



2ND QUARTER

INTERIM REPORT JANUARY-JUNE 2019

corem  property
group

INTERIM REPORT

JANUARY–JUNE 2019

- Income increased by 15 percent to SEK 540 million (471).
- Operating surplus increased by 11 percent to SEK 400 million (359).
- Income from property management increased by 18 percent to SEK 218 million (185).
- The profit share from Klöverna amounted to SEK 148 million (167).
- Change in property value amounted to SEK 769 million (193) and change in value of derivatives affected profit with SEK -78 million (-3).
- Net profit amounted to SEK 844 million (475), equivalent to SEK 2,22 per ordinary share (1,20).
- Fair value of the property portfolio amounted to SEK 14 552 million (13 479), after acquisition of five properties at a property value of SEK 146 million and investments of SEK 150 million in constructions, extensions and refurbishments.
- EPRA NAV increased by 38 percent to SEK 15,92, compared with SEK 11,56 on 30 June 2018.

1 449 111

LETTABLE
AREA, SQ.M.

14 552

FAIR VALUE OF
PROPERTIES

191

NO OF
PROPERTIES

7,5

MARKET CAP.
SEK BILLION

IMPORTANT EVENTS 4TH QUARTER / AFTER THE PERIOD

- To concentrate the property portfolio geographically Corem has during June signed an agreement to divest a portfolio of 30 properties to Blackstone Group International Partners LLP. The properties have a total lettable area of around 500,000 sq.m. an annual rental value of SEK 309 million and an economic occupancy rate of 88 per cent. The properties are located at 13 places in Sweden, where the divestment means Corem leaves 10 of them. The calculated result from the transaction amounts to around SEK 630 million, after deduction for deferred tax, transaction costs and reversal of previously reported deferred tax. An unrealized change in value is reported for the second quarter. Handing over possession took place on 5 July 2019.

	2019 6 mon Jan-Jun	2018 6 mon Jan-Jun	2019 3 mon Apr-Jun	2018 3 mon Apr-Jun	2018 12 mon Jan-Dec	Rolling 12 mon Jul-Jun
Income, SEKm	540	471	270	238	965	1 034
Operating surplus, SEKm	400	359	208	188	733	774
Profit from property management, SEKm	218	185	117	101	380	413
Net profit, SEKm	844	475	582	219	1 183	1 552
Earnings per ordinary share, %	2,22	1,20	1,55	0,55	3,05	4,06
EPRA NAV per ordinary share, SEK	15,92	11,56	15,92	11,56	13,85	15,92
Occupancy rate, economic, %	91	91	91	91	91	91
Operating margin, %	74	76	77	79	76	75
Equity ratio, adjusted, %	40	37	40	37	38	40
Interest coverage ratio, multiples	3,1	2,8	3,3	3,0	2,9	3,0
Leverage, %	51	58	51	58	58	51

For definition of key ratios, see page 23.

SHARPENED FOCUS ON URBAN REGIONS AND GOOD FINANCIAL POSSIBILITIES FOR FUTURE INVESTMENTS

We can summarize an eventful second quarter for Corem, by successful lettings, initiated property development projects and a large structural transaction, which will both sharpen the focus of the property portfolio and provide greater opportunities for the future.

The state of the market in the logistics segment remains unchanged. We see a continuing increased demand for premises in locations with good access and which enable businesses to quickly reach and be reached by customers. There is a clear need to continue to develop the properties in these locations to meet the needs of cities for resource-smart logistics solutions. This is most evident in the metropolitan regions and in some other strategic transport hubs.

Part of Corem's strategy is to streamline the portfolio geographically, focusing on flexible premises in logistically attractive locations. As part of this strategy, we have during the quarter signed agreements for divestment of 30 properties, through which we will leave 10 locations as at 5 July. These locations are mainly those where we had a few properties at each location, and thus no possibility of having our own on-site management. We regard the good local implantation of our management which we aim at as an important part of our long-term approach. At the same time, the transaction strengthens our financial opportunities for attractive investments in the future at our prioritized locations.

Letting work during the year has been successful, with several major lettings where

we have both been able to welcome new customers and extend our collaboration with existing tenants. In some cases, letting has enabled us to further develop the investment properties we manage. An example of this is the refurbishment and new construction of Veddesta 2:79 which is now starting in Järfälla. With MTAB as tenant, we are developing a new concept with a three-storey city logistics building, an exciting solution that also enables us to make better use of these attractive locations.

During the quarter, renegotiation of a large lease contract has taken place with Ericsson in Borås, entailing transformation of the previous single tenant property into a multi-tenant property under the name Sandlid Business Park. As first new tenant beside Ericsson, ICA will move in to approximately 6,700 sq.m. during the summer of 2020.

Among the quarter's large lettings may also be mentioned letting of 4,000 sq.m. of cold store in Malmö to Coop, expansion and extension with Makita in Sollentuna and additional lettings in our Pro Stop concepts.

Income during the period increased by 15 per cent while profit from property management rose by 18 per cent and as at the end of the first six months by SEK 218 million. Profit before tax for the first six months of the year totalled SEK 1 057 million after positive changes in value of SEK 769 million. After tax, this corresponds to earnings per ordinary share of SEK 2,22.

EPRA NAV, net asset value per share, amounts to SEK 15,92 per share, an increase of 15 per cent compared with the end of the year and 38 per cent over the past 12 months.

The work we performed in 2018 on restructuring the financial portfolio is now



Eva Landén, CEO

producing clear results. Net financial income for the quarter amounts to SEK 77 million, which is in line with the level in the previous year. This has taken place despite interest-bearing liabilities of just over SEK 1 billion, being higher at the end of the first quarter of 2019 compared with the same time the previous year. In February, we redeemed a SEK 200 million bond.

The average interest rate amounts to 3.13 per cent compared with 3.57 per cent at the end of the first quarter in 2018. We have a strong balance sheet which provides good prerequisites for future projects and acquisitions and are continuing to build volume in the strong metropolitan regions.

Stockholm, 12 July 2019
Eva Landén, CEO.

WE CREATE SPACE FOR YOU TO DEVELOP YOUR BUSINESS

Corem Property Group is a real estate company which manages and develops properties in locations with attractive logistic conditions.

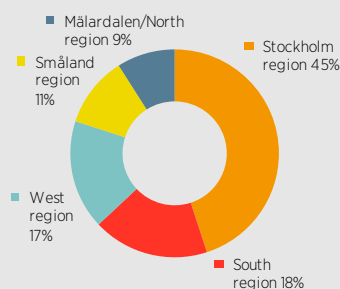
Inhouse property management is an important part of our strategy, with a strong regional connection to know the local market and be close to the tenants.

COREMS PROPERTY PORTFOLIO IS MANAGED IN FIVE REGIONS:

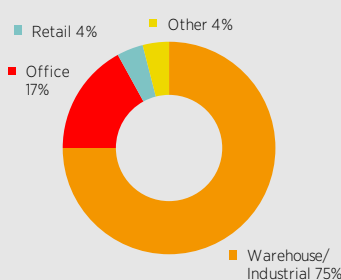
- Stockholm region
- South region
- West region
- Småland region
- Mälardalen/North region



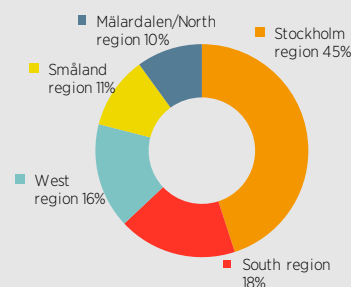
PROPERTY VALUE



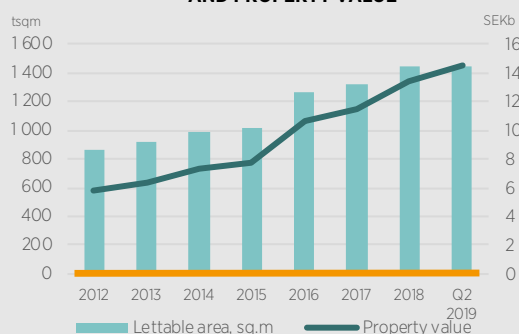
PROPERTY TYPE, AREA



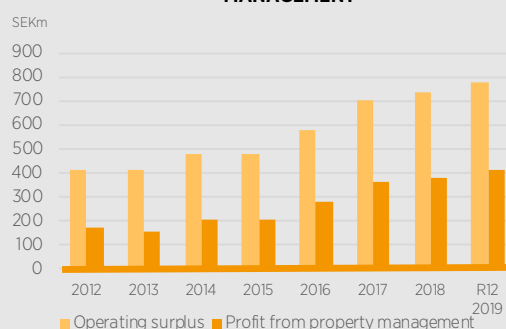
RENTAL VALUE



LETTABLE AREA AND PROPERTY VALUE



OPERATING SURPLUS AND PROFIT FROM PROPERTY MANAGEMENT





COREM STREAMLINES THE PROPERTY PORTFOLIO BY DIVESTMENT OF 30 PROPERTIES

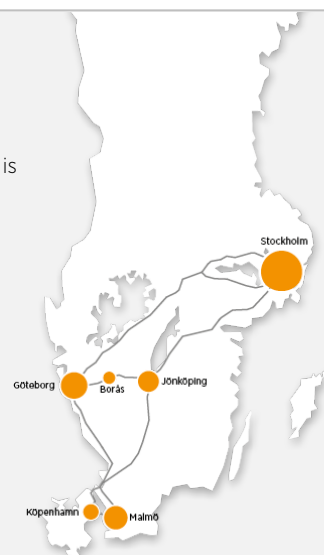
During June, Corem has signed an agreement to divest a portfolio of 30 properties to Blackstone Group International Partners LLP. The sale will contribute to increased focus on Corem's prioritized locations and is in line with Corem's communicated strategy, long-term investments, continued acquisitions and development of properties focused on the company's prioritized locations.

The properties consist mostly of warehouse/logistics facilities located at 13 places in Sweden. The properties have a total lettable area of around 500,000 sq.m. and an annual rental value of around SEK 309 million.

This divestment is taking place to concentrate the property portfolio geographically and as a link in Corem's strategy of long-term expansion and development of the holdings at the company's prioritized locations. The locations left due to the divestments are Tranås, Falun, Gävle, Västerås, Halmstad, Helsingborg, Hudiksvall, Uppsala, Katrineholm and Kumla.

The transaction is taking place as a corporate sale with an underlying property value of SEK 4,218 million before deduction for deferred tax. The calculated result from the transaction amounts to around SEK 630 million, after deduction for deferred tax, transaction costs and reversal of previously reported deferred tax. An unrealized change in value is reported for the second quarter. Handing over possession took place on 5 July 2019.

The properties which are part of the transaction and thereby to be divested 5 July 2019 are: Ackumulatorn 2 & 8, Bullagårdet 10, Eneberga 3, Flahult 80:9, Flygaren 21, Fogden 6, Friledningen 11, Främby 1:33, Fräsaren 4, Fyllinge 20:403, Fyllinge 20:466, Fällan 3, Grevaryd 1:64, Hackspetten 21, Halmstad 7:109, Kompassen 7 och 11, Krysspricken 2, Lådan 1, Nyhagshuset 5, Näringen 4:3, Rosersberg 11:37, Rosersberg 11:56, Rosersberg 11:82, Rådman-nen 3, Stådet 3, Transistorn 2, Årsta 64:2 samt Östanbräck 1:45.



INCOME STATEMENT

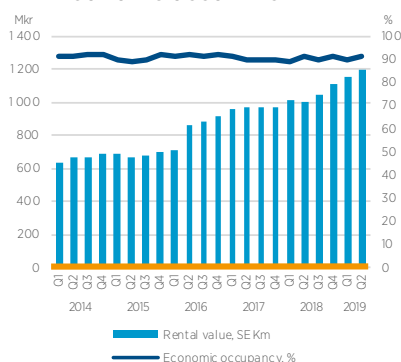
THE COREM GROUP

SEK million	2019 6 mon Jan-Jun	2018 6 mon Jan-Jun	2019 3 mon Apr-Jun	2018 3 mon Apr-Jun	2018 12 mon Jan-Dec	Rolling 12 mon Jul-Jun
Rental income	540	471	270	238	965	1 034
Property expenses	-140	-112	-62	-50	-232	-260
Net operating income	400	359	208	188	733	774
Central administration	-21	-20	-10	-10	-40	-41
Net interest expenses	-154	-154	-77	-77	-313	-313
Site leasehold fees	-7	-	-4	-	-	-7
Profit from property management	218	185	117	101	380	413
Profit shares according to the equity method	148	167	58	86	499	480
Realized changes in value, properties	0	-	0	-	0	0
Unrealized changes in value, properties	769	193	596	61	458	1 034
Changes in value, derivatives	-78	-3	-41	-9	12	-63
Profit before tax	1 057	542	730	239	1 349	1 864
Tax Note 1	-213	-67	-148	-20	-166	-312
Net profit for the period	844	475	582	219	1 183	1 552
Other comprehensive income						
<i>Items which can be recognized as profit for the period</i>						
Translation difference etc	17	21	4	8	16	12
Comprehensive income for the period attributable to parent company's shareholders	861	496	586	227	1 199	1 564
Number of shares and earnings per share						
Earning per ordinary share, SEK ¹	2,22	1,20	1,55	0,55	3,05	4,06
Number of outstanding shares at the end of the period	364 269 505	364 269 505	364 269 505	364 269 505	364 269 505	364 269 505
Average number of outstanding ordinary shares	364 269 505	365 193 177	364 269 505	364 269 505	364 727 545	364 269 505
Number of outstanding preference shares at the end of the period	3 600 000	3 600 000	3 600 000	3 600 000	3 600 000	3 600 000

¹ The measure earnings per share is calculated on the basis of the average number of shares taking into account preference shares' dividend rights. There is no dilution effect as no potential shares (for example, convertibles) exists.

INCOME, EXPENSES AND PROFIT

ASSESSED RENTAL VALUE AND ECONOMIC OCCUPANCY RATE



INCOME AND PROFIT FROM PROPERTY MANAGEMENT



COMPARABLE PORTFOLIO



The comparable portfolio corresponds to 86 per cent of total income and 89 per cent of total operating surplus.

The income statement items below, like the comparative amounts for last year, refer to the period January–June unless otherwise stated. The balance sheet items and comparative amounts refer to the position at the end of the period, and the end of last year.

EARNINGS

The operating surplus increased by 11 per cent and amounted to SEK 400 million (359). The operating margin amounted to 74 per cent (76). The lower operating margin is primarily due to an increased volume of costs which are invoiced to tenants.

In a comparable portfolio, the operating surplus increased by 4 per cent and the operating margin was 77 per cent (77).

Profit from property management amounted to SEK 218 million (185), an increase with 18 per cent.

Profit before tax amounted to SEK 1 057 million (542). Profit was affected by positive changes in property value of SEK 769 million (193), value changes of derivatives of SEK -78 million (-3) and earnings from associated companies of SEK 148 million (167).

INCOME

Income increased by 15 per cent to SEK 540 million (471) for the period. The increase is attributed to net acquisitions and projects completed during 2018, new lettings and renegotiations. Rental income for the period includes provision for anticipated rental losses of SEK 1,5 million (0,3).

The economic occupancy rate was 91 per cent (91). Income for a comparable portfolio increased by 4 per cent, equivalent to SEK 19 million.

EXPENSES

Property costs for the period amounted to SEK 140 million (112). The increase is mainly attributable to acquired properties and completed projects. Due to new accounting policies, IFRS 16, site leasehold fees are from 2019 reported as a financial cost. In a comparable portfolio, property costs increased by 7 per cent, equivalent to SEK 7 million.

Central administration costs amounted to SEK 21 million (20) and consist of costs for group management and group-wide functions.

NET FINANCIAL INCOME

Net financial income remained unchanged and totaled SEK -154 million (-154). At the end of the period the average interest rate, including margins, was 3,10 per cent (3,48). See page 15 for further information.

From 2019, site leasehold fees are reported as a financial cost in accordance with IFRS 16. Site leasehold fees for the period amount to SEK 7 million.

EARNINGS FROM ASSOCIATED COMPANIES

The share of earnings according to the equity method amounted to SEK 148 million (167) from the shareholding in the listed company Klövern AB (publ). See page 13 for further information.

CHANGES IN VALUE

Changes in property value during the period amounted to SEK 769 million (193), of which unrealized changes in value amounted to SEK 769 million (193) and realized changes to SEK 0 million (0). Out of the changes in property value during the second quarter, approximately 70 per cent is attributable to the properties which are divested to Blackstone per 5 July. For the remaining changes in value, renegotiations, new lettings and lowered yield requirements have had a value-adding effect. See page 9 for further information.

The value of Corems derivatives is affected by changes in the long market rates. Changes in derivatives values during the period totaled SEK -78 million (-3).

INCOME TAX

During the period, deferred tax totaled SEK -207 million (-66) and current tax to SEK -6 million (-1). Due to the changes in corporate taxation, the deferred tax liability has been recalculated at the new tax rate of 20.6 per cent, as Corem estimates that the major part of the deferred tax liability will be realized at this tax rate.

See page 17 for additional information.

OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to SEK 17 million (21). This item mainly concerns translation differences relating to own, and part of the associated company Klövern's, investments in foreign properties.

CONSOLIDATED BALANCE SHEET

THE COREM GROUP

SEK million	2019 30 Jun	2018 30 Jun	2018 31 Dec
ASSETS			
Non-current assets			
Investment properties	14 552	12 301	13 479
Right of use assets	208	–	–
Holdings reported in accordance with the equity method	2 295	1 866	2 165
Other assets	2	2	2
Total non-current assets	17 057	14 169	15 646
Current assets			
Other current assets	59	46	52
Liquid funds ¹	4	36	14
Total current assets	63	82	66
TOTAL ASSETS	17 120	14 251	15 712
EQUITY AND LIABILITIES			
Total equity attributable to parent companys shareholders	5 927	4 599	5 302
Long-term liabilities			
Interest-bearing long-term liabilities	6 234	5 790	7 574
Long-term leasing liabilities	208	–	–
Deferred tax liabilities	602	296	395
Derivatives	485	496	407
Other long-term liabilities	7	7	8
Total long-term liabilities	7 536	6 589	8 384
Current liabilities			
Interest-bearing current liabilities	3 262	2 734	1 694
Other current liabilities	395	329	332
Total current liabilities	3 657	3 063	2 026
Total liabilities	11 193	9 652	10 410
TOTAL EQUITY AND LIABILITIES	17 120	14 251	15 712

¹ Available liquidity including unutilized credit facilities on 30 June 2018 at SEK 690 million (404).

STATEMENT OF CHANGE IN EQUITY

SEK million	2019 Jan-Jun	2018 Jul-Dec	2018 Jan-Jun
Opening balance equity	5 302	4 599	4 340
Comprehensive income during the period	861	703	496
Dividend to ordinary shareholders ¹	–164	–	–146
Dividend to preference shareholders ²	–72	–	–72
Repurchase of own shares	–	–	–19
Closing balance equity attributable to parent company's shareholders	5 927	5 302	4 599

¹ Whereof SEK 0,45 per share 2019 and SEK 0,40 per share 2018.

² Of which SEK 20,00 per share for 2018, with payment of SEK 18,0 million per quarter. Of which was paid out SEK 18 mkr per kvartal med början i juli 2018, samt med början i juli 2019.

THE PROPERTY PORTFOLIO

Corem's property portfolio on 30 June 2019 consisted of 191 properties with a total lettable area of 1 449 111 sq.m.

The portfolio is divided into five geographic regions: Stockholm Region, South Region, West Region, Småland Region and Mälardalen/North Region.

The items below refer, unless otherwise stated, to the period January - June 2019, with January - December 2018 as comparative amounts.

PROPERTY VALUE AND CHANGES IN VALUE

On 30 June 2019, the aggregate market value of Corem's property portfolio was SEK 14 552 million (13 479).

The unrealized change in value of properties amounted to SEK 769 million (193). Out of the changes in property value during the second quarter, approximately 70 per cent is attributable to the properties which are divested to Blackstone per 5 July.

For the remaining changes in value, renegotiations, new lettings and lowered yield requirements have had a value-adding effect. The average yield requirement was approximately 6.1 per cent (6.5).

Valuation of the portfolio is done each quarter. During the quarter, properties corresponding to 20 per cent of the aggregate value have been externally valued, while the remaining properties have been valued through internal cash flow valuations. For the period, Corem has used Savills Sweden AB, Newsec samt Cushman & Wakefield AB as valuation institutions. Corem continuously obtains market information from external valuation institutions to support the internal valuation process.

See Corem's Annual Report 2018 for additional information.

PROPERTY TRANSACTIONS

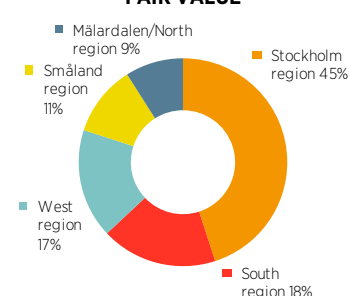
During the period Corem has acquired five properties with an aggregate value of SEK 146 million and a total lettable area of 13 293 sq.m.

2nd Quarter: in the Gothenburg area, the undeveloped property Törnrosen 5 has been acquired, consisting of 4 000 sq.m. land. The property is located adjacent to a property owned by Corem. The portfolio in Jordbro in southern Stockholm is extended by acquisition of Jordbromalm 6:11, which has a lettable area of approximately 4 133 sq.m., mainly consisting of warehousing. The property is fully let. During the quarter the property Märsta 11:11 in Arlanda stad in northern Stockholm has also been acquired. Märsta 11:11 is a logistics property of approximately 3 000 sq.m. lettable area, which are vacant. 1st Quarter: two properties were acquired in Jordbro, both located adjacent to the ten properties which were acquired during 2018.

CHANGE IN FAIR VALUE, NUMBER OF PROPERTIES AND LEASABLE AREA

	2019			2018
	Number	Sq.m.	SEK million	Mkr
Total on 1 January	186	1 439 793	13 479	11 539
Acquisitions	5	13 293	146	1 181
New constr., extension and refurbis	-	-3 975	150	354
Divestments	-	-	0	-65
Changes in value, unrealized	-	-	769	458
Currency translation	-	-	8	12
Total	191	1 449 111	14 552	13 479

FAIR VALUE



TRANSACTIONS 1 JANUARI - 30 JUNE 2019

Transaction	Property	City	Municipality	Property type	Acquisition lettable area, sq.m.	Divestment lettable area, sq.m.
Q1	Jordbromalm 5:2 och 5:3	Stockholm	Haninge	Logistics	6 200	-
Q2	Törnrosen 5	Göteborg	Göteborg	Land	-	-
Q2	Märsta 11:11	Stockholm	Sigtuna	Logistics	2 960	-
Q2	Jordbromalm 6:11	Stockholm	Haninge	Logistics	4 133	-
Total					13 293	-

COREM STREAMLINES THE PROPERTY PORTFOLIO GEOGRAPHICALLY, BY DIVESTMENT OF 30 PROPERTIES

During June, Corem has signed an agreement to divest a portfolio of 30 properties to Blackstone Group International Partners LLP. The properties consist mostly of warehouse/logistics facilities located at 13 places in Sweden. They have a total lettable area of around 500,000 sq.m. and an annual rental value of SEK 309 million.

The transaction is taking place as a corporate sale with an underlying property value of SEK 4,218 million before deduction for deferred tax. Handing over possession took place on 5 July 2019. This divestment being made to concentrate the property portfolio geographically and is a link in Corem's strategy of long-term expansion and development of the holdings at the company's prioritized locations. For further information, see page 22.

CONSTRUCTIONS, EXTENSIONS AND REFURBISHMENTS

Project and property development are important parts of Corem's business to meet tenant requirements as well as to further develop and add value to the property portfolio. See Corem's Annual Report for 2018 for further information about Corem's project development.

During the period, Corem invested a total of SEK 150 million (155) in the property portfolio for new construction, extensions and refurbishment.

ONGOING PROJECTS

Lastkajen 3, Västberga

Refurbishment and extension of approximately 4,400 sqm has begun for Martin & Servera, with completion Q4 2019.

Veddesta 2:79, Järfälla

New construction and refurbishment of a 16 900 sq.m modern logistics facility in three stories. The project includes demolition of part of the existing building, followed by refurbishment and new construction of an extension. Tenant is MTAB Sverige BA, with a 15-year lease.

Backa 96: 2, Göteborg

Construction of Pro Stop Backa, Gothenburg, a specialist retail area, where rental contracts are signed with K-Rauta, Din Bil and Elektroskandia. Project planning is underway with construction starting during the second quarter of 2019. Fully completed, the area is planned to entail approximately 22 500 sqm.

Skruben 3, Borås

Construction of Pro Stop Borås, where Hornbach and Bevego opened during 2018, which is now developed further with stage 3. Planning of stage 3, which completed is planned to encompass 7,000 sq.m. stores of varying sizes, is ongoing. The first tenant is Granngården, which has signed a 10-year lease for 1,900 sq.m. store area and 550 sqm outdoor sales area, with planned moving in during the first half of 2020.

Once fully completed, Pro Stop Borås will encompass a total of 20 000 sqm, of which approximately half is currently completed.

Skruben 3, Borås

Refurbishment of office building on Skruven 3, previously made for single tenant use, into multi tenant office premises under the name Sandlid Business Park. The project includes tenant customization for Ericsson and ICA.

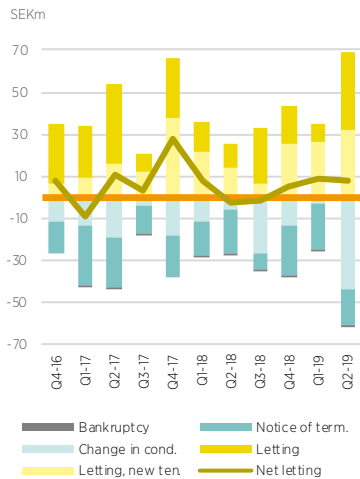
LARGER INVESTMENT PROJECTS (ABOVE SEK 25 MILLION)

Property	Description	Compl.	Sq.m.	Investment, SEKm	Estimated investment, SEKm
Stockholm, Lastkajen 3	Extension for M&S	Q4 2019	4 400	8	27
Stockholm, Veddesta 2:79	Extension for MTAB	Q4 2020	16 900	6	219
Väst, Backa 96:2 Prostop	Nybyggnation av Pro Stop Backa, Göteborg	Q4 2020	22 500	41	375
Väst, Skruven 3 Prostop	Nybyggnation av Pro Stop Borås	Q3 2020	3 750	2	49
Väst, Skruven 3	Hyresgäst Anpassning för Ica och Ericsson	Q3 2020	20 000	0	89
Total, ongoing projects			67 550	57	759

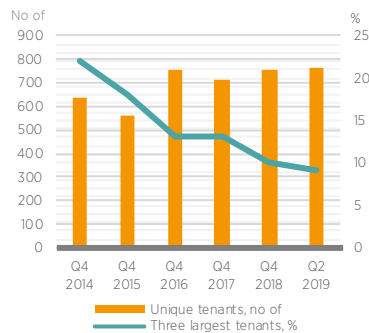


SKRUVEN 3, SANDLID BUSINESS PARK, ILLUSTRATION

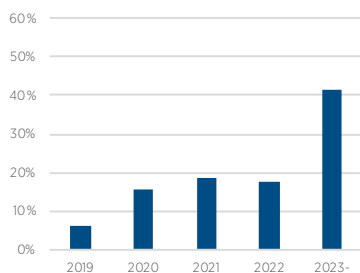
NET LETTING



TENANTS



LEASE CONTRACT MATURITY



Corem's total rental income on an annual basis amounted to SEK 1 091 million (908) as of 30 June 2019, with an assessed total rental value of SEK 1 197 million (1 002).

The income base is well-diversified with 767 unique tenants. The three largest tenants together account for around 9 per cent (11) of the total rental income.

Remaining average lease contract term is 4,5 years (4,3), where 40 per cent of contracted rent has a contract term of 5 years or more.

The economic occupancy rate as of 30 June 2019 was 91 per cent (91).

NET LETTING

Net letting for the period totaled SEK 16 million. Lettings and renegotiations during the first quarter amounted to SEK 104 million, with 56 per cent being new tenants.

Among the larger lettings which have been made during the second quarter are 4 000 sq.m. in Måseskär 5 Malmö to Coop on a 5 year lease, 9 500 kvm warehouse to Electra in Lådan 1 and a 3 year lease to Makita in Ringpärmen 6, Bredden in northern Stockholm, where Makita also increase from 4000 sq.m. to 5 600 sq.m.

During April 2019 renegotiation has also been completed with Ericsson regarding the premises in Skruven 3, Borås, and a lease of 5 years has been signed for approximately half of the previous area. In conjunction, the building is being refurbished from being a single tenant building to instead house several different tenants under the name Sandlid Business Park. As the first tenant of the Business Park, a lease has been signed with ICA for 6 700 sqm offices, with moving in during summer 2020.

Several large lettings were made during the first quarter of the year. The largest was 16 900 sqm to MTAB in Veddesta 2:79, Järfälla, Stockholm on a green lease. The project for extension and refurbishment for MTAB has started and moving in is planned for the end of 2020.

A green lease of 4 500 sqm in Veddesta 2:31, Järfälla, Stockholm, has been signed with Dahl, with moving in during June 2019.

In Halmstad, letting of 4 000 sqm to Box-flow Logistics in Flygaren 21 was made. The tenant has moved in during the quarter. Flygaren 21, which encompasses a total of 24 000 sqm is thereby fully let.

FEM STÖRSTA HYRESGÄSTER PER DEN 30 JUNI 2019

Tenant	Share, %	No. of contr	Region	avg. lease contract length, years
Bilia	3,9	9	Mälardalen/North, Stockholm, West, South	7,3
Ericsson	2,7	2	Mälardalen/North, West	0,8
Silex Microsystems AB	2,6	1	Stockholm	12,5
PostNord	2,5	2	Stockholm, Småland	8,8
Svenska Retursystem	2,2	2	Mälardalen/North, West	11,2



DISTRIBUTION PER PROPERTY TYPE AND GEOGRAPHICAL AREA

The property portfolio is divided into five geographical areas: Stockholm Region, South Region, West Region, Småland Region and Mälardalen/North Region, which is consistent with internal reporting to the CEO and the board.

Outcome per geographical area	Income, SEK million		Costs, SEK million		Op. surplus, SEK million		Operating margin, %		Investments and net acquisitions	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
Stockholm	242	187	-74	-54	168	133	69	71	220	39
South	101	95	-24	-22	77	73	76	77	16	246
West	89	76	-16	-14	73	62	82	82	47	64
Småland	58	54	-15	-13	43	41	74	76	4	179
Mälardalen/North	50	59	-11	-9	39	50	78	85	9	25
Total	540	471	-140	-112	400	359	74	76	296	553

Key ratios per geographical area	Number of properties		Fair value, SEK million		Rental value, SEK million		Economic occupancy, %		Vacancy, sq.m.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun
Stockholm	86	72	6 560	5 215	547	409	89	89	73 791	57 274
South	37	37	2 631	2 332	212	202	93	93	31 879	24 045
West	26	23	2 382	2 119	193	158	95	94	12 602	16 002
Småland	28	28	1 615	1 329	129	124	93	90	19 277	20 980
Mälardalen/North	14	16	1 364	1 306	116	109	88	89	37 669	28 350
Total	191	176	14 552	12 301	1 197	1 002	91	91	175 218	146 651

Lettable area, sq.m	Total		Logistics		Office		Retail		Other	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun
Stockholm	482 335	416 522	321 038	267 755	123 338	108 560	16 922	14 883	21 037	25 324
South	321 134	321 597	266 159	263 795	38 034	38 903	8 000	8 000	8 941	10 899
West	228 556	209 843	175 812	165 355	36 260	33 279	13 072	7 954	3 412	3 255
Småland	206 101	205 773	164 853	163 560	26 554	26 499	4 906	5 185	9 788	10 529
Mälardalen/North	210 985	224 404	153 251	168 625	28 103	36 898	7 960	11 631	21 671	7 250
Total	1 449 111	1 378 139	1 081 113	1 029 090	252 289	244 139	50 860	47 653	64 849	57 257
Share, %			75	75	17	18	4	3	4	4

THE SWEDISH TRANSACTION MARKET

No slackening of the transaction market was noted in Sweden during the second quarter of the year. On the contrary, investor interest from the beginning of the year was maintained and the total volume of transactions during the first six months of the year was around SEK 90 billion. The total volume of transactions was higher both compared with the corresponding quarter and the first six months last year. Except for the record year of 2016, this is the highest figure ever.

Market demand is still supported by a good access to capital, a strong underlying rental

market and continued favourable interest rates. The weak Swedish krona is a further catalyst that favours foreign investors.

During the first six months of 2019, office and residential properties still attract the greatest interest from investors, with, together, around 50 per cent of the volume of transactions so far this year. Interest in the warehousing and logistics segment prioritized by Corem has probably never been greater. Three large portfolios of logistics properties have been divested this year to date, which has raised the share to a record 24 per cent. This is more than a doubling compared with the same period last year.

The largest transaction to date is Corem's sale to Blackstone of a property portfolio of thirty properties with an underlying property value of around SEK 4.2 billion.

Foreign investors continue to be net purchasers in the market and accounted for just under thirty per cent of the total volume of transactions in the first half of 2019.

ASSOCIATED COMPANIES

KLÖVERN

Since November 2008, Corem owns shares in Klöver AB (publ), listed on NASDAQ Large Cap.

Klöver is a real estate company which, with closeness and commitment, offers attractive premises and actively contributes to urban development in growth regions.

Klövers property portfolio per 30 June 2019 consisted of 416 properties with a market value of SEK 54 975 million.

Corem's shareholding in Klöver on 30 June 2019 amounted to 9 500 000 Class A ordinary shares and 129 400 000 Class B ordinary shares, corresponding to approximately 14,9 per cent of the outstanding votes and 14,9 per cent of the equity. The holding is reported as Shares in associated companies. Associated companies refer to holdings reported in accordance to the equity method.

The book value of the holding amounted to SEK 2 295 million on 30 June 2019 (2 165). Corem's share of Klöver's profit of SEK 148 million has raised the book value, while the dividend of SEK 31 million has decreased book value.

The profit share is reported under Interest paid in the Cash Flow Statement. Furthermore, the book value has been affected by foreign exchange effects in Klöver. The reported profit share consists of Corem's share of Klöver's profit after tax, taking the dividend to Klöver's preference shareholders into account as well as interest attributable to hybrid bond loan. The fair value of Corem's holding, based on closing rate of 30 June 2019, amounted to 2 027 million (1 427).

KLÖVERN IN BRIEF

	2019 6 mon Jan-Jun	2018 6 mon Jan-Jun	2019 3 mon Apr-Jun	2018 3 mon Apr-Jun	2018 12 mon Jan-Dec	Rolling 12 mon Jul-Jun
Income, SEKm	1 817	1 585	921	813	3 250	3 482
Operating surplus, SEKm	1 243	1 066	644	560	2 170	2 347
Profit from property management, SEKm	754	680	391	361	1 344	1 418
Profit before tax	1 413	1 244	565	535	3 688	3 857
Net profit for the period	1 091	1 196	459	612	3 334	3 229
Key ratios						
Operating margin, %	68	67	70	69	67	67
Occupancy rate, economic, %	90	89	90	89	89	90
Leverage, %	61	60	61	60	60	61
Equity ratio, adjusted, %	37,5	35,8	37,5	35,8	37,4	37,5
Number of properties	416	404	416	404	426	416
Fair property value, SEKm	54 975	46 625	54 975	46 625	52 713	54 975

9,500,000
ORDINARY SHARES A

129,400,000
ORDINARY SHARES B

2,027
MARKET VALUE, MKR

CASH FLOW STATEMENT

THE COREM GROUP

SEK million	2019 6 mon Jan-Jun	2018 6 mon Jan-Jun	2019 3 mon Apr-Jun	2018 3 mon Apr-Jun	2018 12 mon Jan-Dec	Rolling 12 mon Jul-Jun
Current operations						
Operating surplus	400	360	208	189	733	773
Central administration	-21	-20	-10	-10	-40	-41
Depreciation	0	0	0	0	0	0
Interest recieved, etc.	31	28	16	14	59	62
Interest paid etc	-143	-145	-69	-73	-300	-298
Site leasehold fees	-7	-	-4	-	-	-7
Income tax paid	0	0	0	0	-1	-1
Cash flow from changes in working capital	260	223	141	120	451	488
Change in current receivables	2	-13	-6	-7	-19	-4
Change in current liabilities	3	-38	-20	-32	16	57
Cash flow from operations	265	172	115	81	448	541
Investment operations						
Investment in new construction, extensions and refurbishment	-150	-155	-101	-63	-354	-349
Acquisition of properties	-146	-398	-73	-222	-1 181	-929
Divestment of properties	1	-	-	-	59	60
Acquisition of subsidiaries, net effect on liquidity	0	0	0	0	0	0
Change in tangible assets	3	40	-1	0	37	0
Cash flow from investment operations	-292	-513	-175	-285	-1 439	-1 218
Financing operations						
Dividend paid to parent company shareholders	-200	-182	-182	-164	-218	-236
Repurchase of own shares	-	-19	-	-	-19	-
Payment of interest rate derivatives	-	-	-	-	-69	-69
Loans raised	963	1 962	590	611	4 381	3 382
Amortized loans	-746	-1 418	-350	-273	-3 104	-2 432
Cash flow from financing operations	17	343	58	174	971	645
Cash flow for the period	-10	2	-2	-30	-20	-32
Liquid funds at beginning of period	14	34	6	66	34	36
Exchange rate difference in liquid funds	0	0	0	0	0	0
Liquid funds at end of period	4	36	4	36	14	4

FINANCING

Income statement items below, like their comparative amounts for last year, refer to the period January–June unless otherwise stated. Balance sheet items refer to the position at the end of the period, with their comparative amounts referring to the end of last year.

INTEREST-BEARING LIABILITIES

Interest-bearing liabilities on 30 June 2019, amounted to SEK 9 521 million (9 294). At the end of the second quarter 2018, interest-bearing liabilities amounted to SEK 8 560 million. Activated and capitalized borrowing costs were SEK 25 million (26), which means interest bearing liabilities of SEK 9 496 million (9 268) in the balance sheet.

Out of the interest-bearing liabilities SEK 7 307 million are secured by properties and/or shares in subsidiaries in accordance with current market practice. A further SEK 465 million have listed shares as security. The proportion of secured financing in relation to the company's assets amounts to 48 per cent (52).

Corem has three bond loans emitted and listed with a total value of SEK 1 650 million. All bonds are uncovered. Two of the bonds do not have interest floor.

Outstanding bonds

Amount, SEKm	Maturity date	Interest
300	2019	STIBOR 3M+4,75%
500	2020	STIBOR 3M+4,25%
850	2021	STIBOR 3M+4,35%

During the first quarter of 2019, early redemption of a bond loan of SEK 200 million has been made at 100 percent of face value.

At the end of the period the average fixed credit term was 2,7 years (3,0). Leverage amounts to 51 per cent (58).

INTEREST COVERAGE AND MATURITY

The company's average fixed interest rate for the period was 2,1 years (2,1), caps not included. The average interest rate was 3,10 per cent (3,16), including derivatives. At the end of the second quarter 2018, the average interest rate was 3,48 per cent.

To limit the interest rate risk, Corem has interest rate swaps and a rate cap. At the end of the period Corem had interest rate swaps of SEK 2 911 million (3 227) and interest caps of SEK 1 936 million (1 936). Together with the fixed-rate loans, 55 per cent (60) of the interest was hedged. The derivatives expire between 2019 and 2031. The average maturity for the derivatives was 5 years. On 30 June 2019 the market value of the interest rate derivative portfolio amounted to SEK -485 million (-407). Unrealized change in value of derivatives amounts to SEK -78 million (12) for the period.

An increase in Stibor 3M of one percentage point would increase Corem's average borrowing rate by 0,6 percentage points, equivalent to approximately SEK 55 million in interest expenses. The effect of bigger increases in interest rate is limited through interest rate caps.

The interest coverage ratio was 3,1 multiples (2,9).

EQUITY, NET WORTH, AND EQUITY RATIO

At the end of the period the Groups' equity amounted to SEK 5 927 million (5 302), equivalent to SEK 12,93 per ordinary share (11,65), SEK 338,00 per preference share (294,00), and EPRA NAV of SEK 15,92 per ordinary share (13,85).

On 30 June 2019 the adjusted equity ratio was 40 per cent (38) and the equity ratio 35 per cent (34). See page 8 for further information.

CASH FLOW AND LIQUID FUNDS

The Group's cash flow from operations, before change in operating capital, amounted to SEK 260 million (223).

Dividend from associated companies amounts to SEK 31 million (28).

Cash flow from operations corresponds to SEK 0,63 per ordinary share (0,37), taking earnings for preference shares into consideration.

The period's cash flow from investment activities amounted to SEK -292 million (-513) and the cash flow from financing activities totaled SEK 17 million (343).

Available liquidity on 30 June 2019 amounted to SEK 690 million (404), of which liquid funds are SEK 4 million (14), and unused credit facilities of SEK 686 million (390). Net debt amounted to SEK 9 512 million (8 524).

INTEREST- AND LOAN MATURITY STRUCTURE

Maturity, year	Average interest rate			Tied-up capital	
	SEKm	Interest %	n %	SEKm	n %
2019	6 848	3,11	72	1 260	13
2020	-	-	-	2 343	25
2021	-	-	-	3 263	34
2022	100	0,29	1	1 582	17
2023	534	2,86	6	276	3
>2023	2 039	3,25	21	797	8
Total	9 521	3,10	100	9 521	100

NET DEBT

SEK m	2019 30 jun	2018 30 jun
Interest bearing liabilities	9 521	8 560
Interest bearing assets	-5	0
Liquid funds	-4	-36
Net debt	9 512	8 524

PARENT COMPANY

Corem's parent company deals with issues relating to the stock market and groupwide business functions such as administration, transactions, management, project development, accounting and financing.

The parent company's net profit amounted to SEK 30 million (-12) for the period. The turnover, of which the largest part consisted of group invoicing, amounted to SEK 49 million (44). Interest income and similar earnings items included, inter alia, dividend from subsidiaries of SEK 225 for the year 2018.

The parent company's assets totalled SEK 3 874 million (4 203). Liquid funds amounted to SEK 15 million (22). Equity amounted to SEK 1 667 million (1 873).

INCOME STATEMENT

SEK million	2019 6 mon Jan-Jun	2018 6 mon Jan-Jun	2018 12 mon Jan-Dec
Net income	49	44	93
Cost of services sold	-29	-24	-54
Gross profit	20	20	39
Central administration	-21	-20	-40
Operating profit	-1	0	-1
Interest income and similar income items	77	34	376
Interest expense and similar expense items	-46	-46	-93
Profit before tax	30	-12	282
Tax	0	0	-2
Net profit for the period	30	-12	280

BALANCE SHEET

SEK million	2019 30 Jun	2018 30 Jun	2018 31 Dec
ASSETS			
Machinery and equipment	1	1	1
Site leasehold fees	4	-	-
Shares in group companies	332	332	332
Shares in associated companies	489	489	489
Receivables from group companies	2 995	2 886	3 325
Deferred tax assets	28	30	28
Other current receivables	10	3	6
Cash and bank deposits	15	19	22
TOTAL ASSETS	3 874	3 760	4 203
EQUITY AND LIABILITIES			
Equity	1 667	1 580	1 873
Interest-bearing liabilities	2 112	2 088	2 266
Non-interest bearing liabilities	95	92	64
TOTAL EQUITY AND LIABILITIES	3 874	3 760	4 203

ACCOUNTING POLICIES AND NOTES

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. The properties are valued in compliance with Level 3 in the IFRS value hierarchy. The fair value of financial instruments agrees essentially with the carrying amounts. No changes of the categorization of financial instruments have taken place during the period. Derivatives are valued in accordance with Level 2 of the valuation hierarchy. No new or changed standards of 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 for 2017. The report may contain rounding differences.

CHANGED ACCOUNTING POLICIES ARISING FROM THE NEW IFRS 16 LEASES

The standard replaces IAS 17. Corem applies IFRS 16 from 1 January 2019 and has decided to apply the simplified transition approach and will not apply the standard retroactively. IFRS 16 entails that the lessee reports assets and liabilities attributable to all lease

contracts with the exception of leases with a shorter term than 12 months and/or where the underlying asset is of low value. The accounting policies for lessors are substantially unchanged and are not considered to affect Corem's reporting as landlord.

In connection with the introduction of IFRS 16, Corem has as at 1 January 2019 reported right-of-use assets and lease liabilities in the balance sheet of SEK 208 million, mainly attributable to site leaseholds. Site leaseholds are treated in the standard as perpetual leases and reported at fair value and will therefore not be amortized but the value of the right-of-use assets will remain until the next renegotiation of the respective site leasehold. A long-term lease liability is reported at the corresponding value of the right-to-use asset. The lease liability is not amortized but the value is unchanged until renegotiation of the respective site leasehold fee.

The income statement has been affected as the site leasehold fees have been reclassified from Property expenses to a line of their own in the income statement, Site leasehold fees, in connection with Net financial income and will in future be included in Profit from property management.

When calculating the interest coverage ratio, the site leasehold fees are added back as a Property expense as in previous reports. The definition of adjusted equity ratio has also been changed, see page 23. There is furthermore a small effect on certain key figures, such as the equity ratio.

DEFINITIONS

In this interim report a number of 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 analyzing the company's operations. Because not all companies calculate financial key ratios and measures in the same way, these are not always comparable. On page 23 and on the company's website, the definitions of selected key ratios and measures and why they are used are presented, as well as an appendix showing the calculation of such key figures that are not directly identifiable from the financial reports.

NOTE 1 INCOME TAX

Through the possibility of making depreciations for tax purposes and deduction for certain refurbishments of properties as well as making use of tax loss carryforwards, virtually no paid income tax expense arises. However, paid income tax occurs in a few subsidiaries where there are no opportunities for making group contributions for tax purposes.

Reported deferred tax on changes in value are partly attributable to classification of acquisitions and the form in which divestment takes place.

The effective tax rate is affected by tax-free income in the form of profits from Klövern as well as tax-free sales of companies. The tax loss carryforwards are estimated at approximately SEK 1 251 million (1 384). The tax recoverable attributable to tax loss carryforwards in the consolidated balance sheet amounts to SEK 258 million (285).

In the consolidated statement of financial position of the Corem group, deferred tax is reported net at SEK 602 million (395)

Changed rules regarding taxation

On 14 June 2018, the Swedish parliament decided on changes in the income tax law on taxation regulations for companies. This amendment came into effect on 1 January 2019 and limits the right of deduction for negative net interest to 30 per cent of taxable EBITDA. Corem is initially affected by the change through a faster uptake of existing tax loss carryforwards. Some small lock-in effects of tax may however arise in individual subsidiaries.

TAX 30 JUNE 2019

SEK million	Current tax		Deferred tax		Reported tax	
	2019 Jan-Jun	2018 Jan-Jun	2019 Jan-Jun	2018 Jan-Jun	2019 Jan-Jun	2018 Jan-Jun
Current profit from property management	-6	-1	-27	-10	-33	-11
Change in value, properties	-	-	-161	-47	-161	-47
Change in value, derivatives	-	-	16	1	16	1
Increased temporary difference properties attributable to depreciation for tax purposes and direct deductions	-	-	-35	-30	-35	-30
Total	-6	-1	-207	-66	-213	-67

OTHER INFORMATION

SUSTAINABILITY

Sustainability is an important part of Corem's business operations and is integrated in the daily operations. It encompasses social, ecological and economic sustainability. The work focuses on four main areas, selected as the main priority: Employees, Customer satisfaction, Business Ethics and Environment and Resource conservation. See www.corem.se and Corem's Annual Report for 2018 for further information.

ORGANISATION

Regional offices are located in Sättra, Märsta, Veddesta, Jordbro, Malmö, Göteborg, Jönköping and Hudiksvall. The head office is located in Stockholm.

On 30 June 2019 Corem had 61 employees, of which 20 were women and 41 were men. At the same time previous year, the number of employees was 56.

OPPORTUNITIES AND RISKS

Corem has identified opportunities and risks in its business operations, factors which may affect the company's financial position and earnings. The risks identified are within the main areas: Properties and property valuation, Laws and Regulations, Financing,

Listed holdings and Sustainable entrepreneurship. A detailed description of opportunities and risks and how Corem has chosen to manage them is contained in the Annual Report for 2018. There have been no major changes in the company's assessment of opportunities and risks, after publication of the Annual Report for 2018.

SEASONAL VARIATIONS

Operating and maintenance costs are subject to seasonal variations. Snowy and/or cold winters entail, for example, higher costs for heating and/or snow clearance while hot summers entail higher costs for cooling.

TRANSACTIONS WITH RELATED PARTIES

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

The Corem Group has administration agreements for some of the Group's properties with Locellus Förvaltning AB, which amounted to SEK 0,3 million (0,5) for the period.

In June 2017, a contract was signed with Wästbygg AB for the construction of Pro Stop Borås stage 1 and 2. The construction was completed during 2018, with closing of

the project during the first quarter of 2019. During 2019 contract has been signed with Wästbygg för the construction of Pro Stop Backa, in Gothenburg. Transactions with Wästbygg AB during the period amounted to SEK 9,5 million (52,6).

Locellus Förvaltning AB and Wästbygg AB are controlled by board member Rutger Arnhult.

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

EVENTS AFTER THE PERIOD

To concentrate the property portfolio geographically and focus on expansion and development in the company's prioritized locations, Corem has during June signed an agreement to divest a portfolio of 30 properties to Blackstone Group International Partners LLP. The properties have a total lettable area of around 500,000 sq.m. and an annual rental value of SEK 309 million. The properties are located at 13 places in Sweden, where the sale means Corem leaves 10 of them. Handing over possession took place on 5 July 2019.

Stockholm 12 July 2019
Corem Property Group AB (publ)

The Board of Directors

This report has not been audited by the auditors

This is the English language version of Corem's Interim Report. The Swedish language Interim Report is the binding version that shall prevail in case of discrepancies.

THE SHARE

SHARE FACTS, 30 JUNE 2019

Market cap., SEK	7,5 billion
Marketplace	Nasdaq Stockholm, Mid Cap
LEI nr	213800CHXQD7TSSIT59
Number of shareholders	6 192

Ordinary share A, number of	33 375 020
Closing rate, SEK	16,45 kr
ISIN	SE0010714279

Ordinary share B, number of	342 363 860
Closing rate, SEK	16,65 kr
ISIN	SE0010714287

Preference share, number of	3 600 000
Closing rate, preference share, SEK	338,00 kr
ISIN, Preference share	SE0010714311

Corem Property Group is listed on Nasdaq Stockholm Mid Cap with three classes of share: ordinary share of class A, ordinary share of class B and preference share.

Corem has a total of 379 338 880 shares as of 30 June 2019, of which 33 375 020 ordinary shares of class A, 342 363 860 ordinary shares of class B and 3 600 000 preference shares.

Shares of class A confer one vote each, while ordinary shares of class B and preference shares confer 1/10 vote each.

During February, requests of conversion for a total of 263 982 ordinary shares of class A has been made, which have subsequently been converted to ordinary shares of class B during March.

During the period Corem has not repurchased any ordinary shares of class A or class B. As of 30 June 2019 Corem holds a total of 2 913 825 ordinary shares class A and 8 555 550 ordinary shares of class B. The shares have been repurchased at an average price of SEK 8,63 per share.

LARGEST SHAREHOLDERS ON 30 JUNE 2019

Shareholder	Ordinary class A	Ordinary class B	Preference shares	Share of equity, %	Share of votes, %
Rutger Arnhult via bolag ²	14 360 671	143 606 710	512 652	41,78%	44,82%
Gårdarike ²	5 783 156	49 381 663	47 355	14,55%	16,71%
Länsförsäkringar fondförvaltning	837 387	43 552 277	-	11,70%	8,09%
Citi Switz (as agent for clients)	1 570 374	15 705 740	-	4,55%	4,89%
Swedbank Robur fonder	951 000	9 310 000	-	2,70%	2,93%
Pomona Gruppen AB	749 999	7 499 990	-	2,17%	2,34%
UBS Switzerland AG, W8IMY	435 057	8 885 575	-	2,46%	2,06%
Livförsäkrings AB Skandia	723 892	4 321 681	-	1,33%	1,80%
Patrik Tillman via bolag	571 441	5 714 410	40 000	1,67%	1,79%
Fjärde AP-Fonden	606 532	4 517 839	100 000	1,38%	1,66%
CBNY - Norges bank	613 164	2 889 738	-	0,92%	1,41%
Prior & Nilsson	205 772	4 393 766	-	1,21%	1,00%
Verdipapirfond Odin Ejendom	-	5 463 648	-	1,44%	0,85%
Allba Holding AB	239 000	1 665 000	117 500	0,53%	0,65%
Alfred Berg	144 599	2 220 618	-	0,62%	0,57%
Other shareholders	2 669 151	24 679 655	2 782 493	7,94%	8,43%
Total number of outstanding shares	30 461 195	333 808 310	3 600 000	96,98%	100,00%

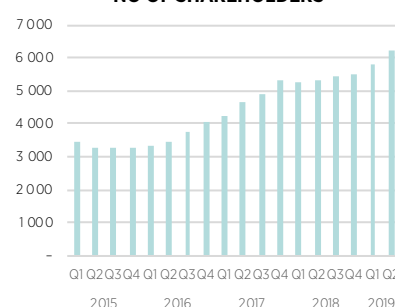
Repurchased shares ¹	2 913 825	8 555 550	-	3,02%	-
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Total number of shares	33 375 020	342 363 860	3 600 000	100,00%	100,00%
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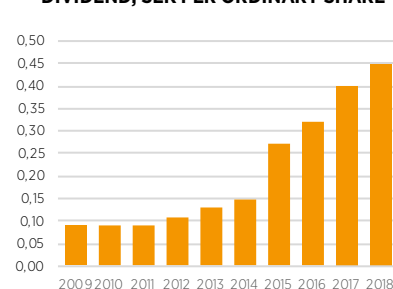
¹ Repurchased shares do not have voting rights, and receive no dividends

² Holdings managed by the Ålandsbanken are at present reported in EuroClear as "Ålandsbanken in place of the owner" at the aggregate total amount instead of showing the underlying owner. The information about these holdings has been adjusted to better reflect the underlying ownership.

NO OF SHAREHOLDERS



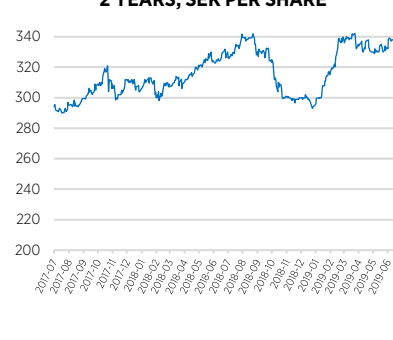
DIVIDEND, SEK PER ORDINARY SHARE



CLOSING RATES, ORDINARY SHARE A & B 2 YEARS, SEK PER SHARE



CLOSING RATES, PREFERENCE SHARE, 2 YEARS, SEK PER SHARE



QUARTERLY OVERVIEW

Amounts in SEKm unless otherwise stated	2019 Q2 Apr-Jun	2019 Q1 Jan-Mar	2018 Q4 Oct-Dec	2018 Q3 Jul-Sep	2018 Q2 Apr-Jun	2018 Q1 Jan-Mar
Result-related						
Income	270	270	261	233	238	233
Property costs	-62	-78	-71	-49	-50	-62
Operating surplus	208	192	190	184	188	171
Profit from property management	117	101	100	95	101	84
Profit shares according to the equity method	58	90	250	82	86	81
Changes in value, properties	596	173	168	97	61	132
Changes in value, derivatives	-41	-37	-30	45	-9	6
Net profit	582	262	439	269	219	256
Property and finance-related						
Fair value of properties	14 552	13 778	13 479	12 532	12 301	11 951
Operating margin, %	77	71	73	79	79	74
Occupancy rate, economic, %	91	90	91	90	91	89
Return on equity, %	40,4	19,3	34,5	22,7	19,1	23,0
Adjusted equity ratio, %	40	39	38	38	37	38
Leverage, %	51	54	58	55	58	56
Cash flow from operations	115	150	133	143	81	91
Share-related						
EPRA NAV per ordinary share, SEK	15,92	14,51	13,85	12,34	11,56	11,64
Net profit per ordinary share, SEK	1,55	0,67	1,16	0,69	0,55	0,65
Share price, ordinary share A, at end of period, SEK	16,45	12,33	10,00	11,35	9,30	8,60
Share price, ordinary share B, at end of period, SEK	16,65	13,18	10,70	11,70	9,32	8,90
Share price, preference share, at end of period, SEK	338,00	332,05	294,00	324,00	327,90	309,05
Number of outstanding ordinary shares	364 269 505	364 269 505	364 269 505	364 269 505	364 269 505	364 269 505
Number of outstanding preference shares	3 600 000	3 600 000	3 600 000	3 600 000	3 600 000	3 600 000
Cash flow, operations per ordinary share, SEK	0,26	0,37	0,32	0,34	0,18	0,20

Historical figures have been adjusted for the bonus issue carried out during December 2017 and for the consolidation of shares that took place in January 2018.

KEY RATIOS

	2019 6 mon Jan-Jun	2018 6 mon Jan-Jun	2019 3 mon Apr-Jun	2018 3 mon Apr-Jun	2018 12 mon Jan-Dec	2017 12 mon Jan-Dec
Property related						
Fair value properties, SEK million	14 552	12 301	14 552	12 301	13 479	11 539
Required yield, valuation, %	6,1	6,5	6,1	6,5	6,5	6,6
Rental value, SEK million	1 197	1 002	1 197	1 002	1 112	972
Lettable area, sq.m.	1 449 111	1 378 139	1 449 111	1 378 139	1 439 793	1 316 233
Occupancy rate, economic, %	91	91	91	91	91	90
Occupancy rate, area-based %	88	89	88	89	88	88
Operating margin, %	74	76	77	79	76	78
Number of properties	191	176	191	176	186	169
Financial						
Return on equity, %	30,1	21,3	40,4	19,1	24,5	23,4
Equity ratio, adjusted, %	40	37	40	37	38	37
Equity ratio, %	35	32	35	32	34	32
Net debt, SEK million	9 512	8 524	9 512	8 524	9 275	7 956
Leverage, %	51	58	51	58	58	56
Leverage, properties, %	50	52	50	52	51	52
Interest coverage ratio, multiples	3,1	2,8	3,3	3,0	2,9	2,8
Average interest, %	3,10	3,48	3,10	3,48	3,16	3,65
Average fixed interest period, years	2,1	2,6	2,1	2,6	2,1	3,0
Average tied-up capital, years	2,7	2,6	2,7	2,6	3,0	2,5
Share-related*						
Earnings per ordinary share, SEK	2,22	1,20	1,55	0,55	3,05	2,33
Earnings per preference share, SEK	10,00	10,00	5,00	5,00	20,00	20,00
EPRA NAV per ordinary share, SEK	15,92	11,56	15,92	11,56	13,85	10,83
Equity per ordinary share, SEK	12,93	9,39	12,93	9,39	11,65	8,86
Equity per preference share, SEK	338,00	327,90	338,00	327,90	294,00	304,00
Cash flow, operations, per ordinary share, SEK	0,63	0,37	0,26	0,18	1,03	0,99
Cash flow, total, per ordinary share, SEK	-0,03	0,01	-0,01	-0,08	-0,06	0,07
Dividend per ordinary share, SEK	-	-	-	-	0,45	0,40
Dividend per preference share, SEK	-	-	-	-	20,00	20,00
Share price per ordinary share A, SEK ¹	16,45	9,30	16,45	9,30	10,00	10,10
Share price per ordinary share B, SEK ¹	16,65	9,32	16,65	9,32	10,70	9,26
Share price per preference share, SEK ¹	338,00	327,90	338,00	327,90	294,00	304,00
Number of outstanding ordinary shares ²	364 269 505	364 269 505	364 269 505	364 269 505	364 269 505	366 374 305
Average number of outstanding ordinary shares ²	364 269 505	365 193 177	364 269 505	364 269 505	364 727 545	371 837 353
Number of outstanding preference shares ²	3 600 000	3 600 000	3 600 000	3 600 000	3 600 000	3 600 000

¹ At the end of the period.

² Excluding repurchased shares.

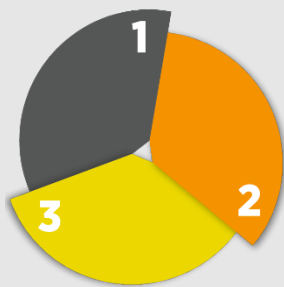
⁴ Historical figures have been adjusted for the bonus issue carried out during December 2017 and for the consolidation of shares that took place in January 2018.

For definitions of key ratios, see page 23.

WITH STRONG LOCAL CONNECTION AND LONG TERM FOCUS

Corem creates long term value and growth by developing and maintaining logistics properties in a sustainable way.

Corem's business model is based on a continuous process where long-term values are created through strategic transactions, long-term investments and development of the property portfolio. We create extra value through a sustainable way of working and by always keeping the tenant in focus.



1. TRANSACTION
– GROWTH AND REGIONAL STRUCTURE

2. PROPERTY MANAGEMENT
– FOCUS ON TENANTS

3. PROPERTY DEVELOPMENT
– CREATING VALUE

With the overall objective of becoming the leading real estate company in logistics properties and within Corem's selected regions, the following five target areas have been selected. See also www.corem.se and Corem's Annual Report 2018 for more information



DEVELOPMENT AND GROWTH

Strategic transactions and value-creating property development. Corem analyzes the market actively and seeks interesting acquisition, processing and development opportunities. The purpose is long-term value increase, broadening the customer offering, achieving increased flexibility, increased synergies within the regions and good risk diversification.



COWORKERS

An attractive employer and business partner, with competent and committed staff. Knowledgeable and committed employees help drive Corem towards its vision. It is achieved through equal rights and opportunities, as well as development opportunities within the company to continue to grow together.



CUSTOMER FOCUSED PROPERTY MANAGEMENT

To be customers' primary choice in warehouse logistics and trading premises. This is achieved through proactive, customer-focused and efficient management. Self-management, with local administrative offices close to the customer, is an important part of Corem's strategy.



FINANCIAL

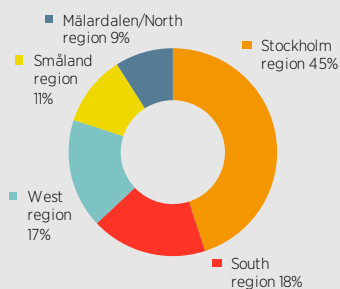
Long-term and stable finances with good returns for shareholders. Corem operates within a capital-intensive market. To further develop the company into the leading player within its segment, good access to capital at the right time and at the right cost is required.



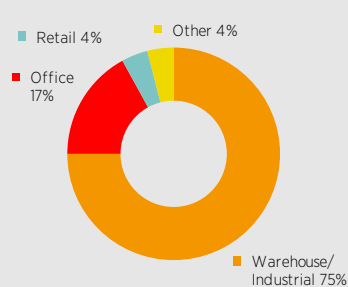
SUSTAINABILITY

The business will be characterized by responsible action with a long-term focus. The work includes social, ecological and economic sustainability and focuses on four main areas: Employees, Customer Satisfaction, Environmental Consideration and Resource Saving as well as Responsible Business.

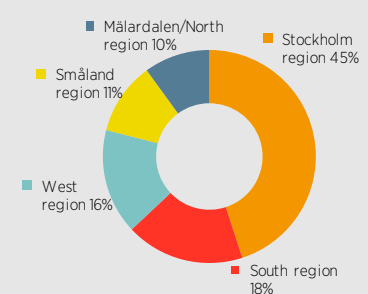
PROPERTY VALUE



PROPERTY TYPE, AREA



RENTAL VALUE



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 and why they are used are presented below. There is a complementary calculation appendix on the website, www.corem.se/sv/definitioner for the key ratios that are not directly identifiable from the financial statements.

Adjusted equity ratio

Equity, adjusted for the value of derivatives including tax, reported deferred tax properties, as well as load deferred tax of 5 per cent attributable to the difference between the properties' fair value and residual value for tax purposes, and as a percentage of total assets.

Annual rent

Rent including supplements and index on an annual basis.

Available liquidity

Liquid funds and unused credit facilities. Stated to clarify the Company's current payment ability.

Average fixed credit term

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

Average period of fixed interest

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

Average interest rate

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

Cash flow per ordinary share

Cash flow for the period from operations, adjusted for dividend to preference shares and total cash flow in relation to the average number of ordinary shares.

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.

Earnings per ordinary share

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

Earnings per preference share

The preference shares' share of profit corresponding to the period's accumulated share of annual dividend of SEK 10.00 per preference share.

Occupancy rate, area

Rented area divided by total lettable area.

Occupancy rate, economic

Income on an annual basis divided by assessed rental value.

Equity per ordinary share

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

Equity per preference share

Based on the share price of the preference share at the end of the period.

EPRA

The European Public Real Estate Association is an interest organisation for listed real estate companies and investors in Europe. Part of their work is to set standards for financial reporting and key ratios, including EPRA NAV (Net Asset Value) which can be equated with long-term net worth.

EPRA NAV per ordinary share

Reported equity, after taking the preference equity into consideration, adjusted to include derivatives and deferred tax in accordance with the statement of financial position, in relation to the number of outstanding ordinary shares at the end of the period.

Equity ratio

Equity as a percentage of total assets.

IFRS

Abbreviation of International Financial Reporting Standards. International reporting standards for consolidated accounts, to be applied by listed companies within the EU from 2005 inclusive.

Interest-bearing liabilities

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

Interest coverage ratio ¹⁾

Profit from property management including realized changes in value, as well as the share of associated companies' profit from property management, including realized changes in value, plus financial expenses, and divided by financial expenses.

Lettable area

Total area available for letting.

Leverage

Interest-bearing liabilities after deduction for the market value of listed shareholding and liquid funds, in relation to the fair value of the properties at the end of the period.

Leverage, properties

Interest-bearing liabilities with collateral in properties, in relation to the fair value of the properties at the end of the period.

Net debt

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

Net letting

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

Operating margin

Operating surplus as a percentage of income.

Operating surplus

Rental income reduced for property costs.

Outstanding ordinary shares

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

Preference capital

Number of outstanding preference shares multiplied by the share price at the end of the period.

Profit from property management

Operating surplus, central administration and net financial income.

Realized change in value, properties

Realized property sales after deduction for the most recently reported fair value of the properties and selling expenses.

Rental value

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

Return on equity

Net profit on an annual basis, as a percentage of average equity during the period.

Return on total assets

Net profit, excluding financial expenses and unrealized changes in value of derivatives, on an annual basis, as a percentage of total assets during the period. To be stated to clarify the company's earning capacity in SEK million taking into consideration financing costs and central administration.

Required yield

The required return on the residual value of property valuations.

Triple net contracts

Tenancy agreements where the tenant, in addition to rent, pays costs incurred at the property, which would normally have been charged to the property owner. These include, for example, operating and maintenance expenses and property tax.

Total number of shares

Registered shares, including repurchased shares.

Unrealized changes in value, properties

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

¹⁾Excluding site leasehold fees

CALENDAR

FINANCIAL REPORTS

Interim Report January–September 2019	25 October 2019
Year-End Report 2019	February 2020

PROPOSED RECORD DAYS / DIVIDEND

Last day for trading including right to dividend for preference shareholders	26 September 2019
Record day for dividend for preference shareholders	30 September 2019
Expected day for dividend for preference shareholders	3 October 2019

Last day for trading including right to dividend for preference shareholders	23 December 2019
Record day for dividend for preference shareholders	30 December 2019
Expected day for dividend for preference shareholders	7 January 2020

Last day for trading including right to dividend for preference shareholders	27 March 2020
Record day for dividend for preference shareholders	31 March 2020
Expected day for dividend for preference shareholders	3 April 2020

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Information on business operations, the board of directors and executive management, financial reporting and press releases is available on Corem's website, www.corem.se

This is the English language version of Corem's Interim Report. The Swedish language Interim Report is the binding version that shall prevail in case of discrepancies.



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