

PRESS RELEASE 2022-03-28

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Corem Property Group AB (publ) announces an exchange offer to its preference shareholders

Corem Property Group AB (publ), reg. no. 556463-9440, (“**Corem**” or the “**Company**”) hereby announce an offer to all preference shareholders in Corem 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 in Corem for each preference share in Corem that is redeemed.

The Exchange Offer in brief

- The Exchange Offer includes all preference shares in Corem.
- Participation in the Exchange Offer is voluntary.
- Corem offers 1.12 ordinary shares of class D in Corem for each preference share in Corem that is redeemed.
- The Exchange Offer corresponds to a value of approximately SEK 338 per existing preference share in Corem based on the closing price for the Company's ordinary share of class D on 25 March 2022, which was the last day of trading before the announcement of the Exchange Offer.

The Exchange Offer is conditional upon that the Annual General Meeting of the shareholders in Corem on April 27, 2022 resolves to: (i) carry out the Exchange Offer, including decisions on voluntary redemption of preference shares, and (ii) authorize the Board of Directors to decide on the issuance of new ordinary shares of class D with payment by offsetting the redemption claim.

As the Exchange Offer constitutes a public offering of shares, Corem is required to prepare a prospectus for registration with the Swedish Financial Supervisory Authority. The prospectus, which describes the Exchange Offer and the planned share issue, is expected to be published around 11 May 2022 (the "**Prospectus**"). The acceptance period for the Exchange Offer is expected to begin around 16 May 2022 and end around 30 May 2022. The Board of Directors reserves the right to extend the acceptance period. Payment in form of consideration shares is expected to be issued on 3 June 2022.

Background and reasons for the Exchange Offer

The reason why only preference shareholders are offered redemption of shares is to enable increased financial flexibility for the Company. An increased number of new ordinary shares of class D creates better conditions for the Company to, over time, reach an Investment Grade ("IG") rating. An IG rating is expected to reduce the Company's financial risk and improve the profit from property management due to lower financing costs.

Both preference shares and ordinary shares of class D are intended for investors who value relatively predictable current returns. According to rating agencies' criteria ordinary shares of class D constitute equity, while preference shares constitute equal parts equity and interest-bearing debt.

The Exchange Offer

Corem offers 1.12 ordinary shares of class D in Corem for each redeemed preference share in Corem. In relation to the closing price for Corem's ordinary share of class D of SEK 302 on 25 March 2022, which was the last day of trading before the announcement of the Exchange Offer, the Exchange Offer corresponds to an offer value of SEK 338 per preference share in Corem.

Shareholders that accept the Exchange Offer will only receive whole ordinary shares of class D in Corem, rounded downwards. Fractions of shares will be added together and sold on Nasdaq Stockholm, and the proceeds will be distributed among the affected shareholders.

The Exchange Offer is based on 1,137,283,281 registered shares in Corem, of which 93,730,797 are ordinary shares of class A, 1,023,591,380 are ordinary shares of class B, 7,545,809 are ordinary shares of class D and 12,415,295 are preference shares. 2,913,825 ordinary shares of class A, 31,191,000 ordinary shares of class B and 42 000 ordinary shares of class D have been repurchased by the Company per the date of this press release. The Exchange Offer includes all preference shares. Participation in the Exchange Offer is voluntary.

In order to carry out the Exchange Offer, Corem's Board of Directors propose that the Annual General Meeting on 27 April 2022 resolves to: (i) carry out the Exchange Offer by resolving on reducing the share capital through redemption of preference shares for reimbursement to the shareholders; and (ii) authorise the Board of Directors to resolve on a issuance of new ordinary shares of class D with payment by offsetting the redemption claim. For each preference share, a redemption claim of SEK 314 is due. The redemption claim shall solely be used to pay for subscribed ordinary share of class D by way of set-off at a subscription price of SEK 280.36 per

ordinary share of class D. The redemption claim is due when shares are subscribed in the set-off issue.

Provided that all of Corem's preference shares are submitted in the Exchange Offer, 13,905,130 ordinary shares of class D in the Company will be issued in the set-off issue.

Summary of conditions for preference shares and ordinary shares of class D

	Preference share	Ordinary share of class D
Dividend:	SEK 20.00 per year.	Max. SEK 20.00 per year.
Quarterly payment:	Yes, SEK 5.00 per quarter.	Yes, a maximum of SEK 5.00 per quarter.
Can dividend be cancelled?	Yes, in whole or in part.	
Right to dividend:	Preferential right to dividend before the ordinary shares, of an amount of SEK 20.00 per share and year.	Fifty (50) times the total dividend on ordinary shares of class A and class B up to max. SEK 20.00 per share and year.
What happens to future dividend if the dividend is cancelled in full or in part?	If the dividend is less than SEK 20.00 in a given year, the outstanding amount shall be increased by 7.00% per year until the full dividend has been paid.	If the dividend is less than SEK 20.00 any given year, the dividend limit is increased so that the difference can be distributed at a later time. No compensation is paid.
Right for Corem to redeem:	Yes, for SEK 500.00 per share, with a supplement for any outstanding amount calculated with an amount corresponding to the annual interest rate above.	No right to redemption.
Conversion:	No right to conversion.	No right to conversion.
Liquidation:	Preferential right over ordinary shares, although no	On equal terms with other ordinary shares, although no more than SEK 300 per share.

	more than SEK 450 per share, plus any outstanding amount.	
Listing:	Nasdaq Stockholm, Large Cap.	Nasdaq Stockholm, Large Cap.
Voting rights:	One tenth (1/10) vote per share.	
Other:	The terms are regulated in the Company's articles of association.	

Conditions for the completion of the Exchange Offer

Completion of the Exchange Offer is conditional upon:

1. that the Annual General Meeting of the shareholders in Corem on 27 April 2022, resolve to implement the Exchange Offer, including a decision on the voluntary redemption of preference shares, and
2. that the Annual General Meeting of the shareholders in Corem on 27 April 2022, resolve to authorise the Board of Directors to resolve on an issuance of new ordinary shares of class D with payment by set-off of the redemption claim.

Corem reserves the right to cancel the Exchange Offer if it is evident that any of the above conditions have not, or cannot, be met.

Annual General Meeting in Corem

In order to carry out the Exchange Offer, the Board of Directors of Corem will propose that the Annual General Meeting on 27 April 2022 resolve, among other things, on the Board of Directors' proposal regarding:

- Reduction of the share capital by a maximum of SEK 24,830,590 (the reduction amount) through the redemption of a maximum of 12,415,295 preference shares with repayment to the shareholders in the form of a redemption claim on the Company of a total of SEK 3,898,402,630 ("**Redemption Claim**"). The redemption claim shall be used, and can only be used, for the payment of ordinary shares of class D in the set-off issue as below.
- Authorisation for the Board of Directors to, as part of the Exchange Offer, decide on a new issue of ordinary shares of class D with payment by offsetting the redemption claim

from the redemption of preference shares at a subscription price of SEK 280.36¹ per ordinary share of class D.

The Board of Directors' proposal to reduce the share capital through redemption of preference shares and authorisation for the Board of Directors to issue ordinary shares of class D presupposes both approval of two thirds of the votes cast as well as of the shares represented at the meeting. The proposal also presupposes the approval of shareholders with at least two thirds of both votes cast as well as of the shares represented at the meeting within each class of shares represented at the meeting and for which class of shares the rights of the shares are impaired by the resolution.

The Board of Directors reserves the right to propose that the decisions made at such a general meeting of the shareholders shall be conditional upon the Exchange Offer being completed.

Notice of the Annual General Meeting is made by a separate press release on the same day as the announcement of the Exchange Offer and can be found on the Company's website, www.corem.se.

Corem in brief

Corem is a Swedish public limited company based in Stockholm. Corem's ordinary shares of class A, class B and class D and preference shares are admitted to trading on Nasdaq Stockholm, Large Cap, under ticker symbols "CORE A", "CORE B", "CORE D" and "CORE PREF". See also www.corem.se.

Corem is a real estate company that owns, manages and develops commercial properties in metropolitan and growth areas.

Preliminary time plan

Annual General Meeting of Corem	27 April 2022
Publication of the Prospectus	11 May 2022
Record date	12 May 2022
Acceptance period	16 May 2022 – 30 May 2022
Announcement of outcome	31 May 2022
Payment of consideration	Around 3 June 2022

Corem reserves the right to extend the acceptance period for the Exchange Offer, as well as to postpone the time for payment of consideration.

¹ The exact subscription price is SEK 280.357142857143.

Delisting

In connection with the completion of the Exchange Offer and redemption of preference shares, Corem intends to promote delisting of Corem's preference shares from Nasdaq Stockholm Large Cap, provided that a high degree of acceptance is achieved in the Exchange Offer and thus resulting in limited liquidity in the preference share.

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This information is such that Corem Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out in this press release, at 17:00 CEST on 28 March 2022.

Important information

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

The figures presented in this press release have, where applicable, been rounded off. This means that some tables may not be summed up correctly.

This press release is not an offer to subscribe for, acquire or sell or otherwise trade in shares or other securities of Corem. Invitation to the persons concerned to participate in the Exchange Offer will only be made through the prospectus that Corem intends to publish on the Company's website, after approval and registration by the Swedish Financial Supervisory Authority. This press release has not been approved by any authority and does not constitute a prospectus. Investors and holders of securities in Corem are encouraged to carefully, and in its entirety, read the prospectus that will be prepared in connection with the Exchange Offer before an investment decision is made, including decisions to participate in the Exchange Offer, as the prospectus will contain important information about Corem and the Exchange Offer. The prospectus will be available at www.corem.se after it has been published.

This press release and other documentation relating to the Exchange Offer will not be published in or distributed in or to, and may not be posted or otherwise distributed or sent to or into any country where additional documentation or registration would be required or that any other measure is taken in addition to what is required by Swedish laws and regulations or where this would contravene the laws or regulations in that country. Persons who receive such communications (including, but not limited to, institutions that hold nominee-registered shares, nominees and guardians) and are subject to the law of such country are required to inform themselves of, and observe, such restrictions or requirements. Failure to do so may constitute a breach of securities laws in such a country. Corem, to the extent permitted by applicable law, disclaims all responsibility for violating such restrictions by any person. If someone seeks to accept the Exchange Offer as a result of having, directly or indirectly, violated these restrictions, the acceptance may be disregarded.

This press release may not be distributed, directly or indirectly, in or to Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, the United States (including the District of Columbia) or any other country where distribution of this press release would contravene the law and regulations in that country or would require that additional documentation be prepared or registration take place or that any other action be taken in addition to what is required by Swedish laws and regulations, by post or any other means of communication or aid, either of an intergovernmental nature or for foreign trade or through national stock exchange aids in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

This includes, but is not limited to, facsimile, e-mail, telex, telephone and the Internet, as well as other forms of electronic transmission.

Statements in this press release relating to future circumstances or circumstances, including statements regarding future results, growth and other forecasts as well as the benefits of the Exchange Offer, are forward-looking statements. Forward-looking statements are generally, but not always, all such statements that do not relate to historical or current facts and include, but are not limited to, expressions such as "may", "will", "expected", "believed", "anticipate", "planned", "intended", "appreciated", "assessed", "goals", "forecast", "intends" or "should", as well as negations and variants of these and similar expressions. Forward-looking statements include, but are not limited to, statements regarding the Exchange Offer's expected impact on Corem's business operations. Forward-looking statements are subject to risk and uncertainty in nature because they relate to events and depend on circumstances that will occur in the future. There is no guarantee that the actual results will not differ materially from those expressed or implied in these forward-looking statements due to a number of factors, many of which are beyond Corem's control.

All such forward-looking statements are based solely on the circumstances prevailing when the statement was made and Corem has (or undertakes) no obligation to update or change such forward-looking statements, whether as a result of new information, new circumstances or anything else, except as required by applicable laws and regulations.

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