

PRESS RELEASE 2022-02-25

Corem and ALM Equity create a joint company

On 23 November 2021, Corem Property Group AB ("Corem") and ALM Equity AB ("ALM") signed a letter of intent to investigate the conditions for creating a joint company. The parties have now entered into a binding agreement to form a joint company (the "Company").

The purpose of the company is to develop efficient and climate-smart rental housing for own management. Its portfolio will include both investment properties and building rights for future development.

The building rights portfolio consists of approximately 65 projects with potential for a total of approximately 24,000 homes. Geographically, the projects are focused to the Stockholm area with the remaining primarily in the Mälardalen region. Properties and building rights which will make part of the joint company have an total underlying property value of SEK 10 billion. Transfer of possession is planned to take place during Q2 2022.

For Corem the transaction means that 36 properties with a total market value of approximately SEK 5.4 billion are transferred to the joint company. The effect on earnings is not considered to have any significant impact on Corem. The properties currently have a lettable area of 160,000 sq.m. with an annual rental value of SEK 120 million, as well as expected building rights corresponding to 13,000 homes.

The company will consist of Corem's current subsidiary Tobin Properties AB, which will be renamed in order for the business to be operated under the name Klöver.

The ownership in the joint company will, after a non-cash issue, amount to approximately 51 percent for Corem and approximately 49 percent for ALM upon acquisition. The agreement is conditioned on necessary government permits as well as necessary approvals from general meetings.

The goal of the joint company is to achieve continued growth and can be expanded to include additional property owners. The parties intend to list the joint company on Nasdaq Stockholm.

"We are pleased to be able to develop our building rights further, in cooperation with ALM Equity. We see great potential in our building rights in terms of development of rental housing. By creating a company dedicated to that development those values are made visible and through the collaboration with ALM Equity, the potential is further increased. For Corem's part, we increase our focus on commercial properties and take further steps regarding investment grade.", says Corem's CEO Eva Landén.

"It is gratifying that we, together with Corem, have now agreed on our future joint management company, which in the long run will be one of Sweden's largest. We are two entrepreneurial companies with long experience, where our strength as a housing developer together with Corem's solid experience of management will provide a good foundation. We look forward to an exciting journey together with Corem and all employees in the new company. This agreement shows that ALM's business model is well working and that means our journey as a business builder takes another step forward.", says Joakim Alm, CEO of ALM Equity.

Corem's advisor in connection with the transaction has been Walthon Advokater.

Corem Property Group AB (publ)

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