



OFFER TO ACQUIRE ALL  
OUTSTANDING SHARES IN  
KLÖVERN AB (PUBL)

corem property  
group

Nordea

Swedbank 

## IMPORTANT INFORMATION

This document is an English translation of the Company's official Swedish offer document, which has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA").

This offer document (the "Offer Document") has been prepared in connection with the public takeover bid submitted by Corem Property Group AB (publ), org. no. 556463-9440 ("Corem") or ("the Company") on March 29, 2021, regarding all shares in Klöver AB (publ), org. no. 556482-5833 ("Klöver"), and the issue of ordinary shares and preference shares in Corem proposed by the Board of Directors of Corem as share consideration in the Offer, and for admission to trading of such shares on Nasdaq Stockholm (the "Offer"). Corem or the Company, where the terms are used in the Offer Document, refers, depending on the context, to Corem, one or more subsidiaries of Corem or the group in which Corem is the parent company. The "Combined Company" refers to the Group after the acquisition of Klöver, in which Corem is the parent company. For definitions of these and other terms, see Definitions on page 161.

A Nordea Bank plc, filial i Sverige ("Nordea") and Swedbank AB (publ) ("Swedbank") are financial advisors to Corem, and no one else, in connection with the Offer. Nordea and Swedbank will not regard any other person as a customer in relation to the Offer and is not liable to anyone other than Corem for providing the protection that Nordea and Swedbank offer their customers or for giving advice in connection with the Offer or any other transaction, question or arrangement referred to in this document.

### APPLICABLE LAW

The Offer and any agreements entered into between Corem and shareholders in Klöver in connection with the Offer shall be regulated and interpreted in accordance with Swedish law. Nasdaq Stockholm's Takeover Rules issued by the Swedish Corporate Governance Board on December 1, 2020 (the "Takeover Rules") and the Swedish Securities Market Board's decisions and statements on the interpretation and application of the Takeover Rules, including, where applicable, the Business Exchange Committee's decisions and statements on interpretation and application of previously applicable rules on public takeover bids on the stock market, are applicable to the Offer. Corem has, in accordance with the Act (2006: 451) on public takeover bids on the stock market (the "Takeover Act"), on 25 March 2021, undertaken in writing to Nasdaq Stockholm to comply with the said rules, decisions and notices, and to submit to the sanctions which Nasdaq Stockholm may impose on the Company in the event of a breach of the Takeover Rules. On 29 March 2021, Corem informed the Swedish Financial Supervisory Authority, Nasdaq Stockholm and the Swedish Securities Market Board about the Offer and the above commitments to Nasdaq Stockholm.

This Offer Document does not constitute a prospectus in accordance with (EU) 2017/1129 (the "Prospectus Regulation"). The offer document has not been reviewed and approved by the SFSA in accordance with Article 20 of the Prospectus Regulation. The Offer document has been prepared in accordance with the ch. 2 of Takeover Act, Chapter 2a of the Act (1991: 980) on trading in financial instruments and ch. 2 section 5 of the Act (2019: 414) with supplementary provisions to the EU Prospectus Regulation. The offer document has been approved and registered with the SFSA in accordance with Chapter 2 a the Act (1991: 980) on trading in financial instruments. Neither approval nor registration entails any guarantee from the SFSA that the factual information in the Offer Document is correct or complete.

The information in the Offer Document is intended to be correct, although not complete, only at the time of publication of the Offer Document. No assurance is given that the information has been or will be correct at any other time. Corem will make additions to the Offer Document when required by law. The information about Klöver on pages 96-141 in the Offer Document is based on information that has been

published by Klöver and has been reviewed by Klöver's Board. Corem therefore does not guarantee, and does not take responsibility for, that the information about Klöver is correct and complete beyond what may follow from law.

The figures reported in this Offer Document have in some cases been rounded off and therefore the tables in the Offer Document do not necessarily sum up correctly. All financial figures are in Swedish kronor ("SEK") unless otherwise stated. Except where expressly stated, no information in the Offer Document has been reviewed or audited by the auditor. The information in the Offer Document is provided only in connection with the Offer and may not be used for any other purpose.

### RESTRICTIONS

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 Offer Document 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 Offer Document 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.

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 Offer Document 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 Offer Document 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).

#### FORWARD-LOOKING STATEMENTS

Statements in this Offer Document 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.

#### INDUSTRY AND MARKET INFORMATION

This Offer Document contains industry and market information attributable to the Company's operations and the market in which the Company operates. Such information is based on the Company's analysis of several different sources, including industry publications and reports. Industry publications or reports usually state that the information in them has been obtained from sources that are deemed to be reliable, but that the accuracy and completeness of the information cannot be guaranteed. The Company has not independently verified, and therefore cannot guarantee the accuracy of the industry and market information contained in this Offer Document and which has been taken from or derived from these industry publications or reports.

Information coming from third parties has been reproduced correctly and as far as the Company know and can ascertain through comparisons with other information published by the third parties concerned, no information has been omitted in a way that would make the reproduced information incorrect or misleading. The Offer Document contains a description of the risks associated with the Company's operations and the Offer. The description is not exhaustive and the risks are not the only risks to which the Company and its shareholders may be exposed. Other risks that are not currently known to the Company, or that the Company currently considers insignificant, could also affect Corem's operations, earnings and financial position. Such risks could also lead to a significant fall in the price of the Company's shares and to investors in the Company losing all or part of their investment.

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## THE OFFER IN BRIEF

### Consideration

Corem offers the shareholders of Klöver the following:

- holders of ordinary shares of class A in Klöver: 0.88 newly issued ordinary shares of class A in Corem for each ordinary share of class A in Klöver,
- holders of ordinary shares of class B in Klöver: 0.88 newly issued ordinary shares of class B in Corem for each ordinary share of class B in Klöver, and
- holders of preference shares in Klöver: 1.12 newly issued ordinary shares of class D in Corem for each preference share in Klöver. As an alternative, the preference shareholders in Klöver may choose to receive 1.00 newly issued preference shares in Corem for each preference share in Klöver.

### Acceptance period

14 May–11 June 2021.

### Payment of consideration

Around 17 June 2021.

## SHARE INFORMATION

### Ordinary shares of class A

Traded on Nasdaq Stockholm. Ticker: Core A. ISIN-code: SE0010714279.

### Ordinary shares of class B

Traded on Nasdaq Stockholm. Ticker: Core B. ISIN-code: SE0010714287.

### Ordinary shares of class D

Not admitted to trading. ISIN-code: SE0015961594.

### Preference shares

Traded on Nasdaq Stockholm. Ticker: Core PREF. ISIN-code: SE0010714311.

## CERTAIN DEFINITIONS

The **"Company"** or **"Corem"** means Corem Property Group AB (publ), reg. no. 556463-9440.

The **"Group"** means the group of companies of which Corem is parent company.

**"Klöver"** means Klöver AB (publ), reg. no. 556482-5833.

The **"Offer"** means the offer to acquire all shares in Klöver AB (publ) in accordance with what is presented in the Offer Document.

**"IAS"** means International Accounting Standards.

**"IFRS"** means International Financial Reporting Standards.

**"Nasdaq Stockholm"** means Nasdaq Stockholm AB, reg. no. 556420-8394, or the regulated market Nasdaq Stockholm, depending on the context.

**"SEK"** means Swedish crowns.

**"MSEK"** means Swedish crowns in millions.

## FINANCIAL CALENDAR

### Interim report January–June 2021

19 July 2021

### Interim report January–September 2021

28 October 2021

### Year-end report January–December 2021

24 February 2022

# RISK FACTORS

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This section describes risk factors and important circumstances that are considered significant for the Group's operations and future development. The risk factors relate to the Group's industry, market and operations, and include risks related to the Group's financing agreements, legal, regulatory and corporate governance issues and their expected negative effects. In accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") and the Commission Delegated Regulation (EU) 2021/528, the risk factors set out below are limited to risks specific to the Company and / or the shares and which are essential to make an informed investment decision.

The description below is based on available information as per the day of this Offer Document. The risk factor within each category that is currently deemed to be the most significant is presented first, and the subsequent risk factors are not presented in any specific order.

The risk factors and uncertainties described below could have significant negative effects on the Group's operations, financial position and/or earnings. They could also result in the value of the Company's shares falling, which could result in the Company's shareholders losing all or part of their investment.

## RISKS ATTRIBUTABLE TO COREM

### Risks attributable to Corem's operations and industry

**The Group's operating profit and profitability are associated with risks regarding the general economic development and the demographic trends in the Group's markets**

The Group is affected by macroeconomic factors such as global and regional economic development, employment rate, production rate for new properties, changes in infrastructure, inflation and interest rates in Sweden and Denmark. These factors greatly affect supply and demand in the real estate market and consequently affect the occupancy rate, rental levels and the market value of the Group's properties. If the macro economic situation deteriorates, the value and rental income from the Group's property portfolio may decrease.

The socio-economic development and its trends, including the spread of covid-19, may affect supply and demand in the rental market as well as the valuation of the Group's property portfolio, which could potentially have a negative effect on the Group's operating profit and profitability. Corem assesses the probability of deteriorating macroeconomic conditions as medium-high,

with a potentially medium-high negative effect on the Group's rental income, financing costs and portfolio valuation.

### There is a risk of generally decreasing property prices

The long period of historically low interest rates has contributed to driving up the price of assets such as shares and real estate and, according to the Swedish National Institute of Economic Research, may have caused imbalances in the financial markets.<sup>1</sup> Both in Sweden and internationally, the search for returns has increased risk-taking and driven up the prices of both risky assets and less risky assets, such as real estate. If investors revalue the value of their assets, for example in connection with rising interest rates, there is a risk that the prices of such assets will fall sharply, which for Corem could mean that the value of the entire property portfolio falls sharply. As of 31 March 2021, the value of the Company's investment properties amounted to SEK 14,811 million. A change in value of +/- 1 per cent of the property value would mean a change in value of approximately +/- SEK 148 million. Corem estimates that the probability of generally falling property prices is low, with a potentially high negative effect on Corem's balance sheet and operating profit.

### Risks relating to a competitive market and the risk that Corem may fail to compete effectively

The Group is active in the real estate industry, which is characterized by significant competition, including from other real estate companies with a focus on logistics and industrial properties such as Sagax, Castellum, Catena and others. The Group's competitiveness depends, among other things, on its ability to acquire interesting properties in attractive locations, to attract and retain tenants, qualified staff and to anticipate trends and needs for current and future tenants and quickly adapt to current and future market needs. In addition, the Group competes for tenants, based on, among other things, property location, rent level, size, availability and quality, tenant satisfaction and the Group's reputation.

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<sup>1</sup> National Institute of Economic Research, Economic situation March 2021 (dnr: 2021-119).

Competitors may have greater financial resources than the Group and better capacity to withstand market downturns, better access to potential acquisitions, compete more efficiently, be more skilled at retaining competent staff and respond more quickly to changes in local markets. In addition, competitors may have a higher tolerance for lower yield requirements and access to more efficient technology platforms. Furthermore, the Group may need to incur higher investment costs in order to maintain the competitiveness of its property portfolio in relation to competitors. Corem estimates the probability that Corem will be unable to compete in an effective way as low, with a potentially medium-high negative effect on Corem's future prospects.

**Risks associated with possibilities that the market value of properties stated in valuation certificates may differ from actual sales values and that the market value of properties may decrease in the future.**

The Group's properties are reported at market value in the Group's balance sheet, with changes in property value reported in the income statement. The total fair value of the Group's property portfolio amounted to SEK 14,811 million as of 31 March 2021 and the total assets amounted to SEK 19,550 million. The Group's property portfolio is valued quarterly, of which approximately a quarter is valued by external valuation companies and three quarters are valued by internal experienced authorized valuers. External valuations are made according to an ongoing schedule so that all properties are valued externally annually.

Property valuations represent the opinion of the independent valuer who compiles valuation certificates, and the underlying assumptions are commonly tested by random selection. Property valuations are based on hypothetical assumptions that are inherently subject to uncertainty. Such assumptions include property-specific assumptions regarding rental levels, occupancy rates and operating costs as well as market-specific assumptions about macroeconomic development, general economic trends, regional economic development, employment rate, production rate for new properties, changes in infrastructure, inflation and interest rates in Sweden. It cannot be ruled out that the underlying assumptions in previous or future valuations of the properties may prove to be incorrect and it is possible that the Group's valuations do not reflect the future actual sales value of the Group's properties. If the market value of the properties is deemed to be lower in the future, it will have a negative impact on the Group's balance sheet and operating profit. Furthermore, a significant decrease in value could result in the Group violating certain clauses in the Group's credit agreement, which in turn may lead to such financing having to be repaid before the end of the term and thereby affect the Group's liquid position. Corem estimates the probability that the properties' valuations differ significantly from future sales values as low, with a potentially medium-high negative effect on operating profit, financing costs and portfolio valuation.

**Risks attributable to Corem's operations**

Corem's financial assets are subject to market volatility. In addition to properties, Corem owns shares in Klöver AB (publ) and Castellum AB (publ) ("Financial Assets"). The holdings are reported in the balance sheet at market value, and with the respective period's change in value in the income statement. As of 31 March 2021, the value of the Financial Assets amounted to approximately SEK 4,355 million, of which SEK 2,645 million was attributable to Klöver AB (publ) and SEK 1,710 million was attributable to Castellum AB (publ).

The value of the Group's Financial Assets is affected by a number of factors; partly by company-specific factors, such as management profit and loan-to-value ratio, partly by market-specific factors, such as expected rates of return and capital costs in relation to comparable companies in the real estate market. The value of the Group's Financial assets is also affected by sentiment in the stock and capital markets and may thus be subject to large price volatility. If the valuation of the Financial Assets falls, the decrease in value may have a negative effect on the Group's balance sheet and operating profit. Furthermore, a decrease in the value of the Financial Assets may result in the Group violating certain clauses in the Group's credit agreements, which in turn may lead to such financing having to be repaid before the end of the term and thereby affect the Group's liquidity position. Corem estimates that the probability of Corem's financial assets being subject to market volatility is high, with a potentially low negative effect on operating profit and financing costs.

**Risks attributable to the covid-19 pandemic**

The economic development over the past year has been largely characterized by the spread of covid-19. For Corem's part, the pandemic has mainly affected Corem's tenants, and thus indirectly Corem, due to the macroeconomic development in the markets in which the Group operates (see also "The Group's operating profit and profitability are associated with risks regarding the general economic development and the demographic trends in the Group's markets" above). Corem provided rental discounts of approximately SEK 3 million during the financial year ended 31 December 2020, corresponding to approximately 0.3 per cent of the Group's total rental income for the full year 2020. In summary, the covid-19 pandemic has so far had a limited impact on the Group and the Group's financial position. The Covid-19 outbreak, on the other hand, has had, and will probably continue to have in the near future, an impact on the capital markets, which may lead to unforeseen and sharp fluctuations in share prices and the availability and cost of loan financing via the bond markets. Corem estimates the probability of risks related to covid-19 arising as medium, with a potentially low negative effect on cash flow and operating profit.

#### **Corem is dependent on rental income and rental development**

Rental income of commercial properties is governed in the long term by, among other things, supply and demand. Corem's rental income is affected by the properties occupancy rate, agreed rental levels and the tenants' ability to pay rent. If the occupancy rate or rental levels fall, regardless of the reason, the Group's earnings are negatively affected. The risk of large fluctuations in vacancies and loss of rental income increases with greater concentration of individually large tenants. The ten largest tenants as of 31 December 2020 (Silex, PostNord, Finisar, Bilia och Aritco, and others) accounted for approximately 22 per cent of the Group's total contract value, where Silex, as the largest tenant, accounted for approximately 4 per cent of the total contract value. The total number of leases entered into with the ten largest tenants amounted to 23 as of 31 December 2020. The leases have different contract periods. The three largest tenants together accounted for approximately 10 per cent of the total contract value on basis of five leases, with an average remaining contract period of 8.1 years. The average remaining contract period for all leases was 4.3 years as of 31 March 2021. There is a risk that the Group's major tenants will not renew or extend their existing leases when they expire and that the Group will not find new tenants, which over time may lead to reduced rental income and increased vacancies. The Group's earnings and cash flow will be negatively affected if the tenants cancel their payments or otherwise do not fulfill their obligations. Corem estimates the probability of loss of rental income as low, with a potentially high negative effect on cash flow, liquidity, operating profit and balance sheet.

#### **Corem's operations are exposed to project development risks**

The Group's operations include property development projects. As of 31 March 2021, the Group had four major property development projects (of at least SEK 25 million per project) with a total investment volume of approximately SEK 768 million. Property development is associated with certain risks. More extensive projects involve large investments and can lead to an increased credit risk, for example if contracted tenants are unable to fulfill their obligations to the Group and the Group cannot lease the affected premises to other tenants, or if the demand for or price of leasing the premises decreases during the construction period. When planning and budgeting for a project, it is important that the basis for calculation is complete and correct. Assumptions are made in relation to costs and revenues, as well as suppliers' ability to perform according to contracts. Projects may be delayed or entail higher costs than planned, and after the implementation of a project there is a risk that the premises do not meet the tenant's requirements or expectations, which may lead to increased costs and reduced results for the Group. Corem estimates that the probability of increased project costs is medium, with a potentially medium negative effect on Corem's operating profit.

#### **Corem's operations are exposed to risks related to transactions**

Acquiring and selling properties is part of the Group's operations and is, especially in connection with acquisitions, associated with risks. During the period 1 January 2020–31 December 2020,

the Group acquired properties for a total purchase price of SEK 478 million and divested in properties for a total selling price of SEK 60 million. All property investments are associated with uncertainty, such as the risk of loss of tenants, unforeseen costs for environmental remediation, redevelopment and handling of technical problems. Such uncertainties may result in delays or increased or unexpected costs for the transaction or that the value of the acquired property is lower than expected. There is a risk that future acquisitions of operations or properties will not have the positive effect that was expected, which may have a negative impact on the value of the Group's properties and on the Group's costs. Furthermore, there is a risk that a seller, in the event of an acquisition, will not be able to fulfill their contractual obligations, for example due to financial difficulties, which may have an effect on the Group's ability to receive compensation in the event of breach of guarantees or indemnity clauses (which may also be limited to amount and time).

When divesting in properties, there is uncertainty regarding, among other things, price and the actual possibility of selling the properties, including the willingness and ability of potential buyers to pay for the properties. Furthermore, claims may be directed against Corem due to the sale or the condition of the property sold. If Corem is unable to sell the properties at a favorable price or if claims are made against Corem, this may result in delays as well as increased and unforeseen property and transaction costs. Corem estimates the probability of increased costs and the occurrence of other risks described above as low, with a potentially medium-high, negative effect on Corem's operating profit.

#### **Corem trades securities and is exposed to risks related to such trading**

From time to time, Corem buys and sells securities in other listed real estate companies in the Nordic region. Trading involves estimated risks in order to achieve a high return. Such trading in, and investments in, securities is carried out by a limited number of persons within the Group and the value of the holdings is subject to price fluctuations. There is a risk that persons responsible for trading will make mistakes, or that the Group's holdings will be subject to unforeseen price fluctuations. Individuals' mistakes or unforeseen price fluctuations can adversely affect Corem's assets and thus the Group's key ratios and, as a result, the Group's creditworthiness. Corem assesses the probability of unforeseen price fluctuations as low, with a potentially medium-high negative effect on Corem's operating profit.

#### **Corem is dependent on its staff**

The Group's organization is relatively small with 61 employees as of 31 March 2021. The knowledge, experience and commitment of individual employees are therefore important for the Group's future development. The Group would be negatively affected if a number of its employees were to leave the Group at the same time, or if a number of key persons were to leave, as know-how would decrease and/or recruitment costs would increase. In order to attract, motivate and retain certain key people, Corem

may need to increase the remuneration to these people, which would result in increased costs. Corem estimates the probability that Corem will not be able to attract and retain key personnel as medium-high, with a potentially medium-high negative effect on Corem's future prospects.

#### **Corem's operations are subject to technical risks**

Real estate investments are associated with technical risks. Technical risk is defined as risks associated with the technical management of a property, such as the risk of design defects, other latent defects and deficiencies, damage (for example by fire or other natural power) and pollution. Regulatory requirements for properties and property management may mean that such deficiencies must be remedied, which is associated with costs. There is a risk that technical faults on one or more properties will lead to increased costs for the Group. Corem considers the probability of technical errors occurring on properties to be high, with a potentially low negative effect on Corem's operating profit and balance sheet.

#### **Financial risks**

##### **Risks related to financial commitments, guarantees and covenants**

The Group is financed through bank loans and bond loans. As of 31 March 2021, approximately 73.4 per cent of the Group's liabilities were attributable to bank loans and approximately 26.6 per cent were attributable to bond loans. The Group's loan-to-value ratio was 38 per cent, the interest coverage ratio was 3.3 times and the equity/assets ratio was 39 per cent. The bank loans are secured through the Group's properties and subsidiaries as well as the Financial Assets. Corem has also issued guarantees for certain loans. The Group's credit agreements usually contain financial key ratio provisions, such as loan-to-value ratio and interest coverage ratio. Some of the Group's credit agreements contain ownership provisions (so-called change of control provisions, *see Some of the Group's agreements may be affected by changes in ownership of the Group, under Risks related to the Shares, below*). If the Group violates financial covenants or if the controlling influence over the Company changes, it may lead to the loans maturing, which may lead to a demand for immediate repayment or to creditors claiming pledged assets. If certain loans fall due for immediate repayment, this may mean that other loan agreements also fall due for immediate repayment through so-called cross default provisions, or that pledged assets are used by the credit institutions concerned. If such events are realized, there is a risk that the Group may not obtain the necessary financing, or that such financing can only be obtained on significantly less favourable terms and at higher costs, which would have a negative impact on the Group's ability to meet its payment obligations, and consequently impair the Group's ability to continue operating the business. Corem assesses the probability of the risk arising as medium-high, with a potentially high negative effect on Corem's liquidity and balance sheet.

##### **Refinancing risk**

Refinancing risk is the risk that necessary financing cannot be obtained or can only be obtained on unfavorable terms or signi-

ficantly increased costs for existing or new loans. As of 31 March 2021, the Group's average remaining credit period was 1.8 years. The Group's ability to successfully refinance its outstanding debt obligations at maturity depends on the conditions of the capital market and Corem's financial position at the time. If Corem's loan-to-value ratio rises or creditors for other reasons consider that Corem's creditworthiness deteriorates, this may adversely affect the Group's access to sources of financing and financing on attractive terms, which would entail a higher financing cost for Corem. In addition, developments in the credit market, such as a deterioration in the total financial markets or a deterioration in general economic conditions, may affect the Group's access to financing. Corem's interest expenses amounted to SEK 278 million during the period 1 January–31 December 2020. In the event that Corem's average interest rate rose by one (1) per centage point, that would, based on the loan structure as of 31 March 2021, lead to an increase in Corem's average borrowing rate of 0.7 per centage points, equal to SEK 74 million in yearly interest payment costs. Corem estimates the probability of the risks arising as low, with a potentially medium-high negative impact on Corem's liquidity, financial position and earnings.

##### **Fluctuations in interest rates can reduce the value of the Group's properties and increase the costs of financing and thereby negatively affect the Group's operations.**

The Group's operations are financed with equity and through borrowing from credit institutions and the bond market. Interest expenses related to such financing are one of the Group's largest cost items. As of 31 December 2020, the Group's long-term interest-bearing liabilities amounted to approximately SEK 5,510 million and the Group's short-term interest-bearing liabilities amounted to approximately SEK 4,086 million and during the financial year which ended 31 December 2020, approximately SEK 278 million was paid as interest. Corem holds derivatives in the form of interest rate swaps and interest rate caps in order to minimize interest rate risk. Interest rate swaps create predictability in the Company's interest expenses. That means that Corem pays a fixed interest rate and receives a variable interest rate for a predetermined period. In a rising interest rate situation, the value of the swaps increases and in a falling interest rate situation, the value of the swaps decreases. Furthermore, interest rate cap derivatives protect the interest rate portfolio for sudden and high interest rate increases. The interest rate cap has a strike price of between 1.75 per cent and 2.5 per cent. As of 31 December 2020, the Group had SEK 2,390 million in interest rate swaps and SEK 2,503 million in interest rate cap derivatives. Together with the loans with fixed interest rates, this means that approximately 53 per cent of the loan portfolio was interest-hedged as of the balance date 31 December 2020. Although the Group's policy is to hedging transactions to reduce its exposure to variable interest rates, negative interest rate changes may have an effect on the Group's earnings and cash flows. Furthermore, the historically low interest rate situation in Sweden and in the rest of the EU has had a significant impact on the real estate market and has led to low yield requirements and high valuations of properties.

It is possible and likely that interest rates will rise in the future. An increase in interest rates may therefore have a negative effect on the valuation of the Group's property portfolio and the Group may need to report losses in the income statement due to market value adjustments, corresponding to a decrease in the balance sheet. Furthermore, such market value adjustments may lead to an increase in the Group's loan-to-value ratio, which may have consequences for the Group's loan agreements (see *Risks related to financial commitments, guarantees and covenants*, above). Corem estimates the probability of unforeseen interest rate fluctuations as low, with a potentially high negative effect on Corem's balance sheet, liquidity and operating profit.

### Legal risks

#### **The Group's tax situation may deteriorate as a result of changed tax legislation**

The Company, through a number of subsidiaries, conducts operations in Sweden and Denmark. For the financial year 2020, the Group's tax expense amounted to approximately SEK 214 million. The handling of tax issues within the Group is made based on interpretations of current and relevant tax legislation and other tax propositions as well as decisions published by the Swedish Tax Agency. Furthermore, the Group regularly obtains advice from independent tax experts. The Group and its subsidiaries are subject to tax audits and review from time to time. There is a risk that tax audits or reviews will result in additional taxes being imposed, for example with regard to previous transactions and acquisitions, mergers, divisions and reorganizations of companies, share transactions with employees, deductions for interest expenses and deductions for improvement expenses on other property.

On 30 March 2017, the Swedish government presented a bill (SOU 2017:27) which, if adopted, is likely to affect future taxation of real estate investments. The proposal, which was sent for consultation in the summer of 2017 and is now being prepared by the Swedish government, concerns changes to the current income tax as well as stamp duty and tax on capital gains. The proposal means, among other things, that deferred tax liabilities relating to the difference between the taxable residual value and the market value of the property will be taxed in the event of certain changes of ownership of a property-owning company, and that indirect sales of properties will be subject to stamp duty. If the bill were to be implemented in its current form, this could lead to tax being paid on all the Group's future divestments of property-owning companies.

If the Group's interpretation of tax legislation and other tax regulations or its applicability is incorrect or changes, even retroactively, this may lead to an increased tax cost for the Group, including tax surcharges and interest. Corem estimates the probability of the risk arising as low, with a potentially medium negative effect on Corem's operating profit.

#### **Parent company risk**

Corem Property Group AB (publ) is the parent company in the Group, whose operations are mainly conducted through subsidi-

aries. The Parent Company's ability to make interest payments on the Group's credits is affected by the subsidiaries' ability to pay dividends and transfer funds to the Parent Company. The parent company is thus dependent on its subsidiaries to fulfill its obligations to make payment in accordance with the loan agreement. Transfers of funds to the parent company from the subsidiaries may be restricted or prohibited altogether as a result of legal and contractual restrictions for each subsidiary. Furthermore, the subsidiaries are separate legal entities without responsibility for fulfilling the parent company's obligations towards the parent company's creditors. If the subsidiaries or the Financial Assets do not pay dividends, or due to other circumstances or conditions, laws or other rules are prevented from providing liquidity to the Parent Company, there is a risk that the Parent Company will not be able to fulfill its obligations to lenders, which may result in lenders cancelling loans for immediate payment or that lenders use pledged assets. Corem estimates the probability of the risk arising as low, with a potentially high negative effect on Corem's balance sheet, operating profit and future prospects.

#### **The Group's compliance with the EU General Data Protection Regulation (GDPR)**

The Group processes personal data, which mainly consists of information about representatives of current tenants and employees, in both electronic and physical form. The Group also processes personal data about employees' relatives, people applying for employment and investors. The personal data is processed mainly for the purpose of entering into and enforcing employment contracts and leases. General Data Protection Regulation 2016/679 / EU of the European Parliament and of the Council ("GDPR") entered into force on 24 May 2016 and has been applied since 25 May 2018. In the event of a breach in the Group's systems that process this data, the Group has shortcomings or if the Group fails to comply with GDPR, the Group may be subject to significant fines, which may have a negative impact on the Group's operations and financial position. The Privacy Protection Authority may decide that a company that violates the rules of GDPR must pay an administrative penalty fee. The fee can be a maximum of 20 million euros, or four per cent of the Company's global annual sales depending on which amount is highest. For less serious violations, a maximum amount of 10 million Euros, or two per cent of global annual sales, applies. Corem estimates the probability of the risk arising as low, with a potentially high negative effect on Corem's operating profit.

#### **Risks related to regulatory compliance**

The Group's operations are regulated by and conducted in accordance with a number of laws and regulations, including the Swedish Companies Act (2005:551), the Land Code (1970:994), the Environmental Code (1998:808) and the Planning and Building Act (2010:900), as well as municipal detail plans, building standards and safety regulations, etc. There is a risk that the Group's interpretation of applicable laws and regulations may be incorrect or that laws and regulations may change. There is a risk that the Group will not receive the necessary permits or other decisions concerning individual projects or that such permits or decisions will be appealed to a court. The Group's operations

are also affected by the applicable tax rules from time to time. These rules have historically been subject to change and further changes can be expected in the future (possibly with retroactive effect). Such changes may have a material adverse effect on the Group's financial position and results. In the event that the above-mentioned risks materialize, this may lead to increased costs and delays in the planned development of properties or otherwise have a negative impact on the Group's operations and development. Corem estimates the probability of the risk arising as low, with a potentially medium-high negative effect on Corem's operating profit.

#### **Environmental risks**

Property management and property development entail environmental impact and environmental responsibility. According to the Environmental Code (1998:808), anyone who has carried out activities that have contributed to pollution has a responsibility to decontaminate the property. If the operator is unable to carry out or pay for the decontamination, the person who acquired the property, and who at the time knew of or should have discovered the contaminants, is responsible. This means that claims in certain circumstances may be directed towards the Group to clean up or to do after-treatment of properties due to actual, or suspected, contamination in soil, water or groundwater. If any of the Group's properties are contaminated, it may limit the Group's planned use of the property, entail significant costs for decontamination and / or negatively affect the value of the Group's properties. Furthermore, tenants whose property has been contaminated may in some cases demand compensation from Corem in form of rent reductions, damages or claims for replacement premises, which would result in lower revenues and higher costs for Corem. Furthermore, on 1 August 2020, the new Waste Ordinance (2020:614) (Sw. avfallsförordningen (2020:614)) entered into force. Routines for complying with the new waste ordinance are currently being implemented at the Company. If the Company were to fail to successfully comply with existing or new environmental regulations, it could adversely affect the Company due to fines or reputation. Corem assesses the probability of the risk arising as medium-high, with a potentially low negative effect on Corem's operating profit.

## **RISKS RELATED TO THE SHARES IN COREM**

#### **The share price**

An investor should note that an investment in Corem is associated with risks. The shareholders in Klöver are offered consideration in the form of shares in Corem in exchange for their shares in Klöver. The market price of Corem's shares may be negatively affected by a number of factors, such as increased market volatility, divestments of major shareholders or an expectation that such divestments will take place. There is no guarantee of future price development for the Company's shares, which is why the value of the investment can increase as well as decrease. Fur-

thermore, the market price of Corem's shares has impact on the value of the Offer for those investors who choose to participate in the Offer by transferring their shares in Klöver to Corem. The development of the share price depends on a number of factors, some of which are company-specific and others are attributable to trends in the stock market as a whole. In the event that the share price should fall, regardless of the reason, this means that the value of the consideration in the Offer decreases. Investors who have chosen to accept the Offer do not have a general right of withdrawal. There is thus a risk that a negative market price development for Corem's shares after an investor has already accepted the Offer may lead to a reduction in the value of the consideration in the Offer. Furthermore, the liquidity in Corem's shares is generally lower than the liquidity in Klöver's shares, so there is a risk that an equally active trading in Corem's share will not develop as in Klöver's share, which may have a negative impact on the market pricing of the combined company. An investment decision should therefore be preceded by careful analysis.

#### **Risks related to shareholders with significant influence**

Corem's two largest shareholders, M2 Asset Management AB (publ) and Gårdarike AB, held a total of 67.9 per cent of the outstanding capital and 71.5 per cent of the votes<sup>2</sup> on 31 March 2021 and thus have significant control over the outcome of matters, such as elections of board members, decisions on dividends, decisions on new share issues, or sales of all, or significant parts, of Corem's assets. These shareholders are also shareholders in Klöver and have undertaken to accept the Offer and will thus be offered additional shares in Corem through the Offer in exchange for their shares in Klöver. Provided full participation in the Offer and that all holders of preference shares in Klöver choose to receive ordinary shares of series D in Corem, these shareholders' holdings in Corem will amount to approximately 43.4 per cent of the outstanding capital and 58.0 per cent of the votes in Corem, fully diluted. There is a risk that the interests of current and future major shareholders in Corem may differ from the interests of other shareholders, and that major shareholders may exercise their influence over the Group in a way that is not in the interests of other shareholders. In the event that major shareholders carry out divestments of the Company's shares, this may have a negative impact on the Company's share price.

#### **Some of the Group's agreements may be affected by changes in ownership of the Group**

In some of the Group's loan agreements with credit institutions, there may be clauses that become relevant in the event of change of control. Change of control as stated in certain loan agreements arises, among other things, if someone, or some acting jointly, become owners, directly or indirectly, of more than 50 per cent of the shares and votes in the Group or have the right to appoint all or a majority of the board members. Although a change of control is not anticipated in connection with the Offer, a future change of control may entail certain rights for the counterparty or obligations for the Group, which may affect the Group's

2 Repurchased shares cannot be represented at the Annual General Meeting and have thus been excluded from the total number of votes.

financing possibility. If the Group's financing is affected, it could have an indirect effect on Group's ownership of the properties, which would have a negative impact on the Group's operations, financial position and earnings.

**Investors with a reference currency other than Swedish kronor will be subject to certain currency risks if they invest in the shares.**

The Company's shares are traded in Swedish kronor and all dividends attributable to the shares will be paid out in Swedish kronor. Investors who have a reference currency other than Swedish kronor may be adversely affected by a decrease in the value of Swedish kronor in relation to each investor's reference currency. In addition, such investors may incur additional transaction costs for exchanging Swedish kronor for another currency.

**Shareholders in the United States and other countries outside Sweden may not be able to exercise preferential rights to participate in issues or repurchase offers**

Under Swedish law, shareholders have preferential right in certain issues of shares, unless these rights are waived by a resolution at the shareholders' general meeting, or by Corem's board if the shares are issued on the basis of an authorization to the board according to which the board is entitled to deviate from the preferential rights. However, securities legislation in certain jurisdictions may restrict Corem's ability to permit shareholders from such jurisdictions to exercise their preferential rights in any potential future issues. Shareholders in the United States, as well as in some other countries, may not be able to exercise their preferential right to participate in share issues or repurchase offers, including offers below market value, unless Corem resolves to comply with local requirements and, as regards the United States, if there is a registration statement pursuant to the Securities Act pertaining to these rights or if an exemption from the registration duty is applicable. In such cases, holdings attributable to shareholders whose legal domicile is in countries other than Sweden may be diluted, potentially without such dilution being offset by compensation received for subscription rights. At the time of any future issues of shares that are subject to preferential rights or a repurchase offer, Corem intends, as appropriate, to evaluate the cost and potential liabilities associated with fulfilment of local requirements, possibly including any registration statement to be filed in the United States, and to evaluate the indirect benefits for Corem to enable shareholders from countries other than Sweden to exercise their preferential rights to the shares or participate in repurchase offers, as appropriate, as well as possible other factors deemed appropriate at that time, and thereafter intends to resolve whether or not Corem will fulfil local requirements, including filing a registration statement

in the United States. There is a risk that local requirements will not be fulfilled or that a registration statement will not be filed in the United States to enable these shareholders to exercise their preferential rights or to participate in a repurchase offer.

**It may be difficult for shareholders outside Sweden to bring legal action against as well as enforce foreign judgements against the Company.**

The rights of the Company's shareholders are governed by the Articles of Association and by Swedish law. These rights may differ from rights of shareholders in non-Swedish companies. Most of the Company's assets are located in Sweden. As a result, it may be costly and time-consuming for shareholders outside Sweden to initiate proceedings or to enforce foreign judgements against the Company or its board members.

**RISKS RELATING TO THE TRANSACTION AND COREM'S ORDINARY SHARES OF SERIES D**

**Conditions for completion of the Offer may not be obtained within an acceptable timeframe or on terms acceptable to the Company**

The Company has set a number of conditions for the completion of the Offer, including that Corem becomes the owner of shares corresponding to more than 90 per cent of the shares in Klöver and that newly issued ordinary shares of series D in Corem are admitted to trading on Nasdaq Stockholm. These terms are in part beyond the Company's control. In the event that such conditions are not met or cannot be met, Corem has, under certain conditions, a possibility to withdraw from the Offer. Since the Offer was announced on 26 March 2021, the market price of Klöver's shares has increased. Should uncertainty arise regarding the implementation of the Offer, or if Corem should withdraw the Offer, it may have a negative effect on the market price of Klöver's or the Company's shares or that volatility increases.

**Risks related to the issue of ordinary shares of class D**

Each preference shareholder in Klöver is offered 1.12 ordinary shares of class D in Corem for each preference share in Klöver, or alternatively, to receive 1.00 newly issued preference share in Corem for each preference share in Klöver.

Owning an ordinary share of class D involves higher risk than owning a preference share. If, for example, Corem is dissolved, preference shares have a preferential right over ordinary shares to receive an amount corresponding to SEK 450 per preference share from Corem's assets and any outstanding amount in accordance with the Articles of Association before distribution to the owners of ordinary shares. If Corem is dissolved, all ordina-

ry shares shall have an equal right to payment from Corem's assets. Ordinary shares of class D shall, however, only be entitled to a maximum of SEK 300 per share. Preference shareholders in Klöver who choose to receive ordinary shares of class D in Corem will thus receive a more subordinated share class which is also entitled to a lower maximum amount in the event of Corem's dissolution. In addition, it must be taken into account that in the event of a dissolution, all ordinary shareholders shall be allowed a share of the capital after the preference shareholders have received their share. This risk is variable over time and should be set in relation to Corem's equity, debt financing and financial position in general, taking into account the number of outstanding shares of each share class and the risk that Corem will de facto be dissolved. In addition, the preference share can be redeemed and has priority for dividends. There is thus a risk that owners of ordinary shares of class D will receive (i) a lower or no dividend than preference shareholders and (ii) will not be redeemed if Corem chooses to redeem their preference shares and (iii) receive a lower amount in the liquidation of Corem compared to what preference shareholders will receive per share.

#### **Risks related to the share price**

An investor should note that an investment in ordinary shares of class D in Corem is associated with risks. The market price of Corem's ordinary shares of class D may be adversely affected by a number of factors, such as increased market volatility, divestments of major shareholders or an expectation that such divestments will take place. Since the ordinary share of class D is a new class of shares, there is no history to compare with, which in itself may mean that volatility increases compared to if the share had already been listed on a market. Thus, there is no guarantee regarding future price development for the Company's ordinary shares of class D, which is why the value of the investment can increase as well as decrease. Limited liquidity in the Company's ordinary shares of class D may also cause problems for individual shareholders to sell their shares, and volatility may be high, especially in connection with the shares being admitted to trading on Nasdaq Stockholm. There is a risk that ordinary shares of class D in Corem will not be sold at a price acceptable to the holder, or at all, at any time.

#### **Risks related to admission to trading on Nasdaq Stockholm regarding Series D ordinary shares**

Ordinary shares of class D is a new class of shares for Corem. Corem will apply for the shares to be admitted to trading on Nasdaq Stockholm. A prerequisite for the application to be approved and the shares admitted to trading is that the so-called distribution requirement is met. This means, among other things, that there must be conditions for sufficient supply and demand

for the shares in order to achieve a functioning price formation mechanism. Additional requirements are that a sufficient number of the ordinary shares of class D are in public ownership and that the shares are held by a sufficient number of shareholders. If these requirements are not met, there is a risk that the Company's application to admit the ordinary shares of class D to trading will be rejected, or in the event that the application is approved but the distribution requirement is no longer met, the ordinary shares of class D will be delisted. As per the day of this Offer Document, it is not known how many of Klöver's preference shareholders will participate in the Offer and to what extent participants choose to receive ordinary shares of class D, and as it is not known how many of Corem's preference shareholders intend to accept the ongoing voluntary exchange offer allowing preference shareholders in Corem to exchange preference shares for ordinary shares of class D in Corem, there is a risk that the distribution requirement will not be met and that the shares cannot be admitted to trading on Nasdaq Stockholm. If ordinary shares of class D are not admitted to trading on Nasdaq Stockholm, there is a risk that holders of ordinary shares of series D will not be able to sell their shares at a reasonable market price. There is also a risk that Corem in such circumstances chooses to withdraw from the Offer in its entirety.

Existing shareholders in Klöver who directly and indirectly represent approximately 27.2 per cent of the outstanding capital and approximately 44.0 per cent of the outstanding votes in Klöver have entered into subscription commitments with Corem to accept the Offer and only subscribe for ordinary shares of class D in Corem as consideration for their preference shares in Klöver. The subscription commitments are not secured by bank guarantees or other security arrangements. Consequently, there is a risk that shareholders who have entered into the subscription commitments will not fulfill their respective obligations. If the subscription commitments are not met, it will negatively affect the ability to complete the Offer, i.e. with regard to the Offer being conditioned upon acceptance of at least 90 per cent of the shares in Klöver.

#### **Goodwill**

Upon completion of the Offer, goodwill arises, which is kept in Corem's balance sheet. Should the price that Corem acquires Klöver for in the long-term prove to be misleading or for other reasons too high, goodwill will be written down. In the event that goodwill is written down, the asset side of the balance sheet decreases, which in turn means that the Company's solvency decreases. Corem estimate the probability of the risk arising as low, with a potentially medium-high negative effect on Corem's operating profit.

# OFFER TO THE SHAREHOLDERS OF KLÖVERN

On 29 March 2021, Corem submitted a public offer to the shareholders of Klöver AB (publ), reg. no. 556482-5833, ("Klöver") to acquire all outstanding shares in Klöver in exchange for consideration in the form of newly issued shares in Corem. On 19 April 2021, Corem adjusted the exchange ratios for ordinary shares of class B in Klöver to correspond with the exchange ratio that has been determined for ordinary shares of class A in Klöver. Following the adjustment, the Offer equals a consideration of approximately SEK 16.59 per ordinary share of class A, approximately SEK 16.90 per ordinary share of class B 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, which was the last trading day before the announcement of the Offer.

Klöver's ordinary shares of class A (ISIN SE0006593901) and class B (ISIN SE0006593919), and preference shares (ISIN SE0006593927) are admitted to trading on Nasdaq Stockholm, Large Cap. Corem's ordinary shares of class A (ISIN SE0010714279) and class B (ISIN SE0010714287), and preference shares (ISIN SE0010714311) are admitted to trading on Nasdaq Stockholm, Mid Cap. In connection with the Offer, the Company will apply for ordinary shares of class D (ISIN SE0015961594) to be admitted to trading on Nasdaq Stockholm.

#### **Corem offers the shareholders of Klöver the following:**

- For each ordinary share of class A in Klöver (not already owned by Corem) 0.88 newly issued ordinary shares of class A in Corem for each ordinary share of class A in Klöver<sup>3</sup>;
- For each ordinary share of class B in Klöver (not already owned by Corem) 0.88 newly issued ordinary shares of class B in Corem for each ordinary share of class B in Klöver<sup>4</sup>;
- For each preference share in Klöver, 1.12 newly issued ordinary shares of class D in Corem.<sup>5</sup> As an alternative consideration, preference shareholders in Klöver may choose to receive 1.00 newly issued preference shares in Corem for each preference share in Klöver (which at the time of the announcement of the Offer equals a price of SEK 323.0 per preference share in Klöver).<sup>6</sup>

Brokerage commission will not be charged in connection with the completion of the Offer.

#### **Premium**

##### ***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 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 share of class A during the last 20 trading days prior to the announcement of the Offer;
- For ordinary shares of class B: 30.1 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 29.5 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 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>3</sup> The offered consideration will be adjusted if Klöver or Corem makes additional dividends or other value transfer to the shareholders after 12 May 2021, before settlement has taken place in relation to the 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>4</sup> See note 3 above.

<sup>5</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>6</sup> See note 4 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, whereupon 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 19,780 million, corresponding to a consideration of approximately SEK 16.59 per ordinary share of class A, approximately SEK 16.90 per ordinary share of class B, and SEK 323.00 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 Corem's shares 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 Corem's and Klöver's' shareholder structure as of 31 March 2021<sup>7</sup>, will amount to 1,119,962,748 shares distributed over 94,361,335 ordinary shares of class A, 1,003,584,133 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>8</sup>, instead choose to receive preference shares in Corem, the total number of outstanding shares in Corem, based on Corem's and Klöver's shareholder structure as of 31 March 2021<sup>9</sup>, will amount to 1,118,079,511 shares distributed over 94,361,335 ordinary shares of class A, 1,003,584,133 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 69.0 per cent of the outstanding share capital and approximately 68.9<sup>10</sup> per cent of the votes in Corem and current shareholders in Corem will own approximately 31.0 per cent of the outstanding share capital and approximately 31.1<sup>11</sup> per cent of the votes in Corem. The dilution for Corem's current shareholders thus amounts to approximately 69.0 per cent of the outstanding share capital and approximately 68.9<sup>12</sup> per cent of the votes.

### 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;
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<sup>13</sup>;
3. the newly issued ordinary shares of class D in Corem are approved for admission to trading on Nasdaq Stockholm;

<sup>7</sup> Adjusted for known changes.

<sup>8</sup> M2 Asset Management AB (publ) and subsidiaries, and Gårdarike AB and subsidiaries have irrevocably undertaken to choose ordinary shares of class D in Corem as consideration for their preference shares in Klöver.

<sup>9</sup> See note 7.

<sup>10</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 68.8 per cent and maximum 68.9 per cent.

<sup>11</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 31.1 per cent and maximum 31.2 per cent.

<sup>12</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 68.8 per cent and maximum 68.9 per cent.

<sup>13</sup> The Annual General Meeting in Corem on 29 April 2021 resolved on the resolutions in accordance with the condition.

4. with respect to the Offer and the acquisition of Klöver, all necessary regulatory, governmental or similar clearances, approvals and decisions, including approval from competition authorities<sup>14</sup>, 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's decision, 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 the above conditions is 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 shares in Klöver.

Corem reserves the right to waive fully or partially 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.

## UNDERTAKINGS FROM SHAREHOLDERS IN KLÖVERN

M2 Asset Management AB, reg. no 556559-3349, and Gårda-rike AB, reg. no 556571-6957, together, directly and indirectly, representing 27.2 per cent of the outstanding share capital and 44.0 per cent of the votes in Klöver 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 votes in Klöver.

## FINANCING OF THE OFFER AND CONSIDERATION SHARES

### Financing conditions

The Offer is not subject to any financing conditions. The consideration for the shares in Klöver consists of shares in Corem. Corem will issue up to 773,168,243 shares in connection with the Offer, equal to 69.0 per cent of the share capital and 68.9 per cent of the votes in Corem, after full dilution based on full acceptance of the Offer. The decision to issue the new shares is made by the Board of Directors of Corem, in accordance with the authorization granted by the Board of Directors at the Annual General Meeting in Corem on 29 April 2021. Corem will not receive any proceeds in connection with the issue.

### Consideration shares

Ordinary shares of class A in Corem. Traded on Nasdaq Stockholm. Ticker: CORE A, ISIN-code SE0010714279.  
 Ordinary shares of class B in Corem. Traded on Nasdaq Stockholm. Ticker: CORE B, ISIN-code SE0010714287.  
 Ordinary shares of class D in Corem. Planned to be admitted to trading at Nasdaq Stockholm around 17 June 2021. Ticker: CORE D, ISIN-code SE0015961594.

Preference shares in Corem. Traded on Nasdaq Stockholm. Ticker: CORE PREF, ISIN-code SE0010714311.

Corem's shares are denominated in SEK.

<sup>14</sup> On 28 April 2021, the Swedish Competition Authority announced its decision to clear the Offer and the merger without action. The decision, with reference number 250/2021 is available on the Swedish Competition Authority's website.

<sup>15</sup> Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.

## APPROVAL FROM COMPETITION AUTHORITIES, ETC.

On 28 April 2021, the Swedish Competition Authority announced its decision to clear the Offer and the merger without action. The decision, with reference number 250/2021 is available on the Swedish Competition Authority's website.

## 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>16</sup> and 179,915,097 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 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 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 an irrevocable undertaking to accept the Offer, as described above.

In light of the above-mentioned relationships, Corem will comply with the provisions on conflicts of interest in 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 KLÖVERN

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 votes in Klöver. Corem does not own or control any additional financial instruments in Klöver that result in financial exposure approximate 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 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.

## 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 has 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 a due diligence of Corem.

## ANNUAL GENERAL MEETING AND LISTING OF ORDINARY SHARES OF CLASS D

On 30 March 2021 the Board of Directors of Corem convened the Annual General Meeting to, in addition to ordinary resolutions, resolve to authorize the Board to issue ordinary shares of class A, ordinary shares of class B, ordinary shares of class D, and preference shares in Corem, which Corem will pay as consideration to the shareholders in Klöver who have accepted the Offer. Since the shareholders of Corem at the Annual General Meeting held on 29 April 2021, with required majority, resolved to authorize the Board to issue new ordinary shares of class A, ordinary shares of class B, ordinary shares of class D, and preference shares, in ac-

<sup>16</sup> Ownership data per the date on which the irrevocable undertakings to accept the Offer were entered into.

cordance with the above, one condition of the completion of the Offer is fulfilled. The resolution required a majority of at least two thirds (2/3) of the cast votes as well as of the shares represented at the general meeting.

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, 14 June 2021, 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.

### ACCEPTANCE PERIOD AND TIME PLAN

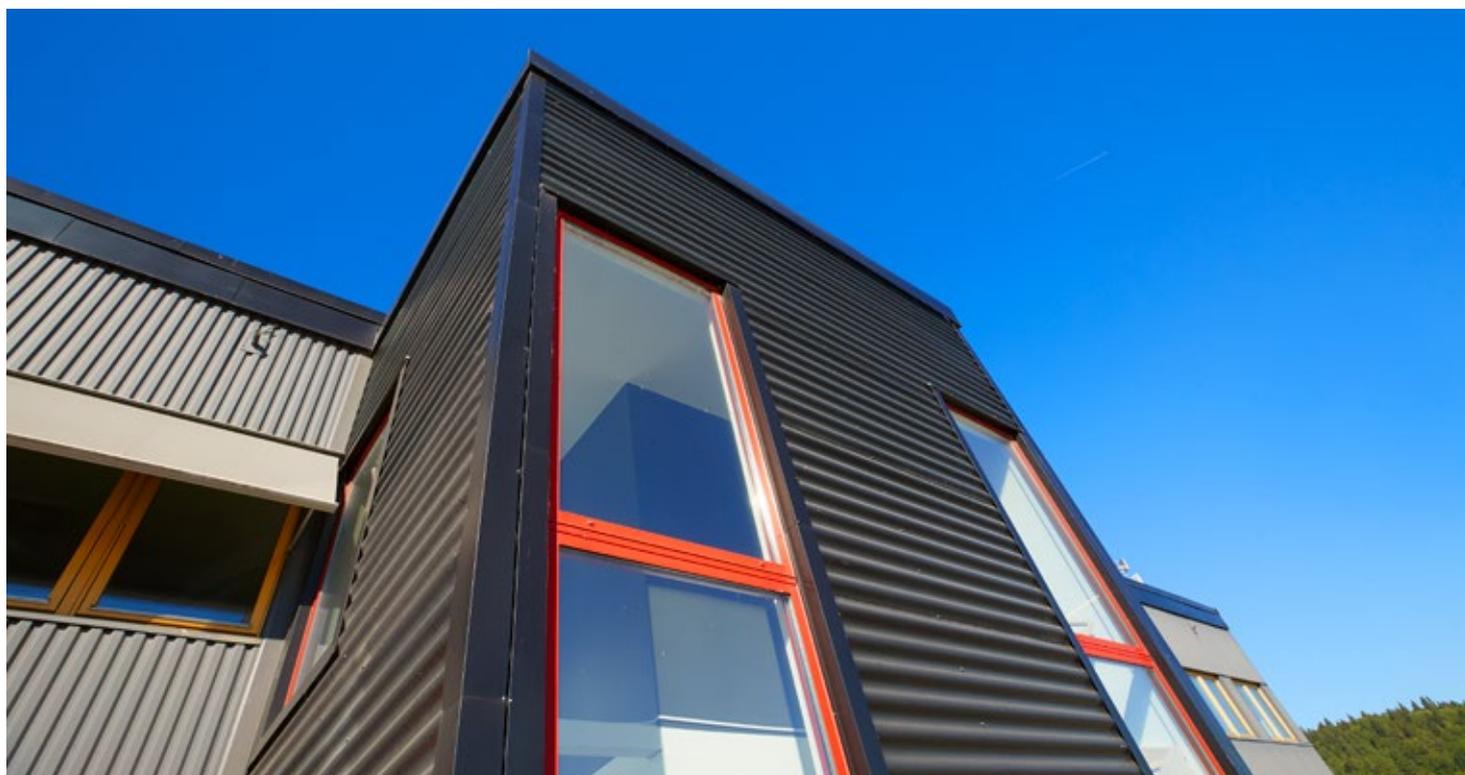
The acceptance period for the Offer commences on 14 May 2021 and ends on 11 June 2021. Provided the acceptance period ends on 11 June 2021, the payment of the consideration is expected to begin around 17 June 2021. The outcome of the Offer will be announced by way of press release around the 14 June 2021.

Payment of the Offer consideration will begin as soon as Corem has announced that the conditions for the Offer are satisfied or otherwise has 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. In the event of an extension of the acceptance period the payment of consideration to those shareholders who have already accepted the Offer will not be delayed.

### GOVERNING LAW AND DISPUTES

The Offer is governed 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 uppköpserbudanden 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 29 March 2021.



# BACKGROUND AND REASONS FOR THE OFFER

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Corem is a real estate company that owns, manages and develops warehouse, logistics, industrial and commercial properties with the goal of being leading in properties for city logistics within its selected regions. The property portfolio is concentrated to locations in close proximity to cities, with good accessibility and growth. As of 31 March 2021, the property portfolio consisted of 169 properties with an aggregate fair value of the properties of SEK 14,811 million. During the financial year 1 January – 31 December 2020 revenues amounted to SEK 894 million, with profit from property management of SEK 420 million. For the first quarter of 2021, income amounted to SEK 258 million and profit from property management amounted to SEK 157 million.

Klövern is one of Sweden's largest publicly listed real estate companies and has commercial properties as its main focus. As of 31 March 2021, Klöverns property portfolio consisted of 341 properties with an aggregate fair value of SEK 58,289 million. During the financial year 1 January – 31 December 2020, Klöverns revenues amounted to SEK 3,294 million, with a profit from property management of SEK 1,269 million.

Corem has been one of Klöverns largest shareholders since 2008. Corem's holdings on the day of the Offer Document 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 Klöverns. Due to Corem's large holdings, Corem exercises shareholder representation through the Nomination Committee as well as through the Board of Directors of Klöverns.

The proposed merger of Corem and Klöverns is expected to create significant value for all stakeholders. A merger of Corem and Klöverns creates one of the largest listed real estate companies in the Nordic region, by combining Corem's portfolio of logistics properties with Klöverns broader portfolio with a focus on offices. The combined company will have continued focus on growth regions, both in Sweden and internationally, while enabling it for consolidation of the companies' property portfolios, both of which are located in attractive metropolitan areas. In addition, a combined company would have strong cash flows, a broad product and customer offering, and geographically complementary operations. The merger creates a balanced property portfolio with good complementing qualities, as well as a property development projects 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.

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 competence and strengths. In total, annual synergies are expected to amount to approximately SEK 200 million, mainly due to financial synergies.

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 combined company, with properties located in several additional growth regions with a diversified customer offering, leads to enhanced risk diversification, which reduces 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.

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

Corem expects that the proposed merger of the companies will bring positive effects, including organisational effects, and that the companies' competencies and strengths complement and reinforce each other well. In order to realise added values, the integration of Klöverns and Corem will likely include certain organisational and operational changes, and changes for the employees, in the Combined Company. Corem's current chairman, Patrik Essehorn, together with the remaining members of the Board, will continue in their current positions after the merger. Also Corem's CEO, Eva Landén, and CFO, Anna-Karin Hag, will continue in their respective roles after the merger. Which specific changes that will be made in connection with the integration will be determined after the completion of the Offer and a following, close evaluation of the combined business, in order for the companies' complementary knowledge and competence to be utilised in the best way. Before the completion of the Offer, it is too early to say which specific measures will be taken and the effect of such measures. No decisions

of any changes have been made regarding Corem's or Klöver's employees and management, or regarding the current organisation or business, including employment terms, employment and the locations where Klöver operates.

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 commercial real estate companies, with a broadened product portfolio and customer offering. The merger enables Klöver's shareholders the opportunity to be part of joint future value creation, achieved through 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 size of the merged company is expected to lead to increased interest from 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."*

In other respects, reference is made to the complete report in the Offer Document, which has been prepared by Corem's Board of Directors in connection with the Offer. The information regarding Klöver on pages 96–141 in this Offer Document has, in accordance with the statement on page 142, been reviewed by the Board of Klöver. Corem's Board of Directors is responsible for the Offer Document in other parts and to the Board's knowledge, the information provided in the Offer Document corresponds to the facts and no information that would probably affect its meaning has been omitted.

Stockholm 12 May 2021

**Corem Property Group AB (publ)**

Board of Directors

# ORDINARY SHARES OF CLASS D IN BRIEF

Corem has four classes of shares, ordinary shares of class A, ordinary shares of class B, ordinary shares of class D and preference shares. No ordinary shares of class D have been issued prior to the Offer. Corem offers the preference shareholders of Klöver 1.12 ordinary shares of class D in Corem for each preference share in Klöver. Presented below is a summary of the terms and conditions for ordinary shares of class D.

According to Corem's articles of association, all ordinary shares are entitled to dividend, without preference between themselves. If dividend is resolved upon, ordinary shares of class A and class B shall be entitled to the same dividend per share and ordinary shares of class D shall be entitled to fifty (50) times the total

amount of dividend on the ordinary shares of class A and class B, however, not more than SEK twenty (20) per share and year. If the dividend per ordinary share of class D is less than SEK twenty (20), the dividend limit of SEK twenty (20) shall be increased so that the amount with which the dividend is less than SEK twenty (20) per year may be distributed at a later time if sufficient dividend on the ordinary shares is resolved, after which the dividend limit shall return to SEK twenty (20).

Payment of dividend regarding ordinary share of class D shall be made in four (4) equal instalments. Record days for payment of dividend shall be the last weekday in June, September, December and March, with the first record day for payment of dividend on ordinary share of class D on the last weekday in June 2021.

## FOR COMPLETE TERMS AND CONDITIONS REGARDING COREM'S ORDINARY SHARES OF CLASS D, SEE SECTION ARTICLES OF ASSOCIATION COREM.

<b>Issue price:</b>	For each preference share in Klöver, 1.12 ordinary shares of class D in Corem are received.
<b>Dividend:</b>	Fifty (50) times the total dividend on ordinary shares of class A and class B, however, a maximum of SEK 20.00 per share and year, with a quarterly dividend of SEK 5.00 per quarter. Record dates for the payment of dividends shall be the last weekday in June, September, December and March, with the first record date for the payment of a dividend of a class D ordinary share on the last weekday in June 2021.
<b>Voting right:</b>	Each ordinary share of class D entitles to one tenth (1/10) of a vote.
<b>What happens to future dividends if the dividend is canceled in whole or in part?</b>	If the dividend is less than SEK twenty (20) in a given year, the dividend limit is increased so that the amount by which the dividend is less than SEK twenty (20) per year can be distributed at a later time. No compensation is paid.
<b>Right to redemption for Corem:</b>	No, no right to redemption.
<b>Right to conversion to another class of shares:</b>	No, no right to conversion.
<b>Liquidation:</b>	On equal terms with other ordinary shares, however, a maximum of SEK 300 per share.
<b>Listing:</b>	Corem intends to apply for the newly issued ordinary shares of class D to be admitted to trading on Nasdaq Stockholm Mid Cap. Ordinary shares of class D are expected to be admitted to trading around 17 June 2021.
<b>Other:</b>	The terms for ordinary shares of class D are regulated in Corem's articles of association.

# TERMS AND CONDITIONS FOR THE OFFER

## THE OFFER

Corem offers the shareholders in Klöver to acquire all shares in Klöver. The total value of the Offer amounts to SEK 19,780m, equal to approximately SEK 16.59 per ordinary share of class A, approximately SEK 16.90 per ordinary share of class B and SEK 323.00 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>17</sup> Corem offers the shareholders in Klöver the following:

- holders of ordinary shares of class A in Klöver: 0.88 newly issued ordinary shares of class A in Corem for each ordinary share of class A in Klöver<sup>18</sup>,
- holders of ordinary shares of class B in Klöver: 0.88 newly issued ordinary shares of class B in Corem for each ordinary share of class B in Klöver,<sup>19</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>20</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>21</sup>

Brokerage will not be paid in connection with the Offer. For a more detailed description of the Offer, please refer to the section Offer to the shareholders in Klöver above.

## CONDITIONS FOR COMPLETION OF THE OFFER

### **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;
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<sup>22</sup>;

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<sup>23</sup>, 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 regards 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.

<sup>17</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>18</sup> The offered consideration will be adjusted if Klöver or Corem makes additional dividends or other value transfer to the shareholders after 12 May 2021 and before payment of consideration 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>19</sup> See note 18 above.

<sup>20</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>21</sup> See note 19 above.

<sup>22</sup> The Annual General Meeting of Corem resolved on 29 April 2021, in accordance with the condition.

<sup>23</sup> On 28 April 2021, the Swedish Competition Authority announced its decision to leave the Offer and the merger without action. The decision with registration number 250/2021 can be read on the Swedish Competition Authority's website.

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

Shareholders in Klövern whose shares are directly registered with Euroclear Sweden and who wish to accept the Offer must, during the period from 14 May 2021 to 11 June 2021 at 15.00 CEST, control that the pre-printed information on the acceptance form is correct, mark their choice and complete the acceptance form with a daytime telephone number, email address, LEI code / NID number and sign and send the acceptance form to:

#### Swedbank AB (publ)

Emissioner C66  
SE-105 34 Stockholm  
Sverige

The acceptance forms must be sent by post, preferably in the enclosed pre-stamped reply envelope, well in advance of the last acceptance date in order to be received by Swedbank AB (publ) ("Swedbank") no later than 15.00 CEST 11 June 2021. In order to be able to accept the Offer, the shares in Klövern must be booked in the shareholder's securities account (Sw. VP-konto) no later than 11 June 2021.

Pre-printed acceptance form and pre-stamped reply envelope are sent to directly registered shareholders whose holdings in Klövern were registered with Euroclear Sweden 12 May 2021. The securities account (Sw. VP-konto) and information on shareholdings can be found on the pre-printed acceptance form. Shareholders who are included in the list of mortgagees and guardians do not receive an application form but are notified separately. Please note that a registration form where mandatory information is missing or incomplete or incorrectly filled in may be disregarded.

### NOMINEE-REGISTRED SHAREHOLDER

For shareholders in Klövern whose shares are nominee-registered, acceptance must take place in accordance with instructions from the respective nominee.

### PLEDGED SHARES

If shares in Klövern are pledged in the Euroclear system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge on any such share will be terminated if the Offer is completed. The pledge must accordingly be deregistered in the Euroclear system regarding the concerned shares in Klövern when these are to be delivered to Corem.

### OFFER DOCUMENT AND ACCEPTANCE FORM

The Offer Document and acceptance form are available on the following websites: Corem's website ([www.corem.se](http://www.corem.se)), Swedbank's website ([www.swedbank.se/prospekt](http://www.swedbank.se/prospekt)) and the SFSA's website ([www.fi.se](http://www.fi.se)) (Offer Document only).

### RIGHT TO EXTENSION OF THE OFFER

The acceptance period for the Offer commences 14 May 2021 and ends 11 June 2021 at 15.00 CEST. Corem reserves the right to extend the acceptance period for the Offer and to postpone the time for payment of consideration. Notice of such extension will be announced by Corem by press release in accordance with applicable laws and regulations.

### RIGHT TO WITHDRAW ACCEPTANCE

Shareholders in Klövern have the right to withdraw submitted acceptances of the Offer. In order for the withdrawal to be valid, a written withdrawal must have been received by the issue department at Swedbank before Corem has announced that the conditions for the Offer have been met or, if such announcement does not take place during the acceptance period, no later than 15.00 CEST on the last day of the acceptance period. If conditions of the Offer remain for which Corem has reserved the right to waive during an extension of the Offer, the right to withdraw a given acceptance shall apply in a corresponding manner also during such an extension of the Offer. Shareholders in Klövern whose shares are nominee-registered must follow the instructions from each nominee.

### ACKNOWLEDGEMENT AND TRANSFER OF SHARES IN KLÖVERN TO BLOCKED SECURITIES ACCOUNTS

When Swedbank has received and registered a completed and signed acceptance form, the shares in Klövern will be transferred to a newly opened blocked securities account (Sw. *apportkonto*) in each respective shareholder's name in Klövern. In connection therewith, Euroclear Sweden sends a notice (Sw. *VP-avi*) showing the number of shares in Klövern that have been booked into the newly opened blocked securities account. No special notice showing the booking from the regular securities account will be sent out.

### PAYMENT OF CONSIDERATION

Payment of consideration is expected to begin as soon as Corem has announced that the conditions for the Offer have been fulfilled or that Corem has otherwise decided to complete the Offer. Assuming that the Offer is declared unconditional no later than around 14 June 2021, payment of consideration is expected to begin around 17 June 2021. In connection with the payment of consideration, the shares in Klövern are booked out of the blocked securities account, which is thus terminated. No notice will be sent out in connection with withdrawal. Payment of consideration of newly issued shares in Corem will be effected by entering

the shares on the securities account where the shares in Klövern were registered. As confirmation of this, a notification (Sw. VP-avi) is sent out showing the booking in the securities account. If the shares are nominee-registered, payment is made through the respective nominee.

### FRACTIONS

Only whole shares in Corem, with rounding down, will be received by shareholders in Klövern who accept the Offer. To the extent that a shareholder in Klövern holds such a number of shares that the consideration to be paid in the Offer is not an even whole number of new shares in Corem, shares of such shares will be sold on Nasdaq Stockholm Mid Cap after added with other such shares. The net income will be distributed proportionally between the affected shareholders in Klövern, based on the share of a share in Corem that such respective shareholders would otherwise have received. By accepting the Offer, the shareholder in Klövern instructs Corem, or the person Corem replaces, to carry out such a sale. When the sale is completed, a settlement note is sent out. Payment is made to the return account that is connected to the securities account where the shares in Klövern were registered. If the return account is missing, incorrect or is a postal giro account, payment is made through a payment notification. Payment is expected to begin around 22 June 2021. If the holding is nominee-registered, consideration will be paid for excess shares through the respective nominee.

### LISTING AND TRADING IN COREM SHARES

Corem's shares have been listed on Nasdaq Stockholm, Mid Cap since 2009. The first trading day for the shares issued as consideration in the Offer is expected to begin around 17 June 2021.

### RIGHT TO DIVIDEND

The newly issued shares in Corem entitles to dividends in accordance with the Articles of Association starting with the record date for dividends that falls after the newly issued shares have been registered with the Swedish Companies Registration Office and Euroclear Sweden. Payment of dividends is arranged by Euroclear Sweden or, for nominee-registered holdings, in accordance with the respective nominee's routines. The right to dividend accrues to the person who on the record date determined by the Annual General Meeting was registered as owner of the share register kept by Euroclear Sweden.

If a dividend is decided, the following shall apply:

- Ordinary shares of class D are entitled to 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.
- If the dividend per ordinary share of class D is less than twenty SEK (20) the dividend limitation of twenty SEK (20) increase so that the amount by which the dividend was less than twenty SEK (20) per year may be distributed at a later date if sufficient dividends on the common shares is decided and then the dividend limit shall return to twenty SEK (20).

- Payment of dividends relating to ordinary shares of class D shall be made in four (4) equal installments. Record dates for the payment of dividends shall be the last weekday in March, June, September and December, with the first record date for the payment of a dividend of an ordinary share of class D on the last weekday in June 2021.

For more information, see the section *The share, share capital and ownership – The Offer – Certain rights associated with new ordinary shares of class D* on page 84.

### COMPULSORY ACQUISITION AND DELISTING

In the event that Corem, in connection with the Offer or in any other way, becomes the owner of shares corresponding to more than 90 per cent of the shares in Klövern, Corem intends to commence a compulsory acquisition procedure in accordance with the Swedish Companies Act (2005:551) in order to acquire all outstanding shares in Klövern. In connection therewith, Corem intends to promote a de-listing of Klövern's shares from Nasdaq Stockholm.

Provided that a high proportion of preference shareholders choose ordinary shares of class D in the Offer, and provided that the separate exchange offer which was published on 30 March 2021 (see *Ongoing exchange offer to preference shareholders in Corem* under the section *The share, share capital and ownership* on page 81) is completed with high acceptance ratio, Corem intends to delist Corem's preference shares from Nasdaq Stockholm due to limited liquidity in the preference share.

### IMPORTANT INFORMATION REGARDING NID AND LEI

According to Directive 2014/65/EU of the European Parliament and of the Council ("MiFID II"), from 3 January 2018, all investors need to have a global identification code in order to carry out 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 find out their NID number (National ID or National Client Identifier) in order to be able to accept the Offer. Please note that it is the legal status of the shareholders that determines whether a LEI code or an NID number is needed and that an issuing institution may be prevented from performing the transaction for the shareholder in question.

### INFORMATION ABOUT HANDLING OF PERSONAL INFORMATION

The person participating in the Offer will provide personal information to Swedbank. Personal data provided to Swedbank will be processed in computer systems to the extent necessary to provide services and administer customer arrangements in Swedbank. Personal data obtained from other than the customer to whom the processing relates may also be processed. It may also happen that personal data is processed in computer systems at companies or organizations with which Swedbank cooperates. Information about the processing of personal data can be

obtained on Swedbank's website or by contacting the customer center or an office of Swedbank, the relevant savings bank. Address information may be obtained by Swedbank through an automatic data run at Euroclear Sweden.

#### OTHER INFORMATION

Swedbank is issuing institute in the Offering, which means that Swedbank performs certain administrative services regarding the Offer. This does not in itself mean that the person who accepts the Offer (the **"Participant"**) is considered a customer of Swedbank. Upon acceptance of the Offer, the Participant is considered a customer only if Swedbank has provided advice to the Participant or has otherwise contacted the Participant individually regarding the Offer or if the Participant has an existing customer relationship with Swedbank. If a Participant is not considered a customer, the rules on protection for investors in the Securities

Market Act (2007:528) do not apply to his acceptance of the Offer. This means, among other things, that neither so-called customer categorization nor so-called suitability assessment will take place with respect to the Offer. The Participant is thus responsible for ensuring that he or she possesses sufficient experience and knowledge to understand the risks associated with the Offer.

#### QUESTIONS REGARDING THE OFFER

For questions regarding the Offer, please contact Swedbank on telephone number 0480 - 404 116, your bank or your securities institution. Information is also available on Corem's website ([www.corem.se](http://www.corem.se)) and Swedbank's website ([www.swedbank.se/prospekt](http://www.swedbank.se/prospekt)). Information on the websites does not form part of the Offer Document.



# THE COMBINED COMPANY

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This section of the Offer Document contains forward-looking statements. The statements are intended to illustrate Corem's expectations and ambition for the combined company and should not be construed as forecasts or established financial targets for the Group. There are no guarantees that the outcome of the merger of the companies will not differ materially from what is expressed or implied in this section due to a number of factors, many of which are outside of Corem's and Klöverns control. Factors that may cause or contribute to such differences include, but are not limited to, the factors discussed in the section "Risk Factors" above. A decision to accept the Offer should therefore be preceded by a careful analysis.

## REASONS FOR THE MERGER

On 29 March 2021 Corem submitted a public takeover bid to the shareholders in Klöverns to transfer all outstanding shares issued by Klöverns to Corem, in order to create a leading Nordic commercial real estate company. The merger of Corem and Klöverns is expected to create significant value for all stakeholders:

**Creation of a leading Nordic real estate company:** A merger of Corem and Klöverns (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 Klöverns broader portfolio with a focus on offices. The Combined Company will consolidate their property portfolios in attractive metropolitan areas with a continuous focus on growth regions, in Sweden as well as internationally.

In addition, the Combined Company will have strong cash flows, a broad product and customer offering, and geographically complementary operations. A merger creates a balanced property portfolio with well complementing qualities, as well as property development with good growth and return potential. The size of the Combined Company is expected to lead to increased interest from both Swedish and 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 complement each other in a beneficial way. The Combined Company will remain focused on sustainability, proximity to the customer and proactive property management, which fits well with the companies' current competencies and strengths. In total, annual synergies 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, through 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 additional growth regions, a diversified customer offering and enhanced risk diversification leads to reduced 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.

**Clearer ownership structure and corporate governance:** By eliminating the current cross-ownership in the respective companies, the ownership structure becomes more transparent. Furthermore, a merger would create a group with business driven and well experienced management, with competence from different market segments, as well as organisations which complement each other well.

**Improved capital market profile and access to capital:** A merger of the companies is expected to improve both analyst coverage and liquidity of the shares, which are drivers for continued investor engagement. Corem is further of the opinion that the Combined Company would have an enhanced opportunity to interact on the international capital markets. Assuming the Offer is completed, the Combined Company's net asset value per ordinary share of class A and class B are estimated to SEK 26.32 as of 31 March 2021. If the key ratio is adjusted for goodwill, the net asset value per ordinary share is estimated at approximately SEK 23.74 as of the same date. Together with the other reasons stated herein, this should, according to Corem, create conditions for an increased net asset value for Corem's and Klöverns shareholders over time, from the current net asset value per share of SEK 23.54 and SEK 20.78 respectively.

## SYNERGIES

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

**Revenue synergies:** In total, annual revenue synergies are expected to SEK 30 million, to reach full effect within three years. The revenue synergies are expected to emerge both by the broader product and customer offering and by utilizing complementary knowledge and expertise. With leading expertise in property management and a property portfolio which 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 share 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 operational areas and through reduced central administration in the Combined Company.

**Financial synergies:** In total, annual financial synergies are expected to SEK 130 million, 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 a 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.

# MARKET OVERVIEW FOR THE COMBINED COMPANY

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The information in this market overview presents a brief and summarising description of the markets and the industry in which the Combined Company will operate. The market overview focuses on Sweden's economy and the Swedish real estate market in its entirety, as well as the specific geographical areas the Combined Company will to operate within.

*The information provided in this section is, unless otherwise stated, based on a market report prepared by the external real estate advisor Newsec Advice AB ("Newsec") on behalf of Corem. Newsec issued the report on 16 April 2021, for the sole purpose of being included in this Offer Document. The information below may be used in the Offer Document with the approval of representatives from Newsec. References to "Statistics, Newsec, April 2021" refers to internal statistics from Newsec, which has formed the basis for the market report. The market report is based on both internal and external sources that Newsec considers credible. The facts are considered complete and reliable, but the forecasts and forward-looking statements in this section do not guarantee future outcomes. Every effort has been made to ensure the accuracy and completeness of the report, but Newsec cannot guarantee that no factual errors have occurred.*

## THE MARKET OF THE COMBINED COMPANY

The Combined Company will mainly have exposure to warehouses and logistics as well as office properties. Geographically, the emphasis will be in the Nordic region with focus on urban cities and strong growth regions. The property types are well-established asset classes in the Swedish real estate market and have for several years demonstrated high investment volumes. The size of the Combined Company is expected to lead to increased interest from both Swedish and foreign investors.

## RECORD INTEREST IN WAREHOUSE, INDUSTRY AND LOGISTICS PROPERTIES

During 2020, the Covid-19 pandemic has contributed to record high investment interest in established property segments with stable cash flows and good market prospects - such as warehouse, industry and logistics properties. Transactions in the segment amounted to historically high levels in terms of both investment volume and share of total transaction volume.

## MACROECONOMIC OUTLOOK

### Slowing economy due to covid-19

The economic development in 2020 was characterized by the spread of covid-19. With closed economies, the spread of infection in several waves and great uncertainty about the pandemic's continued development, global growth slowed.

Sweden's economy has performed relatively well from a global perspective. GDP growth slowed sharply in connection with the pandemic's first wave in the spring and summer 2020, but the recovery was better than expected in the second half of the year. For the full year, the GDP decline in Sweden was summed up to 2.90 per cent<sup>24</sup>. In 2021, however, a strong recovery is expected as a result of, among other things, the extensive vaccination of the population<sup>25</sup>. Low inflation puts pressure on the Riksbank, which maintains the repo rate at zero per cent and indicates unchanged interest rates in the coming years.<sup>26</sup>

## THE REAL ESTATE MARKET IN SWEDEN

### Third strongest transaction year to date

Despite a turbulent year, the Swedish real estate market has proven to be very strong.

An established long-term low interest rate climate, a volatile stock market and low interest rates on government securities and bonds, combined with a continued good supply of return-seeking capital, have benefited the real estate market in 2020. The total transaction volume amounted to approximately SEK 189 billion, which is the third highest listing so far. The international investors were highly active in all sub-segments and geographic markets and accounted for a total of 26 per cent of total invested capital.<sup>27</sup>

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24 Report, Newsec, "Newsec Property Outlook", spring 2021.

25 Report, National Institute of Economic Research, "Brighter times in summer", 31 March 2021.

26 Report, the Swedish Riksbank, "Penningpolitisk rapport", 17 February 2021.

27 Statistics, Newsec, April 2021.

## WAREHOUSE, LOGISTICS AND INDUSTRIAL PROPERTIES

### Historically high transaction volume with strong national and international willingness to invest

Warehouse, logistics and industrial properties are a well-established asset class in the Swedish real estate market and have for several years demonstrated high investment volumes. The segment is considered an attractive and long-term type of investment with creditworthy tenants and long contract periods.

In 2020, investment appetite in warehousing, logistics and industrial properties was very high and the transaction volume reached new record levels. Investments in the segment amounted to approximately SEK 34 billion, which is more than the previous record year 2019, when the investment volume measured almost SEK 33 billion. The segment's share of total transaction volume was also the highest to date and amounted to 18 per cent. Thus, warehouse, logistics and industrial properties, after housing, were the most invested asset class in the Swedish real estate market in 2020.<sup>28</sup>

The year was marked by several major investments in the logistics segment, where eight billion kronor transactions were completed. The pursuit of returns continues, after which several investors see portfolio transactions as a good way to allocate large amounts of capital while gaining a significant market share in a short time. Large portfolio transactions and larger logistics facilities that are fully let and specifically built for individual tenants were a strong contributor to the high transaction volume. There is also a great demand for smaller properties, which provides good opportunities to build up a portfolio that can then be sold at a premium. A total of 91 transactions were carried out in the segment with an average transaction volume of SEK 375 million.<sup>29</sup>

During the year, international investors were highly active in the segment and accounted for almost half of the segment's total investment volume. With a strong willingness to invest from both national and international capital, the return requirements have continued to fall during the year and the future prospects are deemed to be good for continued return compression.

## DEVELOPMENT AND TRENDS IN THE MARKET FOR WAREHOUSE, LOGISTICS AND INDUSTRIAL PROPERTIES

### More and more people live in cities

Growing cities increase not only the need for housing, but also the need for infrastructure, traffic solutions, warehouses, services, logistics properties, transport and workplaces. Urbanization means that there is a good supply of labor in the cities. The Combined Company's portfolio is concentrated in Stockholm, Gothenburg and Malmö. In Stockholm, the properties are usually located within a 20 km radius of the city and in other cities usually within a 10 km radius. The proximity to cities makes the properties well suited for city logistics and contributes to customers having

good opportunities to find employees for their operations. High land prices and residential construction means that the growth of warehouse and logistics properties is small nearer the city, which further contributes to the demand for existing premises.

### E-commerce increases the pressure on logistics properties

E-commerce gained a significant boost in 2020 and increased by 40 per cent according to the E-commerce barometer 2020. The corona pandemic's demands for physical distancing greatly contributed to the development. Increased e-commerce entails stricter requirements for efficient logistics chains for fast deliveries, which in turn requires warehousing and logistics areas close to cities. The need is increasing for, among other things, areas for third-party logistics, flexible storage areas in last mile locations and close to residential drop-off points. Handling returns also creates demand for properties for so-called reverse logistics. According to real estate consultant CBRE, pure e-retailers need an average of 2.4 times more logistics space than store-based retail in the existing logistics portfolio.

### Sustainability – an issue for everyone

Sustainability issues are pursued at all levels of society - from the UN via the global goals, the EU's new taxonomy, Sweden's national goal of fossil freedom 2045 and a number of initiatives in the business sector.

### Road transport remains most common

About 90 per cent of domestic transport in Sweden still takes place by truck, with an average transport of less than 300 km. When it comes to foreign trade, 90 per cent of the goods pass through at least one Swedish port. The Combined Company's properties are to a large extent adjacent to major traffic routes with good accessibility for road transport, which makes them attractive and easily accessible. The portfolio also includes properties near the port of Norvik and the northern port of Malmö. The conversion to climate-neutral fuels means an increased demand for charging stations for electric vehicles.

### New customer requirements require flexibility

Consumer patterns and transport flows can change rapidly as a result of political decisions or consumer trends. This requires flexibility and insight into the market in order to be able to offer customers spaces that can contribute to the development of their business.

### High pressure on the transaction market

The interest in investing in real estate is great, and warehouse and logistics properties have become increasingly attractive as investment objects in recent years. In 2020, the corona pandemic led to generally lower transaction volumes, but still with a relatively continued high interest in the property segment. The number of stakeholders in potential acquisitions is high and acquisition prices are generally high. Increased competition for the attractive properties places higher demands on access to cheap financing and knowledge of the market.

### Lack of land close to the city

In the big cities, the lack of land in attractive locations is noticeable. Here we see a trend that former industrial land is being converted into, among other things, residential areas. This means that indu-

<sup>28</sup> Statistics, Newsec, April 2021.

<sup>29</sup> Statistics, Newsec, April 2021.

stries need more peripheral locations and at the same time drives the need for new, innovative ways of using land close to the city in an efficient manner. Multi-storey warehouses are an example of an innovative solution that has previously been seen in large cities, primarily in Asia. Including well-thought-out city logistics in general plans is becoming increasingly common in municipalities.

## THE RENTAL MARKET

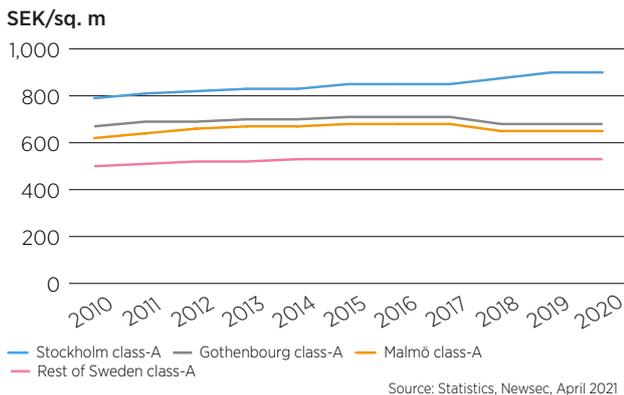
### Steady increase in market rents with high rent increases in individual areas

Rental levels for warehouse, logistics and industrial properties are determined by a number of parameters, such as rental structure, size, modernity and efficiency. There are also strong correlations to the property's geographical location and proximity to logistics clusters, transport hubs and major traffic routes. In general, rental levels for the segment in recent years have been very stable and clear rent increases can be noted in individual areas that have grown stronger over time and where newly built space has been added.

Simplified, renting is governed by two renting principles; one is applied to newly produced properties and the other to existing ones. For newly produced properties, the rent is determined as a function of the production costs for the building, the cost of land and the developer's profit requirements. In general, the rental levels for newly produced, modern properties are relatively even throughout the country, with the exception of Stockholm and Gothenburg, where high land prices push up rental levels.

The rental price principle for existing properties is determined by supplies and demand, which means that the rent varies greatly between different geographical areas. In areas with high

### MARKET RENTS WAREHOUSE, LOGISTICS AND INDUSTRIAL PROPERTIES SWEDEN, 2010-2020 REFERS TO MARKET RENTAL LEVELS IN CLASS A-AREAS



#### Definitions

Refers to levels at the end of the year.  
 Refers to the average rent of newly signed leases in new / renovated modern warehouse, logistics and industrial properties with a good standard and long, newly signed leases with a creditworthy tenant.  
 Refers to the average of a span (low / high), where a large majority of the rental level falls within the range.  
 Refers to cold rent, ie. the rents are stated excluding heating and property tax.  
 Please note that the stated rental levels only give an indication of the development in the market and that special assessments need to be made for each individual property.

30 Statistics, Newsec, April 2021.

31 Statistics, Newsec, April 2021.

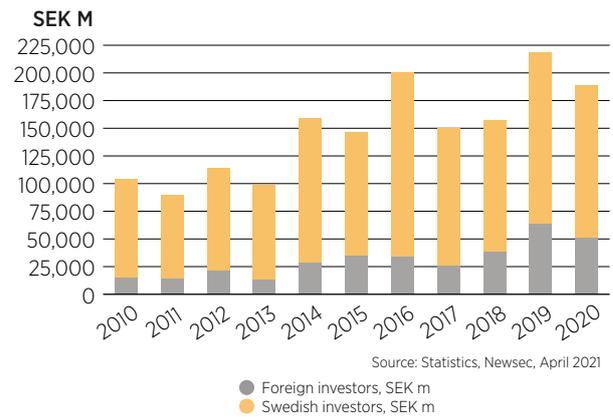
vacancies and large supply, the market rent can be less than the new production rent at the same time as the reverse situation, where the market rent exceeds the new production rent, often occurs in the metropolitan locations with large demand and lack of appropriate premises.<sup>30</sup>

## PROPERTY YIELD REQUIREMENTS

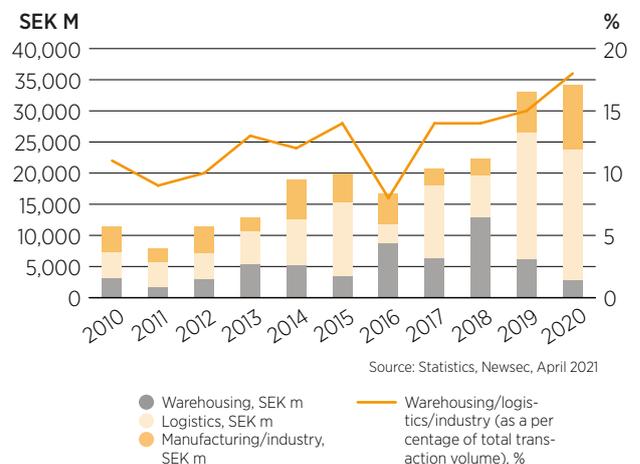
### Continued decline in investors' yield requirements

The high investment interest in warehouse, logistics and industrial properties has put downward pressure on yield requirements, even though the range is still large between attractive objects in good locations and older, outdated properties in less attractive areas. Falling interest rates and large amounts of capital allocated to the segment have pushed down yield requirements since 2008, which has led to historically low yields. During the year, the segment noted yield requirements of 4.25-4.50 per cent for newly produced or modern facilities in prominent logistics locations with strong tenants and long leases. For other objects, the yield requirements can vary greatly depending on, for example, geographical location, property standard and rental structure.<sup>31</sup>

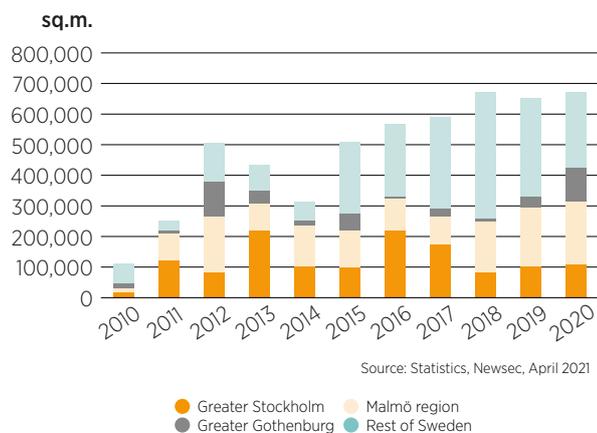
### TRANSACTION VOLUME PROPERTY, SEK M



### TRANSACTION VOLUME: WAREHOUSE, LOGISTICS AND INDUSTRY, MSEK TRANSACTIONS >= 40 MSEK



## PROJECT DEVELOPMENT: WAREHOUSE, LOGISTICS AND INDUSTRY PROPERTIES, SQ.M



## THE MARKET FOR OFFICE PROPERTIES

### Strong recovery after initial slowdown in the investor market due to covid-19

For several years, office properties have been one of the most traded property segments in the Swedish real estate market. High investment interest among institutions, real estate funds, private real estate companies and international capital has resulted in office properties historically generating high value growth and a good total return.<sup>32</sup>

The investment market for office properties initially slowed down with the spread of the coronavirus in early March 2020, but has since recovered. A high investment intensity at the beginning of the year and a high investment rate at the end of 2020 contributed to the investment volume for office properties during the year amounting to almost SEK 30 billion, corresponding to 16 per cent of the year's total transaction volume. Thus, the segment, after housing and logistics properties, was the most invested property class during the year.<sup>33</sup>

The majority of the larger, office-only transactions were carried out before the spread of the coronavirus, and during the second half of 2020, relatively few transactions were made within the segment, despite an overall strong transaction market. During the first months of 2021, transaction activity in the investment market for offices has picked up again, although the statistics show some inertia. The subdued investment volume is deemed to be mainly due to a shortage of supply with few objects for sale rather than a lack of willingness to invest.<sup>34</sup>

Of the office transactions carried out at the beginning of 2021, and at the end of last year, the agreed purchase price reflected levels before the outbreak of covid-19. This indicates continued demand and a high willingness to pay for attractive office objects, where a strong capital flow to the office market puts downward pressure on investors' yield requirements.<sup>35</sup> Office properties continue to be an attractive investment alterna-

tive for both domestic and national investors. In total, international capital accounted for over 30 per cent of investments in the office segment in 2020. The largest amount of international capital was allocated to the office sector at the beginning of the year, before the outbreak of the coronavirus, but international investors were also active during the second half of the year. Deteriorating opportunities for travel, as well as economic unrest in other parts of the world, are judged to have affected the volume of investment from international capital, which in the long run is expected to return to high levels.<sup>36</sup>

## DEVELOPMENT AND TRENDS IN THE OFFICE MARKET

### Continued driving forces for the development of office properties - The Swedish market differs from an international perspective

During the year, the Swedish commercial real estate market distinguished itself from other countries in Europe. Lower GDP decline and less strict shutdowns have benefited the Swedish real estate market, which has performed better than other countries globally, such as the United Kingdom and Germany. In general, the northern European real estate market has coped better with the pandemic, while the rest of Europe is experiencing a decline in investment volume compared with the last five-year period. The foundations in the Swedish office market are also a contributing factor to the segment doing well from a global perspective. Rental income remains unchanged as tenants pay their rents and newly signed rental agreements amount to levels that are comparable to the rental levels before the pandemic. This, in combination with a high occupancy rate and a functioning transaction market, means that the Swedish office market is less affected than other countries internationally.

## THE RENTAL MARKET

### No significant stagnation of rental levels for office properties

The rent level for office properties is determined by several parameters such as geographical location, condition and modernity of the premises, general market situation, rental structure and the local business structure. A stronger service sector generally leads to a greater demand for office space, which in turn drives up the rent level in the locality. The rent level is also strongly linked to the supply of appropriate office space in the area, where the market rent for office space is pushed up in situations where the supply fails to meet demand.

In connection with the spread of covid-19, the service sector has noted an increase in working from home, uncertainty about future premises needs and speculation in the survival of offices. However, a positive trend has been observed at the beginning of the year, where tenants are showing greater optimism than initially at the outbreak of the coronavirus. During the year, no significant stagnation of rental levels was noted, although a slowdown in the last decade's offensive growth was noted. In general, the rent level for office space has slowed somewhat, but for modern objects

32 Statistics, Newsec, April 2021.

33 Report, Newsec Property Outlook, spring 2021.

34 Statistics, Newsec, April 2021.

35 Statistics, Newsec, April 2021.

36 Statistics, Newsec, April 2021.

in locations with good communications, the market rent is found at unchanged levels on an annual basis. Instead, rental discounts, changed payment periods as well as investments in the premises and tenant adaptations have been offered to keep the base rent up.

Despite increased economic uncertainties and increased unemployment in connection with the outbreak of covid-19, relatively limited new productions and a continued strong service sector have resulted in stability for office premises. The vacancy rate has increased marginally from historically low levels and the market rent remains at unchanged levels on an annual basis, but some slowdown in top rents has been noted. The conditions for continued rental growth are good with a strong and growing service market and a continued limited supply of attractive office space. Areas with good communications and a strong range of services, and where there is also the opportunity to densify and streamline existing areas, or demolish in order to build new office buildings, are the submarkets that are forecast to have the highest development and success.

## YIELD REQUIREMENTS

### Continued decline in investors' yield requirements

The yield requirements for office properties vary depending on the property's location, modernity and the existing cash flow and development potential that exists on the property. In recent years, yield requirements in both large and emerging cities have fallen, although there are large variations between different geographies. A large investment interest from both institutional and international capital, combined with low interest rates, has put strong

downward pressure on investors' yield requirements for office properties since 2008. There is still a wide range between different geographies and modernity, with central office space in the big cities in 2020 noting the lowest levels of around 3.2 per cent and the yield requirement in regional cities was around 5.3 per cent.

During 2020, continued declining yield requirements were noted for newly produced and modern premises in prominent office locations with strong tenants. This has led to historically low levels of return requirements for office levels.<sup>37</sup>

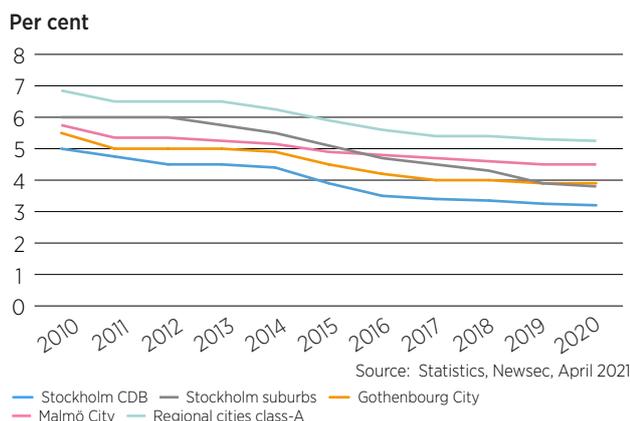
## STOCKHOLM REGION

### Refers to the cities of Stockholm and Uppsala

The office market in the Stockholm region, including Uppsala, has in recent years shown sharply rising rental levels, especially in central locations and in attractive suburbs. Demand for office space has been driven by population growth and a sharply increasing service sector, where the supply of attractive offices has not been able to meet demand. The net addition of offices has been low in recent years as a result of the demolition and conversion of offices to other areas of use, such as housing. In 2020, new production in Stockholm amounted to approximately 150,000 sq. m, corresponding to just over one per cent of the total office stock in Stockholm.<sup>38</sup>

The corona pandemic has had some impact on Stockholm's office market. The rental market was initially more cautious, with the number of newly signed leases amounting to low levels and slightly higher vacancy rates being noted, although they continue to be found at low levels from a historical perspective. At the beginning of 2021, some optimism was reflected in the market, where several new leases were signed at rental levels that are unchanged on an annual basis, which follows the very strong rental growth of the last ten years. The conditions for rental growth in the long term are good where the service market remains strong and the supply of attractive office space remains limited. Areas with good communications and a strong range of services, and where there is also an opportunity to densify and streamline existing areas, or demolish in order to build new office buildings, are the submarkets that are forecast to have the highest development and success. The trend where the office market in Stockholm is concentrated in fewer but larger submarkets is thus expected to continue.<sup>39</sup>

**YIELD REQUIREMENTS OFFICE PROPERTIES SWEDEN, 2010-2020  
REFERS TO NORMALIZED YIELD REQUIREMENTS IN TOP-AREAS**



#### Definitions

Refers to levels at the end of the year.

Refers to normalized yield requirements that are calculated on the basis of market operating net.

Refers to new / renovated modern and flexible office premises with normal surface efficiency.

The average of a range (low / high), where a large majority of the normalized yield requirements fall within the range.

Note that the stated yield requirements only give an indication of the development in the market and that special assessments need to be made for each individual property.

<sup>37</sup> Statistics, Newsec, April 2021.

<sup>38</sup> Statistics, Newsec, April 2021.

<sup>39</sup> Statistics, Newsec, april 2021.

## REGION EAST

### Refers to the cities of Linköping, Norrköping, Nyköping, Västerås and Kalmar

Region East has had a strong historical development in recent years with a sharp increase in population growth. In general, there is great interest in investing in the localities in which Klöver operates, where both institutional and international capital have begun to allocate themselves outside the big cities in recent years.

In the locations where Klöver owns office properties, there

are certain specific conditions for rental growth. In Västerås, rent levels are generally under pressure due to a large supply of former industrial premises that have been converted into offices with low rents. The office market has nevertheless had a positive development in recent years with declining yield requirements and increasing rental levels, but the market rental level in Västerås is still found at low levels in relation to other comparable cities, which provides good rental potential. Linköping continues to have high attractiveness and attracts a lot of capital, which puts pressure on yield requirements and high price levels.<sup>40</sup>

Transaction activity in the commercial real estate market in Norrköping, Nyköping and Kalmar was relatively low in 2020, even though the development in the towns is large. A positive population growth where more and more inhabitants settle in regional cities, in combination with a limited project activity with few completed newly produced projects, however, entails good conditions for positive development in the region in the future.<sup>41</sup>

## REGION WEST

### Refers to the cities of Gothenburg and Halmstad

Gothenburg's office market has had a very strong development for several years, with declining vacancy rates and rising rental levels. The market has been characterized by a shortage of modern office space, which in combination with high demand has resulted in high competition for attractive office space.

Before the outbreak of the corona pandemic, there were clear signals of continued rising rental levels. During the past year, however, rental growth has stagnated and a certain slowdown in top rents has been noted. The rate of new construction of office properties has increased sharply in 2019 and 2020 as a result of major new production plans for the city's 400th anniversary in 2021. A weakened economy in connection with the corona pandemic and several large projects under construction have resulted in slightly increased vacancy levels.<sup>42</sup>

Halmstad has shown a strong population development and the population increased in 2020 by almost one per cent, which is above the Swedish average. The office market is healthy and larger rentals have been noted at high levels in recent years, which means a continued good rental development in the city.<sup>44</sup>

## REGION SOUTH

40 Statistics, Newsec, April 2021.

41 Statistics, Newsec, April 2021.

42 Statistics, Newsec, April 2021.

43 Database, Statistics Database, Statistics Sweden (SCB), April 2021.

44 Statistics, Newsec, April 2021.

45 Database, Statistics Database, Statistics Sweden (SCB), April 2021.

46 Article, Malmö City, "Now population forecast for the year 2020-2030", June 2020.

47 Report, Newsec, "Newsec Property Outlook", spring 2021.

### Refers to the cities of Malmö and Copenhagen

Malmö is Skåne's city of residence and also the county's largest city, with a population that amounted to almost 348,000 inhabitants at the end of 2020.<sup>45</sup> This means an annual population increase of 11 per cent, which means that Malmö is one of Sweden's fastest growing cities. The rapid population growth in Malmö is forecast to continue in the future and the City of Malmö's population forecast from 2020 shows that the number of Malmö residents is expected to increase by just over 50,000 new inhabitants by 2030.<sup>46</sup>

In recent years, Malmö has had a strong real estate market, with high transaction activity and positive price development. The high investor interest in Malmö benefits from the strength of the Öresund region with proximity to the continent, Denmark and its capital Copenhagen, which makes Malmö international and attractive among both national and international players. The Malmö region has a strong project activity with good expansions of the infrastructure and the region also benefits from several large investments in the research area, such as MAX IV and ESS in Lund. With good market prospects, good population growth and strong market development, a large amount of capital is allocated to Malmö's real estate market.

The commercial office floor in Malmö amounts to just over 2.2 million sq. m. In connection with the development of Universitetsholmen, Malmö CBD has been expanded and constitutes the single largest office area in the city. In addition, Hyllie has grown strongly in recent years and the demand for offices is high even outside the city's most central parts. Despite increased uncertainties in connection with the outbreak of covid-19, relatively limited new production and a continued strong service sector have resulted in stability for office premises in Malmö. The office market in Malmö has a relatively fragmented outlook, where rental development stagnated and for the full year 2020 is at unchanged levels, and a certain slowdown in the top rent has been noted. The conditions for continued rental growth, on the other hand, are good with a continued strong service market and a continued limited supply of attractive office space.

The vacancy rate in Malmö increased slightly during the year, which is largely due to a hesitant and sluggish rental market. On the other hand, several of the newly produced offices that have been completed have been successful where the majority of the premises are fully let. Due to the size of the submarket, however, additional areas will have a major impact on the vacancy rate in Malmö, which is expected to increase in the future in connection with the completion of several large projects.

After a relatively low transaction intensity in 2020, investments in office properties in Copenhagen at the beginning of 2021 have picked up again and there is great investor interest. This has resulted in the yield requirements in both Malmö and Copenhagen generally falling, even though there are large variations between different submarkets and the offices' standards. During 2020, the decline in yield requirements stagnated and is at unchanged levels on an annual basis.<sup>47</sup>

# DESCRIPTION OF THE COMBINED COMPANY

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By combining Corem's strong portfolio of logistics properties with Klöver's broader property portfolio with a focus on offices, one of the Nordic region's largest commercial property companies is created with a broad product and customer offering, a clear focus on sustainability and leading expertise in property management. The companies' organizations and expertise complement each other in a beneficial way. The Combined Company will have strong cash flows, geographically complementary operations, and a strengthened customer base and market position.

## **Vision, Mission and Business Concept**

Corem's vision is "we create space to develop your business". The business model for the Combined Company will continue to be based on customer-oriented management with its own staff, value-creating property development and new builds, as well as strategic property acquisitions for continued growth. The overall goal for the Combined Company is to create continuous growth and value increase of the property portfolio through long-term sustainable real estate investments in geographical locations with high growth, and to provide a high return on equity.

## **Business model and financial targets**

The business model and overall strategies of the Combined Company will be the same as the existing models and strategies within the companies.

## **Processing, growth and development**

Continuous increase in the value of the property portfolio through proactive management and development of the portfolio as well as growth within selected segments and regions through new productions or strategic acquisitions. The Combined Company shall actively analyse the market and seek interesting acquisitions, refinement, new build and development opportunities. The purpose is long-term value increase, broadened customer offering, greater flexibility, increased synergies within the regions and good risk diversification.

## **Proactive and customer-focused management**

Through an accessible and customer-focused management, the Combined Company shall be the customers' natural first choice in commercial properties and be perceived as a valuable and sustainable business partner. This shall be achieved through proactive, committed and efficient property management. Therefore, the Combined Company shall employ its own staff in management, property management as well as property development.

## **An attractive employer with good business ethics**

Skilled and committed employees contribute to driving the Combined Company towards its vision and goals. The basis for being an attractive employer is to ensure equal rights and opportunities, a healthy work environment, opportunities for development and competence growth. Good business ethics means the business as a whole is conducted in a responsible manner, with active anti-corruption efforts, transparency and business acumen. The work includes, in addition to ensuring these factors within the business, to require corresponding standards on, and take responsibility for, services purchased.

## **Environmental considerations and resource savings**

Environmental considerations and improved resource efficiency are central in the pursuit of a sustainable society. The overall purpose of the environmental efforts will be to reduce the emissions generated by the operations in order to achieve climate-neutral management. Focus on energy efficiency, fossil-free energy, environmental certification and a proactive approach with a life cycle focus will be a high priority within the property management operations.

## **Long-term and stable finances**

The Combined Company will operate in a capital-intensive business and in order to continue to further develop the Combined Company to become the leading player within its segment, good access to capital is required at the right time and at the right cost. Stable and long-term sustainable finances with good returns for shareholders will be important focus areas.

## **Sustainability in all aspects**

Sustainability is a vital part of both Corem's and Klöver's current strategies, and Corem is of the opinion that the Combined Company's core business will continue to be characterized by a long-term approach. All parts of the business must act to create value not only for today, but over a long period of time. The properties will be used for many years and must therefore be able to be adapted to changing needs over time. The Combined Company

shall combine financially sustainable business operations with high business ethics, social responsibility and environmental considerations. The business must be sustainable from a social, ecological and economic perspective. Sustainability must be a vital part of the Combined Company's strategy and sustainability goals measured and followed up in the same way as other business and operational goals. Sustainability will be a natural part of the business and many of the sustainability aspects are hygiene factors - a natural part of the Combined Company's way of conducting business.

### Targets for the Combined Company

The Combined Company shall be run with high ambitions regarding sustainability and be amongst the leaders within its segment. The overall goal for the Combined Company is to, through making long-term and sustainable real estate investments in geographical locations with high growth as well as through strong cash flows provide a high return on equity.

#### Financial goals

- The Company shall show an average return on equity of at least 10 per cent.
- The interest coverage ratio shall amount to at least 2.0 over time.
- The loan-to-value ratio shall be at a level which enables investment grade.
- The Company shall reach investment grade within 2 years.
- The Company shall pay a dividend of at least 35 per cent of the Company's property management profit, less dividends attributable to ordinary shares of series D and preference shares.

Environmental considerations and resource efficiency are central to the operations. The Company will strive for a higher degree of green financing. Continued increase in customer satisfaction is a cornerstone of the strategy. Customer satisfaction must strive to increase continuously. The Company shall be an attractive employer with high employee satisfaction and committed staff.

### Organisation

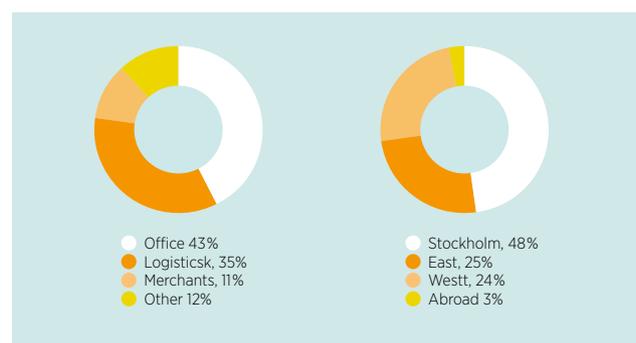
Corem view is that the management and employees of Klöver have built a very successful company with an attractive portfolio of properties. Corem expects that the proposed merger of the operations will have positive effects also organizationally, and that the companies' competencies and strengths will complement and reinforce each other. In order to realize the synergies discussed above, the integration of Klöver and Corem will likely involve certain organizational and operational changes, as well as changes for the employees, in the Combined Company. Corem's current Chairman of the Board, Patrik Essehorn, will, together with the remaining Board members, continue to hold his current

positions after the merger. Likewise, Corem's CEO, Eva Landén and CFO, Anna-Karin Hag, will continue in their respective roles after the merger. Which specific changes will take place in connection with the integration will be decided only after the implementation of the Offer and a subsequent thorough evaluation of the combined activities, in order for the companies' complementary knowledge and competence to be utilised in the best way. Before the completion of the Offer, it is too early to conclude which measures will be taken and what effects these would have. No decisions have been made regarding any changes regarding Corem's or Klöver's employees and management or regarding the current organization or operations, including terms of employment, employment and the places where Klöver conducts its operations.

### COMBINED PROPERTY PORTFOLIO

A merger of the two companies, which have property portfolios with properties that complement each other well and with overlapping geographies, creates one of the largest listed commercial real estate companies in the Nordic region. As of 31 March 2021, the companies' total property portfolio amounts to 510 properties with a geographical focus in Stockholm. The Combined Company would, by consolidating its property portfolios in attractive metropolitan areas, continue to focus on growth regions both in Sweden and internationally. The total lettable area amounts to 3,432,000 sq. m., where the property types offices and warehouses / logistics each account for approximately 40 per cent each of the total area. Overall, this means that the Combined Company would have a property portfolio with portfolio characteristics that complement each other well, as well as property development with good growth and return potential. The Combined Company will have a clear focus on sustainability where maintaining a long-term investment approach and creating sustainable environments for the future are at the center.

### Composition of the property portfolio



## Financial effects

The Combined Company will have a larger and more diversified asset base, which creates the conditions for an improved credit profile and a strengthened balance sheet. The larger company that is created, with a presence in more growth areas and with a more diversified range, leads to increased risk diversification, which in turn reduces the financial risk. In the long term, Corem is of the opinion that the above-mentioned benefits create the conditions for the Combined Company to obtain a credit rating corresponding to investment grade, which enables continued reduced financing costs. Some key figures for the Combined Company as of 31 March 2021 and 31 December 2020 follow below. Key figures as of 31 March 2021 have been retrieved from Corem's and Klöver's interim reports for the period January 1–March 31, 2021, and key figures as of 31 December 2020 have been retrieved from Corem's and Klöver's annual reports of 2020. For pro forma figures that have been reviewed by Corem's auditor, please refer to the section Pro forma statement.

### Operational key figures

	Corem		Klöver		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
No. of properties	169	167	341	350	510	517
Property value, MSEK	14,811	14,002	58,289	57,448	73,100	71,450
Rental value, MSEK	1,021	970	3,781	3,846	4,802	4,816
Economical occupancy rate, %	93%	93%	88%	87%	89%	88%

### Results-oriented key figures

	Corem		Klöver		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
Revenue, MSEK	258	894	807	3,294	1,065	4,188
Operating surplus, MSEK	184	668	524	2,194	708	2,862
Surplus ratio,%	71%	75%	65%	67%	66%	68%
Profit from property management, MSEK	157	420	309	1,269	466	1,689

### Financial key figures

	Corem		Klöver		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
Solidity,%	39%	39%	37%	36%	35%	39%
Interest-bearing liabilities, MSEK	9,980	9,620	33,287	33,036	43,267	9,980
Average interest rate,%	2.8%	2.7%	2.5%	2.4%	2.6%	2.8%
Interest coverage ratio, times	3.3	2.5	2.7	2.5	2.8	3.3
Net asset value incl. goodwill, SEK per ordinary share	23.54	22.22	20.78	19.87	26.32	23.54
Net asset value excl. goodwill, SEK per ordinary share	23.54	22.22	20.64	19.73	23.74	23.54

### Reconciliation tables

The section "The Combined Company" contains certain financial measures that are not defined or recognized in accordance with IFRS. These financial measures have been included because Corem believes that they can contribute to the understanding and analysis of the Merged Company and the opportunities and synergies that can be achieved. In preparing the financial information shown below, the Company has not had access to the underlying accounts for Klöver's financial reports, which means that distribution of some of Klöver's items has not been possible and that certain rounding errors and deviations may occur. Below are reconciliation tables for such financial information that are not presented in accordance with IFRS.

### Operational key figures

Economic occupancy rate,%	Corem		Klöver		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
Contracted annual rent, MSEK *	948	906	3,327	3,346	4,275	4,252
Rental value, MSEK	1,021	970	3,781	3,294	4,802	4,188
<b>Economic occupancy rate,%</b>	<b>93%</b>	<b>93%</b>	<b>88%</b>	<b>87%</b>	<b>89%</b>	<b>88%</b>

\* Contracted annual rent for Klöver is calculated through the reported rental value and the economic occupancy rate.

## Results-oriented key figures

	Corem		Klövern		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
<b>Surplus ratio,%</b>						
Revenue, MSEK	258	894	807	3,294	1,065	4,188
Operating surplus, MSEK	184	668	524	2,194	708	2,862
<b>Surplus ratio,%</b>	<b>71%</b>	<b>75%</b>	<b>65%</b>	<b>67%</b>	<b>66%</b>	<b>68%</b>

## Financial ratios

	Corem		Klövern		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
<b>Soliditet, %</b>						
Equity, MSEK	7,691	7,277	23,677	22,649	28,684	29 926
Balance sheet total, MSEK	19,550	18,674	63,425	62,395	82,893	81 069
<b>Solidity, %</b>	<b>39%</b>	<b>39%</b>	<b>37%</b>	<b>36%</b>	<b>35%</b>	<b>37%</b>

	Corem		Klövern		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
<b>Interest coverage ratio, times</b>						
Profit from property management, MSEK	157	420	309	1,269	466	
Profit from residential development, MSEK	-	-	-14	-86	-14	
<b>Profit from property management and residential development, MSEK</b>	<b>157</b>	<b>420</b>	<b>295</b>	<b>1,183</b>	<b>452</b>	
<b>Financial costs, MSEK</b>	<b>68</b>	<b>278</b>	<b>177</b>	<b>771</b>	<b>245</b>	
<b>Interest coverage ratio, times</b>	<b>3,3</b>	<b>2,5</b>	<b>2,7</b>	<b>2,5</b>	<b>2,8</b>	

	Corem		Klövern		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
<b>Net asset value incl. goodwill, SEK per ordinary share</b>						
Equity, MSEK	7,691	7,277	23,677	22,649	28,684	
Preference capital and ordinary share D, MSEK	-906	-906	-5,969	-5,965	-7,490	
Derivative, MSEK	372	455	-121	86	251	
Deferred tax, MSEK	920	800	3,842	3,722	7,454	
<b>Net asset value incl. goodwill, MSEK</b>	<b>8,077</b>	<b>7,626</b>	<b>21,429</b>	<b>20,492</b>	<b>28,899</b>	
Number of ordinary shares of series A and B, millions	343	343	1,031	1,031	1,098	
<b>Net asset value incl. goodwill, SEK per ordinary share</b>	<b>23.54</b>	<b>22.22</b>	<b>20.78</b>	<b>19.87</b>	<b>26.32</b>	

	Corem		Klövern		Combined Company	
	Q1 2021	2020	Q1 2021	2020	Q1 2021	2020
<b>Net asset value adjusted for goodwill, SEK per ordinary share</b>						
Equity, MSEK	7,691	7,277	23 677	22,649	28,684	
Preference capital and ordinary share D, MSEK	-906	-906	-5,969	-5,965	-7,490	
Derivative, MSEK	372	455	-121	86	251	
Deferred tax, MSEK	920	800	3,842	3,722	7,454	
Goodwill, MSEK	0	0	-146	-148	-2,838	
<b>Net asset value adjusted for goodwill, MSEK</b>	<b>8,077</b>	<b>7,626</b>	<b>21,283</b>	<b>20,344</b>	<b>26,061</b>	
Number of ordinary shares of series A and B, millions	343	343	1,031	1,031	1,098	
<b>Net asset value adjusted for goodwill, SEK per ordinary share</b>	<b>23.54</b>	<b>22.22</b>	<b>20.64</b>	<b>19.73</b>	<b>23.74</b>	
<b>Substansvärde justerat för goodwill, kr per stamaktie</b>	<b>23,54</b>	<b>22,22</b>	<b>20,64</b>	<b>19,73</b>	<b>23,74</b>	

## Share capital and ownership structure

For a description of the Company's ownership structure after the completion of the Offer, see section Ownership structure after the completion of the Offer on page 86.

# PRO FORMA STATEMENT

Corem has prepared this pro forma statement for illustrative purposes only. The pro forma statement illustrates a hypothetical situation and does not describe the Company's actual results or financial position. The purpose of the pro forma statement is only to inform and shed light on facts and not to show the Company's results or financial position at any specific time in the future. Consequently, potential investors should not overstate the importance of the pro forma statement.

## BACKGROUND

On 29 March 2021, Corem announced a public takeover bid for all ordinary and preference shares in Klöver (the Offer). The consideration in the Offer was adjusted on 19 April 2021. The purchase price consists only of newly issued shares in Corem and shareholders in Klöver are offered 0.88 new ordinary shares of series A, 0.88 new ordinary shares of series B and 1.12 new ordinary shares of series D, alternatively 1.00 new preference shares, in Corem, for each existing share in Klöver. Based on full participation in the Offer and that all preference shareholders choose to receive ordinary shares of series D, this means that Corem may issue up to 773.2 million new shares. The newly issued shares, which are intended to be decided on within the framework of a non-cash issue, consist of a total of 64,765,143 ordinary shares of series A, 689,985,820 ordinary shares of series B, and a maximum of 18,417,280 ordinary shares of series D. In the event of preference shareholders which have not already committed to choose ordinary shares of series D<sup>48</sup> chooses to receive preference shares in Corem instead, the maximum number of newly issued preference shares may amount to 15,693,641. Based on the closing prices of Corem's shares as of 22 April 2021, of SEK 20.80 per ordinary share of class A, SEK 19.99 per ordinary share of class B and SEK 321.32 per preference share, a total purchase price of approximately SEK 23,486 million has been calculated for this pro forma statement.

The Company has included a pro forma report for the financial year ended 31 December 2020 and for the three-month period ended 31 March 2021, in order to report the hypothetical effects that the Offer would have on the Company's financial position and results. The following pro forma statement is presented:

- Pro forma profit and loss statement for the financial year 1 January 2020 to 31 December 2020 and
- Pro forma income statement for the period 1 January 2021 to 31 March 2021 as if the acquisition had been completed on 1 January 2020 and
- Pro forma balance sheet as of March 31, 2021 as if the acquisition had been completed as of March 31, 2021.

## ASSUMPTIONS AND BASIS FOR THE PRO FORMA REPORT

### Acceptance

The acquisition offer includes all ordinary and preference shares in Klöver that are not already owned by Corem or have been repurchased by Klöver. The pro forma report assumes full acceptance of the Offer and that all preference shareholders in Klöver choose to receive ordinary shares of series D in Corem.

### Form of financial statement

As the companies have different forms of presentation for their income statements and balance sheets, for the purpose of this pro forma report, the forms of presentation in the Company's financial reports have to some extent been adjusted to comply with Klöver's presentation to the extent this has been necessary. When preparing the pro forma accounts, the Company did not have access to the underlying accounts for Klöver's financial reports, which means that a distribution of some of Klöver's items was not possible. This mainly applies to certain aggregate balance sheet items where a division between short- and long-term items could not be implemented. Thus, in these cases, Klöver's presentation form for the balance sheet has been used for pro forma purposes.

In order to achieve a comparability between the Company's and Klöver's financial reports, Klöver's presentation of the income statement has to some extent also been used for pro forma purposes.

Since the pro forma accounts are presented in millions of kronor, figures in the pro forma accounts and note information have in some cases been rounded off, which is the reason why tables and summaries do not always sum up exactly.

### Accounting principles

The pro forma accounts have been prepared in accordance with the Company's accounting principles, International Financial Reporting Standards ("IFRS") as adopted by the EU, which are described in the Company's annual report for 2020. Klöver also applies IFRS as adopted by the EU, as described in Klöver's annual report for the financial year 2020.

<sup>48</sup> M2 Asset Management AB with subsidiaries, and Gårdarike AB with subsidiaries, have entered into irrevocable undertakings to select ordinary shares of series D in Corem as consideration for their preference shares in Klöver.

### **Business Combination vs. Asset Purchase**

At the time of preparation of the pro forma accounts, the transaction has been classified as a Business Combination in accordance with IFRS 3. Classification of a transaction as a Business Combination or Asset Purchase is made in accordance with a number of assessment criteria prescribed in IFRS 3.

### **Basis of the report**

For both Corem and Klöver, the companies' audited annual reports for the financial year 2020, as well as interim reports for the period 1 January–31 March 2021, form the basis for the pro forma report. The Company's annual report for the financial year 2020 has been audited by Ernst & Young AB and Klöver's annual report for the financial year 2020 has been audited by Ernst & Young AB. The companies' Interim Reports have not been subject to the auditors' review.

### **PRO FORMA ADJUSTMENTS**

The overall nature of the pro forma adjustments is described below. The adjustments are described in more detail in the notes to the pro forma accounts. General synergies or costs for integration have not been included in the pro forma accounts.

#### **Adjustments of accounting principles**

Corem has carried out an analysis based on public information regarding significant differences between the Company's and Klöver's accounting principles. The Company's assessment is that there are no differences between the Company's and Klöver's accounting principles that have any significant effects on the financial information.

#### **Preliminary acquisition analysis**

In the pro forma report, the purchase price has been calculated at SEK 23,486 million. The value of the Company's shares in the preliminary acquisition analysis has been calculated on the basis of the Company's share prices on April 22, 2021, amounting to SEK 20.80 per ordinary share of series A, SEK 19.99 per ordinary share of series B and SEK 321.32 per preference share. Furthermore, the bid value for pro forma purposes is based on an assumption of full membership in the Offer.

Based on the above assumptions, consideration in the form of shares amounts to SEK 23,486 million, of which 64,765,143 relate to ordinary shares of series A, 689,985,820 relate to ordinary shares of series B and 16,444,000 relate to preference shares or 18,417,280 ordinary shares of series D.

The preliminary acquisition analysis has been based on reported values in Klöver's balance sheet as of March 31, 2021, apart from the deferred tax related to the difference between the book value of investment properties and its tax value, which has been based on Klöver's reported values as of December 31, 2020. Residual value of properties amounted to SEK 25,350 million according to the published Annual Report 2020. At the time of the preparation of the pro forma accounts, the transaction has been classified as a Business Combination in accordance with IFRS 3, meaning that deferred tax must be reported on all temporary

differences. The effect of this entails an adjustment for additional deferred tax of approximately SEK 2,692 million. The deferred tax equals the corresponding amount in the item goodwill.

When preparing the final acquisition analysis, all identifiable assets and liabilities will be valued at fair value. Valuation of purchased properties will then take place in accordance with the Company's process for market valuation of each property. This value may deviate from the reported fair value of Klöver's properties as of March 31, 2021. When preparing the final acquisition analysis, new intangible assets may also be identified, which may mean that the result may in the future be charged with amortization of these assets. The final acquisition analysis may deviate from the preliminary acquisition analysis. A final acquisition analysis will be prepared and published, as part of the Company's financial reporting, within one year from the date of acquisition.

The difference between the net assets in Klöver and the purchase price has been reported in the preliminary acquisition analysis as negative goodwill and has had a positive effect on equity. This is because the Board has no information to make any other assessment than that Klöver's fixed assets are valued at fair value and that the resulting negative goodwill will thus not reduce the properties' reported amount.

#### **Presentation of Corem's shareholding in Klöver**

Corem has owned shares in Klöver since 2008, which are reported as Financial assets valued at fair value. In connection with the transaction, these shares are revalued to correspond to the bid value, which means a positive effect of SEK 419 million, and which in the pro forma accounts is recognized as equity. Thereafter, Corem's shareholding in Klöver is reclassified to the item holdings in subsidiaries..

#### **Transaction costs and financing**

Estimated transaction and issue costs will arise in the period after 31 March 2021, but are assumed to have occurred in pro forma terms in the period before 1 January 2020 and are adjusted for equity in the pro forma accounts as of 31 March 2021. The acquisition is financed in its entirety through non-cash issues, which means no additional financial costs are charged to the Company. Issue costs are estimated at SEK 19 million and transaction costs are estimated at SEK 21 million. Issue and transaction costs are non-recurring.

#### **Tax effect on adjustments**

The tax effect has been taken into account on all adjustments that are deemed to be tax deductible or taxable in the pro forma accounts. Estimated tax effect may differ from actual tax effect when the Offer is executed. The tax calculations for current tax are based on the tax rate of 21.4 per cent for 2020 and 20.6 per cent for 2021.

## PRO FORMA INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2020

(MSEK)	2020 Jan-Dec	2020 Jan-Dec	Proforma-	Note	2020 Full year
	Corem	Klövern	adjustments		Proforma-
	Revised IFRS	Revised IFRS	Not revised		Income statement
					Not revised Total
Income	894	3,294			4,188
Property costs	-226	-1,100			-1,326
<b>Net operating income</b>	<b>668</b>	<b>2,194</b>	<b>0</b>		<b>2,862</b>
Central administration	-39	-157			-196
Net financial items	-209	-768	-33	A	-1,010
<b>Income from property management</b>	<b>420</b>	<b>1,269</b>	<b>-33</b>		<b>1,656</b>
Income, residential development		35			35
Costs, residential development		-95			-95
Net financial items, residential development		-26			-26
<b>Profit, residential development</b>	<b>0</b>	<b>-86</b>	<b>0</b>		<b>-86</b>
Share in earnings of associated companies		7			7
Change in value, properties	759	1,322			2,081
Change in value, derivatives	-31	-32			-63
Change in value, financial assets	-1,042	-13	1,259	A,B	204
<b>Profit before tax</b>	<b>106</b>	<b>2,467</b>	<b>1,226</b>		<b>3,799</b>
Tax on profit for the year	-214	-565			-779
<b>Net profit for the year</b>	<b>-108</b>	<b>1,902</b>	<b>1,226</b>		<b>3,020</b>

### Notes to pro forma statement

#### A

Attributable to Corem's shareholding in Klövern, SEK 33 million was received in dividends during 2020 and is included in the Income Statement, at net financial items. Corem's shareholding in Klövern is reported as Financial assets valued at fair value and changes in value are reported in the Income Statement for Changes in the value of financial investments. The value changes in 2020 amounted to SEK -840 million. The above dividend of SEK 33 million and changes in value of SEK -840 million have been adjusted in the Pro forma report. As the shareholding is classified as a so-called business-related holding, no tax effect has been taken into account.

#### B

As the transaction leads to change of control in Klövern, the revaluation of Corem's previous ownership is reported against the result. The revaluation consists of the difference between Corem's book value of the Klövern holding as of March 31, 2021, SEK 2,644 million and value attributable to Bid Value SEK 3,063 million, SEK 419 million. The revaluation is based on the value as of March 31, 2021 due to the fact that Bid Value as of January 1, 2020 is not available.

The adjustments described in Notes A and B are one-off's and are not recurring.

## PRO FORMA INCOME STATEMENT FOR THE INTERIM PERIOD ENDED ON 31 MARCH 2021

(MKR)	2020 Jan-Mar	2020 Jan-Mar	Proforma-	Note	2021 2021, Q1
	Corem	Klövern	justeringar		Proforma-
	Not revised IFRS	Not revised IFRS	Not revised		income statement
					Not revised Total
Income	258	807			1,065
Property costs	-74	-283			-357
<b>Net operating income</b>	<b>184</b>	<b>524</b>	<b>0</b>		<b>708</b>
Central administration	-9	-36			-45
Net financial items	-18	-179	-23	A	-220
<b>Income from property management</b>	<b>157</b>	<b>309</b>	<b>-23</b>		<b>443</b>
Income, residential development		52			52
Costs, residential development		-60			-60
Net financial items, residential development		-6			-6
<b>Profit, residential development</b>	<b>0</b>	<b>-14</b>	<b>0</b>		<b>-14</b>
Share in earnings of associated companies		4			4
Change in value, properties	481	406			887
Change in value, derivatives	83	207			290
Change in value, financial assets	-191	-1	54	A	-138
Write-down of goodwill		-2			-2
<b>Profit before tax</b>	<b>530</b>	<b>909</b>	<b>31</b>		<b>1,470</b>
Tax on profit for the year	-121	-124			-245
<b>Net profit for the year</b>	<b>409</b>	<b>785</b>	<b>31</b>		<b>1,225</b>

### Notes to pro forma statement

#### A

Attributable to Corem's shareholding in Klövern, SEK 23 million was received in dividends during 2021 and is included in the Income Statement at Finansnetto. Corem's shareholding in Klövern is reported as Financial assets valued at fair value and changes in value are reported in the Income Statement for Changes in the value of financial investments. The changes in value in 2021 amounted to SEK -54 million. The above dividend of SEK 23 million and changes in value of SEK -54 million have been adjusted in the Pro forma statement. As the shareholding is classified as a so-called business-related holding, no tax effect has been taken into account.

The adjustment is a one-off and is non-recurring.

## PRO FORMA BALANCE SHEET AS OF 31 MARCH 2021

(MKR)	2021-03-31 Corem Not revised IFRS	2021-03-31 Klövern Not revised IFRS	Proforma- adjustments Not revised	Note	2021-03-31 Proforma- balance sheet Not revised In total
<b>ASSETS</b>					
Goodwill		146	2,692	A	2,838
Investment properties	14,811	58,289			73,100
Right of use assets	218	726			944
Machinery and equipment	7	63			70
Participation rights in associated companies		437			437
Financial assets at fair value through statement of income	4,355	159	-2,644	B	1,870
Derivatives		121			121
Properties classified as current assets		1,014			1,014
Other receivables	117	1,917			2,034
Liquid funds	42	553	-40	C	555
<b>TOTAL ASSETS</b>	<b>19,550</b>	<b>63,425</b>	<b>8</b>		<b>82,983</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Equity attributable to the parent company's shareholders	7,691	23,677	-2,684	A, D	28,684
Equity attributable to holdings without controlling influence		97			97
Other provisions		24			24
Interest-bearing liabilities	9,954	33,287			43,241
Leasing liabilities	218	726			944
Deferred tax liability	920	3,842	2,692	A	7,454
Derivatives	372				372
Other liabilities	395	1,772			2,167
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>19,550</b>	<b>63,425</b>	<b>8</b>		<b>82,983</b>

### Notes to pro forma statement

#### A

In the pro forma statement, the purchase price has been calculated at SEK 23,486 million (based on Corem's share prices as of April 22, 2021).

The preliminary acquisition analysis has been based on reported values in Klövern's balance sheet as of March 31, 2021, apart from the deferred tax related to the difference between the book value of investment properties and its tax value, which has been based on Klövern's reported values as of December 31, 2020. Residual value of properties amounted to SEK 25,350 million according to the published Annual Report 2020. At the time of the preparation of the pro forma accounts, the transaction has been classified as a Business Combination in accordance with IFRS 3, meaning that deferred tax must be reported on all temporary differences. The effect of this entails an adjustment for additional deferred tax of SEK 2,692 million. For this accounting deferred tax, the corresponding amount is in the item goodwill.

The difference between the net assets in Klövern and the purchase price, negative goodwill amounting to SEK 191 million, has been reported directly against equity. This is because the board of Corem has no information to make any other assessment other than that Klövern's fixed assets are valued at fair value and that the resulting negative goodwill will thus not reduce the properties' carrying amount.

Difference between Purchase Price and Net Assets in Klövern (23,486 - 23,677)	-191
Additional deferred tax	2,692
<b>Goodwill</b>	<b>2,501</b>
Reported directly to Equity	191
<b>Closing balance reported goodwill</b>	<b>2,692</b>

**B**

The book value of Corem's shareholding in Klövern, SEK 2,644 million, has been reclassified in connection with the transaction from Financial assets valued at fair value to the item shares in subsidiaries.

**C**

There have been no transaction or issue costs attributable to the acquisition before March 31, 2021. Such costs are assumed to have been incurred pro forma before January 1, 2020, which means that an adjustment is only made in equity and cash as of March 31, 2021. The costs are one-off's and non-recurring items. Estimated transaction costs amount to SEK 21 million and estimated issue costs amount to SEK 19 million.

**D**

Equity has been adjusted for non-cash issue which increases equity by SEK 20,424 million after deduction of issue costs of SEK 19 million, based on the Company's share prices as of April 22, 2021; for A shares of SEK 20.80 per share, B shares of SEK 19.99 per share and Preference shares of SEK 321.32 per share. Transaction costs have reduced equity by SEK 21 million and acquired equity in Klövern of -23,677 million has been eliminated. The difference between Corem's book value of Klövern holdings of SEK 2,644 million and the value attributable to the bid value SEK 3,063 million, SEK 419 million, has had a positive effect on equity.

The total value of the non-cash issue is below the bid value as Corem does not issue new shares for its current shareholding in Klövern, which corresponds to approximately 14.7 per cent of the votes and 15.2 per cent of the capital in Klövern (based on the total number of shares).

The value of the non-cash issue has therefore been calculated as follows:

	Ordinary shares A	Ordinary shares B	Preference shares	Ordinary shares D	SUM
Total number of outstanding shares in Klövern	85,471,753	945,824,796	16,444,000		1,047,740,549
Corem's current ownership in Klövern, number of shares	11,875,000	161,750,000			173,625,000
Number of shares to be acquired from other share- holders in Klövern	73,596,753	784,074,796	16,444,000		874,115,549
Number of newly issued shares in Corem	64,765,143	689,985,820		18,417,280	773,168,243
Volume-weighted average price for Corem on 22 April 2021 strain A and strain B *	20.80	19.99		286.89	
<b>Total value non-cash issue, SEK</b>	<b>1,347,114,974</b>	<b>13,792,816,542</b>		<b>5,283,786,080</b>	<b>20,423,717,596</b>

\* Ordinary shares of series D, issue price

Pro forma adjustments in equity:

	Stam A
Non-cash issue	20,424
Revaluation of Corem's shareholding in Klövern	419
Issue costs	-19
Transaction costs	-21
Dissolved negative goodwill	191
Elimination of acquired equity in Klövern	-23,677
<b>Pro forma adjustment, equity, MSEK</b>	<b>-2,684</b>

# AUDITOR'S REPORT REGARDING FINANCIAL PRO FORMA STATEMENT



## **Independent auditor's assurance report on the compilation of pro forma financial information included in an offer document**

To the Board of Directors of Corem Property Group AB (publ), corporate identity number 556463-9440

## **Report on the compilation of pro forma financial information included in an offer document**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Corem Property Group AB (publ) ("the company") by the Board of Directors. The pro forma financial information consists of the pro forma balance sheet as at March 31, 2021, the pro forma income statement for the financial year ended December 31, 2020 and for the three-month period ended March 31, 2021 and related notes as set out on pages 38-43 of the offer document issued by the company. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Delegated Regulation (EU) 2021/528 and described on pages 38-39.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the acquisition of Klöver AB (publ) on the company's financial position as at March 31, 2021 and the company's financial performance for the financial year ended December 31, 2020 and for the three-month period ended March 31, 2021 as if the proposed acquisition had taken place at March 31, 2021 and January 1, 2020 respectively. As part of this process, information about the company's financial position and financial performance has been extracted by the Board of Directors from the company's financial statements for the financial year ended December 31, 2020, on which an auditor's report has been published, and for the period ended March 31, 2021, on which no auditor's report or review report has been published. In addition, information has been extracted by the Board of Directors from Klöver AB's financial statements for the financial year ended December 31, 2020, on which an auditor's report has been published, and for the period ended March 31, 2021, on which no auditor's report or review report has been published.

## **Responsibilities of the Board of Directors for the pro forma financial information**

The Board of Directors is responsible for compiling the pro forma financial information in accordance with the requirements of the Delegated Regulation (EU) 2021/528.

## **Our independence and quality control**

We have complied with the independence and other ethical requirements in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Auditor's responsibility**

Our responsibility is to express an opinion about whether the pro forma information, in all material respects, has been compiled correctly by the Board of Directors in accordance with the Delegated Regulation (EU) 2021/528, on the bases given and that these bases are consistent with the company's accounting policies.

We have conducted the engagement in accordance with International Standard on Assurance Engagements ISAE 3420 Assurance engagements to report on the compilation of pro forma

financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the delegated regulation. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an offer document is solely to illustrate the impact of a significant event or transaction on the company's unadjusted financial information as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the acquisition at March 31, 2021 and January 1, 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient and appropriate audit evidence about whether:

- The pro forma adjustments have been compiled correctly on the specified basis.
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information
- The stated basis comply with the company's accounting policies.

The procedures selected depend on the auditor's judgment, having regard to his or hers understanding of nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion the pro forma financial information has been compiled, in all material respects, on the bases stated on pages 38-39 and these bases are consistent with the accounting policies applied by the company.

Stockholm, May 12, 2021  
Ernst & Young AB

Katrine Söderberg  
Authorized Public Accountant

# INFORMATION ABOUT COREM

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## BUSINESS OVERVIEW

Corem is a real estate company that owns, manages and develops warehouse, logistics, industrial, and commercial properties in central and southern Sweden as well as in Denmark, with the goal of being 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 staff, proximity to tenants and deep market knowledge. Corem has a long-term perspective on its property ownership and strives to be a good business partner that creates opportunities for tenants to grow and develop within Corem's portfolio.

The property portfolio is concentrated to locations in vicinity of cities with good accessibility and growth. As of 31 March 2021, the property portfolio consisted of 169 properties with a total lettable area of 1,012 thousand square meters and a value of the property portfolio of approximately SEK 14,811 million. The rental value was determined to amount to SEK 1,021 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 were valued at SEK 4,355 million as of 31 March 2021. Corem's net asset value amounted to SEK 23,54 per ordinary share as of 31 March 2021.

### History

#### 2007-2008

BioLight International AB changed its company name to Corem Property Group AB. The property portfolio consisted of 75 properties with a value of SEK 3.2 billion at the end of 2007. As of 31 December 2008, after the first full financial year, the property value amounted to SEK 4.1 billion.

#### 2009

Corem was listed on Nasdaq Stockholm, Small Cap. In connection with the listing, shares corresponding to SEK 101 million were issued. During the year, nine properties of 43,000 sq.m. were acquired to a value of SEK 255 million. The property portfolio was valued at SEK 4.3 billion at the end of the year.

#### 2010

A total of 28 properties were acquired at a property value of SEK 707 million. At the end of the year, the property value amounted to SEK 5.1 billion. The Company carried out a bonus issue and in February Corem's preference shares were listed on Nasdaq Stockholm. During the last quarter of the year, additional shares were acquired in Klöver. Following the acquisition, Corem owned approximately 19 per cent of the votes and capital in Klöver.

#### 2011

In early 2011, Corem transferred its listing to Nasdaq Stockholm, Mid Cap. Co-operation agreement was signed with NREP regarding a fifteen-year lease for a terminal building of 19,000 sq.m. in Veddesta to PostNord. The Company's property portfolio grew further and the property value reached SEK 5.4 billion. The shareholding in Klöver increased to 20 per cent, which meant that the shareholding began to be reported as an associated company.

#### 2012

Six properties were acquired for SEK 357 million and the property value reached SEK 5.8 billion. Corem was awarded the Green Building Award for the Company's active energy saving work.

#### 2013

Active work to widen the tenant base, with an impact on new rentals during the year, such as a 22-year lease and rebuilding of the International English School in Västberga. The value of Corem's property portfolio amounted to SEK 6.4 billion at the end of the year.

#### 2014

Strategic acquisitions and an increased property value enabled for continued growth. Among seven properties acquired during the year, 23,500 sq.m. were found in Roskilde, Denmark. The property value amounted to SEK 7.3 billion at the end of the year.

#### 2015

In 2015, nine properties were acquired and seven properties were divested as part of Corem's strategy to streamline the property portfolio. 2015 showed a profit after tax of SEK 800 million and a property value of SEK 7.8 billion.

## 2016

A total of 35 properties were acquired with a focus on Corem's strategic locations, primarily in Stockholm, Malmö and Gothenburg. 2016 showed a profit after tax of SEK 915 million. The property value amounted to SEK 10.7 billion at the end of the year and the total market capitalization amounted to SEK 3.8 billion.

## 2017

Continued growth, but above all, processing and refinement were in focus in 2017. Property value increased to SEK 11.5 billion. Corem's market capitalization amounted to SEK 4.6 billion at the end of the year. During the last quarter of the year, a new class of shares was issued, ordinary shares of class B.

## 2018

During the year, 19 properties were acquired for SEK 1.2 billion and two properties were sold for SEK 66 million. The property value amounted to SEK 13.5 billion. Corem's market capitalization amounted to SEK 5.1 billion at the end of the year.

## 2019

The year was characterized by continued focus on the metropolitan regions and to create conditions for future investments. The value of the property portfolio amounted to SEK 12.1 billion after the acquisition of 7 properties and the sale of 31 properties. The sales were made as part of a geographical streamlining of the business. From 1 July 2019, the holding in Klövern was classified as financial assets valued at fair value. As of 31 December, the fair value amounted to SEK 3.2 billion. Corem's market capitalization amounted to SEK 11.6 billion.

## 2020

The value of the property portfolio increased by 16 per cent to SEK 14 billion after the acquisition of ten properties. The main shareholder, M2 Asset Management AB, acquired additional shares in Corem, which triggered a mandatory public offer for the remaining shares. The Board's independent bidding committee recommended to the shareholders not to accept the mandatory bid of SEK 18.60 per ordinary share and SEK 317 per preference share. As a result of the mandatory public offer, M2's holding increased to approximately 47.2 per cent of the total capital and approximately 49.1 per cent of the total number of votes. In terms of votes, this implies an ownership share of approximately 53.8 per cent. M2's increased holdings meant a Change of control event for Corem's bonds with maturities of 2020/2023 and 2020/2024, respectively. The market capitalization amounted to SEK 8.2 billion at the end of the year. Board member, Rutger Arnhult announced that he intends to leave Corem's Board of Directors on 25 March 2021.

### Business model

Corem's business model aims to create increasing and sustainable values over time, while maintaining profitability. The way to get there consists of proactive management, continuous investments and strategic acquisitions. Sustainability is integrated into every part of the business model.

### *A business model for long-term strong development*

Corem's overall goal is to become the leading real estate company in properties for city logistics in selected geographical regions and to create a good return on equity for shareholders.

The business model is based on a continuous process of customer-oriented management and value-creating property development as well as strategic property acquisitions for continued growth. The Company has been active in warehouse and logistics properties with its own management since the start in 2007 and has extensive expertise and experience within the segment.

All operations are conducted to create long-term and sustainable shareholder value. To achieve the Company's overall objectives, there are five target areas that are measured and followed up annually. These are as follows:

- refinement, growth and development of the property portfolio;
- proactive and customer-focused management;
- attractiveness as an employer;
- environmental considerations and resource savings;
- long-term, stable finances.

### *Sustainability*

Corem's core business is characterized by long-term perspective. All parts of the business work to create value not only for today but over a long period of time. The properties will be used for many years and can be adapted and function in order to meet needs and demands that change over time. Therefore, Corem combines an economically sustainable business with high business ethics, social responsibility and environmental considerations. The business must be long-term sustainable from a social, ecological and economic perspective. Sustainability is an essential element of the Company's strategy work and sustainability goals are measured and followed up in the same way as other business and operational goals. This implies that sustainability work is a natural part of the business and many of the sustainability aspects are hygiene factors - they are natural parts of our way of doing business.

### **STRATEGIES**

#### *Management strategy for efficient management with tenant focus*

Corem creates long-term tenant relationships through proactive and market-oriented management with short decision paths and a local presence. Management with the customer in focus is the foundation of Corem's operations and provides good market contact and proactivity in the management work. Corem's properties are managed by its own staff, which contributes to good opportunities to build long-term relationships. Short decision paths and a local presence in the Company's different markets are prioritized and contribute to a good understanding of the tenant's current and changing needs. Close collaborations make it possible to offer flexible and well-adapted local solutions that contribute to Corem being able to fulfill its vision: to create space to develop the customer's business.

### **Business strategy for value creation through refinement and property development**

Corem refines and optimizes the property portfolio through long-term investments and commitments. Project and property development is an increasingly important part of Corem's operations, as it enables Corem to meet customers' changing premises needs and further develop and create added value to the property portfolio. Investments in existing properties are often made in connection with new leases and for the purpose of adapting and modernizing premises. Through long-term sustainable investments, Corem refines and develops properties, areas and companies. Property development entails a good opportunity for value development and extended customer relationships. Project development includes everything from long-term detailed planning work and major new constructions, renovations and additions to improvements in connection with the change of tenant and energy saving measures. All investments are made to create value that lasts over time, implying that goals such as sustainability and customer satisfaction are prioritized. By modernizing the buildings and continuously adapting the property portfolio to changing market conditions, leasing is facilitated and returns are optimized.

### **Investment strategy for continued growth**

Corem actively seeks out and carries out transactions with the aim of increasing the Company's size and refining the property portfolio. Corem continuously increases the number of properties, lettable area and the value of the portfolio through the acquisition of properties in attractive logistics locations in selected growth areas. The focus is on logistics in proximity to the city in Stockholm, Gothenburg, Malmö and Jönköping. By creating geographically consolidated management units, economies of scale are achieved in management at the same time as the possibility of meeting customers' needs and demands increases. Properties that are outside priority geographical areas, are estimated to have a low return potential or belong to a non-priority property segment may be divested. As a complement, acquisitions in listed Nordic real estate companies can be made that over time are expected to contribute to creating a return on equity..

### **PROPERTY PORTFOLIO**

Corem's property portfolio mainly consists of warehouse and logistics properties suitable for city logistics. The portfolio is located in geographically concentrated administrative areas in attractive, close to the city and accessible locations in places with good growth. On 31 March 2021, Corem owned 169 properties with a lettable area of 1,012 thousand sq. m. and a property value of SEK 14,811 million. The rental value was estimated to amount to SEK 1,021 million. The properties are located in easily accessible locations near major traffic routes in developing locations and consist of 69 per cent of logistics properties, often with connected offices. 56 per cent of the property value is in Stockholm.

#### **Four regions and local administrative offices**

Organisationally, the property portfolio is divided into four regions; Stockholm, South, West and Småland. The daily management takes place locally within Corem and due to the fact that most properties are located close to each other, efficient management units are created. It also means fast service to customers and good knowledge of local conditions.

Some of Corem's largest management areas are:

- Västberga, Sättra and Jordbro in southern Stockholm
- Veddesta in western Stockholm
- Bredden and Arlandastad in northern Stockholm
- Fosie/Elisedal in Malmö
- Mölndal and Hisings Backa in Gothenburg
- Ljungarum in Jönköping.

The portfolio is expanded and refined through transactions and property development with the objective of being a leader in real estate for city logistics

Earnings by geographic area	Income, SEK m		Expenses, SEK m		Net operating income, SEK m		Surplus ratio, %		Investments and net acquisitions	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Stockholm	515	483	-147	-150	368	334	71	69	600	-33
South	126	164	-29	-41	97	123	77	75	42	-1,177
West	187	174	-37	-36	150	138	80	79	339	246
Småland	66	92	-13	-22	53	70	80	76	178	-811
Mälardalen/North <sup>1)</sup>	-	48	-	-11	-	37	-	77	-	-1,289
<b>Total</b>	<b>894</b>	<b>961</b>	<b>-226</b>	<b>-260</b>	<b>668</b>	<b>701</b>	<b>75</b>	<b>73</b>	<b>1,159</b>	<b>-3,064</b>

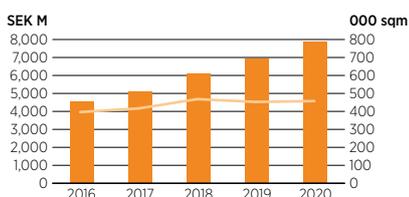
Key figures by geographic area	Number of properties		Fair value, SEK m		Rental value, SEK m		Financial occupancy rate, %		Vacancy, sqm	
	2020 31 Dec	2019 31 Dec	2020 31 Dec	2019 31 Dec	2020 31 Dec	2019 31 Dec	2020 31 Dec	2019 31 Dec	2020 31 Dec	2019 31 Dec
Stockholm	94	89	7,903	6,925	564	532	94	91	38,382	58,449
South	25	26	1,650	1,514	134	133	95	92	14,224	21,093
West	26	26	3,271	2,776	196	179	91	92	24,005	26,217
Småland	22	21	1,178	899	76	68	92	88	10,534	13,172
Mälardalen/North <sup>1)</sup>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>167</b>	<b>162</b>	<b>14,002</b>	<b>12,114</b>	<b>970</b>	<b>912</b>	<b>93</b>	<b>91</b>	<b>87,145</b>	<b>118,931</b>

Lettable area, sqm	Total		Logistics		Offices		Retail		Other	
	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Stockholm	457,556	452,651	300,448	291,715	123,044	122,180	18,247	21,481	15,817	17,275
South	193,079	194,072	153,643	153,983	26,359	26,624	5,840	5,840	7,237	7,625
West	236,954	228,556	164,271	175,812	43,573	36,260	24,025	13,072	5,085	3,412
Småland	98,298	84,216	69,874	57,564	17,051	15,279	3,939	3,939	7,434	7,434
Mälardalen/North <sup>1)</sup>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>985,887</b>	<b>959,495</b>	<b>688,236</b>	<b>679,074</b>	<b>210,027</b>	<b>200,343</b>	<b>52,051</b>	<b>44,332</b>	<b>35,573</b>	<b>35,746</b>
<b>Per centage of area, %</b>			<b>70</b>	<b>71</b>	<b>21</b>	<b>21</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>

1) The former Mälardalen/North Region was dissolved in 2019 since the majority of the portfolio was sold. A few of this region's smaller properties were not sold and these are included, as of 30 September 2019, in Region Stockholm in the tables. Previous years' comparative figures have been left intact. During the third quarter 2020, all but one of the remaining properties from the former Mälardalen/North Region were sold.

## STOCKHOLM

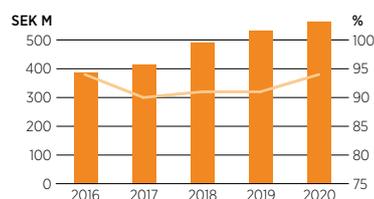
### PROPERTY VALUE AND LETTABLE AREA



— Lettable area, 000 sqm  
● Property value, SEK m

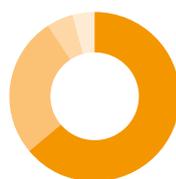


### RENTAL VALUE AND ECONOMIC OCCUPANCY RATE



— Econ. occ. rate, %  
● Rental value, SEK m

### AREA BY TYPE OF PREMISES



● Logistics 66%  
● Offices: 27%  
● Retail 4%  
● Other: 3%

## REGION STOCKHOLM

**High investment and establishment willingness for warehousing, logistics and industry in Sweden's largest consumer market**

Warehouse, logistics and industrial properties in the Stockholm region are generally an attractive investment segment. Stockholm has the highest economic growth in Sweden and is more noticeably becoming the country's largest consumer market. The region has also become an obvious choice regarding the state of establishment for industry. In other respects, the market benefits from the increase in e-commerce in the region in combination with a strong population growth.

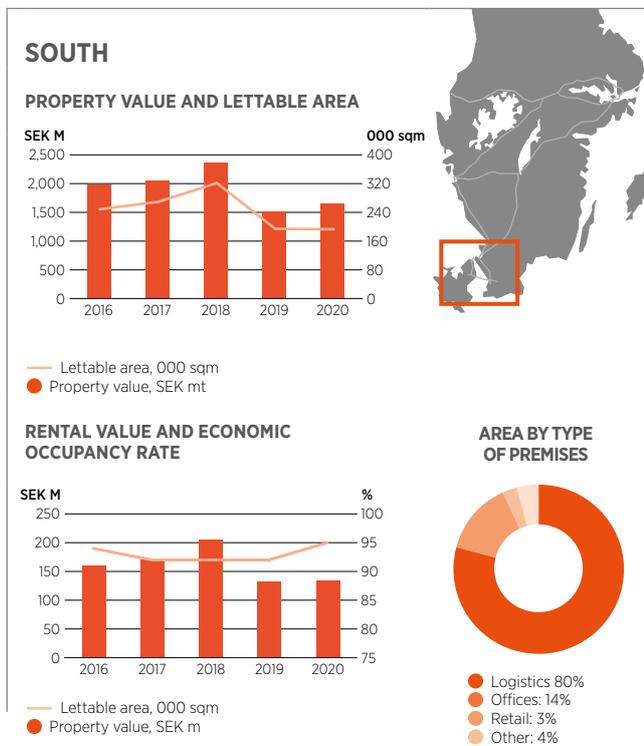
The properties in the segment with the highest demand generally consist of locations close to the city with proximity to major traffic routes that enables good accessibility to customers and consumers. These locations are characterized by a limited supply of exploitable land in combination with high demand, which pushes the rental levels up and results in low vacancy rates. The lack of exploitable land has meant that new areas also constitute interesting locations for warehouse, logistics and industrial properties. In connection with several industrial areas being converted into urban areas, the shortage of land becomes apparent even in these locations, which leads to continued good market prospects for areas close to the city with increased rental levels and low vacancy rates.

The suburban areas in the Stockholm region have higher access to exploitable land than areas close to the city. This means that the majority of newly produced warehouse, logistics and industrial properties are supplied in suburban locations and that modern, flexible and appropriate properties that meet the tenants' requirements are added to the market. In addition, modern installations entail lower operating costs. However, the higher supply results in higher vacancy levels and the rent level is often limited to the new production rent.

In 2020, the new production volume for major warehouse, logistics and industrial properties in the Stockholm region amounted

to approximately 110,000 square meters, of which almost 90,000 square meters is located in northern Greater Stockholm. The total new production volume in the Stockholm region is in line with the historical average, where approximately 120,000 square meters of new space has been added annually to the Stockholm logistics market over the past five-year period.<sup>49</sup>

Yield requirements in the region have decreased during 2020. For attractive properties in good locations, the levels are estimated to amount to approximately 4.50 per cent. The corresponding level for less sought-after objects is estimated at around 5.50 per cent.<sup>50</sup>



**REGION SOUTH**

**Strong growth in one of Sweden's leading logistics locations**

Region South is a strong consumption center and is becoming increasingly attractive for warehousing, logistics and industrial establishments. With a well-developed infrastructure that enables travel outside the country's borders and a geographical location that allows a large flow to the entire country, Skåne is one of Sweden's leading logistics locations and has developed from being an attractive center for food logistics to start growing faster in third party logistics and e-commerce.

The region continues to have a very strong population growth and with several strong market participants, there is a continued demand for warehouse, logistics and industrial properties. In the Skåne region, a lot of land is protected as agricultural land which, in certain geographies, has contributed to limited land supply. Despite this, new logistics locations have been established in recent years. The total new production volume for warehouse, logistics and industrial properties in 2020 amounted to almost 250,000 square meters, a historically high level.<sup>51</sup>

The yield requirement has decreased during 2020 and amounts to approximately 5.00 per cent for the best objects. For less sought-after objects in worse locations, the yield requirements were found to be around 6.50 per cent during the year.<sup>52</sup>

49 Statistics, Newsec, April 2021.

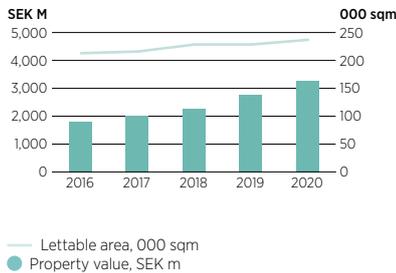
50 Statistics, Newsec, April 2021.

51 Statistics, Newsec, April 2021.

52 Statistics, Newsec, April 2021.

## WEST

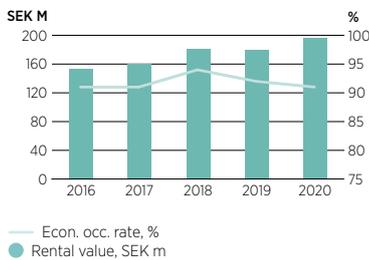
### PROPERTY VALUE AND LETTABLE AREA



### AREA BY TYPE OF PREMISES



### RENTAL VALUE AND ECONOMIC OCCUPANCY RATE



Sweden's foremost logistics locations. The region is strategically located between three capitals and has the largest container port in the Nordic region and a strong railway network. Population growth in the region is good and the business community is logistics-intensive. Both Chalmers University of Technology and the University of Gothenburg have education and research in logistics, which contributes to the region's continued good opportunities to develop as a logistics hub. The region also includes Borås, which also has a good logistics location with both railways and major traffic routes, as well as proximity to Landvetter Airport and the customer base in Gothenburg. The future prospects are considered good for logistics operations in the Gothenburg region, and until 2035, construction and infrastructure investments are planned for a total of more than SEK 800 billion.<sup>53</sup>

The Gothenburg region is the region in Sweden with the largest new production volume during the last 10-year period. In 2020, approximately 200,000 sq. m. of logistics space were newly produced, which is just over 2019's historically high new production volume. Almost 30 per cent of Sweden's total new production in logistics was located in the Gothenburg region in 2020, which is a clear indicator of a continued positive market view in the region.<sup>54</sup>

The yield requirements for warehouse, logistics and industrial properties in the Gothenburg region continued to decline during the year. For the best objects, the required return is estimated to be around 4.50 per cent, while the direct return requirement for objects in less attractive locations amounts to levels around 5.50 per cent.<sup>55</sup>

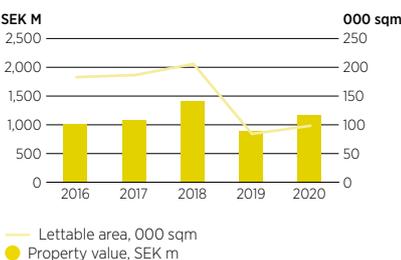
## REGION WEST

### High new production volume and good market prospects in Sweden's logistics and industrial city

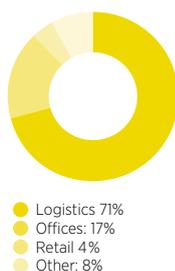
With its well-established trade identity and good communications, the Gothenburg region has long been considered one of

## SMÅLAND

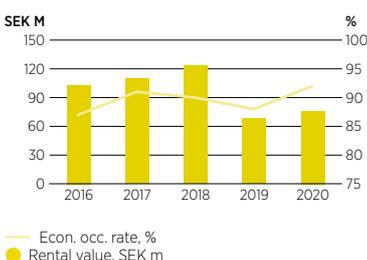
### FASTIGHETS VÄRDE OCH UTHYRBAR AREA



### AREA BY TYPE OF PREMISES



### HYRES VÄRDE OCH EKONOMISK UTHYRNINGSGRAD



## REGION SMÅLAND

### Growing logistics market strategically located between Sweden's largest cities

Region Småland is growing both in terms of logistics operations and population. Jönköping, where Corem owns a large property portfolio, is centrally located in Sweden with good accessibility to the country's three largest cities and well-developed infrastructure. Within a radius of 170 km from Jönköping, 2.8 million people are reached and highway 40 and the E4 pass through the city. Jönköping also has a good railway connection in Nässjö. Region Småland has a strong spirit of networking and entrepreneurship as well as active logistics collaborations. The strategic location with good accessibility and the opportunity to reach the other Nordic countries has driven demand for warehousing, logistics and industrial properties, mainly along the main train line and the E4. The region has a large supply of undeveloped land, which in combination with low land prices means that new production is seen as an alternative to renting existing industrial and logistics properties. In general, it is only in established industrial areas with a high proportion of retail that the market rents for the existing stock exceed the rent for newly produced properties.

53 Report, Business Region Gothenburg, "Investment survey, Gothenburg region until 2035", 11 February.

54 Statistics, Newsec, April 2021.

55 Statistics, Newsec, April 2021.

The new production volumes in the Småland region have varied greatly between years and in 2020 the new production volume for warehouse, logistics and industrial properties amounted to just under 45,000 sq. m., of which several projects were constructed in established logistics parks.<sup>56</sup>

For the best objects, which refers to objects in logistics hubs with good lease agreements, the yield requirements are estimated at a level of around 5.00 per cent, a decrease from the previous year. The range of yield requirements in the region is large and for less attractive objects in the Småland region, the yield requirements are at a much higher level.<sup>57</sup>

## MARKET VALUE

The total market value of the property portfolio on 31 March 2021 amounted to SEK 14,811 million. Corem's property portfolio is valued every quarter. A selection of the properties is valued externally and the remaining properties are valued internally by an authorized reputable appraiser. In 2020, properties corresponding to 99.9 per cent of the total property value were externally appraised. For the first quarter of 2021, properties corresponding to 28 per cent of the total value have been externally valued. External valuations have been performed by Savills Sweden AB and Cushman & Wakefield Sweden AB. Corem continuously collects market information from external valuation institutes to support the internal valuation process. The value assessments are based on cash flow analyses, where the return ability of the individual property has been assessed. The method means that the property's value is based on the present value of forecast cash flows together with the residual value. Normally, a ten-year calculation period has been used. The value-affecting factors used in the valuation correspond to the valuation institutions' interpretation of how investors and other parties in the market reason and act.

The weighted average yield requirement at the end of the calculation period was 5.5 per cent as of 31 December, 2020, compared with 5.8 per cent at the beginning of 2020. In the valuations, the deviation between the weighted average discount rate for the present value calculation of operating net, and the corresponding discount rate for residual values is extremely small. The average discount rate for discounting cash flows amounts to 7.4 per cent and for residual values to 7.5 per cent.

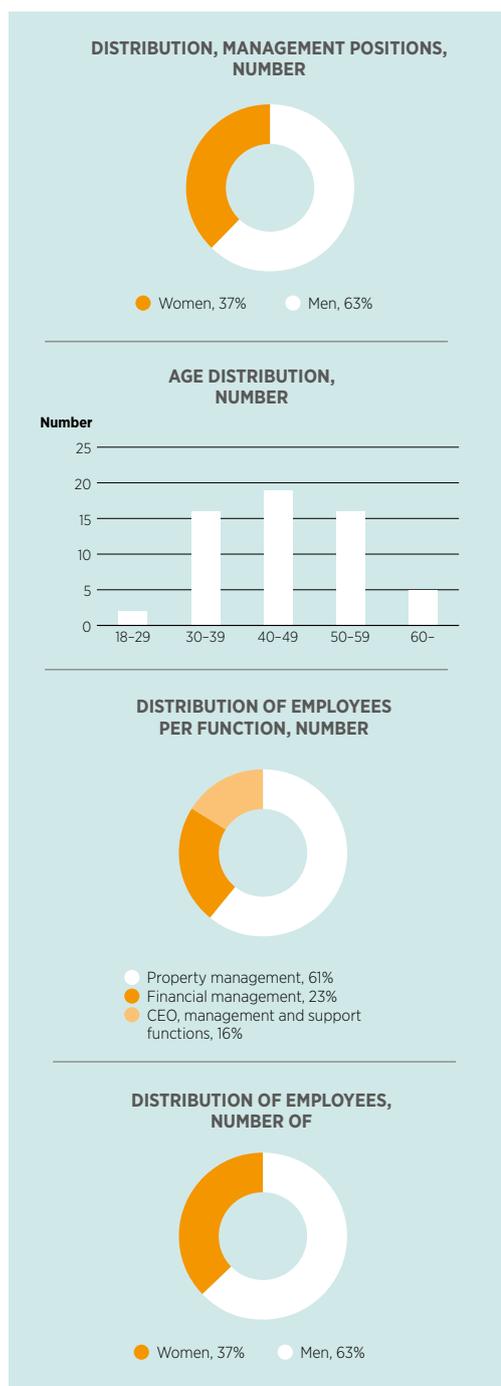
For the valuation of the Group's properties, see the section Valuation reports on pages 148–160.

## NUMBER OF EMPLOYEES

As of 31 March 2021, the number of employees in Corem was 61, of which 22 women and 39 men.

The table below shows the average number of employees during the last three financial years.

Average number of employees	2020	Male, %	2019	Male, %	2018	Male, %
Parent company	58	64	59	67	57	66



<sup>56</sup> Statistics, Newsec, April 2021.

<sup>57</sup> Statistics, Newsec, April 2021.

# PRESENTATION OF FINANCIAL INFORMATION

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The following selected historical financial information regarding Corem has been extracted from the Company's audited annual reports for the financial years ending on 31 December 2020, 2019, and 2018, and from the unaudited interim reports for the financial period 1 January–31 March 2021, including comparative figures for the corresponding period 1 January–31 March 2020. The full financial reports are incorporated in the Offer Document by reference on page 143.

The annual reports for the financial years 2020, 2019, and 2018, have been prepared in accordance with the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)) and International Financial Reporting Standards (IFRS) as adopted by the EU. The interim report for the period 1 January–31 March 2021 has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting.

The annual reports for the financial years 2020, 2019, and 2018, have been audited by Corem's auditors. The interim report for the period 1 January–31 March 2021 has not been reviewed by Corem's auditors.

This section includes certain alternative key figures not defined according to IFRS as measurements of financial performance, which are used by Corem's management to measure the underlying performance of the operations and the business

## SELECTED INFORMATION FROM THE CONSOLIDATED INCOME STATEMENT

MSEK	1 Jan–31 Mar 2021 Unaudited	Jan–31 Mar 2020 Unaudited	Jan–Dec 2020 Audited	Jan–Dec 2019 Audited	Jan–Dec 2018 Audited
Income	258	223	894	961	965
Property costs	-74	-57	-226	-260	-232
<b>Net operating income</b>	<b>184</b>	<b>166</b>	<b>668</b>	<b>701</b>	<b>733</b>
Central administration	-9	-10	-39	-39	-40
Net financial items	-18	-39	-209	-262	-313
<b>Income from property management</b>	<b>157</b>	<b>117</b>	<b>420</b>	<b>400</b>	<b>380</b>
Profit shares according to the equity method	-	-	-	148	499
Realised changes in value of investment properties	-	-	17	0	0
Unrealised changes in value of investment properties	481	81	742	1,695	458
Changes in value, financial investments	-191	-1,633	-1,042	1,089	-
Changes in value, derivatives	83	-27	-31	-17	12
<b>Profit before tax</b>	<b>530</b>	<b>-1,462</b>	<b>106</b>	<b>3,315</b>	<b>1,349</b>
Tax	-121	60	-214	-201	-166
<b>Net profit for the period</b>	<b>409</b>	<b>-1,402</b>	<b>-108</b>	<b>3,114</b>	<b>1,183</b>
Items which can be recognized as profit for the period					
Transaction difference etc	5	12	-11	-8	16
<b>Comprehensive income for the period attributable to parent company's shareholders</b>	<b>414</b>	<b>-1,390</b>	<b>-119</b>	<b>3,106</b>	<b>1,199</b>
Earnings per share, SEK	1.14	-4.13	-0.52	8.35	3.05

## SELECTED INFORMATION FROM THE CONSOLIDATED BALANCE SHEET

MSEK	1 Jan–31 Mar 2021 Unaudited	Jan–31 Mar 2020 Unaudited	Jan–Dec 2020 Audited	Jan–Dec 2019 Audited	Jan–Dec 2018 Audited
Investment properties	14,811	12,427	14,002	12,114	13,479
Rights of use assets	218	209	218	209	-
Assets reported according to the equity method	-	-	-	-	2,165
Financial assets measured at fair value	4,355	2,055	4,347	3,191	-
Other non-current assets	7	5	7	5	2
<b>Total non-current assets</b>	<b>19,391</b>	<b>14,696</b>	<b>18,574</b>	<b>15,519</b>	<b>15,646</b>
Other assets	117	76	85	62	52
Short-term investments	-	1,135	-	1,542	-
Cash and cash equivalents	42	29	15	8	14
<b>Total current assets</b>	<b>159</b>	<b>1,240</b>	<b>100</b>	<b>1,612</b>	<b>66</b>
<b>Total assets</b>	<b>19,550</b>	<b>15,936</b>	<b>18,674</b>	<b>17,131</b>	<b>15,712</b>
<b>Equity attributable to shareholders of Parent Company</b>	<b>7,691</b>	<b>6,284</b>	<b>7,277</b>	<b>8,172</b>	<b>5,302</b>
Interest-bearing liabilities	6 162	5 748	5,510	5,264	7,574
Long-term lease liabilities	218	209	218	209	-
Deferred tax liability	920	532	800	592	395
Derivatives	372	451	455	424	407
Other long-term liabilities	7	7	7	7	8
<b>Total non-current liabilities</b>	<b>7,679</b>	<b>6,947</b>	<b>6,990</b>	<b>6,496</b>	<b>8,384</b>
Interest –bearing liabilities	3,792	2,366	4,086	2,091	1,694
Other liabilities	388	339	321	372	332
<b>Total current liabilities</b>	<b>4,180</b>	<b>2,705</b>	<b>4,407</b>	<b>2,463</b>	<b>2,026</b>
<b>Total liabilities</b>	<b>11,859</b>	<b>9,652</b>	<b>11,397</b>	<b>8,959</b>	<b>10,410</b>
Total equity and liabilities	19,550	15,936	18,674	17,131	15,712

### Restrictions on the use of capital resources

For some of Corem's subsidiaries, restrictions on dividends and other value transfers to the parent company can be enforced under certain loan agreements (event of default). Such restrictions may become relevant if there is a basis for termination of a relevant loan agreement or if such basis to terminate is imminent, or in certain similar cases. An event of default can, for example, be

a change of control in a subsidiary or a breach of certain financial covenants in a loan agreement. There are currently no restrictions on the use of capital resources. In addition to restrictions under certain loan agreements, there are no other restrictions regarding the use of capital resources, other than by law.

## SELECTED INFORMATION FROM THE CONSOLIDATED CASH FLOW STATEMENT

MSEK	1 Jan–31 Mar 2021 Unaudited	Jan–31 Mar 2020 Unaudited	Jan–Dec 2020 Audited	Jan–Dec 2019 Audited	Jan–Dec 2018 Audited
Cash flow from changes in working capital	212	88	370	467	448
Cash flow from investing activities	-519	-211	-2,016	3,064	-1,439
Cash flow from financing activities	334	144	1,653	-3,537	971
Cash flow for the period	27	21	7	-6	-20
Cash and cash equivalents at start of period	15	8	8	14	34
Cash and cash equivalents at end of period	42	29	15	8	14

### Cash flow and cash equivalents

The Group's main source of liquidity has historically been cash flow from operating activities, utilization of banking facilities and bonds, and sales of properties. The Group's ability to generate cash flow from operating activities depends on the Group's future results, which in turn depend on a number of factors (see the section Key factors affecting the Group's financial position and profits on page 60). For a detailed account of cash flow, see the sections Statement of cash flows and Parent company statement of cash flows in Corem's audited annual report for the period 1 January–31 December 2020, and pages 9 and 15 in Corem's unaudited interim report for the period 1 January–31 March 2021. The reports are incorporated in this Offer Document by reference to page 143.

### Cash flow 1 January–31 December 2020

The Group's cash flow from operating activities for the period 1 January–31 December 2020 amounted to SEK 370 million. Dividends from shareholdings amounted to SEK 84 million. Cash flow from investing activities amounted to SEK -2,016 million and cash flow from financing activities to SEK 1,653 million. Cash and cash equivalents at the end of the period amounted to SEK 15 million. Cash and cash equivalents together with unutilized credits of SEK 567 million meant that available liquidity amounted to SEK 582 million at the end of the period.

### Cash flow January 1–March 31, 2021

The Group's cash flow from operating activities for the period 1 January–31 March 2021 amounted to SEK 212 million. Cash flow from investing activities amounted to SEK -519 million and cash flow from financing activities to SEK 334 million. Cash and cash equivalents at the end of the period amounted to SEK 42 million. Cash and cash equivalents together with unutilized credits of SEK 707 million meant that available liquidity amounted to SEK 749 million.

### Borrowing requirements, liquidity flows and interest rate and credit maturity structure

Corem operates in a capital-intensive industry. For further development and expansion of the property portfolio and operations, access to capital is required in both the short and long term and at a well-balanced cost and risk. The Group's liquidity needs arise mainly from the need to pay interest and repayments on loans, to finance acquisitions of properties and real estate companies, to finance investments in the existing portfolio and to finance working capital needs. As existing credits such as bank facilities and bonds fall due for payment, the Company refinances credit maturities by raising new loans as part of current operations. For detailed information regarding Corem's borrowing requirements, liquidity flows and interest rate and credit maturity structure, please refer to the notes in Corem's annual report for the period 1 January–31 December 2020 (see especially Note 20, Financial risks and finance policies) which have been incorporated by reference on page 143.

### Significant changes in the Group's financial position and earnings since 31 March 2021

There have been no significant changes in the Group's financial position and earnings since 31 March 2021.

### SELECTED KEY FIGURES

For definitions and justification of the reason for using the alternative key figures, see Definitions of selected key figures below.

#### Selected key figures

MKR	1 Jan–31 Mar 2021 Unaudited	Jan–31 Mar 2020 Unaudited	Jan–Dec 2020 Audited	Jan–Dec 2019 Audited	Jan–Dec 2018 Audited
<b>Property-related</b>					
Fair value of properties, SEK million	14,811	12,427	14,002	12,114	13,479
Yield requirement, valuation, %	5.4	5.8	5.5	5.8	6.5
Rental value, SEK million	1,021	932	970	912	1,112
Lettable area, sqm	1,011,925	962,118	985,887	959,495	1,439,793
Occupancy rate, economic, %	93	91	93	91	91
Occupancy rate, area-based, %	90	87	91	88	88
Surplus ratio, %	71	74	75	73	76
Number of properties	169	163	167	162	186
<b>Financial</b>					
Return on equity, %	21.8	-77.6	-1.4	46.2	24.5
Return on equity, %	48	49	48	55	39
Equity ratio, %	39	39	39	48	34
Interest-bearing net liabilities, SEK million	5,583	4,916	5,258	2,629	7,848
Loan-to-value ratio (LTV), %	38	40	38	22	58
Loan-to-value ratio, properties, %	43	46	46	46	51
Interest coverage ratio, multiple	3.3	2.7	2.5	2.8	2.9
Average interest rate, %	2.8	3.3	2.7	3.4	3.16
Average fixed interest period, years	2.5	2.9	2.7	3.4	2.1
Average credit maturity, years	1.8	2.3	1.9	2.2	3.0
<b>Share-related<sup>1)</sup></b>					
Earnings per ordinary share, SEK	1.14	-4.13	-0.52	8.35	3.05
Earnings per preference share, SEK	5.00	5.00	20.00	20.00	20.00
Net asset value (NAV) per ordinary share, SEK	23.54	18.54	22.22	22.74	14.27
Equity per ordinary share, SEK	19.77	15.67	18.56	19.95	12.07
Equity per preference share, SEK	251.67	251.67	251.67	251.67	251.67
Dividend per ordinary share, SEK <sup>4</sup>	-	-	0.65	0.60	0.45
Dividend per preference share, SEK <sup>4</sup>	-	-	20.00	20.00	20.00
Share price per class A ordinary share, SEK <sup>2</sup>	18.65	19.40	18.80	27.00	10.00
Share price per class B ordinary share, SEK <sup>2</sup>	18.65	19.60	18.80	27.00	10.70
Share price per preference share, SEK <sup>2</sup>	318.00	285.00	320.00	392.00	294.00
Number of outstanding ordinary shares <sup>3</sup>	343,194,505	343,194,505	343,194,505	364,269,505	364,269,505
Average number of outstanding ordinary shares <sup>3</sup>	343,194,505	344,137,857	343,429,054	364,269,505	364,727,545
Number of outstanding preference shares <sup>3</sup>	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000

1 Historical figures are adjusted for the bonus issue carried out in December 2017 and for the aggregation of shares carried out during January 2018.

2 At the end of the period.

3 Excluding repurchased shares.

4 For 2020 the proposed dividend and for other years the approved dividend.

# DEFINITIONS OF SELECTED KEY FIGURES

Selected key figures and measures presented above are not defined in accordance with IFRS. Corem considers that these key figures and measures provide valuable complementary information to investors and the Company's management when analysing the Company's operations. Because not all companies calculate key figures and measures in the same way, these are not always comparable. Presented below are the selected key figures and measures and why they are used. For those key figures which are not directly identifiable from the financial reports, a calculation appendix is presented on the Company's website [www.corem.se](http://www.corem.se).

## PROPERTY

### Required yield

The required return on the residual value of property valuations.

### Rental value

Contracted annual rent as applicable at the end of the period, with a supplement for assessed rent of vacant premises.

### Lettable area

Total area available for letting.

### Occupancy rate, economic

Rent on an annual basis divided by assessed rental value, as defined. Used to show the economic utilization rate of the properties.

### Occupancy rate, area

Rented area divided by total lettable area.

### Surplus ratio

Operating surplus as a per centage of revenue. Used to illustrate earnings from the property management operations.

## FINANCIAL

### Return on equity

Net profit on an annual basis, as a per centage of average equity during the period. Stated to clarify the return on the shareholders' equity.

### Adjusted equity ratio<sup>1)</sup>

Equity, adjusted for the value of derivatives including tax, repurchased shares, (based on the share price at the end of respective time period) and reported deferred tax properties, as well as load deferred tax of 5 per cent attributable to the difference between the properties' fair value and residual value for tax purposes, as a per centage of total assets adjusted for rights of use assets.

### Equity ratio

Equity as a per centage of total assets. Used to illustrate the Company's financial stability.

### Interest-bearing net debt

The net of interest-bearing provisions and liabilities, less financial assets including liquid funds. Used to illustrate the Company's financial risk.

### Loan to value (LTV)

Interest-bearing liabilities after deduction for the market value of listed shareholding and liquid funds, in relation to the fair value of the properties at the end of the period. Stated to clarify the Group's financial risk.

### Loan to value (LTV), properties

Interest-bearing liabilities with collateral in properties, in relation to the fair value of the properties at the end of the period. Stated to clarify the properties' financial risk.

### Interest coverage ratio<sup>2)</sup>

Profit from property management including realized changes in value, as well as the share of associated companies' profit from property management, including realized changes in value, plus financial expenses, and divided by financial expenses. Used to illustrate the Company's susceptibility to changes in interest rates.

<sup>1</sup> The definition of adjusted equity ratio has been changed to take account of repurchased shares.

<sup>2</sup> Excluding site leasehold fees.

**Average interest rate**

Average borrowing rate for interest-bearing liabilities and derivatives. Stated to clarify the Company's financial risk.

**Average period of fixed interest**

Average remaining period of fixed interest on interest-bearing liabilities and derivatives. Stated to clarify the Company's financial risk. Stated to clarify the Company's financial risk.

**Average fixed credit term**

Average remaining term of interest-bearing liabilities. Stated to clarify the Company's financial risk.

**SHARE****Earnings per ordinary share**

Net profit in relation to average number of ordinary shares, taking the preference shares' share of profit for the period into account.

**Earnings per preference share**

The preference shares' share of profit corresponding to the period's accumulated share of annual dividend of SEK 20.00 per preference share.

**NAV (Net Asset Value) per ordinary share**

Reported equity, after taking the preference equity into consideration, adjusted to include derivatives and deferred tax in accordance with the statement of financial position, in relation to the number of outstanding ordinary shares at the end of the period. Stated as an alternative way of calculating the equity value per ordinary share.

**Equity per ordinary share**

Reported equity, after taking into consideration the preference equity, in relation to the number of outstanding ordinary shares at the end of the period.

**Preference capital**

Number of outstanding preference shares multiplied by the average issue price.

**OTHER DEFINITIONS****Comparable portfolio**

The properties included in the portfolio during the whole of the reporting period and during the whole of the comparison period as well as adjustments for revenue and costs of a one-off nature, for example, early redemption of rental income and rental losses.

**Net letting**

Annual rent for the tenancy agreements entered into during the period, reduced for terminated tenancy agreements and bankruptcies.

**Unrealized changes in value, properties**

Change in fair value, after deduction for investments made for the property portfolio at the end of the respective period.

**Realized changes in value, properties**

Realized property sales after deductions for the properties' most recently reported fair value and overheads at sale.

**Interest-bearing liabilities**

Current and long term interest-bearing liabilities, as well as activated and capitalized borrowing costs.

**Total number of shares**

Registered shares, including repurchased shares

**Outstanding shares**

Registered shares, after deduction of repurchased shares which are not eligible for dividends and lack voting rights.

**Annual rent**

Rent including supplements and index on an annual basis.

# OPERATIONAL AND FINANCIAL OVERVIEW

The below presented overview of the Group's financial position and operating profits for the period 1 January – 31 March 2021 and 1 January–31 March 2020, respectively, the financial years 2020, 2019, and 2018, respectively, shall be read in conjunction with Group's unaudited interim report for the period 1 January–31 March 2021, audited annual reports for financial years 2020, 2019, and 2018, respectively, with accompanying notes, and the information presented in sections Presentation of financial information, Market overview for the Combined Company, Business overview and Historical Financial Information.

In the overview below, certain items and operational measures, which are not defined in accordance with IFRS, are mentioned. Definitions and explanations of such measures are included in Presentation of financial information.

The operational and financial overview contains forward-looking statements that reflect the Group's current expectations, estimations, assumptions and prognoses concerning the Group's industry, business, strategy and future profits. These forward-looking statements are not guarantees of future profits or development, and the actual outcome may differ materially from those set out in the forward-looking statements. Factors that may cause or contribute to the differences include, but are not limited to, those discussed below and elsewhere in the Offer Document, in particular the "Risk Factors" section.

## OVERVIEW

Corem is a real estate company that owns, manages and develops warehouse, logistics, industrial, and commercial properties in central and southern Sweden as well as in Denmark, with the goal of being 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 staff, proximity to tenants and deep market knowledge. Corem has a long-term perspective on its property ownership and strives to be a good business partner that creates opportunities for tenants to grow and develop within Corem's portfolio.

The property portfolio is concentrated in locations close to urban areas with good accessibility and growth. As of 31 March 2021, the property portfolio consisted of 169 properties with a total lettable area of 1,012 thousand sq. m. and a value of the property portfolio of approximately SEK 14,811 million. The rental value was estimated as of 31 March 2021 to amount to SEK 1,021 million,

whereas the economic occupancy rate amounted to 93 per cent. In addition, Corem owns shares in the listed real estate companies Klöver and Castellum to a value of SEK 4,355 million as of 31 March 2021. Corem's net asset value amounted to SEK 23,54 per ordinary share as of 31 March 2021.

## KEY FACTORS AFFECTING THE GROUP'S FINANCIAL POSITION AND PROFITS

Corem deems that several factors, directly and indirectly, affects the Group's financial position and profits. These factors provide opportunities for the Company and its business, but may also pose risks and challenges which the Group have to successfully manage in order to improve its future financial position and profits. These factors include:

- Macro economic factors
- Rental level and occupancy rate
- Property expenses and investments
- Changes in interest rates
- Changes in value of investment properties

### Macro economic factors

Corem is largely dependent on the demand for and need for warehouse, logistics and industrial properties within the regions where the Group operates. Demand is affected by a number of macroeconomic factors, among others. These factors include, among other things, the change in GDP that reflects economic activity, population growth and demographic changes including consumption patterns in the regions where the Group operates.

Further information on how the Group is affected by the development of the global economy can be found in the section *Market overview for the Combined Company*.

### Rental levels and occupancy rate

Corem's business consists of managing and letting premises with a focus on properties for warehouses and logistics. Corem's earnings are affected by leases, economic occupancy rates and any loss of rental income. Rental levels are determined partly by the general rental situation in the market, and partly by Corem's work to implement rent increases. Rental levels for warehouse, logistics and industrial properties are also determined by parameters, such as rental structure, size, modernity and efficiency. If the occupancy rate or rental levels fall or increase, Corem's profits are negatively or positively affected. Corem's high economic occupancy rate of 93 per cent as of 31 March 2021 can be attributed, among other things, to a successful work of adapting the properties in the portfolio to changing needs, and that Corem has a diversified contract base with tenants in different industries and leases with different maturities, which also reduces the risk of greater impact through external market factors.

### Property expenses and investments

Major cost items in property management consist of tariff-related fees, primarily for electricity, water and heating as well as costs for property tax and ongoing property management. To the extent that cost increases are not compensated by regulation in leases, they may adversely affect Corem's earnings. Deviations in the weather from what can be considered normal can affect the overall outcome. Properties are associated with technical risks such as the risk of design defects, damage or pollution, which can lead to increased costs and thus adversely affect the Company's earnings.

Through its own active management, Corem has extensive knowledge of the properties in the portfolio. Continuous maintenance work is done to maintain and continuously improve the condition of the properties, which reduces the risk of sudden extensive repair needs. Focus is placed on energy saving measures to have good control over and minimize tariff-related costs, and as a part of the sustainability work. In most of Corem's lease agreements, the tenant is responsible for all or most of the ongoing operating and maintenance costs, which further reduces the financial risk. Processing projects are carried out continuously within the stock. All Corem's properties are fully insured.

Project and property development is an important part of Corem's operations and includes refining existing properties as well as construction and remodeling. The projects make it possible to meet customers' varying needs for premises and further develop and add value to the property portfolio. Investments in existing properties are often made in connection with new leases and for the purpose of adapting the property through energy efficiency

and modernization. The investments create value in the form of a higher standard, which increases the properties' attractiveness in the market and in the long run provides more satisfied tenants. In addition, the projects often lead to increased rents and reduced operating costs. The property development projects also contribute to the development in the areas where Corem operates.

During the 2020 financial year, Corem invested SEK 741 million in the property portfolio. The majority of the projects are of relatively limited size. Of the projects that were ongoing in 2020, 89 per cent, in terms of numbers, had a project investment of less than SEK 2 million. Six major projects with more than SEK 25 million in investment were underway in 2020, of which three were completed and one was started. Estimated investment for ongoing major projects as of 31 December 2020 amounted to SEK 682 million. As of 31 March 2021, four major projects were underway, with an estimated investment of SEK 768 million. To start a new construction project, Corem's policy is that a lease must already have been signed.

### Changes in interest rates

Interest expense is Corem's largest expense item and is therefore important for the Company's earnings and cash flow. The conditions in the fixed income market, and in turn the interest rate situation, can change quickly, which affects Corem's financing costs. The Swedish central bank's and the Riksbank's monetary policies, expectations of economic development both internationally and nationally, as well as unexpected events affect market interest rates.

Corem has a financial policy with targets for interest rate risk management which is adopted by the Board of Directors. To avoid sharply rising interest rates in existing loan agreements, the risk is managed through derivatives. To reduce interest rate risk in new borrowing, the Company has several different sources of capital and several different counterparties. The Company is actively working to reduce interest costs.

### Changes in the value of investment properties

Corem reports property holdings at fair value, which has a direct impact on the income statement and financial position. The value of the properties is affected by how well the Company succeeds in refining and developing the properties, by the management and leasing work in the form of a contract and tenant structure and by external factors such as the economy and the local supply and demand balance. The required rate of return is largely governed by the risk-free interest rate and by the property's location and unique risk. As of 31 March 2021, the value of the Company's investment properties amounted to SEK 14,811 million. A change in value of +/- 1 per cent of the property value would mean a change in value of approximately +/- SEK 148 million.

## DESCRIPTION OF KEY ITEMS IN THE GROUP'S INCOME STATEMENT

### Rental income

Rental income constitutes the majority of the Group's income. Rental income from investment properties is reported in the income statement on a straight-line basis over the rental period. Leases are classified as operating leases on the basis that the property remains in Corem's possession even if the agreement can run for up to 20 years. In cases where leases allow a reduced rent for a certain period of time, which corresponds to a higher rent at another time, the difference is accrued on a straight-line basis. Rental discounts provided and state aid received as a result of the corona pandemic are reported net and charged to earnings in the period to which they relate. Reimbursements for the commitments that Corem makes in the lease agreements, such as providing the premises with, for example heating, cooling, snow removal and waste collection, are an integral part of the rent because the tenants cannot influence the choice of supplier, frequency or in other ways influence the execution. Such reimbursements are therefore reported as leasing.

### Property expenses

Property expenses include costs relating to the operation, maintenance, letting, administration and maintenance of the property holding.

### Net operating income

Net operating income consists of rental income minus property expenses (for example operating and maintenance costs, and property tax).

### Central administration

Central administration costs consist of costs for group management and group-wide functions.

### Net financial income

Net financial income consist of interest income on receivables and similar items, less interest expenses and similar items, such as currency losses.

### Profit from property management

Profit from property management consists of net operating income, central administration and net financial income, including realized changes in value regarding derivatives.

### Realized changes in value, properties

Investment properties are reported at fair value. The change in value reported in the Group's income statement consists of the change in the properties' market value adjusted for any investments made in the properties during the period to which the report relates.

### Changes in value, financial assets, short-term investment and derivatives

Corem owns shares in two listed real estate companies, Klöver and Castellum. In these companies, Corem has a seat on the Nomination Committee and can thus influence the development of these companies. The holdings are valued at market value.

In 2020, the holding in Castellum was reclassified to long-term holding and is included in the item Financial assets valued at fair value. All other short-term investments were sold during the year and the holding as of 31 December 2020 therefore amounted to SEK 0 million. Part of the holding in short-term investments was owned by the parent company and reported there at acquisition value.

In order to achieve a desired structure regarding interest maturity, Corem uses interest rate derivatives from time to time. The theoretical surplus or deficit value that may arise when the agreed interest rate deviates from the market interest rate is reported in the income statement of the financial instruments whose changes in value are reported in the income statement.

### Profit before tax

Profit before tax consists of the sum of profit from property management and changes in value of properties, financial assets, short-term investments and derivatives. Profit from property management includes net financial income, including realized changes in value regarding derivatives. Unrealized changes in the value of derivatives and other changes in value are reported after the profit from property management.

### Tax

Tax consists of current tax and deferred tax. Income taxes are reported in the income statement except when the underlying transaction is reported in other income or directly against equity, whereby the associated tax effect is reported in other income and in equity, respectively. Current tax is tax that is to be paid or received for the current year with application of tax rates that have been formally determined or that have been applied in practice as of the balance sheet date. Adjustments of current tax attributable to previous periods are also entered here.

Deferred tax is calculated according to the balance sheet method based on temporary differences between reported and taxable values of assets and liabilities. Temporary differences that have arisen at the initial recognition of assets and liabilities that are asset acquisitions and that at the time of the transaction do not affect the reported result or taxable result are not taken into account. The valuation of deferred tax is based on how the reported values of assets or liabilities are expected to be realized or regulated. Deferred tax is calculated by applying the tax rates and tax rules that have been decided or in practice decided on the balance sheet date. Deferred tax assets relating to deductible temporary differences and loss carryforwards are reported only to the extent that it is probable that these will be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized.

### Net profit for the year/period

Net profit for the year or period is the sum of the profit before tax minus tax.

### Cash flow from operations

Cash flow from operations consists of changes related to ordinary operations.

### Cash flow from investment operations

Cash flow from investment operations is attributable to investments in and purchases and sales of fixed assets.

### Cash flow from financing operations

Cash flow from financing activities reflects how the Company attracts capital.

## COMPARISON BETWEEN THE PERIOD JANUARY–MARCH 2021 AND THE PERIOD JANUARY–MARCH 2020

### Rental income

Revenues amounted to SEK 258 million (223) for the quarter, an increase of 16 per cent compared with the same quarter last year. The increase is attributable to completed projects, leases and renegotiations. In the comparable portfolio, revenues increased by 7 per cent. The economic occupancy rate on 31 March 2021 was 93 per cent. The effects of the covid-19 pandemic on Corem's revenues during the first quarter of 2021 were limited, as were for 2020.

### Property expenses

Property costs for the quarter amounted to SEK 74 million (57). In a comparable portfolio, costs increased by 25 per cent, which is mainly attributable to the fact that the first quarter of 2021 was significantly colder than the same period last year, which was unusually warm.

### Net operating income

The operating surplus amounted to SEK 184 million (166), an increase of 11 per cent compared with the same period last year. The surplus ratio was 71 per cent (74). In a comparable portfolio, the operating surplus increased by 2 per cent and the surplus ratio amounted to 72 per cent (76).

### Central administration

The central administration costs amounted to SEK 9 million (10) and relate to costs for Group management and Group-wide functions.

### Net financial income

Net financial items amounted to SEK -18 million (-39). Financial income, which consists of dividends from shareholdings, amounted to SEK 53 million (33). Financial expenses amounted to SEK 71 million (72), consisting mainly of interest expenses from loans and ground lease fees of SEK 3 million (3). At the end of the quarter, the average interest rate was 2.8 per cent, compared with 3.3 per cent at the end of the period last year.

### Profit from property management

Profit from property management amounted to SEK 157 million (117), which corresponds to an increase of 34 per cent.

### Realized changes in value, properties

Changes in value of properties during the quarter amounted to SEK 481 million (81), where all changes in value were unrealized. The unrealized change in value is mainly explained by reduced yield requirements and new completed leases and renegotiations.

### Changes in value, financial assets, short-term investment and derivatives

Changes in the value of financial investments totaled SEK -191 million (-1,633). Of the value changes, SEK 0 million (-175) were realized value changes. Changes in the value of derivatives amounted to SEK 83 million (-27). The value of Corem's derivatives is affected by changes in long-term market interest rates.

### Profit before tax

Profit before tax for the interim period amounted to SEK 530 million (-1,462).

### Tax

Deferred tax for the quarter amounts to SEK -121 million (60) and current tax to SEK 0 million (0).

### Net profit for the year/period

Profit for the year after tax for the first quarter of 2021 amounted to SEK 409 million (-1,402), which, taking into account the dividend to the preference shareholders, corresponds to SEK 1.14 per ordinary share (-4.13).

### Cash flow from operations

The Group's cash flow from operations during the first quarter of 2021 amounted to SEK 212 million (88), which is an improvement of approximately 141 per cent compared with the interim period 2020.

### Cash flow from investment operations

The Group's cash flow from investment operations during the first quarter of 2021 amounted to SEK -519 million (-211), which corresponds to a decrease of approximately 146 per cent compared with the interim period 2020.

### Cash flow from financing operations

The Group's cash flow from financing operations during the first quarter of 2021 amounted to 334 (144), an increase of approximately 132 per cent compared with the interim period 2020.

## COMPARISON BETWEEN THE FINANCIAL YEAR 2020 AND THE FINANCIAL YEAR 2019

### Rental income

Rental income for the financial year 2020 amounted to SEK 894 million (961), a decrease of 7 per cent compared with the financial year 2019. The decrease in income compared with the previous year stems mainly from portfolio changes in 2019 when a total of 31 properties were sold. In the remaining holdings, revenues have increased, which is due to completed projects, new leases and re-negotiations. In the comparable portfolio, revenues increased by 4 per cent. The economic occupancy rate increased during 2020 and amounted to 93 per cent (91) as of 31 December 2020.

### Property expenses

Property expenses for the financial year 2020 amounted to SEK 226 million (260), a decrease of 13 per cent compared with the financial year 2019. The decrease is due to changes in the portfolio in 2019. In the comparable portfolio, the costs in 2020 were largely unchanged compared with 2019.

### Net operating income

The net operating income for the financial year 2020 amounted to SEK 668 million (701). The surplus ratio was 75 per cent (73). In the comparable portfolio, the net operating income increased by 5 per cent and the surplus ratio amounted to 74 per cent (73).

### Central administration

The central administration costs for the financial year 2020 amounted to SEK 39 million, and were thus unchanged compared with 2019.

### Net financial income

Net financial income for the financial year 2020 amounted to SEK -209 million (-262), which corresponds to an improvement of 20 per cent compared with the financial year 2019. Financial expenses for 2020 amounted to SEK 293 million (296), and consisted mainly of interest expenses from loans and ground rent of SEK 15 million (13). As of 31 December 2020, the average interest rate, including margins, was 2.7 per cent, compared with 3.4 per cent at the same time in 2019, which corresponds to a decrease of 0.7 percentage points.

### Profit from property management

Profit from property management for the financial year 2020 amounted to SEK 420 million (400), which corresponds to an increase of 5 per cent compared with the financial year 2019.

### Changes in value, properties

Changes in value of properties during 2020 amounted to SEK 759 million (1,695), of which unrealized changes in value amounted to SEK 742 million (1,695) and realized to 17 (0). The unrealized change in value in 2020 is mainly explained by reduced yield requirements, new leases and renegotiations.

### Changes in value, financial assets, short-term investment and derivatives

The changes in value of financial investments for 2020 totaled SEK -1,042 million (1,089), of which SEK -754 million (919) pertains to long-term investments and SEK -288 million (170) pertains to short-term investments. Of the value changes, SEK -166 million (30) were realized value changes.

The value of Corem's derivatives is affected by changes in long-term market interest rates. Changes in the value of derivatives during the financial year 2020 amounted to SEK -31 million (-17).

### Profit before tax

Profit before tax for the financial year 2020 amounted to SEK 106 million (3,315).

### Tax

During the financial year 2020, deferred tax amounted to SEK -207 million (-193) and current tax to SEK -7 million (-8).

### Net profit for the year/period

Profit for the year after tax for the financial year 2020 amounted to SEK -108 million (3,114), which, taking into account the dividend to the preference shareholders, corresponds to SEK -0.52 per ordinary share (8.35).

### Cash flow from operations

The Group's cash flow from operations during 2020 amounted to SEK 370 million (467), which is a decrease of approximately 21 per cent compared with the financial year 2019.

### Cash flow from investment operations

The Group's cash flow from investment operations in 2020 amounted to SEK -2,016 million (3,064), which is a decrease of approximately 166 per cent compared with the financial year 2019.

### Cash flow from financing operations

The Group's cash flow from financing operations during 2020 amounted to 1,653 (-3,537), an increase of approximately 147 per cent compared with the financial year 2019.

## COMPARISON BETWEEN THE FINANCIAL YEAR 2019 AND THE FINANCIAL YEAR 2018

### Rental income

Rental income for the financial year 2019 amounted to SEK 961 million (965), a decrease of 0.4 per cent compared with the financial year 2018. Income for 2019 has been affected by portfolio changes in 2018 and 2019, completed projects and renegotiations. In the compared portfolio, revenues increased by 3 per cent. Rental income includes a provision for anticipated customer losses of SEK 2 million (2). The economic occupancy rate for 2019 was 91 per cent, which is unchanged compared to 2018.

### Property expenses

Property expenses for the financial year 2019 amounted to SEK 260 million (232), an increase of 12 per cent compared with the financial year 2018. In the comparable portfolio, costs increased by 7 per cent in 2019, corresponding to SEK 10 million, compared with 2018. The increase is due to costs that have been re-invoiced have increased. New accounting rules, IFRS 16, make that ground rent from 2019 onwards is reported as a financial cost.

### Net operating income

The net operating income for the financial year 2019 amounted to SEK 701 million (733). The surplus ratio was 73 per cent (76). The lower surplus ratio is mainly due to the fact that re-invoicing of costs to tenants has increased. In the comparable portfolio, the net operating income increased by 2 per cent and the surplus ratio amounted to 78 per cent (78).

### Central administration

The central administration costs for the financial year 2019 amounted to SEK 39 million (40), a decrease of 2.5 per cent compared with 2018.

### Net financial income

Net financial income for the financial year 2019 amounted to SEK -262 million (-313), which corresponds to an improvement of approximately 16 per cent compared with the financial year 2018. Financial expenses for 2019 amounted to SEK 296 million (313), and consisted mainly of interest expenses from loans. As of 31 December 2019, the average interest rate, including margins, was 3.4 per cent, compared with 3.16 per cent at the same time in 2018. As of 2019, land lease fees according to IFRS 16 are reported as a financial expense, amounting to SEK 13 million (-).

### Profit from property management

Profit from property management for the 2019 financial year amounted to SEK 400 million (380), which corresponds to an increase of 5 per cent compared with the 2018 financial year.

### Changes in value, properties

Changes in the value of properties in 2019 amounted to SEK 1,695 million (458), of which unrealized changes in value amounted to SEK 1,695 million (458) and realized to 0 (0). Of the change in value, approximately 30 per cent is attributable to the properties that were sold as of July 5, 2019. In other respects, reduced yield requirements, strong net letting and rising rental levels have had a value-increasing effect.

### Changes in value, financial assets, short-term investment and derivatives

Since 2008, Corem has owned shares in Klöver, listed on Nasdaq Stockholm Large Cap, a holding that since 1 July 2019 has been reported as Financial assets valued at fair value. In addition, Corem has in the short term invested capital in real estate company listed on Nordic stock exchanges. The changes in value of all financial assets amounted to SEK 1,089 million (-), of which SEK 919 million pertains to the holding in Klöver and SEK 170 million pertains to short-term investments. Of the changes in value, SEK 30 million were realized changes.

The value of Corem's derivatives is affected by changes in long-term market interest rates. Changes in the value of derivatives during the period amounted to SEK -17 million (12).

### Profit before tax

Profit before tax for the financial year 2019 amounted to SEK 3,315 million (1,349).

### Tax

During the financial year 2019, deferred tax amounted to SEK -193 million (-165) and current tax to SEK -8 million (-1).

### Net profit for the year/period

Profit for the year after tax for the financial year 2019 amounted to SEK 3,114 million (1,183), which, taking into account the dividend to the preference shareholders, corresponds to SEK 8.35 per ordinary share (3.05).

### Cash flow from operations

The Group's cash flow from operations in 2019 amounted to SEK 467 million (448), which is an increase of approximately 4 per cent compared with the financial year 2018.

### Cash flow from investment operations

The Group's cash flow from investment operations in 2019 amounted to SEK 3,064 million (-1,439), which is an increase of approximately 312 per cent compared with the financial year 2018.

### Cash flow from financing operations

The Group's cash flow from financing operations in 2019 amounted to SEK -3,537 million (971), a decrease of approximately 464 per cent compared with the financial year 2018.

## COMPARISON BETWEEN THE FINANCIAL YEAR 2018 AND THE FINANCIAL YEAR 2017

### Rental income

Rental income for the financial year 2018 amounted to SEK 965 million (900), an increase of 7 per cent compared with the financial year 2017. The change is attributable to net acquisitions, completed projects, new leases and renegotiations. In the comparable portfolio, revenues increased by 4 per cent in 2018 compared with 2017, mainly due to relocations and renegotiations. Rental income includes a provision for anticipated customer losses of SEK 2 million (1). The economic occupancy rate for 2019 was 91 per cent (90).

### Property expenses

Property expenses for the financial year 2018 amounted to SEK 232 million (199), an increase of 16.5 per cent compared with the financial year 2017. Of the cost increase, SEK 20 million is attributable to acquired properties and completed projects. In a comparable portfolio, costs increased by 7 per cent in 2018 compared with 2017.

### Net operating income

The net operating income for the financial year 2018 amounted to SEK 733 million (701), an increase of 5 per cent compared with the financial year 2017. The net operating income in the comparable portfolio increased by 3 per cent. The surplus ratio was 76 per cent (78).

### Central administration

The central administration costs for the financial year 2018 amounted to SEK 40 million (36), an increase of 11 per cent compared with 2017. The increase is a result of major operations.

### Net financial income

Net financial items for the financial year 2018 amounted to SEK -313 million (-301). As of 31 December 2018, the average interest rate, including margins, was 3.16 per cent, compared with 3.65 per cent at the same time in 2017.

### Profit from property management

Profit from property management for the financial year 2018 amounted to SEK 380 million (364), which corresponds to an increase of 4 per cent compared with the financial year 2017.

### Changes in value, properties

Changes in value of properties in 2018 amounted to SEK 458 million (347), of which unrealized changes in value amounted to SEK 458 million (344) and realized to 0 (3). New leases, renegotiations, rising market rents and a slightly reduced required rate of return have had a value-adding effect.

### Changes in value, financial assets, short-term investment and derivatives

Corem's interest rate derivatives are market valued, which means that a theoretical surplus or deficit value arises if the agreed interest rate deviates from the current market interest rate. The value of Corem's derivatives is affected by changes in long-term market interest rates. Changes in the value of derivatives during the 2018 financial year amounted to SEK 12 million (62).

### Profit before tax

Profit before tax for the financial year 2018 amounted to SEK 1,349 million (1,119), an increase of 21 per cent compared with the financial year 2017.

### Tax

During the financial year 2018, deferred tax amounted to SEK -165 million (-179) and current tax to SEK -1 million (-3). As a result of the decision to change corporate taxation, the deferred tax liability has been recalculated to the new tax rate of 20.6 per cent, as Corem estimates that the majority of the deferred tax liability will be realized at this tax rate. The recalculation had a positive non-recurring accounting effect of approximately SEK 19 million.

### Net profit for the year/period

Profit for the year after tax for the financial year 2018 amounted to SEK 1,183 million (937), which, taking into account the dividend to the preference shareholders, corresponds to SEK 3.05 per ordinary share (2.33).

### Cash flow from operations

The Group's cash flow from operations in 2018 amounted to SEK 448 million (440), which is an increase of approximately 1.8 per cent compared with the financial year 2017.

### Cash flow from investment operations

The Group's cash flow from investment operations in 2018 amounted to SEK -1,439 million (-559), which corresponds to a decrease of approximately 157 per cent compared with the financial year 2017.

### Cash flow from financing operations

The Group's cash flow from financing operations in 2018 amounted to SEK 971 million (146), an increase of approximately 565 per cent compared with the financial year 2017.

# CAPITAL STRUCTURE, INDEBTNESS AND OTHER FINANCIAL INFORMATION

The tables in this section presents the Company's capitalization and indebtedness at group level as of 31 March 2021. See the section Shares, share capital and ownership for further information on Corem's share capital and shares. The tables in this section should be read in conjunction with the section *Presentation of financial information* and Corem's financial reports, with accompanying notes, incorporated by reference, see *Historical financial information* in the section *Legal matters and supplementary information*.

## CAPITALIZATION

Corem's capitalization and indebtedness as of 31 March 2021 are presented in the tables below.

## EQUITY AND INDEBTEDNESS

### Equity and indebtedness, MSEK

	31 March 2021
<b>Total current debt</b>	<b>3,793</b>
Guaranteed	-
Secured	3,792
Unsecured	-
<b>Total non-current debt</b>	<b>6,169</b>
Guaranteed	-
Secured	3,512
Unsecured	2,657
<b>Shareholder equity</b>	<b>7,691</b>
Share capital	759
Other contributed capital	1,409
Retained earnings incl. net profit for the period	5,523

### Net indebtedness, MSEK

	31 March 2021
(A) Cash	42
(B) Cash equivalents	-
(C) Other current financial assets	4,355
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>4,397</b>
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-
(F) Current portion of non-current financial debt	3,734
<b>(G) Current financial indebtedness (E+F)</b>	<b>3,792</b>
<b>(H) Net current financial indebtedness (G-D)</b>	<b>-605</b>
(I) Non-current financial debt (excluding current portion and debt instruments)	-
(J) Debt instruments	3,512
(K) Non-current trade and other payables	2,650
<b>(L) Non-current financial indebtedness (I+J+K)</b>	<b>6,169</b>
<b>(M) Total financial indebtedness (H + L)</b>	<b>5,564</b>

## ASSETS PLEDGED

The Company's pledged assets refer to collateral for loans in banks and for secured bonds. Of the Company's interest-bearing liabilities as of 31 March 2021, 63 per cent are secured through mortgages and / or shares in property-owning subsidiaries in accordance with common practice. An additional 10 per cent of the liabilities are pledged in the Company's holdings of tradeable shares. Secured debt in relation to the Company's assets amounted to 44 per cent as of the balance sheet date, 31 March 2021.

## CONTINGENT INDEBTNESS

The parent company's financial guarantee agreements consist mainly of guarantees in favor of subsidiaries. A contingency is reported when there is a possible undertaking that derives from events that have occurred and whose existence is confirmed only by one or more uncertain future events or when there is an undertaking that is not reported as a liability or a provision due to it not being probable that an outflow of resources will be required. As of 31 March 2021, contingent liabilities amounted to SEK 7,304 million.

As of 31 March 2021, the Company had entered into agreements regarding future payment obligations related to completion of development projects of SEK 54 million. Agreed investments and divestments in properties which have not yet been transferred amounted to a net receivable of SEK 60 million on the balance sheet date, 31 March 2021.

## WORKING CAPITAL STATEMENT

Corem's Board of Directors assesses that the Company's working capital is not sufficient for the Company's needs for the coming twelve-month period (working capital in this context is defined as the Company's access to cash and cash equivalents excluding loan financing). Corem has loans maturing in September 2021 of SEK 342 million, in October 2021 for SEK 1,271 million and in March 2022 for SEK 991 million. The Board assesses that there may be a deficit in the Company's working capital if the Company was unable to refinance any of these loans.

Board makes the assessment that all loans maturing within the twelve-month period will be refinanced in the Nordic banking market or in the capital market. The Board also makes the assessment that investments and other commitments over the coming twelve months will be financed through the Company's cash flow, existing unutilized credit facilities and / or new loans.

Corem is a real estate company and operates in a capital-intensive business. Corem's ongoing operations consist of, among other things, regularly refinancing maturing loans and raising new loans which, together with the Company's generated cash flow, is needed to finance future investments. By being active in the credit market, with access to several different sources of capital and creditors, the risk of the Company not being able to obtain access to financing at attractive prices is reduced. The Company's access to unutilized credit facilities further limits the risk. Part of the Company's finance policy is to have maturities spread over time in order to reduce refinancing risk. Liquidity forecasts for the coming twelve months are prepared on an ongoing basis and is reported regularly to the Board. The purpose of the liquidity forecast is to verify the need of capital and enable a forward-looking approach.

Corem finances its operations with equity, via banks, credit institutions and the Swedish bond market. As of 31 March 2021, Corem's interest-bearing liabilities amounted to SEK 9,961 million, of which SEK 3,792 million are due for payment within twelve months.

### Credit maturity coming twelve months (from 31 March 2021)

#### Credit maturity 12 months forward.

as of 31 March 2021	MSEK
April 2021	1,188
September 2021	342
October 2021	1,271
March 2022	991
<b>Total</b>	<b>3,792</b>

The Company's cash and cash equivalents as of 31 March 2021 amounted to SEK 42 million. In addition, remaining unutilized credit facilities amounted to SEK 707 million.

For loans that mature within twelve months, and to finance future investments which cannot be paid through the Company's own cash flow, Corem intends to refinance and raise new loans from existing creditors or to raise new loans on the capital market. Refinancing occur as existing loans fall due for repayment. The Company deems the prospect to refinance the Company's loans as they mature as very good.

If a maturing loan, due to circumstances that is not yet known, cannot not be refinanced, the Company may utilize its existing credit facilities of SEK 707 million with short notice. Alternatively, the Company may sell its listed shareholdings, which on the balance sheet date was valued at SEK 1,710 million excluding listed shares in Klöver. The shares are listed on Stockholm Nasdaq, Large Cap, and are deemed to be realizable at very short notice. With a longer time perspective of 2-6 months, the Company can sell properties. In the event that all the above measures should fail, and the Company becomes insolvent, the pledged assets can be claimed by the mortgagees.

## SIGNIFICANT FINANCIAL EVENTS AFTER 31 DECEMBER 2020

### Ongoing voluntary exchange offer to preference shareholders

On 30 March 2021, Corem made an exchange offer to its preference shareholders to exchange their preference shares for newly issued ordinary shares of class D in Corem (the "Exchange Offer"). In the Exchange Offer, Corem offers 1.12 ordinary shares of class D in Corem for each preference share in Corem that is redeemed. For each preference share, Corem pays a redemption

claim of a nominal amount of SEK 323.0. The redemption claim will be used, and can only be used, to pay for subscribed ordinary shares of class D by way of set-off. The redemption claim falls due in connection with the time of payment of subscribed shares in such set-off issue. Provided that all Corem's preference shares are submitted in the Exchange Offer, 4,032,000 ordinary shares of class D will be issued in the set-off issue, based on an issue price for the newly issued ordinary shares class D of SEK 288.39<sup>58</sup>. Redeemed preference shares will be canceled. The acceptance period for participating in the Exchange Offer is between 28 May–11 June 2021.

Due to the Exchange Offer, Corem intends to publish a prospectus (the "Prospectus") around 12 May 2021. For further information about the Exchange Offer and its effects on the Company's shares and capital structure, please refer to the Prospectus which will be available on Corem's website [www.corem.se](http://www.corem.se) and on the Swedish Financial Supervisory Authority's website [www.fi.se](http://www.fi.se). The Prospectus and the information on the websites do not form part of the Offer Document.

#### Outcome of bond repurchase due to Change of Control event

On 3 March 2021, Corem issued a notification stating that all bondholders of Corem's outstanding senior unsecured bonds 2020/2023 with variable interest with a framework amount of SEK 2,000 million (of which SEK 1,250 million has been issued) with ISIN SE0013877008 (the "**2020/2023 Bonds**") and senior unsecured green bonds 2020/2024 with variable interest with a framework amount of SEK 2,000 million (of which SEK 1,400 million has been issued) with ISIN SE0015192521 (the "**2020/2024 Bonds**") have the opportunity to sell back their bonds to Corem (the "**Repurchase Offer**"). The notification was issued due to a Change of Control event in accordance with the terms for the 2020/2023 Bonds and the 2020/2024 Bonds had occurred, as a result of M2 Asset Management AB (publ) becoming the owner of more than 50 per cent of the votes in Corem.

Bondholders of the 2020/2023 Bonds have accepted repurchases for a total nominal amount of SEK 376 million, corresponding to approximately 30 per cent of the total number of bonds issued under the 2020/2023 Bonds. Bondholders of the 2020/2024 Bonds have accepted repurchases for a total nominal amount of SEK 216 million, corresponding to approximately 15 per cent of the total number of bonds issued under the 2020/2024 Bonds.

The bonds are repurchased at a price corresponding to 101 per cent of the nominal amount together with accrued interest until the repurchase date, in accordance with the terms for the 2020/2023 Bonds and the 2020/2024 Bonds, respectively.

Payment for the repurchased bonds will be paid on 3 June 2021.

#### Issue and listing of bonds

On 15 January 2021, 18 January 2021, and 3 February 2021, respectively, Corem announced three issues of unsecured green bonds totaling SEK 550 million under Corem's existing green bond loans maturing in April 2024. The bond loan has a framework amount of SEK 2,000 million of which SEK 1,400 million has been utilized. The additional bonds were issued on 22 January 2021 and 10 February 2021, respectively, and run at a variable interest rate of Stibor 3m + 350 basis points with final maturity on 29 April 2024. The bonds are traded on Nasdaq Stockholm's Sustainable Bond List.

#### INVESTMENTS MADE DURING THE THREE LATEST FINANCIAL YEARS

Corem invested SEK 354 million in the property portfolio in 2018, attributable to construction, remodelling and extensions. In addition to the investments, Corem acquired 19 properties for a total amount of SEK 1,181 million.

Corem invested SEK 506 million in the property portfolio in 2019, attributable to construction, remodelling and extensions. In addition to the investments, Corem acquired properties of seven properties for a total amount of SEK 350 million.

Corem invested SEK 741 million in the property portfolio in 2020, attributable to construction, remodelling and extensions. In addition to the investments, Corem acquired properties in ten properties for a total amount of SEK 478 million.

During the period 1 January–31 March 2021, Corem has invested SEK 128 million in the property portfolio. In addition to the investments, Corem has acquired properties for SEK 192 million. The ongoing investments are financed through existing equity and borrowed capital. The properties acquired during the quarter is Hedenstorp 1:99 in Jönköping and Kalvsvik 16:20 in Haninge, Stockholm.

58 Den exakta emissionskursen är 288,392857142857 kronor.

# BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITORS

## THE BOARD OF DIRECTORS

According to Corem's Articles of Association, the Board shall consist of a minimum of five and a maximum of eight members without deputies, elected by the shareholders at the Annual General Meeting. The board currently consists of five board members. All Board members were elected at the Annual General Meeting of 2021, for the period until the end of the Annual General Meeting of 2022. The table below shows the Board members, their position when they were first elected and whether they are considered independent in relation to the Company and in relation to the Company's major shareholders.

Name	Position	Elected	Independent in relation to the company and Company management	Independent in relation to the Company's major shareholders
Patrik Essehorn	Chairman	2008	No	No
Fredrik Rapp	Member	2018	Yes	Yes
Christina Tillman	Member	2010	Yes	No
Katarina Klingspor	Member	2020	Yes	Yes
Magnus Uggla	Member	2020	Yes	Yes



**Patrik Essehorn** (Born 1967)

**Position:** Chairman of the Board since 2010, and Board member since 2008.

**Shareholding in Corem:** 10,000 ordinary shares of class A, 100,000 ordinary shares of class B and no preference shares.

**Education:** Swedish Law degree, Jur. kand.

**Other ongoing assignments/positions:** Chairman of the Board and partner at Walthon Advokater AB. Chairman of the Board of Tobin Properties AB, Kista Square Holding AB and member of Patrik Essehorn Advokat AB. Board member and CEO of EssehornNorrman Advokat AB.

**Previous assignments/positions (last five years):** Board member in A Group of Retail Assets Sverige AB. Chairman of the board in JR Markteknik AB. Partner at MAQS Law Firm.

Dependent in relation to the Company and the Company management. Dependent in relation to the Company's major shareholders.



**Fredrik Rapp** (Born 1972)

**Position:** Board member, elected to the Board in 2018.

**Shareholding in Corem:** 749,999 class A ordinary shares, 7,499,990 class B ordinary shares and no preference shares.

**Education:** Master of Business Administration.

**Other ongoing assignments/positions:** CEO and board member of Promonagruppen AB. Chairman of the Board of Xano Industri AB (publ), Argynnis Group AB, Serica Consulting AB and Svenska Handbollsförbundet. Board member of Itab Shop Concept AB (publ), Ages Industri AB (publ), Primekey Solutions AB and Segulah AB.

**Previous assignments/positions (last five years):** Chairman of the Board of Standby Aktiebolag, Standby Group AB, Binar Solutions AB, Binar Handling AB, IRCON Drying Systems Aktiebolag, PDS Automotion AB and ITAB Shop Concept AB.

Independent in relation to the Company and the Company management. Independent in relation to the Company's major shareholders.



**Christina Tillman** (Born 1968)

**Position:** Board member, elected to the board in 2010.

**Shareholding in Corem:** 571,441 ordinary shares of class A, 5,714,410 ordinary shares of class B and 40,150 preference shares.

**Education:** Master of Business Administration.

**Other current assignments/positions:** Christina Tillman is Chairman of the Board of NF11 Holding AB, CEO and Board member of YPO Guld Service AB, Board member of Volati AB (publ), Grimaldi Industri Aktiebolag, Cycleurope AB, Clean6 holding AB, Stocksund Financial Management AB, Stocksund Financial Services AB and acting CEO of Hunter Sales in Stockholm AB.

**Previous assignments/positions (last five years):** Chairman of the Board of House of Dagmar AB. Board member of Skofabriken Kavat AB and Coop Sverige AB. CEO of Happy Plugs AB.

Independent in relation to the Company and the Company management. Dependent in relation to the Company's major shareholders.



**Katarina Klingspor** (Born 1963)

**Position:** Board member, elected to the board in 2020.

**Shareholding in Corem:** No ordinary shares of class A, 3,000 ordinary shares of class B and 150 preference shares.

**Education:** MBA and economics and law studies.

**Other ongoing assignments/positions:** Chairman of the Board of Srf Konsulterna AB and board member of Ludvig & Co Holding AB and Ludvig & Co Group AB, Svenska Viltmatakdemin and Biby Förvaltnings AB.

**Previous assignments/positions (last five years):** Board member of A Group of Retail Assets AB. CEO of LRF Konsult AB and AFLK Group AB.

Independent in relation to the Company and the Company management. Independent in relation to the Company's major shareholders.



**Magnus Ugglå** (Born 1952)

**Position:** Board member, elected to the board in 2020.

**Shareholding in Corem:** No ordinary shares of class A, 80,000 ordinary shares of class B and no preference shares.

**Education:** Master of Science in Engineering, Master of Business Administration.

**Other ongoing assignments/positions:** Chairman of the Board of Sagolekhuset Junibacken AB and Ugglå Advisory AB.

**Previous assignments/positions (last five years):** Board member of Swedbank AB, Svensk Exportkredit AB and Hoist Finance AB. Chairman of the Board of Fotografiska Muséet AB.

Independent in relation to the Company and the Company management. Independent in relation to the Company's major shareholders.

## SENIOR EXECUTIVES

Corem's Group Management consists of five people. Below is information on their position, education, experience, ongoing assignments and previous assignments during the past five years, as well as shareholdings in Corem. Assignments in subsidiaries have been excluded.

Name	Assignment	Employed by Corem since
Eva Landén	CEO	2008
Jerker Holmgren	Business and Project Development Manager	2008
Anna-Karin Hag	CFO	2018
Jesper Carlsöö	Marketing and Rental Manager	2008
Anna Lidhagen Ohlsén	Property Manager	2016



**Eva Landén** (Born 1965)

**Position:** CEO, since 2012. Employed since 2008.

**Shareholding in Corem:** 6,120 ordinary shares of class A, 56,570 ordinary shares of class B and 250 preference shares.

**Education/experience:** Master of Business Administration. Former CFO and Deputy CEO at Corem, CFO at Bonnier Cityfastigheter AB and before that authorized auditor at PwC.

**Other ongoing assignments/positions:** Board member of Klöver AB (publ) and Chairman of the Board of Specialfastigheter Sverige AB (publ).

**Previous assignments/positions (last five years):** None.



**Jerker Holmgren** (Born 1960)

**Position:** Business and Project Development Manager, employed since 2008.

**Shareholding in Corem:** 4,000 ordinary shares of class A, 41,500 ordinary shares of class B and no preference shares.

**Education/experience:** Master of Science in Engineering. Former business manager for project development at AP Fastigheter AB, marketing manager and project manager at Peab and property manager and project manager at Skanska Fastigheter AB.

**Other current assignments/positions:** None

**Previous assignments/positions (last five years):** Property manager at Corem from 2008 to 2016. Board member of Fasadglas Bäcklin AB from 2012 to 2019.



**Anna-Karin Hag** (Born 1973)

**Position:** CFO, employed since 2018.

**Shareholding in Corem:** 1,300 class A ordinary shares, 3,100 class B ordinary shares and 50 preference shares.

**Education/experience:** Master of Economics. Former CFO at Humlegården Fastigheter AB and CFO at John Mattson Fastighets AB. Prior to that, he was previously employed by AP Fastigheter / Vasakronan and PwC Corporate Finance Real Estate.

**Other current assignments/positions:** None

**Previous assignments/positions (last five years):** CFO at Humlegården Fastigheter AB.



**Jesper Carlsöö** (Born 1971)

**Position:** Marketing and Rental Manager since 2011, employed since 2008.

**Shareholding in Corem:** 3,250 ordinary shares of class A, 11,354 ordinary shares of class B and 100 preference shares.

**Education/experience:** Economics at Stockholm University. Former Regional Manager Stockholm at Corem and manager at the M2 Group. Prior to that, Jesper ran one of Sweden's largest advertising agencies with operations in Sweden, Norway and Denmark for just over 10 years.

**Other ongoing assignments/positions:** Board member of Nilocom Holding AB and Otologica Aktiebolag.

**Previous assignments/positions (last five years):** Board member Sweden Quality of Service IT-Support AB.



**Anna Lidhagen Ohlsén** (Born 1973)

**Position:** Property manager, employed since 2016.

**Shareholding in Corem:** No ordinary shares of class A, 15,541 ordinary shares of class B and no preference shares.

**Education/experience:** Master of Science in Engineering / Real Estate Economist. Former Market Area Manager Östra City at Hufvudstaden and Head of Administration for the Stockholm Region at Corem.

**Other current assignments/positions:** None

**Previous assignments/positions (last five years):** Market Area Manager Östra City at Hufvudstaden AB 2015-2016.

## AUDITORS

According to Corem's Articles of Association, the Company must have one or two auditors with maximum the same number of deputies or one or two registered auditing companies. Corem's auditor is appointed annually by the Annual General Meeting. The Company's auditor since 2012 is Ernst & Young Aktiebolag, which at the 2021 Annual General Meeting was re-elected for the period until the end of the 2022 Annual General Meeting. The principal auditor is Katrine Söderberg (born 1981). Katrine Söderberg is an authorized auditor and a member of FAR. Ernst & Young Aktiebolag's address is Box 7850, 103 99 Stockholm.

## OTHER INFORMATION REGARDING BOARD OF DIRECTORS AND SENIOR EXECUTIVES

There are no family ties between any of the board members or senior executives. There are no conflicts of interest or potential conflicts of interest between the Board members' and senior executives' commitments to the Company and their private interests and/or other commitments. There are also no arrangements or agreements with major shareholders, customers or the like according to which persons in administrative, management and control bodies have been appointed. However, the Company's Nomination Committee shall consist of the Chairman of the Board and one representative each from the three largest owners in the Company (see the section Corporate Governance below). There are also no agreements between Group companies and the Company's members of administrative, management or supervisory bodies regarding benefits after the respective assignments have been completed. Board member Patrik Essehorn is a partner in Walthon Advokater AB, which regularly provides legal advice to the Group. Board member Fredrik Rapp has been a board member of Nohab Industri Trollhättan AB and resigned from his post at the same time as the company went into voluntary liquidation in 2018.

In addition to the above, no board member or senior executive has in the past five years (i) been convicted in fraud-related cases, (ii) represented a company that has been declared bankrupt or liquidated, or has been the subject of bankruptcy proceedings, (iii) has been the subject of an indictment and/or sanction by authorities empowering by law or regulation (including approved professional associations) or (iv) has been barred by a court from being a member of an issuer's administrative, management or supervisory body or from having a leading or overall functions of an issuer.

All board members and senior executives can be reached via the Company's address, Riddargatan 13 C, 114 51 Stockholm.

## SALARIES AND REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

### Remuneration to the Board

Remuneration to the Board was decided by the Annual General Meeting of 2021 to a total of SEK 1,040,000, of which SEK 320,000 was paid to the Chairman of the Board and SEK 180,000 was paid to the other members.

### Principles for remuneration to the President and Group Management

Remuneration and benefits to the President and Group Management are decided by the Board in accordance with principles established by the Annual General Meeting. In the notice convening the Annual General Meeting, the Board presents proposals for principles for remuneration and other terms of employment for the President and Group Management, which are decided by the Annual General Meeting. The current principles for remuneration to senior executives in Corem were established at the Annual General Meeting of 2020, to apply for a maximum period until the end of the Annual General Meeting of 2024.

The process for determining the conditions must be formalized and transparent as well as contain the relationship between fixed and variable remuneration and take into account the relationship between performance and remuneration. Corem shall have the remuneration levels and terms of employment required to recruit and retain senior executives with good skills and capacity to achieve set goals, implement the business strategy and safeguard the Company's long-term interests, including its sustainability work. Marketability and competitiveness shall apply as overarching principles for remuneration to senior executives. The compensation consists of fixed and variable salary, pension and other benefits.

### Remuneration paid and other remuneration during 2020

The table below shows remuneration and other benefits to the Board and senior executives for the financial year 2020, which amounted to a total of SEK 11,213,000.

Tkr	Salaries, Fees and benefits	Pension costs	Social costs including payroll tax	Total
Chairman of the Board, Patrik Essehorn	317	-	99	416
Rutger Arnhult (resigned in March 2021)	177	-	56	233
Jan Sundling (resigned in May 2020)	56	-	6	62
Carina Axelsson (resigned in May 2020)	56	-	18	74
Christina Tillman	177	-	56	233
Fredrik Rapp	177	-	56	233
Magnus Uggla (entered May 2020)	120	-	12	132
Katarina Klingspor (entered May 2020)	120	-	38	158
VD Eva Landén	3,494	785	1,288	5,567
Other senior executives (4 (4)), of which variable remuneration amounts to SEK 0,6 million (1,3)	6,519	1,244	2,350	10,113
<b>Total</b>	<b>11,213</b>	<b>2,029</b>	<b>3,979</b>	<b>17,221</b>

### The Company's remuneration guidelines: scope, purpose and deviations

A prerequisite for a successful implementation of the Company's business strategy and the safeguarding of its long-term interests, including its sustainability work, is that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive remuneration. The Company's remuneration guidelines mean that senior executives must be offered market-based remuneration, which is in relation to responsibilities and powers. The compensation may consist of the following components; fixed salary, any variable remuneration, pension

benefits and other benefits. In 2020, the Company followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that according to the guidelines is to be applied to determine the compensation. No remuneration to senior executives has been demanded back by the Company.

Executive	Fixed remuneration	Variable remuneration	Pension benefits	Other benefits	Total remuneration
Eva Landén	KSEK 3,110	KSEK 384	KSEK 758	KSEK 121	KSEK 4,400

Of the total remuneration, 91 per cent consists of fixed remuneration and 9 per cent of variable remuneration.

## RELATED PARTY TRANSACTIONS

Services between Group companies and related parties are charged according to market pricing and on commercial terms. Intra-group services consist of management services and debiting of group interest.

No board member, senior executive or other person designated as a related party in accordance with applicable rules, currently or during the period covering the historical financial information, has any direct or indirect participation in any business transaction with the company that is or has been unusual in nature or their terms. Below is an account of related party transactions during the last three financial years.

### 2008

In 2018, remuneration to Locellus Förvaltning AB amounted to approximately SEK 0.9 million. Locellus Förvaltning AB is owned by Corem's then board member Rutger Arnhult. A contract agreement signed with Wästbygg AB in June 2017 regarding the construction of Pro Stop Borås stages 1 and 2 was terminated in 2018. Wästbygg AB is controlled by Corem's then board member Rutger Arnhult. Transactions with Wästbygg AB during the period amounted to SEK 63.3 million. In 2017, Corem signed a contract agreement with Logistic Contractors (LC) regarding the construction of a new facility in Helsingborg. LC is owned by Corem's then board member Rutger Arnhult. The project was completed in February 2018. Transactions with LC during the period amounted to SEK 5.9 million. In 2017, Corem also signed an agreement with LC on the acquisition of the Flathult 80: 9 property, with access in February 2018. A decision on the acquisition was made at the Extraordinary General Meeting on November 10, 2017. In addition, the Group purchased legal services from MAQS Advokater in 2018, in which Patrik Essehorn was a co-owner.

### 2019

In 2019, an agreement was signed with Wästbygg regarding the construction of Pro Stop Backa, Gothenburg, and regarding the construction of Pro Stop Borås stage 3A. Transactions with Wästbygg in 2019 amounted to SEK 200 million. In addition, the Group purchased legal services in 2019 from Walthon Advokater, in which Patrik Essehorn, Chairman of the Board, is a partner.

### 2020

In 2019, an agreement was signed with Wästbygg regarding the construction of Pro Stop Backa, Gothenburg, and regarding the construction of Pro Stop Borås stage 3A. Transactions with Wästbygg amounted to SEK 170 million in 2020. In addition, the Group purchased legal services from Walthon Advokater in 2020, in which Patrik Essehorn, Chairman of the Board, is a partner.

### First quarter, 2021

A contract agreement was signed in 2019 with Wästbygg AB regarding the construction of Pro Stop Backa, Gothenburg. Transactions with Wästbygg amounted to SEK 27 million during the quarter. Wästbygg is controlled by the main owner Rutger Arnhult. In addition, during the year the Group purchased legal services from Walthon Advokater, in which Patrik Essehorn, Chairman of the Board, is a partner.

# CORPORATE GOVERNANCE

## LEGISLATION, SWEDISH CODE OF CORPORATE GOVERNANCE AND ARTICLES OF ASSOCIATION

Corem Property Group AB is a Swedish public limited company and is regulated by Swedish legislation, primarily through the Swedish Companies Act (2005: 551). The Company's shares are traded on Nasdaq Stockholm, Mid Cap, which is why the Company also applies the Nasdaq Nordic Main Market Rulebook for Issuers of Shares. The Company also applies the Swedish Code of Corporate Governance (the "Code") (Sw. Svensk kod för bolagsstyrning) and the Rules on Remuneration to senior executives on incentive programs (the "Remuneration Rules") (Sw. Regler om ersättningar till ledande befattningshavare om incitamentsprogram) as well as other applicable Swedish and foreign laws and regulations. The Code, which is administered by the Swedish Corporate Governance Board, is based on self-regulation and the principle of following or explaining. The purpose is to create good conditions for active and responsible ownership. The remuneration rules express good practice in the Swedish stock market regarding remuneration to the Company's senior executives as well as share-related incentive programs and supplement the limited companies regarding remuneration guidelines and remuneration reports. The above-mentioned laws and regulations, together with the Articles of Association, constitute the external framework for Corem's corporate governance. In addition, there are internal regulations issued by the Board, of which the most important are the Board's rules of procedure (Sw. styrelsens arbetsordning), instructions for the CEO and policies, which constitute frameworks for the day-to-day operational activities in the Company, including risk management and codes of ethics and conduct.

## ARTICLES OF ASSOCIATION

The Articles of Association, which are adopted at the Annual General Meeting, is a central document which, together with applicable laws, state the operations and governance of the Company. Corem is registered with the organization number 556463-9440 and with its registered office and head office at Riddargatan 13C in Stockholm. Corem's business is to directly, or indirectly through subsidiaries acquire, own, manage and develop properties, and conduct compatible business therewith. The most recently registered Articles of Association were resolved at the Annual General Meeting on 29 April 2021. The Articles of Association, which otherwise contain information on, among other things, share capital, redemption reservations for preference shares, dividends, number of board members and auditors and provisions on notice and agenda for the Annual General Meeting, are available in full under the section Articles of Association for Corem on p. 89.

## ANNUAL GENERAL MEETING

The Annual General Meeting is the Company's highest decision-making body where the shareholders' right to decide in the Company's affairs can be exercised. At the Annual General Meeting, decisions are made regarding the annual report, dividend, election of the Board and auditors, as well as discharge from liability for the Board and the President. The Annual General Meeting will be held in Stockholm within six months after the end of the financial year. Decisions at the general meeting are usually made by a simple majority (i.e. with the support of more than half of the votes cast at the meeting). The Swedish Companies Act requires that certain proposals must be accepted by a larger majority of the represented shares as well as votes cast at the Annual General Meeting.

To participate in decision-making, the shareholder must be present at the meeting, either in person or through a proxy. In addition, it is required that the shareholder is registered in the share register kept by Euroclear no later than six banking days before the Annual General Meeting and that the shareholder notifies the Company of its intention to participate no later than the date specified in the notice. Shareholders whose shares are nominee-registered with a bank or other nominee must, in addition to informing the Company, request that their shares be temporarily registered in their own name in the share register kept by Euroclear, in order to be entitled to attend the Annual General Meeting. Voting rights registrations for nominee-registered shares that have been made no later than four banking days prior to the meeting is taken into account when producing the shareregister.

Shareholders should inform their nominees well in advance of the record date. Shareholders who wish to have a matter considered at the Annual General Meeting must request this in writing from the Company's Board. Such a request must normally be received by the Board no later than one week before the notice of the Annual General Meeting may be issued at the earliest in accordance with the Swedish Companies Act.

## THE NOMINATION COMMITTEE

The Annual General Meeting 2021 resolved that the Nomination Committee shall be appointed annually and consist of the Chairman of the Board and a representative each from the three largest owners in the Company as of the last day for trading in August, the year before the Annual General Meeting. In the event that the requested shareholder does not wish to appoint a member to the Nomination Committee, the next largest shareholder shall be consulted until the Nomination Committee consists of four members. The Nomination Committee's tasks include submitting proposals to the Annual General Meeting regarding the Chairman of the Annual General Meeting, Chairman of the Board, Board members, auditor, remuneration for the Board and

auditor, remuneration for committee work, rules regarding the composition of the Nomination Committee and the procedure for replacing a member of the Nomination Committee before its work has been completed.

### THE BOARD OF DIRECTORS

The Board is appointed by the Annual General Meeting on the proposal of the Nomination Committee and according to the Articles of Association, the Board shall consist of a minimum of five and a maximum of eight members without deputies. The Board manages Corem on behalf of the owners by setting goals and strategy, evaluating the operational management and ensuring routines and systems for following up the established goals. This means, among other things, that the Board must continuously assess the Company's financial situation and that the Company's financial conditions are controlled in a reassuring manner. According to the Swedish Companies Act, the Board is responsible for the Company's organization and the management of the Company's affairs. The Board shall also appoint a CEO review that the CEO fulfills his/her obligations, and determine the salary and other remuneration of the CEO and other senior executives. It is also the Board's responsibility to ensure that the correct information is provided to Corem's stakeholders, that Corem complies with laws and regulations and that the Company develops and implements internal policies and guidelines.

For its work, the Board of Directors of Corem has established rules of procedure and instructions for the CEO, in which the commitments of the Board and the CEO and the division of work between them are regulated. The instruction for the CEO sets forth, among other things, restrictions regarding which agreements the CEO can enter into.

According to Nasdaq Stockholm's regulations and the Code, the majority of the members elected by the Annual General Meeting must be independent in relation to the Company and the Company management and at least two must also be independent in relation to the Company's major shareholders. Independence in relation to the Company and its principal owners means that extensive business relationships with the Company do not exist and that the board members individually represent less than 10 per cent of the highest of the shares or votes in Corem.

#### Remuneration Committee and Audit Committee

According to a decision made by Corem's Board of Directors, the Board itself performs the tasks that would otherwise be the responsibility of a Remuneration Committee and an Audit Committee to perform, as this was considered to be the most appropriate and economical solution for a company of Corem's size. One of the consequences of this decision will be that the Board's task is to analyze accounting issues that are important to Corem, to ensure the quality of the Company's financial reporting and also to work on following up the results of the external audits.

The Board meets the Company's auditor on an ongoing basis to be informed of the focus and scope of the audit and to discuss the view on the Company's risks. The Board establishes guidelines for which services other than auditing that the Company may procure from the Company's auditor. The Board evaluates the audit effort and informs the Company's Nomination Committee of the results of the evaluation and assists the Nomination Committee in preparing proposals for the auditor and remuneration of the auditor's contribution. The remuneration committee's task is to prepare questions regarding remuneration to the CEO and senior executives for decision by the Board.

#### Chairman of the Board

The Chairman of the Board is appointed by the Annual General Meeting and has a special responsibility to ensure that the Board's work is well organized and conducted efficiently. The chairman shall in particular:

- Maintain continuous contact with and act as a discussion partner and support to the CEO and consult with the CEO on strategic issues.
- Ensure that the Board receives satisfactory information and supporting documents for its work.
- Ensure that the members of the Board, through the care of the CEO, continuously receives the information needed to be able to follow the company's position and development.
- Be chairman of the Board meetings, consult with the CEO on the agenda and ensure that notice is given.
- Organize and lead the Board's work, encourage an open and constructive discussion in the Board, to create the best possible conditions for the Board's work.
- Ensure that cases are not handled in violation of the provisions of the Swedish Companies Act and the Articles of Association.
- Ensure that the Board members are familiar with the insider legislation and the company's insider policy.
- Ensure that new Board members undergo the required introductory training as well as the other training that the chairman of the Board and the members jointly find suitable.
- Ensure that the Board continuously is updating and deepening its knowledge of Corem.
- Take responsibility for contacts with the owners regarding ownership issues and convey views from the owners to the Board.
- Follow up that the Board's decisions are implemented in an efficient and correct manner.
- Ensure that the Board's work is evaluated annually.

### CEO AND GROUP MANAGEMENT

The CEO is appointed by and is subordinate to the Board. The CEO's most important task is to manage the day-to-day management of the company and lead the business in accordance with the Swedish Companies Act, other laws and regulations and current rules for stock market companies including the Swedish

Code of Corporate Governance, the Articles of Association and the framework laid down by the Board's instructions. The instructions in the rules of procedure clearly state which matters and which questions are to be submitted to the Board for decision, as well as the powers of the CEO.

The CEO, in consultation with the Chairman of the Board, produces the necessary information and documentation as a basis for the Board's work and for the Board to be able to make well-founded decisions, present matters and justify proposed decisions, and report to the Board on the Company's development. The President leads the work of the Group management and makes decisions in consultation with the other management.

In addition to the CEO Eva Landén, the Group Management consists of CFO Anna-Karin Hag, Project and Business Development Manager Jerker Holmgren, Property Manager Anna Lidhagen Ohlsén and Rental and Marketing Manager Jesper Carlsöö. A more detailed presentation of the Group Management can be found in the section Board, senior executives and auditors, above.

#### AUDITORS

According to the Articles of Association, the Company must have one or two auditors with a maximum of the same number of deputies. At the Annual General Meeting 2021 it was decided that the number of auditors in the Company shall continue to amount to one and for the period until the end of the Annual General Meeting 2022 the auditing company Ernst & Young AB was elected as the Company's auditor. Ernst & Young AB appointed Katrine Söderberg as the principal auditor.

The auditor shall review the Company's annual report and accounts as well as the Board's and the CEO's administration. After each financial year, the auditor shall submit an audit report to the Annual General Meeting.

The Board meets the Company's auditor on an ongoing basis to be informed of the focus and scope of the audit and to discuss the view on the Company's risks. The Board establishes guidelines for which services other than auditing that the Company may procure from the Company's auditor. The Board evaluates the audit effort and informs the Company's Nomination Committee of the results of the evaluation and assists the Nomination Committee in preparing proposals for the auditor and remuneration of the auditor's contribution.

#### INTERNAL CONTROL

Corem handles ongoing risks that may affect the business and the ability to achieve set goals. To limit the impact of risks, proactivity, good internal governance and control are required. The Board's responsibility for internal control is regulated in the Swedish Companies Act and in the Code. This responsibility includes annually evaluating the financial reporting the Board receives and setting requirements for its content and design to

ensure the quality of the reporting. This requirement means that the financial reporting must be appropriate with the application of current accounting rules and other requirements for listed companies. The following description is the Board's report on internal control regarding financial reporting.

Corem has defined internal control as a process, which is influenced by the Board, the Audit Committee, the Remuneration Committee, the CEO, Group Management and other employees. It is designed to provide a reasonable assurance that Corem's goals are achieved in terms of efficient and effective operations, reliable reporting and compliance of applicable laws and regulations. The process is based on the control environment that creates discipline and structure for the other components of the process - risk assessment, control activities, information and communication and follow-up. The Board must ensure that the Company has good internal control and continuously stays informed about and evaluates that the systems for internal control work.

In accordance with its investment strategy, Corem intends to continue its growth through the acquisition of properties and through investments in existing properties. The Company invests in properties that meet the Group's requirements for good returns and balanced risk. Each investment is examined separately at each individual decision occasion.

The control environment is the values and ethics that the Board, the Audit Committee, the CEO and the Group Management communicate and operate from outside, as well as the Group's organizational structure, leadership, decision-making paths, powers, responsibilities and the competence that employees possess. Corem's values constitute a long-term commitment that, linked to business concept, goals and strategies, guides employees in their daily operations. Central is also the decision-making paths, authorities and responsibilities that have been documented and communicated in governing documents such as the Board's rules of procedure, CEO instructions, financial policy, instructions for financial reporting to the Board and certification instructions. Internal policies, guidelines and manuals are also important for internal control. The responsibility for maintaining an effective control environment and that the ongoing work with internal control is complied with is delegated to the CEO.

The Company's information and communication channels aim to ensure efficient and accurate information to all parts of the business, the market, and relevant authorities. Policies and guidelines are made available and known to the staff concerned, while information on events, development and status in the various parts of the business is fed back to Corem's Board, Audit Committee, CEO and the Group Management as a basis for making well-founded decisions.

External information consists, for example, of statutory reporting to authorities and reporting of financial information. The Company shall deliver fast, accurate, relevant and reliable information to existing and potential shareholders and other stakeholders. The Company submits interim reports on operations quarterly, as well as year-end report and annual report for the entire financial year. Corem uses the website to quickly deliver information to the stock market. Significant events are published on an ongoing basis through press releases. To ensure that the external provision of information is correct and complete, there is an information policy.

Internal information is provided through regular meetings, company conferences and via the Company's intranet. The intranet's main purpose is to function as a platform through which current and relevant information is made available to employees.

Risk management is built into the company's processes and various methods are used to assess and limit risks as well as to ensure that the risks to which Corem is exposed are managed in accordance with established policies and guidelines. In accordance with the rules of procedure, the Board conducts a review of internal control annually together with the Company's auditors. Existing risks are identified and measures are established to reduce these risks. Through the company's business work plan, both business and sustainability risks are identified on an ongoing basis and measures are proposed and implemented.

Revisions of policies are made on an ongoing basis and approved by the Board once a year. During the year, the Company's board adopted the following ten policies: Finance policy, Dividend policy, Related party policy, Crisis management policy, Work environment policy, Policy for personal data processing, Information policy, Insider policy, Sustainability policy and Policy for approval of non-audit services. An important instrument for ensuring good internal control is certification instructions, financial manual with routine descriptions, as well as internal guidelines that are decided at CEO level. The Board maintains an ongoing dialogue with the Company's auditors and management to ensure that the internal control systems work. In addition to the overall policy package that has been adopted, the Board has also adopted a code of conduct that contains an overall picture of the Company's values and overall requirements for the entire operation.

### Internal audit

Corem's board has made the assessment that no separate function for internal audit needs to be established. The approach that Corem applies for follow-up and control is considered sufficient. Corem has a decentralized and transparent organization. Financial operations, finance and rental administration as well as external and internal information are based at the head office. Follow-up of results and balance sheets are done quarterly by the various functions as well as by those responsible for Corem's regions, company management and the board. The CFO attends as an adjunct/secretary at all Board meetings. Other salaried employees in the Group regularly attend Board meetings as rapporteurs on special issues. Clear documentation via policies and instructions, together with recurring follow-up and regular discussions with the auditor, ensures the correctness of the processes. Handling and reporting are formally reviewed by the Company's auditor and reported to the Board.

# THE SHARE, SHARE CAPITAL AND OWNERSHIP

## INFORMATION ABOUT THE SHARE

According to Corem's Articles of Association, the share capital shall amount to a minimum of SEK 700,000,000 and amount to a maximum of SEK 2,800,000,000 distributed to a minimum of 350,000,000 shares and a maximum of 1,400,000,000 shares. There are three types of shares that were issued by the Company before the Offer; ordinary shares of class A, ordinary shares of class B and preference shares. As of 31 March 2021 the Company's registered share capital amounted to SEK 758,677,760, distributed between 379,338,880 shares, of which 32,510,017 ordinary shares of class A, 343,228,863 ordinary shares of class B and 3,600,000 preference shares, with a quota value of SEK 2.00 per share. All shares are fully paid.

As of 31 March 2021 the Company held 2,913,825 ordinary shares of class A and 29,630,550 ordinary shares of class B, equivalent to a market value of SEK 606,952,594 based on share prices on 31 March 2021. The shares nominal value amounts to SEK 65,088,750.

30 March 2021, the Company proposed an offer to its preference shareholders to exchange their preference shares for newly issued ordinary shares of class D. The proposal was resolved by the Annual General Meeting on 29 April 2021. See the section *Ongoing exchange offer to preference shareholders in Corem, below.*

The shares in Corem are issued in accordance with Swedish law, are fully paid and denominated in SEK. The shares are not subject to any trade restrictions. As far as the Board is aware, there are no shareholder agreements or other agreements between the Company's shareholders to exercise joint influence over the Company. As far as the Board is aware, there are no other agreements or similar that may lead to a change in control of the Company. The shareholders' rights can only be changed in the manner specified in the Swedish Companies Act and in the Articles of Association.

All of the shares are denominated in SEK, fully paid and freely transferable.

## ONGOING EXCHANGE OFFER TO PREFERENCE SHAREHOLDERS IN COREM

On 30 March 2021, Corem submitted an exchange offer to its preference shareholders to exchange their preference shares for newly issued ordinary shares of class D in Corem (the "Exchange offer"). The Exchange offer means that Corem offers 1.12 ordinary

shares of class D for each preference shares redeemed in Corem. For each preference share, a redemption receivable will be offered at a nominal value of SEK 323.0. The redemption receivable will be used, and can only be used, to pay for subscribed ordinary shares of class D through set-off. The redemption receivable will expire at the time of payment for subscribed shares in the set-off. Assuming all of Corem's preference shares will be redeemed in the Exchange Offer, 4,032,000 of ordinary shares of class D will be issued in the set-off issue based on an issue price of SEK 288.39<sup>59</sup> for the newly issued ordinary shares of class D. The redeemed preference shares will be cancelled. The acceptance period for participation in the Exchange Offer will run between 28 May 2021–11 June 2021.

Due to the Exchange Offer Corem intends to publish a prospectus (the "**Prospectus**") around 12 May 2021. For further information about the Exchange Offer and its effects on the Company's shares and capital structure, please refer to the Prospectus, which will be available on Corem's website [www.corem.se](http://www.corem.se) and on the Swedish Financial Supervisory Authority's website [www.fi.se](http://www.fi.se). The Prospectus and the information on the websites does not form part of the Offer Document.

## CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

### General Meeting and voting rights

Notice to General Meeting shall be advertised in advance in the official gazette, Post- och Inrikes Tidningar and by keeping the notice available on the Company's website. Information that summons has been issued shall be advertised in Svenska Dagbladet. Shareholders who wish to participate at the General Meeting have to be entered in the share register kept by Euroclear no later than six Banking Days before the General Meeting and have to notify the Company at latest on the day specified in the summons. The last day specified in the summons cannot be a Sunday, a Bank holiday, Midsummer Eve, Christmas Eve or New Year's Eve and cannot occur earlier than five workdays before the General Meeting. Voting right registrations for nominee-registered shares that have been registered four Banking Days before the General Meeting at the latest will be regarded in the making of the share register.

Each ordinary share of class A entitles one to one (1) vote and each ordinary share of class B entitles one to one tenth (1/10) of a vote. Newly issued ordinary shares of class D will entitle one to one tenth (1/10) of a vote. Each shareholder is entitled to vote for all shares owned and represented by him without restriction in voting rights at the General Meeting. The number of votes per share is stated above.

<sup>59</sup> The exact issue price is SEK 288,392857142857.

#### **Right to dividend and surplus in the event of liquidation**

If the Company is liquidated, the preference shares shall entitle the holder to receive SEK 450 per preference share from the Company's retained assets and any Retained Amount (including on Retained Amount outstanding Enumeration amount) before distribution is made to owners of ordinary shares. The preference shares shall otherwise not entail any rights to distribution. All ordinary shares shall have an equal right to payment from the Company's retained assets. Series D ordinary shares shall, however, only be entitled to a maximum of SEK three hundred (300) per share.

Preference shares have a priority over ordinary shares to an annual dividend of SEK twenty (20) per share with a quarterly payment of SEK 5.00 per share, as specified in the Articles of Association. The right to receive dividend applies to those who hold preference shares on the last weekday of June, September and December, respectively, the year of the Annual General Meeting and in March of the year following the Annual General Meeting. If no dividend is paid to preference shareholders, or if a dividend of less than SEK twenty (20) is paid for one or more years, the preference shares shall entail the right to receive the outstanding amount calculated in accordance with the Articles of Association, before dividend on ordinary shares is paid. The preference shares shall otherwise not entail a right to dividend.

Dividends to owners of ordinary shares of class A, class B and class D are decided by the general meeting. If the Annual General Meeting resolves on a dividend, ordinary shares of class A and class B are equally entitled to dividends per share and year. Owners of ordinary shares of class D are entitled to fifty (50) times the total dividend on the ordinary shares of class A and class B, however, not more than SEK twenty (20) per ordinary share of series D and year. The right to a dividend accrues to the person who is a registered shareholder in the share register kept by Euroclear Sweden on the record date determined by the Annual General Meeting. If the dividend per ordinary share of class D is less than SEK twenty (20), the dividend limit of SEK twenty (20) shall be increased so that the amount by which the dividend is less than SEK twenty (20) per year can be distributed at a later time if sufficient dividend on the ordinary shares is decided. The dividend limit shall return to twenty (20) kronor. Payment of dividends relating to ordinary shares of series D shall be made in four (4) equal instalments. Record dates for the payment of dividends shall be the last weekday in June, September, December and March.

Dividend may only be distributed if the Company, after distribution of dividend, has coverage for its restricted equity and if the dividend appears justifiable with regard to (i) the requirements of the business, the size of the operations and risks relative to the Company's equity, and (ii) the Company's and the Group's consolidation needs, liquidity needs and general soundness (the "precautionary rule"). In general, the General Meeting may not resolve to distribute dividend of a higher amount than has been proposed or approved by the Board.

The right to dividend expires in accordance with normal limitation periods (10 years). Dividend that becomes statute barred accrues to the Company. There are no restrictions on dividends or special procedures for shareholders residing outside of Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments are made to such shareholders in the same way as for shareholders resident in Sweden. Shareholders not liable to pay tax in Sweden are, however, normally subject to Swedish withholding tax. See the section *Certain tax matters in Sweden below for more information regarding capital gains tax*.

#### **Preferential rights to new shares etc.**

If the Company issues new shares, warrants or convertible instruments due to a cash issue or set-off issue, shareholders will in general have preferential rights to subscribe to such securities in accordance to the number of shares that they hold before the issue. Nothing in the Articles of Association limits the Company's opportunity, in accordance with the Swedish Companies Act to issue new shares, warrants or convertible instruments without regard to the shareholder's preferential rights.

#### **Redemption and conversion reservations**

Owners of ordinary shares of class A shall have the right to request that ordinary shares of class A are converted into ordinary shares of class B. The request for conversion, which must be made in writing and state the number of shares to be converted if the request does not cover the entire holding, must be made to the Company's Board of Directors. The request must be received by the Board during February or August, respectively, and must immediately be submitted by the Company for registration at the Swedish Companies Registration Office. The conversion is completed when the registration has taken place and notification in the share register has been made.

Preference shares in the Company are covered by redemption reservations in the Articles of Association. Reduction of the share capital through redemption of preference shares may take place following a decision by the General Meeting in accordance with the statutes prescribed in the Articles of Association.

#### **Information on public takeovers and redemption of minority shares**

According to the Swedish Stock Market (Takeover Bids) Act (Sw. lag (2006:451) om offentliga uppköpserbudanden på aktiemarknaden), anyone who does not hold shares, or holds shares representing less than three tenths (3/10) of the voting rights for all shares in a Swedish limited liability company whose shares are admitted to trading on a regulated market ("the Target Company"), and which through acquisition of shares in such company, alone or together with related parties, reaches a holding of at least three tenths (3/10) of the voting rights for all shares in the Target Company, must immediately announce the size of the shareholdings in the company and within four (4) weeks thereafter submit a public takeover bid for all outstanding shares in the Target Company (mandatory bid). A shareholder that, directly or through subsidiaries, holds more than 90 per cent of all shares in a Swedish limited liability company ("the Majority shareholder")

has the right to redeem the remaining shares in the Target Company. Owners of the remaining shares (“Minority shareholders”) have a corresponding right to have their share redeemed by the Majority shareholder. The procedure for such redemption of minority shares is regulated in detail in the Swedish Companies Act.

## DEVELOPMENT OF THE SHARE CAPITAL

The table below shows the historical development for the Company’s share capital since 1 January 2007 until the day of this Offer.

Number of shares	Year	Number			Total number of shares	Quota (SEK)	Share capital (SEK)
		Ordinary shares of class A	Ordinary shares of class B	Preference shares			
<b>At the beginning of the year</b>	<b>2007</b>	<b>435,144,653</b>	-	-	<b>435,144,653</b>	<b>0.03</b>	<b>13,054,340</b>
Reduction of share capital	2007	-	-	-	435,144,653	0.0015	652,717
In kind, set-off, and new issue	2007	1,294,442,103	-	-	1,729,586,756	0.15	194,819,032
Aggregation	2007	-1,703,610,885	-	-	25,975,871	7.50	194,819,032
In kind issue	2008	1,630,435	-	-	27,606,306	7.50	207,047,295
In kind and new issue	2009	3,492,614	-	-	31,098,920	7.50	233,241,900
Bond, in kind and new issue	2010	6,849,373	-	3,193,208	41,141,501	7.50	308,561,258
Share split 2:1	2011	37,948,293	-	3,193,208	82,283,002	3.75	308,561,258
In kind and new issue	2013	-	-	224,903	82,507,905	3.75	309,404,644
In kind and new issue	2016	-	-	588,681	83,096,586	3.75	311,612,197
Reduction of share capital and cancelation of shares	2017	-7,580,431	-	-	75,516,155	3.75	283,185,581
Bond issue, restoration of share capital	2017	-	-	-	75,516,155	4.15	313,392,043
Directed new issue	2017	5	-	-	75,516,160	4.15	313,392,064
Reduction of share capital	2017	-	-	-	75,516,160	1.00	75,516,160
Bond issue, B share	2017	-	683,161,600	-	758,677,760	1.00	758,677,760
Reverse split 1: 2	2018	-34,158,080	-341,580,800	-3,600,000	379,338,880	2.00	758,677,760
Conversion A - B, 2018	2018	-519,078	519,078	-	379,338,880	2.00	758,677,760
Conversion A - B, 2019	2019	-635,959	635,959	-	379,338,880	2.00	758,677,760
Conversion A - B, 2020	2020	-492,819	492,819	-	379,338,880	2.00	758,677,760
Conversion A - B, 2021	2021	-207	207	-	379,338,880	2.00	758,677,760
<b>The day of the Offer document</b>	<b>2021</b>	<b>32,510,017</b>	<b>343,228,863</b>	<b>3,600,000</b>	<b>379,338,880</b>	<b>2.00</b>	<b>758,677,760</b>

## THE OFFER

Corem offers the shareholders in Klövern to acquire all the outstanding ordinary shares of class A, ordinary shares of class B and preference shares in Klövern. As of 31 March 2021, Corems owned 16.6 per cent of the outstanding share capital and 15.4 per cent of the votes in Klövern. All shareholders in Klövern are offered 0.88 newly issued ordinary shares of class A in Corem for each ordinary share of class A in Klövern, 0.88 newly issued ordinary shares of class B in Corem for each ordinary share of class B in Klövern and 1.12 newly issued ordinary shares of class D, or 1.00 newly issued preference shares, in Corem for each preference share in Klövern.

## Dilution due to the Offer etc.

At full subscription of the Offer and if all preference shareholders in Klövern choose to acquire ordinary shares of class D in Corem, the amount of outstanding shares in Corem, based on Corem’s and Klövern’s ownership structure as of 31 March 2021<sup>60</sup>, will amount to 1,119,962,748 shares split by 94,361,335 ordinary shares of class A, 1,003,584,133 ordinary shares of class B, 18,417,280 ordinary shares of class D and 3,600,000 preference shares.

	Before the Offer	After the Offer	Dilution
Number of shares in Corem	346,794,505	1,119,962,748	69.0%
Number of votes in i Corem	61,316,023	196,921,476	68.9%

<sup>60</sup> Adjusted for known changes.

Assuming full subscription to the Offer and if all preference shareholders in Klövern, which have not already irrevocably undertaken to receive ordinary shares of class D<sup>61</sup> and instead choose to receive preference shares in Corem, the total number of outstanding shares in Corem, based on Corem's and Klövern's shareholder structure as of 31 March 2021<sup>62</sup>, will amount to 1,118,079,511 shares distributed over 94,361,335 ordinary shares of class A, 1,003,584,133 ordinary shares of class B, 840,402 ordinary shares of class D and 19,293,641 preference shares.

	Before the Offer	After the Offer	Dilution
Numbers of shares in Corem	346,794,505	1,118,079,511	69.0%
Number of votes in Corem	61,316,023	196,733,153	68.8%

At full subscription to the Offer, current shareholders in Klövern will own shares corresponding to approximately 69.0 per cent of the outstanding share capital and approximately 68.9<sup>63</sup> per cent of the votes in Corem, and current shareholders in Corem will own approximately 31.0 per cent of the outstanding share capital and approximately 31.1<sup>64</sup> per cent of the votes in Corem. The dilution for Corem's current shareholders thus amounts to approximately 69.0 per cent of the outstanding share capital and approximately 68.9<sup>65</sup> per cent of the votes.

The net asset value (NAV) per share in Corem as of 31 March 2021 amounted to SEK 23.54. The offered consideration equals approximately SEK 18.85 per ordinary share of class A, SEK 19.20 per ordinary share of class B and SEK 323.00 per preference share in Corem as the day of the Offer on 26 March 2021.

For a description of the Company's ownership structure after the Offer see the section – Major shareholders.

#### Rights associated with the new share class ordinary shares of class D

In connection with the Offer Corem will issue a new class of ordinary shares of class D to be used as remuneration for preference shares in Klövern in the Offer.

Each ordinary shares of class D entitles the holder to one tenth (1/10) of a vote on the General Meeting in the Company. Ordinary share of class D shall also have equal right to the Company's profit and surplus in the event of liquidation as ordinary share of class A and class B. Ordinary shares of class D shall only have the right to a maximum of SEK three hundred (300) per share in the event of liquidation.

As for ordinary shares of class A and class B, remuneration to owners of ordinary share of class D shall be decided by the General Meeting. If the General Meeting decides to pay dividend, ordinary shares of class D shall be entitled to a total of fifty (50) times the total dividend on the ordinary shares of class A and class B, but not more than SEK twenty (20) per ordinary share of class D and year.

If the dividend per ordinary share of class D is less than SEK twenty (20) the limit of the dividend of SEK twenty (20) shall increase so the value that is less than SEK twenty (20) per year can be paid at a later date if the dividend for the ordinary shares is enough, thereafter the dividend limit will go back to SEK twenty (20).

Payment of the dividend of ordinary shares of class D shall be made in four (4) equally large payments. The record dates for payment of dividend shall be the last business day in June, September, December and March.

Other rights in connection with ordinary shares of class D are elaborated on under the title Rights Associated with the new share class ordinary shares of class D.

#### AUTHORISATION

The Annual General Meeting held on 29 April 2021 authorised the Board, on one or more occasions, during the period until the next Annual General Meeting, to issue new shares of ordinary shares of class A and/or class B, and/or class D, and/or preference shares, with the right and obligation to pay for the new shares through transfer of existing shares in Klövern in connection with the offer.

The Annual General Meeting held on 29 April 2021, authorised the Board, within the framework of the current Articles of Association, with or without deviation from the shareholders' preferential rights, on one or more occasions during the period until the next Annual General Meeting, to resolve on an increase in the Company's share capital through new issue of 4,032,000 ordinary shares of class D at most in the Company, which corresponds to an increase of the share capital with a maximum of SEK 8,064,000.

The Annual General Meeting held on 29 April 2021, authorised the Board, on one or more occasions during the period until the next Annual General Meeting, to issue new shares of ordinary shares of class A and/or class B, and/or preference shares, with or without deviation from the shareholders preferential rights, to also authorise the Board, on one or more occasions, during the period until the next Annual General Meeting to decide a new issue of ordinary shares of class D, with or without deviation from the shareholders preferential rights.

61 M2 Asset Management AB och dotterbolag samt Gårdarike AB och dotterbolag har genom bindande förbindelser åtagit sig att välja stamaktier av serie D i Corem som vederlag för sitt preferensaktieinnehav i Klövern.

62 Justerat för kända förändringar.

63 Beroende på andelen stamaktier av serie D respektive preferensaktier som emitteras till följd av Erbjudandet kommer andelen uppgå till lägst 68,8 och högst 68,9 procent.

64 Beroende på andelen stamaktier av serie D respektive preferensaktier som emitteras till följd av Erbjudandet kommer andelen uppgå till lägst 31,1 och högst 31,2 procent.

65 Beroende på andelen stamaktier av serie D respektive preferensaktier som emitteras till följd av Erbjudandet kommer andelen uppgå till lägst 68,8 och högst 68,9 procent.

Corem Offer 2021

## AUTHORISATIONS FOR THE BOARD TO ACQUIRE AND SELL THE COMPANY'S OWN SHARES

The Annual General Meeting as of 29 April 2021 authorised the Board, until the Annual General Meeting next year, to acquire and sell shares as stated below.

Acquisition of the Company's own ordinary shares of class A, class B, class D and preference shares can at a maximum be ten (10) per cent of the Group's total own holding of shares of class A, class B, class D and preference shares in the Company. Acquisition can occur through trading on the regulated exchange Nasdaq Stockholm or other regulatory exchanges. The acquired shares shall be paid in cash.

The transfer of shares is allowed for all of the shares that the Company holds at the time of the Board's decision, with exception of the shareholders preferential right, through trading on the Nasdaq Stockholm or other regulated exchanges or through other means to a third party in connection with a company or property acquisition. Payment for transferred shares shall be made in cash, either through a transfer of shares or a set-off, or in accordance with conditions in Chapter 2 Section 5 in the Swedish Companies Act.

Acquisition and transfer of shares can occur on one or more occasions during the time to the next Annual General Meeting for a price that lies within registered price interval at the time. For transfer of shares through other mediums than Nasdaq Stockholm, the price shall be established such that it is not below the market price, however a fair market discount in relation to the price can be applied.

The Board's suggestion for authorisation has the purpose of giving the Board greater opportunities to adjust the Company's capital structure to the capital needs from time to time and thereby contribute to increased shareholder value. Furthermore-

### The Company's major shareholders

Shareholder	Ordinary shares of class A	Ordinary shares of class B	Preference shares	Per centage share capital, %	Per centage votes, %
M2 Asset Management AB <sup>1</sup>	16,774,158	161,937,954	1,202,985	47.43%	53.96%
Gårdarike <sup>1</sup>	5,787,959	49,676,560	47,355	14.63%	17.55%
Länsförsäkringar fondförvaltning	837,387	14,112,996	-	3.94%	3.67%
Swedbank Robur fonder	951,000	7,000,000	-	2.10%	2.69%
Fredrik Rapp privately through companies	749,999	7,499,990	-	2.17%	2.45%
Handelsbanken fonder	-	13,276,398	-	3.50%	2.17%
Prior & Nilsson	145,836	10,366,560	-	2.77%	1.93%
Other shareholders	4,349,853	49,727,855	2,349,660	14.88%	15.59%
<b>Total no. outstanding shares</b>	<b>29,596,192</b>	<b>313,598,313</b>	<b>3,600,000</b>	<b>91.42%</b>	<b>100.00%</b>
Repurchased shares <sup>2</sup>	2,913,825	29,630,550	-	8.58%	-
<b>Total number of shares</b>	<b>32,510,017</b>	<b>343,228,863</b>	<b>3,600,000</b>	<b>100.00%</b>	<b>100.00%</b>

1 The holding in Klövern is based on the shareholders irrevocable undertakings to transfer shares to Corem through the Offer.

2 Repurchased shares do not have voting rights.

re, the authorisation has the purpose of giving the Board the opportunity to exchange shares in connection with the financing of a potential property or company acquisition through payment of shares, as well as the possibility of acquiring working capital or broadening the shareholder base. The purpose of the authorisation does not permit the Company to trade shares for short-term profit.

## MAJOR SHAREHOLDERS

The information about major shareholders is based on ownership data as of 31 March, 2021 and includes changes known to the Company in the period thereafter up to the date of the Offer Document.

M2 Asset Management AB (publ) is the Company's largest shareholder with approximately 47.43 per cent of the capital and approximately 53.96 per cent of the number of votes in the Company. M2 Asset Management AB (publ) is 100 per cent owned by Rutger Arnhult. Through M2 Asset Management AB (publ), Rutger Arnhult can exercise a controlling influence over Corem in certain matters, such as election to the Board.

In Sweden, the lowest limit for notifiable holdings (Sw. "flaggning") is five per cent of all shares or votes.

As far as the Company is aware of the following persons hold, directly or indirectly, five per cent or more of the number of shares or votes in the Company.

Further, as far as the Company is aware, the following Board members and senior executives, including potential holdings of related parties, have a direct or indirect holding in the Company per the day of the Offer.

#### Board members' and senior executives' holdings

	Ordinary share class A	Ordinary share class B	Preference share	Total no. shares	Voting rights, no.	Votes, %	Capital, %
Patrik Essehorn	10,000	100,000	0	110,000	20,000	0.03%	0.03%
Magnus Uggla	0	80,000	0	80,000	8,000	0.01%	0.02%
Fredrik Rapp	749,999	7,499,990	0	8,249,989	1,499,998	2.45%	2.17%
Katarina Klingspor	0	3,000	150	3,150	315	0.00%	0.00%
Christina Tillman	571,441	5,714,410	40,150	6,326 001	1,146,897	1.87%	1.67%
	<b>1,331,440</b>	<b>13,397,400</b>	<b>40,300</b>	<b>14,769 140</b>	<b>2,675,210</b>	<b>4.363%</b>	<b>3.893%</b>

	Ordinary share class A	Ordinary share class B	Preference share	Total no. shares	Voting rights, no.	Votes, %	Capital, %
Eva Landen	6,120	56,570	250	62,940	11,802	0.02%	0.02%
Jesper Carlsöö	3,250	11,354	100	14,704	4,395	0.01%	0.00%
Anna-Karin Hag	1,300	3,100	50	4,450	1,615	0.00%	0.00%
Anna Lidhagen Ohlsén	0	15,541	0	15,541	1,554	0.00%	0.00%
Jerker Holmgren	4,000	41,500	0	45,500	8,150	0.01%	0.01%
	<b>14,670</b>	<b>128,065</b>	<b>400</b>	<b>143,135</b>	<b>27,517</b>	<b>0.04%</b>	<b>0.04%</b>

#### Ownership structure after the Offer's completion

After the Offer's completion it is expected, as far as the Company is aware, that the following persons, directly or indirectly, will own five per cent or more shares or votes in Corem, if all shareholders in Klövern accept the Offer. If all preference shareholders who have not already made a choice, choose to receive preference shares in Corem<sup>1</sup>

Shareholders	If all preference shareholders in Klövern choose to receive ordinary shares of class D in Corem		If all preference shareholders who have not already made a choice, choose to receive preference shares in Corem <sup>1</sup>	
	% Votes	% Capital	% Votes	% Capital
Gårdarike AB <sup>2</sup>	29.1%	15.0%	29.1%	15.0%
M2 Asset Management AB <sup>2</sup>	28.9%	28.4%	29.0%	28.5%
Länsförsäkringar Fonder	4.6%	7.4%	4.6%	7.4%
Handelsbanken Fonder	3.2%	5.6%	3.2%	5.6%
State Street Bank and Trust	2.1%	3.8%	2.1%	3.8%
<b>Top 5 shareholders</b>	<b>67.9%</b>	<b>60.1%</b>	<b>67.9%</b>	<b>60.2%</b>
Other shareholders	32.1%	39.9%	32.1%	39.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Corem's shareholders	31.1%	31.0%	31.2%	31.0%
Klövern's shareholders	68.9%	69.0%	68.8%	69.0%

1 M2 Asset Management AB and Gårdarike AB has through binding agreement committed to choose ordinary shares of class D in Corem as consideration for their preference share holdings in Klövern.

2 Information of ownership per day for the binding agreements to accept the Offer.

Further, as far as the Company is aware, members of the Board and senior executives are expected, including potential holdings of related parties, after the Offer's completion, directly or indirectly, to have a holding in the Company, provided that all the shareholders in Klövern choose to accept the Offer.

	Ordinary share class A	Ordinary share class B	Preference share	Total no. shares	Voting rights, no.	Votes, %	Capital, %
Patrik Essehorn	10,000	100,000	0	110,000	20,000	0.010%	0.010%
Magnus Uggla	0	80,000	0	80,000	8,000	0.004%	0.007%
Fredrik Rapp	749,999	7,499,990	0	8,249,989	1,499,998	0.762%	0.737%
Katarina Klingspor	0	3,000	150	3,150	315	0.000%	0.000%
Christina Tillman	571,441	5,714,410	40,150	6,326,001	1,146,897	0.582%	0.565%
	<b>1,331,440</b>	<b>13,397,400</b>	<b>40,300</b>	<b>14,769,140</b>	<b>2,675,210</b>	<b>1.36%</b>	<b>1.32%</b>

	Ordinary share class A	Ordinary share class B	Preference share	Total no. shares	Voting rights, no.	Votes, %	Capital, %
Eva Landen	6,120	56,570	250	62,940	11,802	0,006%	0,006%
Jesper Carlsöö	3,250	11,354	100	14,704	4,395	0,002%	0,001%
Anna-Karin Hag	1,300	3,100	50	4,450	1,615	0,001%	0,000%
Anna Lidhagen Ohlsén	0	15,541	0	15,541	1,554	0,001%	0,001%
Jerker Holmgren	4,000	41,500	0	45,500	8,150	0,004%	0,004%
	<b>14,670</b>	<b>128,065</b>	<b>400</b>	<b>143,135</b>	<b>27,517</b>	<b>0,01%</b>	<b>0,01%</b>

#### Shareholder agreement

As far as the Board of Corem is aware, there are no shareholder agreements or other agreements between Corem's shareholders that serve to exercise joint influence over the Company. As far as the Board is aware, there are no other agreements or similar that may lead to a change in control of the Company.

#### Central securities depository

The Company's shares are registered in a reconciliation register in accordance with the Swedish Act on Central Securities Depositories and Accounting of Financial Instruments (Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument). The register is kept by Euroclear Sweden (Box 191, 101 23 Stockholm). The shares are registered in person. No share certificates have been issued or will be issued for new shares.

# DIVIDEND AND DIVIDEND POLICY

## General

The newly issued shares in the Offer carry the right to dividend for the first time on the record date for dividends that falls immediately after the newly issued shares have been registered with the Swedish Companies Registration Office and after the shares have been entered in the share register kept by Euroclear, also for following periods, given that dividend has been authorised.

## Dividend policy

Corem's dividend policy states that the long-term dividend shall be at least 35 per cent of the Company's property management result, with the addition of dividend from associated companies and with the deduction for the preference shareholders' their right to dividend of SEK 20.00 per share and year.

## Paid dividends for the period 2018 until 31 December 2020

Financial year	Dividend per share of class A (SEK)	Dividend per share of class B (SEK)	Dividend per preference share (SEK)	Total dividend (MSEK)
2018	0.40	0.40	20.0	218
2019	0.45	0.45	20.0	236
2020	0.60	0.60	20.0	278

## Dividend according to Swedish law

The decision to declare a dividend is made on the Annual General Meeting. The dividend amount can only be such that there is full coverage for the Company's tied-up equity after the dividend, and only if such a dividend can be declared as defensible with regards to the amount of equity that is demanded by the Company's nature, its scope and risks as well the need to strengthen the Company's balance sheet, liquidity and financial position. The shareholders can normally not suggest a higher dividend than the Board has suggested or approved.

According to the Swedish Companies Act (2005:551), minority shareholders representing at least ten (10) per cent of all shares in the Company has a right to request dividend (to all shareholders) of the Company's profit. If such request is made, it shall be decided at the Annual General Meeting that 50 per cent of what remains of the net profit for the year according to the balance sheet established by the Annual General Meeting shall be distributed to the shareholders after deduction of retained loss exceeding free reserves, any amount which, according to law or

the Company's Articles of Association must be set aside to equity, and any amount which, according to the Company's Articles of Association, shall be used for other purposes than distribution to shareholders through dividend. However, the Annual General Meeting is not obliged to decide on a dividend higher than five (5) per cent of the Company's equity. Furthermore, the Annual General Meeting may never decide on the distribution of an amount in excess of the distributable funds or in violation of the precautionary rule described above.

## Payment of dividend

Dividend is normally paid as a cash amount per share through Euroclear, but could also be a non-cash amount (dividend in kind). The right to dividend is entitled to the person that is registered as owner in the Euroclear registry at the time of the record date as announced on the General Meeting. Such record date cannot occur later than the day before the next Annual General Meeting. If the shareholder cannot be reached through Euroclear, the shareholder's right to the dividend amount from Corem remains and will only be limited through the statutes of limitation. If the statute of limitations is exceeded, the dividend amount will be retained by Corem.

There are no restrictions or special proceedings according to the Swedish Companies Act or Corem's Articles of Association for dividends to shareholders that are residents outside of Sweden. With the exception of potential limitations that follow from banking and clearing systems, payment is made in the same way as for shareholders that are residents in Sweden. There is however normally a stamp duty charge for shareholders that are not tax residents in Sweden, see further in the section Certain tax matters in Sweden.

# ARTICLES OF ASSOCIATION COREM

## 1 COMPANY NAME

The Company name is Corem Property Group AB (publ). The company is a public company (publ).

## 2 REGISTERED OFFICE

The registered office of the company shall be located in Stockholm.

## 3 OBJECTS

The objects of the company are, directly or indirectly through subsidiaries, to acquire, own, manage, develop and sell real estate, and to conduct business compatible therewith.

## 4 SHARE CAPITAL

The share capital shall be not less than SEK seven hundred million (700,000,000) and not more than SEK two billion eight hundred million (2,800,000,000).

## 5 SHARES

### 5.1 Number of shares and classes of shares

There shall be no fewer than three hundred fifty million (350,000,000) shares and no more than one billion four hundred million (1,400,000,000) shares.

Shares may be issued in four classes: ordinary shares of class A, class B and class D, as well as preference shares. Ordinary shares and preference shares may be issued in an amount not exceeding 100 per cent of the share capital. Ordinary shares of class A each carry one vote, and ordinary shares of class B, class D and preference shares each carry one-tenth of a vote.

### 5.2 Dividends on ordinary shares

All ordinary shares shall, on terms stated below, have right to dividend without preference between ordinary shares. If dividend is to be decided, the following shall prevail:

- Ordinary shares of class A and class B carry a right to the same dividend amount per share per year.
- Ordinary shares of class D carries a right to fifty (50) times the combined dividend on ordinary shares of class A and class B, but not higher than SEK twenty (20) per ordinary share of class D per year.

In the event the issued dividend per ordinary share of class D is lower than SEK twenty (20), the limit of SEK twenty (20) shall be lifted so that any paid dividend below SEK twenty (20) per year can be paid as dividend at a later time, provided that sufficient dividend on ordinary shares are resolved, after which the dividend limit shall return to SEK twenty (20).

Payment of dividends relating to ordinary shares of class D shall be made in four (4) equal installments. Record dates for the payment of dividends shall be the last weekday in June, September, December and March.

### 5.3 Dividends on preference shares

The preference shares carry a right of priority over the ordinary shares to an annual dividend of SEK twenty (20) per share, payable quarterly in the amount of SEK 5.00 per share. Record dates for the payments shall be the last weekday in the months of June, September and December after the annual general meeting, and in the month of March in the year following the annual general meeting.

In the event no dividend is issued to the holders of preference shares, or where only a dividend of less than SEK twenty (20) per preference share is issued during one or more years, the preference shares shall carry a right also to receive, from disburseable funds in subsequent years, Withheld Amounts as defined below (including Recalculation Amounts on Withholding Amounts, as defined below), before any dividend is issued on the ordinary shares. In the event no dividend is issued, or where only a dividend of less than SEK twenty (20) per preference share is issued during one or more years, the subsequent year's annual general meeting shall be required to adopt a resolution regarding allocation of the quarterly disbursement of Withheld Amounts. The preference shares shall otherwise carry no entitlement to dividends.

Each individual quarter, the difference between SEK 5.00 and the dividend paid per preference share shall be added to "Withheld Amounts" (assuming that, at an annual general meeting, a resolution was adopted to issue a dividend of less than SEK twenty (20)). In the event dividends on preference shares are issued in accordance with a resolution adopted at a general meeting other than an annual general meeting, the amount paid per preference share shall be deducted from Withheld Amounts. The deduction shall take place as of the day on which payment takes place to holders of preference shares and shall thereupon be deemed to constitute settlement of the part of any Withheld Amount which arose first. Withheld Amounts shall be recalculated upwards by a factor corresponding to an annual rate of interest of seven (7) per cent (the "Recalculation Amount"), in which context recalculation shall take place commencing the quarterly date on which payment of the dividend occurred (or should have occurred, in the event no dividend at all is paid out), based on the difference between SEK 5.00 and the dividend paid per preference share on the same quarterly date. In the event such calculation takes place on a date other than a complete year calculated from the day on which any addition to or deduction from Withheld Amounts has taken place, recalculation of amounts added or deducted shall take place in an amount corresponding to the recalculation factor multiplied by the portion of the year that has elapsed. Accrued Recalculation Amounts shall be added to Withheld Amounts and shall thereafter be included in the calculation of the Recalculation Amount.

#### 5.4 New issues

In conjunction with any increase in the share capital through a cash issue or debt/equity swap, the shareholders shall hold pre-emption rights to subscribe for the new shares in such a manner that one old share carries a pre-emption right to one new share of the same class; that shares which are not subscribed for by shareholders primarily entitled to subscribe shall be offered to all shareholders; and that, in the event the entire number of shares subscribed for pursuant to the last-mentioned offering cannot be issued, the shares shall be allotted among the subscribers pro rata to the number of shares held prior thereto and, in the event this cannot take place, through the drawing of lots.

In the event of an increase in the share capital through a cash issue or set-off issue of only one share class, the shareholders have a preferential right to the new shares only in relation to the number of shares of the same class that they previously own. What is stated above shall not entail any restriction on the possibility of making a decision on a cash issue or set-off issue with deviation from the shareholders' preferential rights.

In the event the company decides to issue subscription warrants or convertible debentures through a cash issue or debt/equity swap, the shareholders shall enjoy pre-emption rights to subscribe for warrants or convertible debentures as if the issue applied to the shares which may be subscribed for pursuant to the warrant or in exchange for the convertible debentures.

Any increase in the share capital through a bonus issue may only take place through the issuance of ordinary shares, whereupon – in the event both ordinary shares of class A and class B have previously been issued – the relationship between ordinary shares of class A and class B issued through the bonus issue, and already issued ordinary shares of class A and class B, shall remain unchanged. In this context, only holders of ordinary shares shall be entitled to the new shares. Where both ordinary shares of class A and class B have been issued, the bonus shares shall be allotted among the holders of the ordinary shares pro rata to the number of ordinary shares of the same class held prior thereto. However, bonus issues may also take place through the issuance of preference shares and/or ordinary shares of class D shares to the holders of ordinary shares of class A and class B, whereupon the bonus shares shall be allotted among the holders of ordinary shares of class A and class B pro rata to the total number of ordinary shares held prior thereto. The provisions above shall not entail any restriction on the possibility to issue a new class of shares, following requisite alteration to the articles of association.

#### 5.5 Redemption

Reduction of the share capital, although not below the minimum share capital, can take place from 2015 onwards following a decision by the General Meeting through the redemption of preference shares in accordance with the following principles.

The General Meeting shall decide the number of preference shares to be redeemed each time. The specific preference shares to be redeemed shall be determined through the drawing of lots. However, where the resolution is supported by all holders of preference shares, the General Meeting may decide which preference shares shall be redeemed.

Any holder of a preference share determined for redemption shall be obliged, three months after being notified of the redemption resolution, to accept payment for the share in an amount calculated as the total of SEK 500 plus any Withheld Amount in accordance with section 5.3 (including any Recalculation Amount on such Withheld Amount up to and including the day on which the redemption amount falls due for payment). All interest calculation shall cease on the day on which the redemption amount falls due for payment.

#### 5.6 Dissolution of the Company

In the event of dissolution of the company, the holders of preference shares shall be entitled to receive from the company's net assets SEK 450 per share as well as any Withheld Amount in accordance with section 5.3 (including any Recalculation Amount on such Withheld Amount), prior to any distribution to the holders of the common shares. The preference shares shall otherwise carry no entitlement to any share in the distribution of assets.

In the event of dissolution of the company, the holders of ordinary shares shall have equal rights to the company's net assets. Ordinary shares of class D shall, however, be entitled to a maximum of SEK three hundred (300) per share.

#### 5.7 Conversion clause

Upon request by the holders of ordinary shares of class A, such shares shall be converted into ordinary shares of class B. A request for conversion must be made in writing to the board of directors, stating the number of ordinary shares of class A to be converted into ordinary shares of class B and – in the event the request does not cover the entire holding – the ordinary shares of class A to which the conversion relates. Such a request must be presented to the board of directors and have reached the board of directors during the month of February or August. The board of directors shall give notice of the conversion to the Swedish Companies Registration Office as soon as possible for registration in the companies register. The conversion is executed when registration has taken place and been noted in the record day register.

## 6 THE BOARD OF DIRECTORS

The board of directors shall comprise no fewer than five members and no more than eight members.

## 7 AUDITORS

The company shall have one or two auditors and an equivalent number of alternative auditors.

## 8 NOTICE

Notices to attend the annual general meeting and extraordinary general meetings where the articles of association is to be amended, shall be issued no earlier than six weeks and no later than four weeks prior to such general meeting. Notice to other extraordinary general meetings shall be issued no earlier than six weeks and no later than three weeks prior to the meeting.

Notice to attend general meetings shall be given through an announcement in the Official Gazette (Post- och Inrikes Tidningar) and on the company's website. Information that notice has been given shall be provided in an announcement in Svenska Dagbladet.

## 9 ANNUAL GENERAL MEETING

The following business shall be addressed at annual general meetings:

1. election of a chairman of the meeting;
2. preparation and approval of a voting register;
3. election of one or two persons to attest the minutes;
4. determination of whether the meeting has been duly convened;
5. presentation of the annual report and the auditor's report and, where appropriate, consolidated financial statements and the auditor's report for the group;
6. resolutions regarding:
  - a) adoption of the income statement and balance sheet and, where appropriate, the consolidated income statement and consolidated balance sheet;
  - b) allocation of the Company's profits or losses in accordance with the adopted balance sheet,
  - c) discharge from liability for the directors and CEO;
7. determination of the number of directors, as well as auditors and alternative auditors or registered accounting firms;
8. determination of fees for the board of directors and auditors;
9. election of directors and a chairman of the board of directors;
10. other business incumbent on the general meeting in accordance with the Swedish Companies Act or the articles of association.

## 10 FINANCIAL PERIOD

The company's financial year shall be a calendar year.

## 11 SHAREHOLDERS' ENTITLEMENT TO PARTICIPATE AT GENERAL MEETINGS

Shareholders who wish to participate in the proceedings at a general meeting must notify the Company of their participation not later than on the date stated in the notice to attend the general meeting. Such a day may not be a Sunday, a public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not occur earlier than the fifth weekday prior to the general meeting. Shareholders may at the general meeting bring one or two assistants, if the relevant shareholder has given notice of this in accordance with the foregoing paragraph.

## 12 RECORD DAY PROVISION

The company's shares shall be registered in a record day register pursuant to the Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479).

These articles of association were adopted at an annual general meeting held on 29 April 2021.

# LEGAL MATTERS AND OTHER INFORMATION

## GENERAL COMPANY AND GROUP INFORMATION

The Company's name and trade name, is Corem Property Group AB (publ). The Company's organization number is 556463-9440 and LEI code is 213800CHXQQD7TSSIT59. Corem was founded in 1 March 1993 and the Board is based in Stockholm. The Company is a Swedish public limited liability company (Sw. aktiebolag) regulated by the Swedish Companies Act (2005:551) and is registered with the Swedish Companies Registration Office. Corem's address is Riddargatan 13, 114 51 Stockholm, and its telephone number is +46 (0) 8-503 853 33. Corem's website is (www.) corem.se. Information that is available on the website does not form part of this prospectus.

## INFORMATION ABOUT THE OFFER DOCUMENT

This Offer Document does not constitute a prospectus according to Regulation (EU) 2017/1129 ("Prospectus Regulation"). The Offer Document has not been audited and approved by the Swedish Financial Supervisory Authority in accordance with article 20 of the Prospectus Regulation.

This Offer document has been prepared in accordance with Chapter 2 of the Takover-Act, Chapter 2a of Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument) and Appendix II to Regulation (EU) 2021/528. The Offer Document has been approved and registered by the Swedish Financial Supervisory Authority ("SFSA") in accordance with Chapter 2a of the Financial Instruments Trading Act. SFSA has after a review in accordance with Chapter 2 section 5 of the Act with complementary provisions to EU:s Prospectus Regulation (Sw. lagen (2019:414) med kompletterande bestämmelser till EU:s prospektförordning) deemed that the Offer Document contains such information which is required according to article 1.4 f and 1.5 first paragraph e of the Prospectus Regulation. Approval and registration of the Offer Document does not constitute any form of guarantee from the SFSA that the information in the Offer Document is accurate and complete.

## GROUP STRUCTURE AND SUBSIDIARIES

Corem Property Group AB, reg. no. 556463-9440, is the parent company in the Group that as of 31 December 2020 consisted of 122 limited liability companies and 21 limited partnerships or trade companies. Each subsidiary in turn owns a number of property owning companies. The Group structure per the day of this Offer Document is presented in the table below. The table only shows Corem's 9 directly owned active subsidiaries. The subsidiaries are registered in Sweden and are wholly owned by the parent company.

Subsidiary	Reg. no.
Meroc Kapitalförvaltning AB	556855-7598
Corem AB	556731-4231
Corem Stockholm Holding AB	556736-6264
Corem Mälardalen Holding AB	556736-6876
Corem Öresund Holding AB	556736-6751
Corem Göteborg Holding AB	556736-6819
Corem Småland Holding AB	556736-6892
Corem Svea Holding AB	556754-1098
Corem Logistik Holding AB	556789-7110

## MATERIAL AGREEMENTS

The Group's customer and supplier agreements are related to the daily operations of the business. No single customer or supplier is of material importance for the long-term sustainability of the business. The revenues from one single customer can from time to time be substantial however, and individual subsidiaries can be dependent on single suppliers.

## FINANCIAL AGREEMENTS

Corem finances its operations to 78 per cent through Nordic banks and financial institutions and 22 per cent through the Swedish bond market as of 31 December 2020. During 2020, financing through bank loans has occurred through eight banks and financial institutions; Brunswick Real Estate Capital, Danske bank, DNB, Handelsbanken, Nordea, Realkredit in Denmark, Sparbanken in Enköping as well as Swedbank. Corem finances its foreign properties in local currencies and minimises its currency exposure through such means. The agreements with the banks and financial institutions allow for both short and long term financing.

Corem's interest bearing debt amounted as of 31 December 2020 to SEK 9,620 million. The financing costs amounted to SEK 24 million, which implies that interest bearing debt on the balance sheet amounted to SEK 9,596 million. Interest bearing net debt, interest bearing debt deducted for interest bearing assets-, short- and long-term securities held for sale and liquid assets amounted to SEK 5,258 million. Interest bearing net debt is used to highlight the Company's financial risk. Corem had on 31 December 2020 liquid assets of SEK 15 million. Moreover, there was an unutilised credit facility of SEK 567 million.

In several of the loan agreements that Corem has entered into there are commitments, so called covenants that need to be followed to retain the loans. Examples of covenants are minimum levels of interest coverage and maximum levels of leverage. Corem regularly monitors its covenants to ensure they are not breached and the conditions are well within the targets of Corem's financial policy.

As collateral for the interest bearing debts, Corem has submitted shares in subsidiaries, mortgage bonds, internal loans, pledged public stock holdings as well as promises to maintain its covenants. Corem has made the assessment that these are in line with market practices. Of Corem's loans, 67 per cent have mortgage bonds and/or shares in subsidiaries as collateral and 10 per cent of the loans have public shares in collateral. The share of secured financing in relation to the Company's assets amounts to 45 per cent. During the financial year 2020, Corem has renegotiated its loans from banks and financial institutions amounting to SEK 1,137 million. The Company has repaid SEK 1,505 million and borrowed an additional SEK 2,617 million in loans and expanded its credit facility by SEK 400 million. In total, the Company had SEK 7,470 million in secured loans at the end of 2020. All of the loans have been undertaken from existing borrowers.

### INTELLECTUAL PROPERTY

Corem has not registered, does not own or possess any licenses concerning intellectual property rights that could have a material impact on the business, apart from the Internet domain corem.se and the brand name "Corem" that is protected as a national Swedish brand. Intellectual property rights have no material impact on the business or profitability of Corem.

### ENVIRONMENTAL MATTERS

The property management and development does not impact the environment. According to the Swedish Environmental Code (Sw. miljöbalken (1998:808)), each operator that has contributed to contamination relating to a property is responsible for subsequent treatment of the property. If the responsible operator is unable to perform or fund the treatment of the contaminated property, the responsibility could land on the property owner or the acquirer of the property. Therefore, demands could be raised towards Corem relating to sanitation of land or treatment of actual or suspected contamination of land, water areas or ground water to ensure that the property is restored to such a condition that is stipulated by the Swedish Environmental Code. At acquisition, Corem performs customary environmental audits to identify any potential environmental risks. In the event of uncertainty, Corem limits its exposure by having the counterparty agree to warranties in line with fair market practice. Corem regularly maps the occurrence of potential environmental contaminations in the property portfolio. There are currently no identified environmental demands against Corem.

### LEGAL PROCEEDINGS AND DISPUTES

Due to the Group's business, Corem is from time to time involved to time in disputes with tenants and suppliers. None of the disputes so far have had a material impact on Corem.

The Group is not, and has not been, a party in any regulatory procedure, legal proceeding or arbitration during the last twelve (12) months that have had or could have a material impact on the Company's and/or the Group's financial position or profitability.

## INFORMATION ON PUBLIC TENDER OFFERS AND PURCHASE OF MINORITY SHARES

### General

According to the Swedish Stock Market (Takeover Bids) Act any person that does not own any shares, or that owns shares representing less than 30 per cent of the votes of all shares in a Swedish limited liability company whose shares are traded on a regulated exchange, and that through acquisition of shares in such a company, alone or together with associated persons, achieves an ownership representing at least 30 per cent of the votes must immediately make public the size of its ownership in the Company and also within four weeks submit a mandatory takeover offer regarding the remaining shares in the Company. Owners of the remaining shares have an equivalent right to get their shares purchased by the majority owner. The proceedings for such a purchase are further regulated in the Swedish Companies Act.

### Mandatory takeover bid of the shares in Corem

On 15 December 2020, M2 Asset Management AB (publ), organisation number 556559-3349, ("M2"), submitted a mandatory takeover bid in accordance with the Takeover-rules to the shareholders of Corem to transfer all of the remaining ordinary shares of class A and B as well as preference shares in Corem to M2. As consideration, M2 offered SEK 18.60 for each ordinary share of class A and B and SEK 317 for each preference share in Corem that was not already owned by M2. On 26 January 2021, the independent Bid Committee announced a unanimous recommendation to the shareholders of Corem to not accept M2's mandatory takeover bid since the conditions of the offer were not deemed to match Corem's value or future growth opportunities. The final outcome meant that shareholders of 785,119 ordinary shares of class A, 1,557,123 ordinary shares of class B as well as 692,183 preferred shares in Corem accepted the offer, representing approximately 0.8 per cent of the capital and approximately 1.5 per cent of all the votes in Corem. M2's shareholding in Corem therefore increased to approximately 47.2 per cent of the total capital in Corem and approximately 49.1 per cent of the total votes in Corem. As of the day of the completion of the offer, M2's ownership amounted to approximately 53.8 per cent of the total number of votes in Corem.

### INSURANCE

The Group has bought insurance policies for risks related to its properties and other business aspects, including management and service, environmental responsibilities, loss of rental income, legal costs and responsibilities for the CEO and Board Members as well as investments. Corem has made the assessment that the Group's insurance policies, including maximum insurable amounts, exceptions and limitations relating to responsibilities and conditions of the insurance policies, are in accordance with the insurance policies that other companies within the same industry have and are suitable for the Group's business. There are however no guarantees that the Company or any of its subsidiaries will not be subject to losses that are not covered by these insurance policies.

## PROPERTY VALUATION REPORT

The Property Value Reports concerning the Company's property portfolio, has been provided by Savills Sweden AB and Cushman & Wakefield Sweden AB, both of which have approved the publication of the Property Valuation Reports in this Offer Document. Neither Savills Sweden AB nor Cushman & Wakefield Sweden AB, as far as the Company is aware, have any significant interest in the Company.

## COSTS RELATED TO THE OFFER

The Company's total costs for the Offer are estimated to amount to approximately SEK 40 million, of which approximately SEK 21 million pertains to estimated transaction costs and approximately SEK 19 million pertains to issue related costs. The costs include, among other things, financial advice, auditors and legal advice, partly due to the acquisition of Klövern, and partly due to the implementation of the Offer to the public.

## AUDITORS REVIEW

Except for the Company's financial reports for the financial years 2020, 2019 and 2018, as well as the Company's pro forma statement, no information in this Offer Document has been reviewed or audited by the Company's auditor.

## ADVISORS ETC.

Corem has hired Nordea Bank Abp, filial i Sverige ("**Nordea**") and Swedbank AB (publ) ("**Swedbank**") as financial advisors in relation to the Offer. Nordea and Swedbank (including related companies to Nordea and Swedbank) are as of the day of this Offer Document lenders to the Company, and have provided and may in the future provide various banking, financial, investment, commercial and other services to Corem for which they have received or may receive compensation.

Walthon Advokater AB and Linklaters Advokatbyrå AB are Corem's legal advisors in connection with the Offer. Walthon Advokater AB has provided and may in the future provide legal advice to Corem for which they have received or may receive compensation.

## REGULATORY DISCLOSURES

Below follows a short summary of the disclosed information under regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 regarding market abuse (the Market Abuse Regulation) over the last 12 months which, according to Corem, is still of relevance per the date of this Offer Document.

## Financial reports

- Interim report for the period 1 January – 30 June 2020, published on 9 July 2020.
- Interim report for the period 1 January – 30 September 2020, published on 20 October 2020.
- Year-end report for the period 1 January – 31 December 2020, published on 12 February 2021.
- Annual report and sustainability report for the financial year 2020, published on 19 March 2021.
- Interim report for the period 1 January – 31 March 2021, published on 28 April 2021.

## Information regarding the mandatory bid on all shares in Corem

On 15 December 2020, the Board of Corem announced that Corem's independent Bid Committee had been established following the mandatory takeover bid by M2 Asset Management AB (publ) for all shares in Corem which had been submitted on the same day.

On 26 January 2021, the independent Bid Committee announced a unanimous recommendation to the shareholders of Corem to reject the offer of M2 Asset Management AB's mandatory takeover bid of all the shares in Corem since the conditions of the Offer had not been deemed to represent Corem's value or future growth opportunities.

## Information regarding financing

On 20 November 2020, Corem published a prospectus regarding the issuance of a non-secured green bond amounting to a total of MSEK 850 within a boundary of BSEK 2. The bond was issued on 29 October 2020 and has a floating rate of STIBOR 3M + 350 basis points with a maturity until 29 April 2024.

On 19 February 2021, Corem announced a prospectus regarding the issuance of three non-secured green bonds amounting to a total of MSEK 550 under Corem's existing green bonds with a maturity until April 2024. The green bond has a boundary of BSEK 2 of which BSEK 1.4 was utilised per 19 February 2021.

On 3 March 2021, Corem notified that all owners of senior non-secured bonds 2020/2023 with floating rate with a boundary amount of BSEK 2 (of which BSEK 1.25 has been issued) with ISIN SE0013877008 ("**the 2020/2023 Bonds**") and senior non-secured bonds 2020/2024 with floating rate and a boundary amount of BSEK 2 (of which BSEK 1.4 has been issued) with ISIN SE0015192521 ("**the 2020/2024 Bonds**") has the opportunity to sell back their bonds to Corem ("**the Repurchase Offer**"). The notice was sent in relation to a Change of Control event in accordance with the conditions for the 2020/2023 Bonds and 2020/2024 Bonds respectively as a result of M2 Asset Management AB (publ) owning more than 50 per cent of the votes in Corem. On 8 April 2021, it was made public that the bond holders of the 2020/2023 Bonds in relation to the Repurchase Offer had accepted a repurchase of a total nominal amount of MSEK 376, representing circa 30 per cent of the total number of outstanding bonds under the 2020/2023 Bonds. For the 2020/2024 Bonds,

the bond holders of an amount representing MSEK 216, representing circa 15 per cent of the total number of bonds under the 2020/2024 Bonds, had accepted the repurchase. The consideration for the bonds that are repurchased will on 3 June 2021 be paid to each registered bond holder that has accepted the Repurchase Offer.

#### **Information regarding the exchange offer of preference shares**

On 30 March, Corem announced an offer to all preference shareholder in Corem to exchange their preference shares in return to newly issued ordinary shares of class D in Corem (the “**Exchange Offer**”). The Exchange Offer means that Corem offers 1.12 ordinary shares of class D in Corem for each preference share in Corem that is redeemed. The Exchange offer will cover all preference shares in Corem. Participation in the Exchange Offer is voluntary. The Exchange Offer represents a value of SEK 323.0 per existing preference share in Corem. Since ordinary shares of class D have not yet been issued and admitted to trading on Nasdaq Stockholm, there is no premium calculation for these shares.

#### **Information regarding the Offer**

On 29 March 2021, Corem published the Offer to Klöverns shareholders. The Offer was adjusted by way of press release on 19 April 2021 so that Corem offers 0.88 (0.86) ordinary shares of class B in Corem for each ordinary share of class B in Klöverns.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

For documents that have been incorporated in the Offer Document by reference, please see section “Historical financial information” below.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of following documents are available for review at the Company’s visiting address during business days and the Offer Documents validity period:

- Articles of association and registration certificate;
- Annual reports for Corem and the Group, for the financial years 2020, 2019 and 2018, including the auditor’s report;
- Interim report for Corem and the Group, for the period 1 January 2021 until 31 March 2021;
- Valuation report; and
- This Offer Document.

The Articles of association, historical financial information, the Offer Document, registration certificate and other information are available in electronic form on the Company’s website [www.corem.se](http://www.corem.se). Information on the website does not form part of this Offer Document

# INFORMATION ABOUT KLÖVERN

The information below is a summary description of Klöver. The information about Klöver has been taken from publicly available information, primarily Klöver's Annual report for the financial period 1 January–31 December 2020, Klöver's interim report for the period 1 January–31 March 2021, Klöver's share prospectus published on 16 November 2020 and from Klöver's website. Klöver's Board has reviewed the information. A statement from Klöver's Board regarding the information is included on page 142.

## GENERAL

Klöver's company name, also a trade name, is Klöver AB (publ). Klöver's organization number is 556482-5833 and the Board is based in Stockholm municipality. Klöver was formed on January 10, 1994 and registered in the Register of Limited Liability Companies on February 4, 1994. The company is a Swedish public limited company regulated by the Swedish Companies Act (2005: 551). Klöver's LEI code is 549300D4GJAZRIEMIA07. Klöver's address is Bredgränd 4, 111 30 Stockholm and the telephone number to Klöver's head office is +46 (0) 10-482 70 00. Klöver's website has the address [www.klovern.se](http://www.klovern.se). Information available on the website does not form part of this Offer Document.

## BUSINESS OVERVIEW

Klöver is one of Sweden's largest listed real estate companies with commercial properties as its main focus. As an active city developer, Klöver works to strengthen and develop entire districts, not just individual properties. Investments are made with the aim of creating urban environments and increasing the value of properties through improved cash flows.

At the end of 2020, Klöver had a total of 350 properties, excluding the 12 properties included in Tobin Properties' portfolio, all of which are classified as investment properties. The 350 properties are located in 26 Swedish municipalities as well as in Copenhagen and New York. The total property value as of 31 December 2020 amounted to SEK 57,448 million and the lettable area was 2,551,000 sq.m., of which management 2,249,000 sq.m. and processing 302,000 sq.m. At the end of the first quarter of 2021, the property portfolio consisted of 341 properties, excluding 9 investment properties in Tobin Properties' portfolio. The total property value, excluding current properties, as of 31 March 2021, amounted to SEK 58,289 million.

Klöver's business focus is reflected in the fact that approximately 99 per cent of the contract value consists of commercial leases. At the end of the financial year 2020, private companies accounted for about 58 per cent, public companies for about 29 per cent and public operations for about 13 per cent of the con-

tract value. In total, Klöver had approximately 7,000 leases with approximately 4,100 tenants at the end of 2020. Of the premises leases, measured as a proportion of the contract value, 21 per cent are due in 2021. The average contract period was 3.5 years. In total, Klöver's contract value amounted to SEK 3,365 million at the end of 2020. The estimated rental value as of the same date amounted to SEK 3,846 million.

Klöver also has a number of growing complementary businesses that aim to support Klöver's core business. The operations have clear growth and profitability goals and can also be aimed at a broader target group than just Klöver's own tenants. Some of these complementary businesses are Klöver's wholly owned cowork and office hotel chain FirstOffice, with almost 60 establishments around Sweden, Servistore (formerly Big Pink), Klöver's co-owned self storage chain with about 16 storage facilities in Sweden with plans to expand the stock in the coming years, and co-owned Every Padel med padel facilities in Kista, Mölndal and Uppsala, with plans for additional facilities in Västerås and Norrköping.

## VISION, BUSINESS CONCEPT, GOALS AND STRATEGY

### Vision

Klöver creates attractive and sustainable environments for the companies, individuals and societies of the future. By participating in the creation of safe, stimulating and sustainable work and living environments, Klöver can contribute to innovative urban development.

### Business concept

With proximity and commitment, Klöver will offer attractive premises and actively contribute to urban development in growth regions. The premises and homes that Klöver develops and provides must in a proactive, responsive and sustainable manner be adapted to the customers' wishes and needs. The premises must be provided, and the customers treated, with closeness and commitment. The closeness and commitment that Klöver strives for can only be achieved with locally based own staff.

The property portfolio must be focused on growth regions. Common to growth regions is a growing business community and an increasing population.

Effective financing is a prerequisite for being able to fully realize the business idea. Klöver works in a structured way with financing and uses a range of instruments, such as bonds and commercial paper, in addition to conventional bank loans. The loan-to-value ratio and the mix of financial instruments must contribute to good value growth for shareholders while always ensuring financial stability.

#### **Business model**

The central point in Klöver's business model is the management of the company's properties. Management must take place under its own auspices to ensure high quality in everything from customer service to energy optimization.

Through transactions, additional properties are added to the portfolio in the growth locations the company has chosen to focus on. This achieves additional economies of scale in the administration at the same time as the ability to offer a variety of attractive premises is improved. Through the divestment of geographically lower-priority properties and properties that are fully developed from Klöver's perspective, ongoing streamlining and optimization of the portfolio is sought. A natural part of Klöver's operations is also the acquisition and sale of building rights and properties in various project stages, including current project development of housing, which is conducted in the business area Project Development Sweden, which was created in 2019.

Klöver works with a number of projects of a housing development nature, which are in different stages of development but common to them all is that they aim to create the opportunity to build homes and living environments in the future within Klöver's existing property portfolio. Through its project development, Klöver will contribute to increased housing construction in the company's priority locations. The pace and scope of future expansion depends in part on the volume of detailed planning building rights for homes that are created in the future and the development of the housing market. Alternative ways of exploiting the value of building rights provide great flexibility in terms of investment volume and balance between risk level and value creation.

Project development of commercial properties has, in line with the company's strategy, grown in scope in recent years. In this way, additional properties are added to the managed portfolio in this way as well. Project development includes everything from the creation of completely new buildings, to the refinement of existing premises in connection with the change of tenant.

## **BRIEF HISTORY**

### **2002**

The then IT company Adcore's operations were split up and Adcore AB changed its name to Klöver AB with a focus on properties. Klöver acquired its first portfolio consisting of Postfastigheter for SEK 1.3 billion.

### **2003**

Klöver was listed on the stock exchange's O-list. The property value at the end of the year amounted to SEK 2,890 million.

### **2004**

During the year, establishment took place in Västerås, among other things, through the acquisition of 41 properties with a value of SEK 1 billion. The property value at the end of the year amounted to SEK 4,193 million.

### **2005**

Klöver acquired properties, mainly in Linköping and Norrköping, for SEK 1,700 million. The property value at the end of the year amounted to SEK 5,968 million.

### **2006**

Through the acquisition of Pfizer's head office in Uppsala for SEK 235 million, Klöver's investment in Science and Business Parks was strengthened. At the end of the year, 46 properties in Kista and Täby were acquired for just over SEK 4 billion. The property value at the end of the year amounted to SEK 10,701 million.

### **2007**

Klöver reached an agreement to build the new Kista fair. The property value at the end of the year amounted to SEK 12,154 million.

### **2008**

Kista fair opened in early September. The property value at the end of the year amounted to SEK 11,895 million.

### **2009**

Kista fair was completed in early May and next to the fair the first sod was taken for the 120 meter high hotel and conference house Victoria Tower. The property value at the end of the year amounted to SEK 12,032 million.

### **2010**

Klöver acquired a large property portfolio of 37 properties with a total area of 157,000 square meters. The purchase price amounted to SEK 1,055 million. The property value at the end of the year amounted to SEK 13,493 million.

### **2011**

At the beginning of December, a public takeover bid was submitted for all shares in Dagon AB (publ). The property value at the end of the year amounted to SEK 14,880 million.

**2012**

Rutger Arnhult took over as CEO in January 2012. Klöver acquired a total of 137 properties for SEK 7,459 million, of which 124 were through the acquisition of Dagon AB (publ). The property value at the end of the year amounted to SEK 22,624 million.

**2013**

Klöver communicated that it intends to conceptualize the office hotels under the common name First Office. The property value at the end of the year amounted to SEK 24,059 million.

**2014**

Klöver acquired 19 properties for a total of SEK 4,452 million, including Globen City, covering almost 115,000 sq. m. During the year, Klöver launched the office hotel business under the First Office brand. The business in self-storage was also launched under its own brand: Big Pink. The property value at the end of the year amounted to SEK 30,208 million.

**2015**

During the year, 19 properties were acquired for SEK 2,732 million. The property value at the end of the year amounted to SEK 35,032 million.

**2016**

Klöver acquired 32 properties for SEK 1,484 million. The property value at the end of the year amounted to SEK 39,234 million.

**2017**

Klöver signed an agreement to acquire a property in Denmark with access in 2018. The property value at the end of the year amounted to SEK 42,961 million.

**2018**

Klöver acquired 38 properties for SEK 8,056 million, including seven properties in Copenhagen and two properties in New York. Tobin Properties and Agora are consolidated in Klöver. The property value at the end of the year amounted to SEK 52,713 million.

**2019**

During the year, Klöver acquired, among other things, another property in New York. In addition, an agreement was signed to acquire a large office property in Copenhagen with estimated access in 2021. The property value at the end of the year amounted to SEK 52,377 million.

**2020**

During the year, Klöver acquired 9 properties for SEK 2,613 million. The largest acquisition was a project property in New York, a 14-story building on Park Avenue, Manhattan. The property value at the end of the year amounted to SEK 57,448 million.

## SUMMARY OF THE PROPERTY PORTFOLIO

### Description of the property portfolio

#### Income statement items and investments per property segment and organizational unit, 2020 Jan-Dec

	Income MSEK 2020 Jan-Dec	Property costs MSEK 2020 Jan-Dec	Operating surplus MSEK 2020 Jan-Dec	Operating margin % 2020 Jan-Dec	Investments MSEK 2020 Jan-Dec
Region Stockholm	1,760	-617	1,143	65	570
Region West	711	-226	485	68	471
Region East	614	-206	408	66	318
International	209	-51	158	76	1,017
<i>Where of</i>					
Investments	3,055	-961	2,094	69	1,123
Development	239	-139	100	42	1,253
<b>Total</b>	<b>3,294</b>	<b>-1,100</b>	<b>2,194</b>	<b>67</b>	<b>2,376</b>

As of 31 December 2020, Klöver owned 350 properties, excluding the 12 properties included in Tobin Properties' portfolio, all of which are classified as current properties, with a total lettable area of 2,551,000 sq. m. and a total property value of SEK 57,448 million. Of the lettable area of 2,551,000 sq. m., 2,249,000 sq. m. were related to management and 302,000 sq. m. to processing. The rental value, i.e. the rental income if all premises were rented out, amounted to SEK 3,846 million. The property portfolio is focused on growth regions and as of 31 December 2020, the Stock-

holm region (Stockholm, Västerås, Uppsala) accounted for 54 per cent of the rental value, the East region (Linköping, Norrköping, Nyköping, Kalmar) for 21 per cent, the West region (Gothenburg, Malmö, Halmstad) for 20 per cent and Region Abroad (Copenhagen, New York) for 5 per cent. Furthermore, the Company's property portfolio is product-oriented towards office properties<sup>67</sup> and as of 31 December 2020, office properties accounted for 83 per cent of the property value, warehousing / logistics for 9 per cent and commercial properties for 8 per cent.

#### Income statement items and investments per property segment and organizational unit, 2021 Jan-Mar

	Income MSEK 2020 Jan-Dec	Property costs MSEK 2020 Jan-Dec	Operating surplus MSEK 2020 Jan-Dec	Operating margin % 2020 Jan-Dec	Investments MSEK 2020 Jan-Dec
Region Stockholm	430	-162	268	62	100
Region West	148	-53	95	64	99
Region East	180	-65	115	64	101
International	49	-3	46	94	190
<i>Where of</i>					
Investments	754	-247	507	67	218
Development	53	-36	17	32	272
<b>Total</b>	<b>807</b>	<b>-283</b>	<b>524</b>	<b>65</b>	<b>490</b>

During the first quarter of 2021, 3 properties were taken possession over and 13 properties were vacated. As of 31 March 2021, Klöver's property holdings comprised 341 properties, excluding the 9 properties included in Tobin Properties' portfolio, all of which are classified as investment properties. The total lettable

area amounted to 2,420,000 square meters and the property value to SEK 58,289 million. Of the lettable area, 2,214,000 square meters were related to management and 206,000 square meters to processing. The rental value, i.e. the rental income if all premises were leased, amounted to SEK 3,781 million.

<sup>67</sup> Including education/care/other.

### Tenants and contract structure

Klövern's total rental value as of 31 December 2020 amounted to SEK 3,846 million and the average remaining contract period was 3.5 years, with 21 per cent of the premise leases, measured as a proportion of the contract value, maturing in 2021. Klöver'n has a diversified customer base over a wide range of industries and customer groups where private companies accounted for 58 per cent, public companies for 29 per cent and public operations

for 13 per cent of the contract value as of 31 December 2021. By the end of 2020 Klöver'n had in total about 4,100 tenants where the largest tenant is Ericsson whose total contract value as of 31 December 2020 amounted to SEK 261 million, as well as 7.7 per cent of Klöver'n's total contract value. The contract value of the 10 largest customers as of 31 December 2020 amounted to SEK 627 million, also 18.6 per cent of Klöver'n's total contract value and the average contract period for these was 5.4 years.

#### Klövern's ten largest tenants as of 31 December 2020

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

At the end of the first quarter of 2021, the rental value amounted to SEK 3,781 million, and the economic occupancy rate to 88 per cent. The average remaining contract period was 3.5 years.

### INVESTMENTS

Klövern continuously invests in its properties in order to create sustainable urban environments and increase the value of the properties through improved cash flows. In 2020, Klöver'n intensified the development work of properties for residential purposes

as well as commercial building rights and projects. A total of SEK 2,376 million was invested. The total estimated expenditure for the 377 projects that were ongoing at the end of the year amounted to SEK 4,465 million, with a remaining investment of SEK 1,827 million. Of these projects, 69 have an estimated investment of more than SEK 10 million. In total, Klöver'n's project development, including the development of building rights, contributed to value increases on properties of SEK 513 million in 2020.

#### Klöverns largest ongoing commercial projects as of 31 December 2020

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

#### Klöverns largest planned commercial projects as of 31 December 2020

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

During the first quarter of 2021, SEK 490 million was invested. As of 31 March 2021 a total of 398 projects were ongoing with a remaining investment of SEK 1,829 million.

#### SIGNIFICANT CHANGES

There have been no significant changes that affected Klöverns operations and main operations since the end of the financial year, which ended on 31 December 2020.

# PRESENTATION OF FINANCIAL INFORMATION

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## GENERAL

The following selected historical financial information regarding Klöver has been taken from the Company's audited annual reports for the financial years ended 31 December 2018, 2019 and 2020 and from the unaudited interim report for the period 1 January–31 March 2021. For the period 1 January–31 March 2020, the figures have been taken from the comparative figures in the interim report for the period 1 January–31 March 2021.

The annual reports for the financial years 2018, 2019 and 2020 have been prepared in accordance with the Annual Accounts Act (1995:1554) and the International Financial Reporting Standards (IFRS) adopted by the EU. The interim report for the period 1 January–31 March 2021 has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting.

The annual reports for the financial years 2018, 2019 and 2020 have been audited by Klöver's auditors. The interim report for the period 1 January–31 March 2021, which has been included on pages 118–141, has not been reviewed by Klöver's auditors.

This section contains certain alternative key figures that are not defined in accordance with IFRS as measures of financial performance, but which are used by Klöver's management to measure the underlying performance of the business and operations.

## CHANGED ACCOUNTING PRINCIPLES

As of 2020, Klöver switched to consolidating projects with tenant-owner associations in the Group and reporting income according to the completion method instead of successive profit recognition. The change follows a decision by the Swedish financial supervisory authority (Sw. Finansinspektionen) on the application of IFRS 10 Consolidated Financial Statements. This entails a change in the time at which project income and project expenses are recognized. Income for transferring a residential project to a tenant-owners' association is reported when control passes to the final purchaser of the tenant-owned housing. The changed accounting policy has not had any significant effect on Klöver's income statement and balance sheet. The changed application has in accordance with IAS 8 been adjusted retroactively for comparative figures in later annual reports and interim reports. Historical key figures have not been recalculated as there is no significant difference for the Group.

## SELECTED INFORMATION FROM THE CONSOLIDATED INCOME STATEMENT

Selected information from the consolidated income statement, MSEK	1 Jan–31 Mar 2021 Unaudited	1 Jan–31 Mar 2020 Unaudited	Jan–Dec 2020 Audited	Jan–Dec 2019 Audited	Jan–Dec 2018 Audited
Income	807	837	3,294	3,638	3,250
Property costs	-283	-279	-1,100	-1,175	-1,080
<b>Operating surplus</b>	<b>524</b>	<b>558</b>	<b>2,194</b>	<b>2,463</b>	<b>2,170</b>
Central administration	-36	-34	-157	-159	-126
Net financial items	-179	-200	-768	-842	-700
<b>Profit from property management (properties)</b>	<b>309</b>	<b>324</b>	<b>1,269</b>	<b>1,462</b>	<b>1,344</b>
Income, residential development	52	6	35	6	123
Costs, residential development	-60	-23	-95	-181	-160
Net financial items, residential development	-6	-3	-26	9	-22
<b>Profit, residential development</b>	<b>-14</b>	<b>-20</b>	<b>-86</b>	<b>-166</b>	<b>-59</b>
Share in earnings of associated companies	4	10	7	17	7
Changes in value, properties	406	593	1,322	2,125	2,309
Revaluation at transfer from associated company to subsidiary			-	-	22
Changes in value, derivatives	207	4	-32	-14	67
Change in value, financial assets	-1	-29	-13	13	25
Impairment of goodwill	-2	-	-	-6	-27
<b>Profit before tax</b>	<b>909</b>	<b>882</b>	<b>2,467</b>	<b>3,431</b>	<b>3,688</b>
Tax on profit for the period	-124	-224	-565	-410	-354
<b>NET PROFIT FOR THE PERIOD</b>	<b>785</b>	<b>658</b>	<b>1,902</b>	<b>3,021</b>	<b>3,334</b>
<b>attributable to:</b>					
Parent Company shareholders	796	656	1,908	3,002	3,345
Holdings without controlling influence	-11	2	-6	19	-11
	<b>785</b>	<b>658</b>	<b>1,902</b>	<b>3,021</b>	<b>3,334</b>
OTHER COMPREHENSIVE INCOME					
Translation difference for international operations	269	298	-651	33	63
<b>Net comprehensive income for the period</b>	<b>1,054</b>	<b>956</b>	<b>1,251</b>	<b>3,054</b>	<b>3,397</b>
<b>Net comprehensive income for the period attributable to:</b>					
Parent Company shareholders	1,065	954	1,257	3,035	3,408
Holdings without controlling influence	-11	2	-6	19	-11

## SELECTED INFORMATION FROM THE CONSOLIDATED BALANCE SHEET

Selected information from the balance sheet, MSEK	31 Mar 2021	31 Mar 2020	31 December 2020	31 December 2019	31 December 2018
<b>ASSETS</b>					
Goodwill	146,	148,	148	148	155
Investment properties	58,289	55,811	57,448	52,377	52,713
Right of use assets	726	734	730	733	-
Machinery and equipment	63,	31,	61	28	27
Participation rights in associated companies	437,	421,	437	411	217
Financial assets at fair value through s tatement of income	159	112	160	145	74
Properties classified as current assets	1,014	1,109	,1107	1,055	444
Other receivables	1,917	2,036	1,733	2,268	2,256
Liquid funds	553	1,474	571	449	576
<b>TOTAL ASSETS</b>	<b>63,425</b>	<b>61,875</b>	<b>62,395</b>	<b>57,615</b>	<b>56,462</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Equity attributable to the parent company's shareholders	23,677	20,977	22,649	20,031	17,972
Equity attributable to holdings without controlling influence	97	118	108	129	172
Other provisions	24	48	24	48	-
Deferred tax liability	3,842	3,441	3,722	3,220	2,884
Interest-bearing liabilities	33,287	35,034	33,036	31,538	33,688
Derivatives	-	66	86	65	85
Leasing liabilities	726	734	730	733	-
Accounts payable			279	247	270
Other liabilities	593	488	776	634	486
Accrued expenses and prepaid income	971	821	986	970	905
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>63,425</b>	<b>61,875</b>	<b>62,395</b>	<b>57,615</b>	<b>56,462</b>

## SELECTED INFORMATION FROM THE CONSOLIDATED CASH FLOW STATEMENT

Selected information from the consolidated cash flow statement, MSEK	1 Jan–31 Mar 2021 Unaudited	1 Jan–31 Mar 2020 Unaudited	Jan–Dec 2020 Audited	Jan–Dec 2019 Audited	Jan–Dec 2018 Audited
Cash flow from current operations before change in working capital	279	267	1,167	1,328	1,376
Cash flow from current operations	179	-71	1,278	768	1,248
Cash flow from investment operations	-89	-2,065	-4,221	1,765	-5,324
Cash flow from financing operations	-114	3,133	3,078	-2,660	4,613
<b>Total cash flow for the period</b>	<b>-24</b>	<b>997</b>	<b>134</b>	<b>-127</b>	<b>537</b>
Liquid funds at the beginning of the period	571	449	449	576	39
Liquid funds at the end of the period	553	1,474	571	449	576

## HISTORICAL OVERVIEW AND KEY FIGURES

For definitions and justification of the reason for using the alternative key figures, see Definitions of selected key figures, below.

Key figures Klöver	1 Jan-31 Mar 2021 Unaudited	1 Jan-31 Mar 2020 Unaudited	Jan-Dec 2020 Audited	Jan-Dec 2019 Audited	Jan-Dec 2018 Audited
<b>Property</b>					
Number of properties	341	347	350	343	426
Lettable area, thousands sq.m.	2,420	2,549	2,551	2,542	2,969
RENTAL VALUE, MSEK	3,781	3,822	3,846	3,819	4,063
Rental value per lettable area, SEK/sq.m.	1,562	1,499	1,508	1,502	1,368
FAIR VALUE PROPERTIES, MSEK	58,289	55,811	57,448	52,377	52,713
Yield requirement valuation, %	5.3	5.3	5.3	5.4	5.7
Operating margin, %	65	67	67	68	67
Occupancy rate, economic, %	88	89	87	90	89
Occupancy rate, area, %	80	81	79	81	81
Average lease term, years	3.5	3.6	3.5	3.6	3.5
<b>Financial</b>					
Return on equity, %	3.4	3.2	9.1	15.9	21.2
Equity ratio, %	37.3	33.9	36.3	34.9	31.8
Equity ratio, adjusted, %	43.9	41.4	43.2	43.5	37.4
Leverage, %	50	52	50	50	56
Leverage secured, %	33	35	36	34	42
Interest coverage ratio	2.7	2.5	2.5	2.6	2.7
Average interest, %	2.5	2.4	2.4	2.3	2.3
Average period of fixed interest, years	2.8	3.4	3.0	2.5	2.9
Average period of tied-up capital, years	4.3	3.6	4.3	4.1	4.3
Interest-bearing liabilities, MSEK	33,439	35,138	33,165	31,653	33,688
<b>Share</b>					
Equity per ordinary share, SEK <sup>1</sup>	17.17	16.90	16.17	15.97	13.50
NRV per ordinary share, SEK <sup>1</sup>	20.78	20.85	19.87	19.67	16.84
Equity per preference share, SEK	283.92	283.92	283.92	283.92	283.92
Profit from property management per ordinary share, SEK <sup>1</sup>	0.20	0.25	0.96	1.19	1.07
Result per ordinary share, SEK <sup>1</sup>	0.67	0.62	1.67	2.92	3.26
Share price ordinary share A at end of period, SEK <sup>1</sup>	15.25	13.95	15.55	21.29	9.44
Share price ordinary share B at end of period, SEK <sup>1</sup>	15.23	13.73	15.54	21.35	9.55
Share price preference share at end of period, SEK	317.50	282.00	320.00	373.00	307.00
Market capitalization at end of period, msek	22,315	18,191	22,703	27,177	14,455
Total no. of registered ordinary shares at end of period, million	1,122.3	916.0	1,122.3	916.0	916.0
Total no. of outstanding ordinary shares at end of period, million	1,031.3	825.0	1,031.3	825.0	825.8
Total no. of registered preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4
Total no. of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4
Dividend per ordinary share, SEK	-	-	0.26	0.26	0.46
Dividend per preference share, SEK	-	-	20.00	20.00	20.00
Dividend in relation to profit from property management, %	-	-	47	37	53
Dividend preference shares in relation to profit from property management, %	-	-	26	22	24

<sup>1</sup> Adjusted for the discount in the preferential rights issue carried out in Q4 2020, weighted average correction factor ordinary share A/B 0.929.

# DEFINITIONS OF SELECTED KEY FIGURES

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## PROPERTIES

### Rental value

Contract value plus estimated market rent for unleased space.

### Yield requirements, valuation

The required yield of property valuations on the residual value.

### Operating margin

Operating surplus in relation to income.

### Occupancy rate, economic

Contract value in relation to rental value.

### Occupancy rate, area-based

Let area in relation to total lettable area.

## FINANCE

### Return on equity

Net profit in relation to average equity<sup>1</sup>. Measure of return on shareholders' capital.

### Equity ratio

Equity<sup>1</sup> in relation to total assets. Measures of the Group's financial risk.

### Equity ratio, adjusted

Equity<sup>1</sup> adjusted for the value of derivatives, goodwill, repurchased shares (based on the share price at the end of each period) and deferred tax liabilities exceeding 5 per cent of the difference between tax value and fair value of the properties in relation to total assets adjusted for goodwill and right-of-use assets.

### Loan-to-value ratio

Interest-bearing liabilities after deduction of market value of listed shareholdings and cash and cash equivalents in relation to total assets. Measures of the Group's financial risk.

### Loan-to-value ratio, collateral

Interest-bearing liabilities with collateral in properties after deductions for market value of listed shareholdings and cash and cash equivalents in relation to total assets. Measures of the Group's financial risk.

### Interest coverage ratio

Profit from property management plus earnings from residential development excluding financial costs<sup>2</sup> in relation to financial costs<sup>2</sup>. Measures of the Group's ability to pay financing costs.

### Average interest rate

Weighted average contracted interest rate for all credits in the debt portfolio at the end of the period. Measures of the Group's financing costs.

### Average fixed interest rate

A weighted average of the remaining fixed interest period regarding interest-bearing liabilities. Measures of the Group's financial risk.

### Average capital tied up period

A weighted average of the remaining capital tied-up period regarding interest-bearing liabilities. Measures of the Group's liquidity risk.

1) Equity attributable to the Parent Company's shareholders.

2) Excluding site leasehold expenses.

## SHARE

### Equity per ordinary share

Shareholders' equity<sup>1</sup>, after deductions for shareholders' equity attributable to preference shareholders and hybrid bonds in relation to the number of outstanding ordinary shares.

### NRV per ordinary share<sup>2</sup>

Equity<sup>1</sup>, after deductions for equity attributable to preference shareholders and hybrid bonds with repayment of derivatives and deferred tax liability, in relation to the average number of outstanding shares.

### Equity per preference share

The average issue price of the preference share.

### Management result per ordinary share<sup>4</sup>

Profit from property management, after deductions for dividends on preference shares and interest on hybrid bonds, in relation to the average number of outstanding ordinary shares.

### Earnings per ordinary share

Earnings (after tax), after deductions for dividends on preference shares and interest on hybrid bonds, in relation to the average number of outstanding ordinary shares.

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1 Equity attributable to the Parent Company's shareholders.

2 Excluding site leasehold expenses.

3 On 31 March 2021, equity attributable to preference shares amounted to SEK 4,669 million and outstanding hybrid bonds to SEK 1,300 million.

4 The definition of the key figure was changed in connection with the interim report for January–June 2020. Historic figures have been adjusted in line with the new definition.

# BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITORS

## BOARD OF DIRECTORS

According to Klöver's Articles of Association, the Board shall consist of a minimum of five and a maximum of eight members without deputies, elected by the shareholders at the Annual General Meeting. The board currently consists of five board members. All board members were elected at the Annual General Meeting 2021 for the period until the end of the 2022 Annual General Meeting. The head office's address is Bredgränd 4, 111 30 Stockholm. The table below shows the Board members, their position, when they were first elected and whether they are considered independent partly in relation to the Company and partly in relation to the Company's major shareholders.

Name	Position	Elected	Independent in relation to the Company and to the company management	Independent in relation to the Company's major shareholders
Pia Gideon	Chairman	2013	Yes	Yes
Eva Landén	Member	2011	No	No
Johanna Fagrell Köhler	Member	2018	Yes	Yes
Ulf Ivarsson	Member	2018	Yes	Yes
Lars Höckenström	Member	2021	Yes	No



**Pia Gideon** (born 1954)

**Position:** Chairman of the Board, elected to the Board in 2013 and Chairman since 2016.

**Shareholding in Klöver AB:** 39 375 ordinary shares of class B as of 31 december 2020, including direct and indirect as well as own and related parties' holdings.

**Education/experience:** Master of Business Administration (Sw. civilekonom) and Executive Training at Columbia University. Experience from company management and board work for many years in both state owned as well as privately held and publicly listed companies.

**Other ongoing assignments/positions:** Pia Gideon is currently board member of Apoteket AB, Gideon & Partners AB, Metria AB and (chairman of the Board of Qlucore AB and the non-profit association ActionAid International Sweden.

**Previous assignments /positions (last five years):** Pia Gideon has previously been a Board member of Metria AB, Simris Alg AB (publ), Svevia AB (publ), ScandBook Holding AB, ABINKL Proact IT Group AB and MD International AB.



**Eva Landén** (born 1965)

**Position:** Board member, elected to the Board in 2011.

**Shareholding in Klöver AB:** No holdings as of 31 December 2020.

**Education/experience:** Master of Business Administration with experience from company management and board work.

**Other ongoing assignments/positions:** Eva Landén is currently CEO of Corem Property Group AB (publ) and Chairman of the Board of Specialfastigheter Sverige AB.

**Previous assignments/positions (last five years):** Eva Landén has previously been a Board member and deputy CEO of Corem Property Group AB (publ).



**Ulf Ivarsson** (born 1961)

**Position:** Board member, elected to the Board in 2018.

**Shareholding in Klöver AB:** No holdings as of 31 December 2020.

**Education/experience:** Master of Business Administration. Experience from private equity as well as many years of experience in company management and board of directors.

**Other ongoing assignments/positions:** Ulf Ivarsson is currently Chairman of the Board of Aktiebolaget Stratio, FlexQube AB (publ), Negotium Curago Göteborg AB, Playground TV AB, SmartHome4U Sweden AB and Syntegra Invest AB. Ulf is also a Board member of Exsul-tat Aktiebolag including subsidiaries, and PostProcess Technologies, Inc.

**Previous assignments/positions (last five years):** Ulf Ivarsson has previously been Chairman of the Board of SERNEKE Group AB (publ), Relevant Innovation RLA AB, and Arccore AB. Ulf has also been Board member of Idrottsföreningen Kamraterna Göteborg, Vårdväskan AB and Bokus AB and deputy Board member in Appello Systems AB.



**Johanna Fagrell Köhler** (born 1966)

**Position:** Board member, elected to the Board in 2018.

**Shareholding in Klöver AB:** No holdings as of 31 December 2020.

**Education/experience:** Master of Business Administration (Sw. civilekonom) with over 20 years of experience in board work in listed and unlisted companies.

**Other ongoing assignments/positions:** Johanna Fagrell Köhler is the CEO and Chairman of the Board of ClayPort AB. Johanna is also Board member of G5 Entertainment AB (publ).

**Previous assignments/positions (last five years):** Johanna Fagrell Köhler has previously been external CEO of Creuna AB. Johanna has also been Chairman of the Board of Glimr AB, Independent Hotel Group AB, 2progres OBM AB, FSport Aktiebolag and Pricewaterhouse-Coopers Information Technology Services Sweden AB. Johanna has been a Board member of S-GROUP Holding AB, Jula Holding Aktiebolag, Engaging Care Sweden AB, HiQ International AB, Åkesson & Curry AB, Hotelhunters AB, Butikskonsult Kumla AB, and SWEDMA Aktiebolag.



**Lars Höckenström** (born 1956)

**Position:** Board member, elected to the Board in 2021.

**Shareholding in Klöver AB:** 632 ordinary shares of class B as of 31 December 2020

**Education/experience:** Master of Business Administration (Sw. civilekonom) with 35 years of experience from various positions in the finance sector, stock analysis, capital management and corporate finance.

**Other ongoing assignments/positions:** Lars Höckenström is board member in Guard Therapeutics International AB, Rhovac AB and Devyser Diagnostics AB.

## SENIOR GROUP MANAGEMENT

Klövern's senior group management consists of four people. Below is information on their position, education, experience, ongoing assignments and previous assignments during the past five years, as well as shareholdings in Klöver. Assignments in subsidiaries have been excluded.

Name	Position	Employed at Klöver since
Peeter Kinnunen	Temporary CEO, Transaction Manager	2012
Jens Andersson	Head of Finance	2013
Malin Löveborg	Head of Legal	2017
Susanne Hörnfeldt	Head of Business Support	2014



**Peeter Kinnunen** (born 1973)

**Position:** Transaction Manager, and temporary CEO from 26 March 2021. Employed since 2012.

**Shareholding in Klöver AB:** 149 460 ordinary class B shares and 1 685 preference shares, including direct and indirect as well as own and related parties' holdings as of 31 December 2020.

**Education/experience:** Master of Science in Engineering with experience as COO at Vanir Asset Management during 2010–2012 and Head of Transaction & Analysis Kungsleden AB during 2007–2010.

**Other ongoing assignments/positions:** Peeter Kinnunen is currently Board member of Ebbenvig AB.

**Previous assignments/positions (last five years):** Peeter Kinnunen has previously been Board member of Aktiebolaget Eesti Maja - Estniska Huset.



**Jens Andersson** (born 1973)

**Position:** Head of Finance, employed since 2013.

**Shareholding in Klöver AB:** 83 250 ordinary class A shares and 133 750 ordinary class B shares including direct and indirect as well as own and related parties' holdings as of 31 December 2020.

**Education/experience:** Master of Business Administration (Sw. civilekonom) with experience as project manager at Catella Corporate Finance during 2012–2013, as CFO at Vanir Asset Management during 2010–2012 and as Senior Vice President Aareal Bank during 2001–2010.

**Other ongoing assignments/positions:** Jens Andersson is currently chairman of the Board of Bostadsrättsföreningen Fältprästen 1, Board member of Malmö Gjutaren Förvaltning AB, Trummelsberg Förvaltning AB, and deputy Board member of Kista Square Garden Förvaltning AB and Fyrsidan Holding AB.

**Previous assignments/positions (last five years):** Jens Andersson has previously been Board member of Crownridge AB and the Housing Association Storskär.



**Malin Löveborg** (born 1978)

**Position:** Head of Legal, employed since 2017.

**Shareholding in Klöver AB:** No holdings as of 31 December 2020.

**Education/experience:** Law degree from Stockholm University with experience as an assistant lawyer and lawyer at Setterwalls Advokatbyrå during 2007–2017 and assistant lawyer at Hamilton Advokatbyrå during 2005–2007.

**Other current assignments/positions:** None.

**Previous assignments/positions (last five years):** None.



**Susanne Hörnfeldt** (born 1969)

**Position:** Head of Business Support, employed since 2014.

**Shareholding in Klöver AB:** No holdings as of 31 December 2020.

**Education/experience:** Master of Science in Engineering with experience as consultant and partner in Newsec during 2001–2014.

**Other ongoing assignments/positions:** Susanne Hörnfeldt is currently a board member of Ärila Golf AB.

**Previous assignments/positions (last five years):** None

#### AUDITORS

According to Klöver's Articles of Association, the company shall have one or two auditors and the equal number of deputies or one or two registered auditing companies. The auditor of Klöver is appointed annually by the Annual General Meeting. The company's auditor is Ernst & Young Aktiebolag since 2014 and was re-elected at the Annual General Meeting of 2021 for the period until end of the Annual General Meeting 2022. The principal auditor of Klöver is Mikael Ikonen (born 1963). For the period 2014–2021, the principal auditor was Fredric Hävrén. Mikael Ikonen and Fredric Hävrén are authorized auditors and a members of FAR. Ernst & Young Aktiebolag's address is Box 7850, 103 99 Stockholm.

# SHARES, SHARE CAPITAL AND OWNERSHIP

## THE SHARES

Klövern's shares are listed on Nasdaq Stockholm. Klövern's ordinary shares of class A are traded under the short name KLOV A and have ISIN code SE0006593901, Klövern's ordinary shares of class B are traded under the short name KLOV B and have ISIN code SE0006593919 and Klövern preference shares are traded under the short name KLOV PREF and have ISIN code SE0006593927. As of the date of this Offer Document, there are no outstanding warrants or convertibles which entitle the holder to shares in Klövern.

## SHARE CAPITAL

Klövern's registered share capital as of 31 March 2021 amounts to SEK 2,277,394,578, divided into 1,138,697,289 shares, of which 85,471,753 ordinary shares of class A, 1,036,781,536 ordinary shares of class B and 16,444,000 preference shares, with a nominal value of SEK 2.00 per share.

## RIGHT TO VOTE

Ordinary share of class A carry one (1) vote and ordinary share of class B and preference shares each carry one tenth (1/10) of the votes. Each shareholder is entitled to vote for all shares owned and represented by him without restriction in voting rights.

## KLÖVERN'S LARGEST SHAREHOLDERS

As of December 31, 2020, Klövern had just over 61,000 shareholders. The table below shows Klövern's owners who have a direct or indirect holding that corresponds to at least five per cent of the number of shares or votes in the Company. The information is taken from Klövern's interim report for the period 1 January-31 March 2021.

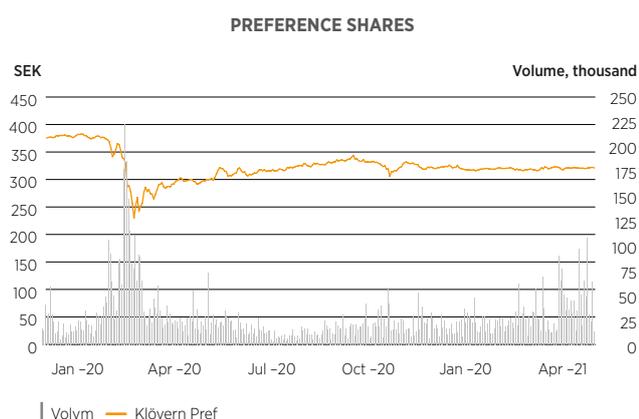
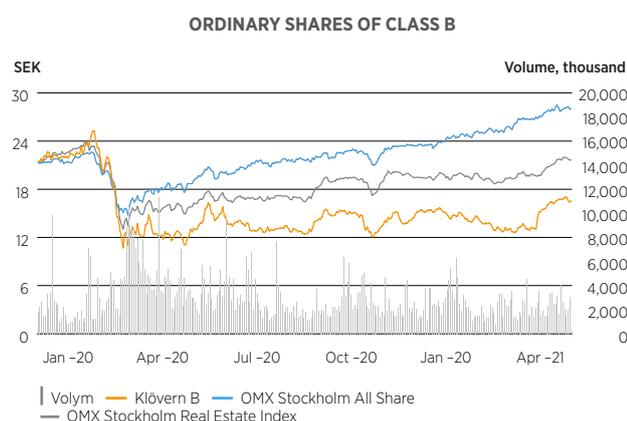
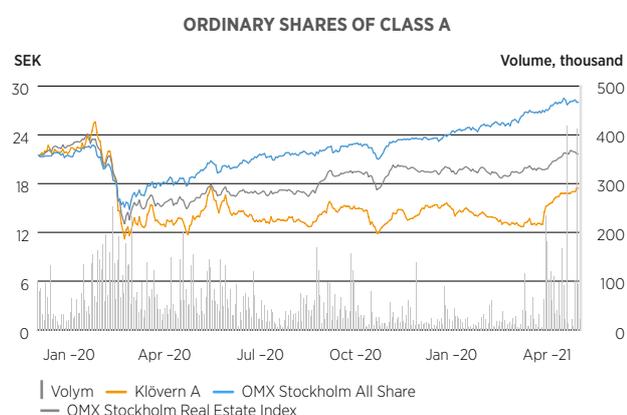
Name	Number of ordinary shares A, thousands	Number of ordinary shares B, thousands	Number of preference shares, thousands	Share of capital, %	Share of votes, % <sup>1</sup>
Rutger Arnhult through companies	12,661	154,274	655	14.7	15.5
Corem Property Group	11,875	161,750	-	15.2	15.4
Gårdarike	39,475	77,785	50	10.3	26.0
Länsförsäkringar Fondförvaltning	-	76,903	-	6.8	4.2
Handelsbanken Fonder	-	55,609	-	4.9	3.1
<b>SUM MAJOR SHAREHOLDERS</b>	<b>64,011</b>	<b>526,321</b>	<b>705</b>	<b>51.9</b>	<b>64.2</b>
Other shareholders	21,731	419,504	15,739	40.1	35.8
<b>SUM OUTSTANDING SHARES</b>	<b>85,472</b>	<b>945,825</b>	<b>16,444</b>	<b>92.0</b>	<b>100.0</b>
Treasury shares	-	90,957	-	8.0	-
<b>TOTALT NUMBER OF REGISTERED SHARES</b>	<b>85,472</b>	<b>1,036,782</b>	<b>16,444</b>	<b>100.0</b>	<b>100.0</b>

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

<sup>1</sup> Repurchased shares cannot be represented at the General Meeting and has thus been excluded when calculating the proportion of votes.

## SHARE PRICE DEVELOPMENT AND TRADING VOLUME

The diagram below shows the price development and trading volume for Klöver's shares during the period 2 January 2020 – 29 April 2021 compared with selected indexes during the same period.



## DIVIDEND POLICY

Klöver has adopted a dividend policy which means that the long-term dividend must amount to at least 50 per cent of the property management result. The dividend to the preference shareholders shall not exceed 30 per cent of the property management result in the long term. When assessing the size of the dividend, the company's investment alternatives, financial position and capital structure must be taken into account.

Dividend per ordinary share for the financial year 2020 has been set at SEK 0.26 per share, divided into two payments of SEK 0.13 each with record dates 30 September 2021 and 31 March 2022.

Dividend per preference share for the financial year 2020 has been set at SEK 20.00 per share, divided into four payments with record days 30 June 2021, 30 September 2021, 30 December 2021 and 31 March 2022.

## HOLDINGS OF OWN SHARES

On 31 March 2021 Klöver held 90,956,740 ordinary shares of class B, corresponding to 8 per cent of the share capital. Repurchased own shares do not entitle Klöver to vote at the Annual General Meeting.

## SHAREHOLDER AGREEMENTS

Klöver's Board of Directors is not aware of any agreements between major shareholders or similar agreements in Klöver. Klöver's Annual report for 2020 does not contain any information on significant agreements to which Klöver is a party and which will take effect or expire if control of Klöver's changes as a result of a public takeover bid.

## AUTHORIZATIONS

The Annual General Meeting on 28 April, 2021 authorized the Board to, subject to the terms of the authorization, decide on the acquisition and transfer of the company's own shares.

The Annual General Meeting on 28 April 2021 authorized the Board to, subject to the terms of the authorization, on one or more occasions, during the period up to the next Annual General Meeting, decide on a new issue of ordinary shares of class A and / or class B, and / or preference shares, with or without deviation from the shareholders' preferential rights.

## NUMBER OF EMPLOYEES

As of 31 March 2021, Klöver had 282 permanent employees.

## INCENTIVE PROGRAM

Klöver has no outstanding incentive programs. The option program 2020, which concerned synthetic options and which was decided at the 2020 Annual General Meeting, has not been implemented.

## SIGNIFICANT CHANGES IN KLÖVERN'S FINANCIAL POSITION SINCE THE END OF THE FINANCIAL YEAR

There have been no significant changes in Klöverns financial position since 31 December 2020.

## LEGAL PROCEDURES

In April 2020, the Uppsala Region filed a lawsuit against Tobin Properties AB (publ), a subsidiary of Klöverns, due to several property transfer agreements entered into between the parties in 2016. When Tobin Properties AB (publ) did not take over the affected properties on the date of acquisition Region Uppsala to terminate the agreement. About two years later, the Uppsala Region has transferred the relevant properties to a new buyer at a price below the price agreed with Tobin Properties AB (publ). The claim for damages that the Uppsala Region asserts refers to compensation for lost profits and expenses of a total amount of approximately SEK 77 million. Tobin Properties AB (publ) disputes the claim, but it cannot be ruled out that the final outcome may have a negative impact on Klöverns earnings and cash flow.

Klöverns, through Dagon Sverige AB, is the holder of approximately 93.7 per cent of all shares in Tobin Properties AB (publ) and, in its capacity as majority shareholder, has demanded redemption of the shareholders' minority shares. The issue of redemption of shares has been referred to an Arbitration Board in accordance with Chapter 22 of the Swedish Companies Act (Sw. Aktiebolagslagen).

In addition to the above-mentioned dispute, Klöverns has not made any public announcements regarding any official proceedings, legal proceedings or arbitration proceedings during the last twelve months, which may have or in recent times have had significant effects on Klöverns financial position or profitability.

## STATUTORY PUBLIC DISCLOSURES

Below is a summary of the information that Klöverns has published during the last twelve-month period in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), which according to Corem's assessment is still relevant the date of this Offer Document.

### Financial reports

- Interim report for the period 1 January–30 June 2020, which was published on 14 July 2020.
- Interim report for the period 1 January–30 September 2020, which was published on 21 October 2020.
- Year-end report for the period 1 January–31 December 2020, which was published on 17 February 2021.
- Annual report and sustainability report for the financial year 2020, which was published on March 26, 2021.
- Interim report for the period January 1–March 31, 2021, which was published on 28 April 2021.

## Information regarding the Offer

On March 29, 2021, Klöverns announced that Klöverns independent board has hired Carnegie Investment Bank AB (publ) as financial advisor and Advokatfirman Vinge KB as legal advisor in connection with the Offer. The Board informed that they will commission an independent valuation expert to give a so-called fairness opinion on the Offer and that the Board together with its advisers will evaluate the Offer and publish its statement on the Offer no later than two weeks before the expiry of the acceptance deadline.

## Information regarding financing

On 19 May 2020, Klöverns announced that during the second quarter of 2020, the company refinanced SEK 5.0 billion in existing bank loans and covered bonds and received new loans and credit decisions regarding new loans totaling SEK 3.8 billion. The new loans were intended, among other things, to be used at the due date of a bond loan of SEK 750 million in June 2020.

Klöverns announced on 10 June 2020 that Klöverns had received a BBB rating with stable prospects from Scope Ratings.

Klöverns announced on 6 October 2020 that the Board has decided to carry out a fully guaranteed rights issue of approximately SEK 2 billion through the issue of ordinary shares of class A and class B. On November 10, the terms of the offer were announced and the subscription price was set at SEK 10 per ordinary share regardless of class. The record date for participating in the offer was 17 November 2020.

Klöverns announced on 6 October 2020 that Klöverns intends to investigate the possibility of issuing new green senior unsecured SEK bonds. In connection with the issue of the new bonds, Klöverns offers holders of Klöverns outstanding unsecured bonds with variable interest rates and with an outstanding volume of SEK 1,500 million to participate in a repurchase where Klöverns buys back all bonds for cash consideration. On October 9, 2020, it was announced that Klöverns had issued senior unsecured green bonds of SEK 2 billion under Klöverns MTN program. The bonds have a period of validity of 3.5 years and a variable interest rate of 3 months STIBOR plus 325 basis points and a final due date of 16 April 2024.

Klöverns announced on 29 January 2021 that Klöverns intends to investigate the possibility of issuing new green senior unsecured SEK bonds and that holders of Klöverns outstanding unsecured bonds with variable interest, due on February 26, 2021, with an outstanding volume of SEK 1,500,000 000 is offered to participate in a repurchase where Klöverns buys back all bonds for cash consideration. On 3 February 2021, it was announced that Klöverns had successfully issued senior unsecured green bonds of SEK 2,500 million under Klöverns MTN program. The bonds have a period of validity of 4 years and a variable interest rate of 3 months STIBOR plus 325 basis points and a final due date of 10 February 2025.

# ARTICLES OF ASSOCIATION OF KLÖVERN AB (PUBL)

## 1 COMPANY NAME

The Company name is Klöver AB. The company is a public company (publ).

## 2 REGISTERED OFFICE

The registered office of the company shall be located in Stockholm. General meetings can be held in Stockholm or Solna.

## 3 OBJECTS

The objects of the company are, directly or indirectly through subsidiaries, to acquire, own, manage, develop and sell real estate, and to conduct business compatible therewith.

## 4 SHARE CAPITAL

The share capital shall be not less than SEK one billion six hundred million (SEK 1,600,000,000) and not more than SEK six billion four hundred million (SEK 6,400,000,000).

## 5 SHARES

### 5.1 Number of shares and classes of shares

There shall be no fewer than eight hundred million (800,000,000) shares and no more than three billion two hundred million (3,200,000,000) shares. Shares may be issued in three classes: ordinary shares of class A and B, as well as preference shares. Ordinary shares and preference shares may be issued in an amount not exceeding 100 per cent of the share capital. Ordinary shares of class A each carry one vote, and ordinary shares of class B and preference shares each carry one-tenth of a vote.

### 5.2 Dividends

The preference shares carry a right of priority over the ordinary shares to an annual dividend of SEK twenty (20) per share, payable quarterly in the amount of SEK 5.00 per share. Record dates for the payments shall be the last weekday in the months of June, September and December after the annual general meeting, and in the month of March in the year following the annual general meeting. In the event no dividend is issued to the holders of preference shares, or where only a dividend of less than SEK twenty (20) per preference share is issued during one or more years, the preference shares shall carry a right also to receive, from disburseable funds in subsequent years, Withheld Amounts as defined below (including Recalculation Amounts on Withholding Amounts, as defined below), before any dividend is issued on the ordinary shares. In the event no dividend is issued, or where only a dividend of less than SEK twenty (20) per preference share is issued during one or more years, the subsequent year's annual general meeting shall be required to adopt a resolution regarding allocation of the quarterly disbursement of Withheld Amounts. The preference shares shall otherwise carry no entitlement to dividends.

Each individual quarter, the difference between SEK 5.00 and the dividend paid per preference share shall be added to "Withheld Amounts" (assuming that, at an annual general meeting, a resolution was adopted to issue a dividend of less than SEK twenty (20)). In the event dividends on preference shares are issued in accordance with a resolution adopted at a general meeting other

than an annual general meeting, the amount paid per preference share shall be deducted from Withheld Amounts. The deduction shall take place as of the day on which payment takes place to holders of preference shares and shall thereupon be deemed to constitute settlement of the part of any Withheld Amount which arose first. Withheld Amounts shall be recalculated upwards by a factor corresponding to an annual rate of interest of eight (8) per cent (the "Recalculation Amount"), in which context recalculation shall take place commencing the quarterly date on which payment of the dividend occurred (or should have occurred, in the event no dividend at all is paid out), based on the difference between SEK 5.00 and the dividend paid per preference share on the same quarterly date. In the event such calculation takes place on a date other than a complete year calculated from the day on which any addition to or deduction from Withheld Amounts has taken place, recalculation of amounts added or deducted shall take place in an amount corresponding to the recalculation factor multiplied by the portion of the year that has elapsed. Accrued Recalculation Amounts shall be added to Withheld Amounts and shall thereafter be included in the calculation of the Recalculation Amount.

### 5.3 New issues

In conjunction with any increase in the share capital through a cash issue or debt/equity swap, the shareholders shall hold pre-emption rights to subscribe for the new shares in such a manner that one old share carries a pre-emption right to one new share of the same class; that shares which are not subscribed for by shareholders primarily entitled to subscribe shall be offered to all shareholders; and that, in the event the entire number of shares subscribed for pursuant to the last-mentioned offering cannot be issued, the shares shall be allotted among the subscribers pro rata to the number of shares held prior thereto and, in the event this cannot take place, through the drawing of lots.

In the event of an increase in the share capital through a cash issue or set-off issue of only one share class, the shareholders have a preferential right to the new shares only in relation to the number of shares of this type that they previously own. What has been said above shall not entail any restriction on the possibility of making a decision on a cash issue or set-off issue with deviation from the shareholders' preferential rights.

In the event the company decides to issue subscription warrants or convertible debentures through a cash issue or debt/equity swap, the shareholders shall enjoy pre-emption rights to subscribe for warrants or convertible debentures as if the issue applied to the shares which may be subscribed for pursuant to the warrant or in exchange for the convertible debentures.

Any increase in the share capital through a bonus issue may only take place through the issuance of ordinary shares, whereupon – in the event both ordinary shares of class A and class B have previously been issued – the relationship between ordinary shares of class A and class B issued through the bonus issue, and already issued ordinary shares of class A and class B, shall remain unchanged. In this context, only holders of ordinary shares shall be entitled to the new shares. Where both ordinary shares of class A and class B have been issued, the bonus shares shall be

allotted among the holders of the ordinary shares pro rata to the number of ordinary shares of the same class held prior thereto. However, bonus issues may also take place through the issuance of preference shares to the holders of ordinary shares, whereupon the bonus shares shall be allotted among the holders of ordinary shares pro rata to the total number of ordinary shares held prior thereto. The provisions above shall not entail any restriction on the possibility to issue a new class of shares, following requisite alteration to the articles of association.

#### 5.4 Redemption

Commencing 2015, following adoption of a resolution at a general meeting the share capital may be reduced (however, not below the minimum share capital) through the redemption of preference shares in accordance with the following principles.

The general meeting shall decide the number of preference shares to be redeemed each time. The specific preference shares to be redeemed shall be determined through the drawing of lots. However, where the resolution is supported by all holders of preference shares, the general meeting may decide which preference shares shall be redeemed.

Any holder of a preference share determined for redemption shall be obliged, three months after being notified of the redemption resolution, to accept payment for the share in an amount calculated as the total of SEK 500 plus any Withheld Amount in accordance with section 5.2 (including any Recalculation Amount on such Withheld Amount up to and including the day on which the redemption amount falls due for payment). All interest calculation shall cease on the day on which the redemption amount falls due for payment.

#### 5.5 Dissolution of the Company

In the event of dissolution of the company, the holders of preference shares shall be entitled to receive from the company's net assets SEK 400 per share as well as any Withheld Amount in accordance with section 5.2 (including any Recalculation Amount on such Withheld Amount), prior to any distribution to the holders of the common shares. The preference shares shall otherwise carry no entitlement to any share in the distribution of assets.

#### 5.6 Conversion clause

Upon request by the holders of ordinary shares of class A, such shares shall be converted into ordinary shares of class B. A request for conversion must be made in writing to the board of directors, stating the number of ordinary shares of class A to be converted into ordinary shares of class B and – in the event the request does not cover the entire holding – the ordinary shares of class A to which the conversion relates. Such a request must be presented to the board of directors and have reached the board of directors during the month of January or July. The board of directors shall give notice of the conversion to the Swedish Companies Registration Office as soon as possible for registration in the companies register. The conversion is executed when registration has taken place and been noted in the record day register.

## 6 THE BOARD OF DIRECTORS

The board of directors shall comprise no fewer than four members and no more than eight members.

## 7 AUDITORS

The company shall have one or two auditors and an equivalent number of alternative auditors, or one or two registered accounting firms.

## 8 FINANCIAL YEAR

The company's financial year shall be the calendar year.

## 9 NOTICE

Notice to attend general meetings shall be given through an announcement in the Official Gazette (Sw. Post- och Inrikes Tidningar) and on the company's website. Information that notice has been given shall be provided in an announcement in Svenska Dagbladet.

## 10 SHAREHOLDERS' ENTITLEMENT TO PARTICIPATE AT GENERAL MEETINGS

Shareholders who wish to participate in the proceedings at a general meeting must notify the Company of their participation not later than on the date stated in the notice to attend the general meeting. Such a day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not occur earlier than the fifth weekday prior to the general meeting.

## 11 PRESENCE OF OUTSIDE PARTIES AT GENERAL MEETINGS

A person not entered in the share register shall be entitled to be present at a general meeting, subject to the conditions determined by the board of directors.

## 12 ANNUAL GENERAL MEETING

The following business shall be addressed at annual general meetings:

11. election of a chairman of the meeting;
12. preparation and approval of a voting register;
13. election of one or two persons to attest the minutes;
14. determination of whether the meeting has been duly convened;
15. approval of the agenda;
16. presentation of the annual report and the auditor's report and, where appropriate, consolidated financial statements and the auditor's report for the group;
17. resolutions regarding:
  - d) adoption of the income statement and balance sheet and, where appropriate, the consolidated income statement and consolidated balance sheet;
  - e) allocation of the Company's profits or losses in accordance with the adopted balance sheet,
  - f) discharge from liability for the directors and CEO;
18. determination of the number of directors, as well as auditors and alternative auditors or registered accounting firms;
19. determination of fees for the board of directors and auditors;
20. election of directors and a chairman of the board of directors;
21. election of auditors and alternative auditors or registered accounting firms;
22. other business incumbent on the general meeting in accordance with the Swedish Companies Act or the articles of association.

## 13 RECORD DAY PROVISION

The company's shares shall be registered in a record day register pursuant to the Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479).

These articles of association were adopted at an annual general meeting held on 28 April 2021.

# KLÖVERN'S INTERIM REPORT FOR JANUARY-MARCH 2021

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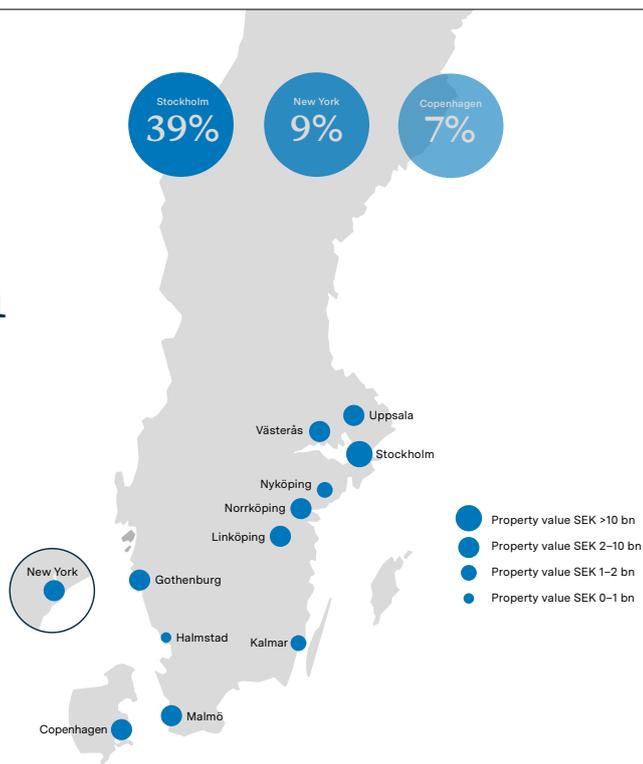
Interim Report January–March 2021



KLÖVERN

# This is Klöver

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



PROFIT FROM PROPERTY MANAGEMENT AND CHANGES IN VALUE OF PROPERTIES THROUGH PROJECT DEVELOPMENT, INCLUDING BUILDING RIGHTS, SEKm



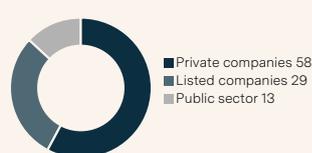
PROPERTY VALUE BY TYPE OF PROPERTY, %



EQUITY RATIO, adjusted, %



CONTRACT VALUE BY CUSTOMER CATEGORY, %



PROPERTY VALUE, SEKm



PROPERTY VALUE BY REGION, %



# January–March 2021

- » Income amounted to SEK 807 million (837).
- » The operating surplus amounted to SEK 524 million (558).
- » Profit from property management amounted to SEK 309 million (324).
- » Profit before tax amounted to SEK 909 million (882) and net profit, attributable to the parent company's share-holders, totalled SEK 796 million (656), corresponding to SEK 0.67 (0.62) per ordinary share.
- » Investments amounted to SEK 490 million. Project development, including development of building rights, contributed to increases in value of properties of SEK 122 million (97). In total, changes in value of properties amounted to SEK 406 million (593).
- » During the quarter, 3 properties were taken possession of for SEK 152 million and 13 properties were divested and handed over for SEK 700 million. On 31 March 2021, the fair value of Klöver's 341 properties, excluding properties classified as current assets, amounted to SEK 58,289 million. In addition, there are 9 properties classified as current assets which are reported at a value of SEK 1,014 million and have an estimated fair value of SEK 1,742 million.
- » The interest coverage ratio amounted to 2.7 (2.5), leverage to 50 per cent (50) and the adjusted equity ratio to 43.9 per cent (43.2).
- » The net reinstatement value (NRV) per ordinary share amounted to SEK 20.78.
- » On 25 March 2021, Rutger Arnhult left Klöver's board of directors and his position as CEO. The board has appointed Peeter Kinnunen, Klöver's head of transactions, as acting CEO.
- » On 29 March 2021, Corem Property Group AB (publ) announced a public offer with consideration in the form of newly issued shares in Corem to the shareholders of Klöver AB (publ). An offer document is expected to be published by the Offeror on or around 10 May 2021. The acceptance period for the offer is expected to end on 8 June 2021. Klöver's board of directors, together with its advisors, will evaluate the Offer and will publish its opinion on the Offer at the latest two weeks prior to the end of the acceptance period.



## Stable earnings in a recovering market

Like last year, 2021 will continue to be marked by the ongoing pandemic and the recovery from the same. However, I can note that the ongoing vaccinations, and a better starting point for the Swedish economy than in many other countries both contribute to good hope for a gradual normalization. For Klöver, the first quarter has been eventful in many ways. After having been head of transactions in the company for almost a decade, I am pleased to have also assumed the role as acting CEO. During the quarter, Corem Property Group has also announced a public offer to the shareholders of Klöver.



### STABLE EARNINGS

Klöver is reporting stable earnings for the first quarter which are fully in line with our expectations taking into account a cold and snowy winter as well as continued lower-than-normal parking revenues. Once again, we can note that the composition of the portfolio and the diversified customer base have provided stability during the pandemic. Profit from property management amounted to SEK 309 million and after positive changes in value of properties of SEK 406 million, profit before tax was SEK 909 million.

### THE OFFER FROM COREM

At the end of March, Corem announced a public offer to the shareholders of Klöver. The process is completely controlled by the offeror so that the offer does not affect ongoing work at Klöver. It is business as usual. The acceptance period for the offer is expected to end on 8 June. Klöver's board will make a statement on the offer at the latest two weeks before the end of the acceptance period.

### POSITIVE SIGNALS ON ECONOMIC RECOVERY

The swift downturn of the Swedish and the global economy during 2020 is historic. The consequences can be seen, inter alia, in increased unemployment. However, an increasingly positive picture of the world economy is now being painted. In the United States, for instance, extensive stimulation packages and efficient vaccination have contributed to positive macro signals. The Swedish economy's resilience appears impressive from a European perspective and there is therefore every reason to be optimistic about the continued recovery during 2021. At the beginning of the year, the transaction market has been very strong with continued falling yield requirements while the rental market is more hesitant.

“Ahead of me, I see an eventful year marked by a gradual normalization where we can again have physical meetings, not least at the office.”

#### NET MOVING-IN REFLECTS A HESITANT MARKET

During the first quarter, net moving-in amounted to SEK –16 million and net letting to SEK –17 million. It is usually the case that more vacations and terminations take place during the first quarter than in subsequent quarters and the outcome was expected given that the letting climate is still hesitant in many cities. During the quarter, we have, however, welcomed a number of new tenants, including Eurofins which leases over 900 sq.m. in Uppsala and a number of new tenants at the property Solna Gate in Stockholm that together lease over 1,800 sq.m. During the quarter, lease contracts have also been signed with Matthew Kenney for approximately 730 sq.m. of restaurant space in New York, with Pharmadanmark for approximately 1,000 sq.m. in Copenhagen and with Servistore for around 1,600 sq.m. in Nyköping. Klöverns is in a very project-intensive phase which is expected to have a large positive effect on net letting during the coming two years.

#### A FOCUSED PROPERTY PORTFOLIO

Based on our strategy, we have a clear picture of the growth locations and segments that we want to focus Klöverns long-term ownership on. During the quarter, 12 properties were divested, mainly with warehouse/logistics premises, to Mileway in a transaction that took place at a premium of 21 per cent in relation to book value. We have also taken possession of three properties that complement the existing portfolios in Lund and Uppsala and in the exciting urban development area Söderstaden in Stockholm.

During the second quarter, a relatively small but strategically important add-on acquisition which improves the efficiency of the future project on Park Avenue in New York, is planned to be taken possession of.

The aggregate value of the property portfolio at the end of the quarter, excluding properties classified as current assets in Tobin Properties, was SEK 58 billion, of which the international portfolio in Copenhagen and New York accounted for 16 per cent.

#### INTENSIVE PROJECT DEVELOPMENT

Klöverns project and urban development activities are extensive with a number of major ongoing projects and a very interesting pipeline. As at 31 March, development properties accounted for 16 per cent of the total property value. During the last four quarters, investments amounted to SEK 2,399 million and, in addition during the same period, Klöverns project development, including development of building rights, contributed to increases in value of properties of SEK 538 million.

Klöverns two largest ongoing new production projects are two office buildings of the highest quality in attractive locations in Manhattan. In New York, the letting market, as in the rest of the world, has seen less activity due to the pandemic and it will therefore take slightly longer to complete lettings associated with these projects. It is, however, gratifying that there are indications of a recovery. Everyone over 16 years of age is now entitled to vaccine in New York and it is planned for all public employees to return to their work places in May.

Exciting work is taking place at Uppsala Business Park focused on development of a living city neighbourhood and a location for innovation in life science. There is great interest in the area and we have extensive project plans for the coming years. Already now, Uppsala Business Park offers unique premises with laboratories and facilities for manufacturing of pharmaceuticals.

#### LONG-TERM SUSTAINABLE FINANCING

We are continuously working to secure long-term sustainable financing. During the quarter, we have issued SEK 2,500 million green bonds under Klöverns MTN programme. Klöverns now has green bonds amounting to a total of SEK 6,850 million. In the sphere of sustainability, it may also be mentioned that the over 30,000 sq.m. large, fully let property at Kalvebod Brygge in central Copenhagen which will be taken possession of at the beginning of May has obtained energy classification A.

#### FOCUS ON ECONOMIC RECOVERY

We entered the second quarter backed up by stable earnings and with full focus on ongoing activities at the same time as we are monitoring developments associated with Corem's offer. Ahead of me, I see an eventful year marked by a gradual normalization where we can again have physical meetings, not least at the office, to create new business in a climate of economic recovery. Even though both our and other's business operations have made good progress with many digital meetings, they can never completely replace physical meetings. Human beings are social creatures and physical meetings are needed to build relationships, develop the corporate culture and create new business.

Peeter Kinnunen, Acting CEO

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

#### INCOME AND EXPENSES

Income declined to SEK 807 million (837) during the first quarter of the year, among other things due to the divestment of a portfolio of 12 properties with transfer of possession on 15 January 2021 and SEK 6 million lower parking revenues than in the first quarter of 2020. For a comparable portfolio, i.e. properties owned for the whole of 2020 and 2021 excluding properties with extensive new production or conversion projects, income amounted to SEK 786 million (802).

Property costs increased to SEK 283 million (279) due to higher costs for heating and snow clearance. Property costs for a comparable portfolio amounted to SEK 268 million (257). Central administration costs amounted to SEK 36 million (34).

#### PROFIT

The operating surplus amounted to SEK 524 million (558). The operating surplus for a comparable portfolio amounted to SEK 518 million (545). The operating margin amounted to 65 per cent (67). The profit from property management amounted to SEK 309 million (324).

Profit before tax amounted to SEK 909 million (882) and was affected, among other things, by SEK 406 million (593) relating to changes in value of properties. The return on equity for the 12-month period up to 31 March 2021 amounted to 9.5 per cent (15.5).

#### NET MOVING-IN AND NET LETTING

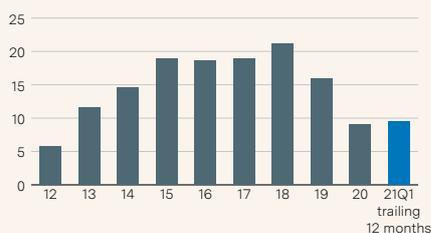
Net moving-in amounted to SEK –16 million (–41) during the first quarter. During the same period, net letting amounted to SEK –17 million.

Among the largest tenants moving in during the quarter were Eurofins Food & Feed Testing Sweden on 931 sq.m. in Uppsala and Region Sörmland on 1,370 sq.m. in Nyköping.

The largest tenant moving out during the quarter was Åhléns on 2,510 sq.m. in Västerås.

Among the larger contracts that were signed during the first quarter, but with later moving-in, are a 10-year rental contract with chef Matthew Kenney for approximately 730 sq.m. of restaurant space in the project property 1245 Broadway in New York, a 6-year contract with Pharmadanmark encompassing 973 sq.m. in Copenhagen and a 15-year contract for 1,595 sq.m. with Servistore in Nyköping.

#### RETURN ON EQUITY, %



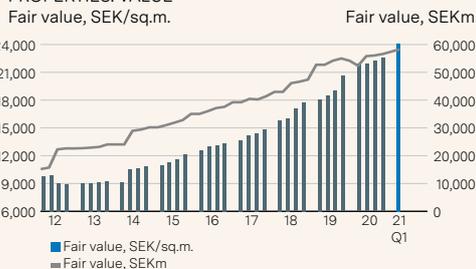
#### NET MOVING-IN, SEKm



#### PROPERTIES: AREA AND RENT



#### PROPERTIES: VALUE



#### INCOME & PROFIT



## OCCUPANCY RATE

The average remaining lease contract period as at 31 March 2021 was 3.5 years (3.5). The economic occupancy rate for all properties was 88 per cent (87) and the area-based occupancy rate 80 per cent (79). The economic occupancy rate for investment properties was 89 per cent (90) and for development properties 70 per cent (66).

## CASH FLOW

The cash flow from current operations amounted during the quarter to SEK 179 million (-71). Investment operations have affected the cash flow by a net SEK -89 million (-2,065), mainly by a combination of property transactions and investments in existing properties. Financing operations have affected the cash flow by SEK -114 million (3,133). In total, the cash flow amounted to SEK -24 million (997). Liquid assets at the end of the quarter amounted to SEK 553 million, compared with SEK 1,474 million as at 31 March 2020.

## FINANCING

On 31 March 2021, the interest-bearing liabilities amounted to SEK 33,439 million (33,165). Accrued borrowing overheads totalled SEK 152 million, which means that the reported interest-bearing liabilities in the balance sheet total SEK 33,287 million (33,036). The average financing rate for the whole financial portfolio was 2.5 per cent (2.4). Net financial items, including residential development, amounted during the quarter to SEK -185 million (-203), of which financial income accounted for SEK 3 million (13) and site leasehold expenses amounted to SEK -11 million (-11). The interest coverage ratio during the quarter amounted to 2.7 (2.5) and to 2.6 (2.6) during the twelve-month period up to 31 March 2021.

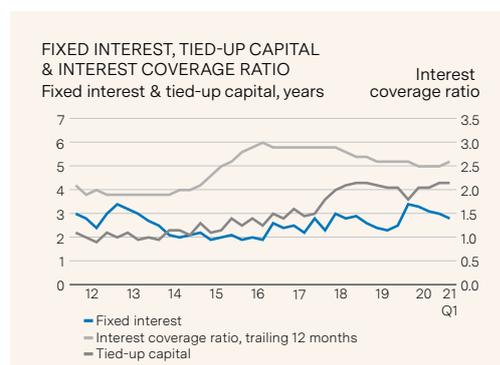
The average period of fixed interest at the end of the quarter was 2.8 years (3.0). Credit volumes with swap agreements or interest rate caps are treated as having fixed interest. At the end of the quarter, Klöver had interest rate swaps totalling SEK 6,500 million (6,500) and interest rate caps totalling SEK 21,500 million (21,500). The average remaining term of derivatives amounted to 3.1 years. The

share of credit volume that is hedged or at a fixed rate amounted to 87 per cent.

The average period of tied-up capital was 4.3 years (4.3) on 31 March. Unutilized credit volumes, including unutilized overdraft facilities of SEK 558 million (558), amounted to SEK 5,475 million (4,274).

Klöver's interest-bearing liabilities are mainly secured by mortgages in properties. Unsecured interest-bearing liabilities consist of outstanding commercial paper and unsecured bonds, SEK 2,232 million (2,220) and SEK 8,350 million (6,500) respectively at the end of the quarter and utilized overdraft facilities of SEK 0 million (0).

Klöver has an unsecured Medium-Term Note programme (MTN) with a framework amount of SEK 10,000 million. As of 31 March 2021, SEK 5,300 million had been issued within the framework amount. Klöver also has a secured MTN programme with a framework amount of SEK 10,000 million, which is secured with a property as underlying asset and fully covered by property mortgage certificates. At the end of the quarter, SEK 450 million had been issued within this programme.



## FIXED INTEREST AND TIED-UP CAPITAL

Year due	Fixed interest		Tied-up capital		
	Loan volume, SEKm	Contract volume, SEKm	Utilized, SEKm	Of which bonds outstanding, SEKm	Unutilized, SEKm
Floating*	25,984	—	—	—	—
2021	50	6,286	3,493	450	2,793
2022	14	7,596	7,096	2,350	500
2023	—	6,852	6,170	1,300	682
2024	891	3,807	3,807	2,000	—
2025	—	8,597	8,597	2,700	—
2026	—	1,570	70	—	1,500
Later	6,500	4,206	4,206	—	—
<b>TOTAL</b>	<b>33,439</b>	<b>38,914</b>	<b>33,439</b>	<b>8,800</b>	<b>5,475</b>

\* SEK 21,500 million of Floating volume is covered by interest-rate caps.

Derivatives effectively limit the interest rate risk. An increase in short market rates of one percentage point normally affects Klöverns average borrowing rate by 0.8 percentage points. The effect of larger interest rate increases is significantly limited by interest rate caps. Changes in value of derivatives totalled SEK 207 million (4) during the quarter. As of 31 March, the value was SEK 121 million (-86).

Unrealized changes in value do not affect the cash flow; on maturity the value of the derivatives is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the period. Klöverns assessment is that there is no significant difference between the book value and the fair value of interest-bearing liabilities.

At the end of the quarter, the adjusted equity ratio was 43.9 per cent (43.2).

#### COMPULSORY REDEMPTION OF TOBIN PROPERTIES

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

In June 2019, Klöverns requested compulsory redemption of all remaining shares in Tobin Properties. At the end of the same month, Tobin Properties was delisted from Nasdaq First North. The redemption process is still continuing.

After Klöverns had acquired 372 ordinary shares in Tobin Properties during the first quarter of 2021, ownership of Tobin Properties amounted as of 31 March 2021 to 115,128,943 ordinary shares, corresponding to 93.8 per cent of the share capital and the voting rights.

#### LISTED SHAREHOLDINGS

Klöverns holding of its own shares amounted on 31 March 2021 to 90,956,740 class B ordinary shares, corresponding to 8.0 per cent of the total number of registered shares. The shares were acquired for a net total of SEK 984 million, corresponding to SEK 10.82 per share. As of 31 March, Klöverns holding of its own shares was worth SEK 1,385 million.

At the end of the quarter, Klöverns holding in the property company SBB amounted to 2,670,621 Class D ordinary shares, with a value of SEK 79 million on the same date. The holding is reported as a financial asset valued at fair value through the statement of income.

#### PROJECT DEVELOPMENT AND BUILDING RIGHTS

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernizing the premises and thus increasing the rental value. SEK 490 million (467) was invested during the quarter. As of 31 March 2021, 398 projects (377) were in process and SEK 1,829 million (1,827) remained to be invested. Total estimated expenditure for the same projects amounted to SEK 4,794 million (4,465).

The two ongoing projects in New York, 1245 Broadway and 28&7 (322-326 7th Ave) are planned to be completed in the fourth quarter of 2021 and the first quarter of 2022 respectively, after which additional tenant customization will take place. Interest expenses attributable to the projects in New York are capitalized from and including the second quarter of 2020.

At the end of the period, assessed building rights and building rights with zoning plans (excluding 166,000 sq.m. in Tobin Properties) totalled 1,891,000 sq.m. (1,880,000) and are valued at SEK 1,981 million (1,894). 428,000 sq.m. (427,000) of the building rights have zoning plans and the remainder are classified as assessed. Residential building rights accounted for 15 per cent of the building rights with zoning plans in Klöverns and 30 per cent including Tobin Properties' building rights with zoning plans.

Within the building rights portfolio, Klöverns is working with a number of residential development projects. Klöverns makes the assessment that there is potential, within the existing portfolio, mostly by new or amended zoning plans, to create as many as 10,000 apartments, in Stockholm, Uppsala, Västerås and Nyköping, among other places.

In addition, there are around 2,550 apartments where construction has not yet started in Tobin Properties, which also had 477 apartments in ongoing projects on 31 March, including 60 apartments in the first phase of the Nacka Strand 1 project, where construction started in the fourth quarter of 2020. During the first quarter of 2021, 36 apartments were sold.

In total, Klöverns project development – including development of building rights – contributed to increases in value of properties of SEK 122 million (97) during the first quarter, or by SEK 538 million (655) during the past four quarters.

#### KLÖVERN'S LARGEST ONGOING COMMERCIAL PROJECTS

City	Property	Project type	Contractor	Largest tenant, moving-in year/quarter	Project area, sq.m.	Fair value, SEKm	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value, SEKm	Estimated completion year/quarter
New York	1245 Broadway	Office	Triton Construction	—	16,700	1,213	1,195	483	166	21Q4
New York	28&7	Office	Triton Construction	—	9,100	862	667	231	80	22Q1
Örebro	Olaus Petri 3:234 - Stage 1	Hotel/Office	Peab	Scandic Hotels, 22Q1	8,638	234	274	94	22	22Q2
Linköping	Morellen 1	Office	Åhlin & Ekroth	Trafikverket, 21Q2	3,687	143	110	2	9	21Q2
Halmstad	Halmstad 2:28	Office	NCC Sverige	Försäkringskassan, 22Q2	2,790	5	84	72	7	22Q3
Gothenburg	Mejramen 1	Office	WH Fastighets- och Byggservice	Kollmorgen Automation, 21Q4	3,519	28	82	57	7	22Q1
<b>TOTAL</b>					<b>44,434</b>	<b>2,485</b>	<b>2,412</b>	<b>939</b>	<b>291</b>	

#### KLÖVERN'S LARGEST PLANNED COMMERCIAL PROJECTS

City	Property	Project type	Project area, sq.m.	Estimated investment, SEKm	Estimated project start, year
New York	417 Park Avenue	Office	33,000	2,593	2022/2023
New York	118,10th Avenue	Office	13,200	1,073	2022/2023
Stockholm	Orgelpipan 4	Office	4,240	252	2021
Örebro	Olaus Petri 3:234 – Stage 1	Office	8,320	177	2021
Uppsala	Fyrislund 6:6	Industry	6,240	175	2022
Uppsala	Fyrislund 6:6 – Stage 1	Laboratory	3,097	155	2021
Uppsala	Fyrislund 6:6 – Stage 2	Laboratory	3,097	155	2022
Norrköping	Kondensatorn 1	Gym	3,794	55	2021
<b>TOTAL</b>			<b>74,988</b>	<b>4,635</b>	

#### TOBIN PROPERTIES' LARGEST ONGOING RESIDENTIAL PROJECTS

City	Location	Project name	Ownership share, %	Zoning/ No zoning	No. of units	Units sold	Share of units sold, %	Gross area, sq.m.	Area, sq.m.	Sales start, year	Expected completion, year
Stockholm	Sundbyberg	Rio	100	Zoning	173	169	98	11,700	8,700	2017	2021
Stockholm	Nacka	Vyn	100	Zoning	96	85	89	9,600	7,500	2016	2021
Stockholm	Roslags-Näsby	Unum	30	Zoning	148	147	99	6,900	5,000	2017	2021
Stockholm	Nacka	Nacka Strand 1A	100	Zoning	60	0	0	5,000	3,700	2021	2022
<b>TOTAL</b>					<b>477</b>	<b>401</b>	<b>84</b>	<b>33,200</b>	<b>24,900</b>		

#### TOBIN PROPERTIES AND KLÖVERN'S LARGEST PLANNED RESIDENTIAL PROJECTS

City	Location	Project name	Ownership share, %	Zoning/ No zoning	No. of units	Gross area, sq.m.	Area, sq.m.	Project start, year	Expected completion, year
<b>Tobin Properties</b>									
Stockholm	Tyresö	Golfbäcken 1	44.4	No zoning	180	14,500	10,900	2022	2024
Stockholm	Tyresö	Golfbäcken 2	44.4	No zoning	200	14,900	11,400	2023	2025
Stockholm	Nacka	Nacka Strand 1	100	Zoning	180	15,300	11,600	2023	2025
Stockholm	Nacka	Nacka Strand 2 <sup>1</sup>	100	Zoning	160	15,400	11,200	2025	2028
Stockholm	Nacka	Nacka Strand 3	100	Zoning	160	14,000	11,300	2024	2027
Stockholm	Sundbyberg	Slaktaren 1 <sup>1</sup>	100	No zoning	70	5,600	4,200	—	—
Stockholm	Na Djurgårdsstaden	Kolkajen <sup>2</sup>	100	No zoning	150	13,250	9,000	2029	2032
Stockholm	Liljeholmen	Marievik <sup>1</sup>	100	No zoning	300	24,500	17,000	2023	2027
Stockholm	Kista	Kista Square <sup>1</sup>	49.9	Zoning	1,000	48,600	27,900	2021	2027
Stockholm	Nacka	Orminge <sup>1</sup>	100	No zoning	150	13,300	10,000	—	—
<b>TOTAL</b>					<b>2,550</b>	<b>179,350</b>	<b>124,500</b>		
<b>Klövern</b>									
Västerås	Västerås	Öster Mälarstrand <sup>1</sup>	100	No zoning	865	80,700	62,900	2022	2034
Stockholm	Kista	Myvatten/Dalvik <sup>1</sup>	100	No zoning	460	51,000	32,900	2022	2032
Nyköping	Nyköping	Spelhagen <sup>1,2</sup>	100	No zoning	495	44,700	34,900	2022	2034
Uppsala	Uppsala	Kungstorget <sup>1</sup>	100	No zoning	470	40,000	30,000	2024	2028
Västerås	Västerås	Mälarporten <sup>1</sup>	100	No zoning	400	35,000	27,300	2022	2037
Västerås	Västerås	Kopparlunden <sup>1</sup>	100	No zoning	700	64,820	13,000	2022	2029
Stockholm	Slakthusområdet	Söderstaden – Stage 3 <sup>2</sup>	100	No zoning	90	9,000	6,750	2023	2025
Stockholm	Slakthusområdet	Hjälpslaktaren 4 <sup>2</sup>	100	No zoning	130	11,550	9,000	2024	2027
Gothenburg	Askim	Askim <sup>2</sup>	100	No zoning	300	25,000	19,500	2025	2029
<b>TOTAL</b>					<b>3,910</b>	<b>361,770</b>	<b>236,250</b>		

1) Includes a property that generates an operating surplus during the period of development.

2) Purchase contract/Land allocation agreement. Transfer of possession when zoning plan gains legal force.

ONGOING PROJECTS



1245 BROADWAY,  
NEW YORK  
OFFICE



2887 (322-326, 7TH AVE),  
NEW YORK,  
OFFICE



ÖREBRO ENTRÉ - STAGE 1,  
(OLAUS PETRI 3:234)  
HOTEL/OFFICE



MORELLEN 1,  
LINKÖPING,  
OFFICE

PLANNED PROJECTS



PARK VIEW (118, 10TH AVE),  
NEW YORK,  
OFFICE



417 PARK AVENUE,  
NEW YORK  
OFFICE



MYVATTEN, KISTA,  
STOCKHOLM  
RESIDENTIAL



KUNGSTORGET,  
UPPSALA  
OFFICE/RESIDENTIAL



ÖSTER MÄLARSTRAND,  
VÄSTERÅS  
RESIDENTIAL



MÄLARPORTEN,  
VÄSTERÅS  
OFFICE/RESIDENTIAL



VÄSTRA HAMNEN,  
NYKÖPING  
RESIDENTIAL



SANDHAGEN 8,  
STOCKHOLM  
OFFICE



ÖREBRO ENTRÉ - STAGE 2,  
(OLAUS PETRI 3:234)  
OFFICE



KLARABERGSGATAN,  
(ORGELPIPAN 4), STOCKHOLM  
OFFICE

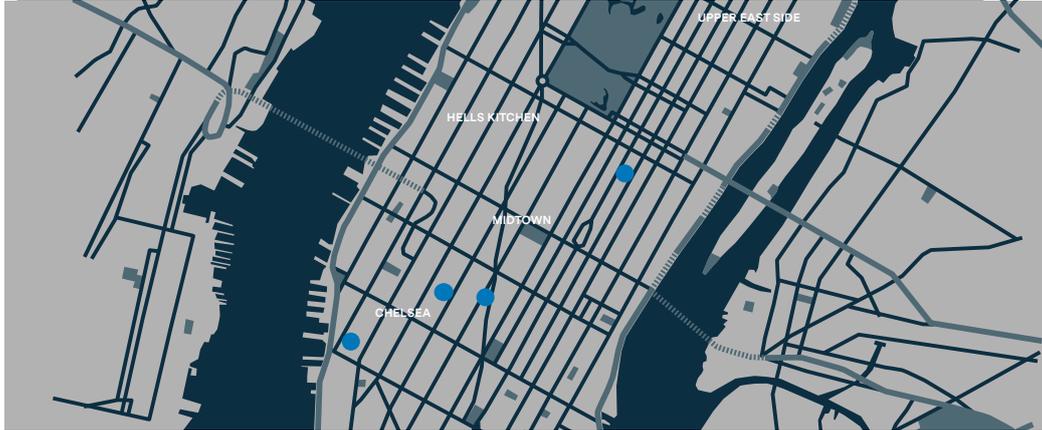


KISTA SQUARE GARDEN,  
STOCKHOLM  
RESIDENTIAL



FYRISLUND 6:6,  
UPPSALA  
LABORATORY

## KLÖVERN'S ONGOING AND PLANNED PROJECTS IN NEW YORK



### PROPERTY ACQUISITIONS, TRANSFER OF POSSESSION JAN-MAR 2021

City	Property	Category	Lettable area, sq.m.	Quarter
Lund	Harven 2	Office	3,200	Q1
Uppsala	Fyrislund 13:6	Land	0	Q1
Stockholm	Sandhagen 8	Warehouse/ logistics	1,610	Q1
<b>TOTAL</b>			<b>4,810</b>	

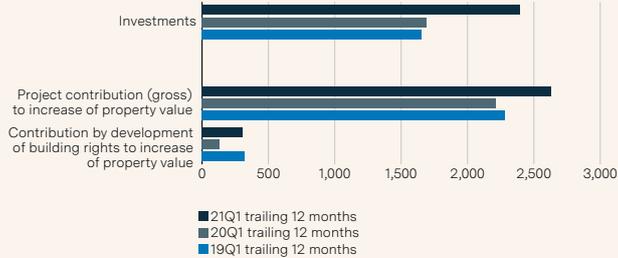
### PROPERTY DIVESTMENTS, TRANSFER OF POSSESSION JAN-MAR 2021

City	Property	Category	Lettable area, sq.m.	Quarter
Lidingö	Torselden 8 <sup>1</sup>	Office/Retail/ Education	1,410	Q1
Lund	Annedal 9 <sup>2</sup>	Warehouse/logistics	1,296	Q1
Lund	Trumlan 1 <sup>2</sup>	Warehouse/logistics	2,525	Q1
Malmö	Stiglädret 10 <sup>2</sup>	Warehouse/logistics	2,985	Q1
Lund	Kvartsen 6 <sup>2</sup>	Warehouse/logistics	5,010	Q1
Malmö	Kullen 1 <sup>2</sup>	Warehouse/logistics	85,251	Q1
Norrköping	Slakthuset 14 <sup>2</sup>	Warehouse/logistics	2,805	Q1
Västerås	Friledningen 18 <sup>2</sup>	Warehouse/logistics	940	Q1
Malmö	Fältsippan 8 <sup>2</sup>	Warehouse/logistics	3,975	Q1
Malmö	Ventilen 4 <sup>2</sup>	Warehouse/logistics	2,392	Q1
Malmö	Krukskärvan 9 <sup>2</sup>	Warehouse/logistics	2,680	Q1
Norrköping	Malmen 5 <sup>2</sup>	Warehouse/logistics	3,988	Q1
Norrköping	Silvret 2 <sup>2</sup>	Warehouse/logistics	6,866	Q1
<b>TOTAL</b>			<b>122,123</b>	

1) Property classified as current assets in Tobin Properties.

2) The property was included in a portfolio divested to Mileway.

### VALUE CREATION THROUGH PROJECTS/BUILDING RIGHTS SEKm



### NET VALUE CREATION THROUGH PROJECTS/BUILDING RIGHTS SEKm



## PROPERTY TRANSACTIONS

During the period January–March, 3 properties (4) were taken possession of for SEK 152 million (2,201) and 13 properties (1) were divested and handed over for SEK 700 million (258) of which SEK 90 million was accounted for by a property classified as current assets in Tobin Properties.

In January, 12 properties were divested, mainly consisting of warehouse/logistics premises, in a transaction with Mileway. The underlying property value of the transaction amounted to SEK 610 million and took place with a premium of 21 per cent in relation to book value.

In January, contracts were signed to acquire two office properties in Lund and Malmö for a total underlying property value of SEK 113 million. One property, Harven 2 in Lund was taken possession of on 15 January. In January, a contract was also signed for new construction at the other property, Grävstekeln in Malmö, which it is planned to take possession of during the first quarter of 2022.

## PROPERTIES AND CHANGES IN VALUE

On 31 March 2021, Klöver's portfolio consisted of 341 properties (350) excluding the 9 wholly owned properties that are a part of Tobin Properties' portfolio, which are all classified as current assets. The rental value amounted to SEK 3,781 million (3,846) and the fair value of the properties was SEK 58,289 million (57,448). The total lettable area amounted to 2,420,000 sq.m. (2,551,000).

According to external valuations, the fair value of the 9 properties classified as current assets amounted to SEK 1,742 million. On 31 March 2021, the reported value of these properties amounted to SEK 1,014 million.

The changes in value of Klöver's properties, excluding properties classified as current assets, totalled SEK 406 million (593) during the quarter, corresponding to 0.7 per cent of the property value at the beginning of the year. The changes in value include realized changes in value of SEK 1 million (107) and unrealized changes in value of SEK 405 million (486). The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio, as at 31 March 2021, has been valued with a yield requirement of 5.3 per cent (5.3). The value of the properties has increased, mainly due to investments made in connection with new lettings and increased operating surplus in several office properties. During the quarter, the value of some properties has been lowered, primarily due to a weaker development of the restaurant, hotel and retail segment.

## PROPERTIES: FAIR VALUE

SEKm	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Fair value, as of 1 January	57,448	52,377	52,377
Aquisitions	152	2,201	2,613
Investments	490	467	2,376
Divestments	-580	-150	-275
Unrealized changes in value	405	486	1,206
Currency conversion	374	430	-849
<b>FAIR VALUE AT THE END OF THE PERIOD</b>	<b>58,289</b>	<b>55,811</b>	<b>57,448</b>

Klöver values 100 per cent of the property portfolio every quarter, of which 20 to 30 per cent are normally valued externally. The external valuations have been performed by Cushman & Wakefield, Savills and Newsec. Every property in the portfolio is valued externally at least once during a rolling 12-month period. All properties are classified at Level 3 in accordance with IFRS 13. No properties have changed classification during the period. See Klöver's annual report for 2020 for a detailed description of valuation principles.

## SHARES

As at 31 March 2021, the total number of registered shares in Klöver was 1,138,697,289 of which 85,471,753 were ordinary shares of class A, 1,036,781,536 ordinary shares of class B and 16,444,000 preference shares. An ordinary share of class A confers one vote while an ordinary share of class B, like a preference share, confers a tenth of a vote. Klöver's shares are listed on Nasdaq Stockholm. On 31 March, the closing price was SEK 15.25 per ordinary share of class A, SEK 15.23 per ordinary share of class B and SEK 317.50 per preference share, corresponding to a total market capitalization of SEK 22,315 million (22,703). The number of shareholders amounted to around 61,600 (61,200). 76 per cent (76) of the total number of shares are Swedish-owned. As at 31 March, the company's holding of its own shares consisted of 90,956,740 ordinary shares of class B, corresponding to 8.0 per cent of the total number of registered shares. Repurchased shares cannot be represented at general meetings.



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

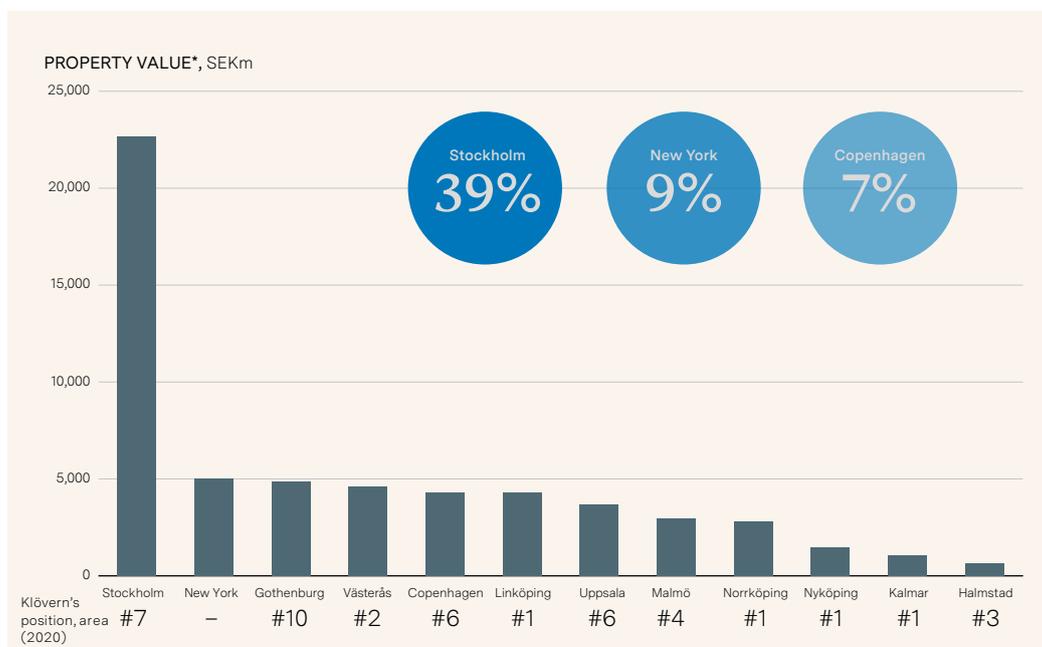
SEKm	21Q1	20Q1	Rolling 12 months 21Q1
Operating surplus and required yield	283	389	587
Development of building rights	73	62	305
Projects >SEK 25 million	244	217	1,122
Projects <SEK 25 million	295	285	1,510
<b>TOTAL</b>	<b>895</b>	<b>953</b>	<b>3,524</b>

#### LARGEST SHAREHOLDERS SORTED BY SHARE OF CAPITAL – 31 MARCH 2021

Name	No. ordinary shares A, thousands	No. ordinary shares B, thousands	No. preference shares, thousands	Share of capital, %	Share of votes % <sup>1</sup>
Corem Property Group	11,875	161,750	—	15.2	15.4
Rutger Arnhult via companies	12,661	154,274	655	14.7	15.5
Gårdarike	39,475	77,785	50	10.3	26.0
Länsförsäkringar fondförvaltning	—	76,903	—	6.8	4.2
Handelsbanken fonder	—	55,609	—	4.9	3.1
State Street Bank and Trust Co, W9	0	47,668	192	4.2	2.6
Swedbank AS (Estonia)	2	23,154	58	2.0	1.3
CBNY-Norges Bank	717	18,659	105	1.7	1.4
Alfred Berg	—	15,447	—	1.4	0.9
JPM Chase NA	1	13,274	197	1.2	0.7
Avanza Pension	647	10,126	740	1.0	1.0
Prior & Nilsson	—	10,051	—	0.9	0.6
SEB Investment Management	—	9,380	—	0.8	0.5
JP Morgan Bank Luxembourg S.A.	—	8,602	—	0.8	0.5
Swedbank Robur Fonder	730	7,512	—	0.7	0.8
<b>TOTAL LARGEST SHAREHOLDERS</b>	<b>66,108</b>	<b>690,194</b>	<b>1,997</b>	<b>66.6</b>	<b>74.5</b>
Other shareholders	19,364	255,631	14,447	25.4	25.5
<b>TOTAL OUTSTANDING SHARES</b>	<b>85,472</b>	<b>945,825</b>	<b>16,444</b>	<b>92.0</b>	<b>100.0</b>
Repurchased own shares	—	90,957	—	8.0	—
<b>TOTAL REGISTERED SHARES</b>	<b>85,472</b>	<b>1,036,782</b>	<b>16,444</b>	<b>100.0</b>	<b>100.0</b>

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

1) Repurchased own shares have no voting rights at general meetings.



\* The chart shows property value by business unit and New York. The business units Stockholm North and Stockholm South are shown in the same bar.

#### INCOME STATEMENT ITEMS AND INVESTMENTS PER PROPERTY SEGMENT AND ORGANIZATIONAL UNIT

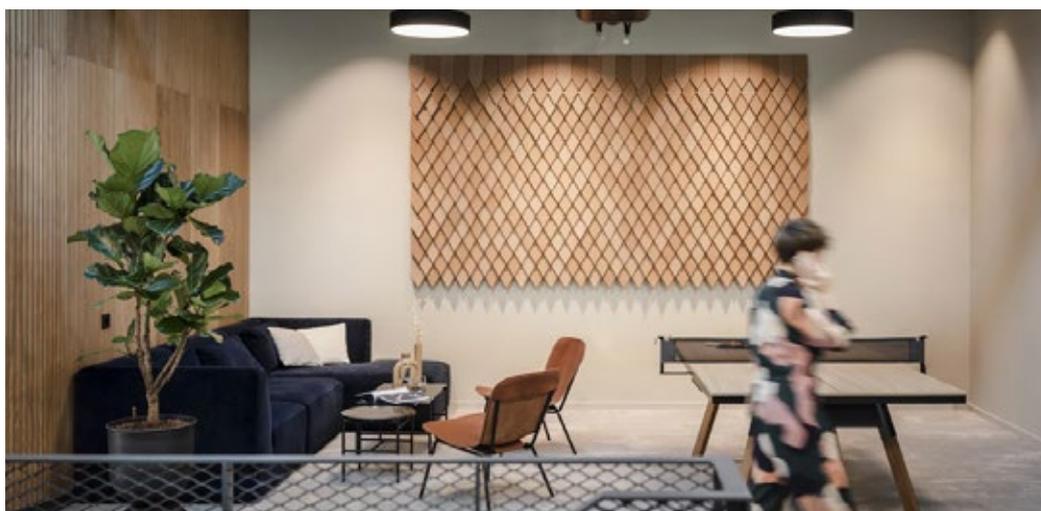
	Income, SEKm		Property costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2021 Jan-Mar	2020 Jan-Mar	2021 Jan-Mar	2020 Jan-Mar	2021 Jan-Mar	2020 Jan-Mar	2021 Jan-Mar	2020 Jan-Mar	2021 Jan-Mar	2020 Jan-Mar
Region Stockholm	430	446	-162	-154	268	292	62	65	100	137
Region East	180	177	-65	-62	115	115	64	65	101	96
Region West	148	158	-53	-54	95	104	64	66	99	88
International – Copenhagen	49	50	-3	-6	46	44	94	88	8	—
International – New York	—	6	—	-3	—	3	—	50	182	146
<i>where of</i>										
Investment	754	774	-247	-242	507	532	67	69	218	252
Development	53	63	-36	-37	17	26	32	41	272	215
<b>TOTAL</b>	<b>807</b>	<b>837</b>	<b>-283</b>	<b>-279</b>	<b>524</b>	<b>558</b>	<b>65</b>	<b>67</b>	<b>490</b>	<b>467</b>

#### KEY RATIOS PER PROPERTY SEGMENT AND ORGANIZATIONAL UNIT

	Fair value, SEKm		Yield requirement <sup>1</sup> , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Region Stockholm	30,950	29,991	5.1	5.1	1,112	1,122	2,074	2,085	86	87
Region East	9,617	8,911	6.1	6.3	700	725	811	808	90	91
Region West	8,402	8,105	6.0	6.2	515	609	706	736	87	87
International – Copenhagen	4,295	4,610	4.2	4.2	93	93	190	193	97	100
International – New York	5,025	4,194	4.3	3.8	—	—	—	—	—	—
<i>where of</i>										
Investment	48,914	46,894	5.3	5.4	2,214	2,231	3,488	3,465	89	91
Development	9,375	8,917	4.8	4.7	206	318	293	357	70	70
<b>TOTAL</b>	<b>58,289</b>	<b>55,811</b>	<b>5.3</b>	<b>5.3</b>	<b>2,420</b>	<b>2,549</b>	<b>3,781</b>	<b>3,822</b>	<b>88</b>	<b>89</b>

1) Yield requirement is estimated excluding building rights.

Region Stockholm consists of the business units Stockholm North, Stockholm South, Västerås and Uppsala.  
 Region West consists of the business units Gothenburg, Malmö and Halmstad.  
 Region East consists of the business units Linköping, Norrköping, Nyköping and Kalmar.



During the first quarter, the office of Klöver's business unit in Gothenburg was in the final of the competition Sweden's most beautiful office (Sveriges snyggaste kontor).

#### TAXES

During the first quarter, deferred tax amounted to SEK -122 million (-219) and current tax to SEK -2 million (-5).

Current tax and deferred tax have been calculated at the tax rate 20.6 per cent. Klöver has no ongoing tax disputes.

#### ORGANIZATION

Klöver's business model entails closeness to the customer by having own local staff at all 12 geographic business units, allocated to three geographic regions in Sweden and international operations in Copenhagen (which is a business unit of its own) and New York.

On 31 March 2021, Klöver had 282 employees (276). The average age was 45 (44) and the proportion of women was 45 per cent (45).

#### SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

A real estate company is exposed to various risks in its business activities. Internal regulations and policies limit exposure to different risks. Klöver's significant risks and exposure and their management are described on pages 74-77 of the 2020 annual report.

#### DISPUTES

Klöver has no ongoing disputes that can have a significant profit impact. There is an ongoing dispute, although not with a significant profit impact, as Region Uppsala has made claims for compensation due to the cancellation of a property transfer contract. During the fourth quarter of 2019, Klöver made a provision of SEK 24 million due to this claim, which for accounting purposes was charged to the line *Costs for residential development* in the income statement.

#### ACCOUNTING POLICIES

Klöver prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Statements and, in the case of the Parent Company, in accordance with the Annual Accounts Act. The accounting policies applied in this interim report are in essential parts those described in Note 1 of Klöver's annual report for 2020.

#### DIVIDEND

The Board of Directors proposes to the Annual General Meeting, for the 2020 financial year, a dividend of in total SEK 0.26 (0.26) per ordinary share to be paid in two instalments of SEK 0.13 and a dividend of in total SEK 20.00 (20.00) per preference share to be paid in four instalments of SEK 5.00. 30 September 2021 and 31 March 2022 are proposed as record dates for dividend on ordinary shares. 30 June 2021, 30 September 2021, 30 December 2021 and 31 March 2022 are proposed as record dates for preference shares.

During the first quarter of 2021, a dividend of SEK 0.13 per ordinary share and SEK 5.00 per preference share, totalling SEK 216 million, have been paid.

#### EVENTS AFTER THE END OF THE PERIOD

As at 26 April 2021, Klöver's received rental payments and payments assessed as secure totalled 99 per cent of the invoiced rents for the second quarter.

Stockholm, 28 April 2021

The Board of Directors of Klöver AB (publ).

This interim report has not been subject to a review by Klöver's auditors.

## Consolidated Statement of Income *Summary*

SEKm	2021, 3 months Jan-Mar	2020, 3 months Jan-Mar	2020/2021 12 months Apr-Mar	2020, 12 months Jan-Dec
Income	807	837	3,265	3,294
Property costs	-283	-279	-1,105	-1,100
<b>Operating surplus</b>	<b>524</b>	<b>558</b>	<b>2,160</b>	<b>2,194</b>
Central administration	-36	-34	-158	-157
Net financial items	-179	-200	-747	-768
<b>Profit from property management (properties)</b>	<b>309</b>	<b>324</b>	<b>1,255</b>	<b>1,269</b>
Income, residential development	52	6	81	35
Costs, residential development	-60	-23	-132	-95
Net financial items, residential development	-6	-3	-30	-26
<b>Profit from residential development</b>	<b>-14</b>	<b>-20</b>	<b>-81</b>	<b>-86</b>
Share in earnings of associated companies	4	10	2	7
Changes in value, properties	406	593	1,134	1,322
Changes in value, derivatives	207	4	171	-32
Changes in value, financial assets	-1	-29	15	-13
Impairment of goodwill	-2	—	-2	—
<b>Profit before tax</b>	<b>909</b>	<b>882</b>	<b>2,494</b>	<b>2,467</b>
Taxes	-124	-224	-465	-565
<b>Net profit for the period</b>	<b>785</b>	<b>658</b>	<b>2,029</b>	<b>1,902</b>
<b>Net profit for the period attributable to:</b>				
The parent company's shareholders	796	656	2,048	1,908
Holdings without controlling influence	-11	2	-19	-6
	<b>785</b>	<b>658</b>	<b>2,029</b>	<b>1,902</b>
<b>Other comprehensive income, items which may later be reversed in the income statement</b>				
Translation difference regarding foreign operations	269	298	-680	-651
<b>Comprehensive income for the period</b>	<b>1,054</b>	<b>956</b>	<b>1,349</b>	<b>1,251</b>
<b>Comprehensive income for the period attributable to:</b>				
The parent company's shareholders	1,065	954	1,368	1,257
Holdings without controlling influence	-11	2	-19	-6
	<b>1,054</b>	<b>956</b>	<b>1,349</b>	<b>1,251</b>
Earnings per ordinary share, SEK <sup>1</sup>	0.67	0.62	1.76	1.67
No. of ordinary shares outstanding at the end of the period, million	1,031.3	825.0	1,031.3	1,031.3
No. of preference shares outstanding at the end of the period, million	16.4	16.4	16.4	16.4
Average no. of outstanding ordinary shares, million	1,031.3	825.0	932.8 <sup>1</sup>	897.5 <sup>1</sup>
Average no. of outstanding preference shares, million	16.4	16.4	16.4	16.4

There are no outstanding warrants or convertibles that can lead to any dilution.

1) Adjusted for the discount in the rights issue completed in Q4 2020, weighted average adjustment factor ordinary shares A/B: 0.929.

## Consolidated Balance Sheet *Summary*

SEKm	31.03.2021	31.03.2020	31.12.2020
<b>Assets</b>			
Goodwill	146	148	148
Investment properties	58,289	55,811	57,448
Right of use assets	726	734	730
Machinery and equipment	63	31	61
Participation rights in associated companies	437	421	437
Financial assets at fair value through statement of income	159	112	160
Derivatives	121	—	—
Properties classified as current assets	1,014	1,109	1,107
Other receivables	1,917	2,036	1,733
Liquid funds	553	1,474	571
<b>TOTAL ASSETS</b>	<b>63,425</b>	<b>61,875</b>	<b>62,395</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity attributable to the parent company's shareholders	23,677	20,977	22,649
Equity attributable to holdings without controlling influence	97	118	108
Other provisions	24	48	24
Deferred tax liability	3,842	3,441	3,722
Interest-bearing liabilities	33,287	35,034	33,036
Derivatives	—	66	86
Leasing liabilities	726	734	730
Accounts payable	208	148	279
Other liabilities	593	488	776
Accrued expenses and prepaid income	971	821	986
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>63,425</b>	<b>61,875</b>	<b>62,395</b>

## Change in Consolidated Shareholders' Equity *Summary*

SEKm	Shareholders' equity attributable to		Total shareholders' equity
	The parent company's shareholders	Holdings without controlling influence	
Shareholders' equity 31.12.2019	20,031	129	20,160
New issue	2,028	—	2,028
Dividend	-597	—	-597
Hybrid bond	-80	—	-80
Change in holding without controlling influence	10	-15	-4
Other comprehensive income	-651	—	-651
Net profit for the period	1,908	-6	1,902
<b>Shareholders' equity 31.12.2020</b>	<b>22,649</b>	<b>108</b>	<b>22,757</b>
Hybrid bond	-19	—	-19
Change in holding without controlling influence	-17	0	-17
Other comprehensive income	269	—	269
Net profit for the period	796	-11	785
<b>Shareholders' equity 31.03.2021</b>	<b>23,677</b>	<b>97</b>	<b>23,775</b>

# Consolidated Cash Flow Statement

## Summary

SEKm	2021, 3 months Jan-Mar	2020, 3 months Jan-Mar	2020, 12 months Jan-Dec
<b>Current operations</b>			
Operating surplus including central administration and residential development	474	504	1,951
Adjustment for items not included in the cash flow	4	5	32
Interest received	5	5	15
Interest paid	-183	-203	-787
Income tax paid	-21	-44	-44
<b>Cash flow from current operations before change in working capital</b>	<b>279</b>	<b>267</b>	<b>1,167</b>
<b>Changes in working capital</b>			
Change in properties classified as current assets	93	-54	-52
Change in operating receivables	-161	-117	50
Change in operating liabilities	-32	-167	113
<b>Total change in working capital</b>	<b>-100</b>	<b>-338</b>	<b>111</b>
<b>Cash flow from current operations</b>	<b>179</b>	<b>-71</b>	<b>1,278</b>
<b>Investment operations</b>			
Divestment of properties	581	257	391
Acquisition of and investment in properties	-642	-2,667	-4,989
Acquisition of machinery and equipment	-8	-6	-54
Change in financial assets	-20	352	431
<b>Cash flow from investment operations</b>	<b>-89</b>	<b>-2,065</b>	<b>-4,221</b>
<b>Financing operations</b>			
Change in interest-bearing liabilities	138	3,347	1,708
Change in financial instruments	—	-11	-46
New issue	—	—	2,028
Dividend	-216	-181	-527
Hybrid bond	-19	-20	-80
Change in holding without controlling influence	-17	-2	-5
<b>Cash flow from financing operations</b>	<b>-114</b>	<b>3,133</b>	<b>3,078</b>
<b>Total cash flow</b>	<b>-24</b>	<b>997</b>	<b>134</b>
Liquid funds at the beginning of the period	571	449	449
Exchange rate differences in liquid funds	6	28	-12
<b>Liquid funds at the end of the period</b>	<b>553</b>	<b>1,474</b>	<b>571</b>

## Parent Company Income Statement

### Summary

SEKm	2021, 3 months Jan-Mar	2020, 3 months Jan-Mar	2020, 12 months Jan-Dec
Net sales	84	69	307
Cost of services sold	-70	-59	-248
<b>Gross profit</b>	<b>14</b>	<b>10</b>	<b>59</b>
Central administration	-36	-34	-156
<b>Operating profit</b>	<b>-22</b>	<b>-24</b>	<b>-97</b>
Changes in value, derivatives	36	-13	-32
Net financial items	-101	-86	1,150
<b>Profit before tax</b>	<b>-87</b>	<b>-123</b>	<b>1,021</b>
Taxes	-24	-74	-75
<b>Net profit for the period</b>	<b>-111</b>	<b>-197</b>	<b>946</b>
Other comprehensive income	—	—	—
<b>Comprehensive income for the period</b>	<b>-111</b>	<b>-197</b>	<b>946</b>

## Parent Company Balance Sheet

### Summary

SEKm	31.03.2021	31.03.2020	31.12.2020
<b>ASSETS</b>			
Machinery and equipment	9	7	10
Participation rights in group companies	1,765	1,917	1,766
Receivables from group companies	29,944	30,596	30,676
Derivatives	8	14	9
Deferred tax assets	203	226	227
Other receivables	1,103	377	341
Liquid funds	72	1,514	59
<b>TOTAL ASSETS</b>	<b>33,104</b>	<b>34,651</b>	<b>33,088</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	10,144	7,760	10,273
Interest-bearing liabilities	20,726	22,576	20,409
Derivatives	50	67	86
Liabilities to group companies	1,815	3,908	1,711
Accounts payable	6	11	14
Other liabilities	243	224	477
Accrued expenses and prepaid income	120	105	118
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>33,104</b>	<b>34,651</b>	<b>33,088</b>

Klövern's ongoing project 28&7 in New York is estimated to be completed during the first quarter of 2022.



## Key ratios

	31.03.2021, 3 months Jan-Mar	31.03.2020, 3 months Jan-Mar	31.03.2021 Trailing 12 months Apr-Mar	2020	2019	2018	2017	2016
<b>Property</b>								
Number of properties	341	347	341	350	343	426	405	431
Lettable area, 000 sq.m.	2,420	2,549	2,420	2,551	2,542	2,969	2,900	2,943
Rental value, SEKm	3,781	3,822	3,781	3,846	3,819	4,063	3,507	3,386
Rental value per lettable area, SEK/sq.m.	1,562	1,499	1,562	1,508	1,502	1,368	1,209	1,151
Fair value properties, SEKm	58,289	55,811	58,289	57,448	52,377	52,713	42,961	39,234
Yield requirement valuation, %	5.3	5.3	5.3	5.3	5.4	5.7	5.9	6.2
Operating margin, %	65	67	66	67	68	67	66	66
Occupancy rate, economic, %	88	89	88	87	90	89	89	89
Occupancy rate, area, %	80	81	80	79	81	81	81	82
Average lease term, years	3.5	3.6	3.5	3.5	3.6	3.5	3.6	3.7
<b>Financial</b>								
Return on equity, %	3.4	3.2	9.5	9.1	15.9	21.2	18.9	18.6
Equity ratio, %	37.3	33.9	37.3	36.3	34.9	31.8	32.8	32.1
Equity ratio, adjusted, %	43.9	41.4	43.9	43.2	43.5	37.4	38.5	36.7
Leverage, %	50	52	50	50	50	56	57	58
Leverage secured, %	33	35	33	36	34	42	40	42
Interest coverage ratio	2.7	2.5	2.6	2.5	2.6	2.7	2.9	2.9
Average interest, %	2.5	2.4	2.5	2.4	2.3	2.3	2.5	2.5
Average period of fixed interest, years	2.8	3.4	2.8	3.0	2.5	2.9	2.8	2.6
Average period of tied-up capital, years	4.3	3.6	4.3	4.3	4.1	4.3	3.0	3.0
Interest-bearing liabilities, SEKm	33,439	35,138	33,439	33,165	31,653	33,688	25,529	23,869
<b>Share</b>								
Equity per ordinary share, SEK <sup>1</sup>	17.17	16.90	17.17	16.17	15.97	13.50	10.42	8.45
NRV per ordinary share, SEK <sup>1</sup>	20.78	20.85	20.78	19.87	19.67	16.84	13.52	10.94
Equity per preference share, SEK	283.92	283.92	283.92	283.92	283.92	283.92	283.92	283.92
Profit from property management per ordinary share, SEK <sup>1</sup>	0.20	0.25	0.91	0.96	1.19	1.07	0.96	0.86
Earnings per ordinary share, SEK <sup>1</sup>	0.67	0.62	1.76	1.67	2.92	3.26	2.35	1.96
Share price ordinary share A at end of period, SEK <sup>1</sup>	15.25	13.95	15.25	15.55	21.29	9.44	10.11	8.72
Share price ordinary share B at end of period, SEK <sup>1</sup>	15.23	13.73	15.23	15.54	21.35	9.55	9.96	8.87
Share price preference share at end of period, SEK	317.50	282.00	317.50	320.00	373.00	307.00	309.60	288.50
Market capitalization, SEKm	22,315	18,191	22,315	22,703	27,177	14,455	14,922	13,479
Total no. of registered ordinary shares at end of period, million	1,122.3	916.0	1,122.3	1,122.3	916.0	916.0	916.0	916.0
Total no. of outstanding ordinary shares at end of period, million	1,031.3	825.0	1,031.3	1,031.3	825.0	825.8	876.6	916.0
Total no. of registered preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Total no. of outstanding preference shares at end of period, million	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Dividend per ordinary share, SEK	—	—	—	0.26 <sup>2</sup>	0.26	0.46	0.44	0.40
Dividend per preference share, SEK	—	—	—	20.00 <sup>2</sup>	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	—	47 <sup>2</sup>	37	53	57	59
Dividend preference shares in relation to profit from property management, %	—	—	—	26 <sup>2</sup>	22	24	26	28

Klövern shows some key figures in the interim report which have not been defined by IFRS. The company considers that these key figures provide important complementary information about the company. For further information about these key figures, see Klövern's website under the flap Financial Statistics.

1) Adjusted for the discount in the rights issue completed in Q4 2020, weighted average adjustment factor ordinary shares A/B: 0.929.

2) Proposed dividend.

KLÖVERN - INTERIM REPORT JANUARY-MARCH 2021

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# Definitions

## Property

### CHANGES IN VALUE PROPERTIES, REALIZED

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

### CHANGES IN VALUE PROPERTIES, UNREALIZED

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

### COMPARABLE PORTFOLIO

Properties owned during the whole of the current year and the whole of the previous year, excluding properties with extensive new production or conversion projects.

### CONTRACT VALUE

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

### DEVELOPMENT PROPERTIES

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

### INVESTMENT PROPERTIES

Properties currently being actively managed. For accounting purposes in the balance sheet, Investment properties also include Development Properties.

### NET LETTING

The contract value of newly signed lease contracts less the contract value of terminated lease contracts together with the net of the contract value of renegotiated lease contracts.

### NET MOVING-IN

Contract value of tenants moving in less contract value of vacating tenants.

### OCCUPANCY RATE, AREA-BASED

Let area in relation to total lettable area.

### OCCUPANCY RATE, ECONOMIC

Contract value in relation to rental value.

### OPERATING MARGIN

Operating surplus in relation to income.

### PROPERTIES CLASSIFIED AS CURRENT ASSETS

Properties in Tobin Properties with ongoing production of tenant-owned apartments or which are intended for future tenant-owned production.

### RENTAL VALUE

Contract value plus assessed market rent for area not rented.

### YIELD REQUIREMENT, VALUATION

The required yield of property valuations on the residual value.

58.3

Value of properties, SEKbn

3.8

Rental value, SEKbn

2,420

Lettable area, thousand sq.m.

## Financial

### EQUITY RATIO

Equity<sup>1</sup> in relation to total assets.

### EQUITY RATIO, ADJUSTED

Equity<sup>1</sup> adjusted for the value of derivatives, goodwill, repurchased shares (based on the share price at the end of the respective period) and deferred tax liabilities exceeding 5 per cent of the difference between tax value and fair value of the properties in relation to total assets adjusted for goodwill and right of use assets.

### INTEREST COVERAGE RATIO

Profit from property management plus earnings from residential development, excluding financial costs<sup>2</sup> in relation to financial costs<sup>2</sup>.

### LEVERAGE

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

### LEVERAGE, SECURED

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

### RETURN ON EQUITY

Net profit in relation to average equity<sup>1</sup>.

## Share

### EARNINGS PER ORDINARY SHARE<sup>4</sup>

Net profit, after deduction of dividend on preference shares and interest on hybrid bonds, in relation to the average number of outstanding ordinary shares.

### EQUITY PER ORDINARY SHARE

Equity<sup>1</sup> after deduction of equity attributable to preference shares and hybrid bonds in relation to the number of outstanding shares.

### EQUITY PER PREFERENCE SHARE

The preference share's average issue price.

### NRV PER ORDINARY SHARE<sup>3</sup>

Equity<sup>1</sup> after deduction of equity attributable to preference shares and hybrid bonds adding back derivatives and deferred tax liability in relation to the number of outstanding ordinary shares.

### PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE<sup>4</sup>

Profit from property management, after deduction of dividend on preference shares and interest on hybrid bonds, in relation to the average number of outstanding ordinary shares.

1) Equity attributable to the Parent Company's shareholders.

2) Excluding site leasehold expenses.

3) On 31 March 2021, equity attributable to preference shares amounted to SEK 4,669 million and outstanding hybrid bonds to SEK 1,300 million.

4) The definition of the key figure was changed in connection with the interim report for January–June 2020. Historic figures have been adjusted in line with the new definition.

2.7

Interest coverage ratio, Jan–Mar

43.9

Equity ratio, adjusted, %

61,600

Number of shareholders

## Calendar

Annual General Meeting	28 April 2021
Final day for trading conferring the right to dividend for holders of preference shares	28 June 2021
Record date for dividend to holders of preference shares	30 June 2021
Expected date for dividend to holders of preference shares	5 July 2021
Interim report, January–June 2021	14 July 2021
Interim report, January–September 2021	22 October 2021
Year-end report 2021	11 February 2022

## Contact

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This information is information that Klöver AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact persons set out above at 07:30 CEST on 28 April 2021.

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

# KLÖVERN

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# STATEMENT FROM THE BOARD OF DIRECTORS OF KLÖVERN

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The information on pages 96-141 in this Offer Document has been reviewed by the board of directors of Klöver. It is the board's opinion that this brief description of Klöver provides a correct and accurate, albeit not complete, picture of Klöver.

Stockholm 12 May 2021  
Klöver AB (publ)  
Board of Directors

# HISTORICAL FINANCIAL INFORMATION

## Corem Property Group

### Documents incorporated by reference

Corem's and the Group's financial reports for the financial years 1 January–31 December 2020, 1 January–31 December 2019 and 1 January–31 December 2018 form part of the Offer Document and shall be read as part thereof. These financial statements can be found in Corem's annual reports for the corresponding periods. The annual reports have been audited by Corem's auditor and the auditor's reports are attached to the annual reports.

Corem's and the Group's financial reports for the period 1 January–31 March 2021 also forms part of this Offer Document and shall be read as part thereof. The financial report for the period 1 January–31 March 2021 (including comparative figures from

the corresponding period 1 January–31 March 2020) has been retrieved from Corem's interim report for the period 1 January–31 March 2021. Corem's interim report for the period 1 January–31 March 2021 has neither been reviewed nor audited by Corem's auditor.

In addition to the information referred to above, with the exception of the pro forma accounts, no information in the Offer Document has been reviewed or audited by the Company's auditor. The parts of the above-mentioned documents that have not been incorporated are either not relevant for the investor or are included elsewhere in the Offer Document.

### Source

Annual report for 2018

<https://www.corem.se/sv/investerare/finanssiella-rapporter/>

Annual report for 2019

<https://www.corem.se/sv/investerare/finanssiella-rapporter/>

Annual report for 2020

<https://www.corem.se/sv/investerare/finanssiella-rapporter/>

Interim report for the period 1 January–31 March 2021

<https://www.corem.se/sv/investerare/finanssiella-rapporter/>

### Information

Directors' report (p. 54-58), income statement (p. 62, 68), balance sheet (p. 64-65, 69), changes in equity (p. 67, 71), cash flow statement (p. 66, 70), notes (p. 72-88), accounting principles (p. 73-76) and audit report (p. 90-92).

Directors' report (p. 56-60), income statement (p. 64-65, 70), balance sheet (p. 66-67, 71), changes in equity (p. 69, 73), cash flow statement (p. 68, 72), notes (p. 75-92), accounting principles (p. 75-79) and audit report (p. 100-103).

Directors' report (p. 64-68), income statement (p. 72-73, 78), balance sheet (p. 74-75, 79), changes in equity (p. 77, 81), cash flow statement (p. 76, 80), notes (p. 83-100), accounting principles (p. 83-86) and audit report (p. 110-113).

Income statement, summarized (p. 6, 16), balance sheet (p. 8, 16), changes in equity, summarized (p. 9), cash flow statement (p. 9), notes (p. 17) and accounting principles (p. 17).

## Klövern

### Documents incorporated by reference

Klövern's and the group's financial reports for the financial years 1 January - 31 December 2020 and 1 January - 31 December 2019 as well as the interim report for the period 1 January - 31 March 2021 form part of the Offer Document and must be read as part thereof. The financial reports for the financial years 2020 and 2019 can be found in Klöverns annual reports for the corresponding periods. The annual reports have been audited by Klöverns auditor Ernst & Young AB and the auditor's reports are attached to the annual reports.

Klövern's interim report for the period 1 January–31 March 2021 has not been subject to review by Klöverns auditor Ernst & Young AB.

The parts of the above-mentioned documents that have not been incorporated are either not relevant for the investor or are included elsewhere in the Offer Document.

### Source

Annual report for 2019

<https://www.corem.se/sv/sektion/bud-pa-klovern/>

Annual report for 2020

<https://www.corem.se/sv/sektion/bud-pa-klovern/>

Interim report for the period 1 January–31 March 2021

<https://www.corem.se/sv/sektion/bud-pa-klovern/>

### Information

Consolidated Statement of Income and Consolidated Report of Comprehensive Income (p. 94, 98), balance sheet (p. 95, 99), changes in equity (p. 96, 100), cash flow statement (p. 97, 101), notes (p. 102-125), accounting principles (p. 102-107) and audit report (p. 128-131).

Consolidated Statement of Income and Consolidated Report of Comprehensive Income (p. 104, 108), balance sheet (p. 105, 109), changes in equity (p. 106, 110), cash flow statement (p. 107, 111), notes (p. 112-134), accounting principles (p. 112-116) and audit report (p. 138-141).

Income statement (p. 16, 19), balance sheet (p. 17, 19), changes in equity (p. 17), cash flow statement (p. 18).

# TAX ISSUES IN SWEDEN

The reader of the Offer Document is reminded that the tax legislation of the investor's Member State and the issuer's country of registration may affect the income from the Securities.

Summarized below are certain Swedish tax rules that are relevant in connection with the Offer for shareholders in Klövern who are subject to unlimited tax liability in Sweden, unless otherwise expressly stated. The summary is based on current legislation and is intended as general information only.

## The summary does not address:

- situations where a natural person is considered to be unlimitedly liable for tax in Sweden because he or she has a significant connection to Sweden;
  - situations where shares are held as inventory assets in business operations;
  - situations where shares are held by limited partnerships or trading partnership;
  - the specific rules on tax-free capital gains and the prohibition on deductions for capital losses that may become applicable when shareholders' shares in Klövern or Corem are to be regarded as business-related for the shareholder for tax purposes;
  - the special rules that in certain cases may apply to shares in companies that are or have been a close company (Sw. *fåmansbolag*) or to shares acquired with the support of such shares;
  - foreign companies that conduct business from a permanent establishment in Sweden; or
  - foreign companies that have been Swedish companies.
- Special tax rules also apply to certain categories of companies. The tax treatment of each individual shareholder depends on their specific situation. Shareholders should therefore, respectively, consult a qualified tax adviser regarding the tax consequences that the Offer may entail, including the applicability and consequence of foreign rules and tax agreements.

## PHYSICAL PERSONS IN SWEDEN

### Taxation on the sale of shares in Klövern and on compensation in the form of shares in Corem.

For a natural person who is subject to unlimited tax liability in Sweden due to his or her residence or permanent resident in Sweden and who accepts the Offer and sells shares in Klövern for consideration in the form of shares in Corem, arises, provided that the rules on deferred taxation in the event of share exchanges are applicable, no taxable capital gain or deductible capital loss in respect of the shares in Klövern that are sold as a result of the Offer. In order for the rules on deferred taxation in the event of a share exchange to be applicable, it is required, among other things, that Corem owns shares in Klövern corresponding to more than 50 per cent of the voting rights for all shares in Klövern at the end of the calendar year of the sale and that the sale is made at market price. Provided that the Offer is comple-

ted, Corem will hold shares in Klövern in such a way that these conditions are met. The acquisition value of the shares received in Corem corresponds to the overhead amount for previously held shares in Klövern in the event of deferred taxation. It can be noted that the share change itself does not need to be declared. Cash compensation or a sale of shares in Corem that have been received through the Offer, on the other hand, triggers tax consequences and must be declared, see further below.

If a natural person no longer fulfills the conditions to be resident in Sweden, or in another state within the European Economic Area ("EEA"), or to reside permanently here or within the EEA and the rules on deferred taxation have been applied, the capital gain at the change of share is taken up in taxation. A natural person who has been resident or permanently resident in Sweden must thus declare the capital gain in the year in which the residence or stay in Sweden ends. The shares received shall then be considered sold for the market value that applied at the time of the exchange. The capital gain on the exchange is thus determined only afterwards.

### Taxation on compensation in the form of cash

Regarding shares in Klövern that are sold for cash consideration, capital gains taxation is triggered and no deferred taxation is possible (see below).

### Taxation on the sale of shares in Corem

When a natural person sells a share in the Company that he or she has received through the Offer, capital gains taxation is triggered, see further below.

### General information regarding capital gains taxation of natural persons

For natural persons who are subject to unlimited tax liability in Sweden, capital income such as interest income, dividends and capital gains in the income category capital is taxed. The tax rate in the income category capital is 30 per cent. When calculating whether a capital gain or capital loss arises, the overhead amount for all shares of the same type and variety shall be added together and calculated jointly using the average method. When selling listed shares, the standard method may alternatively be used, which implies that the overhead amount may be determined at 20 per cent of the sales compensation after deduction of expenses for the sale.

Capital losses on listed shares may be deducted in full against taxable capital gains that arise in the same year on shares and listed securities that are taxed as shares (but not units in mutual funds or special funds that only contain Swedish receivables, so-called fixed income funds). Of capital loss on listed shares that could not be deducted through the aforementioned set-off option, a deduction is allowed in the income category capital of 70 per cent of the loss.

If a deficit arises in the income category capital, a reduction in the tax on income from employment, income from business activities as well as property tax and municipal property tax is permitted. Tax reduction is allowed with 30 per cent of the part of the deficit that does not exceed SEK 100,000 and with 21 per cent of the remaining deficit. Deficits in the income category capital that cannot be used as described above are lost and may not be used in later years.

### SWEDISH LIMITED LIABILITY COMPANIES

#### Taxation on the sale of shares in Klövern and on compensation in the form of shares in Corem

For limited companies that are subject to unlimited tax liability in Sweden and that sell shares in Klövern through the Offer, a taxable capital gain or deductible capital loss arises as a general rule. The capital gain and capital loss are calculated on the basis of the difference between the market value of the shares received in Corem at the time of sale of the shares in Klövern and the overhead amount for the shares sold in Klövern. Provided that certain conditions are met, however, there is an opportunity to request a deferral of taxation, see also Deferral of taxation of capital gains below. Corem intends to apply to the Swedish Tax Agency for a determination of the market value of the shares received in the Company at the time of sale of the shares in Klövern. The value determined by the Swedish Tax Agency will be published on the Swedish Tax Agency's and Corem's website [www.corem.se](http://www.corem.se).

When calculating capital gains or capital losses, the overhead amount for all shares of the same type and variety shall be added together and calculated jointly using the average method. When selling listed shares, the standard method may alternatively be used, which means that the overhead amount may be determined at 20 per cent of the sales compensation after deduction of expenses for the sale.

#### Deferral of taxation of capital gains

To the extent that limited liability companies through the Offer exchange shares in Klövern for shares in Corem with capital gains as a result, deferral of taxation may be granted upon request in the declaration and provided that certain conditions are met. For the rules on deferral to be applicable, it is required, among other things, that the sale of the shares in Klövern to Corem is made at market value and that Corem owns shares in Klövern corresponding to more than 50 per cent of the voting rights for all shares in Klövern at the end of the calendar year in which the sale of shares is carried out. Provided that the Offer is completed, Corem will hold shares in Klövern in such a way that this condition is met.

Limited companies that want a deferral of taxation of capital gains must report the capital gain in their tax return and make a request for deferral of taxation. If a deferral is granted, the capital gain must be determined by the Swedish Tax Agency during the assessment in the form of a deferral. The deferral amount shall be distributed equally among the shares in Corem that have been received through the Offer. If a deferral is granted, the capital

gain must be taken up for taxation at the latest when the ownership of the shares received in Corem is transferred to another or if the shares cease to exist. However, this does not apply if the shares received are transferred to another through a subsequent qualified sub-price transfer or a subsequent share exchange that meets the conditions for continued deferral and the taxpayer requests that the deferral amount not be taken up for taxation. The taxpayer may also at any time in his declaration request that the deferral amount be taken up for taxation.

#### Taxation on compensation in the form of cash

Regarding shares in Klövern that are sold for cash consideration, capital gains taxation is triggered and no deferral is possible (see below).

#### Taxation on the sale of shares received in Corem

When a limited liability company in Sweden sells shares in Corem that have been received through the Offer, capital gains taxation is triggered. Shares received in Corem are considered acquired for a price corresponding to the market value at the time of acquisition.

If a deferral of the taxation of the capital gain for shares in Klövern has been granted, the permitted deferral amount shall also be taken up for taxation in connection with the sale of shares in Corem that have been received through the Offer. If shareholders who accept the Offer own shares in Corem at the time of the share exchange or acquire additional shares in Corem after the share exchange, a special priority rule is applied according to which subsequent sale of shares in Corem is considered to take place in the following order:

1. shares in Corem acquired prior to the Offer;
2. shares in Corem acquired through the Offer; and
3. shares in Corem acquired after the Offer.

#### General regarding taxation of limited companies

For limited companies that are subject to unlimited tax liability, all income, including capital gains and dividends, in the income category business activities is taxed at 20.6 per cent tax as of 1 January 2021. When calculating capital gains and capital losses, respectively, the overhead amount for all shares of the same type and variety shall be added together and calculated jointly using the average method. When selling listed shares, the standard method may alternatively be used to determine the overhead amount. Deductions for capital losses on shares are only allowed against capital gains on shares and other securities that are taxed as shares. In the event that a capital loss cannot be deducted from the company that made the loss, it can be deducted in the same year against capital gains on shares and other securities that are taxed as shares in another company in the same group, provided that group contribution rights exist between the companies and both companies request it for a tax year that has the same tax return date or that would have had it if none of the companies' accounting obligations had ceased. Capital losses on shares that have not been exercised in a given

year may be saved and deducted against capital gains on shares and other securities that are taxed as shares during subsequent tax years without a time limit. However, it can be noted that special tax rules may apply to certain categories of companies or certain legal entities, such as mutual funds or special funds and investment companies.

#### **SPECIAL TAX ISSUES FOR SHAREHOLDERS WHO ARE SUBJECT TO LIMITED TAX LIABILITY IN SWEDEN**

For shareholders who are subject to limited tax liability in Sweden and who receive dividends on shares in Swedish limited companies, coupon tax is normally levied in Sweden. The coupon tax is normally withheld by Euroclear at the time of distribution. If the shares are nominee-registered, the nominee is responsible for the tax deduction. Dividends to shareholders who are foreign legal entities domiciled in the EU may, if certain conditions are met, be exempt from Swedish coupon tax. Shareholders who are subject to limited tax liability in Sweden and who do not conduct business from a permanent establishment in Sweden are not normally capital gains taxed in Sweden on the sale of shares. The Offer implies that shares in Klöver are sold and therefore as a rule does not entail any Swedish tax consequences for a limited taxpayer who does not have a permanent establishment in Sweden. According to the so-called ten-year rule, however, a natural person with limited tax liability in Sweden may be subject to capital gains taxation in Sweden on the sale of shares in Klöver if the person at any time during the year of the sale or during the previous ten (10) calendar years has resided in Sweden or permanently stayed here. However, the applicability of the rule is in several cases limited by tax agreements. Limited taxpayers may also be subject to taxation in their state of residence.

# VALUATION CERTIFICATES

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Valuation certificates for Corem's properties have been issued by independent expert valuers on behalf of Corem. There have been no significant changes since the valuation certificates were issued. The valuation certificates are presented on the following pages.

The valuation certificates have been issued by Cushman & Wakefield Sweden AB with address: Regeringsgatan 59, 103 59 Stockholm and Savills Sweden AB with address: Regeringsgatan 48, 111 56 Stockholm. All valuers have agreed that the valuation certificates have been included in the Offer Document. The information in the valuation certificate below has been reproduced accurately and no information has been omitted in a way that could make the reproduced information incorrect or misleading.

The properties Instrumentet 13 and Instrumentet 8 in Stockholm were divested as of April 26, 2021 and are not included in the valuation certificates. The property Sigtuna Märsta 21:48 with acquisition date 15 April 2021 is not included in the valuation cer-

tificates due to the fact that the property was recently acquired. Märsta 21:48 was acquired for an underlying property value of SEK 8.5 million.

Corem's valuation of its properties amounts to SEK 14,811 million as of 31 March 2021. The value according to the valuation certificates amounts to SEK 13,938 million, which corresponds to a deviation of 4.9 per cent in relation to Corem's valuation with adjustment for the sale of the Stockholm Instrumentet 8 and 13.

The properties in the valuation certificates have been valued during the period June 2020 to April 2021, many with an earlier valuation date than 31 March 2021. Changes in value in the time after the respective value date are therefore not fully reflected in the valuation certificates. Property valuations are generally subject to an uncertainty interval of approximately 5-10 per cent, corresponding to the uncertainty contained in the assumptions and calculations made in connection with the valuations. It is Corem's assessment that the said deviation falls within this range of uncertainty.

# VALUATION CERTIFICATES CUSHMAN & WAKEFIELD SWEDEN AB



Regeringsgatan 59  
103 59 Stockholm, Sweden  
Tel +46 (0)8 671 34 00  
cushmanwakefield.com

## VALUATION REPORT

Cushman & Wakefield has been instructed by Corem Property Group AB (publ) to estimate the market value of 91 properties. 62 properties are held freehold and 29 are held leasehold. All properties are located in Sweden. The main use of the properties is office and warehouse/light industrial, the portfolio also include a few retail properties. Date of valuation is set at 30 June 2020 (10 properties), 30 September 2020 (29 properties), 31 December 2020 (36 properties) and 31 March 2021 (16 properties). The total lettable area is 528,221 sq.m., of which 26 sq.m is residential use and 528,195 sq.m. is commercial space.

The valuation has been prepared in accordance with RICS – "Beställarhandledning för Fastighetsvärdering" for a Regulated Purpose as defined in the RICS Valuation Valuation Practice Statements ("VPS"), part of RICS Valuation - Global Standards ("Red Book") presented by Royal Institution of Chartered Surveyors (RICS), The International Valuation Standard Committee (IVSC) and European Valuation Standards (EVS), presented by The European Group of Valuers' Associations ("TEGoVA"). The valuations also follow regulations for accounting purposes, IFRS 13 and IAS 40.

We understand that our valuation report is required for inclusion in an offer document which is to be published by Corem Property Group AB for a public offering to shareholders in Klöver AB. In accordance with the RICS Valuation - Professional Standards, we have made certain disclosures in connection with this valuation instruction and our relationship with Corem Property Group AB.

All properties have been inspected by representatives from Cushman & Wakefield between May 2019 and March 2021.

We confirm that we have sufficient current local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the valuation competently. The valuations have been carried out by valuers qualified for the purpose and acting as external valuer.

We have made various assumptions as to tenure, letting, town planning etc. If any of the information or assumptions on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

Market value for the assets has been estimated as follows:		
10 properties as of 2020-06-30	SEK	929.100.000
29 properties as of 2020-09-30	SEK	2.649.000.000
36 properties as of 2020-12-31	SEK	2.497.900.000
16 properties as of 2021-03-31	SEK	1.488.900.000

Sum Market Value: **SEK 7,564,900,000**  
**(SEK Seven Billion Five Hundred and Sixty-Four Million Nine Hundred Thousand)**

The estimated market value differs from market value presented by Corem Property Group in their latest report. There are a number of explanations to the difference. The market has changed, leasing situation have changed, and investments have been taken etc.

Stockholm 2021-04-15  
Cushman & Wakefield Sweden AB

Sven-Erik Hugosson, MRICS  
Av Samhällsbyggarna Auktoriserad fastighetsvärderare



- For the Purposes of the European Commission Regulation No. 809/2004 implementing the Prospectus Directive, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all considerable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. The Valuation Report complies with paragraph 128 to 130 of the ESMA update of CESR's recommendations for consistent implementation the European Commission Regulation No. 809/2004 implementing the Prospectus Directive.
- This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents saves as set out above. No reliance may be placed upon the contents of the Valuation Report by any party for any purpose other than in connection with the purpose of the valuation.

Fastighet	Kommun	
Backa 25:1	Göteborg	2020 Q2
Backa 25:6	Göteborg	2020 Q2
Kobbegården 155:2	Göteborg	2020 Q2
Kullen 5	Malmö	2020 Q2
Mallen 3	Täby	2020 Q2
Revisorn 3	Sollentuna	2020 Q2
Smörbollen 12	Malmö	2020 Q2
Spinnaren 1	Möndal	2020 Q2
Stridsyxan 5	Malmö	2020 Q2
Veddesta 2:43	Järfälla	2020 Q2
Bredskär 1	Malmö	2020 Q3
Brämön 4	Malmö	2020 Q3
Bätyn 1	Malmö	2020 Q3
Dahlia 5	Täby	2020 Q3
Elektra 20	Stockholm	2020 Q3
Elektra 27	Stockholm	2020 Q3
Forminnet 6	Malmö	2020 Q3
Hammarby-Smedby 1:435	Upplands Väsby	2020 Q3
Hålsås 1:17	Härnäs	2020 Q3
Jordbromalm 6:59	Haninge	2020 Q3
Kajan 37	Malmö	2020 Q3
Lillsåtra 3	Stockholm	2020 Q3
Märsta 11:11	Sigtuna	2020 Q3
Revisorn 1	Sollentuna	2020 Q3
Ringpärmen 6	Sollentuna	2020 Q3
Rotorn 2	Sollentuna	2020 Q3
Sadelgjorden 1	Malmö	2020 Q3
Skälby 3:1321	Järfälla	2020 Q3
Skälby 3:1418	Järfälla	2020 Q3
Skälby 3:1431	Järfälla	2020 Q3
Skälby 3:1446	Järfälla	2020 Q3
Skälby 3:1452	Järfälla	2020 Q3
Skälby 3:674	Järfälla	2020 Q3
Skälby 3:676	Järfälla	2020 Q3
Storsåtra 1	Stockholm	2020 Q3
Tumstocken 8	Täby	2020 Q3
Törnrosen 2	Möndal	2020 Q3
Utlängan 1	Malmö	2020 Q3
Veddesta 2:90	Järfälla	2020 Q3

Fastighet	Kommun	
Broby 11:6	Sigtuna	2020 Q4
Broby 12:6	Sigtuna	2020 Q4
Broby 12:9	Sigtuna	2020 Q4
Bråta 2:136	Härnäs	2020 Q4
Bråta 2:150	Härnäs	2020 Q4
Damskon 2	Stockholm	2020 Q4
Elektra 23	Stockholm	2020 Q4
Glädjen 1:51	Upplands Väsby	2020 Q4
Glädjen 1:52	Upplands Väsby	2020 Q4
Högsbo 16:16	Göteborg	2020 Q4
Induktorn 37	Stockholm	2020 Q4
Jordbromalm 4:5	Haninge	2020 Q4
Kindbogården 1:107	Härnäs	2020 Q4
Koborg 2	Botkyrka	2020 Q4
Kryptogasen 8	Möndal	2020 Q4
Lastkajen 3	Stockholm	2020 Q4
Magasinet 6	Stockholm	2020 Q4
Märsta 11:14	Sigtuna	2020 Q4
Märsta 15:7	Sigtuna	2020 Q4
Märsta 21:22	Sigtuna	2020 Q4
Märsta 21:34	Sigtuna	2020 Q4
Märsta 21:42	Sigtuna	2020 Q4
Märsta 21:46-47	Sigtuna	2020 Q4
Märsta 21:50	Sigtuna	2020 Q4
Märsta 21:53	Sigtuna	2020 Q4
Märsta 24:10	Sigtuna	2020 Q4
Märsta 24:12	Sigtuna	2020 Q4
Märsta 24:8	Sigtuna	2020 Q4
Nattsområdet 12, 14	Stockholm	2020 Q4
Norslunda 1:10	Sigtuna	2020 Q4
Rotorn 1	Sollentuna	2020 Q4
Skyttbrink 30	Botkyrka	2020 Q4
Skyttbrink 36	Botkyrka	2020 Q4
Slipskivan 9	Huddinge	2020 Q4
Arendal 5:1	Göteborg	2021 Q1
Backa 21:8	Göteborg	2021 Q1
Backa 96:2	Göteborg	2021 Q1
Fabrikören 6	Stockholm	2021 Q1
Hällsåtra 3	Stockholm	2021 Q1
Lillsåtra 1	Stockholm	2021 Q1
Magasinet 7	Stockholm	2021 Q1
Märsta 24:11	Sigtuna	2021 Q1
Revisorn 2	Sollentuna	2021 Q1
Ringpärmen 1	Sollentuna	2021 Q1
Ringpärmen 2	Sollentuna	2021 Q1
Slätten 1	Tyresö	2021 Q1
Stensåtra 17	Stockholm	2021 Q1
Tingsladsvassen 30:2	Göteborg	2021 Q1
Törnrosen 5	Möndal	2021 Q1
Ångmaskinen 5	Huddinge	2021 Q1



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103 59 Stockholm, Sweden  
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cushmanwakefield.com

## VALUATION REPORT

Cushman & Wakefield has been instructed by Corem Property Group AB (publ) to estimate the market value of 2 properties. Both properties are held freehold. All properties are located in Denmark. The main use of the properties is warehouse. Date of valuation is set at 15 April 2021. The total lettable area is 37,123 sq.m., 37,123 sq.m. is commercial space.

The valuation has been prepared in accordance with RICS – Global Standards for a Regulated Purpose as defined in the RICS Valuation Valuation Practice Statements (“VPS”), part of RICS Valuation - Global Standards (“Red Book”) presented by Royal Institution of Chartered Surveyors (RICS), The International Valuation Standard Committee (IVSC) and European Valuation Standards (EVS), presented by The European Group of Valuers’ Associations (“TEGoVA”). The valuations also follow regulations for accounting purposes, IFRS 13 and IAS 40.

We understand that our valuation report is required for inclusion in an offer document which is to be published by Corem Property Group AB for a public offering to shareholders in Klövern AB. In accordance with the RICS Valuation – Professional Standards, we have made certain disclosures in connection with this valuation instruction and our relationship with Corem Property Group AB.

All properties have been inspected by representatives from Cushman & Wakefield in April 2021.

We confirm that we have sufficient current local and national knowledge of the particular property markets involved and have the skills and understanding to undertake the valuation competently. The valuations have been carried out by valuers qualified for the purpose and acting as external valuer.

We have made various assumptions as to tenure, letting, town planning etc. If any of the information or assumptions on which the valuation is based is found to be incorrect, the valuation figures might also be incorrect and should be reconsidered.

Market value for the assets has been estimated as follows;  
2 properties as of 2021-14-15                      DKK              347,600,000

Sum Market Value:                                      **DKK 347,600,000**  
**(Three Hundred Forty-Seven million Six hundred Thousand)**

The estimated market value differs from market value presented by Corem Property Group in their latest report. There are a number of explanations to the difference. The market has changed, leasing situation have changed, and investments have been taken etc.

Stockholm 2021-04-26  
Cushman & Wakefield Sweden AB

Sven-Erik Hugosson, MRICS  
Av Samhällsbyggarna Auktoriserad fastighetsvärderare



- For the Purposes of the European Commission Regulation No. 809/2004 implementing the Prospectus Directive, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all considerable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. The Valuation Report complies with paragraph 128 to 130 of the ESMA update of CESR's recommendations for consistent implementation the European Commission Regulation No. 809/2004 implementing the Prospectus Directive.
- This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents saves as set out above. No reliance may be placed upon the contents of the Valuation Report by any party for any purpose other than in connection with the purpose of the valuation.



Property	Location
Hundingvej 85-87 Kumlehusvej 1a	Greve Roskilde

# VALUATION CERTIFICATES

## SAVILLS SWEDEN AB



Regeringsgatan 48  
111 56 STOCKHOLM

Telefon: 08 545 858 90  
www.savills.se

### Summary of Valuations

On behalf of Corem Property Group AB at the request of Lisa Waara Klintehäll, Savills Sweden has assessed market values for 72 valuation entities during the period June 2020 to March 2021. The valuation dates of the valuation assignments are 2020-06-30, 2020-09-30, 2020-12-31 and 2021-03-31. The valuation entities are listed under the respective valuation date in appendix 1.

Valuation method with appropriate supporting evidence collection and processing relates to RICS and IVSC recommendations and is reported according to ESMA and CESR's recommendations. The valuation purposes are accounting and financing.

The properties have all been inspected by Savills during a 3-year period (2018-2021).

Savills is an independent valuer and not related to any of the parties involved in the valuation instructions. There is no conflict of interest in advising or reporting.

The valuation is based on a cash flow analysis meaning that the property values are based on the present value of projected cash flows as well as the residual value during a cash flow period of five respectively twenty years. The assumptions regarding the future cash flows are based on an analysis of:

- Current and historical rents and costs
- The market / local area's future development
- Property conditions and position in each market segment
- Existing relevant lease conditions
- Market rental terms when the lease expires
- Operation and maintenance costs of similar properties in comparison with the costs in the actual properties

Based on the analysis, the resulting net operating income during the cash flow period and the residual value at the end of the cash flow period has been discounted with an estimated discount rate. The value affecting parameters used in the valuations corresponds to Savills interpretation of how investors and other market participants think and operate.

Existing and potential building rights have been valued on the basis of a comparison method and in relation to the ongoing planning process.

Savills Sweden AB consents to its condensed summary of values being published or referred to in offering materials solely on the condition that the use of this summary of values is only for the part to whom it is issued for specific purposes stated herein and no liability is accepted from third parties for the whole or parts of its contents.



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Upon request, we hereby confirm that according to the assessments made by Savills Sweden, the market values at the various valuation dates is as follows:

**30/6 2020**

19 valuation entities, **1,374,000,000 (one thousand threehundredseventyfour million)** kronor, of which all refers to freehold properties.

**30/9 2020**

9 valuation entities, **731,000,000 (sevenhundredthirtyone million)** kronor, of which all refers to freehold properties.

**31/12 2020**

5 valuation entities, **1,162,000,000 (one thousand onehundredsixtytwo million)** kronor, of which freehold properties (4) 1,028 million kronor and leasehold properties (1) 133 million kronor

**31/3 2021**

39 valuation entities, **2,633,000,000 (two thousand sixhundredthirtythree million)** kronor, of which freehold properties (33) 2,307 million kronor and leasehold properties (6) 327 million kronor

For the 19 valuation entities with valuation date 30/6 2020, the 9 valuation entities with valuation date 30/9 2020, the 5 valuation entities with valuation date 31/12 2020 and the 39 valuation entities with valuation date 31/3 2021 the total assessed value summarizes to:

**5,900,000,000 kronor**  
**(Five thousand ninehundred million kronor)**

We refer to the Valuation Summary in Appendix 1.

Stockholm the 26<sup>th</sup> of April 2021  
Savills Sweden AB

A handwritten signature in blue ink, appearing to read "Marcus Kindbom".

Marcus Kindbom, MRICS  
By Samhällsbyggarna authorized valuer

A handwritten signature in blue ink, appearing to read "Karin Zakariasson".

Karin Zakariasson, MRICS  
By Samhällsbyggarna authorized valuer



Regeringsgatan 48  
111 56 STOCKHOLM

Telefon: 08 545 858 90  
www.savills.se

### Appendix 1

Valuation entity	Municipality	Area m2	Market value 2020-06-30		Leasehold/Freehold
			Mkr	Kr/m2	
Budkaveln 18	Jönköping				F
Fjädern 3	Borås				F
Fjädern 4	Borås				F
Flahult 21:14	Jönköping				F
Högsbo 38:3	Göteborg				F
Neongasen 2	Mölndal				F
Pantängen 19	Borås				F
Rotorn 1, Borås	Borås				F
Sicklaön 356:1	Nacka				F
Ulvö 8	Jönköping				F
Veddesta 2:79	Järfälla				F
Ädelkorallen 1	Jönköping				F
Ädelkorallen 10	Jönköping				F
Ädelkorallen 17	Jönköping				F
Ädelmetallen 12	Jönköping				F
Ädelmetallen 5	Jönköping				F
Ålgskytten 4	Jönköping				F
Öronlappen 8	Jönköping				F
Öronskyddet 9	Jönköping				F
<b>Total</b>		<b>112,872</b>	<b>1,374</b>	<b>12,175</b>	

Valuation entity	Municipality	Area m2	Market value 2020-09-30		Leasehold/Freehold
			Mkr	Kr/m2	
Veddesta 2:31	Järfälla				F
Veddesta 2:63	Järfälla				F
Gånggriften 3	Malmö				F
Stiglädret 11	Malmö				F
Kärra 91:1	Göteborg				F
Åreporten 3	Jönköping				F
Öronlappen 7	Jönköping				F
Överlappen 15	Jönköping				F
Anoden 2 o 5	Huddinge				F
<b>Total</b>		<b>50,135</b>	<b>731</b>	<b>14,578</b>	



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Valuation entity	Municipality	Area m2	Market value 2020-12-31		Leasehold/Freehold
			Mkr	Kr/m2	
Fabriken 1	Växjö				F
Hedenstorp 2:41	Jönköping				F
Kallhäll 9:36	Järfälla				F
Konsumenten 3	Stockholm				L
Skruven 3	Borås				F
<b>Total</b>		<b>78,438</b>	<b>1,162</b>	<b>14,809</b>	



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Valuation entity	Municipality	Area m2	Market value		Leasehold/Freehold
			2021-03-31 Mkr	Kr/m2	
Dagskiftet 2	Stockholm				L
Mörtö 6	Stockholm				L
Viby 19:32	Upplands Bro				F
Viby 19:53	Upplands Bro				F
Viby 19:54	Upplands Bro				F
Törnby 2:2	Upplands Väsby				F
Krukskärvan 8	Malmö				F
Nackremmen 1	Malmö				L
Nackremmen 2	Malmö				F
Nosgrimman 1	Malmö				L
Sadelknappen 3	Malmö				L
Svedala 306:9	Svedala				F
Måseskär 5	Malmö				F
Förbygeln 1	Malmö				F
Löplinan 7	Malmö				F
Stångbettet 15	Malmö				F
Stridsyxan 4	Malmö				F
Backa 22:17	Göteborg				F
Backa 30:4	Göteborg				F
Flahult 21:36	Jönköping				F
Ädelmetallen 14	Jönköping				F
Ädelmetallen 4	Jönköping				F
Ättehögen 9	Jönköping				F
Överlappen 8	Jönköping				F
Öskaret 16	Jönköping				F
Nickeln 2	Hallstahammar				L
Jordbromalm 6:18	Haninge				F
Jordbromalm 6:62	Haninge				F
Jordbromalm 6:64	Haninge				F
Jordbromalm 6:65	Haninge				F
Jordbromalm 6:66	Haninge				F
Jordbromalm 6:67	Haninge				F
Jordbromalm 6:68	Haninge				F
Jordbromalm 6:89	Haninge				F
Åby 1:197	Haninge				F
Jordbromalm 5:2 och 5:3	Haninge				F
Jordbromalm 6:11	Haninge				F
Kalvsvik 16:20	Haninge				F
Hedenstorp 1:99	Jönköping				F
<b>Total</b>		<b>215,361</b>	<b>2,633</b>	<b>12,228</b>	

## GENERAL TERMS AND CONDITIONS FOR VALUATION REPORTS

These General Terms and Conditions have been produced jointly by CBRE Sweden AB, Cushman & Wakefield Sweden AB, Forum Fastighetsekonomi AB, FS Fastighetsstrategi AB, Newsec Advice AB, Savills Sweden AB and Svefa AB. They have been drafted based on generally accepted principles regarding valuations, which are produced by Samhällsbyggarna (Swedish professionals for the built environment) Property Valuation Section and are intended for use by registered valuers at Samhällsbyggarna. The terms and conditions shall apply as of 1 December 2010 for valuations of whole and parts of properties, site leasehold rights, buildings on non-freehold land and similar valuation services in Sweden. The following shall apply unless otherwise stated in the valuation report.

### 1 Scope of the valuation report

1.1 The object of the valuation covers, in the valuation report, the real property or the equivalent stated, with appurtenant rights and obligations in the form of easements, rights of way, community association and other rights or obligations stated in extracts from the Land Register (*Sw. Fastighetsregistret/ The Real Property Register*) pertaining to the object of the valuation.

1.2 The valuation report also covers, where applicable, fixtures and fittings of the property and fixtures and fittings of the building relating to the object of the valuation, however not industrial fixtures and fittings to an extent other than as set forth in the report.

1.3 Registered rights in respect of the property have been verified by means of an extract from the Land Register. Since the information obtained from the Land Register has been assumed to be accurate and complete, no further investigation has been conducted of the legal relations and rights of use. Legal relations beyond those set forth in the Land Register have only been taken into account to the extent information thereon has been provided in writing by the client/owner or his representative. Other than as set forth in extracts from the Land Register and information provided by the client/owner or his representative, it has been assumed that the object of the valuation is not encumbered by any unregistered easements, right of use agreements or any other agreements which limit, in any respect, the property owner's right to use the property and that the object of the valuation is not encumbered by onerous expenses, fees or other encumbrances. It has also been assumed that the object of the valuation is, in no respect, the subject of a dispute.

### 2 Assumptions for the valuation report

2.1 The information included in the valuation report has been obtained from sources which are deemed to be reliable. All information obtained from the client/owner or his representative and any holders of rights of use has been assumed to be accurate. The information has only been verified through a general assessment of reasonableness. In addition, it has been assumed that no information of relevance to the valuation opinion has been omitted by the client/owner or his representative.

2.2 The land areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these land areas and has not measured them on site or on drawings, but the areas have been verified by means of an assessment of reasonableness. The areas have been assumed to be measured in accordance with the "Swedish Standards" applicable from time to time.

2.3 As regards tenancies and leasehold conditions relating to land or other rights of use, the valuation opinion has, where applicable, been based on applicable leases of property and leases of land, and other rights of use agreements. Copies of these, or other documents, indicating relevant terms and conditions have been obtained from the client/owner or his representative.

2.4 It has been assumed that the object of the valuation complies with all requisite requirements from public authorities and terms and conditions applicable to the property, such as plans, etc., and has obtained all requisite permits from public authorities for its use in the manner stated in the report.

### 3 Environmental matters

3.1 The valuation opinion is conditional on land or buildings relating to the object of the valuation not being in need of an environmental clean-up and there being no form of environmental encumbrance.

3.2 In light of the provisions of 3.1, the valuer shall not be liable for any loss incurred by the client or a third party as a consequence of the inaccuracy of the valuation opinion due to the object of the valuation being in need of an environmental clean-up or there being any form of environmental encumbrance.

### 4 Inspection, technical condition

4.1 The physical condition of the facilities (buildings, etc.) as described in the report is based on an overall ocular inspection. The inspection conducted has not been of such a nature as to satisfy the seller's duty of disclosure or the buyer's duty to investigate pursuant to Chapter 4, Section 19 of the Land Law Code (*Sw. Jordabalken SFS 1970:994/Code of Land Laws*). The object of the valuation is assumed to be in a condition and to be of the standard which the ocular inspection indicated at the time of the inspection.

4.2 The valuer assumes no liability whatsoever for any latent defects or circumstances which are not obvious on the property, under the ground or in the building and which might affect the value. No liability is assumed for:

- any matter which would require specialist expertise or special knowledge to discover;
- the functionality (freedom from defects) and/or the condition of fixtures of buildings, mechanical equipment, pipes or electrical components.

### 5 Liability

5.1 Any claims for damages arising from proven loss arising from any error in the valuation report must be made within one year from the date of the valuation (the date on which the valuation is signed).

5.2 The maximum amount of damages which may be payable for proven loss arising from an error in the valuation report is 25 times the price base amount at the date of the valuation.

### 6 Validity of the valuation report

6.1 Depending on whether the factors influencing the market value of the object of the valuation change, the valuation opinion referred to in the report is only valid at the date of the valuation subject to the assumptions and reservations set forth in the report.

6.2 Future incoming payments and outgoing payments and growth in value as declared in the report, where applicable, have been made based on a scenario which, in the opinion of the valuer, reflects the future projections of the property market. The valuation opinion does not constitute any undertaking as regards actual future growth in cash flow and growth in value.

### 7 Use of the valuation report

7.1 The content of the valuation report and its appendices is the property of the client and shall be used in its entirety for the purpose set forth in the report.

7.2 Where the valuation report is used for legal matters, the valuer shall only be liable for direct and indirect loss which may effect the client provided that the report is used in accordance with 7.1. The valuer shall have no liability whatsoever for any loss incurred by any third party as a consequence of such third party having used the valuation report or information provided therein.

7.3 Prior to the valuation report or parts thereof being reproduced or referred to in any other written document, the valuation company must approve the content and the manner in which the report is to be referred to.

# DEFINITIONS

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**“The Company”** or **“Corem”** refers to Corem Property Group AB (publ), org. no. 556463-9440.

**“GDP”** refers to gross domestic product.

**“Yield requirement”** refers to a return measure on the property's operating net in relation to the market value.

The **“Offer”** refers to the offer to acquire all shares in Klöver AB (publ) in accordance with what is stated in the Offer Document.

**“Euroclear Sweden”** refers to Euroclear Sweden AB.

The **“issue”** refers to the issue of ordinary shares of series D that appears from the Offer Document.

**“IAS”** refers to International Accounting Standards.

**“IFRS”** refers to International Financial Reporting Standards.

**“Group”** refers to the group in which Corem is the parent company.

**“Nasdaq Stockholm”** refers to Nasdaq Stockholm AB, corporate identity number 556420-8394, or the regulated market Nasdaq Stockholm, depending on the context.

**“Prospectus Regulation”** refers to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 / EC of significance for the EEA

**“VP account”** refers to the securities account with Euroclear Sweden in accordance with the Act (1998: 1479) on the accounting of financial instruments in which (i) an owner of a security is directly registered as an owner of securities or (ii) an owner's holding of securities is nominee registered in the name of a trustee.

**“SEK”** or **“kr”** refers to Swedish kronor.

**“MSEK”** refers to millions of kronor.

**“MSEK”** refers to billions of kronor.

# ADDRESSES

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## THE COMPANY

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Box 56085  
102 17 Stockholm  
Visiting address: Riddargatan 13 C, 114 51 Stockholm  
Tel 08-503 85 333  
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## LEGAL ADVISERS TO THE COMPANY

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114 35 Stockholm

### Linklaters Advokatbyrå AB

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103 98 Stockholm

## FINANCIAL ADVISERS

### Nordea Bank Abp, filial i Sverige

Smålandsgatan 17  
111 46 Stockholm

### Swedbank AB (publ)

Malmskillnadsgatan 23  
105 34 Stockholm

## THE COMPANY'S AUDITOR

### Ernst & Young AB

Jakobsbergsgatan 24  
103 99 Stockholm

## CENTRAL SECURITIES DEPOSITORY

### Euroclear Sweden AB

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101 23 Stockholm