	5.4
Intangible fixed assets	0.0
Total fixed assets	205.4
Current assets	
Real estate	1,875.9
Short-term receivables	89.2
Liquid funds	62.9
Total current assets	2,028.0
TOTAL ASSETS	2,233.4
SHAREHOLDERS' EQUITY AND LIABILITIES	
Shareholders' equity	522.2
Provisions	18.7
Interest-bearing liabilities	1,552.0
Accrued expenses and prepaid income	84.9
Accounts payable	36.2
Other liabilities	19.4
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,233.4

Ratios for the Group

	2002 12 months Jan–Dec	Pro forma Full year
Return on equity before items affecting comparability and taxes before conversion, %	7.0	11.9
Return on equity before items affecting comparability and taxes after conversion, %	7.0	11.4
Return on equity before dilution and conversion, %	64.8	11.9
Return on equity after dilution and conversion, %	56.5	11.4
Earnings per share before items affecting comparability and taxes before dilution and conversion, SEK	1.71	1.50
Earnings per share before items affecting comparability and taxes after dilution and conversion, SEK	1.61	1.42
Earnings per share before dilution and conversion, SEK	15.76	1.50
Earnings per share after dilution and conversion, SEK	13.98	1.42
Visible equity per share at end of period before dilution and conversion, SEK	12.64	12.64
Visible equity per share at end of period after dilution and conversion, SEK	12.47	12.47
Equity ratio at end of period before conversion, %	23.4	23.4
Equity ratio at end of period after conversion, %	25.6	25.6
Interest coverage ratio, times	5.9	1.7
Debt-equity ratio, times	3.0	3.0
Leverage, properties, %	83	83
Number of shares outstanding at end of period before dilution and conversion, million	41.3	41.3
Number of shares outstanding at end of period after dilution and conversion, million	45.9	45.9
Average number of shares outstanding before dilution and conversion, million	13.3	41.3
Average number of shares outstanding after dilution and conversion, million	15.1	45.9

Ratios, properties

Rentable area, square meters	389,601
Rental value, MSEK	291
Rental revenue, MSEK	258
Book value, properties, MSEK	1,876
Economic vacancy rate, %	11
Vacancy rate by area, %	14
Direct yield, properties, %	8.8

Specification of properties

Location	Property	Year of construction/ Value year	Residential, square meters	Retail, square meters	Industrial/ warehouse, square meters	Office, square meters	Education, square meters	Other, square meters	Total, square meters	Rental value MSEK	Tax assess- ment value MSEK
Alingsås	Tygväaren 4	1929	—	852	24	318	—	—	1,194	0.9	5.0
Bollnäs	Gärdet 6:4	1983	—	461	967	1,028	—	—	2,456	1.9	6.1
Enköping	S:t Ilian 23:4	1945	162	—	1,530	—	—	—	1,692	1.2	—
Eskilstuna	Eskilshem 1:8	1972	—	3,540	—	—	—	—	3,540	1.3	4.8
Eskilstuna	Nötknäpparen	1956	—	1,899	—	185	—	180	2,264	0.5	1.8
Eskilstuna	Valhalla 2:19	1974	—	—	—	1,872	—	—	1,872	0.8	2.5
Eskilstuna	Valpen 3	1993	—	—	4,134	—	—	—	4,134	4.8	—
Eskilstuna	Vägsålen 24	1936	1,040	77	—	100	2,310	—	3,527	4.2	25.2
Falun	Hattmakaren 15	1979	—	667	—	2,037	—	—	2,704	2.0	11.6
Falun	Hattmakaren 16	1980	—	160	2,305	1,595	—	—	4,060	3.7	14.8
Falun	Kardmakaren 21	1990	5,122	—	46	1,110	—	—	6,278	6.7	30.8
Falun	Sparbanken 7	1929	—	1,094	25	1,087	648	—	2,854	2.1	10.8
Gävle	Brynäs 12:1	1972	—	133	3,962	2,232	—	—	6,327	4.9	—
Halmstad	Kilot 1	1986	—	—	5,612	1,282	—	—	6,894	4.4	—
Heby	Kapellet 23	1973	—	571	—	—	—	—	571	0.4	1.4
Härnösand	Tullen 10	1983	—	—	1,133	2,382	—	—	3,515	3.0	15.0
Kalmar	Fredriksdal	1982	—	—	3,498	—	—	—	3,498	2.7	—
Kalmar	Guldfisken 2	1947	—	—	76	2,953	—	—	3,029	2.6	9.6
Karlsborg	Postiljonen 1&2	1985	—	963	—	253	—	—	1,216	1.0	3.2
Karlskrona	Ingenjören 7	1984	—	—	1,818	—	—	—	1,818	1.8	—
Karlstad	Gångjärnet 2	1964	—	—	3,379	157	—	—	3,536	1.6	3.3
Karlstad	Monitorn 9	1993	—	153	8	3,518	—	—	3,679	4.4	24.7
Karlstad	Skepparen 15	1954	—	—	—	16,413	6,122	—	22,535	18.6	—
Karlstad	Tornadon 2	1975	—	—	12,804	—	—	—	12,804	5.3	17.6
Katrineholm	Nejlikan 13	1951	588	—	1,685	288	—	—	2,561	2.5	—
Kristinehamn	Uroxen 14	1954	—	124	1,707	1,431	—	—	3,262	2.2	8.1
Kristianstad	Kristiansstad 5:56	1972	—	—	1,783	371	—	—	2,154	1.7	—
Köping	Drotten 2	1988	—	—	1,579	2,022	—	—	3,601	3.2	12.9
Linköping	Brevduvan 17	1918	257	—	80	7,396	—	20	7,753	9.2	58.2
Linköping	Glasberget	1990	—	—	381	7,016	1 270	—	8,667	7.1	34.9
Linköping	Guvernören 13	1968/71	—	—	1,077	1,885	—	—	2,962	0.8	5.8
Linköping	Gymnasten 2	1977	—	310	—	1,654	—	—	1,964	1.7	8.2
Luleå	Djuret 3	1983	15	610	6,203	457	—	—	7,285	4.9	—
Luleå	Råttan 18	1953	—	—	1,731	2,617	—	—	4,348	3.6	20.1
Lycksele	Stadshuset 7	1985	—	—	1,678	347	—	50	2,075	1.4	5.5
Mark	Kyrkängen 9	1929	—	653	—	—	—	—	653	0.9	2.6
Norrköping	Bronsen	1971	—	—	4,872	3,362	890	—	9,124	3.6	19.3
Norrköping	Rotfjärilen	1992/93	—	—	1,994	3,763	—	—	5,757	8.5	13.6
Norrköping	Stålet	1969	—	—	10,131	—	—	—	10,131	2.3	—
Norrköping	Svärdet	1967	—	365	40	7,342	—	—	7,747	7.5	32.4
Norrälje	Järnlodet 15	1951/73/92	161	—	1,526	1,790	—	75	3,552	3.0	—
Norrälje	Pelikanen 8	1969	100	1,085	35	4,343	—	—	5,563	5.4	27.4

Specification of properties

Location	Property	Year of construction/ Value year	Residential, square meters	Retail, square meters	Industrial/ warehouse, square meters	Office, square meters	Education, square meters	Other, square meters	Total, square meters	Rental value MSEK	Tax assess- ment value MSEK
Nyköping	Bagaren 20	1962	–	775	2	1,155	–	–	1,932	1.5	6.3
Nyköping	Brandholmen 1:9	1962	–	–	7,506	443	–	–	7,949	2.5	4.8
Nyköping	Fabrikatet 1,4,5	1980	–	–	1,004	–	3,545	–	4,549	3.1	8.1
Nyköping	Fors 11	1946/59/49/87/69	–	250	2,780	8,056	137	–	11,223	8.9	41.6
Nyköping	Furan 2	special unit	–	–	79	–	2,776	–	2,855	2.4	–
Nyköping	Kompaniet 29	1986	–	–	29	1,804	–	–	1,833	1.8	8.3
Nyköping	Lansen 13, 4	1977/91	–	–	567	5,282	–	–	5,849	4.7	24.1
Nyköping	Ana 11, Spanten 7	1940/50/65/71/78/87	–	–	31,543	12,136	3,655	–	47,334	20.9	70.3
Nyköping	Nyköpings Bruk 7	1991	–	–	–	1,880	–	–	1,880	1.7	8.5
Nyköping	Riksbanken 5	1991	–	–	72	2,199	–	–	2,271	2.1	10.1
Nyköping	Skölden 2	1989	–	–	–	1,481	–	–	1,481	1.3	6.0
Nyköping	Spelhagen 1:7	1929	–	–	5,052	366	–	–	5,418	1.8	4.2
Nyköping	Spinnerskan 2	1969	–	–	4,210	–	–	–	4,210	2.1	3.1
Nyköping	Stensötan 5	1973	–	3,285	1,488	300	–	–	5,073	3.0	6.4
Nyköping	Stockrosen 7	1940	–	–	1,480	195	418	–	2,093	0.8	1.7
Nyköping	Säven 4	special unit	–	–	1,853	–	–	–	1,853	3.6	–
Nässjö	Brevet 1	1980	–	1,155	2,856	600	–	–	4,611	2.3	–
Nässjö	Posten 1	1955	99	89	1,057	1,908	–	–	3,153	2.1	8.6
Oxelösund	Björken 11	1959	2,009	711	75	–	640	75	3,510	2.7	9.3
Sandviken	Säterjätten 3	1987	–	–	933	–	–	–	933	0.9	–
Simrishamn	Samskolan 2	1985	–	258	–	267	–	–	525	0.7	1.7
Sundsvall	Borgmästaren 10	1956	–	–	1,270	3,901	–	–	5,171	5.2	31.4
Torsby	Vasserud 3:13	1975	–	–	3,334	–	–	–	3,334	0.6	4.4
Uddevalla	Ran 6	1980	–	250	1,246	806	–	–	2,302	1.4	–
Umeå	Stigbygel'n 2	1973	–	–	3,959	–	–	–	3,959	3.1	–
Umeå	Vale 6	1974	–	132	3,051	254	–	968	4,405	4.0	30.5
Uppsala	Boländerna 21:4	1968	–	388	1,861	6,280	–	–	8,529	6.0	29.2
Uppsala	Boländerna 21:5	1998	–	3,384	–	–	–	–	3,384	3.3	27.7
Uppsala	Kungsängen 10:1	1920/66	1,084	781	2,661	4,151	–	–	8,677	10.6	57.8
Uppsala	Kvarngärdet 30:2	1964	–	3,602	–	505	–	–	4,107	3.7	25
Vetlanda	Lejonet 14	1959	663	511	120	586	–	–	1,880	1.1	4.7
Värnamo	Tre Liljor	1978	–	1,016	–	242	–	–	1,258	1.1	5.0
Västervik	Bryggaren 18	1911	231	65	1,553	655	–	–	2,504	1.9	9.3
Västerås	Kol 13	1955	94	224	2,858	1,258	–	–	4,434	4.6	19.3
Ystad	Mejeriet 7	1972	–	–	1,097	–	–	–	1,097	0.6	–
Ängelholm	Samskolan 5	1953	–	–	2,091	355	–	–	2,446	2.0	10.4
Örebro	Kitteln 11	1964	596	5,055	70	5,062	–	1,644	12,427	16.5	84.5
Östersund	Snäckan 25	1985	–	–	2,088	1,908	–	–	3,996	3.6	–
Total			12,221	35,648	167,668	148,641	22,411	3,012	389,601	290.5	999.5

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