

# KLÖVERN

Press release

6 October 2020

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## **The Board of Directors of Klöver AB has resolved on a fully covered preferential rights issue of approximately SEK 2 billion supported by the two largest shareholders**

**The Board of Directors of Klöver AB (publ) ("Klöver" or "the Company"), has on 6 October 2020, resolved on a fully covered rights issue of approximately SEK 2 billion with preferential rights for existing holders of ordinary shares (the "Preferential Rights Issue"), subject to approval at an Extraordinary General Meeting.**

Klöver's two largest shareholders, of the share capital, Rutger Arnhult (through companies) and Corem Property Group AB (publ), which together hold and represent 33.8 per cent of outstanding ordinary shares and 32.6 per cent of the total number of votes<sup>1</sup> in Klöver, have undertaken to subscribe for their respective pro rata shares in the Preferential Rights Issue. The part of the Preferential Rights Issue not covered by subscription undertakings from Rutger Arnhult (through companies) and Corem Property Group (publ), is guaranteed by Rutger Arnhult's company M2 Asset Management AB (publ). Thus, the Preferential Rights Issue is fully covered.

### **BACKGROUND AND RATIONALE**

Klöver is a growth-oriented real estate company with the vision to create attractive and sustainable environments for the companies, individuals and societies of the future through its business concept of offering attractive premises with proximity and commitment and actively contributing to the urban development in growth regions. In recent years, Klöver has exhibited good growth, coupled with strong net moving-in and an improved operating margin, while at the same time working actively to streamline the property portfolio, both geographically and in terms of products.

Klöver sees ample opportunities for continued value creation through additional acquisitions to the property portfolio as well as refinement and development of the building rights portfolio which the Company has built-up over time. In order to capture these opportunities, and at the same time

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<sup>1</sup> Repurchased own shares do not have voting rights at general meetings and have consequently been excluded from the total number of votes.

maintain a balance between shareholders' equity and debt, Klöver's Board of Directors has decided, subject to approval at an Extraordinary General Meeting on 13 November 2020, to carry out a fully covered rights issue of ordinary shares with preferential rights for existing holders of ordinary shares with total proceeds of approximately SEK 2 billion.

*"Klöver has a remarkably interesting project pipeline with a mix of community properties, offices and housing. In order to enable optimal development and expansion of this pipeline, a strong capital base is required. Improved financial strength also safeguards the Company's opportunities to maintain competitive financing terms for new sustainable projects and selective acquisitions. In this context, the Preferential Rights Issue is a positive and important prerequisite for potential further improvement of the current credit rating."*, says Klöver's CEO Rutger Arnhult.

## **USE OF PROCEEDS**

The proceeds from the Preferential Rights Issue are intended to be used for continued execution of the Company's strategy. Consequently, the proceeds will be used to:

1. give the Company headroom for continued value creation through selective acquisitions to the Swedish or international property portfolio as well as project development of commercial and residential premises and,
2. give the Company a strengthened balance sheet, lower leverage and increased financial flexibility.

According to Klöver's assessment, a strengthened balance sheet will reduce the Company's financing costs, which entails an increased interest coverage ratio, improved cash flows and increased opportunities for future value creation through complementary acquisitions as well as increased opportunities to add additional development projects to the portfolio, in line with the Company's strategy.

Adjusted for proceeds from the Rights Issue, Klöver estimates that leverage would have amounted to approximately 50 per cent and the adjusted equity ratio to approximately 42.9 per cent as of 30 June 2020. This can be compared to the Company's target of an adjusted equity ratio of at least 40 per cent in the long-term<sup>2</sup>.

## **TERMS OF THE PREFERENTIAL RIGHTS ISSUE**

Klöver's Board of Directors has decided, subject to approval at an Extraordinary General Meeting on 13 November 2020, to carry out a Preferential Rights Issue of approximately SEK 2 billion.

Klöver's existing holders of ordinary shares have preferential rights to subscribe for new ordinary shares in the same class (class A & B respectively) in proportion to the number of ordinary shares that the holder already owns (primary preferential right). The record date to determine which holders of ordinary shares that are entitled to subscribe for new shares with preferential right is 17 November 2020. Ordinary shares that are not subscribed for through primary preferential right will primarily be offered to existing shareholders in Klöver, regardless of whether they own ordinary or preference shares, that have notified their interest to subscribe for new ordinary shares without support from subscription rights (subsidiary preferential right). If ordinary shares offered in this way are not sufficient for the subscription that takes place with subsidiary preferential right, the ordinary shares shall be distributed among the subscribers in proportion to the total number of shares they held in the Company prior thereto, regardless of whether they own ordinary or preference shares. To the extent that this cannot be done, the distribution of shares shall be made by the drawing of lots. Secondly, allotment shall be made to other investors who have subscribed for shares in the Preferential Rights Issue without support of preferential rights and, in the event of oversubscription, pro rata in relation to

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<sup>2</sup> This is a minor rewording of the target that *the adjusted equity ratio shall in the long term be 40 per cent.*

the number of shares subscribed for and to the extent this cannot be done, by the drawing of lots.

Complete terms and conditions for the Preferential Rights Issue, including subscription price, subscription ratio and the number of shares to be issued are expected to be published on 10 November 2020. The subscription period is expected to run from, and including, 19 November 2020, until, and including, 3 December 2020, or until the later date resolved by the Board of Directors. Trading in subscription rights is expected to take place on Nasdaq Stockholm from, and including, 19 November 2020 until, and including, 1 December 2020.

The resolution by the Board of Directors on the Preferential Rights Issue is subject to approval by the Extraordinary General Meeting to be held on 13 November 2020. For more information, please see a separate press release regarding the Extraordinary General Meeting which is expected to be published on 7 October 2020.

## **SUBSCRIPTION AND GUARANTEE COMMITMENTS**

Klövern's two largest shareholders, of the share capital, Rutger Arnhult (through companies) and Corem Property Group AB (publ), which together hold and represent 33.8 per cent of outstanding ordinary shares and 32.6 per cent of the total number of votes<sup>3</sup> in Klöver, endorse the resolution on a rights issue and have entered binding subscription commitments for subscription of shares corresponding to their respective pro rata shares in the Preferential Rights Issue. The part of the Preferential Rights Issue not covered by subscription commitments from Rutger Arnhult (through companies) and Corem Property Group (publ), is guaranteed by Rutger Arnhult's company M2 Asset Management AB (publ). M2 Asset Management AB (publ) has received an exemption from the mandatory bid requirement from the Swedish Securities Council (Sw: *Aktiemarknadsnämnden*) which otherwise could arise in connection with Rutger Arnhult's (through companies) subscription of shares in the Preferential Rights Issue. Thus, the Preferential Rights Issue is fully covered. A guarantee commission of 1 per cent of the guaranteed amount will be payable to M2 Asset Management AB (publ).

## **INDICATIVE TIMETABLE FOR THE PREFERENTIAL RIGHTS ISSUE**

<b>10 November 2020</b>	Announcement of complete terms and conditions, including subscription price and subscription ratio
<b>13 November 2020</b>	Extraordinary General Meeting to approve the Preferential Rights Issue resolution by the Board of Directors
<b>13 November 2020</b>	Last day of trading in shares including right to participate in the Preferential Rights Issue
<b>16 November 2020</b>	Publication of prospectus
<b>16 November 2020</b>	First day of trading in shares excluding right to participate in the Preferential Rights Issue
<b>17 November 2020</b>	Record date for participation in the Preferential Rights Issue, i.e. holders of ordinary shares who are registered in the share register on this day will receive subscription rights for participation in the Preferential Rights Issue

<sup>3</sup> Repurchased own shares do not have voting rights at general meetings and have consequently been excluded from the total number of votes.

<b>19 November 2020 – 1 December 2020</b>	Trading in subscription rights
<b>19 November 2020 – 3 December 2020</b>	Subscription period
<b>4 December 2020</b>	Announcement of preliminary outcome of the Preferential Rights Issue
<b>7 December 2020</b>	Announcement of final outcome of the Preferential Rights Issue

## FINANCIAL AND LEGAL ADVISORS

Nordea Bank Abp, Swedish branch, Swedbank AB (publ) and Danske Bank A/S, Denmark, Swedish branch are Joint Global Coordinators. Walthon Advokater AB is legal advisor to the Company and Linklaters Advokatbyrå AB is legal advisor to the Joint Global Coordinators in the Preferential Rights Issue.

### For additional information, please contact:

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Klövern is a real estate company committed to working closely with customers to offer them attractive premises in growth regions. Klövern is listed on Nasdaq Stockholm. For further information, see [www.klovern.se](http://www.klovern.se).

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This information is information that Klövern AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act (2007:528). The information was submitted, through the agency of the contact persons above, for publication at 08:00 CEST on 6 October 2020.

This is a translation of the original Swedish language press release. In the event of discrepancies, the original Swedish wording shall prevail.

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The information, opinions and forward-looking statements included in this press release speak only as of its date and are subject to change without notice.