Interim Report January–March 2023

Properties for *the future.*

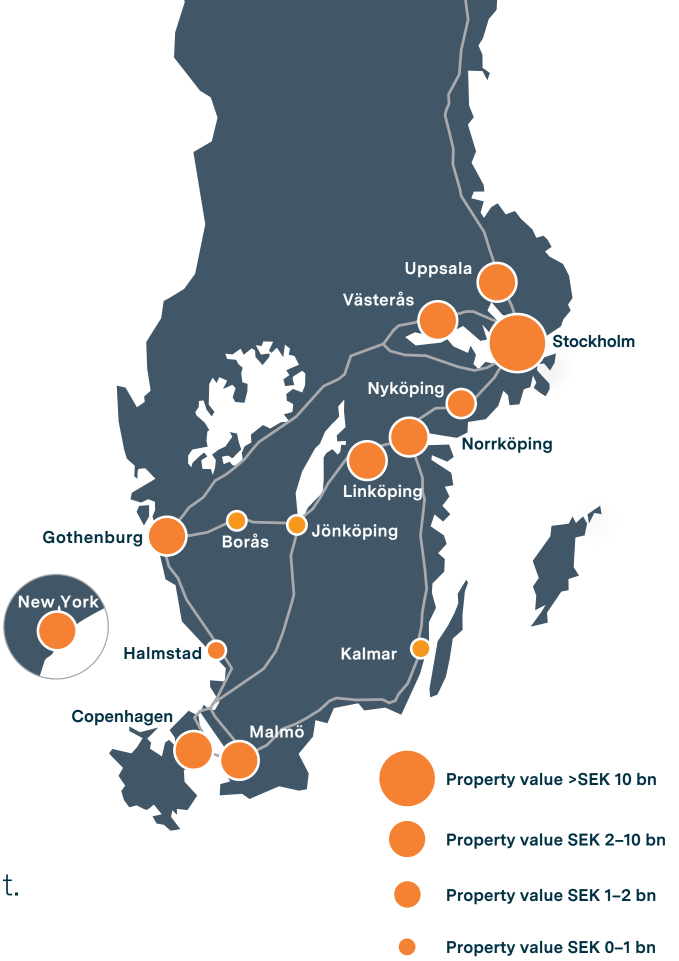
corem

Corem Property Group (publ)

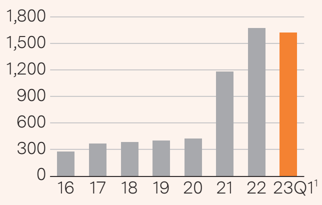
Corem is a commercial real estate company focusing on metropolitan cities and growth areas.

Corem owns 424 investment properties with a combined 3,035,000 sq.m. of lettable area valued at SEK 75,109 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.

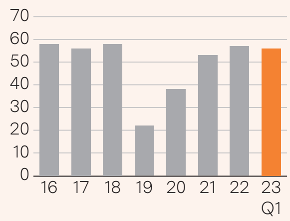


PROFIT FROM PROPERTY MANAGEMENT, SEKm

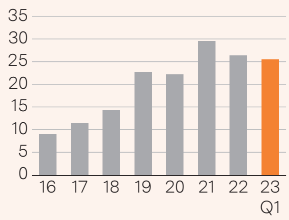


[1]Trailing 12 months

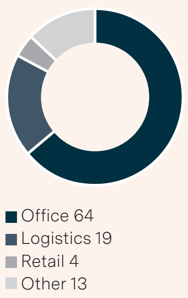
LOAN TO VALUE, %



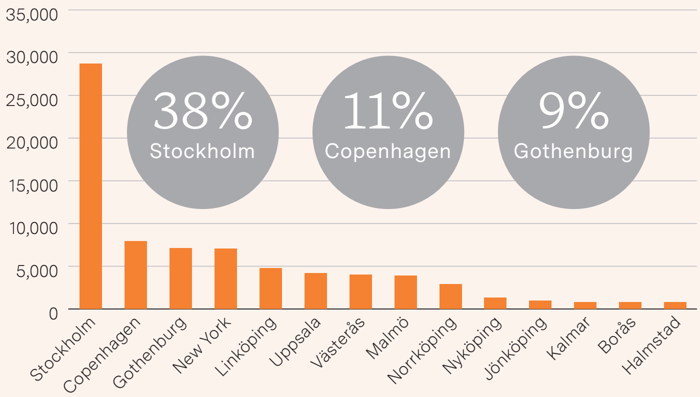
NET ASSET VALUE (NAV) PER ORDINARY SHARE A/B, SEK



PROPERTY VALUE BY TYPE OF PROPERTY, %



PROPERTY VALUE BY CITY, SEKm



January–March 2023

- Income increased to SEK 1,172 million (1,099).
- Operating surplus increased to SEK 789 million (727).
- Net financial income amounted to SEK –387 million (–271).
- Profit from property management amounted to SEK 356 million (409).
- Changes in value of properties amounted to SEK –1,505 million (1,082).
- Changes in value of financial assets amounted to SEK –231 million (720).
- Net profit for the period amounted to SEK –911 million (1,736), corresponding to SEK –0.95 (1.47) per ordinary share of class A and B.
- Net letting amounted to SEK 33 million.
- The value of investment properties amounted to SEK 75,109 million.
- Net asset value (NAV) per ordinary share of class A and B amounted to SEK 25.52.

5,087
Rental value, SEKm

75,109
Investment properties, SEKm

356
Profit from property management, SEKm

25.52
NAV per ordinary share of Class A/B, SEK

IMPORTANT EVENTS DURING THE FIRST QUARTER

- During the quarter, 34 properties were divested for SEK 2,488 million.
- In January, Corem divested its entire holding in Castellum, consisting of 8.7 million shares at avalue of SEK 1,190 millon.
- In February, Corem repaid outstanding bonds of SEK 484 million at maturity.
- In March, Corem raised a green loan of USD 90 million with the German bank PBB Deutsche Pfandbriefbank for financing of the property 1245 Broadway in New York.

EVENTS AFTER THE END OF THE PERIOD

- In April, Corem Property Group, ALM Equity and Broskeppet Bostad, the joint owners of the residential company Klövern, signed a letter of intent with an international investor for the latter's acquisition of 25 per cent of the shares in Klövern at a value of around SEK 1,350 million. The deal is expected to be finalized during the second quarter of 2023.
- In April, Corem transferred possession of the remaining 40 properties in the previously communicated deal comprising a combined 47 properties for an underlying property value of SEK 5,350 million. The assessed effect on earnings in the second quarter amounts to approximately SEK 275 SEK million and is mainly attributable to the dissolution of deferred tax liability.
- In April, Corem announced the early redemption of a bond amounting to SEK 700 million. The redemption date is 5 May 2023.
- In April, an agreement was signed for the sale of a portfolio of ten properties in Kalmar, for an underlying property value of SEK 425 million, which is in line with the book value of the properties.

	2023 3 months Jan–Mar	2022 3 months Jan–Mar	2022/2023 Rolling 12 months Apr–Mar	2022 12 months Jan–Dec
Income, SEKm	1,172	1,099	4,564	4,491
Net operating income, SEKm	789	727	2,995	2,933
Profit from property management, SEKm	356	409	1,622	1,675
Net profit for the period, SEKm	–911	1,736	–4,585	–1,938
Earnings per ordinary share of Class A and B, SEK	–0.95	1.47	–4.67	–2.25
Net asset value (NAV) per ordinary share of Class A and B, SEK	25.52	30.97	25.52	26.42
Economic occupancy rate, %	89	89	89	89
Operating margin, %	67	66	66	65
Adjusted equity ratio, %	41	44	41	39
Interest coverage ratio	2.0	2.6	2.3	2.5
Loan-to-value ratio, %	56	52	56	57

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

Continued streamlining and positive net lettings

Our core property management business and lettings operations continue to be stable and generate strong earnings for the business as a whole. Since the year-end we have signed agreements for several larger lettings in Sweden, Denmark and USA. There has been a high level of transactions activity during the first quarter, and this is likely to continue during the year. Divestments and debt repayments have been a priority in order to strengthen the balance sheet, focusing on ensuring long-term, resilient finances in a time of macroeconomic uncertainties.

It is pleasing to see that our core business is robust, in spite of the uncertainties that prevail in the world and on the financial markets. Our net letting was positive in the first quarter, amounting to SEK 33 million, indicating that the core business will stay healthy. Operating profit increased by 9 per cent compared to the same period last year, to SEK 789 million. At the same time, higher interest costs affect the profit from property management, which decreased by 13 per cent, to SEK 356 million.

Transactions that strengthen our profile

In these challenging times, we still see that there is a well-functioning transactions market. We will continue on the path we have started on: streamlining the portfolio and strengthening the balance sheet, chiefly through divestments.

During the first quarter, we handed over possession of 34 properties with an underlying property property value of approximately SEK 2,490 million. After the end of the quarter, we have also handed over the remaining 40 properties in the transaction agreed at the end of last year, which concerned 47 properties in all. That deal together with our agreed divestment in Kalmar of 10 properties lowers our loan-to-value ratio from 56 per cent at the end of the first quarter to 53 per cent, at the same time as the equity ratio is strengthened from 35 to approx 38 per cent. The divestment of our remaining holding in Castellum, to a value of SEK 1,190 million, was a further step taken this quarter to strengthen our balance sheet.

The transactions that we have agreed on and completed have taken place at values near the book values, which we regard as an indication that our valuation process is working well. Given the external circumstances we currently operate in, with higher interest rates and high inflation, we have during the first quarter written down the property values by almost 2 per cent.

Higher financing expenses

The real estate sector is in a period of increasingly high financial expenses as a result of higher interest rates. We are continuously working to secure stable, long-term financing and reduce interest rate risk, by using interest rate swaps and caps. We are gradually increasing the proportion of bank financing, which offers greater stability. We have strong relationships with banks which we value highly. During the quarter we closed a new green loan of totally USD 90 million to finance the development property 1245 Broadway in New York, where part of the loan refers construction credit for the completion of the project.

At the beginning of the year, our bond maturities in 2023 amounted to SEK 2,934 million, of which SEK 484 million was repaid during the quarter. Thanks to the transactions that we have completed, we will be able to redeem the remaining non-secured bonds that mature this year. The next maturity, which falls in June, will be redeemed early.

Increased income and continued energy savings

High inflation affects us in several ways. It increases the costs of our projects as well as of our ongoing property operations, but at the same time, there is a positive impact on rental income as Swedish lease agreements are mostly indexed against the consumer price index (KPI). We estimate that the impact of KPI indexation, after adjustment for known transfer of possessions, will increase rental income by around SEK 290 million in 2023.

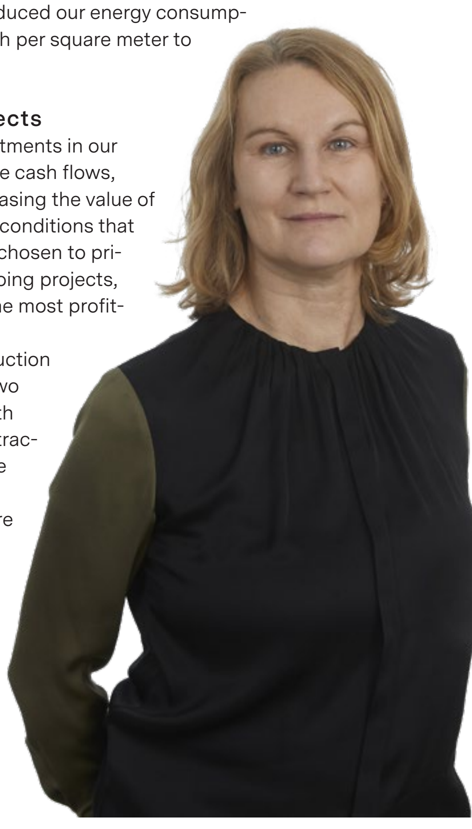
Energy costs in the Swedish portfolio increased by around SEK 13 million during in comparable portfolio the first quarter, compared to the same quarter last year. This increase in costs was, however, materially lower than expected, as energy prices did not rise as high as projected. We are actively working to reduce the energy consumption in our properties, partly for our own sake but also to support our tenants in this work.

Our goal is to reduce energy consumption to 75 kWh per square metres by 2025. In 2022, we reduced our energy consumption by 10 per cent, from 88 kWh per square meter to 78 kWh per square meter.

Restraint with new projects

Project development and investments in our properties are meant to improve cash flows, which also contributes to increasing the value of our portfolio. Given the market conditions that now prevail, however, we have chosen to primarily finish and conclude ongoing projects, and to prioritize starting only the most profitable projects.

Our largest ongoing construction project is the construction of two high-quality office buildings with high sustainability ratings in attractive locations in Manhattan. The exteriors of these buildings are now complete, and as leases are signed tenant adaptations are also completed. The total annual contract value for all lease agreements signed thus far for properties in New York amount right now to around SEK 120 million, and the average rent amounts to the equivalent of around SEK 11,000 per square meter.



Several of our larger projects are now nearing completion, and lettings efforts for multiple development properties are now entering the final phase. So far this year, we have signed agreements for several larger lettings. Among others, we have let around 3,500 sq.m. in central Stockholm to the Riksbank, the Swedish central bank; total around 2,200 square meters in New York to the marketing agency R/GA and to the skincare company Peachy; and around 1,500 square meters to the consultancy WSP in the project Örebro Entré. We have also agreed on a lease of 2,180 square meters in Copenhagen.

In summary, I can say that these are new times for all of us in the real estate industry. Although our underlying business is stable rising interest rates and an unbalanced capital market leave their mark. The quarter that we now leave behind us has been work-intensive and thick with transactions, and we intend to keep that momentum up as we enter the next quarter.

Eva Landén, CEO
Stockholm, 28 April 2023

During the quarter a 3-year agreement was signed with WSP for approximately 1,500 sq.m. in the project Örebro Entré.

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 and the period refers to January–March.

INCOME

Income increased to SEK 1,172 million (1,099) during the first quarter of the year. The revenue was positively affected of rent indexation and was negatively affected due to divestments. Income for a comparable portfolio increased by 11 per cent.

EXPENSES

Property costs amounted to SEK 383 million (372) including electricity costs contributed to increased costs while divestments contributed to reduced costs. Property costs for a comparable portfolio increased by 11 per cent.

Central administration expenses amounted to SEK 46 million (47).

EARNINGS

Net operating income amounted to SEK 789 million (727) and the operating margin to 67 per cent (66). Net operating income for a comparable portfolio increased with 11 per cent and the operating margin amounted to 69 procent which is in line with last year.

Profit from property management amounted to SEK 356 million (409).

NET FINANCIAL ITEMS

Net financial income amounted to SEK –387 million (–271). Financial income amounted to SEK 3 million (5), and financial expenses amounted to SEK 390 million (276) of which site leasehold fees (interest expenses for leasing liabilities) amounted to SEK 18 million (17).

At the end of the quarter, the average interest rate amounted to 4.1 per cent (3.6).

For further information, refer to page 13.

SHARE OF EARNINGS IN ASSOCIATED COMPANIES

Share of earnings in associated companies amounted during the quarter to SEK 103 million (3), chiefly attributable to Corem's holding in the housing company Klövern.

As of 31 March 2023, Corem's ownership in the housing development company Klövern amounted to 49.4 percent. The holding is reported as shares in associated companies. After the end of the quarter, Corem together with the other co-owners in Klövern, ALM Equity and Broskeppet Bostad, signed a letter of intent with an international investor that that the latter intends to acquire 25 per cent of the shares in Klövern at a value of approximately SEK 1,350 million. The new potential owner intends to invest up to SEK 3 000 million in new issues in Klövern to fund the construction of planned projects. The agreement is planned to be concluded during the second quarter 2023.

CHANGES IN VALUE

Properties

Changes in value for Corem's investment properties amounted during the quarter to SEK –1,505 million (1,082), corresponding to approximately –2 per cent, of which unrealized value changes amounted to SEK –1,458 million. Realized value changes amounted to SEK –47 million, corresponding to approximately -2 per cent in terms of divestments made in the quarter. The impact of divestments on the period's profit, net after tax, amounts to approximately SEK 140 million. For further information, refer to page 7.

Financial placements

Value changes on financial assets amounted to SEK 93 million (–101) during the period, primarily relating to Corem's holding in Castellum. The holding in Castellum was divested in its entirety during the period. For further information, refer to page 14.

Derivatives

Changes in value of derivatives amounted to SEK –231 million (720). The value of the derivatives is affected by changes in market interest rates.

GOODWILL

During the quarter, impairment to goodwill amounted to SEK –88 million (–55). Impairment refers to goodwill attributable to deferred tax where write-downs occur due to unrealized value changes or divestitures.

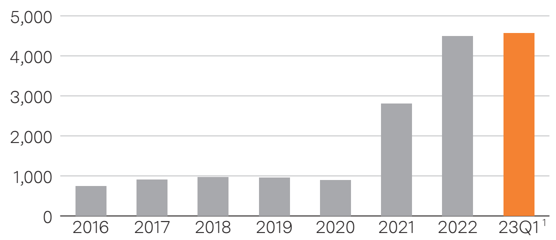
TAXES

During the first quarter, current tax amounted to SEK –13 million (–6). Deferred tax amounted to SEK 374 million (–316) mainly attributable to dissolution of deferred tax in connection with the sale of properties as well as negative value changes in the property portfolio.

OTHER COMPREHENSIVE INCOME

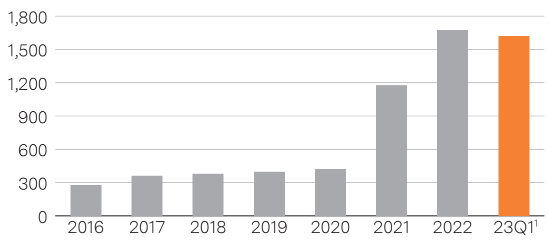
Other comprehensive income during the period amounted to SEK 1 million (124) and primarily relates to translation differences.

INCOME, SEKm



[1]Trailing 12 months

PROFIT FROM PROPERTY MANAGMENT, SEKm



[1]Trailing 12 months

The property portfolio

PROPERTY VALUES

Corem's property portfolio consisted, on 31 March 2023, of 424 investment properties with a combined lettable area of 3,035,000 sq.m. and a market value of SEK 75,109 million, in addition to one property classified as a current asset.

CHANGES IN VALUE

Value changes to investment properties amounted during the quarter to SEK –1,505 million (1,082), of which unrealized value changes amounted to SEK –1,458 million and realized value changes to SEK –47 million. During the first quarter, higher required yield and more cautious assumptions relating to vacancies and projects have made a negative contribution to the value change.

Project development, including development of building rights, contributed with changes in the value of properties of SEK –561 million during the quarter. On average, Corem's properties, on 31 March 2023, have been valued using an assessed required yield of 5.3 per cent (5.2 at year-end).

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 quarter, Cushman & Wakefield, Newsec and Savills have been used as valuation agencies. Corem obtains continuous market information from external valuation agencies as support for the internal valuation. For a sensitivity analysis and a description of the valuation principles, refer to Corem's annual report for 2022.

PROPERTY TRANSACTIONS

Transactions during the quarter

During the quarter, 34 properties were handed over, whereof all divestments were sold in line with book value. Impact on the net profit for the period amounts to approximately SEK 140 million after tax.

In January and March, four properties in Nyköping were handed over at a combined underlying property value of SEK 168 million.

In January, an agreement was signed for the sale of the property 1 kh Rudegård Ny Holte, Copenhagen, at an underlying property value corresponding to SEK 106 million. The property was handed over in February.

In February, an agreement was signed for the sale of 17 properties in the Stockholm area at a combined underlying property value of SEK 949 million. The properties were handed over in March.

In March, an agreement was signed for the sale of the site leasehold for the property Stockholm Induktorn 37 at an underlying property value of SEK 127 million. The site was handed over in March.

In March, an agreement was signed for the sale of the properties Rosersberg 11:151 and Veddesta 2:43 in Stockholm, at a combined underlying property value of SEK 467 million. The properties were handed over in March.

In March, the property Åldermannen 25 in Kalmar was handed over at a combined underlying property value of SEK 39 million. In March, also the property Kabeln 1 in Norrköping was handed over at a combined underlying property value of SEK 42 million.

In March, an agreement was signed for the sale of the property Malmö Förbygeln 1 at an underlying property value of SEK 31 million. The property will be handed over in May.

In February, seven properties in a divested portfolio of 47 properties were transferred, located in Gothenburg, Jönköping, Malmö, Stockholm and Västerås, with a total underlying property value of approximately SEK 5,350 million. Underlying property value of the seven properties which were handed over during the quarter amounts to approximately SEK 590 million. The remaining 40 properties were handed over at the beginning of the second quarter. The assessed effect on earnings in the second quarter amounts to approximately SEK 275 SEK million and is mainly attributable to the dissolution of deferred tax liability.

TENANTS AND THE LEASE PORTFOLIO

On 31 March 2023, Corem had approximately 3,800 tenants with around 6,700 lease contracts . At that time, the annual contract value amounted to SEK 4,549 million (4,417), the rental value to SEK 5,087 million (4,940) and the economic occupancy rate to 89 per cent (89). 31 per cent of the contracted rent expires in 2027 or later. In total, the average remaining contract period was 3.8 years (3.9).

Net letting

Net letting amounted to SEK 33 million (0) during the first quarter.

In total, lettings and renegotiations amounted to SEK 110 million during the quarter. 78 per cent of this was for new customers and the remaining letting to existing tenants.

Major lettings

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

In Stockholm, a 6-year lease agreement was signed with the Riksbank, the Swedish central bank, for office premises in the property Orgelpipan 4. Moving-in is planned to take place at the end of 2023.

In New York, a 5-year agreement was signed with advertising agency R/GA regarding approximately 1,600 sq.m. in the project property 28&7, with move-in in January.

In Copenhagen a 5-year agreement was signed regarding approximately 2,180 sq.m. in the property Amerikaplads. Moving-in is planned to the third quarter 2023.

In Örebro, a 3-year agreement was signed with WSP for approximately 1,500 sq.m. in the project Örebro Entré. The premises are located in the same building as Scandic Hotels, which was built during the first stage of Örebro Entré. Moving-in is planned for the first quarter of 2024.

INVESTMENT PROPERTIES: NUMBER, LETTABLE AREA, FAIR VALUE

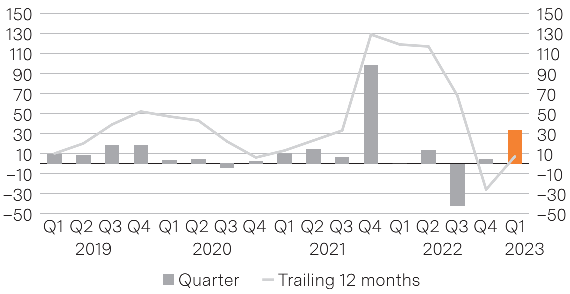
	Q1 2023			2022
	No.	sq.m.	SEKm	SEKm
Total at the start of the year	458	3,194,535	78,387	83,084
Acquisitions	—	—	—	80
Investments in construction, extensions and refurbishment	—	14,923	552	2,903
Divestments	–34	–174,305	–2,407	–2,329
Divestments to the associated company Klövern AB	—	—	—	–4,374
Changes in value, unrealised	—	—	–1,458	–2,565
Currency conversion	—	—	35	1,588
Total at the end of the period	**424**	**3,035,153**	**75,109**	**78,387**

PROPERTY TRANSACTIONS, TRANSFER OF POSSESSION JANUARY–MARCH 2023

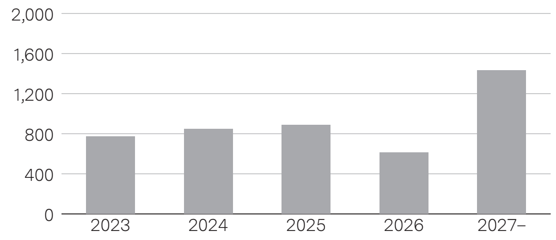
					Lettable area, sq.m.	
Quarter	Property	City	Municipality	Property category	Acquisition	Divestment
Q1	Åldermannen 25	Kalmar	Kalmar	Retail	—	8,548
Q1	Kabeln 1	Norrköping	Norrköping	Warehouse/logistics	—	4,887
Q1	Jordbromalm 6:18	Stockholm	Haninge	Warehouse/logistics	—	11,158
Q1	Jordbromalm 5:2 & 5:3	Stockholm	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
TOTAL SQ.M.					**—**	**174,305**

During the quarter, a lease agreement was signed with Sveriges Riksbank in the property Orgelpipan 4 at Klarabergsgatan 33–35 in Stockholm.

NET LETTING, SEKm



CONTRACT STRUCTURE, SEKm



Corem's business unit office in Uppsala. Over 80 percent of the new office's loose furnishings are recycled from or from Corem's previous office other properties in Corem's portfolio.

PROJECT DEVELOPMENT

Increased capital costs mean that Corem prioritizes project development completion of already started construction projects with contracted tenants. Project activities makes it possible to meet tenants' changed requirements as well as to develop and create added value within the property portfolio. Investments often take place in connection with new lettings and in order to adapt and modernise premises, thereby increasing the rental value.

During the first quarter, SEK 552 million (442) was invested in the property portfolio for new construction, extensions and refurbishments. As at 31 March 2023, the remaining investment volume attributable to all ongoing projects amounted to SEK 1,473 million. At the same time, there were altogether 10 ongoing projects with an estimated investment exceeding SEK 50 million each. The total area-based occupancy rate in these projects, which combined comprise 79,249 sq.m. and a remaining investment of SEK 1,086 million, amounts to 66 percent.

Project development, including development of building rights, contributed changes in value for properties of SEK –561 million in the first quarter of the year.

Commercial projects in Sweden

In Västerås, among other things, major projects are in progress at the two city-center malls. In the Punkt mall, the facade will be opened up toward the travel interchange, and interior upgrades are also underway with new escalators and energy-efficient components. 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 center as well as Apoteket, a pharmacy chain, will be moving in during 2023.

In central Stockholm, refurbishment and modernization of the property Orgelpipan 4 on Klarabergsgatan is in process. In the first quarter 2023, a 6-year contract was signed with Sveriges Riksbank with the move-in planned for 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 Arlandastad, a new warehouse building has been constructed for the National Swedish Museums of Military History, who moved in during the beginning of 2023.

In the ProStop shopping area in Borås, a new construction with trading and logistics premises for, among other things, the restaurant wholesaler Snabbgross has been completed during the first quarter of 2023.

Commercial projects in New York

Corem owns four project properties in Manhattan in New York. Two of these, 1245 Broadway and 28&7, both new construction of high-quality office buildings, are nearing completion. In both properties, the exterior has now been completed and interior tenant adaptations are underway.

In the first quarter of 2023, lease agreements were signed with R/GA, which also moved into the property 28&7 during the quarter. The lease relates to two previously completed display floors on floors 6 and 7 comprising a total of approximately 1,614 sq.m. on a 5-year agreement. On 31 March, a total of seven lease agreements had been signed corresponding to 47 per cent of the lettable area in 1245 Broadway, and 24 per cent of the area in 28&7.

The economic occupancy rate relating to active leases where the tenant has moved in amounts to 31 per cent in 1245 Broadway and 24 per cent in 28&7. The total contract value of the leases signed in New York amounted, on 31 March 2023, to USD 11.2 million, corresponding to SEK 116 million, or ca. 11,000 SEK/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.

Residential development projects

Currently, Corem has one ongoing residential project, K1 Nacka, comprising 60 apartments. The project is divided into several sale phases. 50 of the 54 apartments that have been brought to market have now been sold. The remaining 6 of the 60 apartments are not yet up for sale. Moving-in planned to take place during 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	1,798	503	214	23Q4
New York[1]	28&7	New construction, office premises	2,214	9,095	896	144	99	24Q1
Stockholm	Orgelpipan 4	Refurbishment, office premises	3,518	4,240	342	86	32	23Q4
Uppsala	Fyrislund 6:6	New construction, offices and laboratory	0	3,097	158	43	11	23Q4
Västerås	Loke 24	Refurbishment of building, tenant customization for health center	4,634	7,014	157	22	9	23Q3
Stockholm	Nattskiftet 12&14	New construction, garage and refurbishment, office premises	7,425	8,168	150	33	6	24Q1
Stockholm	Sicklaön 356:1	Refurbishment for Bilia	10,942	10,942	147	68	11	24Q1
Örebro	Olaus Petri 3:234	Refurbishment and extension and office premises for Trafikverket and Länsstyrelsen. Phase 2	6,508	10,200	195	102	17	24Q2
Västerås	Mats 5	Refurbishment of building	3,529	3,985	136	77	8	23Q3
Västerås	Gustavsvik	Refurbishment, office/gym premises. Updating of technology	5,393	5,393	71	8	8	23Q2
TOTAL			52,168	79,249	4,050	1,086	415	

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

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.

28&7, New York
Ongoing project. Estimated to be completed during the first quarter of 2024.

Sicklaön 356:1, Stockholm
Ongoing project. Estimated to be completed during the first quarter of 2024.

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.

Stålet 3, Norrköping
The project was completed in the first quarter of 2023.

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 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

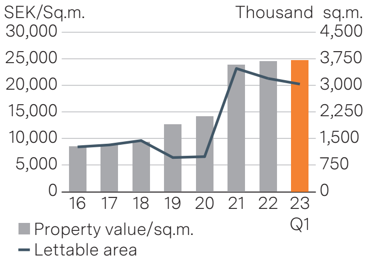
	Income, SEKm		Property costs, SEKm		Net operating income, SEKm		Operating margin, %		Investments, SEKm	
	2023 Jan–Mar	2022 Jan–Mar	2023 Jan–Mar	2022 Jan–Mar	2023 Jan–Mar	2022 Jan–Mar	2023 Jan–Mar	2022 Jan–Mar	2023 Jan–Mar	2022 Jan–Mar
Region Stockholm	465	441	–171	–175	294	266	63	60	145	156
Region Stockholm Logistics	154	148	–55	–47	99	101	64	68	51	37
Region East	227	215	–73	–75	154	140	68	65	98	83
Region West	220	219	–72	–73	148	147	67	67	59	55
International – Copenhagen	79	75	–6	–2	73	72	92	96	5	1
International – New York	27	1	–6	0	21	1	78	—	194	110
Total	**1,172**	**1,099**	**–383**	**–372**	**789**	**727**	**67**	**66**	**552**	**442**
Investment portfolio	1,119	1,045	–349	–342	771	703	69	67	251	269
Development portfolio	53	54	–34	–30	18	24	34	44	301	173
Total	**1,172**	**1,099**	**–383**	**–372**	**789**	**727**	**67**	**66**	**552**	**442**

KEY FIGURES PER GEOGRAPHIC AREA

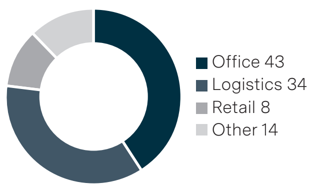
	No. of properties		Fair value, SEKm		Rental value, SEKm		Economic occupancy rate, %		Lettable area, 000 sq.m.	
	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar	2023 31 Mar	2022 31 Mar
Region Stockholm	101	126	29,909	35,034	2,172	2,117	86	86	997	1,110
Region Stockholm Logistics	76	94	6,970	9,183	517	629	94	94	374	475
Region East	112	139	11,537	12,673	992	969	92	90	748	855
Region West	122	133	11,739	12,981	1,003	968	88	88	753	811
International – Copenhagen	9	10	7,906	7,718	313	289	98	98	155	160
International – New York[1]	4	5	7,048	6,280	90	0	100	0	8	0
Total	**424**	**507**	**75,109**	**83,869**	**5,087**	**4,972**	**89**	**89**	**3,035**	**3,411**
Investment portfolio	388	442	63,759	69,847	4,716	4,636	91	90	2,837	3,188
Development portfolio	36	65	11,350	14,022	371	336	74	68	198	223
Total	**424**	**507**	**75,109**	**83,869**	**5,087**	**4,972**	**89**	**89**	**3,035**	**3,411**

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

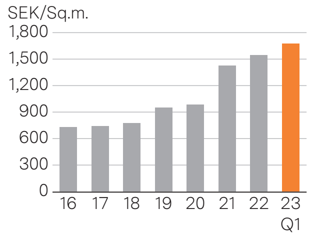
PROPERTY VALUE BY SQ.M. AND LETTABLE AREA



LETTABLE AREA BY TYPE, %



RENTAL VALUE BY SQ.M.



Financing

INTEREST-BEARING LIABILITIES

On 31 March 2023, interest-bearing liabilities amounted to SEK 44,689 million (47,644). Accrued borrowing overheads amounted to SEK 225 million (171), which entails interest-bearing liabilities in the balance sheet of SEK 44,464 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 125 million (350) and SEK 10,934 million (11,418), respectively, at the end of the quarter. Corem's commercial paper program has a framework amounting to SEK 5,000 million. Outstanding commercial paper have back-ups in the form of unutilized credit facilities in Nordic banks.

The average period of tied-up capital amounted to 3.2 years (3.3).

The loan-to-value ratio amounted to 56 per cent (57).

INTEREST-BEARING NET LIABILITIES SEKm	2023 31 Mar	2022 31 Dec
Interest-bearing liabilities	44,464	47,473
Adjustment, accrued borrowing overheads	225	171
Interest-bearing assets	–120	–122
Shareholdings	–7	–1,104
Cash and cash equivalents	–587	–979
Interest-bearing net liability	**43,975**	**45,439**

Bonds

At the end of the quarter, the Group had SEK 10,934 million in outstanding listed bonds, maturing in 2023 to 2025. There is an unsecured Medium Term Note program (MTN) with a framework amounting to SEK 10,000 million, within which SEK 5,550 million has been issued.

INTEREST MATURITY STRUCTURE

On 31 March 2023, the average interest rate in the loan portfolio amounted to 4.1 percent (3.6).

Interest rate swaps and interest rate caps are used to limit the interest rate risk. At the end of the quarter, Corem had interest rate swaps for a nominal value of SEK 17,790 million (17,790), and interest rate caps for SEK 3,679 million (9,679) which together corresponds to 48 per cent of interest-bearing liabilities. Together with fixed-interest loans, this means that 50 per cent of 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 1.5–3.0 per cent. On 31 March 2023, the market value of the interest rate derivatives portfolio amounted to SEK 1,059 million (1,290). Changes in value of derivatives during the quarter amounted to SEK –231 million (720).

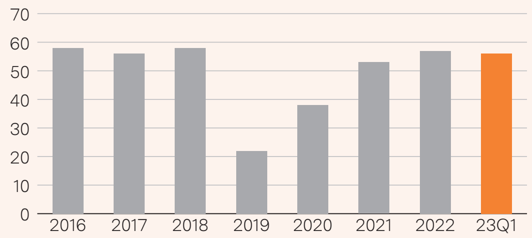
The average period of fixed interest amounted at the end of the quarter to 2.1 years (1.9) taking derivatives into account. The interest coverage ratio amounted to 2.0 (2.6) during the quarter and to 2.3 (2.6) during the last four quarters.

LIQUID FUNDS

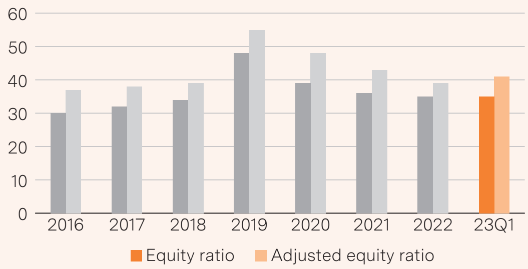
On 31 March 2023, liquid funds amounted to SEK 587 million (979). Restricted cash of SEK 133 million has been included in Cash and cash equivalents in accordance with IFRS IC clarification that due to a contract having been entered into with a third party.

In addition, there were unutilized credit facilities, including backup facilities for outstanding commercial paper, of SEK 1,770 million, of which SEK 1,462 million can be used immediately with existing collateral. The remaining amount can be used for acquisition of shares and properties as well as to some extent financing ongoing projects. The net interest-bearing debt amounted to SEK 43,975 million (45,439).

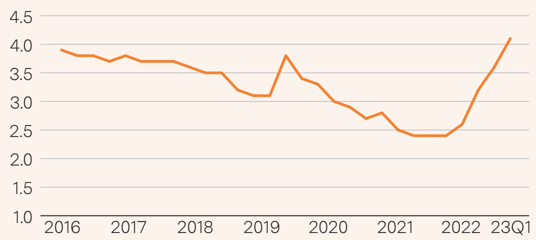
LOAN TO VALUE, %



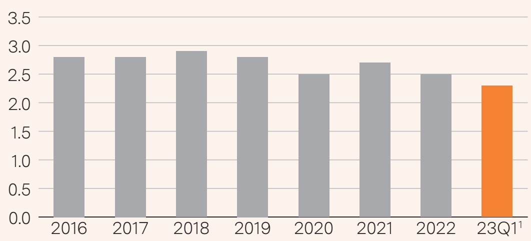
EQUITY RATIO AND ADJUSTED EQUITY RATIO, %



AVERAGE INTEREST RATE, %



INTEREST COVERAGE RATIO



[1]Trailing 12 months

EQUITY

At the end of the quarter, the Group's equity, attributable to the parent company's shareholders, amounted to SEK 30,345 million (31,268) of which SEK 1,300 million refers to hybrid bonds. Equity amounted to SEK 21.31 (22.17) per ordinary share of class A and B, SEK 289.59 (289.59) per ordinary share of series D and 312.72 (312.72) per preference share. Net asset value (NAV) per ordinary share of class A and B amounted to SEK 25.52 (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 +6 percentage points margin. If the hybrid bond is not redeemed in June 2023, a step-up occurs where the margin is raised to Stibor +8 percentage points.

Equity ratio

At the end of the quarter, the adjusted equity ratio was 41 per cent (39) and the equity ratio 35 per cent (34).

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

SHAREHOLDINGS

Since 2019, Corem has owned shares in the real estate company Castellum, which is listed on Nasdaq Stockholm. The acquisition value amounted to SEK 193.25 per share. In January 2023, Corem divested its entire holding in Castellum, corresponding to 8.7 million shares at a value of SEK 1,190 millon. The sale meant a positive profit effect in the period of SEK 90 million.

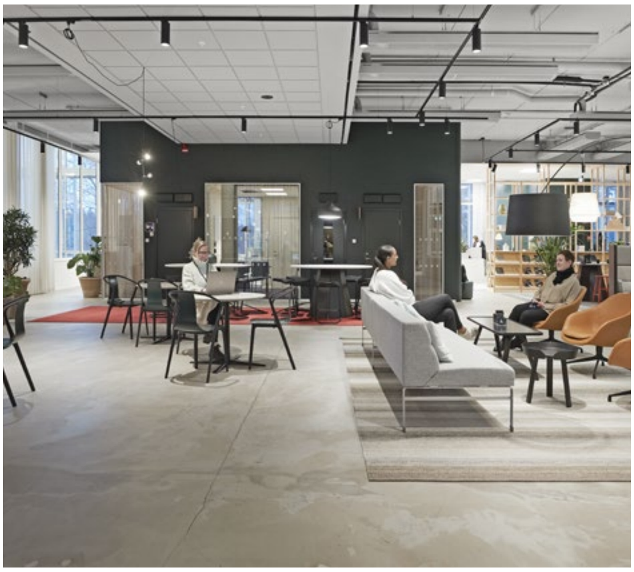
Corem also owns 639,425 shares in Everysport Media Group, which is listed on Spotlight Stock Market. On 31 March 2023, market value amounted to SEK 7 million.

See also the Risk section in Corem's annual report for 2022.

CASH FLOW

The Group's cash flow from operating activities, before changes in working capital, amounted to SEK 385 million (409) during the quarter.

Cash flow from investing activities amounted to SEK 3,005 million (444) and cash flow from financing activities amounted to SEK –3,278 million (–197).



Kista Gate, Stockholm.

FIXED INTEREST AND TIED-UP CAPITAL

	Fixed interest	Tied-up capital			
Maturity year	Loan volume, SEKm	Contract volume, SEKm	Utilised, SEKm	Of which outstanding bonds, SEKm	Not utilised, SEKm
Variable*	26,078	—	—	—	—
2023	105	13,999	12,982	2,450	1,017
2024	4,626	11,694	11,671	5,784	23
2025	4,490	11,261	10,761	2,700	500
2026	—	2,034	1,804	—	230
2027	500	341	341	—	—
Later	8,890	7,130	7,130	—	—
Total	**44,689**	**46,459**	**44,689**	**10,934**	**1,770**

*Of the floating volume, SEK 3,679 million is covered by the interest rate cap.

BOND OVERVIEW 2023-03-31*

Type	Issued	Maturity	Issuer	Outstanding volume, SEKm	Issue spread over 3-month Stibor, %
Unsecured	Jun 2019	Jun 2023	Kelly	700	4.25
Unsecured MTN 203	Mar 2021	Sep 2023	Kelly	850	2.40
Green unsecured	May 2021	Nov 2023	Corem	900	2.50
Green unsecured MTN 201	Oct 2020	Apr 2024	Kelly	2,000	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 series A, ordinary shares of series B, ordinary shares of series D and preference shares.

On 31 March 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 first quarter, Corem did not repurchase any own shares. As at 31 March 2023, Corem held 2,913,825 repurchased ordinary shares of class A, 35,691,000 repurchased ordinary shares of class B and 42,000 repurchased shares of class D. The total market value at that time amounted to SEK 288 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.

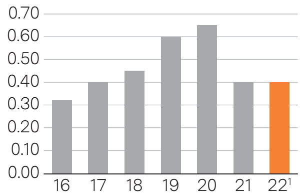
CONVERSION OF CLASS A ORDINARY SHARES

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 February 2023.

Söderstaden, Stockholm.

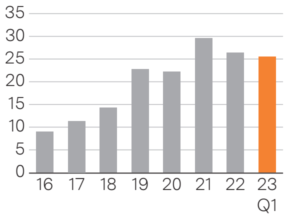
SHARE FACTS, 31 MARCH 2023	
Market capitalisation	SEK 12.0 bn
Market place	Nasdaq Stockholm, Large Cap
LEI no.	213800CHXQQD7TSS1T59
No. of shareholders	48,317
Ordinary share, Class A	
No. of shares	93,730,797
Closing price	SEK 7.80
ISIN	SE0010714279
Ordinary share, Class B	
No. of shares	1,023,591,380
Closing price	SEK 7.24
ISIN	SE0010714287
Ordinary share, Class D	
No. of shares	7,545,809
Closing price	SEK 161.80
ISIN	SE0015961594
Preference share	
No. of shares	12,415,295
Closing price	SEK 216.00
ISIN	SE0010714311

DIVIDEND PER ORDINARY SHARE A/B, SEK



[1]Proposed dividend

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	—	64,800	78	—	5.70	3.39
Länsförsäkringar fondförvaltning	—	46,314	21	—	4.07	2.42
State Street Bank & Trust Co	—	40,532	21	66	3.57	2.12
Swedbank Robur fonder	1,593	9,750	—	—	1.00	1.34
JP Morgan Chase Bank N.A.	—	24,827	—	237	2.20	1.31
CBNY Norges Bank	—	17,850	—	—	1.57	0.93
Prior & Nilsson	—	15,090	—	—	1.33	0.79
Fredrik Rapp privately and via companies	750	7,500	—	—	0.73	0.78
Försäkringsaktiebolaget, Avanza Pension	245	10,940	322	887	1.09	0.76
AMF Tjänstepension AB	—	12,151	—	—	1.07	0.63
Livförsäkringsbolaget Skandia, Ömsesidigt	665	5,303	—	0	0.52	0.62
Patrik Tillman privately and via companies	571	5,714	77	—	0.56	0.60
SEB Life International	1,110	237	35	10	0.12	0.59
Other shareholders	10,684	239,070	3,650	11,189	23.27	18.83
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. 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 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 measuresare 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 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 activities shall be fossil-free.
- By 2035, Corem's business shall be climate neutral throughout the entire 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 March 2023, the Group had 331 employees. 47 cent of the employees were women.

RISKS

Corem has a continuous process to identify the 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 charging of group interest rates.

Transactions with Wästbygg amounted to SEK 25 million during the quarter. 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 quarter purchased legal services from Walthon Advokater, in which the Chairman of the Board Patrik Essehorn is a shareholder, for an amount of SEK 5 million.

ANNUAL GENERAL MEETING 2023

The Annual General Meeting in Corem Property Group AB (publ) will be held on 28 April 2023.

DIVIDEND

The Board's proposal to the Annual General Meeting for the 2022 financial year is a dividend of SEK 0.40 (0.40) per ordinary share of class A and B, and SEK 20.00 (20.00) per ordinary share of Class D and preference share.

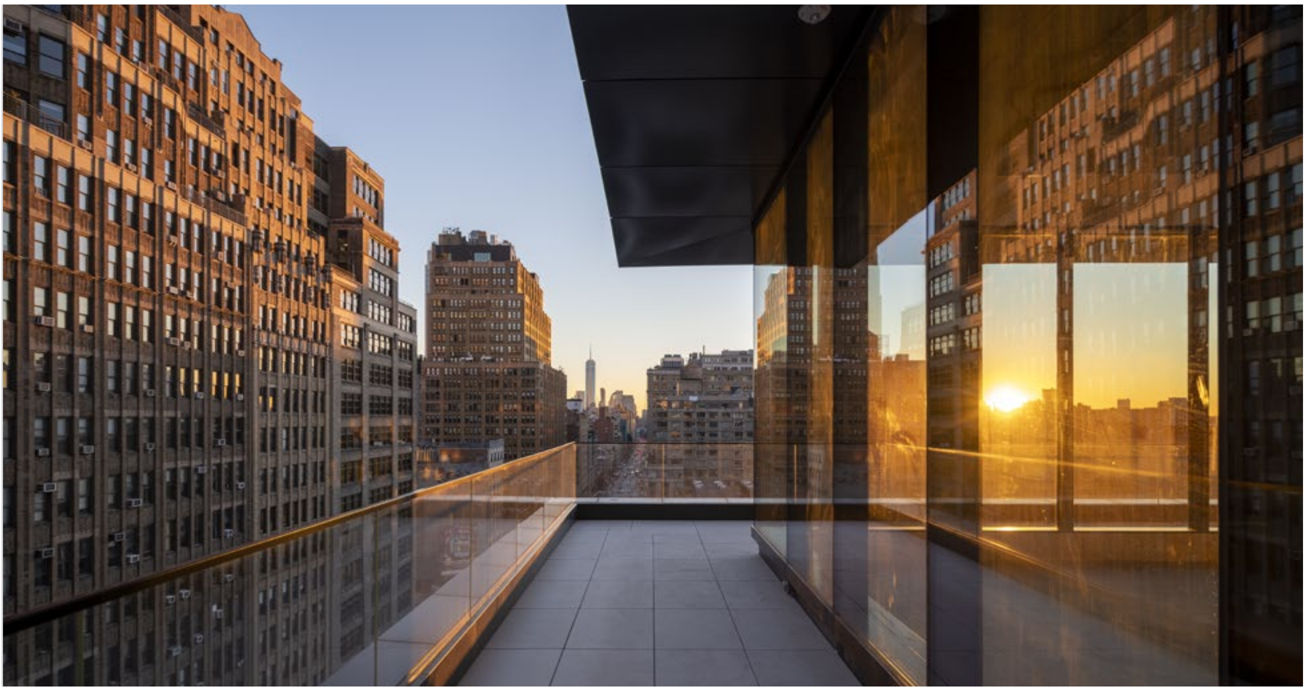
It is proposed that the dividend for the ordinary shares of Class A and Class B be paid on four occasions, each of SEK 0.10, while it is proposed that the dividend for ordinary shares of Class D and preference shares be paid in four instalments, each of SEK 5.00. It is proposed that the record dates 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 April, Corem Property Group, ALM Equity and Broskeppet Bostad, the joint owners of the residential company Klövern, signed a letter of intent with an international investor for the latter's acquisition of 25 per cent of the shares in Klövern at a value of around SEK 1,350 million. The deal is expected to be finalized during the second quarter of 2023.
- In April, Corem transferred possession of the remaining 40 properties in the previously communicated deal comprising a combined 47 properties for an underlying property value of SEK 5,350 million.
- In April, Corem announced the early redemption of a bond amounting to SEK 700 million. The redemption date is 5 May 2023.
- In April, an agreement was signed for the sale of a portfolio of ten properties in Kalmar, for an underlying property value of SEK 425 million, which is in line with the book value of the properties.

Stockholm 28 April 2023
The Board of Directors of Corem Property Group AB (Publ)

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



View from the property 28&7 in Manhattan in New York.

The Consolidated Income Statement *in brief*

SEKm	2023 3 months Jan–Mar	2022 3 months Jan–Mar	2022/2023 Rolling 12 months Apr–Mar	2022 12 months Jan–Dec
Income	1,172	1,099	4,564	4,491
Property costs	–383	–372	–1,569	–1,558
Net operating income	**789**	**727**	**2,995**	**2,933**
Central administration	–46	–47	–186	–187
Net financial items	–387	–271	–1,187	–1,071
Profit from property management	**356**	**409**	**1,622**	**1,675**
Share of earnings in associated companies	103	3	–762	–862
Value changes, properties	–1,505	1,082	–5,521	–2,934
Value changes, financial assets	93	–101	–911	–1,105
Value changes, derivatives	–231	720	424	1,375
Impairment, goodwill	–88	–55	–668	–635
Profit before tax	**–1,272**	**2,058**	**–5,816**	**–2,486**
Tax	361	–322	1,231	548
Net profit for the period	**–911**	**1,736**	**–4,585**	**–1,938**
Net profit for the year attributable to:				
Parent Company shareholders	–896	1,709	–4,553	–1,948
Holdings without controlling influence	–15	27	–32	10
	–911	**1,736**	**–4,585**	**–1,938**

Consolidated Report of Comprehensive Income *in brief*

SEKm	2023 3 months Jan–Mar	2022 3 months Jan–Mar	2022/2023 Rolling 12 months Apr–Mar	2022 12 months Jan–Dec
Net profit for the year	**–911**	**1,736**	**–4,585**	**–1,938**
Other comprehensive income				
Translation difference for international operations	1	124	819	942
Other comprehensive income after tax	**1**	**124**	**819**	**942**
NET COMPREHENSIVE INCOME FOR THE YEAR	**–910**	**1,860**	**–3,766**	**–996**
Net comprehensive income attributable to:				
Parent Company shareholders	–895	1,833	–3,744	–1,016
Holdings without controlling influence	–15	27	–22	20
	–910	**1,860**	**–3,766**	**–996**
Earnings per share				
Earnings per ordinary share of Class A and B, SEK	–0.95	1.47	–4.67	–2.25
No. of outstanding shares, thousands				
Ordinary shares A and B, at the end of period	1,078,717	1,083,217	1,078,717	1,078,717
Ordinary shares A and B, average number	1,078,717	1,084,500	1,079,846	1,081,271
Ordinary shares D, at end of period	7,504	7,504	7,504	7,504
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	2023 31 Mar	2022 31 Mar	2022 31 Dec
ASSETS			
Non-current assets			
Goodwill	2,287	3,004	2,374
Investment properties	75,109	83,869	78,387
Right-of-use assets	1,592	990	1,623
Shares in associated companies	3,494	475	3,415
Financial assets valued at fair value	7	2,163	5
Derivatives	1,091	759	1,312
Other non-current assets	243	216	232
Total non-current assets	83,823	91,476	87,348
Current assets			
Properties classified as current assets	233	81	206
Current assets	—	—	1,099
Other current assets	1,201	1,113	1,230
Cash and cash equivalents	587	987	979
Total current assets	2,021	2,181	3,514
TOTAL ASSETS	85,844	93,657	90,862
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	30,345	35,119	31,268
Equity attributable to holdings without controlling influence	29	515	43
Total shareholders' equity	30,374	35,634	31,311
Long-term liabilities			
Interest-bearing liabilities	31,057	33,199	32,745
Leasing liabilities	1,592	990	1,623
Deferred tax liability	7,197	8,444	7,562
Derivatives	32	124	22
Other liabilities	43	9	43
Total long-term liabilities	39,921	42,766	41,995
Current liabilities			
Interest-bearing liabilities	13,407	13,448	14,728
Other liabilities	2,142	1,809	2,828
Total current liabilities	15,549	15,257	17,556
Total liabilities	55,470	58,023	59,551
TOTAL EQUITY AND LIABILITIES	85,844	93,657	90,862

Consolidated statement of cash flow *in brief*

SEKm	2023 3 months Jan–Mar	2022 3 months Jan–Mar	2022/2023 Rolling 12 months Apr–Mar	2022 12 months Jan–Dec
Operating activities				
Net operating income	789	727	2,995	2,933
Central administration	–46	–47	–186	–187
Depreciation, etc.	6	7	25	26
Interest received, dividend etc.	3	2	60	59
Interest paid, etc.	–347	–259	–1,145	–1,057
Interest expense, lease contracts attributable to site leasehold contracts	–18	–17	–64	–63
Income tax paid	–2	–4	–11	–13
Cash flow from operating activities before changes in working capital	**385**	**409**	**1,674**	**1,698**
Change in properties classified as current assets	–27	–17	–153	–143
Change in current receivables	–112	29	–3	138
Change in current liabilities	–365	–245	419	539
Cash flow from operating activities	**–119**	**176**	**1,937**	**2,232**
Investing activities				
Investments in new constructions, extensions and refurbishment	–552	–442	–3,013	–2,903
Acquisition of investment properties	—	—	–80	–80
Divestment of investment properties	2,360	977	3,656	2,273
Divestment of shareholdings	1,190	—	1,212	22
Received cash and cash equivalents, partial divestment group co:s	—	—	8	8
Acquisition holdings without controlling influence	—	–86	–489	–575
Change in other non-current assets	7	–5	–27	–39
Cash flow from investing activities	**3,005**	**444**	**1,267**	**–1,294**
Financing activities				
Dividend paid to parent company shareholders	–207	–103	–731	–627
Hybrid bonds, interest	–28	–19	–96	–87
Repurchase of own shares	—	–50	–71	–121
Loans raised	1,458	6,332	9 203	14,077
Amortised loans	–4,501	–6,357	–11 969	–13,825
Cash flow from financing activities	**–3,278**	**–197**	**–3 664**	**–583**
Cash flow for the period	**–392**	**423**	**–460**	**355**
Cash and cash equivalents at beginning of period	979	571	987	571
Exchange rate difference in cash and cash equivalents	0	–7	60	53
Cash and cash equivalents at end of period	**587**	**987**	**587**	**979**

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	–1,016	20	–996
Repurchase of own shares	–121	—	–121
Dividend to shareholders	–834	—	–834
Hybrid bonds	–87	—	–87
Change in holding without controlling influence	–16	–573	–589
Equity, 31.12.2022	**31,268**	**43**	**31,311**
Comprehensive income for the period	–895	–15	–910
Hybrid bonds	–28	—	–28
Change in holding without controlling influence	—	—	—
Equity, 31.03.2023	**30,345**	**29**	**30,374**

Parent Company Income Statement *in brief*

SEKm	2023 3 months Jan–Mar	2022 3 months Jan–Mar	2022 12 months Jan–Dec
Net sales	139	135	559
Cost of services sold	–94	–88	–372
Gross profit	**45**	**47**	**187**
Central administration	–45	–47	–187
Operating profit	**0**	**0**	**0**
Earnings from shares in group companies	82	79	781
Earnings from shares in current assets	—	—	–426
Interest income and similar income statement items	36	40	200
Interest expense and similar income statement items	–99	–60	–466
Net financial items	**19**	**59**	**89**
Group contributions received	—	—	117
Profit before tax	**19**	**59**	**206**
Tax	13	4	–6
Net Profit for the period	**32**	**63**	**200**

Parent Company Balance Sheet *in brief*

SEKm	2023 31 Mar	2022 31 Mar	2022 31 dec
ASSETS			
Other intangible non-current assets	5	3	4
Machinery and equipment	8	8	8
Shares in group companies	22,686	22,197	22,686
Other financial non-current assets	—	1,706	—
Receivables from group companies	6,672	9,381	7,554
Deferred tax receivable	13	10	—
Current assets	—	—	1,190
Other current receivables	30	21	47
Cash and cash equivalents	358	132	54
TOTAL ASSETS	**29,772**	**33,458**	**31,543**
EQUITY AND LIABILITIES			
Equity	22,998	23,730	22,965
Interest-bearing liabilities	6,401	9,500	7,981
Non-interest-bearing liabilities	373	228	597
TOTAL EQUITY AND LIABILITIES	**29,772**	**33,458**	**31,543**

Key figures

	2023 3 months Jan–Mar	2022 3 months Jan–Mar	2022 12 months Jan–Dec	2021 12 months Jan–Dec
Property-related				
Fair value of investment properties, SEKm	75,109	83,869	78,387	83,084
Yield requirement, valuation, %	5.3	5.0	5.2	5.1
Rental value, SEKm	5,087	4,972	4,940	4,957
Lettable area, sq.m.	3,035,153	3,411,148	3,194,535	3,478,659
Economic occupancy rate, %	89	89	89	89
Area-based occupancy rate, %	82	82	83	83
Operating margin, %	67	66	65	68
No. of investment properties	424	507	458	518
Average remaining lease contract period, years	3.8	3.7	3.9	3.7
Financial				
Return on equity, %	–11.6	20.0	–6.0	21.7
Adjusted equity ratio, %	41	44	39	43
Equity ratio, %	35	37	34	36
Interest-bearing net liability, SEKm	43,975	43,594	45,439	43,818
Loan-to-value ratio, %	56	52	57	53
Loan-to-value ratio, properties, %	45	38	45	38
Interest coverage ratio	2.0	2.6	2.5	2.7
Average interest rate, %	4.1	2.4	3.6	2.4
Average period of fixed interest, years	2.1	2.5	1.9	2.6
Average period of tied-up capital, years	3.2	3.5	3.3	3.8
Share-related				
Profit from property management per ordinary share A and B, SEK	0.21	0.27	1.10	1.16
Earnings per ordinary share, A and B, SEK	–0.95	1.47	–2.25	5.52
Net asset value (NAV) per ordinary share A and B, SEK	25.52	30.97	26.42	29.60
Equity per ordinary share A and B, SEK	21.31	25.63	22.17	23.94
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
Dividend per ordinary share, A and B, SEK	—	—	0.40[1]	0.40
Dividend per ordinary share D, SEK	—	—	20.00[1]	20.00
Dividend per preference share, SEK	—	—	20.00[1]	20.00
Share price ordinary share A, SEK	7.80	24.80	10.45	32.60
Share price ordinary share B, SEK	7.24	24.50	8.39	32.65
Share price ordinary share D, SEK	161.80	291.50	170.60	316.00
Share price preference share, SEK	216.00	320.00	211.50	324.00
No. of shares, thousands				
Number of outstanding ordinary shares A and B	1,078,717	1,083,217	1,078,717	1,084,778
Average number of outstanding ordinary shares A and B	1,078,717	1,084,500	1,081,271	740,815
Number of outstanding ordinary shares D	7,504	7,504	7,504	7,546
Number of outstanding preference shares	12,415	12,415	12,415	12,415

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
Equity[2], 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
Equity[2] 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
Equity[2] 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 expenses[1], divided by financial expenses[1].

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
Equity[2], 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 equity[2] 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.

3 After having divested properties to the associated company Klövern, 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 General Meeting 2023	28 April 2023
Interim Report January–June 2023	14 July 2023
Interim Report January–September 2023	26 October 2023

DIVIDEND: PROPOSED RECORD DATES AND DIVIDEND PAYMENT DATES	
Record date for dividend on ordinary shares of class A, B, D and preference shares	30 June 2023
Expected payment date for dividend on ordinary shares of class A, B, D and preference shares	5 July 2023
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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This information is information that Corem Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact person set out above, at 08.00 CEST on 28 April 2023.

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