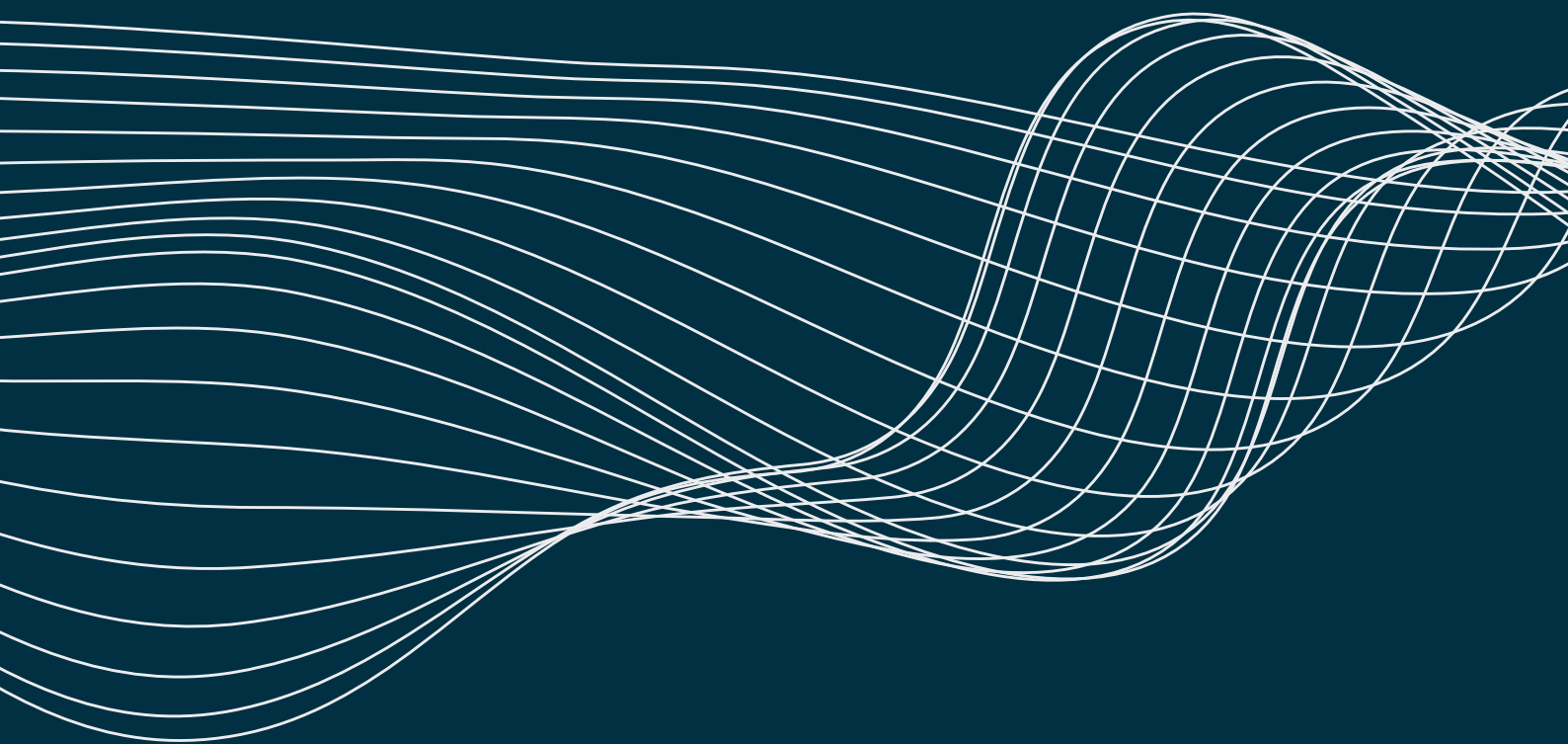


Interim Report January–June 2023



Properties for *the future*.

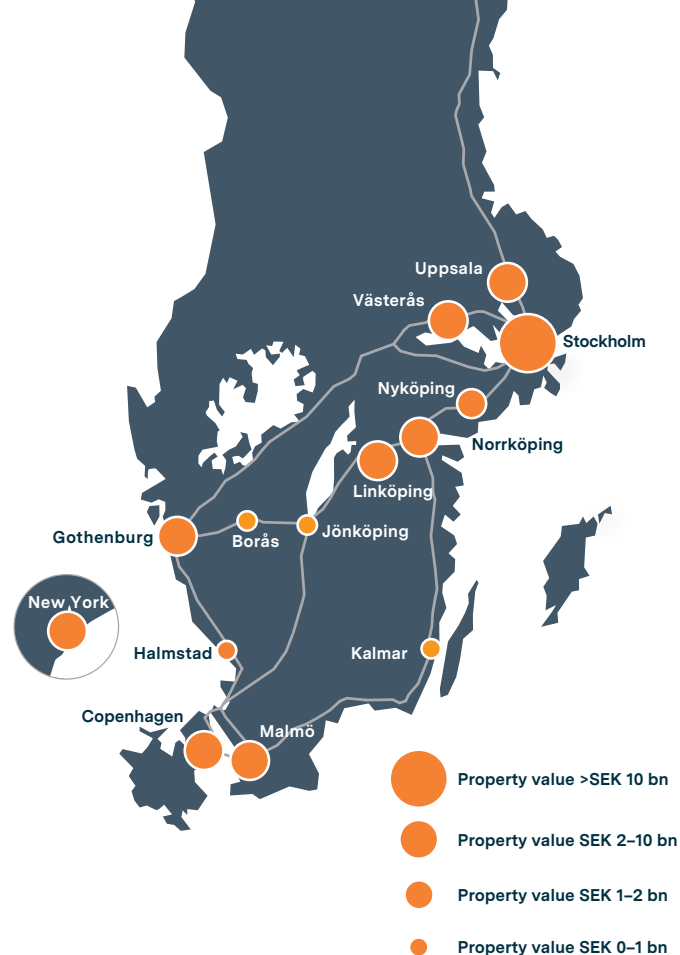
corem }

Corem Property Group (publ)

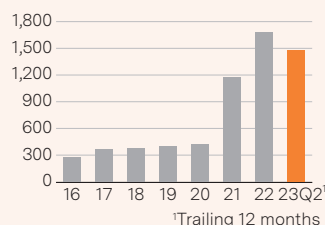
Corem is a commercial real estate company focusing on metropolitan cities and growth areas.

Corem owns 366 investment properties with a combined 2,651,000 sq.m. of lettable area valued at SEK 69,906 million. The portfolio is geographically well concentrated, with locally based in-house management.

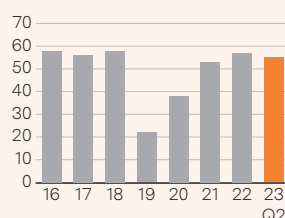
Corem has a broad customer offering with the focus on long-term sustainable ownership, management, refinement and urban development.



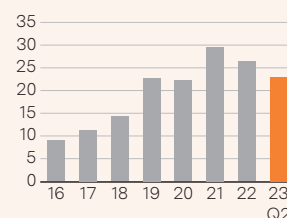
PROFIT FROM PROPERTY MANAGEMENT, SEKm



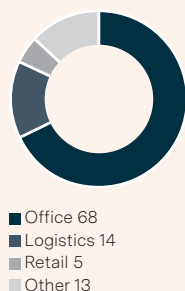
LOAN TO VALUE, %



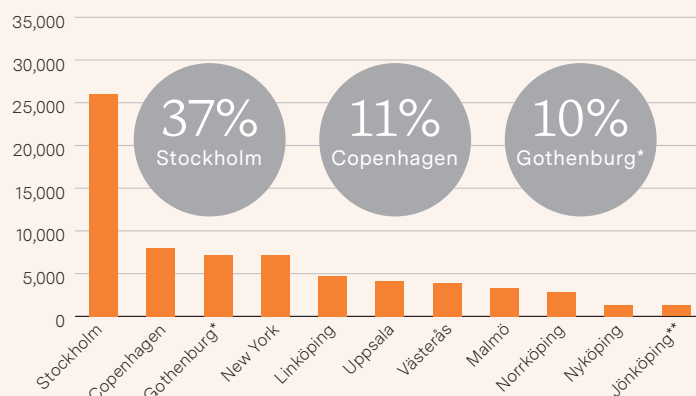
NET ASSET VALUE (NAV) PER ORDINARY SHARE A/B, SEK



PROPERTY VALUE BY TYPE OF PROPERTY, %



PROPERTY VALUE, SEKm



January–June 2023

- Income increased to SEK 2,221 million (2,192).
- Operating surplus increased to SEK 1,543 million (1,482).
- Net financial income increased to SEK –741 million (–488).
- Profit from property management amounted to SEK 710 million (900).
- Changes in value of properties amounted to SEK –2,911 million (741).
- Changes in value of derivatives amounted to SEK –95 million (1,335).
- Profit shares in associated companies amounted to SEK –1,075 million (–30).
- Net profit for the period amounted to SEK –2,729 million (1,823), corresponding to –SEK 2.75 (1.43) per ordinary share of class A and B.
- Net letting was positive, and amounted to SEK 50 million for the period.
- The value of investment properties amounted to SEK 69,906 million (78,387).
- Net asset value (NAV) per ordinary share of class A and B amounted to SEK 22.95 (26.42).

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- During the quarter, 58 properties were divested at an underlying property value SEK 5,597 million. During the six-month period, a total of 92 properties were divested at an underlying property value of SEK 8,085 million. The effect on profit in the period, including dissolved tax, amounts to approximately SEK 450 million.
- In July, Corem signed, after the end of the quarter, together with ALM Equity and Broskeppet Bostad, an agreement with the property investor Nrep on the sale of 51 percent of the shares in Klövern for approximately SEK 2.5 billion. The deal entails a positive liquidity effect amounting to SEK 1.4 SEK billion. The transfer is planned for August 2023. The deal also entails a negative effect on profit, of approximately SEK 1 billion, which is reported in the quarter.
- In May, Corem made an early redemption of a bond loan of SEK 700 million through its subsidiary Corem Kelly.
- In June, Corem obtained an updated credit rating from Scope Ratings. The update confirms the credit rating BBB-, with a revision of the outlook from previously stable outlook to negative outlook, with reference to the prevailing market conditions.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Agreements have been signed for the sale of a total of seven properties, where transfer of possession falls after the end of the period. The properties have a total underlying property value of SEK 1,044 million.

4,662

Rental value,
SEKm

69,906

Investment properties.
fair value, SEKm

710

Profit from property
management, SEKm

22.95

Net asset value per
ordinary share of
class A and B, SEK

	2023 3 months Apr–Jun	2022 3 months Apr–Jun	2023 6 months Jan–Jun	2022 6 months Jan–Jun	2022 Rolling 12 months Jul–Jun	2022 12 months Jan–Dec
Income, SEKm	1,049	1,093	2,221	2,192	4 520	4,491
Net operating income, SEKm	754	755	1,543	1,482	2 994	2,933
Profit from property management, SEKm	354	491	710	900	1 485	1,675
Net profit, SEKm	–1,818	87	–2,729	1,823	–6 490	–1,938
Earnings per ordinary share of Class A and B, SEK	–1.81	–0.04	–2.75	1.43	6.43	–2.25
Net asset value (NAV) per ordinary share of Class A and B, SEK	22.95	29.73	22.95	29.73	22.95	26.42
Economic occupancy rate, %	89	89	89	89	89	89
Operating margin, %	72	69	69	68	66	65
Adjusted equity ratio, %	40	42	40	42	40	39
Interest coverage ratio	2.0	3.0	2.0	2.8	2.1	2.5
Loan-to-value ratio, %	55	53	55	53	55	57

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

A strengthened financial position through intensive transaction activities, and a strong core business

We have carried out a number of transactions during the first six-month period and are now in a stronger position financially. The divestments made, to date this year, include assets with total underlying market values of almost SEK 12 billion. At the same time, our core business is progressing well with several good lettings and a number of our bigger projects nearing completion.

Four weeks in after returning as CEO of Corem, it is a gratifying to be able to deliver a report on the intense quarter like the one recently concluded. For Corem, the past six months have been characterised by a high level of transaction intensity, with completion of a number of previously agreed, larger transactions, as well as new agreements signed.

Adjusting our size

Since the year-end to date we have carried out, or agreed on, divestment of assets with a total underlying market value of SEK 11.7 billion. They consist mainly of properties, but also divestment of our holding in Castellum and part of our holding in Klövern.

For a number of years with a generous bond market, we and other real estate companies have rapidly expanded. In the coming period, we will focus on reducing leverage; and have made good progress in adjusting the portfolio. With these divestments, we reduce our debt and gradually adjust our size to market conditions. We will continue on this path, and plan for further divestments during the remainder of the year, in order to further reduce debt and ensure bond redemption.

Klövern accelerates

The transaction where we reduce our ownership stake in our associ-

ated company, the housing development company Klövern, to 17 per cent has many positive aspects. For Klövern, it is crucial to now have financing allowing construction to start, and be able to offer housing to the market without too much delay. That is positive for us in the long term, as a major owner. The transaction entails that the buyer, real estate investor Nrep, has undertaken to invest a total of SEK 6.5 billion in Klövern over a period of time, through the initial acquisition of shares and future directed new issues of shares. For Corem, the transaction brings an essential impact on liquidity, amounting to SEK 1.4 billion during 2023.

Real estate operations

With the challenging market situation we are in it is particularly gratifying to see the high level of activity in letting work, with positive net letting in the quarter amounting to SEK 17 million, and SEK 50 million for the six-month period. Our core business is strong. We see that demand is generally strong and have also signed a number of new lettings both during and after the end of the quarter.

Net operating income has decreased in volume due to the divestments but increased for a comparable portfolio by just over 12 per cent. Profit from property management is restrained by higher financial expenses and amounts to SEK 710 million for the period.





Part of Corem's property portfolio in the Globen area in Stockholm. A 6-year lease was signed in July with Statens servicecenter, both in the property Arenavägen 6 in the Globen area and property Carolus 32 in Malmö, for a total of 2,200 square meters.

We see a continued negative trend in the development of value of our properties. During the quarter it amounted to near two percent, and around four percent since the beginning of the year, which reflects market factors such as interest rates and inflation. The changes in value is mainly driven by changes in yield requirements connected to higher cost of financing, but a positive net letting and strong development in net operating income slows down the negative development in value somewhat. The average yield requirement has increased by 0.2 percentage points and as of today amounts to 5.4 per cent.

Financial position

We continue in strengthening our balance sheet through reduction of debt and by redemption of bond maturities. In total, our transaction activities during the past year mean we have been able to ensure redemption of all bond maturities this year. We continue our work toward ensuring maturities also during 2024.

We are gradually increasing our share of bank financing and have strong focus on our loan portfolio and limiting both interest rate risk and liquidity risk.

High level of demand

Demand on the letting market continues to be strong, and we have recently reached agreements on a number of lettings, in, among other

places, the Globen area, Malmö, New York and Kista/Stockholm North. It is also nice to see that our most recent letting in Kista further strengthens the area as a "Tech hub". We also keep working to meet demand for climate-smart sustainable offices, for example tenant adaptations using recycled materials.

It is particularly gratifying to see a steady increase in occupancy rate of our two office properties in Manhattan, which challenges the general picture of the office segment in the US. It also indicates the differences between modern, high-quality offices in attractive locations compared with the market in general.

In regard to projects activities, we are giving priority to completing ongoing projects and being very restrictive about starting new projects. As ongoing projects are completed, investment costs will decrease and we instead start seeing rental income.

It is truly stimulating to be back at Corem, among both old colleagues and new ones. These are challenging times but we are dealing with it well. We continue to focus on property management and on strengthening our finances. We have a well diversified and attractive portfolio and a strong organisation with a high level of commitment. That inspires confidence.

Rutger Arnhult, CEO
Stockholm 14 July 2023

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 to January-June.

INCOME

Income amounted to SEK 1,049 million (1,093) during the second quarter and SEK 2,221 million (2,192) during the period January-June. The revenue was positively affected by indexation and net letting, and negative due to divestments. Income for a comparable portfolio increased by 11 per cent during the period.

EXPENSES

Property costs amounted to SEK 295 million (338) during the quarter and SEK 678 million (710) during the period while, among other things, electricity costs contributed to increased costs while divestments contributed to reduced costs. Property costs for a comparable portfolio increased by 9 per cent.

Central administration expenses amounted to SEK 46 million (47) during the quarter and SEK 92 million (94) during the period.

NET FINANCIAL ITEMS

Net financial income amounted to SEK -354 million (-217) during the quarter and SEK -741 million (-488) during the period. Financial income during the period amounted to SEK 8 million (49) and the financial expenses amounted to SEK 749 million (537) of which site leasehold fees amounted to SEK 38 million (31).

At the end of the period, the average interest rate amounted to 4.3 per cent (3.6).

For further information, refer to page 13.

EARNINGS

Operating surplus amounted to SEK 754 million (755) during the quarter and SEK 1,543 million (1,482) during the period. The operating margin amounted to 72 per cent (69) during the quarter and 69 per cent (68) during the period. The operating surplus for a comparable portfolio increased by 12 per cent during the period.

Profit from property management amounted to SEK 354 million (491) during the quarter and SEK 710 million (900) during the period.

SHARE OF EARNINGS IN ASSOCIATED COMPANIES

Share of earnings in associated companies amounted during the quarter to SEK -1,178 million (-33), chiefly attributable to Corem's holding in the housing company Klövern. On 30 June 2023 Corem's ownership in the housing company Klövern amounted to 49.4 per cent.

In July, after the end of the period, Corem, ALM Equity and Broskeppet Bostad signed an agreement to divest 51 percent of the shares in Klövern to Nrep for a value of approximately SEK 2.5 billion. The transfer is planned for August 2023. The deal involves a liquidity effect for Corem, amounting to SEK 1.4 billion. As at 30 June 2023. In connection with the completion of the transaction, the holding will in Klövern be reclassified from Shares in associated companies to Financial assets valued at fair value. The deal means a negative profit effect of approximately SEK 1 billion, which is reported in the quarter.

CHANGES IN VALUE

Properties

Changes in value for Corem's investment Properties amounted during the period to SEK -2,911 million (741), of which unrealized value changes amounted to SEK -2,847 million and realized value changes amounted to SEK -64 million. For further information, refer to page 7.

Financial placements

Value changes of financial assets amounted to SEK 63 million (-1,014) during the period. For further information, refer to page 14.

Derivatives

Changes in value of derivatives amounted to SEK -95 million (1,335). The value of the derivatives is affected by changes in market interest rates.

GOODWILL

During the period, impairment of goodwill amounted to SEK -204 million (-310). Impairment refers to goodwill attributable to deferred tax where write-downs occur due to negative unrealized value changes or divestments of properties.

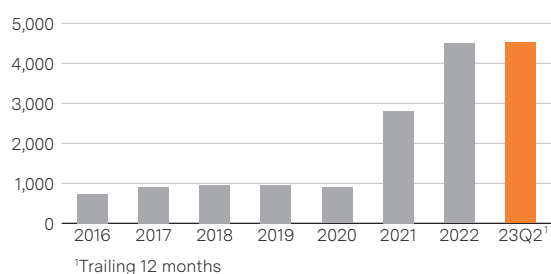
TAXES

During the period, current tax amounted to SEK -33 million (-22). Deferred tax amounted to SEK 816 million (223), mainly attributable to dissolved of deferred tax in connection with negative value changes in the property portfolio.

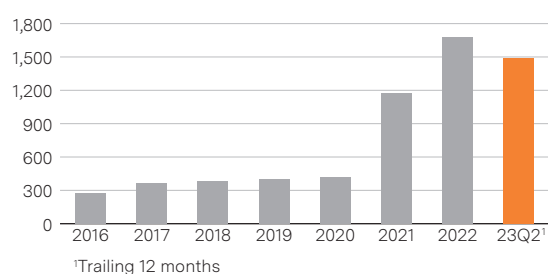
OTHER COMPREHENSIVE INCOME

Other comprehensive income during the period amounted to SEK 373 million (699) and primarily relates to translation differences.

INCOME, SEKm



PROFIT FROM PROPERTY MANAGMENT, SEKm



The property portfolio

PROPERTY VALUES

Corem's portfolio consisted on 30 June 2023 of 366 investment properties, with a total lettable area of 2,651,000 sq.m. and a market value of SEK 69,906 million. In addition there is a property classified as a current asset.

CHANGES IN VALUE

Value changes in investment properties amounted during the period to SEK -2,911 million (741), corresponding to approximately -4 per cent. Unrealized value changes amounted to SEK -2,847 million and realized value changes to SEK -64 million.

During the second quarter, the values of the investment properties was negatively affected by higher yield requirements and in the period positive from renegotiated leases with higher rents and a strong operating net development. Of the changes in value during the period refer to SEK -629 million of the properties in USA, and are attributable to the two properties where preliminary design is underway, 417 Park Avenue and 118 10th Avenue.

As of 30 June 2023, the property portfolio is valued at an average assessed dividend yield requirement of 5.4 percent (5.2). That means an increase of 0.1 percentage points during the quarter and 0.2 percentage points since year-end. Project development contributed with changes in the value of properties of SEK -88 million during the quarter.

Corem values all properties every quarter, of which 20 to 30 per cent are valued externally. Every property is valued externally once a year. During the quarter, Cushman & Wakefield, Newsec, Savills, BBG Real Estate Service (USA) and Newmark (USA) have been used as valuation agencies. Corem obtains continuous market information from external valuation agencies as support for the internal valuation. For a sensitivity analysis and a description of the valuation principles, refer to Corem's Annual report for 2022.

PROPERTY TRANSACTIONS

During the period January-June 92 properties were handed over, the profit effect in the period including dissolved tax amounts to approximately SEK 450 million. The underlying property value amounted to SEK 8,085 million. After deduction for deferred tax liability and sales, reported a realized value change SEK -64 million before dissolution of deferred tax.

Transactions during the quarter

During the quarter 58 properties were handed over.

In April, an agreement was signed for the sale of ten properties in Kalmar at an underlying property value of SEK 425 million. The properties were handed over in May.

In April, the remaining 40 properties in the previously communicated deal comprising 47 properties with an underlying property value of SEK 5,350 million were handed over.

In April, the properties Fabrikatet 1, 4 and 5 in Nyköping were handed over with an underlying property value of SEK 7 million.

In May, the property Malmö Förbygel 1 was handed over with an underlying property value of SEK 31 million.

In May, an agreement was signed for sale of the properties Göteborg Sävenäs 169:1 and Partille Ugglum 7:117 at an underlying property value of SEK 111 million. The properties were handed over in June.

In June, a property outside Copenhagen were handed over with an underlying property value corresponding to SEK 250 million.

In June, a property Märsta 24:8 i Sigtuna were handed over with an underlying property value of SEK 14 million.

Transactions after the end of the period

Agreements with which will be handed over after the end of the period have been signed regarding a total of seven properties located in Copenhagen, Nacka, Uppsala, Kalmar and Linköping, with an underlying property value of SEK 1,044 million.

TENANTS AND THE LEASE PORTFOLIO

On 30 June 2023, Corem had approximately 3,400 tenants with around 6,100 lease agreements. The annual contract value amounted to SEK 4,132 million (4,417), the rental value to SEK 4,662 million (4,940) and the economic occupancy rate to 89 per cent (89). In the investment portfolio, the economic occupancy rate amounted to 90 percent. 33 per cent of the contracted rent expires in 2027 or later. In total, the average remaining contract period was 3.7 years (3.9).

Net letting

The net letting was positive and amounted to SEK 17 million (13) during the quarter and SEK 50 million (13) during the period. In total, lettings and renegotiations amounted to SEK 149 million during the quarter, 57 per cent of this was for new customers and the remaining letting to existing tenants. For the half-year period, the corresponding figure amounts to SEK 259 million, of which 65 percent refers to new customers.

Major lettings

A number of large lease agreements have been signed during the quarter.

In New York, a 5-year agreement has been signed with the skin care company Peachy for 605 sq.m. at the property 1245 Broadway. An additional 5-year lease agreement has been signed at the same property with a financial and technology company for 605 sq.m. In the property 28&7, a 15-year agreement has also been signed with the bakery chain Patis Bakery for 190 sq.m. For all above, moving-in is planned to take place in the first quarter of 2024.

I Kista, Stockholm Norra, a 3-year-old agreement has been signed with Accurate Nordic regarding approximately 1,300 square meters in the property Helgafjäll 7 (Kista Gate). Moving in is scheduled for the third quarter of 2023.

In Copenhagen, an agreement has been signed with Save the Children regarding approximately 4,800 square meters in the Codanhuset property. Move-in is planned to the first quarter of 2024.

INVESTMENT PROPERTIES: NUMBER, LETTABLE AREA, FAIR VALUE

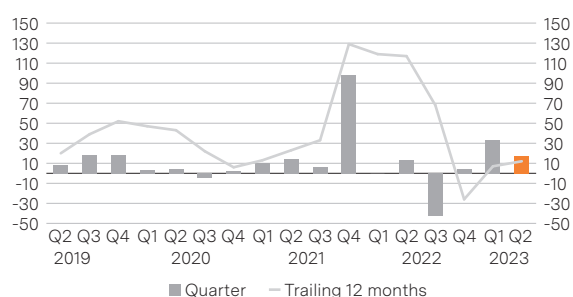
	Jan-Jun 2023			2022
	No	sq.m.	SEKm	SEKm
Total at the start of the year	458	3,194,535	78,387	83,084
Acquisitions	—	—	—	80
Investments in construction, extensions and refurbishment		18,424	1,094	2,903
Divestments	-92	-562,381	-7,439	-2,329
Divestments to the associated company Klövern AB	—	—	—	-4,374
Changes in value, unrealised	—	—	-2,847	-2,565
Currency conversion	—	—	711	1,588
Total at the end of the period	366	2,650,578	69,906	78,387

PROPERTY TRANSACTIONS, TRANSFER OF POSSESSION JANUARY – JUNE 2023

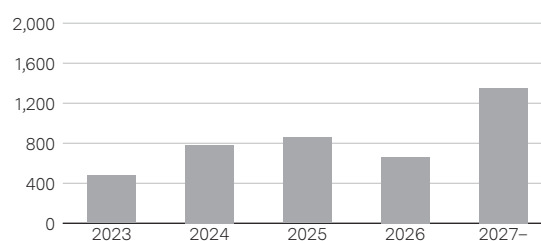
Quarter	Property	City	Municipality	Property category	Lettable area, sq.m.	
					Acquisition	Divestment
Q1	Åldermannen 25	Kalmar	Kalmar	Retail	—	8,548
Q1	Kabeln 1	Norrköping	Norrköping	Warehouse/logistics	—	4,887
Q1	Jordbromalm 6:18	Stockholm	Haninge	Warehouse/logistics	—	11,158
Q1	Jordbromalm 5:2 & 5:3	Stockholm	Haninge	Warehouse/logistics	—	6,659
Q1	Ångmaskinen 5	Huddinge	Huddinge	Warehouse/logistics	—	2,622
Q1	Kärra 91:1	Gothenburg	Gothenburg	Warehouse/logistics	—	12,992
Q1	Kullen 5	Malmö	Malmö	Other	—	5,089
Q1	Sadelgjorden 1	Malmö	Malmö	Warehouse/logistics	—	9,095
Q1	Brandholmen 1:9	Nyköping	Nyköping	Warehouse/logistics	—	7,812
Q1	Lansen 13	Nyköping	Nyköping	Office	—	6,370
Q1	Skölden 2	Nyköping	Nyköping	Office	—	2,000
Q1	Gripen 1	Nyköping	Nyköping	Retail	—	1,166
Q1	Skyttbrink 30	Botkyrka	Stockholm	Warehouse/logistics	—	2,896
Q1	Magasinet 6	Älvsjö	Stockholm	Warehouse/logistics	—	8,039
Q1	Magasinet 7	Älvsjö	Stockholm	Warehouse/logistics	—	6,437
Q1	Slipskivan 9	Huddinge	Stockholm	Office	—	912
Q1	Törnby 2:2	Upplands-Väsby	Stockholm	Warehouse/logistics	—	18,807
Q1	Linjalen 65	Täby	Stockholm	Warehouse/logistics	—	1,398
Q1	Linjalen 66	Täby	Stockholm	Warehouse/logistics	—	3,923
Q1	Linjalen 7	Täby	Stockholm	Warehouse/logistics	—	800
Q1	Linjalen 8	Täby	Stockholm	Warehouse/logistics	—	600
Q1	Linjalen 61	Täby	Stockholm	Warehouse/logistics	—	778
Q1	Smygvinkeln 9	Täby	Stockholm	Warehouse/logistics	—	960
Q1	Smygvinkeln 10	Täby	Stockholm	Office	—	930
Q1	Smygvinkeln 12	Täby	Stockholm	Warehouse/logistics	—	1,864
Q1	Lodet 2	Täby	Stockholm	Warehouse/logistics	—	8,518
Q1	Mätstången 2	Täby	Stockholm	Office	—	3,847
Q1	Mallen 3	Täby	Stockholm	Warehouse/logistics	—	1,488
Q1	Tumstocken 8	Täby	Stockholm	Retail	—	2,413
Q1	Induktorn 37	Stockholm	Stockholm	Warehouse/logistics	—	6,685
Q1	Rosersberg 11:151	Sigtuna	Sigtuna	Land	—	—
Q1	Veddesta 2:43	Stockholm	Järfälla	Warehouse/logistics	—	19,271
Q1	1kh Rudegård Ny Holte	Copenhagen	Rudersdal	Office	—	5,341
Q2	Veddesta 2:79	Stockholm	Järfälla	Warehouse/logistics	—	36,342
Q2	Bråta 2:136	Göteborg	Härryda	Warehouse/logistics	—	20,212
Q2	Veddesta 2:90	Stockholm	Järfälla	Warehouse/logistics	—	19,581
Q2	Måseskär 5	Malmö	Malmö	Warehouse/logistics	—	19,255
Q2	Märsta 15:7	Märsta	Sigtuna	Warehouse/logistics	—	17,575
Q2	Bråta 2:150	Gothenburg	Härryda	Warehouse/logistics	—	17,930
Q2	Turbinen 1	Västerås	Västerås	Warehouse/logistics	—	17,757
Q2	Brämön 4	Malmö	Malmö	Warehouse/logistics	—	14,262
Q2	Backa 30:4	Gothenburg	Gothenburg	Warehouse/logistics	—	10,375
Q2	Jordbromalm 6:89	Stockholm	Haninge	Warehouse/logistics	—	9,986
Q2	Håltåås 1:17	Gothenburg	Härryda	Warehouse/logistics	—	9,278
Q2	Backa 22:17	Gothenburg	Gothenburg	Warehouse/logistics	—	8,803
Q2	Stridsyxan 4	Malmö	Malmö	Warehouse/logistics	—	8,522
Q2	Högsbo 16:16	Gothenburg	Gothenburg	Warehouse/logistics	—	8,336
Q2	Anoden 2 & 5	Stockholm	Huddinge	Warehouse/logistics	—	8,336
Q2	Solsten 1:117	Gothenburg	Härryda	Warehouse/logistics	—	7,015
Q2	Stridsyxan 5	Malmö	Malmö	Warehouse/logistics	—	6,171
Q2	Stiglädret 11	Malmö	Malmö	Warehouse/logistics	—	5,993
Q2	Kobbegården 155:2	Gothenburg	Gothenburg	Warehouse/logistics	—	5,943
Q2	Högsbo 38:3	Gothenburg	Gothenburg	Warehouse/logistics	—	5,246
Q2	Kallhäll 9:36	Stockholm	Järfälla	Warehouse/logistics	—	5,150
Q2	Veddesta 2:63	Stockholm	Järfälla	Warehouse/logistics	—	4,896

Quarter	Property	City	Municipality	Property category	Lettable area, sq.m.	
					Acquisition	Divestment
Q2	Veddesta 2:31	Stockholm	Järfälla	Warehouse/logistics	—	4,836
Q2	Stångbättet 15	Malmö	Malmö	Warehouse/logistics	—	3,943
Q2	Skälby 3:1321	Stockholm	Järfälla	Warehouse/logistics	—	3,656
Q2	Flahult 21:14	Jönköping	Jönköping	Warehouse/logistics	—	3,526
Q2	Backa 25:6	Gothenburg	Gothenburg	Warehouse/logistics	—	3,360
Q2	Skälby 3:674	Stockholm	Järfälla	Warehouse/logistics	—	3,271
Q2	Skälby 3:1431	Stockholm	Järfälla	Warehouse/logistics	—	2,665
Q2	Skälby 3:1452	Stockholm	Järfälla	Warehouse/logistics	—	2,417
Q2	Viby 19:54	Stockholm	Upplands-Bro	Warehouse/logistics	—	2,038
Q2	Viby 19:53	Stockholm	Upplands-Bro	Warehouse/logistics	—	2,022
Q2	Skälby 3:676	Stockholm	Järfälla	Office	—	1,924
Q2	Skälby 3:1446	Stockholm	Järfälla	Office	—	1,844
Q2	Koborg 2	Stockholm	Botkyrka	Warehouse/logistics	—	1,548
Q2	Fabrikören 6	Stockholm	Stockholm	Warehouse/logistics	—	1,440
Q2	Skälby 3:1418	Stockholm	Järfälla	Office	—	1,343
Q2	Viby 19:32	Stockholm	Upplands-Bro	Warehouse/logistics	—	1,189
Q2	Skyttbrink 36	Stockholm	Botkyrka	Warehouse/logistics	—	860
Q2	Fabrikatet 1	Nyköping	Nyköping	Warehouse/logistics	—	—
Q2	Fabrikatet 4	Nyköping	Nyköping	Warehouse/logistics	—	—
Q2	Fabrikatet 5	Nyköping	Nyköping	Warehouse/logistics	—	—
Q2	Förbygeln 1	Malmö	Malmö	Warehouse/logistics	—	5,146
Q2	Gumsen 31	Kalmar	Kalmar	Warehouse/logistics	—	25,192
Q2	Koljan 24	Kalmar	Kalmar	Education/health care/other	—	5,781
Q2	Fredriksdal 1	Kalmar	Kalmar	Education/health care/other	—	3,498
Q2	Apotekaren 20	Kalmar	Kalmar	Retail	—	1,871
Q2	Tenngjutaren 1	Kalmar	Kalmar	Office	—	1,588
Q2	Mästaren 28	Kalmar	Kalmar	Retail	—	1,348
Q2	Lärlingen 5	Kalmar	Kalmar	Office	—	4,574
Q2	Gumsen 41	Kalmar	Kalmar	Office	—	2,042
Q2	Timotejen 1	Kalmar	Kalmar	Retail	—	1,552
Q2	Rybsen 1	Kalmar	Kalmar	Office	—	1,112
Q2	Sävenäs 169:1	Gothenburg	Partille	Warehouse/logistics	—	7,653
Q2	Ugglum 7:117	Gothenburg	Partille	Warehouse/logistics	—	3,320
Q2	Greve	Copenhagen	Greve	Warehouse/logistics	—	13,412
Q2	Märsta 24:8	Märsta	Sigtuna	Office	—	1,141
TOTAL SQ.M.					—	562,381

NET LETTING, SEKm



CONTRACT STRUCTURE, SEKm



PROJECT DEVELOPMENT

Corem's project development activities develop and create added value in the property portfolio. Investments take place mainly in connection with new lettings and to adapt and modernize premises and properties, thereby increasing the rental value. Current market situa-

tion mean that Corem prioritizes project development completion of already started construction.

During the period SEK 1,094 million (1,210) was invested in the property portfolio for new construction, extensions and refurbish-

ments. As at 30 June 2023, the remaining investment volume attributable to all ongoing projects amounted to SEK 1,341 million. (1,544). At the same time, there were altogether 10 ongoing projects with an estimated investment exceeding SEK 50 million each. The total areabased occupancy rate in these projects, which combined comprise 77,146 square metres and a remaining investment of SEK 1,014 million, amounts to 67 per cent.

Projects in Sweden

In Västerås major projects are in progress at the two city-centre malls. In the Punkt mall, tenant adaptations are under way for, among others, Coop and Systembolaget, which have signed long lease agreements with moving-in slated for 2023. In the adjacent Gallerian, Region Västmanland's largest health centre Närvården City has moved in during the second quarter, and Apoteket, a pharmacy chain, plan to move in during the third quarter of 2023.

In central Stockholm accomodation of the property Orgelpipan 4 is in process, which is now fully let. Moving-in for Sveriges Riksbank and Niklas and Friends are expected to take place at the end of 2023.

In Uppsala Business Park, a new advanced lab building is being built under the name Research Hub, which is aimed at small- and medium-sized research companies.

In Nyköping, a school is being constructed for AcadeMedia. The school is being built on the same place near the city where the previous school burned down. Moving-in is expected to take place during the fourth quarter of 2024.

In Örebro, the second stage is in process of the construction of Örebro Entré, refurbishment and extension of a total of approximately 10,200 sq.m. of a former postal sorting office. Here are rental agreements with the Swedish Transport Administration, Trafikverket, and the Örebro county administrative board.

Currently, Corem has one ongoing residential project, K1 Nacka, comprising 60 apartments with a total BOA of 3,700 sq.m. The project is divided into several sale phases, where 50 of the 54 apartments that have been brought to market have now been sold. The remaining 6 apartments are not yet up for sale. Moving-in is planned to start during the fourth quarter of 2023.

Projects in New York

Corem owns four project properties in Manhattan in New York. 1245 Broadway and 28&7 are both new construction of high-quality office buildings, which are under completion. The exterior has now been completed. Move-in has begun in the parts that have been completed, tenant adaptations are ongoing in the remaining parts.

As at 30 June, a total of ten lease agreements was signed, corresponding an area-based occupancy rate of 52 per cent in 1245 Broadway and 28 per cent in 28&7. The economic occupancy rate where the tenant has moved in amounts to 44 per cent in 1245 Broadway and 24 per cent in 28&7. The contract value of leases signed in New York amounted on 30 June 2023 to USD 13.1 million corresponding to SEK 140 million, or just over SEK 12,000/sq.m.

The project portfolio also includes two planned projects in New York: the new construction of offices at 417 Park Avenue, encompassing 33,000 sq.m., and at 118 10th Avenue, encompassing 13,200 sq.m. Preliminary planning is underway for these properties and construction is planned to start no earlier than 2024.

The properties 1245 Broadway and 118 10th Avenue have land lease agreements; right-of-use assets and leasing liabilities are recorded in the balance sheet.

COREM'S LARGEST ONGOING 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	9,216	17,582	1,917	468	224	24Q1
New York ¹	28&7	New construction, office premises	2,580	9,183	939	139	104	24Q1
Stockholm	Orgelpipan 4	Refurbishment, office premises	4,240	4,240	342	68	34	23Q4
Uppsala	Fyrislund 6:6	New construction, offices and laboratory	0	3,097	158	41	11	23Q4
Västerås	Loke 24	Refurbishment of building, tenant customization for health center	4,634	7,014	160	5	9	23Q3
Stockholm	Nattskiftet 12&14	New construction, garage and refurbishment, office premises	7,425	8,168	152	28	6	24Q2
Stockholm	Sicklaön 356:1	Refurbishment for Bilia	10,942	10,942	147	48	11	24Q1
Örebro	Olaus Petri 3:234	Refurbishment and extension and office premises for Trafikverket and Länsstyrelsen. Phase 2	6,508	10,200	196	87	17	24Q2
Västerås	Mats 5	Refurbishment of building	3,529	3,985	136	57	8	23Q3
Nyköping	Furan 2	Construction of school	2 735	2 735	77	74	8	24Q4
TOTAL			51,809	77,146	4,223	1,014	432	

1) Estimated and remaining investment of projects in New York are based on the SEK/USD-rate on 30 June 2023.

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	50	83	5,000	3,700	2021	2023
TOTAL			60	50	83	5,000	3,700		



1245 Broadway, New York

Ongoing project. Exterior completed, moving in takes place in parallel with ongoing tenant adaptations.



28&7, New York

Ongoing project. Exterior completed, moving in takes place in parallel time with ongoing tenant adaptations.



Gustavsvik 13, Västerås

The project was completed during the second quarter of 2023. Refurbishment have taken place for several tenants.



Örebro Entré, Örebro

Ongoing project. The second and last phase is estimated to be completed during the second quarter of 2024.



Loke 24, Västerås

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



Furan 2, Nyköping

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



Fyrislund 6:6, Uppsala

Ongoing project, under the name Research Hub, in Uppsala Business Park. Estimated to be completed during the fourth quarter of 2023.



Orgelpipan 4, Stockholm

Ongoing project under the name Klarabergsgatan. Estimated to be completed during the fourth quarter of 2023.

DISTRIBUTION BY GEOGRAPHICAL AREA

Corem's property portfolio and operating activities are divided into geographical regions: Region Stockholm, Region Stockholm Logistics, Region West and Region East.

Region Stockholm Logistics and Region Stockholm together includes operations in Stockholm, as well as Uppsala and Västerås.

Region West consists of the cities of Gothenburg, Malmö, Halmstad and Borås. Region East includes Nyköping, Norrköping, Linköping, Kalmar and Jönköping. Operations abroad are divided into Copenhagen and New York.

INCOME STATEMENT ITEMS AND INVESTMENTS PER GEOGRAPHIC AREA

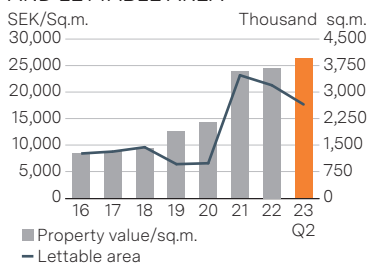
	Income, SEKm		Property costs, SEKm		Net operating income, SEKm		Operating margin, %		Investments, SEKm	
	2023 Jan-Jun	2022 Jan-Jun	2023 Jan-Jun	2022 Jan-Jun	2023 Jan-Jun	2022 Jan-Jun	2023 Jan-Jun	2022 Jan-Jun	2023 Jan-Jun	2022 Jan-Jun
Region Stockholm	919	866	-314	-335	605	531	66	61	285	363
Region Stockholm Logistics	240	310	-76	-92	164	218	68	70	91	116
Region East	442	430	-135	-138	307	292	69	68	165	232
Region West	407	428	-127	-137	280	291	69	68	109	179
International – Copenhagen	162	144	-16	-7	146	137	90	95	13	10
International – New York	51	14	-10	-1	41	13	80	93	431	310
Total	2,221	2,192	-678	-710	1,543	1,482	69	68	1,094	1,210
Investment portfolio	2,082	2,082	-616	-632	1,466	1,450	70	70	446	699
Development portfolio	139	110	-62	-78	77	32	55	29	648	511
Total	2,221	2,192	-678	-710	1,543	1,482	69	68	1,094	1,210

KEY FIGURES PER GEOGRAPHIC AREA

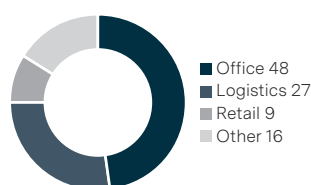
	No. of properties		Fair value, SEKm		Rental value, SEKm		Economic occupancy rate, %		Lettable area, 000 sq.m.	
	2023 30 June	2022 30 June	2023 30 June	2022 30 June	2023 30 June	2022 30 June	2023 30 June	2022 30 June	2023 30 June	2022 30 June
Region Stockholm	97	108	29,200	30,788	2,114	1,995	86	86	971	1,010
Region Stockholm Logistics	56	94	4,853	9,567	378	653	93	94	251	483
Region East	98	129	10,942	12,507	926	957	91	89	696	820
Region West	103	133	9,747	13,124	827	958	88	87	582	810
International – Copenhagen	8	10	8,007	7,978	300	293	93	95	141	159
International – New York ¹	4	5	7,157	7,124	117	60	100	100	10	6
Total	366	479	69,906	81,088	4,662	4,916	89	89	2,651	3,288
Investment portfolio	333	439	58,532	69,811	4,274	4,613	90	90	2,458	3,103
Development portfolio	33	40	11,374	11,277	388	303	77	75	193	185
Total	366	479	69,906	81,088	4,662	4,916	89	89	2,651	3,288

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

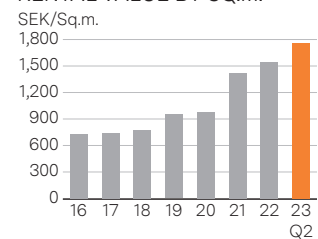
PROPERTY VALUE BY SQ.M. AND LETTABLE AREA



LETTABLE AREA BY TYPE, %



RENTAL VALUE BY SQ.M.



Financing

INTEREST-BEARING LIABILITIES

On 30 June 2023, interest-bearing liabilities amounted to SEK 40,712 million (47,644). Accrued borrowing overheads amounted to SEK 244 million (171), which entails interest-bearing liabilities in the balance sheet of SEK 40,468 million (47,473).

Corem's interest-bearing liabilities are mainly secured by mortgages and/or shares in subsidiaries. Non-secured interest-bearing liabilities comprise commercial paper and non-secured bonds, which amounted to SEK 50 million (350) and SEK 9,969 million (11,418), respectively, at the end of the quarter. Corem's commercial paper programme has a framework amounting to SEK 5,000 million. Outstanding commercial paper has back-up facilities in the form of unutilized credit facilities in Nordic banks.

The average period of tied-up capital amounted to 3.3 years (3.3). The loan-to-value ratio amounted to 55 per cent (57).

INTEREST-BEARING NET LIABILITIES SEKm

	2023 30 Jun	2022 31 Dec
Interest-bearing liabilities	40,468	47,473
Adjustment, accrued borrowing overheads	244	171
Interest-bearing assets	-117	-122
Current investments	-6	-1,104
Cash and cash equivalents	-555	-979
Interest-bearing net liability	40,034	45 439

Bonds

At the end of the period, the Group had SEK 9,969 million in outstanding listed bonds, maturing in 2023 to 2025. There is an unsecured Medium Term Note programme (MTN) with a framework amounting to SEK 10,000 million, within which SEK 5,389 million has been issued. During the period, two bond loans of SEK 484 and

700 million respectively refunded. In addition, during the period the company repurchased bonds in other maturities for a total of SEK 265 million.

INTEREST MATURITY STRUCTURE

On 30 June 2023, the average interest rate in the loan portfolio was 4.3 per cent (3.6).

Interest rate swaps and interest rate caps are used to limit the interest rate risk. At the end of the period, Corem had interest rate swaps for a nominal value of SEK 20,202 million (17,790), and interest rate caps for SEK 1,664 million (9,679), which together corresponds to 54 per cent of the interest-bearing liabilities. Together with fixed-interest loans, this means that 56 per cent of the interest-bearing liabilities carried fixed interest. The swaps have interest rate levels in the range -0.4–3.7 per cent while the caps have interest rate levels in the range 1.5–2.5 per cent. On 30 June 2023 the market value of the interest rate derivatives portfolio amounted to SEK 1,196 million net (1,290). Changes in value of derivatives amounted during the quarter to SEK 136 million (615).

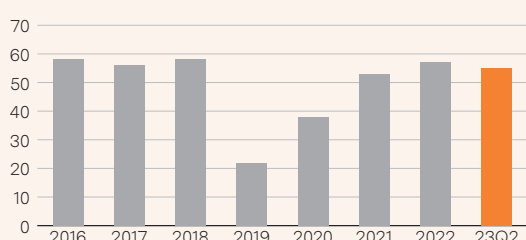
The average period of fixed interest amounted at the end of the period to 2.4 years (1.9) taking into account derivatives. The interest coverage ratio amounted during the period to 2.0 (2.8) and to 2.1 during the last four quarters.

LIQUID FUNDS

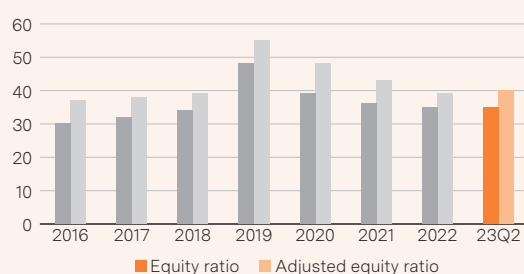
On 30 June 2023, liquid funds amounted to SEK 555 million (979). Restricted cash of SEK 133 million has been included in Cash and cash equivalents in accordance with IFRS IC clarification about funds that may only be used for a particular purpose due to an agreement having been entered into with a third party.

In addition, there were unutilized credit facilities, including back-up facilities for outstanding commercial paper, of SEK 3,747 million, of which SEK 2,918 million can be used immediately with existing collateral.

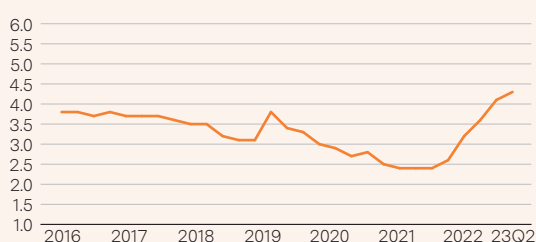
LOAN TO VALUE, %



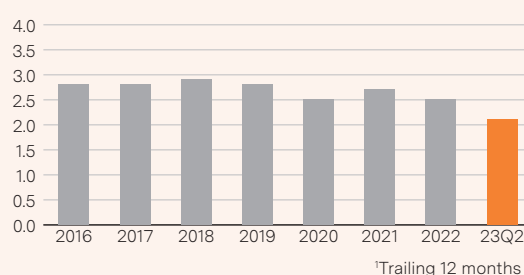
EQUITY RATIO AND ADJUSTED EQUITY RATIO, %



AVERAGE INTEREST RATE, %



INTEREST COVERAGE RATIO



¹Trailing 12 months

The remaining amount can be used if collateral is added as well to some extent also finance ongoing projects. The net interest-bearing debt amounted to SEK 40,034 million (45,439).

RATING

Corem Property Group has a rating with Scope that was updated in June to BBB- with a negative outlook from a stable outlook. Beyond the subsidiary Corem Kelly also has a rating that was confirmed in June as BBB- with a stable outlook.

EQUITY

At year-end, the Group's equity, attributable to the Parent Company's shareholders, amounted to SEK 28,039 million (31,268) of which SEK 1,300 million refers to hybrid bonds. Equity amounted to SEK 19.17 (22.17) 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. Net asset value (NAV) per ordinary share of class A and B amounted to SEK 22.95 (26.42).

Hybrid bond

Corem, through its subsidiary Corem Kelly, has a perpetual hybrid bond of SEK 1,300 million which runs at a variable interest rate of 3 months Stibor + 8 percentage points margin after a step-up by 2 percentage points in June 2023.

Equity ratio

At the end of the period, the adjusted equity ratio amounted to 40 per cent (39) and the equity ratio to 35 per cent (34).

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

SHAREHOLDINGS

In January, Corem sold its holding in Castellum equivalent to 8.7 million shares to a value of SEK 1,190 million. The sale meant a positive profit effect in the period of SEK 90 million.

Corem holds 639,425 shares in Everysport Media Group which is listed on Spotlight Stock Market. On 30 June 2023, the market value amounted to SEK 6 million.



During June, one of Sweden's largest clay tennis competitions was arranged for young people, Båstad Corem Open, where Corem is the title sponsor.

Corem's holdings in Klövern

After the end of the period, Corem has agreed on the sale of 51 per cent of the shares in Klövern to Nrep. The deal enables the completion of Klöverns project portfolio of around 24,000 homes. The transfer is planned for August 2023. In connection with the implementation of the transaction during the third quarter, the holding in Klövern will be reclassified from Shares in associated companies to Financial assets valued at fair value. In connection with the transfer, Klövern carries out a directed share issue of SEK 1 billion where Nrep subscribes for shares in Klövern. Nrep then gains 65 percent ownership in Klövern. After the completed transaction and first issue, Corem's shareholding will amount to 17 percent. The deal means a liquidity effect for Corem, amounting to SEK 1.4 billion in 2023. Nrep undertakes over time to invest a further total of approximately SEK 4 billion in Klövern through targeted issues, in which Corem will have the opportunity to participate in order to retain its ownership stake.

CASH FLOW

The Group's cash flow from operating activities, before changes in working capital, amounted during the quarter to SEK 359 million (459).

Cash flow from investing activities amounted to SEK 4,476 million (-712) and cash flow from financing activities amounted to SEK -4,546 million (-226).

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 *	19,703	—	—	—	—
2023	105	9,470	7,505	1,535	1,965
2024	4,630	13,140	12,890	5,734	250
2025	4,490	10,985	10,485	2,700	500
2026	—	3,313	2,281	—	1,032
2027	1,304	341	341	—	—
Senare	10,480	7,210	7,210	—	—
Total	40,712	44,459	40,712	9,969	3,747

*Of the floating volume, SEK 1,664 million is covered by the interest rate cap.

BOND OVERVIEW 2023-06-30*

Type	Issued	Maturity	Issuer	Outstanding volume, SEKm	Issue spread over 3-month Stibor, %
Unsecured MTN 203	Mar 2021	Sep 2023	Kelly	739	2.40
Green unsecured	May 2021	Nov 2023	Corem	796	2.50
Green unsecured MTN 201	Oct 2020	Apr 2024	Kelly	1,950	3.25
Green unsecured	Oct 2020	Apr 2024	Corem	1,434	3.50
Green unsecured	Jan 2022	Oct 2024	Corem	2,350	2.75
Green unsecured MTN 202	Feb 2021	Feb 2025	Kelly	2,500	3.25
Unsecured MTN 204	Mar 2021	Sep 2025	Kelly	200	3.50

*Bonds issued by Corem Property Group and the subsidiary company Corem Kelly AB.

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 2023, there were altogether 1,137,283,281 shares in Corem, 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. Each 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 did not repurchase any own shares. As at 30 June 2023, Corem held 2,913,825 repurchased shares of class A, 35,691,000 repurchased shares of class B and 42,000 repurchased ordinary shares of class D. The total market value at that time amounted to SEK 204 million. The shares are 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 CLASS A ORDINARY SHARES

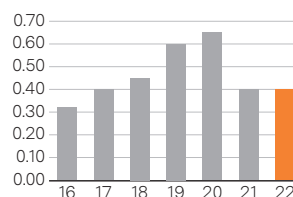
In February and August each year, holders of ordinary shares of class A have the right to request that the share be converted into ordinary shares of class B. No request for conversion of shares was received during the first conversion period in 2023.



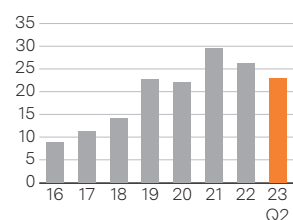
1245 Broadway, New York.

STOCK FACTS, 30 JUNE 2023	
Market capitalization	SEK 8.6 bn
Market place	Nasdaq Stockholm, Large Cap
LEI no.	213800CHXQQD7TSS1T59
No. of shareholders	47,487
Ordinary share, Class A	
No. of shares	93,730,797
Closing price	SEK 6.06
ISIN	SE0010714279
Ordinary share, Class B	
No. of shares	1,023,591,380
Closing price	SEK 5.07
ISIN	SE0010714287
Ordinary share, Class D	
No. of shares	7,545,809
Closing price	SEK 121.00
ISIN	SE0015961594
Preference share	
No. of shares	12,415,295
Closing price	SEK 155.00
ISIN	SE0010714311

DIVIDEND PER ORDINARY SHARE A/B, SEK



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



LARGEST SHAREHOLDERS — 30 JUNE 2023

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 companies ¹	35,709	381,359	3,242	—	36.96	38.71
Gårdarike ¹	39,490	106,463	57	26	12.84	26.17
Handelsbanken fonder	—	69,112	99	—	6.09	3.61
Länsförsäkringar fondförvaltning	—	42,395	—	—	3.73	2.21
State Street Bank & Trust Co	—	40,110	20	66	3.53	2.10
Swedbank Robur fonder	1,593	9,750	—	—	1.00	1.34
JP Morgan Chase Bank N.A.	—	24,645	—	227	2.19	1.30
Avanza Pension	236	14,399	311	1,649	1.46	0.98
CBNY Norges Bank	—	17,700	—	—	1.56	0.92
Fredrik Rapp privately and via companies	750	9,500	—	—	0.90	0.89
AMF Tjänstepension AB	—	15,250	—	—	1.34	0.80
Prior & Nilsson	—	15,090	—	—	1.33	0.79
Livförsäkringsbolaget Skandia, Ömsesidigt	665	5,303	—	0	0.52	0.62
SEB Life International	1,110	383	35	9	0.14	0.60
Patrik Tillman privately and via companies	571	5,723	77	—	0.56	0.60
Other shareholders	10,693	230,719	3,662	10,437	22.47	18.36
TOTAL OUTSTANDING SHARES	90,817	987,900	7,504	12,415	96.60	100.00
Repurchased own shares ²	2,914	35,691	42	—	3.40	
TOTAL REGISTERED SHARES	93,731	1,023,591	7,546	12,415	100.00	100.00

¹ Due to routines at Ålandsbanken, Banque Internationale à Luxembourg and Union Bancaire Privée, the banks have registered in Euroclear's share register as owners of part of their clients' Corem shares. Corem considers that the table above table provides a correct picture of the company's 15 largest owners.

² Repurchased shares have no voting rights and are not entitled to dividend.

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. 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.

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 for 2022.

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 Company'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 selected key figures that are not directly identifiable from the financial reports.

ulation of selected 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 activities shall be fossil-free.
- By 2035, Corem's business shall be climate neutral throughout the chain of value.
- 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 30 June 2023, the Group had 323 employees. 47 per cent of the employees were women.

RISKS

Corem has a continuous process to identify material risks that may affect the Company's financial position and earnings. Main risks are change in value of properties, business cycle 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 2022.

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 intra-Group interest rates.

Transactions with Wästbygg amounted during the period till SEK 35 million (5). Wästbygg is controlled by the main owner Rutger Arnhult. Corem has an agreement for letting from the M2-Gruppen, which is controlled by Rutger Arnhult, with an annual contract value of SEK 1 million. In addition, the Corem Group has during the period purchased legal services from Walthon Advokater, in which the Chairman of the Group Patrik Essehorn is a share holder, for an amount of SEK 8 million (8).

DIVIDEND

During the first and second quarter, a dividend of SEK 0.10 per ordinary share of class A and B, and SEK 5.00 per ordinary share of class D, in total SEK 415 million, has been paid.

EVENTS AFTER THE END OF THE PERIOD

In July, Corem signed, after the end of the quarter, together with ALM Equity and Broskeppet Bostad, an agreement with the property investor Nrep on the sale of 51 percent of the shares in Klövern for approximately SEK 2.5 billion. The deal means a positive liquidity effect amounting to SEK 1.4 SEK billion. The transfer is planned for August 2023. The accounting effect of the deal is negative profit effect of approximately SEK 1 billion, which will be reported in the quarter.

Agreements have been signed for the sale of a total of seven properties, which are vacated after the end of the period. The properties has a total underlying property value of SEK 1,044 million.

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, 14 July 2023
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

Rutger Arnhult
CEO and Board member

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

The Consolidated Income Statement *in brief*

SEKm	2023 3 months Apr–Jun	2022 3 months Apr–Jun	2023 6 months Jan–Jun	2022 6 months Jan–Jun	2022/2023 Rolling 12 months Jul–Jun	2022 12 months Jan–Dec
Income	1,049	1,093	2,221	2,192	4,520	4,491
Property costs	–295	–338	–678	–710	–1,526	–1,558
Net operating income	754	755	1,543	1,482	2,994	2,933
Central administration	–46	–47	–92	–94	–185	–187
Net financial items	–354	–217	–741	–488	–1,324	–1,071
Profit from property management	354	491	710	900	1,485	1,675
Share of earnings in associated companies	–1,178	–33	–1,075	–30	–1,907	–862
Value changes, properties	–1,406	–341	–2,911	741	–6,586	–2,934
Value changes, financial assets	–30	–913	63	–1,014	–28	–1,105
Value changes, derivatives	136	615	–95	1,335	–55	1,375
Impairment, goodwill	–116	–255	–204	–310	–529	–635
Profit before tax	–2,240	–436	–3,512	1,622	–7,620	–2,486
Tax	422	523	783	201	1,130	548
Net profit for the period	–1,818	87	–2,729	1,823	–6,490	–1,938
<i>Net profit for the year attributable to:</i>						
Parent Company shareholders	–1,817	75	–2,713	1,784	–6,445	–1,948
Holdings without controlling influence	–1	12	–16	39	–45	10
	–1,818	87	–2,729	1,823	–6,490	–1,938

Consolidated Report of Comprehensive Income *in brief*

SEKm	2023 3 months Apr–Jun	2022 3 months Apr–Jun	2023 6 months Jan–Jun	2022 6 months Jan–Jun	2022/2023 Rolling 12 months Jul–Jun	2022 12 months Jan–Dec
Net profit for the year	–1,818	87	–2,729	1,823	–6,490	–1,938
Other comprehensive income						
Translation difference for international operations	372	575	373	699	616	942
Other comprehensive income after tax	372	575	373	699	616	942
NET COMPREHENSIVE INCOME FOR THE YEAR	–1,446	662	–2,356	2,522	–5,874	–996
<i>Net comprehensive income attributable to:</i>						
Parent Company shareholders	–1,445	640	–2,340	2,473	–5,829	–1,016
Holdings without controlling influence	–1	22	–16	49	–45	20
	–1,446	662	–2,356	2,522	–5,874	–996
Earnings per share						
Earnings per ordinary share of Class A and B, SEK	–1.81	–0.04	–2.75	1.43	–6.43	–2.25
No. of outstanding shares, thousands						
Ordinary shares A and B, at the end of period	1,078,717	1,080,917	1,078,717	1,080,917	1,078,717	1,078,717
Ordinary shares A and B, average number	1,078,717	1,082,211	1,078,717	1,083,349	1,078,975	1,081,271
Ordinary shares D, at end of period	7,504	7,504	7,504	7,504	7,504	7,504
Preference shares, at end of period	12,415	12,415	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	2023 30 Jun	2022 30 Jun	2022 31 Dec
ASSETS			
Non-current assets			
Goodwill	2,170	2,699	2,374
Investment properties	69,906	81,088	78,387
Right-of-use assets	1,604	996	1,623
Shares in associated companies	2,311	4,257	3,415
Financial assets valued at fair value	6	1,258	5
Derivatives	1,218	1,292	1,312
Other non-current assets	160	215	232
Total non-current assets	77,375	91,805	87,348
Current assets			
Properties classified as current assets	257	135	206
Current assets	—	—	1,099
Other current assets	1,258	1,239	1,230
Cash and cash equivalents	555	484	979
Total current assets	2,070	1,858	3,514
TOTAL ASSETS	79,445	93,663	90,862
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	28,039	34,835	31,268
Equity attributable to holdings without controlling influence	27	516	43
Total shareholders' equity	28,066	35,351	31,311
Long-term liabilities			
Interest-bearing liabilities	25,957	36,896	32,745
Leasing liabilities	1,604	996	1,623
Deferred tax liability	6,755	7,915	7,562
Derivatives	22	43	22
Other liabilities	41	42	43
Total long-term liabilities	34,379	45,892	41,995
Current liabilities			
Interest-bearing liabilities	14,511	10,043	14,728
Other liabilities	2,489	2,377	2,828
Total current liabilities	17,000	12,420	17,556
Total liabilities	51,379	58,312	59,551
TOTAL EQUITY AND LIABILITIES	79,445	93,663	90,862

Consolidated statement of cash flow *in brief*

SEKm	2023 3 months Apr–Jun	2022 3 months Apr–Jun	2023 6 months Jan–Jun	2022 6 months Jan–Jun	2022/2023 Rolling 12 months Jul–Jun	2022 12 months Jan–Dec
Operating activities						
Net operating income	754	755	1,543	1,482	2,994	2,933
Central administration	–46	–47	–92	–94	–185	–187
Depreciation, etc.	6	5	12	12	26	26
Interest received, dividend etc.	5	18	8	20	47	59
Interest paid, etc.	–333	–255	–680	–514	–1,223	–1,057
Interest expense, lease contracts attributable to site lease-hold contracts	–20	–14	–38	–31	–70	–63
Income tax paid	–7	–3	–9	–7	–15	–13
Cash flow from operating activities before changes in working capital	359	459	744	868	1,574	1,698
Change in properties classified as current assets	–23	–54	–50	–71	–122	–143
Change in current receivables	–1	–72	–113	–43	68	138
Change in current liabilities	–305	57	–670	–188	57	539
Cash flow from operating activities	30	390	–89	566	1,577	2,232
Investing activities						
Investments in new constructions, extensions and refurbishment	–542	–768	–1,094	–1,210	–2,787	–2,903
Acquisition of investment properties	—	–80	—	–80	—	–80
Divestment of investment properties	4,995	183	7,355	1,160	8,468	2,273
Divestment of shareholdings	—	—	1,190	—	1,212	22
Received cash and cash equivalents, partial divestment group co:s	—	8	—	8	—	8
Acquisition holdings without controlling influence	—	–33	—	–119	–456	–575
Change in other non-current assets	23	–22	30	–27	18	–39
Cash flow from investing activities	4,476	–712	7,481	–268	6,455	–1,294
Financing activities						
Dividend paid to parent company shareholders	–208	–105	–415	–208	–834	–627
Hybrid bonds, interest	–31	–20	–59	–39	–107	–87
Repurchase of own shares	—	–43	—	–93	–28	–121
Loans raised	3,314	5,706	4,772	12,038	6,811	14,077
Amortised loans	–7,621	–5,764	–12,122	–12,121	–13,826	–13,825
Cash flow from financing activities	–4,546	–226	–7,824	–423	–7,984	–583
Cash flow for the period	–40	–548	–432	–125	48	355
Cash and cash equivalents at beginning of period	587	987	979	571	484	571
Exchange rate difference in cash and cash equivalents	8	45	8	38	23	53
Cash and cash equivalents at end of period	555	484	555	484	555	979

Consolidated change in equity *in brief*

SEKm	Parent Company shareholders	Holdings without controlling influence	Total
Opening equity, 01.01.2023	31,268	43	31,311
Comprehensive income for the period	–895	–15	–910
Hybrid bonds	–28	—	–28
Equity, 31.03.2023	30,345	28	30,374
Comprehensive income for the period	–1,445	–1	–1,446
Dividend	–830	—	–830
Hybrid bonds	–31	—	–31
Equity, 30.06.2023	28,039	27	28,066

Parent Company Income Statement *in brief*

SEKm	2023 6 months Jan–Jun	2022 6 months Jan–Jun	2022 12 months Jan–Dec
Net sales	272	272	559
Cost of services sold	–182	–179	–372
Gross profit	90	93	187
Central administration	–90	–94	–187
Operating profit	0	–1	0
Earnings from shares in group companies	247	289	781
Earnings from shares in current assets	—	—	–426
Interest income and similar income statement items	100	115	200
Interest expense and similar income statement items	–270	–259	–466
Net financial items	77	145	89
Other comprehensive income	—	—	117
Comprehensive income for the period	77	145	206
Skatt	35	27	–6
Periodens resultat	112	172	200

Parent Company Balance Sheet *in brief*

SEKm	2023 30 Jun	2022 30 Jun	2022 31 Dec
ASSETS			
Other intangible non-current assets	5	2	4
Machinery and equipment	7	8	8
Shares in group companies	22,686	22,230	22,686
Other financial non-current assets	—	1,706	—
Receivables from group companies	6,672	8,750	7,554
Deferred tax receivable	35	33	—
Short-term investments	—	—	1,190
Other current receivables	29	40	47
Cash and cash equivalents	111	22	54
TOTAL ASSETS	29,545	32,791	31,543
EQUITY AND LIABILITIES			
Equity	22,247	22,965	22,965
Interest-bearing liabilities	6,295	8,851	7,981
Non-interest-bearing liabilities	1,003	975	597
TOTAL EQUITY AND LIABILITIES	29,545	32,791	31,543

Key figures

	2023 3 months Apr–Jun	2022 3 months Apr–Jun	2023 6 months Jan–Jun	2022 6 months Jan–Jun	2022 12 months Jan–Dec
Property-related					
Fair value of investment properties, SEKm	69,906	81,088	69,906	81,088	78,387
Yield requirement, valuation, %	5.4	5.0	5.4	5.0	5.2
Rental value, SEKm	4,662	4,916	4,662	4,916	4,940
Lettable area, sq.m.	2,650,578	3,288,266	2,650,578	3,288,266	3,194,535
Economic occupancy rate, %	89	89	89	89	89
Area-based occupancy rate, %	81	83	81	83	83
Operating margin, %	72	69	69	68	65
No. of investment properties	366	479	366	479	458
Average remaining lease contract period, years	3.7	3.9	3.7	3.9	3.9
Financial					
Return on equity, %	-24.9	0.9	-18.3	10.5	-6.0
Adjusted equity ratio, %	40	42	40	42	39
Equity ratio, %	35	37	35	37	34
Interest-bearing net liability, SEKm	40,034	45,118	40,034	45,118	45,439
Loan-to-value ratio, %	55	53	55	53	57
Loan-to-value ratio, properties, %	44	41	44	41	45
Interest coverage ratio	2.0	3.0	2.0	2.8	2.5
Average interest rate, %	4.3	2.6	4.3	2.6	3.6
Average period of fixed interest, years	2.4	2.5	2.4	2.5	1.9
Average period of tied-up capital, years	3.3	3.6	3.3	3.6	3.3
Share-related					
Profit from property management per ordinary share A and B, SEK	0.21	0.34	0.42	0.61	1.10
Earnings per ordinary share, A and B, SEK ¹⁾	-1.81	-0.04	-2.75	1.43	-2.25
Net asset value (NAV) per ordinary share A and B, SEK	22.95	29.73	22.95	29.73	26.42
Equity per ordinary share A and B, SEK	19.17	25.42	19.17	25.42	22.17
Equity per ordinary share D, SEK	289.59	289.59	289.59	289.59	289.59
Equity per preference share, SEK	312.72	312.72	312.72	312.72	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	6.06	13.20	6.06	13.20	10.45
Share price ordinary share B, SEK	5.07	11.48	5.07	11.48	8.39
Share price ordinary share D, SEK	121.00	200.00	121.00	200.00	170.60
Share price preference share, SEK	155.00	209.00	155.00	209.00	211.50
No. of shares, thousands					
Number of outstanding ordinary shares A and B	1,078,717	1,080,917	1,078,717	1,080,917	1,078,717
Average number of outstanding ordinary shares A and B ¹⁾	1,078,717	1,082,211	1,078,717	1,083,349	1,081,271
Number of outstanding ordinary shares D	7,504	7,504	7,504	7,504	7,504
Number of outstanding preference shares	12,415	12,415	12,415	12,415	12,415

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, 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)

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 Parent Company's shareholders.

Calendar

FINANCIAL REPORTS

Interim Report January–September 2023	26 October 2023
Year-end report 2023	February 2024

DIVIDEND: PROPOSED RECORD DATES AND DIVIDEND PAYMENT DATES

Record date for dividend on ordinary shares of class A, B, D and preference shares	29 September 2023
Expected payment date for dividend on ordinary shares of class A, B, D and preference shares	4 October 2023
Record date for dividend on ordinary shares of class A, B, D and preference shares	29 December 2023
Expected payment date for dividend on ordinary shares of class A, B, D and preference shares	4 January 2024
Record date for dividend on ordinary shares of class A, B, D and preference shares	28 March 2024
Expected payment date for dividend on ordinary shares of class A, B, D and preference shares	4 April 2024

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Properties for the future.