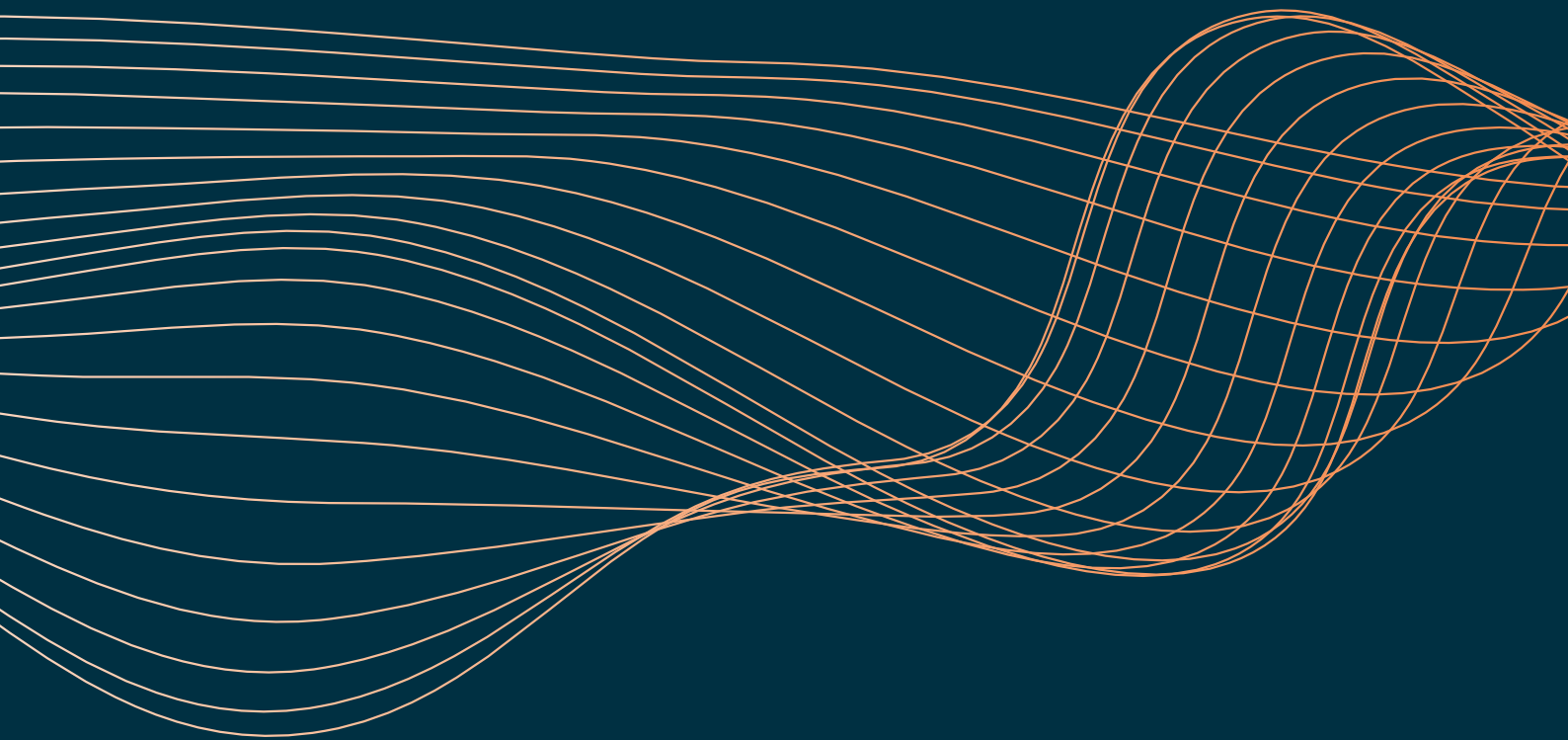


# Year-end Report January–December 2021



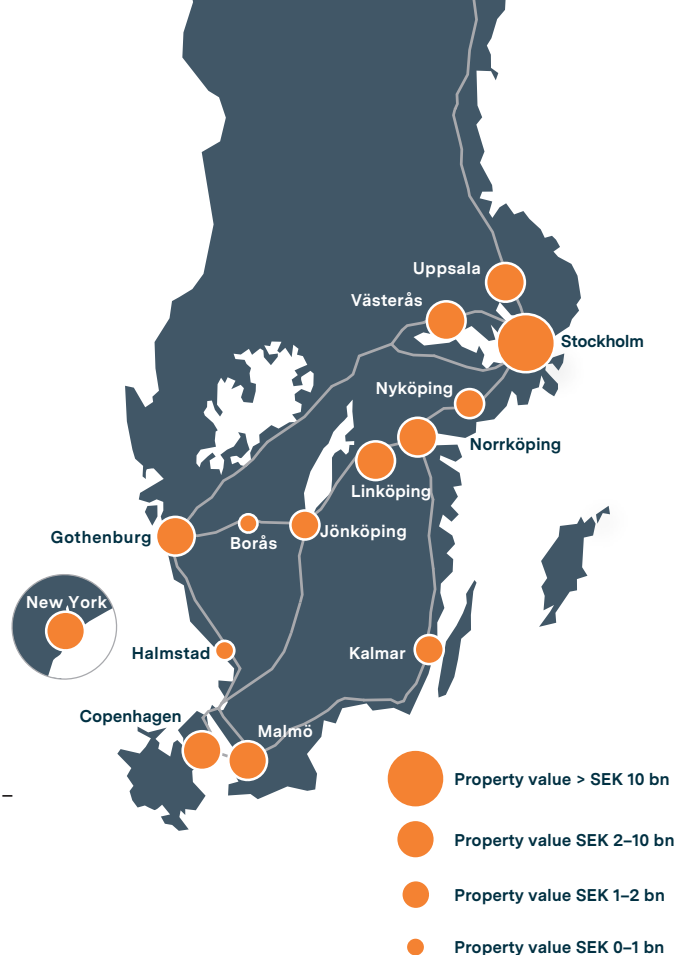
corem }

# Corem Property Group (publ)

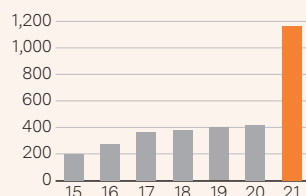
Corem is one of the Nordic region's leading commercial real estate companies with a focus on metropolitan areas and growth regions.

Corem owns 518 investment properties with 3,479 thousand sq.m. of lettable area and a value of SEK 83,084 million.

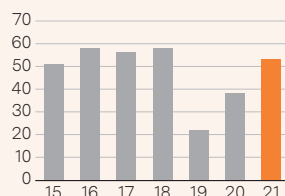
Corem has a broad customer offering with a focus on long-term sustainable ownership, management, refinement and urban development. The portfolio is geographically well concentrated with in-house locally based property management.



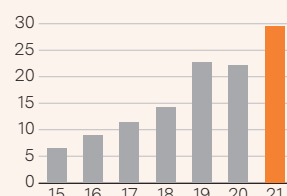
PROFIT FROM PROPERTY MANAGEMENT, SEKm



LOAN TO VALUE, %



NET ASSET VALUE (NAV) PER ORDINARY SHARE A/B, SEK

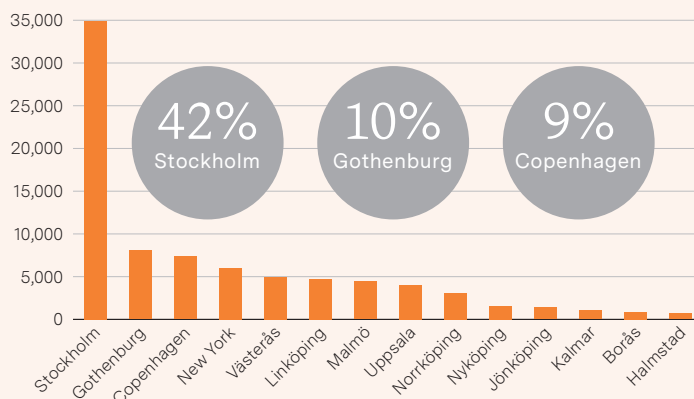


PROPERTY VALUE BY TYPE OF PROPERTY, %



Office 57  
Logistics 22  
Retail 7  
Other 14

PROPERTY VALUE BY CITY, SEKm



# January–December 2021

Klövern is consolidated in Corem from 15 June 2021. See pages 5–6.

- Income increased to SEK 2,805 million (894).
- Net operating income increased to SEK 1,894 million (668).
- Profit from property management increased to SEK 1,178 million (420).
- Net letting amounted to SEK 129 million, of which SEK 98 million in the fourth quarter.
- Investments in new constructions, extensions and refurbishments amounted to SEK 1,771 million. Project development, including development of building rights, contributed with increases in value of properties of SEK 661 million. The total changes in value of properties amounted to SEK 3,432 million (759).
- Changes in value of financial investments amounted to SEK 870 million (–1,042).
- Net profit increased to SEK 4,495 million (–108), corresponding to SEK 5.52 (–0.52) per ordinary share of Class A and B.
- The value of the investment properties amounted to SEK 83,084 million (14,002), after a business combination with Klövern with investment properties valued at SEK 61,557 million at the time of acquisition.
- Net asset value (NAV) per ordinary share of Class A and B amounted to SEK 29.60 (22.22).
- The Board of Directors is proposing a dividend of SEK 0.40 (0.65) per ordinary share of Class A and B, to be paid in four instalments of SEK 0.10.
- The Board of Directors is proposing a dividend of SEK 20.00 per ordinary share of Class D and preference share, to be paid in four instalments of SEK 5.00.

## EVENTS DURING THE QUARTER

- A 15-year lease has been signed with A24 Films for approximately 3,800 sq.m. of office space in the project property 1245 Broadway in New York, with moving-in planned for the second half of 2022.
- Corem and ALM Equity have signed a letter of intent to investigate the prerequisites for creating a joint company, whose purpose is to develop efficient and climate-smart rental housing for own management. Negotiations are expected to be completed during the first quarter of 2022.
- As of 31 December 2021, 9 properties classified as current assets have been reclassified as investment properties.
- Contracts have been signed to divest five properties in Borås, four properties in Västerås, Norrköping, Svedala and Sollentuna as well as the site leasehold to a property in Hallstahammar for a total underlying property value of SEK 1,030 million.

## EVENTS AFTER THE END OF THE PERIOD

- In January 2022, Corem issued unsecured green bonds for SEK 2,350 million with a floating interest rate of 3 months STIBOR plus 275 basis points. At the same time, unsecured bonds were repurchased at a nominal amount of SEK 1,898 million with a floating interest rate of 3 months STIBOR plus 400 basis points.

4,957

Rental value,  
SEKm

83,084

Investment properties.  
SEKm

1,178

Profit from property  
management, SEKm

29.60

NAV per ordinary share  
of Class A/B, SEK

	2021 12 months Jan–Dec	2020 12 months Jan–Dec	2021 3 months Oct–Dec	2020 3 months Oct–Dec
Income, SEKm	2,805	894	1,097	234
Net operating income, SEKm	1,894	668	667	168
Profit from property management, SEKm	1,178	420	367	85
Net profit, SEKm	4,495	–108	1,970	561
Earnings per ordinary share of Class A and B, SEK	5.52	–0.52	1.64	1.58
Net asset value (NAV) per ordinary share of Class A and B, SEK	29.60	22.22	29.60	22.22
Economic occupancy rate, %	89	93	89	93
Operating margin, %	68	75	61	72
Adjusted equity ratio, %	43	48	43	48
Interest coverage ratio	2.7	2.5	2.5	2.2
Loan-to-value ratio, %	53	38	53	38

See page 23 and corem.se for definition of key figure

# A good final quarter of 2021 for the new Corem

Through the acquisition of Klöver, we created a new, larger and stronger Corem in 2021. During the fourth quarter, there has been a major focus on integrating the two companies and establishing the way forward. We have set ambitious goals for operations and formulated a new common vision – *Properties for the future*. I am now pleased to note that we have at the same time ended the year with record high net letting, good earnings development, strong value development in the property portfolio and a net asset value (NAV) that improved to SEK 29.60 per share.

## Broader customer offering, more efficient financing

Klöver is consolidated in Corem since 15 June. Through the acquisition, the customer offering has been broadened at the same time as financing opportunities have been improved. Corem is now one of the Nordic region's leading real estate companies with over 500 properties with a value of SEK 83 billion. The Klöver brand will now be gradually phased out and completely replaced by Corem.

The goals formulated for the coming years aim at – in a long-term sustainable way – creating good value growth through property management close to the customer, project development and strategic property transactions. At the financial level, the focus is on complementing the BBB-rating from Scope with an additional investment grade-rating from one of the three large rating agencies at the latest during 2023. This means that we always need to give priority to the most profitable and value-creating transactions in combination with cost-effective financing. It can also be noted that we under the fourth quarter reduced loan to value by two percentage points to 53 per cent.

## Strong net letting, good earnings development

Activity in the office rental market continued to increase during the last quarter of the year, at the same time as there was high demand for city logistics. This was reflected in Corem's net letting that amounted to SEK 98 million during the fourth quarter and SEK 129 million for the year as a whole. Among other things, a 15-year lease has been signed with A24 films for around 3,800 sq.m. in New York, while in the Swedish market, an 11-year lease for approximately 11,000 sq.m. has been signed with Bilja and a 15-year lease has been signed with Statens Försvarshistoriska Museer for new construction and letting of around 3,500 sq.m..

Earnings have developed well despite the fourth quarter being affected by higher energy prices, colder weather and temporarily higher costs for repairs and maintenance. During the full year, profit from property management, excluding the portion that comes from Klöver and acquisition costs, increased by 21 per cent.

## Good prospects for 2022

Now that most of the restrictions related to the pandemic have been lifted, we are pleased to see how the return to workplaces has started in earnest. This creates good prerequisites for further economic recovery, including favourable demand for premises.

Rising inflation, including energy prices, is creating some uncertainty. The rise in inflation during 2021 will at the same time have a positive effect on rental income as 84 per cent of Corem's Swedish leases are indexed in relation to October's consumer price index (CPI), which rose by 2.8 per cent. This will have a positive effect on rental income of around SEK 90 million in 2022.

## Streamlining the property portfolio

Through the acquisition of Klöver, Corem's building rights portfolio has increased markedly. We see large future values here and opportunities to realise these. As a step in this work, we could announce a letter of intent in November signed with ALM Equity to investigate the prerequisites for a joint company to develop around 24,000 rental housing units. The parties intend to list the joint company. For Corem,

implementation of these plans would mean an intensified focus on commercial properties.

As part of the geographical and segment-related streamlining of Corem's commercial portfolio, we also signed during the last quarter of the year, a number of contracts to divest properties for a total underlying property value of just over SEK 1 billion.

## Project development creates value

A number of exciting projects are in process, both in Sweden and abroad. In Stockholm, work is in process to modernize an office property in a very central location close to the Central Station and in Örebro a new hotel and office building is being built as part of the first stage of the Örebro Entré project. Our two largest ongoing new construction projects are two high quality office buildings in Manhattan. In New York as well, activity has increased on the rental market and during the fourth quarter, two new leases were signed, both with moving in during 2022.

## Sustainable property management and financing

Sustainability is a natural integrated part of all of our operations and we have formulated a number of new ambitious targets during the autumn. For example, by 2030 Corem's average energy consumption shall be at most 65 kWh/sq.m. This corresponds to a decrease of 30 per cent compared with the already low level of 2020.

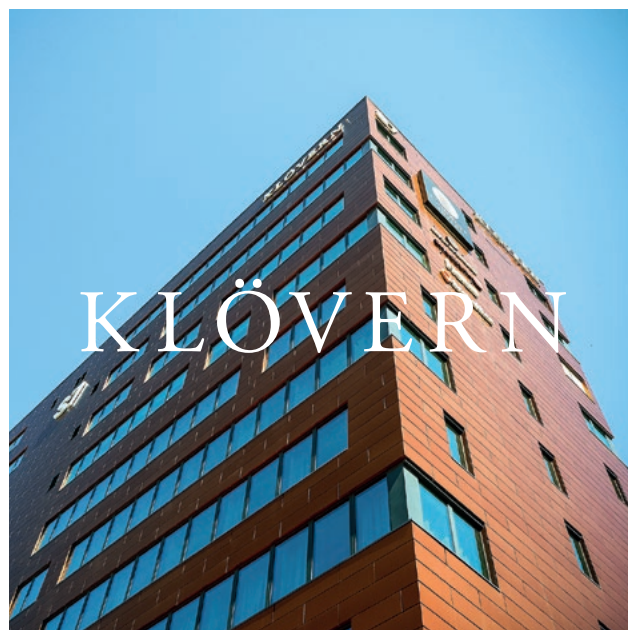
Green financing continues to grow in importance. In January, we issued green bonds for SEK 2.35 billion with a floating interest rate of 3 months Stibor plus 275 basis points. This has been done to refinance bonds, issued by Klöver, with a floating interest rate of 3 months Stibor plus 400 basis points.

I would like to thank all of our staff for an eventful and successful 2021 and look forward to an exciting 2022 where we together in the new Corem further develop and optimize the property portfolio with an unchanged focus on local property management close to the customer.

Eva Landén, CEO

Stockholm 24 February 2022





## COREM + KLÖVERN

By combining Corem's portfolio of properties for city logistics and Klöver's broad property portfolio with the emphasis on offices, one of the Nordic region's leading commercial real estate companies has been created.

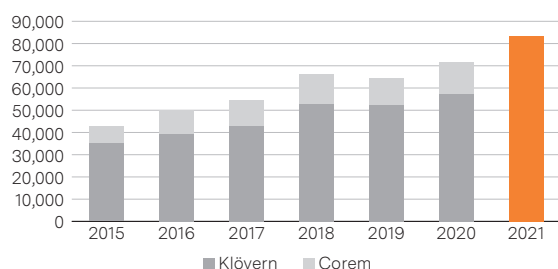
Together, the companies have a broader customer offering, a continuous focus on long-term sustainable ownership, property management, continuous refinement and urban development.

- Balanced property portfolio with property types which complement each other.
- Geographically concentrated portfolio in attractive locations in metropolitan areas and growth regions.
- Solid base in property management and in-house project development adding growth and return potential.
- Continuous development to adapt to changing customer and market needs and add value.
- Property management with own local staff gives closeness to the customer and extensive market knowledge.
- Increased financial stability and strength and reduced financing expenses.

## TIMELINE FOR THE TAKEOVER OFFER

- On 29 March 2021, Corem submitted a public takeover offer to the shareholders of Klöver.
- An initial acceptance period ran from 14 May to 11 June 2021, after which Corem controlled 89.1 per cent of the outstanding share capital and 90.8 per cent of the outstanding votes.
- When the outcome of the initial acceptance period was announced, the Offer was declared unconditional, and the acceptance period extended to 23 June 2021.
- At the end of the extended acceptance period, Corem controlled 95.0 per cent of the outstanding share capital and 94.5 per cent of the outstanding votes. The acceptance period for the offer was extended to 18 August 2021.
- Klöver's shares were delisted from Nasdaq Stockholm. with the last day of trading 20 July 2021. On 21 July 2021, Corem's shares were moved from Nasdaq Mid Cap to Nasdaq Large Cap.
- After the extended acceptance period, which ended on 18 August 2021, Corem owned 98.5 per cent of the outstanding share capital and controlled 97.7 per cent of the outstanding votes. The acceptance period was not extended.
- Compulsory acquisition has been initiated in order to acquire the remaining shares. The process of compulsory acquisition is ongoing.

## INVESTMENT PROPERTIES, FAIR VALUE, SEKm



**83,084**  
Investment properties.  
SEKm

# Acquisition of Klöver

In March 2021, Corem submitted a public takeover offer to holders of shares in Klöver. The initial acceptance period ran between 14 May and 11 June. The outcome of the initial acceptance period showed that Corem controlled 89.1 per cent of the share capital in Klöver and 90.8 per cent of the votes in Klöver, and Corem announced the offer to be unconditional on 15 June 2021. As a result, Corem's previous indirect, long-term investment in Klöver became a direct holding in the form of a subsidiary to Corem.

## Consolidation

Klöver is consolidated from 15 June 2021. Prior to the Offer, Corem owned Corem 15.2 per cent of the share capital in Klöver. During the second quarter, Corem's holdings were revalued to correspond to a value in accordance with the Offer, resulting in a positive effect on earnings of SEK 581 million, which is reported in the statement of income under Change in the value of financial investments.

## Acquisition value

Access to other shares was made at an acquisition value of SEK 18,442 million, consisting of a non-cash issue of 59,678,701 ordinary shares of Class A, 596,298,939 ordinary shares of Class B, 5,105,391 ordinary shares of Class D and 9,685,827 preference shares. These shares were valued according to market value on the date of the transaction amounting to SEK 18.13 per ordinary share of Class A, SEK 18.61 per ordinary share of Class B, SEK 288.39 per ordinary share of Class D and SEK 323.00 per preference share. For Class A and B ordinary shares, the market value corresponds to the closing price on Nasdaq adjusted in accordance with the exchange ratio of 0.88, while the value of the ordinary share of Class D corresponds to the closing price of the preference share, adjusted in accordance with the exchange ratio 1.12.

## Expected synergies

The acquisition is estimated to result in synergies of approximately SEK 200 million annually, of which approximately SEK 170 million relates to operational and financial synergies which are expected to be realized over the next two years, while the remaining SEK 30 million is attributable to revenue synergies, which are expected to be realized over a three-year period.

## ACQUISITION ANALYSIS

Acquired net assets at time of acquisition, SEKm

Investment properties	61,557
Properties held for resale	1,746
Other assets	3,958
Interest-bearing liabilities	-35,989
Hybrid bonds	-1,300
Deferred tax liability	-6,176
Other liabilities	-2,169
Holding without controlling influence	-96
<b>Acquired net assets</b>	<b>21,531</b>
Goodwill	2,934
<b>Total purchase price</b>	<b>24,465</b>

### Purchase price

Shares issued at fair value	18,442
Value, Corem's holding	3,276
Holding without controlling influence	2,747
<b>Total offer value /purchase price</b>	<b>24,465</b>

### Acquisition's impact on the Group's cash flow

Cash purchase price	—
Cash and cash equivalents in acquired companies	870
<b>Net cash flow</b>	<b>870</b>

## INCOME STATEMENT KLÖVERN SEKm

	2021 Jan-Dec	2021 15 Jun-31 Dec
Income	3,274	1,799
Property costs	-1,154	-651
Central administration	-160	-72
Net financial items	-715	-386
<b>Profit from property management</b>	<b>1,245</b>	<b>690</b>
Earnings, housing development	-74	-36
Share in profit of associated companies	11	3
Change in value, properties	3,685	2,591
Change in value, derivatives	301	108
Change in value, financial investments	29	29
Impairment goodwill	-2	—
Tax	-1,224	-959
<b>Profit for the period</b>	<b>3,970</b>	<b>2,426</b>
Conversion differences for foreign operations	444	290
<b>Comprehensive income for the period</b>	<b>4,414</b>	<b>2,716</b>

## BALANCE SHEET KLÖVERN SEKm

	2021 31 Dec	2021 15 Jun
<b>ASSETS</b>		
Investment properties	67,140	61,557
Other fixed assets	1,956	1,824
Current assets	1,759	3,152
<b>Total assets</b>	<b>70,855</b>	<b>66,533</b>
<b>Equity and liabilities</b>		
Equity	26,479	23,799
Deferred tax liability	4,903	3,978
Interest-bearing liabilities	36,597	35,989
Non-interest-bearing liabilities	2,876	2,767
<b>Total equity and liabilities</b>	<b>70,855</b>	<b>66,533</b>

The acquisition is classified as a business combination in accordance with IFRS 3. This means that acquired assets, liabilities and contingent liabilities are valued at fair value as per the acquisition date. All acquired items have a reported value corresponding to fair value, except for properties classified as current assets and deferred tax liabilities, which have both been revalued in connection with the acquisition.

In connection with the acquisition, goodwill of SEK 2,934 million arose in the form of the difference between the acquisition value of the acquired shares and the net assets.

Goodwill consists of two parts. For the most part, it consists of the difference between nominal tax and the deferred tax that is calculated in connection with acquisitions of properties which must be reported in business combinations. For this accounting goodwill of SEK 1,950 million. there is a corresponding amount in the item deferred tax. In addition, goodwill consists of synergy effects. This part consists of SEK 984 million.

Transaction costs attributable to the acquisition amounted to SEK 21 million and are reported in the item Acquisition costs in the Income Statement.

Transaction costs related to the issue of new shares amounted to SEK 23 million and have been reported against equity, after consideration of tax.

From the acquisition date until 31 December 2021, Klöver contributed SEK 1,799 million to the Group's income and SEK 2,426 million to the Group's net profit.

Holdings without controlling influence have been valued at fair value at the time of acquisition corresponding to the share price according to the same principles as acquired shares.

# Income, expenses and profit

Income statement items are compared with the corresponding time period last year. Balance sheet items refer to the position at the end of the period and are compared with the preceding year-end. The quarter refers to October–December and the year to January–December.

## INCOME

Income increased to SEK 1,097 million (234) during the fourth quarter and SEK 2,805 million (894) during the year. The increase is mainly attributable to the acquisition of Klöver. Excluding Klöver, income increased by 9 per cent during the quarter and 13 per cent during the year, inter alia, attributable to completed projects, lettings and renegotiations. Income for a comparable portfolio increased by 5 per cent during the year.

## EXPENSES

Property costs amounted to SEK 430 million (66) during the quarter and SEK 911 million (226) during the year. Higher energy prices, colder weather and temporarily higher costs for repairs and maintenance explain approximately SEK 30 million of the increase in property costs during the fourth quarter.

Central administration costs amounted to SEK 51 million (10) during the quarter and SEK 116 million (39) during the year. Almost the entire increase is attributable to Klöver. Acquisition costs attributable to the acquisition of Klöver amounted to SEK 21 million during the year.

## EARNINGS

Net operating income amounted to SEK 667 million (168) during the quarter and SEK 1,894 million (668) during the year. In a comparable portfolio, net operating income increased by 4 per cent during the year. The operating margin amounted to 61 per cent (72) during the quarter and 68 per cent (75) during the year.

Profit from property management increased to SEK 367 million (85) during the quarter and SEK 1,178 million (420) during the year. Excluding Klöver and acquisition costs, profit from property management increased by 21 per cent during the year.

## NET FINANCIAL INCOME

Net financial income for the year was SEK –579 million (–209). Financial income amounted to SEK 122 million (84) and primarily consists of dividends from shareholdings. Financial expense amounted to SEK 701 million (293) where SEK 41 million (15) was site leasehold expenses (interest expense for leasing liability).

In addition, net financial income for residential development, which is included in the income statement line Net profit residential development, amounted to SEK –10 million during the period and SEK –1 million during the fourth quarter.

At year-end, the average interest rate was 2.4 per cent (2.7).

See page 13 for further information.

## CHANGES IN VALUE

### Properties

Changes in value for Corem's investment properties amounted during the year to SEK 3,432 million (759), of which unrealized changes in value amounted to SEK 3,421 million and realized changes to SEK 11 million. The unrealized changes in value are mainly explained by new lettings, renegotiations and reduced yield requirements as well as 9 properties classified as current assets being reclassified as investment properties during the fourth quarter. See page 8 for further information.

### Financial investments

Changes in value of financial investments totalled SEK 870 million (–1,042). Realized changes in value accounted for SEK 45 million (–166) of the changes in value. See page 14 for further information.

### Derivatives

Changes in value of derivatives amounted to SEK 256 million (–31). The value of derivatives is affected by changes in the long market rates.

## TAXES

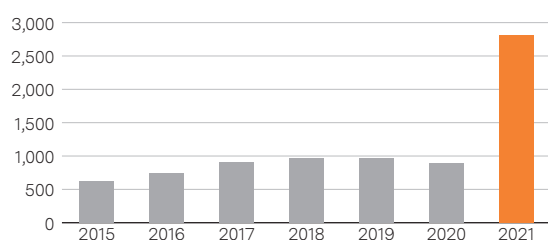
Deferred tax for the year amounted to SEK –1,147 million (–207) and current tax to SEK –40 million (–7).

The tax loss carryforwards are estimated to amount to SEK 1,923 million (1,178), of which SEK 964 million from Klöver. Tax recoverable attributable to tax loss carry forwards in the consolidated balance sheet amounted to SEK 396 million (243).

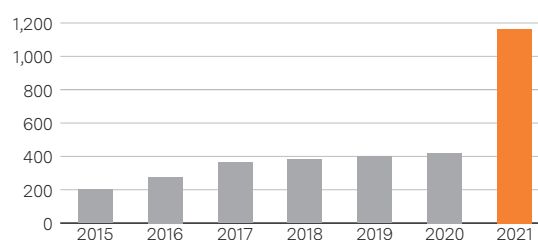
## OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to SEK 295 million (–11), during the period, mainly consisting of translation differences.

INCOME, SEKm



PROFIT FROM PROPERTY MANAGEMENT, SEKm



# The property portfolio

## PROPERTY VALUE

On 31 December 2021, Corem's property portfolio consisted of 518 investment properties with a total lettable area of 3,479 thousand sq.m. and a market value of SEK 83,084 million (14,002), as well as 1 property classified as current assets.

## CHANGES IN VALUE

The changes in value of Corem's investment properties amounted during the period to SEK 3,432 million (759), of which unrealized changes in value amounted to SEK 3,421 million and realized changes in value SEK 11 million. Changes in value for properties in Klöverna are included from the start of the third quarter.

Changes in value are mainly attributable to new lettings, renegotiations and reduced yield requirements as well as 9 properties classified as current assets being reclassified as investment properties during the fourth quarter. On average, Corem's properties, at 31 December 2021, have been valued at a yield requirement of 5.1 per cent (5.5).

Corem values all properties every quarter, of which 20 to 30 per cent are normally valued externally. Every property in the portfolio is valued externally once a year. During the period, CBRE, Cushman & Wakefield, Newmark Knight Frank, Newsec and Savills have been used as valuation agencies. Corem obtains continuous market information from external valuation agencies as support for the internal valuation. See Corem's and Klöverna's annual reports for 2020 for further information.

## TRANSACTIONS

### Acquisition of Klöverna

Corem's public offer to the shareholders of Klöverna led to Klöverna becoming a subsidiary of Corem in the second quarter of 2021. The acquisition included Klöverna's property portfolio, which, at the time of acquisition, consisted of 342 investment properties and 9 properties in Tobin Properties classified as current assets. The total lettable area was 2,458 thousand sq.m.

The fair value of the investment properties amounted to SEK 61,557 million, and the assessed market value of the properties classified as current assets was SEK 1,746 million. Further information about the acquisition is available on page 6.

### Property transactions

During the last quarter of the year, contracts were signed to sell five properties in Borås, a total of four properties in Västerås, Norrköping, Svedala and Sollentuna as well as a site leasehold for a property in Hallstahammar for a total underlying property value of SEK 1,030 million. Transfer of possession for the properties in Svedala and Sollentuna was during the fourth quarter of 2021, transfer of possession for the others is during the first quarter of 2022.

## INVESTMENT PROPERTIES: NUMBER, LETTABLE AREA, FAIR VALUE

	2021			2020
	No.	sq.m.	SEKm	SEKm
Total on 1 January	167	985,887	14,002	12,114
Business combination, Klöverna	342	2,457,740	61,557	—
Acquisitions	5	12,942	292	478
Investments in construction, extensions and refurbishment	—	31,125	1,771	741
Divestments	-4	-25,736	-296	-60
Reclassification of properties held for resale	9	16,701	1,930	—
Property regulation	-1	0	0	0
Changes in value, unrealised	—	—	3,421	742
Currency conversion	—	—	407	-13
<b>Total at year-end</b>	<b>518</b>	<b>3,478,659</b>	<b>83,084</b>	<b>14,002</b>

## PROPERTY TRANSACTIONS, TRANSFER OF POSSESSION 2021

Quarter	Property	City	Municipality	Property category	Lettable area, sq.m.	
					Acquisition	Divestment
Q1	Hedenstorp 1:99	Jönköping	Jönköping	Logistics	4,033	
Q1	Kalvsvik 16:20	Stockholm	Haninge	Logistics	6,224	
Q2	Märsta 21:48	Stockholm	Sigtuna	Logistics	864	
Q2	Instrumentet 13 & 18	Stockholm	Stockholm	Logistics		-5,646
Q2	Business combination with Klöverna	Several	Several	Property portfolio	2,457,740	
Q3	Rosersberg 11:151	Stockholm	Sigtuna	Land	0	
Q3	Flygbasen 2	Malmö	Malmö	Offices	1,821	
Q4	Svedala 306:9	Malmö	Svedala	Logistics		-17,490
Q4	Ekplantan 1	Stockholm	Sollentuna	Offices		-2,600
<b>TOTAL SQ.M.</b>					<b>2,470,682</b>	<b>-25,736</b>

## TENANTS AND THE LEASE PORTFOLIO

On 31 December 2021, the annual contract value amounted to SEK 4,402 million (906), while the rental value amounted to SEK 4,957 million (970). The economic occupancy rate was 89 per cent (93). 48 per cent of the contracted rent falls due for payment in 2025 or later. In all, the average remaining contract period was 3.7 years (4.4).

### Net letting

Net letting amounted to SEK 129 million during the year and to SEK 98 million during the fourth quarter. Net letting in Klövern is included from the third quarter.

In all, lettings and renegotiations amounted to SEK 217 million during the quarter and SEK 371 million during the year, where 58 per cent during the year were new tenants and the remaining letting to existing tenants.

## Large lettings

During the last quarter of the year, a number of large lease contracts have been signed.

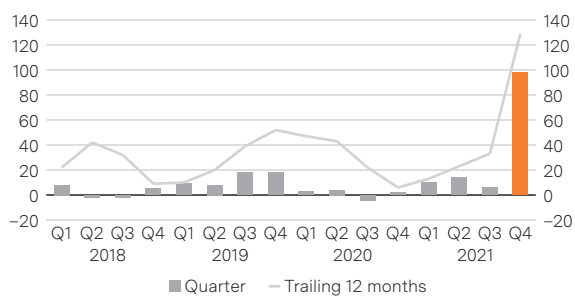
In New York, a 15-year lease has been signed with A24 Films for around 3,800 sq.m. of office space at the project property 1245 Broadway. Moving-in is planned for the second half of 2022.

In Örebro, a 6-year lease has been signed with Trafikverket for 2,625 sq.m. of office space. Moving-in is planned for the fourth quarter of 2023.

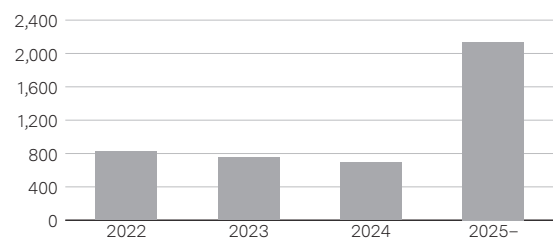
In Stockholm, an 8-year lease has been signed with Cleanhouse for 6,685 sq.m. Moving-in took place before the end of the year.

In Stockholm, Corem has also signed a contract for extension of a lease with Bilia. The new contract is for 11 years, from 2023, and is for letting of approximately 11,000 sq.m in a property situated in Nacka.

NET LETTING, SEKm



CONTRACT STRUCTURE, SEKm



After a total refurbishment, Klövern took possession of the property Kalvebod Brygge 32 in Copenhagen during the second quarter of 2021.

## PROJECT DEVELOPMENT

Investments often take place in connection with new lettings and in order to customize and modernize premises and thus increase rental value. Project activity makes it possible to meet tenants' changed requirements for premises and develop and create added value in the property portfolio. Corem has, through the acquisition of Klövern, expanded the project portfolio with a number of ongoing and planned projects, both as regards commercial properties and housing. A number of urban development projects are in process, among other places, at Uppsala Business Park in Uppsala, in Västerås and in Kista and Söderstaden in Stockholm.

### Commercial projects

During 2021, SEK 1,771 million (741) has been invested in the property portfolio for new construction, extension and refurbishments, of which SEK 923 million has been invested during the fourth quarter.

On 31 December 2021, the remaining investment volume of projects in process amounted to SEK 2,430 million. Project development, including development of building rights, contributed to increases in value of properties of SEK 487 million during the fourth quarter, or with SEK 661 million for the full year 2021.

At the end of 2021, in total 10 projects with an estimated investment each exceeding SEK 50 million were ongoing. These projects encompass in total 65,491 sq.m. with an estimated aggregate investment of SEK 3,318 million. The two largest individual projects in process are the new production of two high quality office buildings in Manhattan in New York. The projects are named 1245 Broadway and 28&7 and both buildings are nearing exterior completion. Letting work is in process and interior tenant customization will continue throughout 2022.

The project portfolio also includes a number of planned commercial projects. There are large planned projects in Uppsala, New York, Stockholm and Gothenburg, among other places. The planned projects in New York are the new construction of offices at 417 Park Avenue and 118 10th Avenue, encompassing 33,000 sq.m. and 13,200 sq.m. respectively. In Uppsala, a further two stages are being planned at the property Fyrislund 6:6 for 3,097 sq.m. of laboratories and 10,000 sq.m. of offices/production facilities. In Gothenburg, a number of large refurbishments and new constructions are planned during the next few years, including in the development area Fiskhamnen.

### Residential development projects

Residential development projects are conducted in the building rights portfolio which has been added through the acquisition of Klövern, and in its subsidiary Tobin Properties. As at 31 December 2021, there were 233 housing units in ongoing projects, all of them in Tobin, of which 200 has been sold. During the fourth quarter of 2021, 31 apartments were sold. At the end of October, sales started at the project Nacka Strand K1 consisting of 60 apartments. The first phase is sold out. The second phase, encompassing 32 apartments has not yet started.

The potential for future residential projects is extensive, and there are planned residential projects in Stockholm, Västerås, Nyköping, Uppsala and Gothenburg. In all, there may be scope within the existing portfolio for development of more than 13,000 housing units. Of these, 3,720 are covered by a local zoning plans.

In November, Corem and ALM Equity signed a letter of intent to investigate the prerequisites to establish a joint company with the goal of developing climate smart, space effective rental housing for own management. The joint company is intended to include existing investment properties and building rights for future development of an estimated approximately 24,000 housing units.

## COREM'S LARGEST COMMERCIAL PROJECTS IN PROCESS

City	Property	Description	sq.m.	Estimated investment, SEKm	Accrued investment, SEKm	Increase, rental value, SEKm	Completion, year/quarter
New York	1245 Broadway	New construction, offices	16,700	1,417	1,023	181	22Q4
New York	28&7	New construction, offices	9,100	770	561	87	22Q4
Örebro	Olaus Petri 3:234	New construction for Scandic Hotels and offices	8,638	292	249	22	22Q2
Stockholm	Orgelpipan 4	Refurbishment, offices	4,240	256	99	17	23Q2
Uppsala	Fyrislund 6:6	New construction, offices and laboratory	3,097	159	37	11	22Q4
Örebro	Olaus Petri 3:234	Refurbishment/extension and office premises for Trafikverket	10,318	128	8	6	23Q4
Göteborg	Mejramen 1	New construction for Kollmorgen Automation	3,519	85	79	7	22Q1
Halmstad	Halmstad 2:28	New construction for Försäkringskassan	2,790	84	51	7	22Q2
Norrköping	Stålet 3	New construction for Bravida	3,295	72	38	5	23Q1
Norrköping	Kondensatorn 1	Refurbishment for Every Padel	3,794	55	45	5	22Q1
TOTAL			65,491	3,318	2,190	348	

## COREM'S RESIDENTIAL PROJECTS IN PROCESS

City, location	Project name	No. of housing units	Housing units sold	Share of sold, %	Gross area, sq.m.	Area, sq.m.	Sales start, year	Expected to be completed, year
Stockholm, Sundbyberg	Rio	173	172	99	11,700	8,700	2017	2021
Stockholm, Nacka	Nacka Strand, K1	60	28	47	5,000	3,700	2021	2023
TOTAL		233	200	86	16,700	12,400		



#### **Fyrislund 6:6, Uppsala**

Ongoing project under the name Research Hub, in Uppsala Business Park. Estimated to be completed during the fourth quarter of 2022.



#### **Orgelpipan 4, Stockholm**

Ongoing project under the name Klarabergsgatan. Estimated to be completed during the second quarter of 2023.



#### **Morellen 1, Linköping**

Completed project during 2021.



#### **Skruben 3B, Borås**

Pro Stop, phase 3. Planned project for approximately 4,000 sq.m. of warehouse and retail space.



#### **28&7, New York**

Ongoing project. Estimated to be completed during the fourth quarter of 2022.



#### **K1, Nacka strand, Stockholm**

Ongoing residential project. Estimated to be completed during the third quarter of 2023.



#### **Örebro Entré, Örebro**

Ongoing project. The first phase is estimated to be completed during the second quarter of 2022 and the second phase is estimated to be completed during the fourth quarter of 2023.

## DISTRIBUTION PER GEOGRAPHICAL AREA

Corem's property portfolio and operating activities (excluding Klövern) are divided into geographical regions: Region Stockholm, Region South, Region West and Region Småland. With the acquisition of Klövern, the portfolio has expanded significantly during the second quarter of 2021. For transparency as well as clarity regarding comparative amounts, Klövern is shown separately according to the segments used within Klövern. In addition, aggregated figures are shown, where the portfolio is also divided into investment portfolio and development portfolio. Income and expenses relating to Klövern refer to the period 15 June–31 December 2021. The regional division is in accordance with the internal follow-up model for the CEO and the Board.

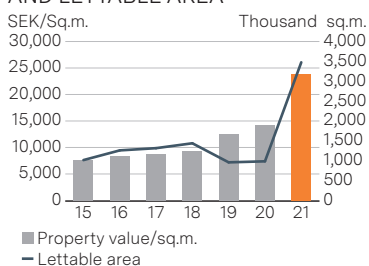
## INCOME STATEMENT ITEMS AND INVESTMENTS PER GEOGRAPHIC AREA

	Income, SEKm		Property costs, SEKm		Net operating income, SEKm		Operating margin, %		Investments, SEKm	
	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Stockholm	569	515	-167	-147	402	368	71	71	196	301
South	126	126	-32	-29	94	97	75	77	73	60
West	223	187	-45	-37	178	150	80	80	88	339
Småland	88	66	-16	-13	72	53	82	80	24	41
<b>Corem</b>	<b>1,006</b>	<b>894</b>	<b>-260</b>	<b>-226</b>	<b>746</b>	<b>668</b>	<b>74</b>	<b>75</b>	<b>381</b>	<b>741</b>
Region Stockholm	927	—	-390	—	538	—	58	—	433	—
Region East	396	—	-132	—	264	—	67	—	200	—
Region West	339	—	-127	—	212	—	63	—	213	—
International – Copenhagen	137	—	-3	—	134	—	98	—	45	—
International – New York	0	—	1	—	1	—	—	—	499	—
<b>Klövern</b>	<b>1,799</b>	<b>—</b>	<b>-651</b>	<b>—</b>	<b>1,148</b>	<b>—</b>	<b>64</b>	<b>—</b>	<b>1,390</b>	<b>—</b>
<b>Total</b>	<b>2,805</b>	<b>894</b>	<b>-911</b>	<b>-226</b>	<b>1,894</b>	<b>668</b>	<b>68</b>	<b>75</b>	<b>1,771</b>	<b>741</b>
Investment property portfolio	2,620	—	-823	—	1,797	—	69	—	1,075	—
Development property portfolio	185	—	-88	—	97	—	53	—	696	—
<b>Total</b>	<b>2,805</b>	<b>894</b>	<b>-911</b>	<b>-226</b>	<b>1,894</b>	<b>668</b>	<b>68</b>	<b>75</b>	<b>1,771</b>	<b>741</b>

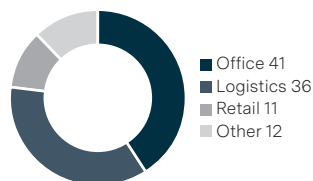
## KEY FIGURES PER GEOGRAPHIC AREA

	No. of properties		Fair value, SEKm		Rental value, SEKm		Economic occupancy rate, %		Lettable area, 000 sq.m.	
	2021 31 Dec	2020 31 Dec	2021 31 Dec	2020 31 Dec	2021 31 Dec	2020 31 Dec	2021 31 Dec	2020 31 Dec	2021 31 Dec	2020 31 Dec
Stockholm	95	94	9,051	7,903	616	564	95	94	476	458
South	24	25	1,857	1,650	129	134	94	95	174	193
West	26	26	3,637	3,271	230	196	89	91	250	237
Småland	23	22	1,399	1,178	92	76	95	92	103	98
<b>Corem</b>	<b>168</b>	<b>167</b>	<b>15,944</b>	<b>14,002</b>	<b>1,066</b>	<b>970</b>	<b>94</b>	<b>93</b>	<b>1,002</b>	<b>986</b>
Region Stockholm	127	—	34,821	—	2,106	—	85	—	1,128	—
Region East	112	—	10,417	—	814	—	90	—	698	—
Region West	98	—	9,048	—	720	—	88	—	528	—
International – Copenhagen	8	—	6,830	—	251	—	97	—	124	—
International – New York	5	—	6,024	—	0	—	0	—	0	—
<b>Klövern</b>	<b>350</b>	<b>—</b>	<b>67,140</b>	<b>—</b>	<b>3,891</b>	<b>—</b>	<b>88</b>	<b>—</b>	<b>2,476</b>	<b>—</b>
<b>Total</b>	<b>518</b>	<b>167</b>	<b>83,084</b>	<b>14,002</b>	<b>4,957</b>	<b>970</b>	<b>89</b>	<b>93</b>	<b>3,479</b>	<b>986</b>
Investment property portfolio	448	—	68,854	—	4,657	—	90	—	3,194	—
Portfolio of property to be improved	70	—	14,230	—	300	—	73	—	284	—
<b>Total</b>	<b>518</b>	<b>167</b>	<b>83,084</b>	<b>14,002</b>	<b>4,957</b>	<b>970</b>	<b>89</b>	<b>93</b>	<b>3,479</b>	<b>986</b>

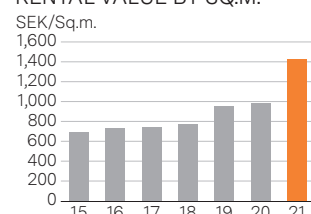
### PROPERTY VALUE BY SQ.M. AND LETTABLE AREA



### LETTABLE AREA BY TYPE, %



### RENTAL VALUE BY SQ.M.



# Financing

## INTEREST-BEARING LIABILITIES

On 31 December 2021, interest-bearing liabilities amounted to SEK 46,738 million (9,620). Accrued borrowing overheads amounted to SEK 174 million (24), meaning interest-bearing liabilities in the balance sheet of SEK 46,564 million (9,596). The change during the year is mainly attributable to interest-bearing liabilities of SEK 36,741 million, of which SEK 144 million were accrued borrowing overheads, in Klövern.

Corem's interest-bearing liabilities are mainly secured by mortgage deeds and/or shares in subsidiaries. Unsecured interest-bearing liabilities consist of commercial paper and unsecured bonds, 2,322 million (-) and SEK 11,558 million (2,100) respectively at year-end.

The average period of tied-up capital amounted to 3.8 years (1.9).

The loan-to-value ratio amounted to 53 per cent (38).

INTEREST-BEARING NET LIABILITY SEKm	2021 31 Dec	2020 31 Dec
Interest-bearing liabilities	46,564	9,596
Adjustment, accrued borrowing costs	174	24
Interest-bearing assets	-86	0
Long-term shareholdings	-2,263	-4,347
Current investments	—	0
Cash and cash equivalents	-571	-15
Interest-bearing net liability	43,818	5,258

## Bonds

At year-end, the Group had SEK 11,558 million in outstanding listed bond loans, maturing in 2022 to 2025. There is an unsecured Medium Term Note- programme (MTN) with a framework of SEK 10,000 million,

where SEK 5,550 million has been issued. There is also a secured MTN programme with a framework amounting to SEK 10,000 million, within which no bonds were issued at the end of the year.

## INTEREST MATURITY STRUCTURE

On 31 December 2021, the average interest rate of the loan portfolio was 2.4 per cent (2.7). To limit the interest rate risk, there are interest rate swaps and interest rate caps, where the effects of larger increases in interest rates are limited through interest rate caps. At the end of the period, Corem had interest rate swaps of a nominal value of SEK 8,890 million (2,390) and interest-rate caps of SEK 23,539 million (2,503). Together with fixed-interest loans, this means that 72 per cent (53) of the interest-bearing liabilities was hedged. As of 31 December 2021, the net market value of the interest rate derivative portfolio was SEK -86 million (-455). Change in value of derivatives amounted SEK 256 million (-31) during the year.

The average fixed interest period amounted at year-end to 2.6 years (2.7) taking derivatives into account.

The interest coverage ratio amounted to 2.7 (2.5) during the year.

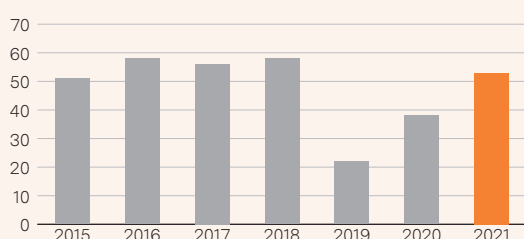
## LIQUID FUNDS

On 31 December 2021, liquid funds amounted to SEK 571 million (15). In addition there were unutilized credit facilities of SEK 4,719 million (567). Interest bearing net debt amounted to SEK 43,818 million (5,258).

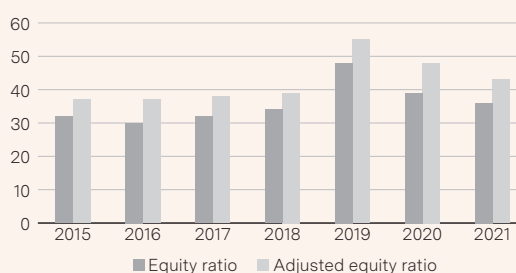
## EQUITY, NET ASSET VALUE AND EQUITY RATIO

At year-end, the Group's equity, attributable to the Parent Company's shareholders, amounted to SEK 33,342 million (7,277) of which SEK 1,300 million refer to a hybrid bond. Equity amounted to SEK 23.94

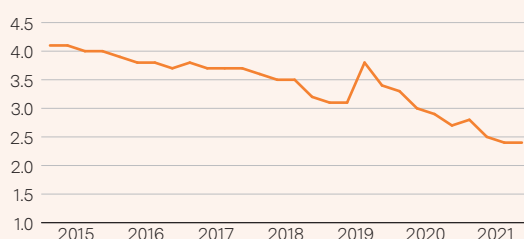
LOAN TO VALUE, %



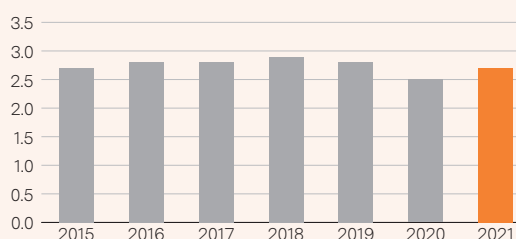
EQUITY RATIO AND ADJUSTED EQUITY RATIO, %



AVERAGE INTEREST RATE, %



INTEREST COVERAGE RATIO



(18.56) per ordinary share of Class A and B, SEK 289.59 (-) per ordinary share of Class D and SEK 312.72 (251.67) per preference share. Net asset value (NAV) per ordinary share of Class A and B amounted to SEK 29.60 (22.22).

On 31 December 2021, Corem's holding of repurchased shares amounted to 2,913,825 ordinary shares of Class A and 29,630,550 ordinary shares of Class B. The market value at the same time amounted to SEK 1,062 million. The shares have been repurchased at an average price of SEK 18.35 per share.

At year-end, the adjusted equity ratio was 43 per cent (48) and the equity ratio 36 per cent (39).

As at 31 December 2021, the remaining holdings without a controlling influence in Klövern have been revalued to fair value.

For further information about changes in equity, see page 20.

## SHAREHOLDINGS

Since 2019, Corem has owned shares in the real estate company Castellum, listed on Nasdaq Stockholm. On 31 December 2021, the holding amounted to 8,880,000 shares. The market value amounted at the same time to SEK 2,165 million, based on a price of SEK 243.80 per share. The acquisition value was SEK 192.03 per share.

Corem also owns 639,425 shares in Everysport Media Group which is listed on Spotlight Stock Market. The market value amounted to SEK 28 million on 31 December 2021.

In addition, unlisted shares at a value of SEK 70 million are included in the balance sheet's line *Financial assets valued at fair value*.

## CASH FLOW

The Group's cash flow from operating activities, before change in working capital, amounted to SEK 1,149 million (432) during the year.

Cash flow from investing activities amounted to SEK -954 million (-2,016) and cash flow from financing activities to SEK 317 million (1,653).

## FIXED INTEREST AND TIED-UP CAPITAL

Maturity year	Fixed interest		Tied-up capital		
	Loan volume, SEKm	Contract volume, SEKm	Utilised, SEKm	Of which outstanding bonds, SEKm	Not utilised, SEKm
Variable *	36,837	—	—	—	—
2022	114	15,665	14,358	2,350	1,307
2023	121	12,316	10,654	3,324	1,662
2024	792	5,567	4,867	3,184	700
2025	490	9,068	9,068	2,700	—
2026	—	1,570	520	—	1,050
Later	8,384	7,271	7,271	—	—
<b>Total</b>	<b>46,738</b>	<b>51,457</b>	<b>46,738</b>	<b>11,558</b>	<b>4,719</b>

\*SEK 23,539 million of Floating volume is covered by interest-rate caps.



Uppsala Business Park (UBP) – Today, more than 80 companies are present in UBP, a large scale urban development project for innovation and growth. Fully developed, the new city district will have room for 15,000 employees.

# The share and shareholders

Corem Property Group is listed on Nasdaq Stockholm Large Cap with four classes of shares: ordinary shares of Class A, ordinary shares of Class B, ordinary shares of Class D and preference shares.

On 31 December 2021, Corem had a total of 1,137,283,281 shares, of which 93,842,609 ordinary shares of Class A, 1,023,479,568 ordinary shares of Class B, 7,545,809 ordinary shares of Class D and 12,415,295 preference shares. An ordinary share of Class A entitles the holder to one vote, while an ordinary share of Class B, an ordinary share of Class D and a preference share entitles the holder to a tenth of a vote each.

## ISSUED SHARES RELATED TO THE PUBLIC OFFER FOR KLÖVERN

On 29 March 2021, Corem submitted a public offer to the shareholders of Klöver AB (publ) to acquire all outstanding shares in Klöver, in exchange for newly issued shares in Corem.

During the acceptance periods which ran during June 2021, a total of 68,296,112 ordinary shares of Class A, 738,725,754 ordinary shares of Class B and 14,695,199 preference shares in Klöver were submitted in the Offer.

During the acceptance period which ended on 18 August 2021, a total of 2,377,877 ordinary shares of Class A, 33,308,552 ordinary shares of Class B and 857,426 preference shares in Klöver were submitted in the Offer.

As part of the Offer, preference shareholders in Klöver were given the opportunity to either receive newly issued ordinary shares of Class D or preference shares in Corem as consideration. Shareholders representing 5,016,695 preference shares in Klöver chose to receive ordinary shares of Class D in Corem and shareholders representing 10,535,930 preference shares in Klöver chose to receive preference shares in Corem.

In total, new issues have been made of 62,193,109 ordinary shares of Class A, 679,390,188 ordinary shares of Class B and 5,618,698 ordi-

nary shares of Class D, and 10,535,930 preference shares as consideration for the shares submitted in the Offer.

## EXCHANGE OFFER TO OWNERS OF COREM'S PREFERENCE SHARES

On 30 March 2021, a voluntary exchange offer was made to preference shareholders to convert preference shares into newly issued Class D ordinary shares. The exchange offer covered all preference shares in Corem and meant that Corem offered 1.12 ordinary shares of Class D in Corem for each preference share in Corem submitted. The reason why preference shares were offered redemption was to enable increased financial flexibility for Corem. An increased number of new ordinary shares of Class D creates better long-term conditions for achieving an investment grade rating, which is expected to reduce the Company's financial risk and financing costs.

A total of 1,720,635 preference shares had been submitted in the Exchange Offer as of 11 June 2021, which corresponded to 47.8 per cent of the total number of preference shares in Corem. Based on the outcome, Corem issued a total of 1,927,111 ordinary shares of Class D to the shareholders who accepted the Exchange Offer.

## REPURCHASE OF OWN SHARES

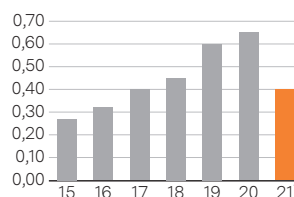
During the year, Corem has not repurchased any of its own ordinary shares. As of 31 December 2021, Corem held a total of 2,913,825 ordinary shares of Class A and 29,630,550 ordinary shares of Class B. The shares have been repurchased at an average price of SEK 18.35 per share.

## CONVERSION OF CLASS A ORDINARY SHARES

During February and August 2021, requests were made for conversion of a total of 860,724 ordinary shares of Class A, which were subsequently converted to ordinary shares of Class B in March and September respectively.

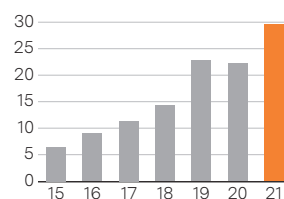
SHARE FACTS, 31 December 2021	
Market capitalisation	SEK 42.9 bn
Market place	Nasdaq Stockholm, Large Cap
LEI no.	213800CHXQD7TSS1T59
No. of shareholders	46 706
<b>Ordinary share, Class A</b>	
No. of shares	93 842 609
Closing price	SEK 32.60
ISIN	SE0010714279
<b>Ordinary share Class B</b>	
No. of shares	1 023 479 568
Closing price	SEK 32.65
ISIN	SE0010714287
<b>Ordinary share Class D</b>	
No. of shares	7 545 809
Closing price	SEK 316.00
ISIN	SE0015961594
<b>Preference share</b>	
No. of shares	12 415 295
Closing price	SEK 324.00
ISIN	SE0010714311

DIVIDEND PER ORDINARY SHARE A/B, SEK



1) Proposed dividend

NET ASSET VALUE (NAV) PER ORDINARY SHARE A/B, SEK



## COREM'S LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2021

Shareholder	Ordinary shares of Class A, thousands	Ordinary shares of Class B, thousands	Ordinary shares of Class D, thousands	Preference shares, thousands	Share of capital, %	Share of votes, %
Rutger Arnhult via companies	34,823	341,677	3,078	—	33.38	36.03
Gårdarike	39,490	118,128	57	26	13.87	26.68
Handelsbanken funds	—	77,259	2	—	6.79	4.02
Länsförsäkringar fondförvaltning	—	69,393	—	—	6.10	3.61
Swedbank Robur fonder	1,593	27,896	—	—	2.59	2.28
State Street Bank & Trust Co	—	40,006	0	152	3.53	2.09
JP Morgan Chase Bank N.A.	—	23,975	—	216	2.13	1.26
CBNY Norges Bank	314	14,788	151	48	1.35	0.94
Fredrik Rapp privately and via company	750	7,500	—	—	0.73	0.78
Prior & Nilsson	—	14,220	—	—	1.25	0.74
Livförsäkringsbolaget Skandia, Ömsesidigt	694	5,256	—	0	0.52	0.63
Patrik Tillman privately and via company	571	5,714	77	—	0.56	0.60
SEB Life International	1,100	—	—	—	0.10	0.57
Invus Investment AB	410	6,043	—	—	0.57	0.53
Verdipapirfondet Odin Eiendom	—	10,036	—	—	0.88	0.52
Other shareholders	11,183	231,957	4,182	11,973	22.80	18.72
<b>TOTAL OUTSTANDING SHARES</b>	<b>90,929</b>	<b>993,849</b>	<b>7,546</b>	<b>12,415</b>	<b>97.14</b>	<b>100.00</b>
Repurchased shares <sup>1)</sup>	2,914	29,631	—	—	2.86	—
<b>TOTAL REGISTERED SHARES</b>	<b>93,843</b>	<b>1,023,480</b>	<b>7,546</b>	<b>12,415</b>	<b>100.00</b>	<b>100.00</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 of part of their customers' Corem shares. Corem considers that the above table provides a correct picture of the company's 15 largest owners.

1) Repurchased own shares do not confer voting rights or rights to dividend.

## Other information

### ACCOUNTING POLICIES

This interim report for the Group has been prepared in compliance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and for the Parent Company in compliance with the Annual Accounts Act and RFR 2 Accounting for legal entities. In the Group, the properties are valued in compliance with Level 3 in the IFRS valuation hierarchy.

The fair value of financial instruments in the Group reported at accrued acquisition value agrees essentially with the carrying amounts. The same applies to the Parent Company with the exception of the holding in Castellum where fair values are those reported for the Group. No changes of the categorization of financial instruments have taken place during the period. Financial assets are valued at fair value in accordance with Level 1 of the valuation hierarchy. Derivatives are valued in accordance with Level 2 of the valuation hierarchy. No new or changed standards or interpretations from IASB have had any impact on the interim report and the accounting policies applied are those described in Note 1 of Corem's Annual Report för 2020, with the following additions regarding Goodwill:

Goodwill arising through business combinations constitute the difference between the acquisition value and the Group's share of the fair value of the acquired subsidiaries identifiable net assets as per the acquisition date. At the time of acquisition, goodwill is reported at acquisition value. Subsequently, it is reported at acquisition value after deduction of any impairment. Goodwill is tested for impairment annually or more frequently if there is an indication that the carrying amount may not be recoverable.

Rounding differences may arise in the report.

### DEFINITIONS

In this interim report, a number of financial key ratios are presented, which are not defined by IFRS. Corem believes these key ratios and measures provide valuable supplementary information to investors and the Company's management in analysing the Company's operations. Because not all companies calculate financial key ratios and measures in the same way, these are not always comparable. On the Company's website, the definitions of selected key ratios and measures are presented, as well as an appendix showing the calculation of such key figures that are not directly identifiable from the financial reports.

### SUSTAINABILITY

Sustainability is an important part of Corem's business and is integrated in the daily operations. It encompasses social, ecological and economic sustainability and is focused on the areas Good business partner and long-term value development, Attractive employer, Reduced climate impact and Sustainable and living city.

Corem's Board of Directors has established a number of new long-term sustainability goals following the consolidation of Klöver, including:

- By 2030 all energy used in Corem's operations shall be fossil-free.
- By 2035 Corem shall be climate-neutral throughout the value chain.
- The share of green and sustainability-related financing as well as green income shall in the long term constitute as large a share as possible.

The overall goal is to ensure an attractive property portfolio which creates long-term sustainable value without a negative impact on people or the environment.

## EMPLOYEES

Locally based property management with own staff, in order to achieve closeness to customers and in-depth market knowledge is an integral part of Corem's strategy. Corem's head office is located in Stockholm.

On 31 December 2021, the group had 368 employees (57). 46 per cent of the employees were women.

## RISKS

Corem works according to a continuous process to identify significant risks which may affect the Company's financial position and earnings. The main risks are value changes of properties, the state of the economy and market conditions, project operations, property transactions, changed laws and regulations, financing, listed holdings, employees, business ethics and IT security.

For more information on identified risks, see Corem's Annual Report 2020 and Klöver's Annual Report 2020.

## DISPUTES

Corem has no ongoing disputes which could have a significant effect on earnings.

## TRANSACTIONS WITH RELATED PARTIES

Intra-group services and transactions with related parties are charged at market prices and on commercial terms. Intra-group services consist of administrative services and charging of group interest rates.

Transactions with Wästbygg amounted to SEK 26 million (170) during the period. Wästbygg is controlled by Corem's main owner Rutger Arnhult. The Corem group also has a lease contract for letting to Wästbygg with an annual contract value of SEK 2 million.

Corem has a lease contract with M2-Gruppen, which is controlled by Rutger Arnhult, with an annual contract value of SEK 1 million.

In addition, the Corem Group has purchased legal services during the period from the law firm Walthon Advokater in which the Chairman of the Board Patrik Essehorn is a partner.

## KLÖVERN

Klövern is consolidated in Corem since 15 June 2021. As of 31 December 2021, Corem's ownership amounted to 98.6 per cent of the outstanding share capital and 97.7 per cent of the outstanding votes in Klöver. Compulsory redemption has been called for in order to acquire the remaining shares. The redemption process is ongoing.

## TOBIN PROPERTIES

The housing developer Tobin Properties is consolidated in Klöver since 4 April 2018. In June 2019, Klöver called for compulsory

redemption in Tobin Properties. The outcome of an arbitration in the redemption process was communicated on 8 December 2021. On 31 December 2021, Klöver's ownership amounted to 115,143,943 ordinary shares, corresponding to 93.8 per cent of the share capital and votes. If the outcome of the arbitration gains legal force, redemption of the remaining shares will take place.

## ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Corem Property Group AB (publ) will be held on 27 April 2022.

## DIVIDEND

The Board of Directors proposes a dividend of SEK 0.40 (0.65) per ordinary share of Class A and Class B, and SEK 20.00 per ordinary share of Class D and preference share. It is proposed that the dividend for the ordinary shares of Class A and Class B be paid in four instalments, each of SEK 0.10, while it is proposed that the dividend for ordinary shares of Class D and preference shares be paid in four instalments each of SEK 5.00. It is proposed that the record days for dividend to holders of ordinary shares of Class A, B, D and preference shares be the last banking day in the respective calendar quarter with the expected payment three banking days thereafter.

## EVENTS AFTER THE END OF THE PERIOD

In January 2022, Corem issued unsecured green bonds for SEK 2,350 million with a floating interest rate of 3 months STIBOR plus 275 basis points, maturing in October 2024. At the same time, unsecured bonds were repurchased at a nominal amount of SEK 1,898 million with a floating interest rate of 3 months STIBOR plus 400 basis points maturing in April 2022.

The Board of Directors and the CEO assure that the report provides a fair overview of the parent company's and the group's operations, position and results and describes the significant risks and uncertainty factors facing the parent company and the companies included in the group.

Stockholm, 24 February 2022

The Board of Directors of  
Corem Property Group AB (publ)

This report has not been subject to a review  
by the Company's auditors.



In Kista Gate, Stockholm, Corem has created an office with a focus on sustainability and recycling by reusing technical installations, construction material and furnishings.

# The Consolidated Income Statement *in brief*

SEKm	2021 12 months Jan-Dec	2020 12 months Jan-Dec	2021 3 months Oct-Dec	2020 3 months Oct-Dec
Income	2,805	894	1,097	234
Property costs	-911	-226	-430	-66
<b>Net operating income</b>	<b>1,894</b>	<b>668</b>	<b>667</b>	<b>168</b>
Central administration	-116	-39	-51	-10
Acquisition costs	-21	—	—	—
Net financial income	-579	-209	-249	-73
<b>Profit from property management</b>	<b>1,178</b>	<b>420</b>	<b>367</b>	<b>85</b>
Earnings, residential development	-36	—	1	—
<b>Net profit, residential development</b>	<b>-36</b>	<b>—</b>	<b>1</b>	<b>—</b>
Share of earnings in associated companies	3	—	0	—
Value changes, properties	3,432	759	1,918	473
Value changes, financial investments	870	-1,042	265	93
Value changes, derivatives	256	-31	79	28
Impairment, goodwill	-21	—	-21	—
<b>Profit before tax</b>	<b>5,682</b>	<b>106</b>	<b>2,609</b>	<b>679</b>
Tax	-1,187	-214	-639	-118
<b>Net profit for the year</b>	<b>4,495</b>	<b>-108</b>	<b>1,970</b>	<b>561</b>
<i>Net profit for the year attributable to:</i>				
Parent Company shareholders	4,408	-108	1,895	561
Holdings without controlling influence	87	—	75	—
	<b>4,495</b>	<b>-108</b>	<b>1,970</b>	<b>561</b>
<b>Other comprehensive income</b>				
<i>Items that can be referred to net profit for the year</i>				
Translation differences, etc.	295	-11	139	-13
<b>Comprehensive income for the period</b>	<b>4,790</b>	<b>-119</b>	<b>2,109</b>	<b>548</b>
<i>Comprehensive income attributable to:</i>				
Parent Company shareholders	4,699	-119	2,032	548
Holdings without controlling influence	91	—	77	—
	<b>4,790</b>	<b>-119</b>	<b>2,109</b>	<b>548</b>
<b>Earnings per share</b>				
Earnings per ordinary share of Class A and B, SEK	5.52	-0.52	1.64	1.58
<b>No. of outstanding shares, thousands</b>				
Ordinary shares A and B, at the end of period	1,084,778	343,195	1,084,778	343,195
Ordinary shares A and B, average number	740,815	343,429	1,084,778	343,195
Ordinary shares D, at end of period	7,546	—	7,546	—
Preference shares, at end of period	12,415	3,600	12,415	3,600

No dilution effect exists as there are no potential shares (for example, convertibles).

# Consolidated Balance Sheet *in brief*

SEKm	2021 31 Dec	2020 31 Dec
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	3,059	—
Investment properties	83,084	14,002
Right-of-use assets	1,000	218
Shares in associated companies	472	—
Financial assets valued at fair value	2,263	4,347
Derivatives	251	—
Other non-current assets	153	7
<b>Total non-current assets</b>	<b>90,282</b>	<b>18,574</b>
<b>Current assets</b>		
Properties classified as current assets	63	—
Other current assets	1,320	85
Cash and cash equivalents	571	15
<b>Total current assets</b>	<b>1,954</b>	<b>100</b>
<b>TOTAL ASSETS</b>	<b>92,236</b>	<b>18,674</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to parent company shareholders	33,342	7,277
Equity attributable to holdings without controlling influence	596	—
<b>Total shareholders' equity</b>	<b>33,938</b>	<b>7,277</b>
<b>Long-term liabilities</b>		
Interest-bearing long-term liabilities	32,016	5,510
Long-term leasing liabilities	1,000	218
Deferred tax liability	8,127	800
Derivatives	337	455
Other long-term liabilities	67	7
<b>Total long-term liabilities</b>	<b>41,547</b>	<b>6,990</b>
<b>Current liabilities</b>		
Interest-bearing current liabilities	14,548	4,086
Other current liabilities	2,203	321
<b>Total current liabilities</b>	<b>16,751</b>	<b>4,407</b>
<b>Total liabilities</b>	<b>58,298</b>	<b>11,397</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>92,236</b>	<b>18,674</b>

## Consolidated statement of cash flow *in brief*

SEKm	2021 12 months Jan-Dec	2020 12 months Jan-Dec	2021 3 months Oct-Dec	2020 3 months Oct-Dec
<b>Operating activities</b>				
Net operating income, including residential development	1,858	668	668	168
Central administration including acquisition costs	-137	-39	-51	-10
Depreciation, etc.	0	1	-18	0
Interest received, dividend etc.	110	84	1	3
Interest paid, etc.	-638	-262	-238	-64
Interest expense, lease contracts attributable to site leasehold contracts	-41	-13	-18	-3
Income tax paid	-3	-7	-2	-3
<b>Cash flow before changes in working capital</b>	<b>1,149</b>	<b>432</b>	<b>342</b>	<b>91</b>
Change in properties classified as current assets	-189	—	-179	—
Change in current receivables	-16	-24	-94	-25
Change in current liabilities	246	-38	319	-40
<b>Cash flow from operating activities</b>	<b>1,190</b>	<b>370</b>	<b>388</b>	<b>26</b>
<b>Investing activities</b>				
Investments in new construction, extensions and refurbishment	-1,771	-741	-923	-207
Acquisition of properties	-292	-478	—	-226
Divestment of properties	263	60	159	18
Acquired cash and cash equivalents, business combination	870	—	—	—
Acquisition of long-term shareholdings	-249	-854	—	-348
Change in other non-current assets	225	-3	194	-3
<b>Cash flow from investing activities</b>	<b>-954</b>	<b>-2,016</b>	<b>-570</b>	<b>-766</b>
<b>Financing activities</b>				
Dividend paid to parent company shareholders	-468	-278	-106	-18
Hybrid bonds	-39	—	-19	—
Repurchase of own shares	—	-498	—	—
Issue costs	-23	—	—	—
Current investments	—	197	—	171
Loans raised	6,834	4,079	1,425	859
Amortised loans	-5,987	-1,847	-1,191	-269
<b>Cash flow from financing activities</b>	<b>317</b>	<b>1,653</b>	<b>109</b>	<b>743</b>
<b>Cash flow for the period</b>	<b>553</b>	<b>7</b>	<b>-73</b>	<b>3</b>
Cash and cash equivalents at beginning of period	15	8	648	12
Exchange rate difference in cash and cash equivalents	3	—	-4	—
<b>Cash and cash equivalents at end of period</b>	<b>571</b>	<b>15</b>	<b>571</b>	<b>15</b>

As the business combination with Klövern took place exclusively through issue of new shares in Corem and did not include any cash compensation, the acquisition has not had any major impact on the cash flow for the period, except for acquired cash and cash equivalents in the operating activities for the period 15 June to 30 June 2021. As from 1 Jul 2021, Klövern has been included in its entirety in the cash flow.

## Consolidated change in equity *in brief*

SEKm	Parent Company shareholders	Holdings without controlling influence	Total
<b>Opening equity, 01.01.2021</b>	<b>7,277</b>	<b>—</b>	<b>7,277</b>
Comprehensive income for the period	2,667	14	2,681
Issue in kind	20,723	—	20,723
Dividend to shareholders	-618	—	-618
Hybrid bonds, from business combination	1,300	—	1,300
Hybrid bonds	-20	—	-20
Issue costs including tax effect	-18	—	-18
Change in holding without controlling influence	-11	564	553
<b>Equity, 30.09.2021</b>	<b>31,300</b>	<b>578</b>	<b>31,878</b>
Comprehensive income for the period	2,032	77	2,109
Hybrid bonds	-19	—	-19
Change in holding without controlling influence	29	-59	-30
<b>Equity, 31.12.2021</b>	<b>33,342</b>	<b>596</b>	<b>33,938</b>

# Parent Company Income Statement

*in brief*

SEKm	2021 12 months Jan–Dec	2020 12 months Jan–Dec
Net sales	98	89
Cost of services sold	–61	–52
<b>Gross profit</b>	<b>37</b>	<b>37</b>
Central administration	–43	–39
<b>Operating profit</b>	<b>–6</b>	<b>–2</b>
Impairment/reversal of current investments	—	–27
Interest income and similar income statement items	996	1,123
Interest expense and similar income statement items	–120	–290
<b>Profit</b>	<b>870</b>	<b>804</b>
Tax	–9	–13
<b>Net Profit for the period</b>	<b>861</b>	<b>791</b>

The parent company does not have any items in other comprehensive income.

# Parent Company Balance Sheet

*in brief*

SEKm	2021 31 Dec	2020 31 Dec
<b>ASSETS</b>		
Other intangible fixed assets	3	3
Machinery and equipment	0	1
Shares in group companies	22,188	432
Other financial fixed assets	1,706	2,346
Receivables from group companies	3,906	3,106
Deferred tax receivable	6	10
Other current receivables	9	5
Cash and cash equivalents	28	21
<b>TOTAL ASSETS</b>	<b>27,846</b>	<b>5,924</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	23,717	2,769
Interest-bearing liabilities	3,882	3,085
Non-interest-bearing liabilities	247	70
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,846</b>	<b>5,924</b>

# Key figures

	2021 12 months Jan–Dec	2020 12 months Jan–Dec	2021 3 months Oct–Dec	2020 3 months Oct–Dec	2019 12 months Jan–Dec
<b>Property-related</b>					
Fair value of investment properties, SEKm	83,084	14,002	83,084	14,002	12,114
Yield requirement, valuation, %	5.1	5.5	5.1	5.5	5.8
Rental value, SEKm	4,957	970	4,957	970	912
Lettable area, sq.m.	3,478,659	985,887	3,478,659	985,887	959,495
Economic occupancy rate, %	89	93	89	93	91
Area-based occupancy rate, %	83	91	83	91	88
Operating margin, %	68	75	61	72	73
No. of investment properties	518	167	518	167	162
Average remaining lease contract period, years	3.7	4.4	3.7	4.4	4.0
<b>Financial</b>					
Return on equity, %	21.7	–1.4	23.4	32.0	46.2
Adjusted equity ratio, %	43	48	43	48	55
Equity ratio, %	36	39	36	39	48
Interest-bearing net liability, SEKm	43,818	5,258	43,818	5,258	2,629
Loan-to-value ratio, %	53	38	53	38	22
Loan-to-value ratio, properties, %	38	46	38	46	46
Interest coverage ratio	2.7	2.5	2.5	2.2	2.8
Average interest rate, %	2.4	2.7	2.4	2.7	3.4
Average fixed interest, years	2.6	2.7	2.6	2.7	3.4
Average tied-up capital, years	3.8	1.9	3.8	1.9	2.2
<b>Share-related</b>					
Profit from property management per ordinary share A and B, SEK	1.16	1.01	0.23	0.20	0.90
Earnings per ordinary share, A and B, SEK	5.52	–0.52	1.64	1.58	8.35
Net asset value (NAV) per ordinary share A and B, SEK	29.60	22.22	29.60	22.22	22.74
Equity per ordinary share A and B, SEK	23.94	18.56	23.94	18.56	19.95
Equity per ordinary share D, SEK	289.59	—	289.59	—	—
Equity per preference share, SEK	312.72	251.67	312.72	251.67	251.67
Dividend per ordinary share, A and B, SEK	0.40 <sup>2</sup>	0.65	—	—	0.60
Dividend per ordinary share D, SEK	20.00 <sup>2</sup>	20.00 <sup>1</sup>	—	—	—
Dividend per preference share, SEK	20.00 <sup>2</sup>	20.00	—	—	20.00
Share price per ordinary share A, SEK	32.60	18.80	32.60	18.80	27.00
Share price per ordinary share B, SEK	32.65	18.80	32.65	18.80	27.00
Share price per ordinary share D, SEK	316.00	—	316.00	—	—
Share price per preference share, SEK	324.00	320.00	324.00	320.00	392.00
<b>No. of shares, thousands</b>					
Number of outstanding ordinary shares A and B	1,084,778	343,195	1,084,778	343,195	364,270
Average number of outstanding ordinary shares A and B	740,815	343,429	1,084,778	343,195	364,270
Number of outstanding ordinary shares D	7,546	—	7,546	—	—
Number of outstanding preference shares	12,415	3,600	12,415	3,600	3,600

1) Attributable to newly issued ordinary Class D shares relating to the Public Offer for Klövern and the Exchange Offer to Corem's preference shareholders.

2) Proposed dividend

# Definitions

A number of financial key ratios and measures are presented in the report which are not defined according to IFRS. Corem considers that these key ratios and measures provide valuable supplementary information to investors and the company management when analysing the company's business activities. As not all companies calculate financial key ratios and measures in the same way, these are not always comparable. Definitions of selected key ratios and measures are presented below. The definitions are also shown on Corem's website ([www.corem.se/sv/investerare/definitioner/](http://www.corem.se/sv/investerare/definitioner/)). For the key ratios that are not directly identifiable from the financial statements there is a complementary calculation appendix on the website.

## Adjusted equity ratio

Equity<sup>2</sup>, adjusted for the value of derivatives including tax, repurchased shares, (based on the share price at the end of respective period) and reported deferred tax properties, less goodwill attributable to deferred tax, 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 goodwill attributable to deferred tax and rights of use assets.

## Annual contract value

Rent including supplements and index on an annual basis.

## Average fixed credit term

Average remaining term of interest-bearing liabilities.

## Average period of fixed interest

Average remaining period of fixed interest on interest-bearing liabilities and derivatives.

## Average interest rate

Average borrowing rate for interest-bearing liabilities and derivatives.

## Central administration

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

## 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.

## Development portfolio

Properties where conversion or extension projects are in progress or planned, which lead to a higher standard or changed use of premises.

## Earnings per ordinary share of class A and B

Net profit after deduction of dividend on preference shares and ordinary shares of class D and interest on hybrid bonds, in relation to the average number of outstanding ordinary shares of class A and B.

## Equity per ordinary share of class A and B

Equity<sup>2</sup> after deduction of equity attributable to preference shares and ordinary shares of class D and hybrid bonds, in relation to the number of outstanding ordinary shares of class A and B.

## Equity per ordinary share of class D

The ordinary share of class D's average issue price.

## Equity per preference share

The preference share's average issue price.

## Equity ratio

Equity<sup>2</sup> as a per centage of total assets.

## Interest-bearing liabilities

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

## Interest-bearing net debt

The net of interest-bearing provisions and liabilities, less financial assets including liquid funds.

## Interest coverage ratio

Profit from property management plus share of associated companies' profit from property management, and profit from residential development excluding financial expenses<sup>1</sup>, divided by financial expenses<sup>1</sup>.

## Investment portfolio

Properties currently being actively managed.

## Investment properties

The term investment properties in the balance sheet includes the investment portfolio as well as the development portfolio.

## Lettable area

Total area available for letting.

## 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.

## 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.

## NAV (Net Asset Value) per ordinary share of class A and B

Equity<sup>2</sup>, after deduction of equity attributable to preference shares and ordinary shares of class D, hybrid bonds and goodwill attributable to deferred tax, adding back derivatives and deferred tax liability, in relation to the number of outstanding ordinary shares of class A and B.

## Net letting

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

## Net operating income

Income minus property costs.

## Occupancy rate, area

Rented area divided by total lettable area.

## Occupancy rate, economic

Annual contracted rent divided by rental value.

## Outstanding ordinary shares

Registered shares, after deduction of repurchased shares.

## Profit from property management

Net operating income, central administration and net financial income.

## Profit from property management per ordinary share of class A and B

Profit from property management after deduction of dividend on preference shares and ordinary shares of class D and interest on hybrid bonds in relation to the average number of outstanding ordinary shares of class A and B.

## 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.

## Realized changes in value, properties

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

## Rental value

Annual contract value with a supplement for assessed rent of vacant premises.

## Return on equity

Net profit on an annual basis, as a per centage of average equity<sup>2</sup> during the period.

## Required yield

The required return on the residual value of property valuations.

## Operating margin

Net operating income as a percentage of income.

## Total number of shares

Registered shares, including repurchased shares.

## Unrealized changes in value, properties

Change in fair value excluding acquisitions, divestments, investments, and currency conversion.

*1 Excluding site leasehold fees*

*2 Equity attributable to the Parent Company's shareholders.*

# Calendar

## FINANCIAL REPORTS

Annual Report and Sustainability Report 2021	Week 14, 2022
Interim Report, January–March 2022	27 April 2022
Annual General Meeting 2022	27 April 2022
Interim Report January–June 2022	13 July 2022
Interim Report January–September 2022	25 October 2022

## RECORD DATE AND DIVIDEND

Record date for dividend to holders of Class D ordinary shares and preference shares	31 March 2022
Expected date for dividend to holders of Class D ordinary shares and preference shares	5 April 2022

## Properties for the *future*

### CONTACT PERSONS

Eva Landén, CEO, +46 8 503 853 33, [eva.landen@corem.se](mailto:eva.landen@corem.se)

Lars Norrby, IR, +46 76 777 38 00, [lars.norrby@corem.se](mailto:lars.norrby@corem.se)

Anna-Karin Hag, CFO, +46 8 503 853 49, [anna-karin.hag@corem.se](mailto:anna-karin.hag@corem.se)

This information is information that Corem Property Group AB (publ) 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 08.00 CET on 24 February 2022.



Corem Property Group AB (publ), Box 56085, SE-102 17 Stockholm (Sweden)

Visiting address: Riddargatan 13 C. Telephone: +46 8 503 853 33

Corporate ID number: 556463-9440, Registered office: Stockholm

Email: [info@corem.se](mailto:info@corem.se), website: [www.corem.se](http://www.corem.se)