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PRESS RELEASE 2021-03-29

## Corem announces a public offer to shareholders in Klöver with intent to merge the two companies

Corem Property Group AB (publ) ("**Corem**") hereby announces a public offer to the shareholders of Klöver AB (publ) ("**Klöver**") to acquire all outstanding ordinary shares of class A, ordinary shares of class B and preference shares in Klöver in exchange for newly issued shares in Corem (the "**Offer**"). The Offer equals a consideration of approximately SEK 16.5 per ordinary share and SEK 323.0 per preference share in Klöver at the time of the Offer, based on the closing prices of each company's ordinary shares of class A and class B, and preference shares, as of 26 March 2021. Klöver's ordinary shares of class A and class B as well as preference shares are listed on Nasdaq Stockholm, Large Cap. Corem's ordinary shares of class A and class B as well as preference shares are listed on Nasdaq Stockholm, Mid Cap. The proposed merger of Corem and Klöver is expected to create significant value for all shareholders.

### Summary of the Offer

- The proposed merger of Corem and Klöver, through the acquisition of Klöver by Corem, is expected to create significant value for all stakeholders, by way of operational and financial synergies. Through the merger, the new group's property portfolio will consist of 517 properties valued at approximately SEK 71.5 billion.<sup>1</sup>
- The total value of the Offer amounts to SEK 19,479 million, equal to approximately SEK 16.5 per ordinary share and SEK 323.0 per preference share in Klöver at the time of the Offer, based on the closing prices of each company's ordinary shares of class A and class B, and preference shares as of 26 March 2021.<sup>2</sup>
- Corem offers the shareholders in Klöver the following:
  - holders of ordinary shares of class A in Klöver: 0.88<sup>3</sup> newly issued ordinary shares of class A in Corem for each ordinary share of class A in Klöver,<sup>4</sup>
  - holders of ordinary shares of class B in Klöver: 0.86<sup>5</sup> newly issued ordinary shares of class B in Corem for each ordinary share of class B in Klöver,<sup>6</sup> and
  - holders of preference shares in Klöver: 1.12 newly issued ordinary shares of class D in Corem for each preference share in Klöver.<sup>7</sup> As an alternative consideration, preference shareholders may choose to receive 1.00 newly issued preference share in Corem for each preference share in Klöver.<sup>8</sup>

<sup>1</sup> Based on published financial information as of 31 December 2020.

<sup>2</sup> When calculating the total bid value, shares in Klöver which are owned by Corem and shares repurchased by Klöver have not been included.

<sup>3</sup> The value SEK 16.5 per ordinary share is used to calculate the exchange ratios rounded to two decimals, based on the closing prices per 26 March 2021.

<sup>4</sup> The offered price will not be adjusted for dividends which have already been resolved upon: SEK 0.13 per class A and class B shares in Klöver with record date 31 March 2021 or for proposed dividend of SEK 0.65 per class A and class B shares in Corem, with record date 3 May 2021. The offered consideration will be adjusted if Klöver or Corem makes additional dividends or other value transfer to the shareholders before settlement has taken place in relation to Offer, and will consequently be reduced by a corresponding amount per share for each such dividend or value transfer made by Klöver, or increased by a corresponding amount per share for each such dividend or value transfer made by Corem.

<sup>5</sup> See note 3 above.

<sup>6</sup> See note 4 above.

<sup>7</sup> If a dividend is resolved on ordinary shares, ordinary shares of class D will entitle the holder to a total of fifty (50) times the total dividend of ordinary shares of class A and class B, up to a maximum of SEK 20 annually per ordinary share of class D. Ordinary shares of class D offered to preference shareholders in Klöver shall entitle to quarterly dividends starting from July, 2021.

<sup>8</sup> The offered price will not be adjusted for dividends of SEK 5.00 per preference share in Klöver and SEK 5.00 per preference share in Corem with record dates 31 March 2021. The offered consideration will be adjusted if Klöver or Corem makes additional dividends or other value transfer to the shareholders before settlement has taken place in relation to Offer, and will consequently be reduced by a corresponding amount per share for each such dividend or value transfer made by Klöver, or increased by a corresponding amount per share for each such dividend or value transfer made by Corem.

- The Offer represents a premium of:
  - For ordinary shares of class A: 28.1 per cent premium based on the closing prices for the companies' respective ordinary shares of class A on 26 March 2021, which was the last trading day before the announcement of the Offer; and 27.8 per cent premium based on the volume-weighted average prices of the companies' respective ordinary shares of class A during the last 20 trading days prior to the announcement of the Offer;
  - For ordinary shares of class B: 27.1 per cent premium based on the closing prices for the companies' respective ordinary shares of class B on 26 March 2021, which was the last trading day before the announcement of the Offer; and 26.6 per cent premium based on the volume-weighted average prices of the companies' respective ordinary shares of class A during the last 20 trading days prior to the announcement of the Offer;
  - For preference shares that are tendered for ordinary shares of class D in Corem a premium is not calculated as ordinary shares of class D are not yet issued and listed on Nasdaq Stockholm. For preference shares that are tendered for preference shares in Corem: 0.2 per cent premium based on the closing prices of the companies' respective preference shares on 26 March 2021, which was the last trading day before the announcement of the Offer; and 1.2 per cent premium based on the volume-weighted average prices of the respective companies' preference shares during the last 20 trading days prior to the announcement of the Offer.
- The completion of the Offer is conditional upon, inter alia, that Corem becomes the owner of more than 90 per cent of the shares in Klöver, that the Annual General Meeting in Corem resolves on the necessary authorisations to enable the issuance of new shares in Corem to be paid as consideration in the Offer, and that the acquisition is approved by relevant competition authorities.
- On the day of the announcement of the Offer, Corem owns 11,875,000 ordinary shares of class A and 161,750,000 ordinary shares of class B, corresponding to approximately 16.6 per cent of the outstanding share capital and 15.4 per cent of the outstanding votes in Klöver. Corem does not own or control any additional financial instruments with financial exposure similar to shareholdings in Klöver. Except for subscription of new shares in Klöver's rights issue in December 2020, Corem has not acquired any shares or any other financial instruments in Klöver during the last six months prior to the announcement of the Offer.
- M2 Asset Management AB and Gårdarika AB, together representing 27.2 per cent of the outstanding share capital and 44.0 per cent of the outstanding votes in Klöver<sup>9</sup>, have irrevocably undertaken to accept the Offer and subscribe for ordinary shares of class D in Corem as consideration for their preference shares in Klöver.
- In total, Corem has through the irrevocable undertakings from shareholders in Klöver to accept the Offer and through Corem's own holdings in Klöver, secured approximately 43.7 per cent of the outstanding share capital and 59.4 per cent of the outstanding votes in Klöver.
- M2 Asset Management AB and Gårdarika AB, together representing approximately 67.7 per cent of the outstanding share capital and 71.4 per cent of the outstanding votes in Corem have undertaken to vote in favour of the Offer at the Annual General Meeting in Corem. In addition to these undertakings, additional shareholders in Corem collectively representing, including M2 Asset Management AB and Gårdarika AB, 71.9 per cent of the outstanding share capital and 75.7 per cent of the outstanding votes in Corem, have expressed their support for the transaction and their intention to vote in favour of resolutions on the Offer at the Annual General Meeting in Corem.
- Provided that the Offer is completed, M2 Asset Management AB's direct and indirect holdings in Corem will amount to approximately 28.5 per cent of the outstanding share capital and approximately 29.0 per cent of the outstanding votes in Corem.<sup>10</sup>

<sup>9</sup> Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.

<sup>10</sup> Provided that all shareholders in Klöver accepts the Offer and that all preference shareholders in Klöver, which have not already irrevocably undertaken to receive ordinary shares of class D, choose to receive ordinary shares of class D in Corem. If all preference shareholders in Klöver which have not already irrevocably undertaken to receive preference shares in Corem as consideration, the equivalent holdings of M2 Asset Management AB amounts to 28.6 per cent of the outstanding share capital and 29.0 per cent of the outstanding votes in Corem. Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.

- Provided that the Offer is completed, Gårdarike AB's direct and indirect holdings in Corem will amount to approximately 15.0 per cent of all shares and approximately 29.2 per cent of all outstanding votes in Corem.<sup>11</sup>

An offer document describing the Offer is estimated to be published around 10 May 2021. The acceptance period for the Offer is estimated to start on or around 11 May 2021 and end on or around 8 June 2021.

**Patrik Essehorn, Chairman of the Board of Corem, comments:**

*"By combining Corem's strong logistics property portfolio with Klöver's concentration of office properties, we are creating one of the Nordic region's largest real estate companies with a broadened product and customer offering. The merger enables Klöver's shareholders with the opportunity to be part of joint future value creation, with a combination of strong cash flows, a broad project portfolio and a strengthened customer base, while the transaction creates synergies that are estimated at approximately SEK 200 million annually. The market cap of the merged company is expected to increase the attention of both Swedish and foreign investors and create conditions for an improved credit profile with the aim of obtaining a rating equal to investment grade. In addition, a business-driven and experienced organization is created through the new company group."*

## Background and reasons for the proposed merger

Corem has been one of Klöver's largest shareholders since 2008. Corem's holdings on the day of the Offer amounts to 11,875,000 ordinary shares of class A and 161,750,000 ordinary shares of class B, amounting to approximately 16.6 per cent of the outstanding share capital and 15.4 per cent of the outstanding votes in Klöver. Due to Corem's large holdings, Corem exercises corporate governance by its representation in the Nomination Committee as well as in the Board of Directors of Klöver.

The proposed merger of Corem and Klöver is expected to create significant value for all stakeholders.

### Creation of a leading Nordic real estate company

A merger of Corem and Klöver (the "**Combined Company**") creates one of the largest listed real estate companies in the Nordic region, by combining Corem's portfolio of logistics properties with Klöver's broader real estate portfolio with a focus on offices. The Combined Company will have a continued focus on growth regions, both in Sweden and internationally, while enabling a consolidation of the companies' property portfolios, both of which are located in attractive metropolitan areas. In addition, the Combined Company will receive strong cash flows, a broad product and customer offering, and geographically complementary operations. The merger would create a balanced property portfolio with good complementing qualities, as well as project development with good growth and return potential. The size of the Combined Company is expected to lead to increased interest from both Swedish as foreign investors.

### Significant synergies and broadened customer offerings

The merger of the companies creates an even stronger market position where a broader customer offering, diversified properties and project development portfolios leads to a stronger customer base as a result. The companies' well renowned competencies within property management, property transactions and project development are overlapping in a beneficial way. The Combined Company will remain focused on sustainability, proximity to the customer and proactive management, which is well within the companies' current competences and strengths. In total, the annual synergies with effect on the profit from property management are expected to amount to approximately SEK 200 million, mainly due to financial synergies.

### Strengthened financial profile to enable investment grade in the long term

Corem believes that the Combined Company, with a larger and more diversified asset base, enables for an improved credit profile and strengthened balance sheet. Furthermore, it is Corem's opinion that a larger company, with properties located in several additional growth regions, with a diversified customer offering, which enhances risk diversification, will reduce financial risk. Long-term, Corem believes that the above-mentioned benefits will enable the Combined Company to receive a credit rating corresponding to investment grade, and thus achieve even lower financing costs.

<sup>11</sup> Provided that all shareholders in Klöver accept the Offer and that all preference shareholders in Klöver, which have not already irrevocably undertaken to receive ordinary shares of class D, choose to receive ordinary shares of class D in Corem. If all preference shareholders in Klöver which have not already irrevocably undertaken to receive preference shares in Corem as consideration, the equivalent holdings of Gårdarike AB amounts to 15.0 per cent of the outstanding share capital and 29.2 per cent of the outstanding votes in Corem. Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.

### Clearer ownership structure and corporate governance

By eliminating the current cross-ownership in the companies, the ownership structure will become clearer. Furthermore, a merger of the companies would create a group with business driven and well experienced management, with broad competence from different markets, as well as organisations which will complement each other well.

### Improved capital market profile and access to capital

A merger of the companies is expected to improve the analyst coverage and liquidity of Corem's shares, which are drivers for continued investor engagement. Corem is further of the opinion that the Combined Company would have an enhanced opportunity to reach international capital markets. Assuming the Offer is completed, the Combined Company's net asset value per ordinary share of class A and class B will amount to SEK 26<sup>12</sup> as of 31 December 2020. According to Corem, this will, together with the other stated reasons, create conditions for increased value growth for Corem's and Klövern's shareholders over time, from current levels of SEK 22.22 and SEK 19.87, respectively, per share.

## The Offer

The Offer corresponds to a consideration of approximately SEK 16.5 per ordinary share and SEK 323.0 per preference share in Klövern at the time of the Offer, based on the closing prices for each company's ordinary shares of class A and class B, and preference shares as of 26 March 2021, which was the last trading day before the announcement of the Offer.

Corem offers to the shareholders of Klövern the following:

- For each ordinary share of class A in Klövern (not already owned by Corem): 0.88<sup>13</sup> newly issued ordinary shares of class A in Corem;<sup>14</sup>
- For each ordinary share of class B in Klövern (not already owned by Corem): 0.86<sup>15</sup> newly issued ordinary shares of class B in Corem;<sup>16</sup>
- For each preference share in Klövern: 1.12 newly issued ordinary shares of class D in Corem.<sup>17</sup> As an alternative consideration, preference shareholders in Klövern may choose to receive 1.00 newly issued preference shares in Corem for each preference share in Klövern (which at the time of the announcement of the Offer equals a price of SEK 323.0 per preference share in Klövern).<sup>18</sup>

Brokerage commission will not be charged in the Offer.

The Offer represents a premium of:

- For ordinary shares of class A: 28.1 per cent premium based on the closing prices of each company's ordinary shares of class A on 26 March 2021, which was the last trading day before the announcement of the Offer; and 27.8 per cent based on the volume-weighted average prices paid for each company's ordinary shares of class A during the last 20 trading days prior to the announcement of the Offer;
- For ordinary shares of class B: 27.1 per cent based on the closing prices of each company's ordinary shares of class B on 26 March 2021, which was the last trading day before the announcement of the Offer; and 26.6 per cent based on the volume-weighted average prices paid for each company's ordinary shares of class B during the last 20 trading days prior to the announcement of the Offer;
- For preference shares for which consideration is received in the form of ordinary shares of class D: a calculation of the premium is not available since no ordinary shares of class D have yet been issued and admitted to trading on Nasdaq Stockholm. For preference shares for which consideration is received in the form of preference shares in Corem: 0.2 per cent premium based on the closing prices for each company's preference shares on 26 March 2021, which was the last trading day before the announcement of the Offer; and 1.2 per cent premium based on the volume-weighted average prices paid for each company's preference shares during the last 20 trading days prior to the announcement of the Offer.

<sup>12</sup> Based on hypothetical estimates and should not be viewed as pro forma financial information.

<sup>13</sup> See note 3 above.

<sup>14</sup> See note 4 above.

<sup>15</sup> See note 5 above.

<sup>16</sup> See note 6 above.

<sup>17</sup> See note 7 above.

<sup>18</sup> See note 8 above.

### *Rights associated with the shares*

The ordinary shares of class A and class B in Corem carry the same rights as the ordinary shares of class A and class B in Klöver, i.e. each ordinary share of class A entitles the holder to one (1) vote and each ordinary share of class B entitles the holder to one tenth (1/10) of a vote. The preference shares in Corem and Klöver also carry corresponding rights such as the right to preference dividend and one tenth (1/10) of a vote. Ordinary shares of class D in Corem will have corresponding rights, such as entitle the holder to dividend and one tenth (1/10) of a vote.

Preference shares in Corem have preferential rights over the ordinary shares – including over ordinary shares of class D - in Corem with regard to dividends. If dividend is to be paid on ordinary shares, the ordinary shares of class D will be entitled to a total of fifty (50) times the total dividend on the ordinary shares of class A and B annually, however, not more than SEK 20 per ordinary share of class D per year. The ordinary shares of class D that are offered to Klöver's shareholders shall entitle to the right to receive quarterly dividend from July 2021.

### *Fractions*

Only whole ordinary shares of class A, B and D or preference shares in Corem will be issued to shareholders in Klöver that accept the Offer. Fractions of shares will be added together and sold on the market and the net income will be distributed among the affected shareholders in Klöver.

### *The total value of the Offer*

The total number of shares in Klöver amounts to 1,138,697,289 shares distributed over 85,471,753 ordinary shares of class A, 1,036,781,536 ordinary shares of class B and 16,444,000 preference shares. At the time of the announcement of the Offer, Corem owns 11,875,000 ordinary shares of class A and 161,750,000 ordinary shares of class B in Klöver. Klöver has repurchased 90,956,740 of its ordinary shares of class B. The Offer includes a total of 73,596,753 ordinary shares of class A, 784,074,796 ordinary shares of class B and 16,444,000 preference shares that are not already owned by Corem or Klöver.

The total value of the Offer amounts to SEK 19,479 million, corresponding to a consideration of approximately SEK 16.5 per ordinary share and SEK 323.0 per preference share in Klöver at the time of the Offer, based on the closing prices for each company's ordinary shares of class A and class B, and preference shares as of 26 March 2021. When calculating the total bid value, shares that Corem own in Klöver and shares repurchased by Klöver have not been taken into account. The value of the Offer may change if the market price of the shares in Corem offered as consideration changes after the announcement of the Offer.

### *Dilution*

Assuming full subscription to the Offer and that all preference shareholders in Klöver choose to receive ordinary shares of class D in Corem, the number of outstanding shares in Corem, based on Klöver's shareholder structure as of 26 March 2021, will amount to 1,104,281,252 shares distributed over 94,361,335 ordinary shares of class A, 987,902,638 ordinary shares of class B, 18,417,280 ordinary shares of class D and 3,600,000 preference shares. Assuming full subscription to the Offer and that all holders of preference shares in Klöver, which have not irrevocably undertaken to receive ordinary shares of class D<sup>19</sup>, instead choose to receive preference shares in Corem, the total number of shares in Corem, based on Klöver's shareholder structure as of 26 March 2021, will amount to 1,102,398,015 shares distributed over 94,361,335 ordinary shares of class A, 987,902,638 ordinary shares of class B, 840,402 ordinary shares of class D and 19,293,641 preference shares.

At full subscription to the Offer, current shareholders in Klöver will own shares corresponding to approximately 68.6<sup>20</sup> per cent of the outstanding share capital and approximately 68.6 per cent of the outstanding votes in Corem and current shareholders in Corem will own approximately 31.4<sup>21</sup> per cent of the outstanding share capital and approximately 31.4 per cent of the outstanding votes in Corem. The dilution for Corem's current shareholders thus amounts to approximately 68.6 per cent of the outstanding share capital and approximately 68.6 per cent of the outstanding votes.

<sup>19</sup> M2 Asset Management AB (publ) and subsidiaries, and Gårdariki AB and subsidiaries have irrevocably undertaken to choose ordinary shares of class D in Corem as consideration for their preference shares in Klöver.

<sup>20</sup> Depending on the ratio of ordinary shares of class D and preference shares that will be issued in the Offer, the proportion will amount to minimum 68.5 per cent and maximum 68.6 per cent

<sup>21</sup> Depending on the ratio of ordinary shares of class D and preference shares that will be issued in the Offer, the proportion will amount to minimum 31.4 per cent and maximum 31.5 per cent

### *Conditions for completion of the Offer*

The completion of the Offer is conditional upon that:

1. it is accepted to the extent that Corem becomes owner to more than 90 per cent of the shares in Klöver; and
2. the Annual General Meeting of the shareholders in Corem resolves, with the required majority, on the necessary resolutions, to enable the issuance of new ordinary shares of class A, B and new class D, as well as preference shares in connection to the Offer;
3. the newly issued ordinary shares of class D in Corem are approved for admission to trading on Nasdaq Stockholm;
4. with respect to the Offer and the acquisition of Klöver, all necessary regulatory, governmental or similar clearances, approvals and decisions, including approvals from competition authorities, have been obtained, in each case on terms which, in Corem's opinion, are acceptable;
5. another public offer to acquire shares in Klöver is not published on terms that are more favourable to Klöver's shareholders than the terms of the Offer;
6. neither the Offer nor the acquisition of Klöver, wholly or partly, is prevented or significantly impeded due to legislation or other regulations, court ruling or order, authority decisions, or any similar circumstance which is present or can reasonably be expected, that is outside of Corem's control and which Corem could not reasonably have foreseen at the time of the announcement of the Offer;
7. no circumstances have occurred that Corem was unaware of at the time of the publication of the Offer, which may have a material adverse effect, or can reasonably be expected to have a material adverse effect, on Klöver's financial position or business, including Klöver's rental income, earnings, liquidity, equity / assets ratio, equity or assets;
8. no information published by Klöver or provided by Klöver to Corem is materially incorrect, incomplete or misleading, and that Klöver has published all information that is due to have been published; and
9. Klöver does not take any measures which are likely to impair the prerequisites for making or completing the Offer.

Corem reserves the right to withdraw the Offer in the event it becomes clear that any or all of the above conditions are not satisfied or cannot be satisfied. However, with regard to condition 2-9 the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Corem's acquisition of the shares in Klöver.

Corem reserves the right to fully or partially waive one or more or all of the above conditions and, with respect to condition 1, to complete the Offer at a lower level of acceptance.

### *Acceptance level in the Offer*

The Completion of the Offer is conditional upon, inter alia, the Offer being accepted to such extent that Corem becomes the owner of shares representing more than 90 per cent of the shares in Klöver. As mentioned above, Corem reserves the right to complete the Offer at a lower level of acceptance.

### **Corem in brief**

Corem is a Swedish public limited company based in Stockholm. Corem's ordinary shares of class A and B as well as preference shares are admitted to trading on Nasdaq Stockholm, Mid Cap, under ticker symbols "CORE A", "CORE B" and "CORE PREF". See also [www.corem.se](http://www.corem.se).

Corem is a real estate company that owns, manages and develops warehouse, logistics, industrial and commercial properties in central and southern Sweden and in Denmark, with the ambition to be a leader in properties for city logistics in selected regions. An important part of the company's strategy is to manage the properties with its own personnel, proximity to tenants and deep market knowledge. Corem has a long-term perspective in its property ownership and strives to be a business partner that creates opportunities for tenants to grow and develop within Corem's property portfolio.

The property portfolio is concentrated to locations in the vicinity of cities with good accessibility and growth. As of 31 December 2020, the property portfolio consisted of 167 properties with a total lettable area of 986 thousand sq. m and real value of the property portfolio of approximately SEK 14 billion. As of 31 December 2020, the rental value was determined to SEK 970 million and at the same time, the economic occupancy rate was 93 per cent. In addition, Corem owns shares in the listed real estate companies Klöver and Castellum valued at SEK 4,347 million



as of 31 December 2020. Corem's net asset value amounted to SEK 22.22 per ordinary share as of 31 December 2020.

## Klövern in brief

Klövern is a Swedish public limited company based in Stockholm. Klövern's ordinary shares of class A and B as well as preference shares are admitted to trading on Nasdaq Stockholm, Large Cap, under the ticker symbols "KLOV A", "KLOV B" and "KLOV PREF". See also [www.klovern.se](http://www.klovern.se).

Klövern is a real estate company which through proximity and commitment offers attractive premises and actively contributes to urban development in growth regions. The company's vision is to create attractive and sustainable environments for companies, individuals and societies of the future. Klövern owns, manages and develops office properties and commercial properties in Sweden, Denmark and in New York, USA.

Klövern's property portfolio as of 31 December 2020 consisted of 350 properties. The total lettable area was 2,551 thousand sq. m with a real value of the property portfolio of approximately SEK 57.4 billion. As of 31 December 2020, the rental value was determined to approximately SEK 3.8 billion and at the same time, the economic occupancy rate was 87 per cent. Klövern's net asset value amounted to SEK 19.87 per ordinary share as of 31 December 2020.

## The Combined Company

### *Preliminary combined information regarding the property portfolio*

A merger of the two companies, having property portfolios with characteristics that complement each other well and with overlapping geographies, will create one of the largest listed commercial real estate companies in the Nordic region. The property portfolio will amount to 517 properties and have a high geographical diversification with continued emphasis in Stockholm. The Combined Company would continue to focus on strong growth regions, both in Sweden and internationally. The lettable area will amount to 3,537 thousand sq. m and the property types office and warehouse/logistics, respectively, will account for approximately 40 per cent each of the total lettable area of the Combined Company. Together, this means that the Combined Company would have a balanced property portfolio with portfolio characteristics that complement each other over a business cycle, as well as project development business with good growth and return potential. The Combined Company will have a clear sustainability focus, where a long-term perspective and sustainable environments for the future will be central.

### *Preliminary combined financial information*

The preliminary combined financial information presented in this press release and in the table below is for illustrative purposes only. The preliminary combined financial information has not been prepared in accordance with IFRS and is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting policies or definitions of non-IFRS measures have not been taken into account. Financial information for Corem and Klövern has been based on unaudited financial figures for the period 1 January – 31 December 2020. The preliminary financial information is based on hypothetical estimates and should not be viewed as pro forma financial information.

The Combined Company is estimated to have income of SEK 4.2 billion and an operating profit of SEK 2.9 billion based on financial figures for the period 1 January – 31 December 2020. The property portfolio will have a market value of SEK 71.5 billion and the net asset value per ordinary share of class A and class B is estimated to amount to approximately SEK 26 based on figures as of 31 December 2020.

31 December 2020 (SEKM)	Corem	Klövern	The Combined Company
Income.....	894	3,294	4,188
Net operating income.....	668	2,194	2,862
Market value properties.....	14,002	57,448	71,450
Equity.....	7,277	22,757	27,228
Interest-bearing liabilities.....	9,596	33,036	42,632

Financial proforma information will be included in the offer document and may differ substantially from the combined financial information presented in this press release.

### *Synergies*

The proposed merger of Corem and Klövern is expected to create significant value for all stakeholders through the synergies that arise through the coordination of the companies' operations. Corem believes the Combined Company will have a stronger brand name and a more diversified customer offering compared to Corem's and Klövern's stand-alone businesses. In total, the annual synergies, with effect on profit for property management, are estimated to SEK 200 million.

**Revenue synergies:** In total, annual revenue synergies are expected to SEK 30 million with effect on profit from property management and are expected to reach full effect within three years. The revenue synergies are expected to emerge both by utilizing complementary knowledge and expertise and through wider product and customer offering. With leading expertise in property management and a property portfolio that can cater to a broader demand, regarding types of premises as well as geographical location, the Combined Company is expected to reach a lower vacancy rate and a higher rate of extended customer relationships since customers' needs can be met to a greater extent.

**Opex-synergies:** In total, annual opex-synergies are expected to SEK 40 million before taxes and are expected to reach full effect within two years. The operational synergies are expected to arise through overlapping knowledge and expertise in different areas and through reduced central administration in the Combined Company.

**Financial synergies:** In total, annual financial synergies are expected to SEK 130 million before tax and are expected to reach full effect within two years. The financial synergies are expected to be achieved through the Combined Company, with its diversified asset classes; Corem's strong cash flows; complementary geographies; strengthened customer base, brand and market position as well as increased investor interest in Sweden and internationally, creating the conditions for a strengthened balance sheet and long-term improved credit profile. Furthermore, the introduction of an ordinary share class D will have additional positive effect on the Combined Company's credit profile. Additionally, the above-mentioned benefits will enable conditions for the Combined Company to move towards a credit rating corresponding to investment grade and thus achieve an even lower financing cost.

### *Ownership structure*

The following table illustrates the ownership of the Combined Company assuming full subscription to the Offer and based on data from the ownership database Holdings per 26 March 2021.

Shareholders	All preference shareholders in Klövern choose to receive ordinary shares of class D in Corem		All preference shareholders in Klövern that have not already decided choose to receive preference shares in Corem <sup>1</sup>	
	% Votes	% Capital	% Votes	% Capital
Gårdarike AB <sup>2</sup>	29.2%	15.0%	29.2%	15.0%
M2 Asset Management AB <sup>2</sup>	29.0%	28.5%	29.0%	28.6%
Länsförsäkringar Fonder	4.3%	6.9%	4.3%	6.9%
Handelsbanken Fonder	3.0%	5.2%	3.0%	5.2%
Norges Bank	1.2%	1.5%	1.2%	1.5%
<b>Top 5 shareholders</b>	<b>66.6%</b>	<b>57.2%</b>	<b>66.6%</b>	<b>57.3%</b>
Other shareholders	33.4%	42.8%	33.4%	42.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Corem's shareholders</i>	<i>31.4%</i>	<i>31.4%</i>	<i>31.4%</i>	<i>31.5%</i>
<i>Klövern's shareholders</i>	<i>68.6%</i>	<i>68.6%</i>	<i>68.6%</i>	<i>68.5%</i>

1) M2 Asset Management AB and Gårdarike AB have irrevocably undertaken to choose ordinary shares of class D as consideration for their preference shares in Klövern.

2) Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.



## Undertakings from shareholders in Klöver

M2 Asset Management AB and Gårdarike AB, together, direct and indirect, representing 27.2 per cent of the outstanding share capital and 44.0 per cent of the outstanding votes in Klöver<sup>22</sup> have entered into irrevocable undertakings to accept the Offer and only subscribe for ordinary shares of class D in Corem as consideration for their preference share holdings in Klöver.

In total, Corem has through the irrevocable undertakings from shareholders in Klöver to accept the Offer and through Corem's already existing holdings, secured approximately 43.7 per cent of the outstanding share capital and 59.4 per cent of the outstanding votes in Klöver.

## Approval from competition authorities, etc.

The Offer and the acquisition of Klöver are conditioned upon that all necessary regulatory, governmental or similar clearances, approvals and decisions, including approval from the Swedish Competition Authority, have been obtained, in each case on terms which, in Corem's opinion, are acceptable.

Corem reserves the right to withdraw the Offer in the event it becomes clear that the above condition is not satisfied or cannot be satisfied. However, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to the acquisition.

## Conflicts of interest and closely related parties, etc.

Rutger Arnhult through M2 Asset Management AB (publ) and subsidiaries owns 157,158,716 shares in Klöver<sup>23</sup> and 179,376,768 shares in Corem. On 25 March 2021, Rutger Arnhult resigned from his post as CEO of Klöver and from his posts as board member of Corem and Klöver, respectively. Rutger Arnhult has neither before 25 March 2021 or thereafter participated in Corem's or Klöver's proceedings and decision making in matters related to the Offer. M2 Asset Management AB (publ) and subsidiaries have entered into irrevocable undertakings for the benefit of Corem to accept the Offer and to vote in favour of the issuance of the consideration shares in the Offer at Corem's Annual General Meeting.

Eva Landén is CEO of Corem and board member of Klöver. In accordance with the Takeover rules for Nasdaq Stockholm and Nordic Growth Market (the "Takeover Rules"), Eva Landén has not participated and will not participate in Klöver's proceedings and decision making in matters related to the Offer. The Board of Klöver has therefore established an independent bid committee consisting of Pia Gideon, Ulf Ivarsson and Johanna Fagrell Köhler to handle issues related to the Offer.

Christina Tillman is a board member of Corem and has not participated in Corem's processing of matters related to the Offer, as a closely related party to her is a board member of M2 Asset Management AB (publ), which in addition has entered into an irrevocable undertaking to accept the Offer, as described above.

In light of the above-mentioned relationships, Corem will comply with section III of the Takeover Rules. This means that the acceptance period of the Offer must run for at least four weeks. Furthermore, Klöver's Board must collect and publish a valuation statement (so called "fairness opinion") drafted by independent expertise regarding the shares of Klöver and valuation of the consideration shares, no later than two weeks prior to the end of the acceptance period.

## Corem's holdings in Klöver

On the day of the announcement of the Offer, Corem owns 11,875,000 ordinary shares of class A and 161,750,000 ordinary shares of class B, corresponding to approximately 16.6 per cent of the outstanding share capital and approximately 15.4 per cent of the outstanding votes in Klöver. Corem does not own or control any additional financial instruments in Klöver that result in financial exposure equivalent to shares in Klöver at the time of the Offer announcement. Except for subscriptions of new shares in Klöver's rights issue in December 2020, Corem has not acquired any shares or other financial instruments in Klöver during the last six months prior to the announcement of the Offer. Corem may during the acceptance period acquire, or enter into agreements to acquire, shares in Klöver. Such acquisitions or agreements shall be made in accordance with Swedish law and be

<sup>22</sup> Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.

<sup>23</sup> See note 21 above.

made public in accordance with applicable rules.

### **Bonus arrangements, etc.**

No bonus arrangements, or similar, have been offered to any Klöver employees prior to the announcement of the Offer.

### **The Offer consideration**

The Offer is conditioned on that the Annual General Meeting in Corem on 29 April 2021 resolves on the necessary resolutions, including amending the articles of association, to enable the issuance of ordinary shares of class A, class B, class D and preference shares, to be used as consideration in the Offer.

### **Due Diligence**

In connection with the preparations of the Offer, Corem has not carried out any investigation of Klöver, so-called due diligence. Corem has, however, sought approval from Klöver's creditors to give waivers from provisions such as change of control and listing requirements. Klöver have informed Corem that during this process no information that has not previously been published and which reasonably might affect the share price of Klöver have been delivered to Corem.

Klöver has not conducted any due diligence of Corem.

### **Annual General Meeting and listing of ordinary shares of class D**

Corem's Board will, no later than 30 March 2021, convene the Annual General Meeting through a separate press release. At the Annual General Meeting, resolutions, including to authorize the board to issue ordinary shares of class A, class B, class D and preference shares in Corem to be used as consideration in the Offer, will be processed. The Annual General Meeting will be held on 29 April 2021.

The largest shareholder in Corem, M2 Asset Management AB and subsidiaries, representing approximately 53.8 per cent of the outstanding votes in Corem, has undertaken to vote at the Annual General Meeting in favour of the proposal on authorization to issue shares in Corem to be used as consideration in the Offer. Furthermore, Gårdarike AB and subsidiaries, representing approximately 17.5 per cent of the outstanding votes, has undertaken to vote at the Annual General Meeting in favour of the proposal on authorization to issue shares in Corem to be used as consideration in the Offer.

In addition to the above undertakings, additional shareholders in Corem, collectively representing, including M2 Asset Management AB and Gårdarike AB, 71.9 per cent of the outstanding share capital and 75.7 per cent of the outstanding votes in Corem, have expressed their support for the transaction and their intention to vote at the Annual General Meeting in favour of resolutions on the Offer.

For further information on the Annual General Meeting, please refer to the notice which will be published in a separate press release no later than 30 March 2021. A complete agenda with accompanying documents for the Annual General Meeting will be made available on Corem's website no later than 8 April 2021.

In connection to the Offer, Corem intends to apply for listing of the ordinary shares of class D in Corem on Nasdaq Stockholm. The listing is expected to take place on or about the settlement day of the Offer, and is conditional upon, among other things, the approval of Nasdaq Stockholm and applicable authorities, the fulfilment of the listing prerequisites and the completion of the Offer.

### **Indicative time plan**

Annual General Meeting of Corem: 29 April 2021

Offer document is expected to be published around: 10 May 2021

First day of acceptance period: around 11 May 2021

Last day of acceptance period: around 8 June 2021

Payment of consideration: around 14 June 2021

Payment of the Offer consideration will begin as soon as Corem has announced that the conditions for the Offer are satisfied or otherwise have decided to complete the Offer. Corem reserves the right to extend the acceptance period, and to postpone payment of the consideration. Notice of any such extension or postponement will be published by Corem by way of press release.

## Compulsory acquisition and delisting

In the event that Corem, in connection with the Offer or otherwise, becomes owner of more than 90 per cent of the shares in Klöver, Corem intends to commence compulsory acquisition proceedings under the Swedish Companies Act to acquire all remaining shares in Klöver. In connection therewith, Corem intends to promote delisting of Klöver's shares from Nasdaq Stockholm.

## Important information about LEI and NID upon acceptance

According to MiFID II, all investors are required to have a global identification code in order to complete a securities transaction. These requirements mean that legal persons need to apply for registration of a LEI code (Legal Entity Identifier) and natural persons need to know their NID number (National ID or National Client Identifier) in order to be able to accept the Offer. Note that it is the shareholder's legal status that determines whether a LEI code or NID number is required and that the issuing institution may be prevented from performing the transaction for the person in question if the LEI code or NID number (as applicable) is not provided.

Legal entities that need to apply for registration of a LEI code can turn to one of the providers available on the market. Via this link you will find approved institutions for the global LEI system: [www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations](http://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations).

For natural persons only holding Swedish citizenship, the NID number consists of the designation "SE" followed by the person's personal identity number. If the person in question has several citizenships or another citizenship than Swedish, the NID number may be another type of number.

Apply for registration of a LEI code (legal persons) or find out the NID number (natural persons) well in time as this information needs to be stated in the application form upon acceptance.

## Applicable law

The Offer is governed by and construed in accordance with Swedish law. Any dispute, controversy or claim arising out of or in connection with the Offer, shall be settled exclusively by Swedish courts and the Stockholm District Court (Sw. *Stockholms tingsrätt*) shall be the court of first instance. In addition, the Takeover Rules and the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules and, where applicable, the Swedish Securities Council's interpretation of the Swedish Industry and Commerce Stock Exchange Committee's (Sw. *Näringslivets Börskommitté*) former rules of public offers, are applicable to the Offer.

Corem has on 25 March 2021, in accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), contractually undertaken towards Nasdaq Stockholm to comply with the Takeover Rules and the Swedish Securities Council's interpretation and application of the Takeover Rules, and where applicable, the Swedish Securities Council's interpretation of the Swedish Industry and Stock Exchange Committee's (Sw. *Näringslivets Börskommitté*) former rules of public offers, and to submit to any sanctions that can be imposed by Nasdaq Stockholm in the event of a breach of the rules. Corem has informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) about the Offer and the abovementioned undertakings towards Nasdaq Stockholm today 29 March 2021.

## Advisors

Corem has hired Nordea Bank Abp, filial i Sverige ("Nordea") and Swedbank AB (publ) ("Swedbank") as financial advisors, and Walthon Advokater AB and Linklaters Advokatbyrå AB as legal advisors in relation to the Offer.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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*This information is such information that Corem Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Takeover Rules. The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 a.m CET on 29 March 2021.*

*This press release is in all respects a translation of the Swedish original press release. In the event of any differences between this translation and the Swedish original, the latter shall prevail.*

## IMPORTANT INFORMATION

This press release has been published in Swedish and English. In the event of any discrepancy in content between the language versions, the Swedish version shall prevail.

Nordea and Swedbank are acting as financial advisers to Corem, and no one else, in connection with the Offer. Nordea and Swedbank will not consider any other persons as customers in relation to the Offer and are not responsible to anyone other than Corem for providing the protection Nordea and Swedbank offer to their customers, or to provide advice in connection with the Offer or any other transaction, question or arrangement referenced in this press release. The information herein has been provided by Corem and, with respect to Klövern, by Klövern and taken from Klövern's publicly available information. Nordea and Swedbank have not assumed any obligation to independently verify, and disclaims any liability with respect to, the information herein.

Neither Nordea and Swedbank, nor any of their respective affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Nordea respectively Swedbank in connection with this announcement, any statement contained herein, the Offer or otherwise.

The figures reported in this press release have been rounded as appropriate. This implies that some tables that may not sum up correctly. All information in the Offer announcement regarding shareholdings in Klövern and Corem is based on 1,047,740,549 outstanding shares in Klövern and 346,794,505 outstanding shares in Corem.

### Forward-looking statements

Statements in this press release relating to future status or circumstances, including statements regarding future performance, growth and other trend projections as well as benefits of the Offer, are forward-looking statements. Forward-looking statements may generally, but not always, be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as "may," "will," "expects," "believes," "anticipates," "plans," "intends," "estimates," "projects," "targets," "forecasts," "seeks," "could," or the negative of such terms, and other variations on such terms or comparable terminology. Forward-looking statements include, but are not limited to, statements about the expected future business of Klövern resulting from and following the Offer. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Corem and Klövern.

Any such forward-looking statements speak only as of the date on which they are made and, neither Corem nor Klövern has (or undertakes) any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations including the Takeover Rules.

### Important information for shareholders outside Sweden and banks, brokers, dealers and other nominees holding shares for persons outside Sweden

The Offer is not being made to persons whose participation in the Offer requires that any additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law and regulations. This press release and any documentation relating to the Offer are not being published in, or distributed to or into, and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Persons who receive this communication (including, without limitation, nominees, trustees and custodians) and are subject to the law of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. Corem, to the fullest extent permitted by applicable law, disclaims any responsibility or liability for the violations of any such restrictions by any person. Any purported acceptance of the Offer resulting directly, or indirectly, from a violation of these restrictions may be disregarded.

The Offer is not being made, and will not be made, directly or indirectly, in or into, Australia, Canada, Hong Kong, Japan, New Zealand or South Africa, by use of mail or any other means or instrumentality of interstate or foreign commerce, or of any facilities of a national securities exchange, of Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone,

the internet and other forms of electronic transmission. The Offer cannot be accepted and shares may not be tendered in the Offer by any such use, means, instrumentality or facility of, or from within, Australia, Canada, Hong Kong, Japan, New Zealand or South Africa, or by persons located or resident in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Accordingly, this press release and any related Offer documentation are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or to any Australian, Canadian, Hong Kong, Japanese, New Zealand or South African persons or any persons located or resident in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa.

Corem will not deliver any consideration from the Offer into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa.

Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported acceptance by a person located in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or any agent, fiduciary or other intermediate acting on a non-discretionary basis for a principal giving instructions from within Australia, Canada, Hong Kong, Japan, New Zealand or South Africa will be invalid and will not be accepted. Each holder of shares participating in the Offer will represent that it is not an Australian, Canadian, Hong Kong, Japanese, New Zealand or South African person, is not located in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa and is not participating in the Offer from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or that it is acting on a non-discretionary basis for a principal that is not an Australian, Canadian, Hong Kong, Japanese, New Zealand or South African person, that is located outside Australia, Canada, Hong Kong, Japan, New Zealand or South Africa and that is not giving an order to participate in such Offer from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa must not forward this press release or any other document received in connection with the Offer to such persons.

Notwithstanding the foregoing, Corem reserves the right to permit the Offer to be accepted by persons not resident in Sweden if, in its sole discretion, Klövern is satisfied that such transaction can be undertaken in compliance with applicable laws and regulations.

### Notice to US Investors

The Offer is being made in the United States in compliance with, and in reliance on, Section 14(e) of the US Securities Exchange Act of 1934 (the "Exchange Act") and Regulation 14E thereunder and the exemption therefrom provided by Rule 14d-1(d) under the Exchange Act. The Offer is being made in the United States by Corem and no one else.

The Offer is subject to disclosure and procedural requirements of Sweden which are different from those in the United States. In addition, the payment and settlement procedure with respect to the Offer will comply with the relevant Swedish rules, which differ from US payment and settlement procedures. Neither the SEC, nor any securities commission of any state of the United States has approved the Offer, passed upon the fairness of the Offer or passed upon the adequacy or accuracy of this announcement. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for US holders of shares in Klövern, Klövern to enforce their rights and claims arising out of the US laws, since Klövern and Corem are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. Holders in the United States may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933 (the "Securities Act"), or pursuant to an exemption from such registration. The new Corem shares to be issued pursuant to the Offer are not, and will not be, registered under the Securities Act or under the securities laws of any jurisdiction of the United States and will be issued to Klövern shareholders in the United States in reliance on the exemption from registration provided by Rule 802 under the Securities Act and in reliance on available exemptions from any state law registration requirements. The new Corem shares issued pursuant to the Offer will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act to the same extent and proportion as the Klövern shares for which they were exchanged in the proposed merger.



Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the new Corem shares offered in connection with the Offer, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence.

In accordance with the exemption from the registration requirements of the Securities Act provided by Rule 802 thereunder with respect to the new Corem shares to be issued in connection with the proposed merger, Corem will submit to the US Securities and Exchange Commission any informational document it publishes or otherwise disseminates to holders of Klövern shares related to the proposed merger.

Nordea is not registered as a broker or dealer in the United States and will not be engaging in direct communications relating to the Offer with investors located within the United States (whether on a reverse-inquiry basis or otherwise).