

PRESS RELEASE 2021-07-19

Interim report January – June 2021

"The first half of 2021 has been very active for Corem. Following a successful takeover bid to Klöverns shareholders, it is now clear that Corem and Klöverns will merge to jointly create a leading commercial Nordic real estate company with a focus on growth regions. We also report our best six months so far from our property management. Net letting during the period remained positive, amounting to SEK 24 million for the period, and profit from property management increased by 40 percent compared with the corresponding period last year. Our net asset value (NAV) now amounts to SEK 26.27 per share.", kommenterar Eva Landén, VD.

JANUARY - JUNE 2021

Following Corems public offer to Klöverns shareholders, Klöverns has become a subsidiary of Corem from 15 June 2021.

- Income increased to SEK 636 million (438), which includes income in Klöverns of SEK 134 million. In a comparable property portfolio, income increased by 7 per cent.
- The economic occupancy rate amounted to 88 per cent (91).
- Net operating income increased to SEK 459 million (328), whereof SEK 89 million consists of Klöverns. In the comparable portfolio, net operating income increased by 5 per cent.
- Profit from property management increased by 28 per cent, adjusted for Klöverns and for acquisition costs. In total, profit from property management amounted to SEK 306 million (218), where SEK 49 million derives from Klöverns.
- Change in property value amounted to SEK 781 million (101).
- Change in value of financial investments amounted to SEK 614 million (-1 605).
- Net profit amounted to SEK 1 537 million (-1 327), equivalent to SEK 2,15 per ordinary share (-3,97).
- Fair value of the property portfolio amounted to SEK 76 642 million (14 002), after acquisition of Klöverns with a property portfolio valued at SEK 61 557 million, acquisition of three properties, divestment of two properties investments in new constructions and refurbishments of SEK 250 million.
- Net asset value (NAV) per ordinary share amounted to SEK 26,27 compared to SEK 22,22 at 31 December 2020.

IMPORTANT EVENTS DURING THE QUARTER

- The takeover bid to shareholders of Klöverns has resulted in Corem controlling 95,0 per cent of outstanding share capital and 94,5 per cent of outstanding votes in Klöverns. Compulsory acquisition procedure has been initiated, and de-listing of Klöverns has begun, with last day of trading 20 July 2021. The acceptance period for the Offer has been extended until the 18 August 2021, to make it possible for remaining shareholders to accept the Offer.
- A new class of shares, ordinary share of series D, has been introduced. A voluntary exchange offer was made during the quarter, which enabled preference shareholders to convert a preference share into 1.12 newly issued ordinary shares of series D.
- The Board has updated Corems financial targets.
- A green bond of SEK 900 million was issued, and bonds for approximately SEK 600 million were repurchased.

IMPORTANT EVENTS AFTER THE PERIOD

- Corem has appointed new group management, to come into effect from 16 August 2021.
- Corem has obtained an investment grade rating of BBB- with Stable outlook from Scope.

COMMENT BY THE CEO

TOGETHER WE CREATE A NEW, BIGGER AND STRONGER COREM

The first half of 2021 has been very active for Corem. Following a successful takeover bid to Klöverns shareholders, it is now clear that Corem and Klöverns will merge to jointly create a leading commercial Nordic real estate company with a focus on growth regions. We also report our best six months so far from our property management. Net letting during the period remained positive, amounting to SEK 24 million for the period, and profit from property management increased by 40 percent compared with the corresponding period last year. Our net asset value (NAV) now amounts to SEK 26.27 per share.

At the end of March Corem submitted a public takeover bid to the shareholders in Klöverns. In mid-June Corem declared the offer unconditional and now controls 95 percent of the outstanding shares, which makes Klöverns a subsidiary. Corem has initiated compulsory acquisition of Klöverns remaining shares and extended the acceptance period for the offer until August 18, 2021. In light of this, Klöverns Board has decided to apply for delisting of the company's shares from Nasdaq Stockholm and at an Extraordinary General Meeting on July 9, Corems Board was elected as Board of Klöverns, and at the end of June I took over the operational work as CEO of Klöverns.

From 15 June 2021 we report Klöverns as a subsidiary. This has had a full impact on the balance sheet at the end of the six-month period but has - in relation to the large increase in the balance sheet - only affected profit from property management and profit after tax by 15 days. This in turn means that during 2021 we will have the full dilution effect per share, but only half of the earnings effect from the acquisition. As the offer has been a share based offer where new shares have been issued, earnings per share will be difficult to use as a comparative figure throughout the year.

During the first half of the year, we have seen a continued increase in profitability, and we show a profit from property management of SEK 459 million (328), which is 40 percent higher than the same period last year. Profit from property management, excluding the part which comes from Klöverns of SEK 49 million and transaction costs of SEK 21 million, increased by 28 percent. A strong increase which is attributable to successful letting, completed projects and lower average interest rates.

After living with covid-19 for just over a year, an increasingly positive picture of the economy is now being painted both in Sweden and abroad. The ongoing mass vaccination and stimulus package contributes to us seeing an increasing number of strong macro signals, with the proviso that new variants of the virus cause some uncertainty.

The transaction market has been very strong during the first half of the year with falling yield requirements. The rental market for office premises has seen increasing activity during the second quarter, and our warehousing and logistics properties are increasing in attractiveness as the need for logistics close to the city increases.

I look forward to an exciting journey when that I, together with the new management team, will aim to combine all the strengths and competencies that exist in the two companies, and in the two property holdings, when two companies become one. Our primary focus is to complete ongoing projects and reduce vacancies. Letting is the key to future profitability and with both companies showing positive net letting during the second quarter of the year, I am convinced that our efforts will be successful.

We continuously work to secure long-term and sustainable financing. In the merged company, additional conditions are created for an improved credit profile. Corem now received a BBB- rating with stable outlook from Scope in July, which we are happy about and will continue to work on further.

My assessment is that the strong company which we have now created has favourable conditions to build on and a solid foundation to stand on in the integration journey that is now starting together with all employees. I envision an eventful second half of the year where we can now start working ahead, based on the vision of creating the Nordic region's leading commercial real estate company with a focus on growth regions.

I see great possibilities in developing Corems and Klöverns property portfolio through continued acquisitions and investments in the existing portfolio. Sustainability is an integral part of the business, which together with having a

strong balance sheet are important factors for continued long-term value creation. Creating space for customers' business continues to be our main driving force.

Eva Landén, VD
Stockholm July 19, 2021

CALENDAR

Reports

Interim Report January–September 2021	27 October 2021
Year-end Report January–December 2021	24 February 2021

Record days and dividend

Record day for dividend for holders of ordinary shares Class D and preference shares	30 September 2021
Expected day for dividend for holders of ordinary shares Class D and preference shares	5 October 2021
Record day for dividend for holders of ordinary shares Class D and preference shares	30 December 2021
Expected day for dividend for holders of ordinary shares Class D and preference shares	5 January 2022
Record day for dividend for holders of ordinary shares Class D and preference shares	31 March 2022
Expected day for dividend for holders of ordinary shares Class D and preference shares	5 April 2022

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