

Interim Report January–June 2022



Properties for *the future*.

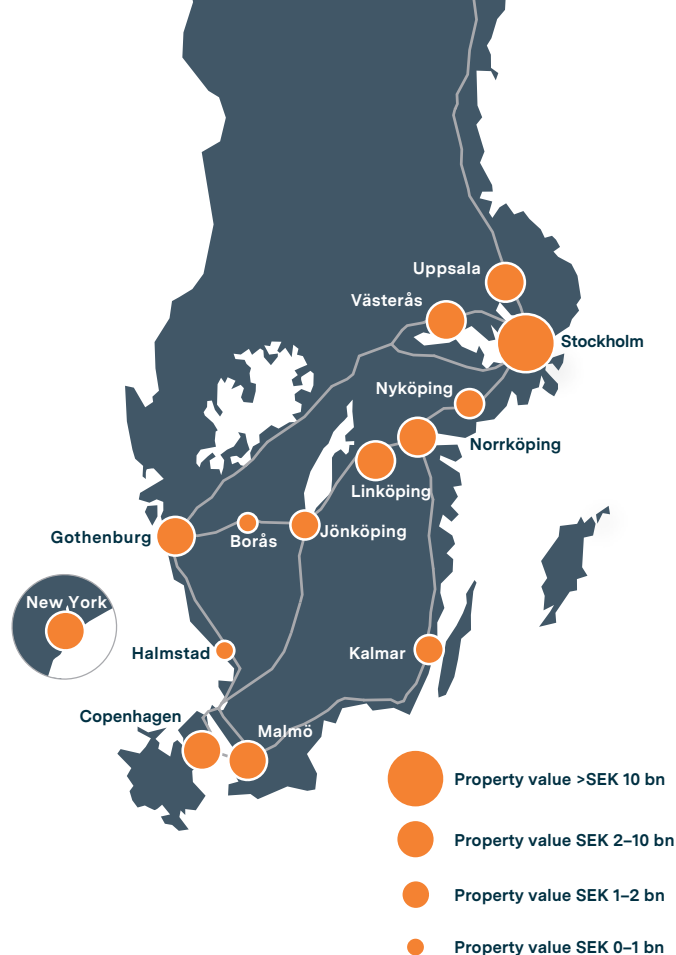
corem 

Corem Property Group (publ)

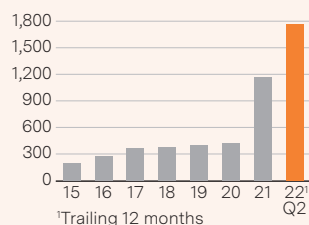
Corem is one of the Nordic region's leading commercial real estate companies with a focus on metropolitan areas and growth regions.

Corem owns 479 investment properties with 3,288 thousand sq.m. of lettable area and a value of SEK 81,088 million.

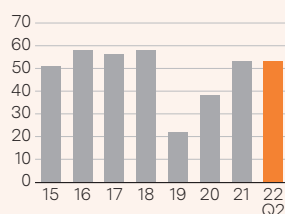
Corem has a broad customer offering with a focus on long-term sustainable ownership, management, refinement and urban development. The portfolio is geographically well concentrated with in-house locally based property management.



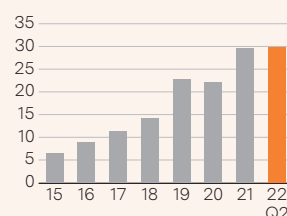
PROFIT FROM PROPERTY MANAGEMENT, SEKm



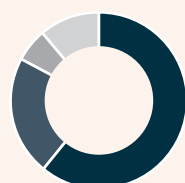
LOAN TO VALUE, %



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

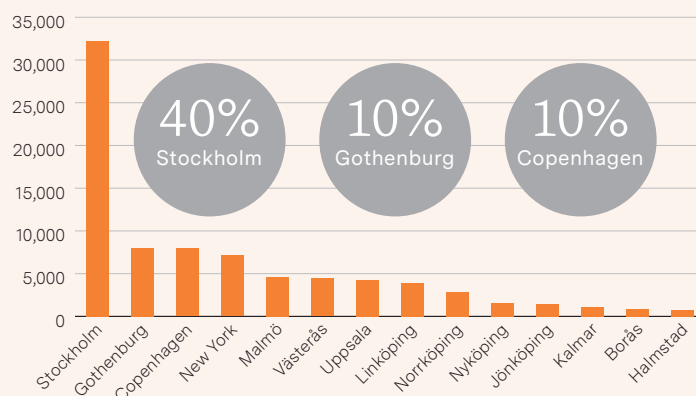


PROPERTY VALUE BY TYPE OF PROPERTY, %



Office 61
Logistics 22
Retail 6
Other 11

PROPERTY VALUE BY CITY, SEKm



January–June 2022

Corem Kelly AB, in 2022 renamed from Klöver AB, is consolidated in Corem from 15 June 2021.

- Income increased to SEK 2,192 million (636).
- Net operating income increased to SEK 1,482 million (459).
- Net financial items amounted to SEK –488 million (–102), of which dividends from shareholdings accounted for SEK 34 million (76).
- Profit from property management increased to SEK 900 million (306).
- Changes in value of properties amounted to SEK 741 million (781).
- Changes in value of financial investments amounted to SEK –1,014 million (614).
- Changes in value of derivatives amounted to SEK 1,335 million (91).
- Net profit increased to SEK 1,823 million (1,537), corresponding to SEK 1.43 (3.76) per ordinary share of Class A and B.
- The value of investment properties amounted to SEK 81,088 million on 30 June.
- Net asset value (NAV) per ordinary share of Class A and B amounted to SEK 29.73 on 30 June.

IMPORTANT EVENTS DURING THE SECOND QUARTER

- On 28 April, Corem handed over 25 properties to the company (Klöver) that Corem has established with ALM Equity for development of in-house managed rental housing. As at 30 June, Corem's ownership stake was 49.4 per cent. The holding is reported as shares in associated companies.
- As part of the concentration of Corem, contracts were signed during the second quarter to divest nine properties in Växjö, Jönköping, Västerås, Malmö and Stockholm for an aggregate underlying property value of SEK 804 million. In total, the transactions are done slightly above book value.
- During the second quarter, the first two tenants in New York have taken possession of premises on 1245 Broadway. In April, a previously agreed 15-year lease to A24 Films was expanded from around 3,800 sq.m. to over 4,500 sq.m. at the property 1245 Broadway, where 40 per cent of the total area is now let.
- Net letting amounted to SEK 13 million during the second quarter and SEK 117 million during the past four quarters.

4,916

Rental value,
SEKm

81,088

Investment properties,
fair value, SEKm

900

Profit from property
management, SEKm

29.73

NAV per ordinary share
of Class A/B, SEK

	2022-06-30 3 months Apr–Jun	2021-06-30 3 months Apr–Jun	2022-06-30 6 months Jan–Jun	2021-06-30 6 months Jan–Jun	2021-12-31 12 months Jan–Dec
Income, SEKm	1,093	378	2,192	636	2,805
Net operating income, SEKm	755	275	1,482	459	1,894
Profit from property management, SEKm	491	149	900	306	1,178
Net profit, SEKm	87	1,128	1,823	1,537	4,495
Earnings per ordinary share of Class A and B, SEK	–0.04	2.44	1.43	3.76	5.52
Net asset value (NAV) per ordinary share of Class A and B, SEK	29.73	26.27	29.73	26.27	29.60
Economic occupancy rate, %	89	88	89	88	89
Operating margin, %	69	73	68	72	68
Adjusted equity ratio, %	42	39	42	39	43
Interest coverage ratio	3.0	2.4	2.8	2.8	2.7
Loan-to-value ratio, %	53	55	53	55	53

See page 23 and corem.se for definitions of key figures

A stable quarter characterized by concentration

The second quarter of 2022 was marked by the geopolitical situation, the macroeconomic development with accelerating inflation and rising interest rates as well as rapid changes in the financial market. Corem has continued to concentrate its property portfolio, both through the 25 properties that have been transferred to the housing company established jointly with ALM Equity and through contracts signed for divestment of nine properties for over SEK 800 million. Our two core operations, property management and project development, are making stable progress with positive net letting, the first two tenants in New York taking possession of premises and a continued major focus on customer service and cash flow.

A year with the new Corem

Over a year has now passed since we acquired and consolidated Klöver (with a recent change of name to Corem Kelly) and in this way created a new larger and stronger Corem. Integration has gone according to plan and the estimate of synergies identified in conjunction with the acquisition is unchanged. Through the merger, the customer offering has been broadened at the same time as financing opportunities have improved. Corem is now one of the leading commercial real estate companies in the Nordic region, focused mainly on offices and city logistics. We own 479 investment properties at a value of SEK 81 billion and have a diversified customer base consisting of around 4,000 tenants with over 7,000 lease contracts which gives stability.

Positive net letting

Demand for office premises is good on most markets, including Solna where Corem's properties are now practically fully let. Activity on the rental market for city logistics continues to be high.

Net letting amounted to SEK 13 million during the second quarter and SEK 117 million during the most recent 12-month period, which indicates a good recovery after the pandemic. In total, 273 new and renegotiated lease contracts were signed during the quarter, which contributed SEK 123 million to net letting. These include, for example, a 6-year lease with the Swedish National Space Agency for around 1,100 sq.m. in Solna and a 10-year lease with Mälarenergi which expands its premises by around 1,000 sq.m. in Västerås.

During the period January-June, profit from property management increased by 194 per cent to SEK 900 million. The net asset value (NAV) per ordinary share of Class A and B amounted to SEK 29.73, an increase of 13 per cent during the past 12 months.

New macroeconomic conditions

Due to the fast-changing geopolitical situation, we now have an extra focus on the macroeconomic effects that arise. Accelerating inflation, inter alia for energy, is creating some uncertainty. At the same time, rising inflation has a positive effect on Corem's rental income as 84 per cent of our Swedish lease contracts are indexed in relation to the consumer price index (CPI). During 2022, this entails a positive effect on rental income of approximately SEK 90 million; and if inflation stays at the current level, in the autumn, the positive effect for 2023 will be around SEK 250 million.

Stable financing

We work continuously and in an unchanged way to limit the interest rate risk through both interest rate swaps and interest rate caps, where the effect of large interest rate increases is limited by the interest rate caps. At the end of the quarter, 79 per cent of Corem's interest-bearing liabilities were interest rate hedged or at a fixed rate.

Corem has a high share of bank financing. On 30 June, bank credits amounted to 73 per cent of interest-bearing liabilities. This provides stability in periods of volatility in the bond market. During the second quarter, Corem has refinanced a number of bank loans on substantially unchanged terms, in some cases refinancing has been done at a better margin. When it comes to bonds, Corem has no bonds maturing during the rest of 2022, and during the first half of 2023 maturities amount to SEK 1,184 million.

Otherwise, we continue our focused work with the aim of complementing the BBB- rating from Scope with an additional investment grade-rating from one of the three large rating agencies.

Continued concentration

As a step in the continued streamlining of the portfolio, Corem has, during the second quarter, transferred 25 properties to the new housing company established jointly with ALM Equity. After the addition of one additional owner, Corem's ownership amounts to 49.4 per cent. For Corem, the transaction entails that properties and residential building rights are transferred to the joint company, of which the majority was transferred during the second quarter. As the market for residential building rights has been affected by raised inflation assumptions and rising interest rates, market values for these are estimated to have declined by 5-7 per cent. A review of market values is in process and is expected to be finalized at the end of August. Through the transaction, Corem's portfolio is focused to an even greater extent on management and letting of commercial premises.

As part of the geographical and segment-related concentration of Corem's commercial portfolio, contracts have been signed during the second quarter to divest nine properties in Växjö, Jönköping, Västerås, Malmö and Stockholm for an aggregate underlying property value of SEK 804 million. In total, the transactions are done slightly above book value.

Value-creating, cash flow-focused project development

In project development, our ambition through every single project is to improve the company's cash flow which indirectly contributes to the value development of the property portfolio. A number of projects are in process both in Sweden and abroad. We are engaged in urban development projects in Uppsala and Västerås as well as in Kista and Söderstaden in Stockholm among other places.

In the central parts of Västerås, including the travel centre, a number of projects are in process that contribute to the future development and quality of the core of the city. During the second quarter, we have had the pleasure of announcing several important new lettings at the Punkt shopping mall, including the anchor tenants Coop and Systembolaget, which are moving in during 2023.

Our two largest ongoing new construction projects are two high-quality office buildings in attractive locations in Manhattan, which have now been externally completed while interior tenant customizations will continue throughout 2022. During the quarter, the first two tenants have taken possession of premises at 1245 Broadway. The first to move in was the Swedish computer game developer Avalanche Studios Group which is leasing around 1,370 sq.m. At the start of the second quarter, a previously agreed letting to A24 Films was expanded by an additional floor, making a total of around 4,500 sq.m., which have now been taken possession of, in the framework of a 15-year lease. Even though letting in New York has not taken place at the desired rate, we now see good future prospects with the return to physical offices after the pandemic.

I would like to wish a pleasant summer and thank all our personnel for the first year with the new Corem. Together, we are continuing to develop and optimize our operations and the property portfolio with an unchanged focus on local property management close to the customer.

Eva Landén, CEO
Stockholm, 13 July 2022





ACQUISITION OF KLÖVERN (RENAMED TO COREM KELLY DURING Q2 2022)

By combining Corem Property Group's portfolio of properties for city logistics and the broad property portfolio, with a focus on offices, of Klövern (renamed to Corem Kelly after a decision at the 2022 AGM), one of the Nordics' leading commercial real estate companies has been created.

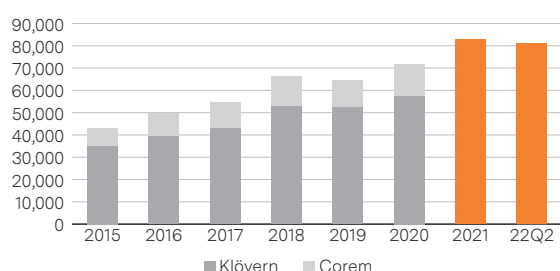
Together, the companies have a broader customer offering with a continued focus on long-term sustainable ownership, management, refinement and urban development.

- Balanced property portfolio with property types which complement one another.
- 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 refinement 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.

TIME LINE FOR THE TAKEOVER OFFER

- On 29 March 2021, Corem submitted a public takeover offer to the shareholders of Klövern.
- 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.
- In July 2021, compulsory redemption was initiated in order to acquire the remaining shares.
- In July 2021, Klövern's shares were delisted from Nasdaq Stockholm and 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.
- In May 2022, Klövern AB was renamed Corem Kelly AB.
- An arbitration award was announced on 7 June 2022 in the compulsory redemption process. If the award attains legal force, the remaining shares will be redeemed.

INVESTMENT PROPERTIES, FAIR VALUE, SEKm



81,088
Investment properties.
SEKm

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 April-June and the period refers to January-June.

From the first quarter of 2022 Corem's operations in residential development are not reported on a separate line in the income statement as the operations are of a limited size.

From the second quarter of 2022, rental income and property costs are reported for two active lease contracts in the project 1245 Broadway in New York.

INCOME

Income increased to SEK 1,093 million (378) during the second quarter and SEK 2,192 million (636) for the period January-June. The increase is mainly attributable to the acquisition of Klövern, during 2022 renamed to Corem Kelly, which is consolidated in Corem since 15 June 2021. Income for a comparable portfolio increased by 5 per cent during the second quarter.

EXPENSES

Property costs amounted to SEK 338 million (103) during the quarter and SEK 710 million (177) during the period. Property costs for a comparable portfolio increased by 3 per cent during the second quarter.

Central administration costs amounted to SEK 47 million (21) during the quarter and SEK 94 million (30) during the period.

EARNINGS

Net operating income amounted to SEK 755 million (275) during the quarter and SEK 1,482 million (459) during the period. The operating margin amounted to 69 per cent (73) during the quarter and 68 per cent (72) during the period. In a comparable portfolio, net operating income increased by 6 per cent during the quarter.

Profit from property management increased to SEK 491 million (149) during the quarter and SEK 900 million (306) during the period.

NET FINANCIAL ITEMS

Net financial items amounted to SEK -217 million (-84) during the quarter and SEK -488 million (-102) during the period. Financial income amounted to SEK 35 million (24) during the quarter, of which SEK 34 (23) was dividends from shareholdings. During the quarter, financial expenses amounted to SEK 252 million (108) of which SEK 15 million (5) was site leasehold expenses (interest expense for leasing liability).

At the end of the period, the average interest rate was 2.6 per cent (2.4). See page 13 for further information.

SHARE OF EARNINGS IN ASSOCIATED COMPANIES

Share of earnings in associated companies amounted to SEK -33 million (-) during the second quarter.

CHANGES IN VALUE

Properties

The changes in value of Corem's investment properties amounted during the period to SEK 741 million (781), of which unrealized changes in value amounted to SEK 1,078 million and realized changes in value amounted to SEK -337 million.

On 28 April 2022, Corem together with ALM Equity, established the unlisted company Klövern. As of today, a negotiation is in process between the parties regarding a review of the acquisition values in the light of the development in the financial markets during the past few months and rising inflation. This is estimated to have an effect on Corem in the form of an adjustment of realized changes in value, linked to the divestment, of SEK 361 million, reported as realized negative change in value in the interim reporting period to 30 June 2022. The work of the review is in process and the amount is based on preliminary figures.

Financial investments

Changes in value of financial investments totalled SEK -1,014 million (614) during the period. See page 14 for further information.

Derivatives

Changes in value of derivatives amounted to SEK 1,335 million (91) during the period. The value of derivatives is affected by changes in market interest rates.

GOODWILL

During the period, impairment of goodwill amounted to SEK -310 million (-). The impairment refers mainly to the part of goodwill attributable to synergies which were identified in connection with the acquisition of Klövern, during 2022 renamed to Corem Kelly, which are considered to be realized through the establishment of the housing company.

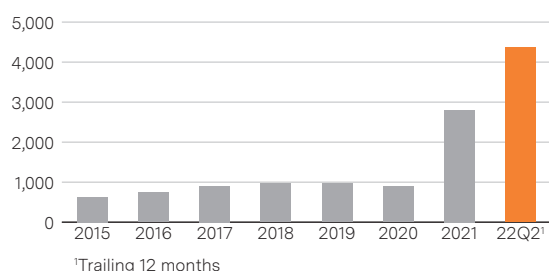
TAXES

During the period deferred tax amounted to SEK 223 million (-249) and current tax to SEK -22 million (-1).

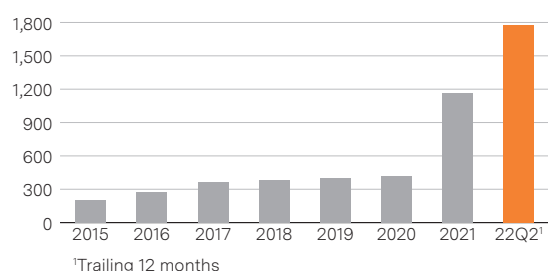
OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to SEK 699 million (2) during the period. The item mainly refers to translation differences.

INCOME, SEKm



PROFIT FROM PROPERTY MANAGMENT, SEKm



The property portfolio

PROPERTY VALUE

On 30 June 2022, Corem's property portfolio consisted of 479 investment properties with a total lettable area of 3,288 thousand sq.m. and a market value of SEK 81,088 million, 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 741 million (781), of which unrealized changes in value amounted to SEK 1,078 million and realized changes in value amounted to SEK -337 million. During the second quarter, logistics properties have had a positive contribution to changes in value while office properties with large vacancies have had a negative contribution. Project development, including development of building rights, contributed with increases in value of properties of SEK 203 million during the quarter. On average, Corem's properties at 30 June 2022, have been valued at a yield requirement of 5.0 per cent (5.1).

Corem values all properties every quarter, of which 20 till 30 per cent are normally valued externally. Every property in the portfolio is valued externally once a year. During the quarter, Cushman & Wakefield, 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 annual report for 2021 for a detailed description of the valuation principles.

PROPERTY TRANSACTIONS

Transactions with newly established Klövern AB

On 28 April 2022, Corem transferred possession of 25 properties to the company that Corem has established with ALM Equity. The aim of the company is to develop rental apartments for inhouse management. At a later stage when local plans for housing have been obtained, Corem will also transfer possession of residential building rights in Stockholm and Uppsala among other places, to that company (Klövern). As at 30 June 2022, Corem's ownership of Klövern amounted to 49.4 per cent. The holding is reported as holdings in associated companies.

Other property transactions

In addition, during the second quarter three properties in Malmö, Stockholm and Västerås were sold and handed over and a property in Malmö was taken possession of.

On 17 June 2022, an agreement was signed on divestment of a portfolio of 3 properties in Jönköping and 3 properties in Växjö. The total lettable area of the properties amounts to 41,601 sq.m. and consists mainly of offices, warehouses and industrial premises. After this transaction, Corem no longer has any properties in Växjö. Transfer of possession is planned to be on 1 September 2022

TENANTS AND THE LEASE PORTFOLIO

On 30 June 2022, Corem had approximately 4,000 tenants with 7,100 lease contracts. At the same point in time the annual contract value amounted to SEK 4,359 million (4,402), the rental value amounted to SEK 4,916 million (4,957) and the economic occupancy rate was 89 per cent (89). 36 per cent of the contracted rent falls due in 2026 or later. In all, the average remaining contract period was 3.9 years (3.7).

Net letting

Net letting amounted to SEK 13 million (14) during the second quarter and SEK 117 million (23) during the past four quarters. In all, lettings and negotiations amounted to SEK 123 million during the second quarter, where 64 per cent were new tenants and the remaining letting to existing tenants.

Major lettings

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

In Solna, a 6-year lease has been signed with the Swedish National Space Agency for approximately 1,100 sq.m. Moving in is planned to be in Q4 2022.

In Västerås, a 10-year lease has been signed with Mälarenergi which expands its premises by around 1,000 sq.m.

INVESTMENT PROPERTIES: NUMBER, LETTABLE AREA, FAIR VALUE

	Jan-Jun 2022			2021
	No.	sq.m.	SEKm	SEKm
Total at the start of the year	518	3,478,659	83,084	14,002
Business combination, Klövern				61,557
Acquisitions	1	1,925	80	292
Investments in construction, extensions and refurbishment	—	15,333	1,210	1,771
Divestments	-14	-84 920	-1,126	-296
Reclassification to Shares in associated companies	-25	-122 731	-4,374	—
Reclassification of Properties classified as current assets	—	—	—	1,930
Property regulation	-1	—	—	—
Changes in value, unrealised	—	—	1,078	3,421
Currency conversion	—	—	1,135	407
Total at the end of the period	479	3,288,266	81,088	83,084

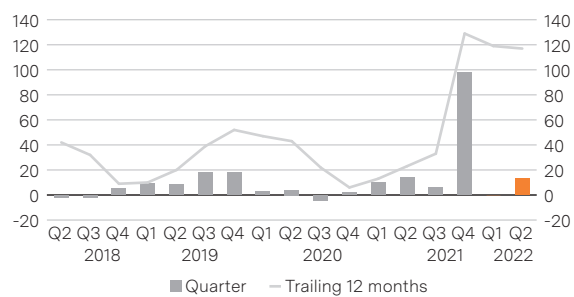
PROPERTY TRANSACTIONS, TRANSFER OF POSSESSION JANUARY – JUNE 2022

Quarter	Property	City	Municipality	Property category	Lettable area, sq.m.	
					Acquisition	Divestment
Q1	Part of Fyrislund 6:6	Uppsala	Uppsala	Land	—	0
Q1	Termiten 1	Borås	Borås	Retail	—	14,676
Q1	Järnet 5	Norrköping	Norrköping	Retail	—	14,975
Q1	Köpmannen 5	Västerås	Västerås	Retail	—	16,742
Q1	Bromsen 3 & 4 and Spindlarna 13 & 14	Borås	Borås	Retail	—	22,732
Q1	Nickeln 2	Hallstahammar	Hallstahammar	Industry	—	1,761
Q1	Brandnåvan 1 & 2, Svedjenåvan 4	Malmö	Malmö	Office, industry, land	—	3,094
Q2	Grävstekeln 2	Malmö	Malmö	Office	1,925	—
Q2	Löplinan 7	Malmö	Malmö	Office, warehouse	—	2,489
Q2	Mörtö 6	Stockholm	Stockholm	Office, warehouse	—	2,596
Q2	Inge 10	Västerås	Västerås	Residential, retail, hotel	—	5,855
Q2	Isafjord 1	Kista	Stockholm	Education/health care/other	—	0
Q2	Skaftå 1	Kista	Stockholm	Education/health care/other	—	0
Q2	Startboxen 3	Stockholm	Solna	Office	—	19,033
Q2	Regattan 46	Västerås	Västerås	Warehouse/logistics	—	10,865
Q2	Kryssen 3, 4	Västerås	Västerås	Warehouse/logistics	—	18,510
Q2	Verkstaden 11	Västerås	Västerås	Warehouse/logistics	—	20,659
Q2	Spelhamnen 1:7	Nyköping	Nyköping	Warehouse/logistics	—	6,003
Q2	Antennen 5-6	Linköping	Linköping	Warehouse/logistics	—	2,076
Q2	Antennen 9	Linköping	Linköping	Warehouse/logistics	—	5,260
Q2	Antennen 15-16, 23-24	Linköping	Linköping	Office	—	11,501
Q2	Oboisten 2	Linköping	Linköping	Warehouse/logistics	—	9,634
Q2	Ackordet 10	Linköping	Linköping	Retail	—	4,372
Q2	Sicklaön 13:138	Stockholm	Nacka	Education/health care/other	—	0
Q2	Sicklaön 369:33	Stockholm	Nacka	Office	—	6,655
Q2	Sicklaön 369:39	Stockholm	Nacka	Education/health care/other	—	0
Q2	Orminge 1:59	Stockholm	Nacka	Education/health care/other	—	1,026
Q2	Marievik 22	Stockholm	Stockholm	Office	—	4,447
Q2	Marievik 29	Stockholm	Stockholm	Education/health care/other	—	0
Q2	Bävern 2	Stockholm	Tyresö	Education/health care/other	—	0
Q2	Slaktaren 12	Stockholm	Sundbyberg	Education/health care/other	—	2,690
TOTAL SQ.M.					1,925	207,651

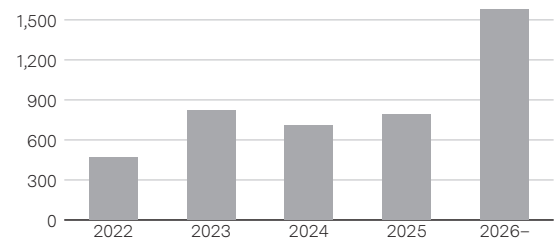


Marievik 22 in Stockholm was one of the properties transferred during the second quarter 2022 to the newly established housing company Klöver.

NET LETTING, SEKm



CONTRACT STRUCTURE, SEKm



1245 Broadway, New York.

PROJECT DEVELOPMENT

Project activity makes it possible to meet tenants' changed requirements and create added value in the property portfolio. Investments often take place in connection with new lettings and in order to customize and modernize premises and thus increase the rental value.

During the period January-June, SEK 1,210 million (250) has been invested in the property portfolio for new construction, extension and refurbishments. On 30 June 2022, the remaining investment volume of projects in process amounted to SEK 2,725 million. At the same point in time, in total 12 projects with an estimated investment each exceeding SEK 50 million were in process. The total area-based letting rate of these projects, which encompass 85,635 sq.m. with a remaining investment of SEK 1,370 million, amounts to 56 per cent.

Project development, including development of building rights, contributed to increases in value of SEK 203 million during the second quarter or SEK 1,136 million during the past four quarters.

Commercial projects in Sweden

A number of urban development projects are in process, among others in Uppsala and Västerås and in Kista and Söderstaden in Stockholm.

In Sweden, two large projects are in process in central Västerås. In the retail property Punkt the facade is opened up towards the train station and the interior is upgraded with new escalators and through environmental investments. Tenant customizations are in process for, among others, Coop and Systembolaget which during 2022 have signed long lease contracts with moving-in during 2023. In the adjacent Gallerian, Region Västmanland's largest health center is moving in during 2023 on a 15-year lease contract.

Commercial projects in New York

Corem owns five project properties in New York. Two projects, new production of two high quality office buildings, are nearing completion. The projects are called 1245 Broadway and 28&7 and both buildings have now reached exterior completion. During the second quarter the first tenant, Avalanche Studios Group, has moved into a floor at 1245 Broadway and the tenant A24 Films has taken possession of its five floors at the same property where tenant customization is now in process. Additional tenants will move in during the autumn. As of 30 June, 40 per cent of the area of 1245 Broadway was let, whereas 7 per cent of the area of 28&7 was let. Letting work and interior tenant customization is ongoing. The project portfolio also includes two planned projects in New York for new construction of offices at 417 Park Avenue and 118 10th Avenue encompassing 33,000 sq.m. and 13,200 sq.m. respectively. Preliminary project work is in process on these properties.

Residential development projects

Even after the establishment of Klöver (see page 7 under Property transactions), an associated company focused on rental housing, Corem may be engaged in some residential development projects of its own. However, this will be to a very limited extent and mainly associated with urban development projects.

Currently, Corem has one ongoing residential project, K1 Nacka Strand which comprises of 60 apartments. The project is divided into sale phases and the 48 apartments that have been offered to the market have been sold. Sales of the remaining 12 apartments has not started yet. Moving-in planned to be during the fourth quarter of 2023.

COREM'S LARGEST COMMERCIAL PROJECTS IN PROCESS

City	Property	Description	Let area sq.m.	Project area, sq.m.	Estimated investment, SEKm	Accrued investment, SEKm	Rental value, SEKm	Completion, year/quarter
New York	1245 Broadway	New construction, office premises	6,643	16,700	1,601	1,257	206	22Q4
New York	28&7	New construction, office premises	600	9,100	870	691	98	22Q4
Stockholm	Orgelpipan 4	Refurbishment, office premises	0	4,240	260	146	17	23Q2
Uppsala	Fyrislund 6:6	New construction, offices and laboratory	0	3,097	159	75	11	22Q4
Västerås	Loke 24	Refurbishment of building, tenant customization for health center	5,123	6,773	156	49	9	23Q3
Stockholm	Nattskiftet 12/14	New construction, garage and refurbishment, office premises	7,425	8,168	151	55	6	23Q1
Stockholm	Sicklaön 356:1	Refurbishment for Bilia	10,942	10,942	147	17	11	24Q1
Örebro	Olaus Petri 3:234	Refurbishment and extension and office premises for Trafikverket	2,625	10,318	139	19	6	23Q4
Västerås	Mats 5	Refurbishment of building	3,330	3,786	111	24	7	23Q3
Norrköping	Stålet 3	New construction for Bravida	3,295	3,295	72	66	5	23Q1
Västerås	Gustavsvik	Refurbishment, office/gym premises. Updating of technology	5,280	5,280	69	6	7	23Q2
Borås	Skruven 3	New construction for Dagab and logistics premises	2,531	3,936	68	28	5	23Q1
TOTAL			47,794	85,635	3,803	2,433	388	

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	Nacka	K1 Nacka Strand	60	48	80	5,000	3,700	2021	2023
TOTAL			60	48	80	5,000	3,700		



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.

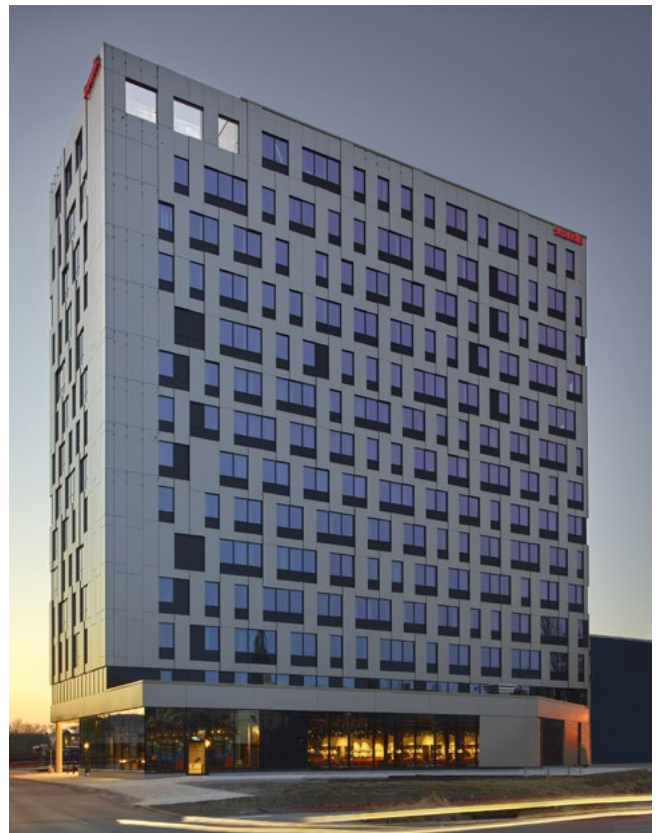


Skruven 3, Borås Pro Stop, phase 3B. Ongoing project for approximately 4,000 sq.m. of warehouse and retail space. Estimated to be completed during the first quarter of 2023.



Sicklaön 356:1, Stockholm

Ongoing project. Estimated to be completed during the first quarter of 2024.



Örebro Entré, Örebro

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



28&7, New York

Ongoing project. 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.

DISTRIBUTION PER GEOGRAPHICAL AREA

Corem's property portfolio and operating activities are divided into geographical and business-focused regions. The operations in Sweden are divided into Region Stockholm, Region Stockholm Logistics, Region West and Region East. Region Stockholm consists of the business units Stockholm North, Stockholm South, Västerås and Uppsala. Region Stockholm Logistics consists of the business units Stockholm

South Logistics, Stockholm Centre Logistics, Stockholm North Logistics. Region West consists of the business units Gothenburg, Malmö, Halmstad, Gothenburg Logistics and Malmö Logistics. Region East consists of the business units Nyköping, Norrköping, Linköping, Kalmar and Jönköping. The international operations are divided into Copenhagen and New York.

INCOME STATEMENT ITEMS AND INVESTMENTS PER GEOGRAPHIC AREA

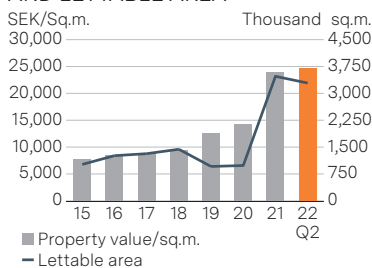
	Income, SEKm		Property costs, SEKm		Net operating income, SEKm		Operating margin, %		Investments, SEKm	
	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun	2022 Jan-Jun	2021 Jan-Jun
Region Stockholm	876	71	-337	-25	539	46	62	65	368	—
Region Stockholm Logistics	300	281	-90	-85	210	196	70	70	111	112
Region East	430	95	-138	-25	292	70	68	74	232	23
Region West	428	169	-137	-41	291	128	68	76	179	65
International – Copenhagen	144	20	-7	-1	137	19	95	95	10	50
International – New York	14	—	-1	—	13	—	93	—	310	—
Total	2,192	636	-710	-177	1,482	459	68	72	1,210	250
Investment portfolio	2,082	—	-632	—	1,450	—	70	—	699	—
Development portfolio	110	—	-78	—	32	—	29	—	511	—
Total	2,192	—	-710	—	1,482	—	68	—	1,210	—

KEY FIGURES PER GEOGRAPHIC AREA

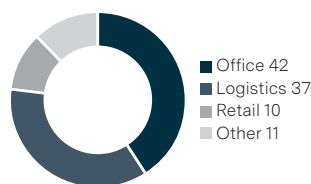
	No. of properties		Fair value, SEKm		Rental value, SEKm		Economic occupancy rate, %		Lettable area, 000 sq.m.	
	2022 30 June	2021 30 June	2022 30 June	2021 30 June	2022 30 June	2021 30 June	2022 30 June	2021 30 June	2022 30 June	2021 30 June
Region Stockholm	111	119	31,133	31,188	2,019	2,071	86	85	1,021	1,111
Region Stockholm Logistics	91	94	9,222	8,426	629	606	95	94	472	475
Region East	129	140	12,507	11,821	957	958	89	91	820	867
Region West	133	141	13,124	12,691	958	1,001	87	88	810	867
International – Copenhagen	10	10	7,978	7,113	293	273	95	96	159	160
International – New York ¹	5	6	7,124	5,403	60	—	100	—	6	—
Total	479	510	81,088	76,642	4,916	4,909	89	88	3,288	3,480
Investment portfolio	439	—	69,811	—	4,613	—	90	—	3,103	—
Development portfolio	40	—	11,277	—	303	—	75	—	185	—
Total	479	—	81,088	—	4,916	—	89	—	3,288	—

1) Rental value, Economic occupancy rate and Lettable area refer to active leasing contracts

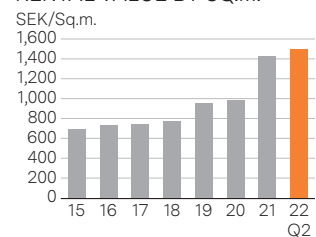
PROPERTY VALUE BY SQ.M. AND LETTABLE AREA



LETTABLE AREA BY TYPE, %



RENTAL VALUE BY SQ.M.



Financing

INTEREST-BEARING LIABILITIES

On 30 June 2022, the interest-bearing liabilities amounted to SEK 47,123 million (46,738). Accrued borrowing overheads amounted to SEK 184 million (174), meaning interest-bearing liabilities in the balance sheet of SEK 46,939 million (46,564).

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, SEK 1,275 million (2,322) and SEK 11,418 million (11,558) respectively at the end of the quarter. Corem's commercial paper programme has a framework amount of SEK 5,000 million. The previous programme in the subsidiary Corem Kelly (renamed from Klövern) has been phased out during the quarter. Outstanding commercial paper have back-ups in the form of unutilized credit facilities in Nordic banks.

The average period of tied-up capital amounted to 3.6 years (3.8). The loan-to-value ratio amounted to 53 per cent (53).

INTEREST-BEARING NET LIABILITIES SEKm

	2022 30 Jun	2021 31 Dec
Interest-bearing liabilities	46,939	46,564
Adjustment, accrued borrowing overheads	184	174
Interest-bearing assets	-263	-86
Long-term shareholdings	-1,258	-2,263
Current investments	—	—
Cash and cash equivalents	-484	-571
Interest-bearing net liability	45,118	43,818

Bonds

In April, Corem issued unsecured bonds for SEK 250 million at an implicit interest rate of 3-month STIBOR + approximately 3 per cent maturing in April 2024. At the end of the quarter, the Group had

SEK 11,418 million in outstanding listed bond loans, maturing in 2023 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.

INTEREST MATURITY STRUCTURE

On 30 June 2022, the average interest of the loan portfolio was 2.6 per cent (2.4). Refinancings during the quarter have been completed at lower or unchanged margins, which has contributed to mitigate the effect of the rise in the Stibor rate and the Libor rate.

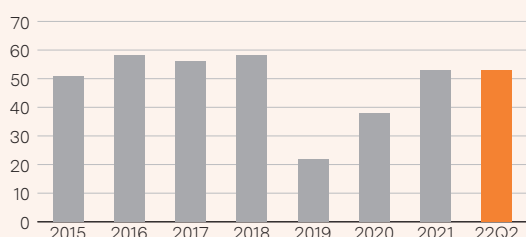
To limit the interest rate risk, there are interest rate swaps and interest rate caps, where the effects of larger increases in interest rates are limited through interest rate caps. At the end of the quarter, Corem had interest rate swaps for a nominal value of SEK 14,390 million (8,890) and interest rate caps for SEK 21,939 million (23,539), which correspond to 77 per cent of the interest-bearing liabilities. Together with fixed interest loans, this means that 79 per cent of the interest-bearing liabilities were hedged. The swaps have interest rate levels in the range -0.3-3.7 per cent while the caps have interest rate levels in the range 1.5-3.0 per cent. As of 30 June 2022, the net market value of the interest rate derivative portfolio was SEK 1,249 million (-86). Change in value of derivatives amounted to SEK 615 million (8) during the quarter.

The average fixed interest period amounted at the end of the quarter to 2.5 years (2.6) taking derivatives into account. The interest coverage ratio amounted to 3.0 (2.4) during the quarter.

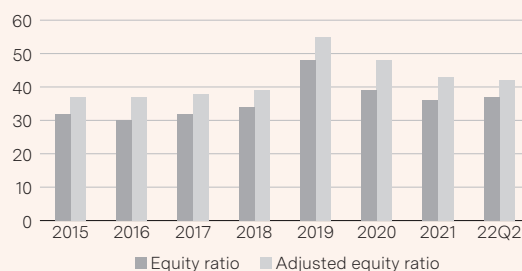
LIQUID FUNDS

On 30 June 2022, liquid funds amounted to SEK 484 million (571). In addition, there were unutilized credit facilities of SEK 4,246 million (4,719). Interest-bearing net liabilities amounted to SEK 45,118 million (43,818).

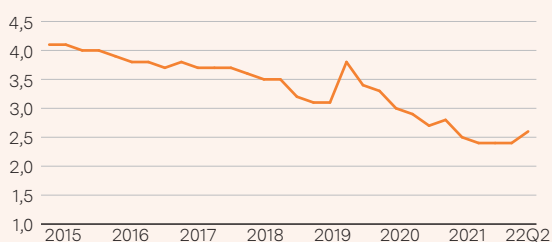
LOAN TO VALUE, %



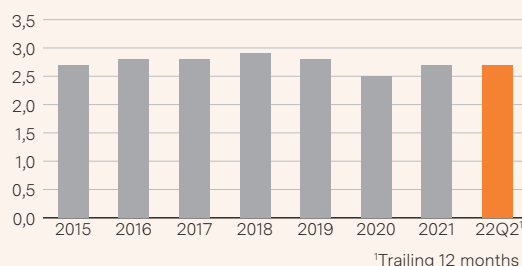
EQUITY RATIO AND ADJUSTED EQUITY RATIO, %



AVERAGE INTEREST RATE, %



INTEREST COVERAGE RATIO



¹Trailing 12 months



In Halmstad, Corem has completed an entirely new building during the second quarter of 2022. Försäkringskassan leases the majority of the building and Corem's own concept for business centers, First Office, has premises on the ground floor.

EQUITY

At the end of the quarter, the Group's equity, attributable to the parent company's shareholders, amounted to SEK 34,835 million (33,342), of which SEK 1,300 million refers to hybrid bonds. Equity amounted to SEK 25.42 (23.94) per ordinary share of Class A and B, SEK 289.59 (289.59) per ordinary share of Class D and SEK 312.72 (312.72) per preference share. The net asset value (NAV) per ordinary share of Class A and B amounted to SEK 29.73 (29.60).

Hybrid bond

Corem has, via the subsidiary Corem Kelly, a SEK 1,300 million perpetual hybrid bond which has a floating interest rate of 3-month STIBOR + 6 per cent margin. If the hybrid bond is not redeemed in June 2023 a step-up occurs which increases the margin to 8 per cent.

Equity ratio

At the end of the quarter, the adjusted equity ratio was 42 per cent (43) and the equity ratio 37 per cent (36), both to some extent negatively affected by the future dividend decided upon for ordinary and preference shares being recorded as a liability after the annual general meeting.

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

SHAREHOLDINGS

Since 2019, Corem owns shares in the real estate company Castellum which is listed on Nasdaq Stockholm. On 30 June 2022, the holding amounted to 8,880,000 shares. The market value amounted at the same time to SEK 1,167 million, based on a price of SEK 131.45 per share. The acquisition value amounts to 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 10 million on 30 June 2022.

In addition, unlisted shares at a value of SEK 81 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 during the quarter to SEK 459 million (148).

Cash flow from investing activities amounted to SEK -712 million (796) and cash flow from financing activities to SEK -226 million (0).

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 *	31,897	—	—	—	—
2022	100	6,162	4,959	—	1,203
2023	121	14,956	13,363	2,934	1,593
2024	4,128	10,518	10,068	5,784	450
2025	2,490	10,765	10,265	2,700	500
2026	—	1,570	1,070	—	500
Later	8,387	7,398	7,398	—	—
Total	47,123	51,369	47,123	11,418	4,246

*SEK 21,939 million of Floating volume is covered by interest-rate caps.

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 30 June 2022, Corem had a total of 1,137,283,281 shares, of which 93,730,797 ordinary shares of Class A, 1,023,591,380 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.

REPURCHASE OF OWN SHARES

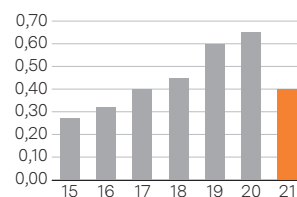
During the second quarter, Corem has repurchased 2,300,000 ordinary shares of Class B for SEK 43 million. As at 30 June 2022, Corem held a total of 2,913,825 repurchased ordinary shares of Class A, 33,491,000 repurchased ordinary shares of Class B and 42,000 repurchased ordinary shares of Class D. The total market value amounted on the same date to SEK 431 million. The shares are repurchased at an average price of SEK 8.80 per ordinary share of Class A, SEK 19.46 per ordinary share of Class B and SEK 297.85 per ordinary share of Class D.



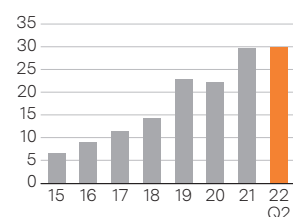
28&7, New York.

SHARE FACTS, 30 JUNE 2022	
Market capitalisation	SEK 17.1 bn
Market place	Nasdaq Stockholm, Large Cap
LEI no.	213800CHXQQD7TSS1T59
No. of shareholders	44,866
Ordinary share, Class A	
No. of shares	93,730,797
Closing price	SEK 13.20
ISIN	SE0010714279
Ordinary share Class B	
No. of shares	1,023,591,380
Closing price	SEK 11.48
ISIN	SE0010714287
Ordinary share Class D	
No. of shares	7,545,809
Closing price	SEK 200.00
ISIN	SE0015961594
Preference share	
No. of shares	12,415,295
Closing price	SEK 209.00
ISIN	SE0010714311

DIVIDEND PER ORDINARY SHARE A/B, SEK



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



LARGEST SHAREHOLDERS — 30 JUNE 2022

Shareholder	No. ordinary shares A, thousands	No. ordinary shares B, thousands	No. ordinary shares D, thousands	No. preference shares, thousands	Share of capital, %	Share of votes, % ¹
Rutger Arnhult via bolag	35,436	349,621	3,127	—	34.13	36.86
Gårdarike	39,490	118,128	57	26	13.87	26.75
Handelsbanken fonder	—	73,882	8	—	6.50	3.85
Länsförsäkringar fondförvaltning	—	65,456	21	—	5.76	3.41
Swedbank Robur fonder	1,593	23,036	—	—	2.17	2.03
State Street Bank & Trust Co	—	38,374	1	164	3.39	2.01
JP Morgan Chase Bank N.A.	—	26,642	0	219	2.36	1.40
CBNY Norges Bank	559	13,582	96	38	1.26	1.01
Prior & Nilsson	—	16,825	—	—	1.48	0.88
Fredrik Rapp privat och via bolag	750	7,500	—	—	0.73	0.78
Livförsäkringsbolaget Skandia, Ömsesidigt	694	6,769	—	0	0.66	0.71
Patrik Tillman privat och via bolag	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
Försäkringsaktiebolaget, Avanza Pension	218	6,092	269	823	0.65	0.49
Other shareholders	9,995	232,436	3,848	11,144	22.63	18.11
TOTAL OUTSTANDING SHARES	90,817	990,100	7,504	12,415	96.80	100.00
Repurchased own shares ⁹⁾	2,914	33,491	42	—	3.20	
TOTAL REGISTERED SHARES	93,731	1,023,591	7,546	12,415	100.00	100.00

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 have no voting rights and are not entitled to dividends.

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 reported value. The same applies to the Parent Company with the exception of the holding in Castellum where fair values are those reported to the Group. No changes of the categorization of financial instruments have taken place during the period. Financial assets valued at fair value are valued 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 for 2021.

Rounding differences may arise in the report.

DEFINITIONS

In this interim report, a number of financial key ratios and measures 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 Com-

pany'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 (during 2022 renamed to Corem Kelly), including:

- All energy used in Corem's operations shall be fossil-free by 2030.
- Corem shall be climate-neutral throughout the value chain by 2035.
- 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 30 June 2022, the Corem group had 367 employees (368). 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 2021.

DISPUTES

Corem has no ongoing disputes which can 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 3 million (28) during the period. Wästbygg is controlled by the main owner Rutger Arnhult. The Corem group also has a lease contract with Wästbygg with an annual contract value of SEK 2 million.

Corem has a lease contract with the M2 Group 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 year from the law firm Walthon Advokater in which the Chairman of the Board Patrik Essehorn is a partner.

COREM KELLY

Corem Kelly AB, in May 2022 renamed from Klöver AB after a decision at the annual general meeting in April, has been consolidated in Corem since 15 June 2021. As of 30 June 2022, Corem's ownership amounted to 98.7 per cent of the outstanding share capital and around 98.6 per cent of the outstanding votes in Corem Kelly. Compulsory redemption has been called for in order to acquire the remaining shares. The redemption process is ongoing. An arbitration award in the redemption process was announced on 7 June 2022. If the arbitration award attains legal force, the remaining shares will be redeemed for a total amount which is currently estimated to be approximately SEK 0.5 billion.

DIVIDEND

During the first and second quarter, a dividend of SEK 5.00 per ordinary share of Class D and preference share, totalling SEK 199 million has been paid as well as SEK 9 million to the minority shareholders of Corem Kelly.

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, 13 July 2022
Corem Property Group AB (publ)

Patrik Essehorn
Chairman

Christina Tillman
Board member

Katarina Klingspor
Board member

Magnus Ugglå
Board member

Fredrik Rapp
Board member

Christian Roos
Board member

Eva Landén
CEO

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

The Consolidated Income Statement *in brief*

SEKm	2022 3 months Apr–Jun	2021 3 months Apr–Jun	2022 6 months Jan–Jun	2021 6 months Jan–Jun	2021/2022 Rolling 12 months Jul–Jun	2021 12 months Jan–Dec
Income	1,093	378	2,192	636	4 361	2,805
Property costs	–338	–103	–710	–177	–1 444	–911
Net operating income	755	275	1,482	459	2,917	1,894
Central administration	–47	–21	–94	–30	–180	–116
Acquisition costs	—	–21	—	–21	—	–21
Net financial items	–217	–84	–488	–102	–965	–579
Profit from property management	491	149	900	306	1,772	1,178
Earnings, residential development	—	–5	—	–5	–31	–36
Net profit, residential development	—	–5	—	–5	–31	–36
Share of earnings in associated companies	–33	—	–30	—	–27	3
Value changes, properties	–341	300	741	781	3,392	3,432
Value changes, financial investments	–913	805	–1,014	614	–758	870
Value changes, derivatives	615	8	1,335	91	1,500	256
Impairment, goodwill	–255	—	–310	—	–331	–21
Profit before tax	–436	1,257	1,622	1,787	5,517	5,682
Tax	523	–129	201	–250	–736	–1,187
Net profit for the period	87	1,128	1,823	1,537	4,781	4,495
<i>Net profit for the year attributable to:</i>						
Parent Company shareholders	75	1,124	1,784	1,533	4,659	4,408
Holdings without controlling influence	12	4	39	4	122	87
	87	1,128	1,823	1,537	4,781	4,495
Other comprehensive income						
<i>Items that can be referred to net profit for the year</i>						
Translation differences, etc.	575	–3	699	2	992	295
Comprehensive income for the period	662	1,125	2,522	1,539	5,773	4,790
<i>Comprehensive income attributable to:</i>						
Parent Company shareholders	640	1,121	2,473	1,535	5,637	4,699
Holdings without controlling influence	22	4	49	4	136	91
	662	1,125	2,522	1,539	5,773	4,790
Earnings per share						
Earnings per ordinary share of Class A and B, SEK ¹⁾	–0.04	2.44	1.43	3.76	3.87	5.52
No. of outstanding shares, thousands						
Ordinary shares A and B, at the end of period	1,080,917	1,053,374	1,080,917	1,053,374	1,080,917	1,084,778
Ordinary shares A and B, average number ¹⁾	1,082,211	455,492	1,083,349	399,653	1,079,853	740,815
Ordinary shares D, at end of period	7,504	7,178	7,504	7,178	7,504	7,546
Preference shares, at end of period	12,415	11,886	12,415	11,886	12,415	12,415

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

1 Comparative figures have been adjusted for the average number of outstanding ordinary shares A and B for the quarter Apr–Jun 2021 and the period Jan–Jun 2021.

The adjustment affects the key figure Earnings per ordinary share, A and B.

Consolidated Balance Sheet *in brief*

SEKm	2022 30 Jun	2021 30 Jun	2021 31 Dec
ASSETS			
Non-current assets			
Goodwill	2,699	3,011	3,059
Investment properties	81,088	76,642	83,084
Right-of-use assets	996	947	1,000
Shares in associated companies	4,257	469	472
Financial assets valued at fair value	1,258	2,013	2,263
Derivatives	1,292	110	251
Other non-current assets	215	298	153
Total non-current assets	91,805	83,490	90,282
Current assets			
Properties classified as current assets	135	1,746	63
Other current assets	1,239	1,390	1,320
Cash and cash equivalents	484	1,017	571
Total current assets	1,858	4,153	1,954
TOTAL ASSETS	93,663	87,643	92,236
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	34,835	29,224	33,342
Equity attributable to holdings without controlling influence	516	1,555	596
Total shareholders' equity	35,351	30,779	33,938
Long-term liabilities			
Interest-bearing long-term liabilities	36,896	33,451	32,016
Long-term leasing liabilities	996	947	1,000
Deferred tax liability	7,915	7,151	8,127
Other provisions	—	24	—
Derivatives	43	364	337
Other long-term liabilities	42	8	67
Total long-term liabilities	45,892	41,945	41,547
Current liabilities			
Interest-bearing current liabilities	10,043	12,757	14,548
Other current liabilities	2,377	2,162	2,203
Total current liabilities	12,420	14,919	16,751
Total liabilities	58,312	56,864	58,298
TOTAL EQUITY AND LIABILITIES	93,663	87,643	92,236

Consolidated statement of cash flow *in brief*

SEKm	2022 3 months Apr–Jun	2021 3 months Apr–Jun	2022 6 months Jan–Jun	2021 6 months Jan–Jun	2021/2022 Rolling 12 months Jul–Jun	2021 12 months Jan–Dec
Operating activities						
Net operating income, including residential development	755	270	1,482	454	2,886	1,858
Central administration including acquisition costs	-47	-42	-94	-51	-180	-137
Depreciation, etc.	5	—	12	—	12	—
Interest received, dividend etc.	18	23	20	76	54	110
Interest paid, etc.	-255	-97	-514	-154	-998	-638
Interest expense, lease contracts attributable to site leasehold contracts	-14	-5	-31	-8	-64	-41
Income tax paid	-3	-1	-7	-1	-9	-3
Cash flow before changes in working capital	459	148	868	316	1,701	1,149
Change in properties classified as current assets	-54	—	-71	—	-260	-189
Change in current receivables	-72	29	-43	16	-75	-16
Change in current liabilities	57	2	-188	59	-1	246
Cash flow from operating activities	390	179	566	391	1 365	1 190
Investing activities						
Investments in new construction, extensions and refurbishment	-768	-122	-1,210	-250	-2,731	-1,771
Acquisition of properties	-80	-8	-80	-200	-172	-292
Divestment of properties	183	106	1,160	106	1,317	263
Acquired cash and cash equivalents, business combination	—	870	—	870	—	870
Acquisition of long-term shareholdings	—	-50	—	-249	—	-249
Received cash and cash equivalents, partial divestment group co:s	8	—	8	—	8	—
Acquisition holdings without controlling influence	-33	—	-119	—	-144	-25
Change in other non-current assets	-22	—	-27	—	223	250
Cash flow from investing activities	-712	796	-268	277	-1,499	-954
Financing activities						
Dividend paid to parent company shareholders	-105	-241	-208	-259	-417	-468
Hybrid bonds	-20	—	-39	—	-78	-39
Repurchase of own shares	-43	—	-93	—	-93	—
Issue costs	0	-23	0	-23	0	-23
Loans raised	5,706	2,254	12,038	3,397	15,475	6,834
Amortised loans	-5,764	-1,990	-12,121	-2,781	-15,327	-5,987
Cash flow from financing activities	-226	0	-423	334	-440	317
Cash flow for the period	-548	975	-125	1,002	-574	553
Cash and cash equivalents at beginning of period	987	42	571	15	1,017	15
Exchange rate difference in cash and cash equivalents	45	—	38	—	41	3
Cash and cash equivalents at end of period	484	1,017	484	1,017	484	571

Consolidated change in equity *in brief*

SEKm	Parent Company shareholders	Holdings without controlling influence	Total
Opening equity, 31.12.2021	33,342	596	33,938
Comprehensive income for the period	1,833	27	1,860
Repurchase of own shares	-50	—	-50
Hybrid bonds	-19	—	-19
Change in holding without controlling influence	13	-108	-95
Equity, 31.03.2022	35,119	515	35,634
Comprehensive income for the period	640	22	662
Repurchase of own shares	-43	—	-43
Dividend	-844	—	-844
Hybrid bonds	-20	—	-20
Change in holding without controlling influence	-17	-21	-38
Equity, 30.06.2022	34,835	516	35,351

Parent Company Income Statement *in brief*

SEKm	2022 6 months Jan-Jun	2021 6 months Jan-Jun	2021 12 months Jan-Dec
Net sales	272	48	98
Cost of services sold	-179	-29	-61
Gross profit	93	19	37
Central administration	-94	-20	-43
Operating profit	-1	-1	-6
Interest income and similar income statement items	420	114	996
Interest expense and similar income statement items	-152	-52	-120
Profit before tax	267	61	870
Tax	27	-10	-9
Net Profit for the period	294	51	861
Other comprehensive income	-122	—	—
Comprehensive income for the period	172	51	861

Parent Company Balance Sheet *in brief*

SEKm	2022 30 Jun	2021 30 Jun	2021 31 Dec
ASSETS			
Other intangible non-current assets	2	3	3
Machinery and equipment	8	0	0
Shares in group companies	22,230	20,995	22,188
Other financial non-current assets	1,706	2,301	1,706
Receivables from group companies	8,750	3,490	3,906
Deferred tax receivable	33	5	6
Other current receivables	40	7	9
Cash and cash equivalents	22	16	28
TOTAL ASSETS	32,791	26,817	27,846
EQUITY AND LIABILITIES			
Equity	22,965	21,854	23,717
Interest-bearing liabilities	8,851	4,508	3,882
Non-interest-bearing liabilities	975	455	247
TOTAL EQUITY AND LIABILITIES	32,791	26,817	27,846

Key figures

	2022-06-30 3 months Apr–Jun	2021-06-30 3 months Apr–Jun	2022-06-30 6 months Jan–Jun	2021-06-30 6 months Jan–Jun	2021-12-31 12 months Jan–Dec
Property-related					
Fair value of investment properties, SEKm	81,088	76,642	81,088	76,642	83,084
Yield requirement, valuation, %	5.0	5.1	5.0	5.1	5.1
Rental value, SEKm	4,916	4,909	4,916	4,909	4,957
Lettable area, sq.m.	3,288,266	3,479,743	3,288,266	3,479,743	3,478,659
Economic occupancy rate, %	89	88	89	88	89
Area-based occupancy rate, %	83	83	83	83	83
Operating margin, %	69	73	68	72	68
No. of investment properties	479	510	479	510	518
Average remaining lease contract period, years	3.9	4.6	3.9	4.6	3.7
Financial					
Return on equity, %	0.9	24.4	10.5	16.8	21.7
Adjusted equity ratio, %	42	39	42	39	43
Equity ratio, %	37	33	37	33	36
Interest-bearing net liability, SEKm	45,118	43,373	45,118	43,373	43,818
Loan-to-value ratio, %	53	55	53	55	53
Loan-to-value ratio, properties, %	41	41	41	41	38
Interest coverage ratio	3.0	2.4	2.8	2.8	2.7
Average interest rate, %	2.6	2.5	2.6	2.5	2.4
Average period of fixed interest, years	2.5	2.9	2.5	2.9	2.6
Average period of tied-up capital, years	3.6	4.0	3.6	4.0	3.8
Share-related					
Profit from property management per ordinary share A and B, SEK	0.34	0.29	0.61	0.68	1.16
Earnings per ordinary share, A and B, SEK ¹⁾	–0.04	2.44	1.43	3.76	5.52
Net asset value (NAV) per ordinary share A and B, SEK	29.73	26.27	29.73	26.27	29.60
Equity per ordinary share A and B, SEK	25.42	22.26	25.42	22.26	23.94
Equity per ordinary share D, SEK	289.59	288.47	289.59	288.47	289.59
Equity per preference share, SEK	312.72	311.64	312.72	311.64	312.72
Dividend per ordinary share, A and B, SEK	—	—	—	—	0.40
Dividend per ordinary share D, SEK	—	—	—	—	20.00
Dividend per preference share, SEK	—	—	—	—	20.00
Share price ordinary share A, SEK	13.20	19.30	13.20	19.30	32.60
Share price ordinary share B, SEK	11.48	19.38	11.48	19.38	32.65
Share price ordinary share D, SEK	200.00	290.00	200.00	290.00	316.00
Share price preference share, SEK	209.00	317.00	209.00	317.00	324.00
No. of shares, thousands					
Number of outstanding ordinary shares A and B	1,080,917	1,053,374	1,080,917	1,053,374	1,084,778
Average number of outstanding ordinary shares A and B ¹⁾	1,082,211	455,492	1,083,349	399,653	740,815
Number of outstanding ordinary shares D	7,504	7,178	7,504	7,178	7,546
Number of outstanding preference shares	12,415	11,886	12,415	11,886	12,415

¹⁾ Comparative figures have been adjusted for the average number of outstanding ordinary shares A and B for the quarter Apr–Jun 2021 and the period Jan–Jun 2021. The adjustment affects the key figure Earnings per ordinary share, A and B.

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/). 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

Equity², 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 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 period of fixed interest

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

Average period of tied-up capital

Average remaining term of interest-bearing liabilities.

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

Equity² 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

Equity² 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 expenses¹, divided by financial expenses¹.

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)³

Interest-bearing liabilities after deduction for the market value of listed shareholdings, interest-bearing assets and liquid funds, in relation to the fair value of the properties and shares in associated companies.

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

Equity², 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 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 equity² 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.

³ The definition of the key figure has been changed in connection with this interim report. Historical figures have been adjusted in line with the new definition.

Calendar

FINANCIAL REPORTS

Interim Report January–September 2022	25 October 2022
Year-end Report, January–December 2022	21 February 2023

PROPOSED RECORD DATES AND EXPECTED PAYMENT DATES

Record date for dividend to holders of ordinary shares of Class A, B, D and preference shares	30 September 2022
Expected date for dividend to holders of ordinary shares of Class A, B, D and preference shares	5 October 2022
Record date for dividend to holders of ordinary shares of Class A, B, D and preference shares	30 December 2022
Expected date for dividend to holders of ordinary shares of Class A, B, D and preference shares	4 January 2023
Record date for dividend to holders of ordinary shares of Class A, B, D and preference shares	31 Mars 2023
Expected date for dividend to holders of ordinary shares of Class A, B, D and preference shares	5 April 2023

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Properties for the future.