

Year-end Report January–December 2022

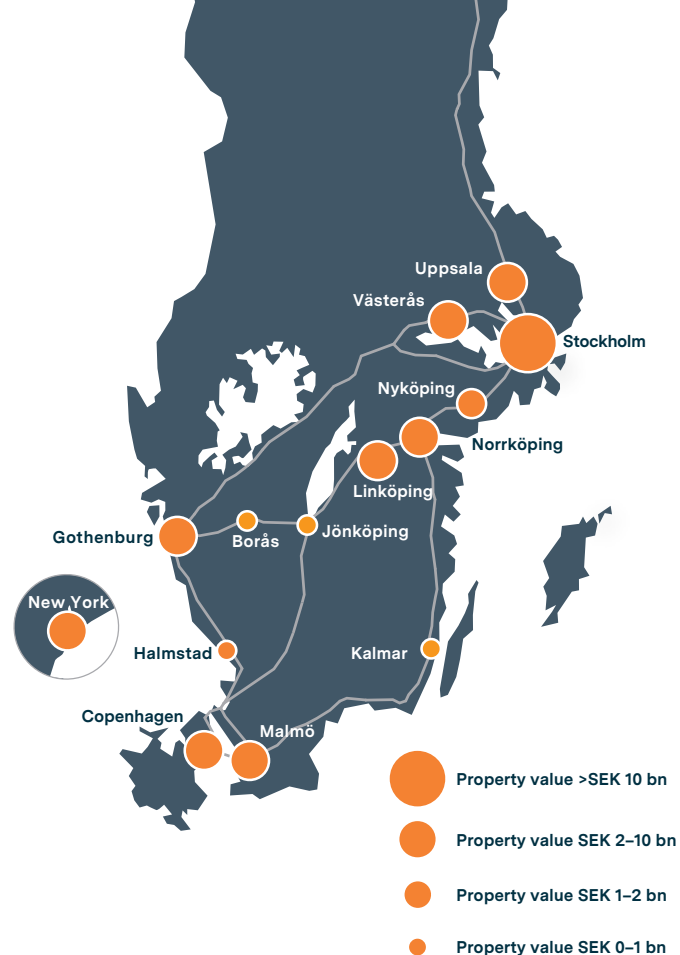


Corem Property Group (publ)

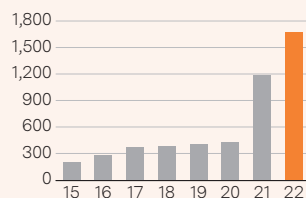
Corem is a commercial real estate company with a focus on metropolitan areas and growth regions.

Corem owns 458 investment properties with 3,195 thousand sq.m. of lettable area and a value of SEK 78,387 million. The portfolio is geographically well concentrated with in-house locally based property management.

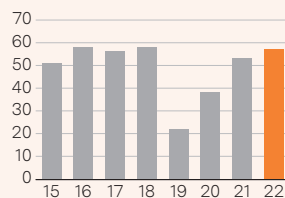
Corem has a broad customer offering with a focus on long-term sustainable ownership, management, refinement and urban development.



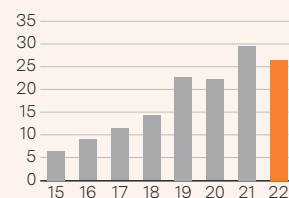
PROFIT FROM PROPERTY MANAGEMENT, SEKm



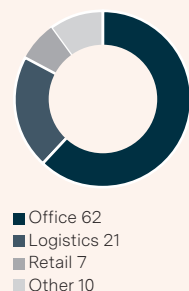
LOAN TO VALUE, %



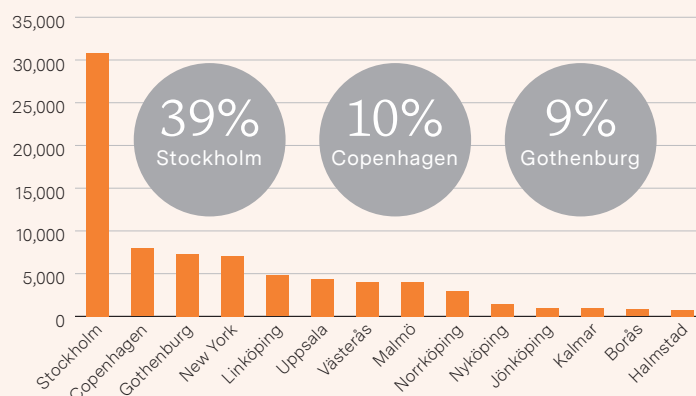
NET ASSET VALUE (NAV) PER ORDINARY SHARE A/B, SEK



PROPERTY VALUE BY TYPE OF PROPERTY, %



PROPERTY VALUE BY CITY, SEKm



January–December 2022

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

- Income increased to SEK 4,491 million (2,805).
- Net operating income increased to SEK 2,933 million (1,894).
- Net financial items amounted to SEK –1,071 million (–579), of which dividends from shareholdings amounted to SEK 67 million (106).
- Profit from property management increased to SEK 1,675 million (1,178).
- Changes in value of properties amounted to SEK –2,934 million (3,432).
- Changes in value of financial assets at fair value amounted to SEK –1,105 million (870).
- Changes in value of derivatives amounted to SEK 1,375 million (256).
- Net profit amounted to SEK –1,938 million (4,495), corresponding to SEK –2.25 (5.52) per ordinary share of Class A and B.
- Net letting amounted to SEK –26 million, of which SEK 4 million during the fourth quarter.
- The value of investment properties amounted to SEK 78,387 million.
- Net asset value (NAV) per ordinary share of Class A and B amounted to SEK 26.42 on 31 December.
- The Board of Directors is proposing a dividend of SEK 0.40 (0.40) per ordinary share of class A and B, to be paid in four instalments of SEK 0.10.
- The Board of Directors is proposing a dividend of 20.00 per ordinary share of class D and preference share, to be paid in four instalments of SEK 5.00.

IMPORTANT EVENTS DURING THE FOURTH QUARTER

- In November, a 12-year lease contract was signed at 1245 Broadway, New York, with WonderView Studios for approximately 770 sq.m. of office space. Moving-in is planned for the summer of 2023.
- During the quarter, 14 properties were divested for SEK 619 million and of 60,715 sq.m. lettable area.
- During the quarter, contracts were also signed to divest 53 properties for totally SEK 5,585 million, with transfer of possession in 2023. The majority refer to divestment of a portfolio of 47 properties to Blackstone at an underlying property value of SEK 5,350 million.

EVENTS AFTER THE END OF THE PERIOD

- In January, a lease contract of 1,600 sq.m. was signed with R/GA in New York. The tenant moved into Corem's project property 28&7 in January 2023. The period of tenancy is five years.
- In January, a contract for divestment of the property 1 kh Rudegård Ny Holte was signed at an underlying property value corresponding to SEK 106 million, which is in line with book value. Transfer of possession took place on 10 February 2023.
- In January 2023, Corem divested the whole of its holding in Castellum, consisting of 8.7 million shares.
- In February, Corem announced that outstanding bonds of SEK 484 million at maturity 27 February not will be refinanced.
- In February, a lease agreement was signed with Sveriges Riksbank regarding the property Orgelpipan 4, in Stockholm.

4,940

Rental value,
SEKm

78,387

Investment properties,
fair value, SEKm

1,675

Profit from property
management, SEKm

26.42

NAV per ordinary share
of Class A/B, SEK

	2022 3 months Oct–Dec	2021 3 months Oct–Dec	2022 12 months Jan–Dec	2021 12 months Jan–Dec
Income, SEKm	1,185	1,097	4,491	2,805
Net operating income, SEKm	700	667	2,933	1,894
Profit from property management, SEKm	329	367	1,675	1,178
Net profit, SEKm	–3,543	1,970	–1,938	4,495
Earnings per ordinary share of Class A and B, SEK	–3.37	1.64	–2.25	5.52
Net asset value (NAV) per ordinary share of Class A and B, SEK	26.42	29.60	26.42	29.60
Economic occupancy rate, %	89	89	89	89
Operating margin, %	59	61	65	68
Adjusted equity ratio, %	39	43	39	43
Interest coverage ratio	2.0	2.5	2.5	2.7
Loan-to-value ratio, %	57	53	57	53

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

A continued stable core business with a business-intensive last quarter

Our core property management business continues to be stable and generate a fine level of earnings. The year was marked by the macroeconomic development and a volatile market for bonds and commercial papers. For Corem it was a business-intensive fourth quarter where we announced a number of divestitures, including a major portfolio to Blackstone consisting of 47 properties amounting to SEK 5,350m. These divestments are part of efforts to strengthen the balance sheet with the focus on long-term sustainable financing at a time of macroeconomic uncertainty.

Stable property management business

Demand for office premises continues to be relatively good on most markets, despite turbulence in our business environment and in the financial market. At the same time, there is still a high level of activity on the rental market for city logistics. Net letting amounted to SEK 4 million during the fourth quarter and overall letting activity has been at a high level during the year. In all, 1,528 leases were signed and re-negotiated during the year with a contract value of SEK 501 million. This bears witness to a flourishing core business. The leases signed during the quarter include WonderView Studios in New York for around 770 sq.m. and the County Administrative Board in Örebro with approximately 3,900 sq.m.

During the year, the operating surplus increased by 55 per cent to SEK 2,933 million at the same time as profit from property management improved by 42 per cent to SEK 1,675 million.

Intensive transactions during the quarter

During the year, Corem announced that we intend to further concentrate our portfolio through net divestment in 2022 and 2023. Despite challenging times, the transaction market is still functioning. During the final quarter of 2022, contracts were signed to divest the equivalent of SEK 5,585 million for a total of 53 properties. In January 2023, Corem divested the remaining holding in Castellum totalling 8.7 million shares.

The largest transaction in 2022 was announced in mid-December. Through this transaction, Corem is divesting to Blackstone a portfolio of 47 properties with transfer of possession in February and April 2023. This transaction will release capital to reinforce Corem's long-term financial capacity and for prioritized investments. Through these divestments, we will further concentrate our portfolio and, with the final proceeds, create greater scope for action at a time of financial uncertainty.

During the final quarter of the year, we carried out impairment of property values by almost four per cent. This has taken place in the light of the new circumstances in our business environment with higher interest rates and rising inflation. The transactions that have been agreed upon and implemented during the year have, however, as a rule taken place at a level close to book values. This shows the stability of the valuation process.

Higher interest rates and a volatile financial market

The whole real estate sector is facing a period of increasingly high financial expenses because of higher interest rates. At the same time, the financial market has become increasingly volatile. We are working continuously to secure stable long-term financing and limit the interest rate risk by interest swaps and caps. Our share of bank financing

is gradually increasing, providing increased stability in times of volatility in the capital market. During 2023, Corem has maturing bonds amounting to SEK 2,934 million where bonds amounting to SEK 484 million will mature in February and be repaid on the due date, without being refinanced.

Indexed rents

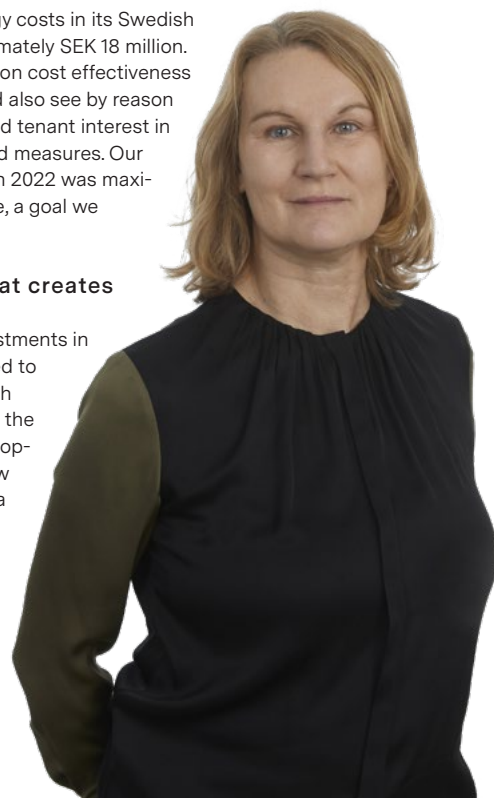
High inflation and rising energy prices create continued uncertainty. Rising inflation affects our operations in numerous ways. It results in increased costs, with regard to project and property operation costs, but has at the same time a positive effect on the company's rental income as Swedish leases are typically indexed in relation to the consumer price index (CPI). In 2022, this had an impact on rental income of around SEK 90 million and, in 2023, it is expected to contribute over SEK 300 million to rental income.

During the year, Corem's energy costs in its Swedish portfolio increased by approximately SEK 18 million. Overall, we have a great focus on cost effectiveness in all parts of the company and also see by reason of rising energy costs increased tenant interest in energy-saving investments and measures. Our goal for energy consumption in 2022 was maximum 80 kWh per square metre, a goal we reached by a good margin.

Project development that creates value

Project development and investments in our properties are always aimed to contribute to an increased cash flow, which also contributes to the development of value of the property portfolio. Decisions on new investments are now made in a context with higher construction prices and where the cost of capital for implementation has increased. That is why we are focusing on completing ongoing projects so that project operations are reduced to the most profitable projects.

In February 2023, we had the pleasure of announcing a



major lease to the Riksbank in the project property Orgelpipan 4 on Klarabergsgatan in Stockholm. The property has undergone an extensive rebuilding and modernization both inside and out and thus regains its former glory. The agreement runs over six years, with occupancy expected at the end of 2023. In addition, there are plans for a restaurant and cafe at street level, which will further contribute to the positive development in the area.

Our two largest new construction projects are two high-quality buildings with a high environmental classification at attractive locations in Manhattan where the exterior is now completed and where internal tenant customization will continue during 2023. During the last quarter, leases were signed with WonderView Studios for approximately 770 sq.m. at the 1245 Broadway project. In early 2023, a lease was also signed with the marketing agency R/GA for approximately 1,600 sq.m. at the project property 28&7 for immediate occupation. The total annual lease value of all leases signed to date in the US amounts to around USD 11 million and the average rent amounts to the equivalent of just over SEK 11,000 per square metre. We are

continuing to see a recovery after the pandemic for new premium segment office buildings in New York and look forward to signing further leases in 2023.

To sum up, we have completed another year, a year affected by a swift rise in interest rates and increased prices with a financial market out of balance. However, despite the macroeconomic challenges, I am pleased about good earnings from property management and a core business that contributes fine flows to operations.

Together, we at Corem will continue to develop and optimize operations and the property portfolio with an unchanged focus on local management close to the customer. A big thank you to all staff for the past year!

Eva Landén, CEO
Stockholm, 21 February 2023



In February, a lease agreement was signed with Sveriges Riksbank in the property Orgelpipan 4, on Klarabergsgatan 33–35, in Stockholm.

Income, expenses and profit

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

INCOME

Income increased to SEK 1,185 million (1,097) during the fourth quarter and SEK 4,491 million (2,805) during the year. The increase is mainly attributable to the acquisition of Corem Kelly, which has been consolidated in Corem from 15 June 2021. During the quarter, SEK 61 million has been recorded as income for insurance compensation. Income for a comparable portfolio increased by 7 per cent during the year.

EXPENSES

Property costs amounted to SEK 485 million (430) during the quarter and SEK 1,558 million (911) during the year. Property costs for a comparable portfolio increased by 6 per cent during the year.

Central administration costs amounted to SEK 47 million (51) during the quarter and SEK 187 million (116) during the year.

EARNINGS

Net operating income amounted to SEK 700 million (667) during the quarter and SEK 2,933 million (1,894) during the year. The operating margin amounted to 59 per cent (61) during the quarter and 65 per cent (68) during the year. In a comparable portfolio, net operating income increased by 7 per cent during the year.

Profit from property management amounted to SEK 329 million (367) during the quarter and SEK 1,675 million (1,178) during the year.

The income statement line Profit residential development (net), included income, expenses as net financial items regarding residential development.

NET FINANCIAL ITEMS

Net financial items amounted to SEK –324 million (–249) during the quarter and SEK –1,071 million (–579) during the year. Financial income amounted to SEK 98 million (122) during the year, of which SEK 67 million (106) was dividends from shareholdings. During the year, financial expenses amounted to SEK 1,169 million (701) of which SEK 63 million (41) was site leasehold expenses (interest expense for lease liability).

During the corresponding quarter and period in 2021, net financial items for residential development, which is included in the income statement line *Earnings residential development*, amounted to SEK –1 million and SEK –10 million respectively.

At the end of the year, the average interest rate was 3.6 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 –862 million (3) during the year, which mainly refers to Corem's holding in the housing company Klövern.

CHANGES IN VALUE

Properties

The changes in value of Corem's investment properties amounted during the year to SEK –2,934 million (3,432), of which realized changes in value amounted to SEK –369 million. During the quarter changes in value amounted to –3,110 mkr, of which realized changes in value amounted to –9 mkr. See page 7 for further information.

On 28 April 2022, Corem, together with ALM Equity, established the unlisted company Klövern. A review of the acquisition values in the light of the development in the financial markets and rising inflation had an effect on Corem in the form of an adjustment of realized changes in value, linked to the divestment of SEK 361 million, which was reported as realized negative change in value in the interim reporting period to 30 June 2022.

Financial investments

Changes in value of financial assets totalled SEK –1,105 million (870) during the year and mainly refers to Corem's holdings in Castellum. The entire holding in Castellum has been sold in January 2023. See page 14 for further information.

Derivatives

Changes in value of derivatives amounted to SEK 1,375 million (256) during the year. The value of the derivatives is affected by changes in market interest rates.

GOODWILL

During the year, impairment of goodwill amounted to SEK –635 million (–21). The impairment refers to part of goodwill attributable to synergies which were identified in connection with the acquisition of Corem Kelly, which were considered to be realized through the establishment of the housing company Klövern. Impairment also refers to goodwill attributable to deferred tax, where impairment takes place in connection with unrealized change in value or divestment.

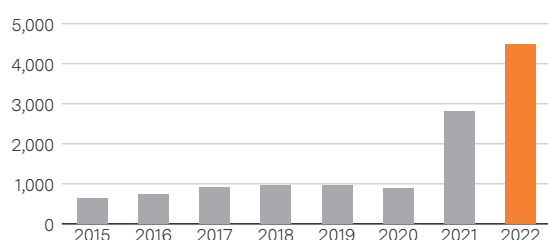
TAXES

During the year, deferred tax amounted to SEK 597 million (–1,147) and current tax to SEK –49 million (–40).

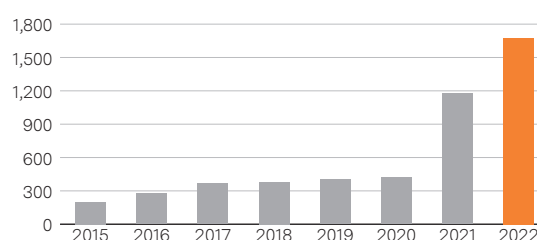
OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to SEK 942 million (295) during the period. The item mainly refers to translation differences.

INCOME, SEKm



PROFIT FROM PROPERTY MANAGEMENT, SEKm



The property portfolio

PROPERTY VALUE

On 31 December 2022, Corem's property portfolio consisted of 458 investment properties, with a total lettable area of 3,195 thousand sq.m. and a market value of SEK 78,387 million, as well as 1 property classified as current assets.

CHANGES IN VALUE

The changes in value of the investment properties amounted during the year to SEK -2,934 million (3,432), of which unrealized changes in value amounted to SEK -2,565 million and realized changes in value to SEK -369 million. During the fourth quarter yield requirements and more cautious assumptions regarding vacancies have had a negative contribution to changes in value. Project development, including development of building rights, contributed with changes in value of properties of SEK -507 million during the quarter and SEK 162 million during the year. On average, Corem's properties at 31 December 2022, have been valued at a assessed yield requirement of 5.2 per cent compared with 5.0 at the end of the third quarter and 5.1 at the turn of the previous year.

Corem values all properties every quarter, of which 20 to 30 per cent are normally valued externally. Every property in the portfolio is valued externally once a year. During the year, Colliers, Cushman & Wakefield, Newmark, 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 sensitivity analysis and a detailed description of the valuation principles.

PROPERTY TRANSACTIONS

Transactions during the quarter

In October, seven properties were divested in Borås, Lerum and Gothenburg for a total underlying property value of SEK 200 million. In October, a contract was also signed for sale of a site leasehold to a property in Stockholm for an underlying property value of SEK 125 million. Transfer of possession took place in November.

In November, a contract was signed on sale of a property in Malmö at an underlying property value of SEK 135 million. Transfer of possession took place in December.

In December, a contract was signed to divest four properties in Malmö, Burlöv, Nyköping and Kalmar for an underlying property value of SEK 125 million. Transfer of possession took place in December, respectively is planned for the first quarter of 2023.

In December contracts were signed to divest three properties in Partille and Norrköping for an underlying property value of SEK 116 million. Transfer of possession took place in December, respectively is planned for the first quarter of 2023.

Other transactions with transfer of possession in 2023

On 15 December, Corem signed a contract to divest a portfolio of 47 properties to Blackstone. The property portfolio consists of properties

located in Gothenburg, Jönköping, Malmö, Stockholm and Västerås. The total lettable area amounts to approximately 357,000 sq.m. and mainly consists of warehouse and logistics space. The underlying property value in the transaction amounts to approximately SEK 5,350 million. Transfer of possession of the portfolio is taking place in two stages, the first in mid-February 2023 and the second in mid-April 2023. The estimated effect on earnings of the transaction amounts to around SEK -360 million, after deduction of deferred tax, transaction expenses and agreed price discounts, as well as reversal of previously reported deferred tax. In December a contract was signed on divesting of four properties in Nyköping for a total underlying property value of SEK 168 million. Transfer of possession has taken place, respectively is planned to take place during the first quarter of 2023.

Transactions with the newly established Klövern AB

On 28 April 2022, Corem divested 25 properties to the housing company Klövern AB, that Corem established together with ALM Equity. The company's aim is to develop residential properties for in-house management. At a later stage, when a local plan for housing has been adopted, Corem will also divest residential building rights in Stockholm and Uppsala to Klövern. On 31 December 2022, Corem owned 49.4 per cent of Klövern, the holding being reported as shares in an associated company.

TENANTS AND THE LEASE PORTFOLIO

On 31 December 2022, Corem had approximately 4,000 tenants with approximately 7,000 lease contracts. At the same point in time, the annual contract value amounted to SEK 4,417 million (4,402), the rental value amounted to SEK 4,940 million (4,957) and the economic occupancy rate was 89 per cent (89). 42 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 4 million (98) during the fourth quarter and SEK -26 million (129) during the year. A major termination in Kista during the third quarter explains SEK -43 million of the annual net letting.

In all, lettings and negotiations amounted to SEK 154 million during the fourth quarter, and 501 during the year, where 55 per cent were new tenants and the remaining letting to existing tenants.

Major lettings

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

In New York, a 12-year lease has been signed with WonderView Studios for approximately 770 sq.m. Moving-in is planned to be in the summer of 2023.

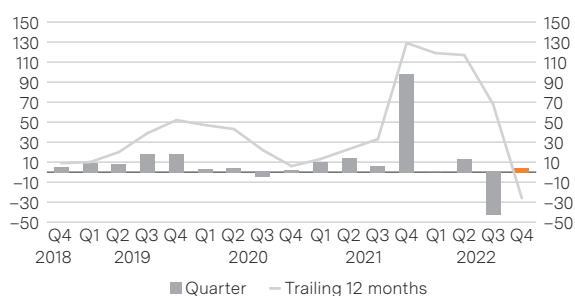
In Örebro, a 6-year lease has been signed with the County Administrative Board for 3,900 sq.m. in the second stage of the Örebro Entré project. Moving-in is planned to be in the second quarter of 2024.

INVESTMENT PROPERTIES: NUMBER, LETTABLE AREA, FAIR VALUE	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 (renamed to Corem Kelly)	—	—	—	61,557
Acquisitions	1	1,925	80	292
Investments in construction, extensions and refurbishment	—	23,939	2,903	1,771
Divestments	-34	-187,257	-2,329	-296
Divestments to the associated company Klövern AB	-25	-122,731	-4,374	—
Reclassification of Properties classified as current assets	—	—	—	1,930
Property regulation	-2	—	—	—
Changes in value, unrealised	—	—	-2,565	3,421
Currency conversion	—	—	1,588	407
Total at year-end	458	3,194,535	78,387	83,084

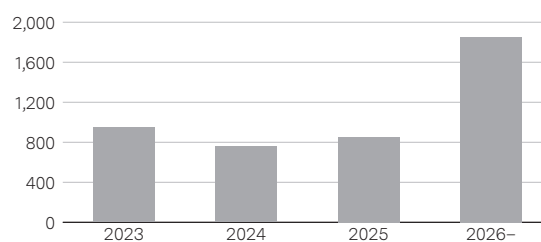
PROPERTY TRANSACTIONS, TRANSFER OF POSSESSION JANUARY–DECEMBER 2022

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	Isaffjord 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
Q3	Fläkten 11	Växjö	Växjö	Office	—	8,200
Q3	Fläkten 14	Växjö	Växjö	Warehouse/logistics	—	5,300
Q3	Fabriken 1	Växjö	Växjö	Education	—	7,521
Q3	Ulvö 8	Jönköping	Jönköping	Warehouse/logistics	—	5,985
Q3	Hedenstorp 1:99	Jönköping	Jönköping	Warehouse/logistics	—	4,033
Q3	Hedenstorp 2:41	Jönköping	Jönköping	Warehouse/logistics	—	10,583
Q4	Fjäders 3	Borås	Borås	Warehouse/logistics	—	914
Q4	Fjäders 4	Borås	Borås	Warehouse/logistics	—	5,569
Q4	Pantängen 19	Borås	Borås	Retail	—	1,763
Q4	Rotorn 1	Borås	Borås	Warehouse/logistics	—	9,766
Q4	Öslanda 1:255	Göteborg	Lerum	Other	—	4,801
Q4	Arendal 5:1	Göteborg	Göteborg	Office	—	2,344
Q4	Tingstadsvassen 30:2	Göteborg	Göteborg	Warehouse/logistics	—	2,738
Q4	Konsumenten 3	Stockholm	Stockholm	Warehouse/logistics	—	10,158
Q4	Kajan 37	Malmö	Malmö	Warehouse/logistics	—	14,506
Q4	Brädgården 3	Nyköping	Nyköping	Land	—	0
Q4	Sufflören 4	Malmö	Malmö	Office	—	5,313
Q4	Sunnanå 12:26	Burlöv	Burlöv	Land	—	0
Q4	Partille 4:2	Göteborg	Partille	Land	—	0
Q4	Partille 4:25	Göteborg	Partille	Retail	—	2,843
TOTAL SQ.M.					1,925	309,988

NET LETTING, SEKm



CONTRACT STRUCTURE, SEKm



During the year, Corem completed a new building in Halmstad. The Swedish Social Insurance System, Försäkringskassan, rents about 2,300 sq.m. of the total 2,800 sq.m. lettable area. FirstOffice, Corem's own concept for coworking space, resides on the ground floor.

PROJECT DEVELOPMENT

Project activity makes it possible to meet the 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 year, a number of projects have been completed, among these are the property Backa 25:6 in Gothenburg for tenant Tesla, the property Idéläran 1 in Linköping for SFI and part of the property Halmstad 2:28 for Försäkringskassan.

During 2022, SEK 2,903 million (1,771) has been invested in the property portfolio for new construction, extension and refurbishments, SEK 944 million of which has been invested in the fourth quarter. As at 31 December 2022, the remaining investment volume of all projects in process amounted to SEK 1,544 million. At the same point in time, in total 12 projects with an estimated investment each ex-

ceeding SEK 50 million were in process. The total area-based occupancy rate of these projects, which encompass 86,230 sq.m., with a remaining investment of SEK 1,117 million, amounts to 62 per cent. Project development, including development of building rights, contributed to changes in value of properties of SEK -507 million during the fourth quarter and of SEK 162 million during the whole of 2022.

Commercial projects in Sweden

Corem has a large portfolio of commercial projects in process. Several of them are within the framework of Corem's major urban development projects, among others in Uppsala, Västerås, Kista and Söderstaden in Stockholm.

In Västerås, large projects are in process in two of the central retail properties, among others. At the retail property Punkt, the facade is being opened up towards the railway station and the interior is being upgraded with new escalators and energy efficient components. Ten-

ant customizations are in process, for, among others, Coop and Systembolaget, which in 2022 have agreed long lease contracts, with moving in during 2023. In the adjacent Gallerian, Region Västmanland's largest health centre and Apoteket, is moving in during 2023.

In central Stockholm, refurbishment and modernization of the property Orgelpipan 4 on Klarabergsgatan is in process. During 2023 a 6-year contract was signed with Sveriges Riksbank with planned moving in during 2023. At Uppsala Business Park, construction is in process of a new advanced laboratory building, Research Hub, intended for small and medium-sized research companies.

In Arlandastad, a new warehouse has been constructed for Statens Försvarshistoriska Muséer that moved in during the first quarter of 2023.

Commercial projects in New York

Corem owns four project properties in Manhattan in New York. Two projects, new production of two high quality office buildings, are nearing completion. The projects are named 1245 Broadway and 28&7 and both have now reached exterior completion while letting work and interior tenant customization are in process.

During the fourth quarter, the first tenant at 28&7, Mavik Capital, moved into 600 sq.m. of the top floor on a 5-year lease. Earlier in the year, Avalanche Studios Group moved in at 1245 Broadway and A24 Films took possession of its five floors at the same property where tenant customization is in process.

During the year, several new lease contracts have been signed at 1245 Broadway, including a 12-year lease with 101 Studios for approximately 770 sq.m. of office space and a 5-year lease contract with GumGum, a US digital marketing company, for approximately 555 sq.m. of office space. Moving-in is planned to take place in the spring and summer of 2023 respectively. In November, a further lease contract was signed, a 12-year lease with WonderView Studios for approximately 770 sq.m. of office space with moving in planned to take

place during the summer of 2023. In early January 2023, a lease contract was also signed for approximately 1,600 sq.m. in 28&7 with the advertising agency R/GA which took possession of its premises in the same week.

On 31 December, a total of six lease contracts had been signed corresponding to 47 per cent of the lettable area in 1245 Broadway and 7 per cent of the space in 28&7. Including letting to R/GA in early January, the economic occupancy rate is now 44 per cent at 1245 Broadway and 24 per cent at 28&7. The total contract value for the leases signed in New York amounted as at 21 February 2023 to USD 11.2 million, corresponding approximately to SEK 115 million or just over SEK 11,000/sq.m. 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.

For the properties 1245 Broadway and 118 10th Avenue, there are land lease agreements in which right-of-use assets and lease liabilities are recorded on the balance sheet.

Residential development projects

Even after the establishment of Klövern (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, for example, in Västerås and Söderstaden, where housing is an important part of urban development.

Currently, Corem has one ongoing residential project, K1 Nacka Strand, which comprises of 60 apartments. The project is divided into sale phases and 49 of the 54 apartments that have been offered to the market have been sold. Sales of the remaining 6 apartments not started yet. Moving-in is planned to be in the fourth quarter of 2023.

COREM'S LARGEST CONSTRUCTION-STARTED COMMERCIAL PROJECTS IN PROCESS

City	Property	Description	Let area, sq.m.	Project area, sq.m.	Estimated investment, SEKm	Remaining investment, SEKm	Rental value, SEKm	Completion, year/quarter
New York ¹	1245 Broadway	New construction, office premises	8,005	17,115	1,676	441	211	23Q4
New York ^{1,2}	28&7	New construction, office premises	2,200	9,095	892	145	100	23Q4
Stockholm ²	Orgelpipan 4	Refurbishment, office premises	3,518	4,244	337	101	34	23Q4
Uppsala	Fyrislund 6:6	New construction, offices and laboratory	0	3,097	158	45	11	23Q3
Västerås	Loke 24	Refurbishment of building, tenant customization for health center	4,419	6,799	157	40	11	23Q3
Stockholm	Nattskiftet 12 & 14	New construction, garage and refurbishment, office premises	7,425	8,168	151	36	6	23Q4
Stockholm	Sicklaön 356:1	Refurbishment for Bilja	10,942	10,942	148	92	11	24Q1
Örebro	Olaus Petri 3:234	Refurbishment and extension and office premises for Trafikverket and Länsstyrelsen. Phase 2	6,508	10,200	187	113	17	24Q2
Västerås	Mats 5	Refurbishment of building	3,529	3,985	131	74	8	23Q3
Norrköping	Stålet 3	New construction for Bravida	3,295	3,295	84	3	5	23Q1
Västerås	Gustavsvik	Refurbishment, office/gym premises. Updating of technology	5,358	5,358	70	15	7	23Q2
Borås	Skruven 3	New construction for Dagab and logistics premises	2,531	3,936	68	13	5	23Q1
TOTAL			57,730	86,234	4,059	1,117	426	

1) Estimated and remaining investment of projects in New York are based on the SEK/USD-rate on 31 December 2022.

2) Including new lease contracts signed after the end of the period.

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.	Project start, year	Expected to be completed, year
Stockholm	Nacka	K1 Nacka Strand	60	49	82	5,000	3,700	2021	2023
TOTAL			60	49	82	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 third quarter of 2023.



28&7, New York

Ongoing project. Estimated to be completed by the end of 2023.



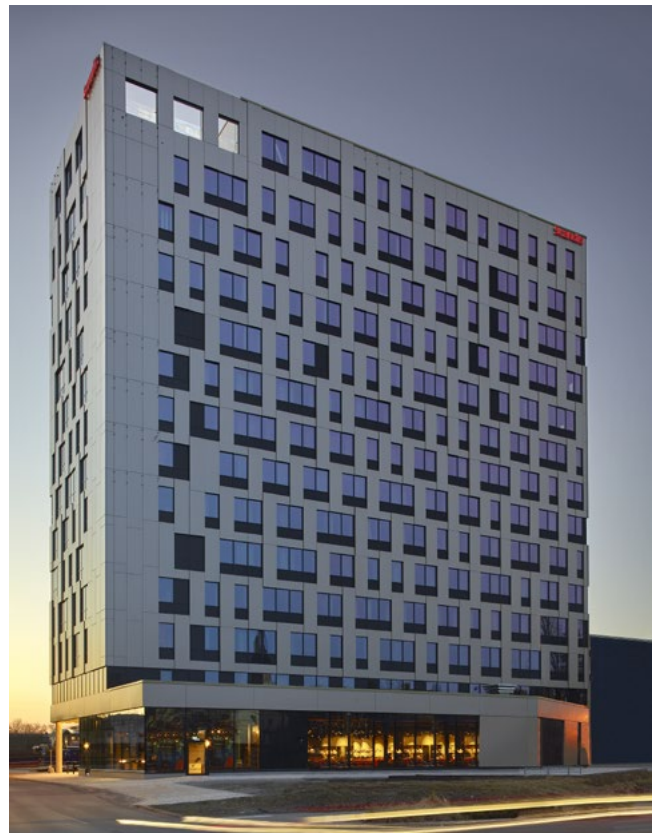
Sicklaön 356:1, Stockholm

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



Loke 24, Västerås

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



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 second quarter of 2024.



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.



Orgelpipan 4, Stockholm

Ongoing project under the name Klarabergsgatan. Estimated to be completed during the fourth 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 and 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

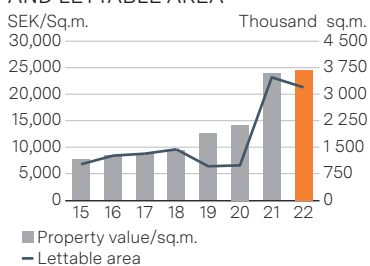
	Income, SEKm		Property costs, SEKm		Net operating income, SEKm		Operating margin, %		Investments, SEKm	
	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec
Region Stockholm	1,774	927	-735	-390	1,039	537	59	58	967	433
Region Stockholm Logistics	611	570	-183	-167	428	402	70	71	352	196
Region East	896	534	-302	-159	594	376	66	70	477	241
Region West	855	611	-288	-188	567	423	66	69	394	306
International - Copenhagen	298	163	-24	-6	274	158	92	96	23	96
International - New York	57	—	-26	-1	31	-1	54	—	690	499
Total	4,491	2,805	-1,558	-911	2,933	1,894	65	68	2,903	1,771
Investment portfolio	4,264	2,620	-1,420	-823	2,844	1,797	67	69	1,587	1,075
Development portfolio	227	185	-138	-88	89	97	39	53	1,316	696
Total	4,491	2,805	-1,558	-911	2,933	1,894	65	68	2,903	1,771

KEY FIGURES PER GEOGRAPHIC AREA

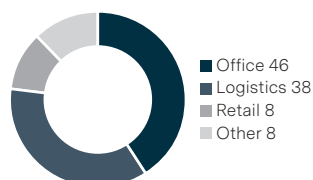
	No. of properties		Fair value, SEKm		Rental value, SEKm		Economic occupancy rate, %		Lettable area, 000 sq.m.	
	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec
Region Stockholm	111	127	30,686	34,821	2,062	2,106	86	85	1,021	1,128
Region Stockholm Logistics	90	95	8,591	9,052	628	616	96	95	462	476
Region East	118	140	11,931	12,653	929	944	91	90	767	863
Region West	125	141	12,150	13,173	948	1,010	89	89	780	851
International - Copenhagen	10	10	7,942	7,361	301	280	95	97	158	161
International - New York ¹	4	5	7,087	6,024	72	—	100	—	7	—
Total	458	518	78,387	83,084	4,940	4,956	89	89	3,195	3,479
Investment portfolio	419	448	66,732	68,854	4,595	4,657	91	90	2,985	3,194
Development portfolio	39	70	11,655	14,230	345	300	70	73	210	284
Total	458	518	78,387	83,084	4,940	4,957	89	89	3,195	3,479

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

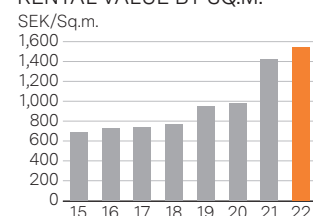
PROPERTY VALUE BY SQ.M. AND LETTABLE AREA



LETTABLE AREA BY TYPE, %



RENTAL VALUE BY SQ.M.



Financing

INTEREST-BEARING LIABILITIES

On 31 December 2022, the interest-bearing liabilities amounted to SEK 47,644 million (46,738). Accrued borrowing overheads amounted to SEK 171 million (174), meaning interest-bearing liabilities in the balance sheet of SEK 47,473 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, amounting to SEK 350 million (2,322) and SEK 11,418 million respectively (11,558) at year-end. Corem's commercial paper programme has a framework amount of SEK 5,000 million. Outstanding commercial paper has back-ups in the form of unutilized credit facilities in Nordic banks.

The average period of tied-up capital amounted to 3.3 years (3.8). The loan-to-value ratio amounted to 57 per cent (53).

INTEREST-BEARING NET LIABILITIES SEKm

	2022 31 dec	2021 31 dec
Interest-bearing liabilities	47,473	46,564
Adjustment, accrued borrowing overheads	171	174
Interest-bearing assets	-122	-86
Shareholdings	-1,104	-2,263
Cash and cash equivalents	-979	-571
Interest-bearing net liability	45,439	43,818

Bonds

At year-end, 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 amounting to SEK 10,000 million, where SEK 5,550 million has been issued.

INTEREST MATURITY STRUCTURE

On 31 December 2022, the average interest of the loan portfolio was 3.6 per cent (2.4).

To limit the interest rate risk, there are interest rate swaps and interest rate caps. At the end of the quarter, Corem had interest rate swaps for a nominal value of SEK 22,790 million (8,890), of which SEK 5,000 million in forward started swaps, and interest rate caps for SEK 9,679 million (23,539). Excluding forward-started swaps, this corresponds to 58 per cent of the interest-bearing liabilities. Together with fixed interest loans, this means that 59 per cent of the interest-bearing liabilities were hedged. The swaps had interest rate levels in the range of -0.4-3.7 per cent while the caps have interest rate levels in the range of 1.5-3.0 per cent. As of 31 December 2022, the net market value of the interest rate derivative portfolio was SEK 1,290 million (-86). Change in value of derivatives amounted to SEK -83 million (79) during the quarter.

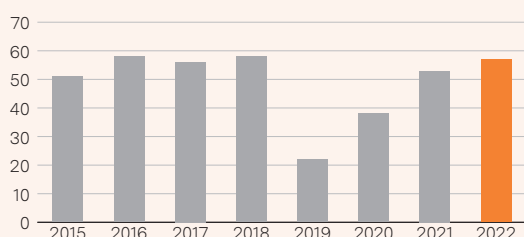
The average fixed interest period amounted at year-end to 1.9 years (2.6) taking derivatives into account. The interest coverage ratio amounted to 2.5 (2.7) during the year.

LIQUID FUNDS

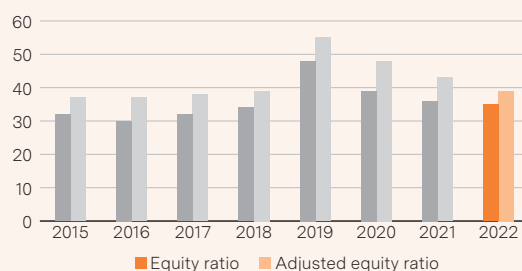
On 31 December 2022, liquid funds amounted to SEK 979 million (571). From the fourth quarter of 2022, restricted cash of SEK 668 million has been included in Cash and cash equivalents in accordance with IFRS IC clarification that assets in blocked accounts, due to a contract having been entered into with a third party not to use deposited funds other than for particular purposes, are considered as cash and cash equivalents.

In addition, there were unutilized credit facilities, including back-up facilities for outstanding commercial paper, of SEK 2,877 million, SEK 1,616 million can be used immediately with existing collateral. The remaining amount can be used for acquisition of shares and proper-

LOAN TO VALUE, %



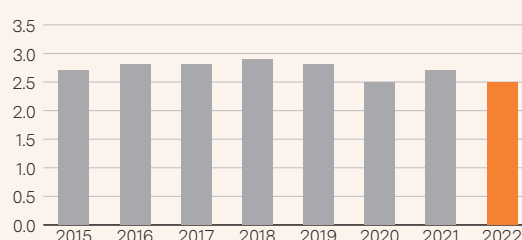
EQUITY RATIO AND ADJUSTED EQUITY RATIO, %



AVERAGE INTEREST RATE, %



INTEREST COVERAGE RATIO



ties as well as to some extent financing ongoing projects. Interest-bearing net liabilities amounted to SEK 45,439 million (43,818).

EQUITY

At year-end, the Group's equity, attributable to the parent company's shareholders, amounted to SEK 31,268 million (33,342) of which SEK 1,300 million refers to hybrid bonds. Equity amounted to SEK 22.17 (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 26.42 (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 year-end, the adjusted equity ratio was 39 per cent (43) and the equity ratio was 34 per cent (36).

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

SHAREHOLDINGS

Since 2019, Corem has owned shares in the real estate company Castellum, listed on Nasdaq Stockholm. On 31 December 2022, the holding amounted to 8,708,028 shares. The market value amounted at the same time to SEK 1,099 million, based on a price of SEK 126.25 per share. The acquisition value amounted to SEK 193.25 per share. In January 2023, Corem sold the whole of its holding in Castellum, totalling 8.7 million shares, and the holding was accordingly reclassified and reported as Current investments. Result effect of SEK 90 million from the sale will be reported in quarter 1 2023.

Corem also owns 639,425 shares in Everysport Media Group

which is listed on Spotlight Stock Market. On 31 December 2022, the market value amounted to SEK 5 million.

See also risk section in Corem's annual report for 2021.

CASH FLOW

The Group's cash flow from operating activities, before change in working capital, amounted during the year to SEK 1,698 million (1,149).

Cash flow from investing activities amounted to SEK -1,294 million (-954) and cash flow from financing activities to SEK -583 million (317).



Staff at Corem's property Mejramen 1 in Mölndal.

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 *	29,028	—	—	—	—
2023	105	19,107	16,880	2,934	2,227
2024	5,630	11,491	11,491	5,784	—
2025	4,490	10,667	10,167	2,700	500
2026	—	1,570	1,420	—	150
2027	—	341	341	—	—
Later	8,390	7,344	7,344	—	—
Total	47,644	50,521	47,644	11,418	2,877

*SEK 9,679 million of Floating volume is covered by interest-rate caps.

BOND OVERVIEW*

Type	Issued	Maturity	Outstanding volume, SEKm	Issue spread over 3-month Stibor, %
Unsecured	Feb 2020	Feb 2023	484	2.50
Unsecured	Jun 2019	Jun 2023	700	4.25
Unsecured MTN 203	Mar 2021	Sep 2023	850	2.40
Green unsecured	May 2021	Nov 2023	900	2.50
Green unsecured MTN 201	Oct 2020	Apr 2024	2,000	3.25
Green unsecured	Oct 2020	Apr 2024	1,434	3.50
Green unsecured	Jan 2022	Oct 2024	2,350	2.75
Green unsecured MTN 202	Feb 2021	Feb 2025	2,500	3.25
Unsecured MTN 204	Mar 2021	Sep 2025	200	3.50

*Bonds issued by Corem Property Group and Klövern (renamed to Corem Kelly during 2022).

The share and shareholders

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

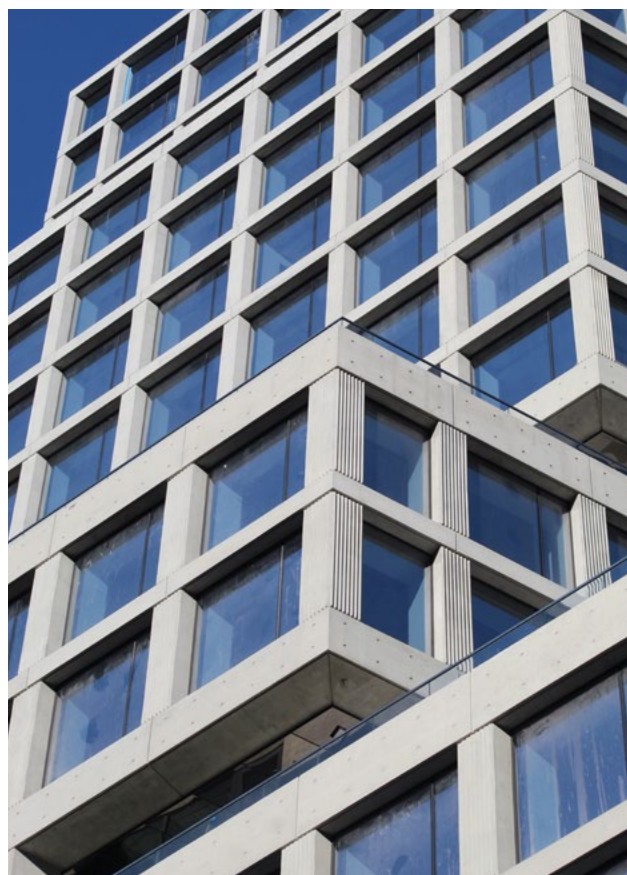
On 31 December 2022, Corem had a total of 1,137,283,281 shares, of which 93,730,797 were ordinary shares of Class A, 1,023,591,380 ordinary shares of Class B, 7,545,809 ordinary shares of Class D and 12,415,295 preference shares. An ordinary share of Class A entitles the holder to one vote, while an 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 fourth quarter, Corem did not repurchase any own shares. As at 31 December 2022, Corem held a total of 2,913,825 repurchased shares of Class A, 35,691,000 repurchased ordinary shares of Class B and 42,000 repurchased ordinary shares of Class D. The total market value amounted at the same time to SEK 337 million. The shares were repurchased at an average price of SEK 8.80 per ordinary share of Class A, SEK 19.06 per ordinary share of Class B and SEK 297.85 per ordinary share of Class D.

CONVERSION OF ORDINARY SHARES OF CLASS A

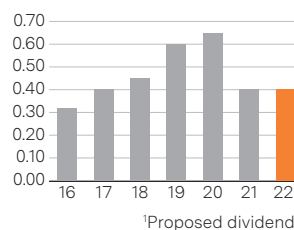
During February and August of each year, owners of class A ordinary shares have the right to request that the share be converted into ordinary shares of class B. In February 2022, shareholders requested the conversion of a total of 111,812 ordinary shares of class A, which during March 2022 were converted into ordinary shares of class B. No request for conversion of shares was received during August 2022.



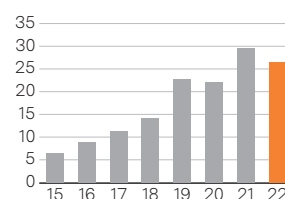
1245 Broadway, New York.

SHARE FACTS, 31 DECEMBER 2022	
Market capitalisation	SEK 13.5 bn
Market place	Nasdaq Stockholm, Large Cap
LEI no.	213800CHXQQD7TSS1T59
No. of shareholders	47,935
Ordinary share, Class A	
No. of shares	93,730,797
Closing price	10.45 kr
ISIN	SE0010714279
Ordinary share Class B	
No. of shares	1,023,591,380
Closing price	8.39 kr
ISIN	SE0010714287
Ordinary share Class D	
No. of shares	7,545,809
Closing price	170.60 kr
ISIN	SE0015961594
Preference share	
No. of shares	12,415,295
Closing price	211.50 kr
ISIN	SE0010714311

DIVIDEND PER ORDINARY SHARE A/B, SEK



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



LARGEST SHAREHOLDERS — 31 DECEMBER 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, %
Rutger Arnhult via companies	35,709	381,359	3,242	—	36.96	38.71
Gårdarike	39,490	106,463	57	26	12.84	26.17
Handelsbanken fonder	—	57,688	70	—	5.08	3.01
Länsförsäkringar fondförvaltning	—	47,801	21	—	4.20	2.50
State Street Bank & Trust Co	—	47,646	21	67	4.20	2.49
JP Morgan Chase Bank N.A.	—	26,452	—	237	2.35	1.39
Swedbank Robur fonder	1,593	9,750	—	—	1.00	1.34
CBNY Norges Bank	153	19,197	84	101	1.72	1.09
Prior & Nilsson	—	15,283	—	—	1.34	0.80
Fredrik Rapp privat och via bolag	750	7,500	—	—	0.73	0.78
Försäkringsaktiebolaget, Avanza Pension	223	10,386	319	827	1.03	0.72
Livförsäkringsbolaget Skandia, Ömsesidigt	627	6,858	—	0	0.66	0.68
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	5,091	—	—	0.48	0.48
Other shareholders	10,191	240,714	3,613	11,157	23.36	18.65
TOTAL OUTSTANDING SHARES	90,817	987,900	7,504	12,415	96.60	100.00
Repurchased own shares ¹⁾	2,914	35,691	42	—	3.40	
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 carrying amounts. The same applies to the Parent Company with the exception of the holding in Castellum where fair values are those reported for the Group. No changes of the categorization of financial instruments have taken place during the period. Financial assets are valued at fair value in accordance with Level 1 of the valuation hierarchy. Derivatives are valued in accordance with Level 2 of the valuation hierarchy. As of the fourth quarter, parts of blocked funds have been classified as liquid funds. The classification is made in accordance with IFRS IC clarification that balances that are tracked on a bank account, due to an agreement being entered into with a third party not to use deposited funds other than for a specific purpose, are considered liquid funds. Apart from that, no new or changed standards or interpretations from the IASB have had any material impact on the interim report and the accounting policies applied are those described in Note 1 of Corem's Annual Report för 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 long-term sustainability goals include among others:

- By 2030, all energy used in Corem's operations must be fossil-free.
- By 2035, Corem will be climate-neutral throughout the value chain.
- The share of green and sustainability-related financing as well as green income shall in the long term constitute as large a share as possible.
- The overall goal is to ensure an attractive property portfolio which creates long-term sustainable value without a negative impact on people or the environment.

EMPLOYEES

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

On 31 December 2022, the Corem group had 336 employees. 46 per cent of the employees were women.

RISKS

Corem works according to a continuous process to identify significant risks that 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.

See Corem's Annual Report 2021 for more information.

DISPUTES

Corem has no ongoing disputes which can have a significant impact.

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 57 million during the year. Wästbygg is controlled by the main owner Rutger Arnhult. The Corem group also have had a lease contract with Wästbygg, that was ended during 2022, 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 Walthon Advokater in which the Chairman of the Board Patrik Essehörn is a partner, to an amount of SEK 13 million.

COREM KELLY

Corem Kelly AB (publ), in May 2022 renamed from Klöver AB (publ) after a decision at the annual general meeting in April, has been consolidated in Corem since 15 June 2021. The redemption process of the remaining shares in Corem Kelly has been completed. The arbitration award, which was announced on 7 June 2022, has attained legal force and a total redemption amount of SEK 456 million was paid on 6 September 2022.

ANNUAL GENERAL MEETING 2023

The annual general meeting of Corem Property Group AB (publ) will be held on 28 April 2023.

DIVIDEND

The Board propose a dividend of SEK 0.40 (0.40) per ordinary share of Class A and B, and SEK 20.00 per ordinary share of Class D and preference share.

It is proposed that the dividend for the ordinary shares of Class A and Class B be paid on four occasions, each of SEK 0.10 while it is proposed that the dividend for ordinary shares of Class D and preference shares be paid in four instalments, each of SEK 5.00. It is proposed that the record days for dividend on ordinary shares of Class A, B, D and preference shares be the last banking day in the respective calendar quarter with the expected payment three banking days thereafter.

EVENTS AFTER THE END OF THE PERIOD

In January, a lease contract was signed with R/GA in New York. The tenant moved into Corem's project property 28&7 in January 2023. The period of tenancy is five years.

In January, a contract for divestment of the property 1 kh Rudegård Ny Holte was signed at an underlying property value corresponding to SEK 106 million, which is in line with book value. Transfer of possession took place on 10 February 2023.

In January 2023, Corem divested the whole of its holding in Castellum, consisting of 8.7 million shares.

In February, Corem announced that outstanding bonds of SEK 484 million at maturity 27 February will not be refinanced.

In February, a 6-year lease agreement was signed with Sveriges Riksbank regarding office space in the property Orgelpipan 4, in Stockholm.

The Board 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, 21 February 2023

Corem Property Group AB (publ)

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

This report has not been reviewed by the company's auditors.



Corem is now completing construction of a completely new building for its tenant Bravida in Norrköping. The total lettable area is approximately 3,300 sq.m. The tenant has signed a 10-year lease, taking possession in the first quarter of 2023. Photo: Sofia Andersson, FotograFia.

The Consolidated Income Statement *in brief*

SEKm	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Income	1,185	1,097	4,491	2,805
Property costs	-485	-430	-1,558	-911
Net operating income	700	667	2,933	1,894
Central administration	-47	-51	-187	-116
Acquisition costs	—	—	—	-21
Net financial items	-324	-249	-1,071	-579
Profit from property management	329	367	1,675	1,178
Earnings, residential development	—	1	—	-36
Net profit, residential development	—	1	—	-36
Share of earnings in associated companies	-723	0	-862	3
Value changes, properties	-3,110	1,918	-2,934	3,432
Value changes, financial assets	-14	265	-1,105	870
Value changes, derivatives	-83	79	1,375	256
Impairment, goodwill	-247	-21	-635	-21
Profit before tax	-3,848	2,609	-2,486	5,682
Tax	305	-639	548	-1,187
Net profit for the period	-3,543	1,970	-1,938	4,495
<i>Net profit for the year attributable to:</i>				
Parent Company shareholders	-3,513	1,895	-1,948	4,408
Holdings without controlling influence	-30	75	10	87
	-3,543	1,970	-1,938	4,495

Consolidated Report of Comprehensive Income *in brief*

SEKm	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Net profit for the year	-3,543	1,970	-1,938	4,495
Other comprehensive income				
Translation difference for international operations	-275	139	942	295
Other comprehensive income after tax	-275	139	942	295
NET COMPREHENSIVE INCOME FOR THE YEAR	-3,818	2,109	-996	4,790
<i>Net comprehensive income attributable to:</i>				
Parent Company shareholders	-3,788	2,032	-1,016	4,699
Holdings without controlling influence	-30	77	20	91
	-3,818	2,109	-996	4,790
Earnings per share				
Earnings per ordinary share of Class A and B, SEK	-3.37	1.64	-2.25	5.52
No. of outstanding shares, thousands				
Ordinary shares A and B, at the end of period	1,078,717	1,084,778	1,078,717	1,084,778
Ordinary shares A and B, average number	1,078,717	1,084,778	1,081,271	740,815
Ordinary shares D, at end of period	7,504	7,546	7,504	7,546
Preference shares, at end of period	12,415	12,415	12,415	12,415

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

Consolidated Balance Sheet *in brief*

SEKm	2022 31 Dec	2021 31 Dec
ASSETS		
Non-current assets		
Goodwill	2,374	3,059
Investment properties	78,387	83,084
Right-of-use assets	1,623	1,000
Shares in associated companies	3,415	472
Financial assets valued at fair value	5	2,263
Derivatives	1,312	251
Other non-current assets	232	153
Total non-current assets	87,348	90,282
Current assets		
Properties classified as current assets	206	63
Current assets	1,099	—
Other current assets	1,230	1,320
Cash and cash equivalents	979	571
Total current assets	3,514	1,954
TOTAL ASSETS	90,862	92,236
EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders	31,268	33,342
Equity attributable to holdings without controlling influence	43	596
Total shareholders' equity	31,311	33,938
Long-term liabilities		
Interest-bearing liabilities	32,745	32,016
Leasing liabilities	1,623	1,000
Deferred tax liability	7,562	8,127
Derivatives	22	337
Other liabilities	43	67
Total long-term liabilities	41,995	41,547
Current liabilities		
Interest-bearing liabilities	14,728	14,548
Other liabilities	2,828	2,203
Total current liabilities	17,556	16,751
Total liabilities	59,551	58,298
TOTAL EQUITY AND LIABILITIES	90,862	92,236

Consolidated statement of cash flow *in brief*

SEKm	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Operating activities				
Net operating income, including residential development	700	668	2 933	1,858
Central administration including acquisition costs	-47	-51	-187	-137
Depreciation, etc.	6	-18	26	0
Interest received, dividend etc.	20	1	59	110
Interest paid, etc.	-289	-238	-1,057	-638
Interest expense, lease contracts attributable to site leasehold contracts	-16	-18	-63	-41
Income tax paid	-3	-2	-13	-3
Cash flow from operating activities before changes in working capital	371	342	1,698	1,149
Change in properties classified as current assets	-52	-179	-143	-189
Change in current receivables	70	-94	138	-16
Change in current liabilities	702	319	539	246
Cash flow from operating activities	1,091	388	2,232	1,190
Investing activities				
Investments in new constructions, extensions and refurbishment	-944	-923	-2,903	-1,771
Acquisition of investment properties	—	—	-80	-292
Divestment of investment properties	587	159	2,273	263
Acquired cash and cash equivalents, business combinations	—	—	—	870
Acquired long-term shareholdings	—	—	—	-249
Divestment of shareholdings	22	—	22	—
Received cash and cash equivalents, partial divestment group co:s	—	—	8	—
Acquisition holdings without controlling influence	—	—	-575	—
Change in other non-current assets	-11	194	-39	225
Cash flow from investing activities	-346	-570	-1,294	-954
Financing activities				
Dividend paid to parent company shareholders	-208	-106	-627	-468
Hybrid bonds, interest	-25	-19	-87	-39
Repurchase of own shares	—	—	-121	—
Issue costs	—	—	—	-23
Loans raised	757	1,425	14,077	6,834
Amortised loans	-664	-1,191	-13,825	-5,987
Cash flow from financing activities	-140	109	-583	317
Cash flow for the period	605	-73	355	553
Cash and cash equivalents at beginning of period	374	648	571	15
Exchange rate difference in cash and cash equivalents	0	-4	53	3
Cash and cash equivalents at end of period	979	571	979	571

Consolidated change in equity *in brief*

SEKm	Parent Company shareholders	Holdings without controlling influence	Total
Opening equity, 01.01.2022	33,342	596	33,938
Comprehensive income for the period	2,772	50	2,822
Repurchase of own shares	-121	—	-121
Dividend to shareholders	-834	—	-834
Hybrid bonds	-62	—	-62
Change in holding without controlling influence	-16	-573	-589
Equity, 30.09.2022	35,081	73	35,154
Comprehensive income for the period	-3,788	-30	-3,818
Hybrid bonds	-25	—	-25
Change in holding without controlling influence	0	—	0
Equity, 31.12.2022	31,268	43	31,311

Parent Company Income Statement *in brief*

SEKm	2022 12 months Jan–Dec	2021 12 months Jan–Dec
Net sales	559	98
Cost of services sold	–372	–61
Gross profit	187	37
Central administration	–187	–43
Operating profit	0	–6
Earnings from shares in group companies	781	810
Earnings from shares in current assets	–426	106
Interest income and similar income statement items	200	69
Interest expense and similar income statement items	–466	–109
Net financial items	89	870
Group contributions received	117	—
Profit before tax	206	870
Tax	–6	–9
Net Profit for the period	200	861

Parent Company Balance Sheet *in brief*

SEKm	2022 31 Dec	2021 31 Dec
ASSETS		
Other intangible non-current assets	4	3
Machinery and equipment	8	0
Shares in group companies	22,686	22,188
Other financial non-current assets	—	1,706
Receivables from group companies	7,554	3,906
Deferred tax receivable	—	6
Current assets	1,190	—
Other current receivables	47	9
Cash and cash equivalents	54	28
TOTAL ASSETS	31,543	27,846
EQUITY AND LIABILITIES		
Equity	22,965	23,717
Interest-bearing liabilities	7,981	3,882
Non-interest-bearing liabilities	597	247
TOTAL EQUITY AND LIABILITIES	31,543	27,846

Key figures

	2022 3 months Oct–Dec	2021 3 months Oct–Dec	2022 12 months Jan–Dec	2021 12 months Jan–Dec	2020 12 months Jan–Dec
Property-related					
Fair value of investment properties, SEKm	78,387	83,084	78,387	83,084	14,002
Yield requirement, valuation, %	5.2	5.1	5.2	5.1	5.5
Rental value, SEKm	4,940	4,957	4,940	4,957	970
Lettable area, sq.m.	3,194,535	3,478,659	3,194,535	3,478,659	985,887
Economic occupancy rate, %	89	89	89	89	93
Area-based occupancy rate, %	83	83	83	83	91
Operating margin, %	59	61	65	68	75
No. of investment properties	458	518	458	518	167
Average remaining lease contract period, years	3.9	3.7	3.9	3.7	4.4
Financial					
Return on equity, %	–42.4	23.4	–6.0	21.7	–1.4
Adjusted equity ratio, %	39	43	39	43	48
Equity ratio, %	34	36	34	36	39
Interest-bearing net liability, SEKm	45,439	43,818	45,439	43,818	5,258
Loan-to-value ratio, %	57	53	57	53	38
Loan-to-value ratio, properties, %	45	38	45	38	46
Interest coverage ratio	2.0	2.5	2.5	2.7	2.5
Average interest rate, %	3.6	2.4	3.6	2.4	2.7
Average period of fixed interest, years	1.9	2.6	1.9	2.6	2.7
Average period of tied-up capital, years	3.3	3.8	3.3	3.8	1.9
Share-related					
Profit from property management per ordinary share A and B, SEK	0.19	0.23	1.10	1.16	1.01
Earnings per ordinary share, A and B, SEK	–3.37	1.64	–2.25	5.52	–0.52
Net asset value (NAV) per ordinary share A and B, SEK	26.42	29.60	26.42	29.60	22.22
Equity per ordinary share A and B, SEK	22.17	23.94	22.17	23.94	18.56
Equity per ordinary share D, SEK	289.59	289.59	289.59	289.59	—
Equity per preference share, SEK	312.72	312.72	312.72	312.72	251.67
Dividend per ordinary share, A and B, SEK	—	—	0.40 ¹	0.40	0.65
Dividend per ordinary share D, SEK	—	—	20.00 ¹	20.00	20.00
Dividend per preference share, SEK	—	—	20.00 ¹	20.00	20.00
Share price ordinary share A, SEK	10.45	32.60	10.45	32.60	18.80
Share price ordinary share B, SEK	8.39	32.65	8.39	32.65	18.80
Share price ordinary share D, SEK	170.60	316.00	170.60	316.00	—
Share price preference share, SEK	211.50	324.00	211.50	324.00	320.00
No. of shares, thousands					
Number of outstanding ordinary shares A and B	1,078,717	1,084,778	1,078,717	1,084,778	343,195
Average number of outstanding ordinary shares A and B	1,078,717	1,084,778	1,081,271	740,815	343,429
Number of outstanding ordinary shares D	7,504	7,546	7,504	7,546	—
Number of outstanding preference shares	12,415	12,415	12,415	12,415	3,600

1) Proposed dividend.

Definitions

A number of financial key ratios and measures are presented in the report which are not defined according to IFRS. Corem considers that these key ratios and measures provide valuable supplementary information to investors and the company management when analysing the company's business activities. As not all companies calculate financial key ratios and measures in the same way, these are not always comparable. Definitions of selected key ratios and measures are presented below. The definitions are also shown on Corem's website (<https://www.corem.se/en/investor-relations/definitions-en/>). 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 After having divested properties to the associated company Klöver, the definition of the key figure was changed in connection with the interim report for the period January–June 2022 in order to better reflect the operations. Historical figures have been adjusted in line with the new definition without any effect on the reported key figures for the comparable periods.

Calendar

FINANCIAL REPORTS

Annual report and Sustainability report 2022	Week 13, 2023
Interim report, January–March 2023	28 April 2023
Annual General Meeting 2023	28 April 2023
Interim report, January–June 2023	14 July 2023
Interim report, January–September 2023	26 October 2023

RECORD DATES AND DIVIDEND PAYMENT DATES

Record date for dividend to holders of ordinary shares of Class A, B, D and preference shares	31 March 2023
Expected date for payment of 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*.