

2ND QUARTER

INTERIM REPORT JANUARY-JUNE 2021

INTERIM REPORT

JANUARY–JUNE 2021

Following Corems public offer to Klövern's shareholders, Klövern has become a subsidiary of Corem from 15 June 2021. See more on page 6.

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

EVENTS DURING THE QUARTER

- The takeover bid to shareholders of Klövern has resulted in Corem controlling 95,0 per cent of outstanding share capital and 94,5 per cent of outstanding votes in Klövern. Compulsory acquisition procedure has been initiated, and de-listing of Klövern has begun, with last day of trading 20 July 2021. The acceptance period for the Offer has been extended until the 18 August 2021, to make it possible for remaining shareholders to accept the Offer.
- A new class of shares, ordinary share of series D, has been introduced. A voluntary exchange offer was made during the quarter, which enabled preference shareholders to convert a preference share into 1,12 newly issued ordinary shares of series D.
- The Board has updated Corems financial tagets.
- A green bond of SEK 900 million was issued, and bonds for approximately SEK 600 million were repurchased.

IMPORTANT EVENTS AFTER THE PERIOD

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

4 909
RENTAL VALUE,
SEK M

76 642
FAIR VALUE OF
PROPERTIES, SEK M

306
PROFIT FROM
PROPERTY
MANAGEMENT,
SEK M

26,27
NAV PER ORD.
SHARE, SEK

55
LTV,
PER CENT

	2021 6 mon Jan-Jun	2020 6 mon Jan-Jun	2021 3 mon Apr-Jun	2020 3 mon Apr-Jun	2020 12 mon Jan-Dec	Rolling 12 mon Jul-Jun
Income, SEKm	636	438	378	215	894	1 092
Net operating income, SEKm	459	328	275	162	668	799
Profit from property management, SEKm	306	218	149	101	420	508
Net profit, SEKm	1 537	-1 327	1 128	75	-108	2 756
Earnings per ordinary share, SEK	2,15	-3,97	1,06	0,17	-0,52	5,12
Net Asset Value (NAV) per ordinary share, SEK	26,27	18,12	26,27	18,12	22,22	26,27
Occupancy rate, economic, %	88	91	88	91	93	88
Operating margin, %	72	75	73	75	75	73
Equity ratio, adjusted, %	39	47	39	47	48	39
Interest coverage ratio, multiples	2,8	2,6	2,4	2,5	2,5	2,6
Loan to value (LTV), %	55	42	55	42	38	55

For definition of key ratios, see page 23

TOGETHER WE CREATE A NEW, BIGGER AND STRONGER COREM

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



Eva Landén, VD

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

From 15 June 2021 we report Klövern as a subsidiary. This has had a full impact on the balance sheet at the end of the six-month period but has - in relation to the large increase in the balance sheet - only affected profit from property management and profit after tax by 15 days. This in turn means that during 2021 we will have the full dilution effect per

share, but only half of the earnings effect from the acquisition. As the offer has been a share based offer where new shares have been issued, earnings per share will be difficult to use as a comparative figure throughout the year.

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

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

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

I look forward to an exciting journey when that I, together with the new management team, will aim to combine all the strengths and competencies that exist in the two companies, and in the two property holdings, when two companies become one. Our primary focus is to

complete ongoing projects and reduce vacancies. Letting is the key to future profitability and with both companies showing positive net letting during the second quarter of the year, I am convinced that our efforts will be successful.

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

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

I see great possibilities in developing Corem's and Klövern's property portfolio through continued acquisitions and investments in the existing portfolio. Sustainability is an integral part of the business, which together with having a strong balance sheet are important factors for continued long-term value creation. Creating space for customers' business continues to be our main driving force.

Eva Landén, VD

Stockholm July 19, 2021

One of leading commercial property companies of the Nordics, with a focus on growth locations

By combining Corem's portfolio of properties suitable for city logistics and Klövern's properties with an emphasis on offices, one of the Nordic region's leading commercial real estate companies is created.

Together, we have a broader product- and customer offering, a continued focus on long-term, sustainable ownership, continuous refinement and urban development.



A BALANCED PROPERTY PORTFOLIO WITH POTENTIAL FOR FUTURE VALUE CREATION

The property portfolio is well balanced, with properties that complement and strengthen each other, both in terms of type of property and geographically. A broad base in management means strong cash flows and project development adds good growth and return potential, while diversification provides risk diversification through different market conditions. Because most properties are located close to each other geographically, collective management units are created with both managers and operating staff on site. Local administration and operations offices provide fast service and a good market presence.

WIDENED CUSTOMER AND PRODUCT OFFER

Together, Corem and Klövern have a broad product and customer offering, with a property and project portfolio in attractive metropolitan areas and growth areas. An expanded customer offering provides stronger opportunities for long tenant relationships, a strengthened customer base and a stronger market position.

COMPETENT AND PROFESSIONAL ORGANIZATION

The extensive expertise in property management, transactions and project development that exists within both Klövern and Corem overlaps and strengthens each other well. A clear focus on sustainability, proximity to customers and proactive management will be maintained, which fits in well

INCREASED FINANCIAL STABILITY AND STRENGTH AND REDUCED FINANCING COSTS

With a larger and more diversified asset base, conditions are created for an improved credit profile and a strengthened balance sheet. Presence in your growth locations and a more diversified range provides increased risk diversification, which reduces the financial risk, which enables further reduction of financing costs.

BUSINESS MODEL FOR LONG-TERM STRONG DEVELOPMENT

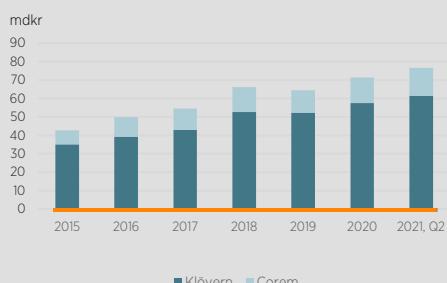
The business model is based on proactive customer-oriented management, strategic transactions, long-term investments and refining of the properties. The value of the property portfolio is increased both by modernizing the buildings and by continuously adjusting the portfolio to suit changing market conditions.

AN ACTIVE SUSTAINABILITY WORK THAT SECURES THE FUTURE AND ADDS VALUE

Sustainable development means making the properties better for the environment, better for the customer and more profitable at the same time. Through active sustainability work, the company is also future-proofed, among other things by reducing the operational risks in the business, ensuring that Corem is a good business partner and an employer with high confidence.

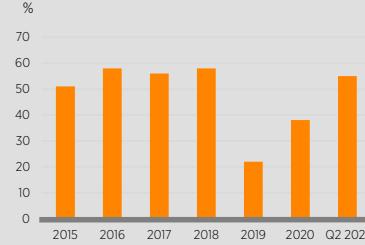
76 642

FAIR VALUE OF PROPERTIES,
SEK M



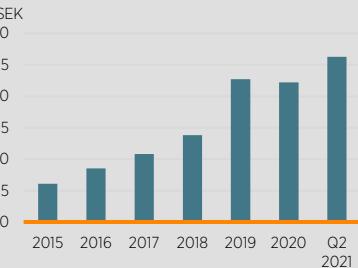
55

LTV,
%



26,27

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



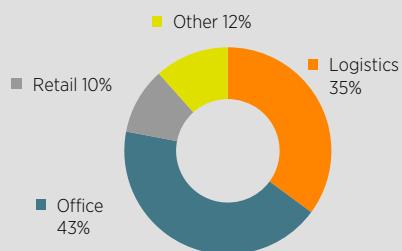


- ✓ A property portfolio consisting of 510 properties with a lettable area of 3 480 tsqm.
- ✓ Geographically concentrated portfolio, in attractive locations in metropolitan areas and growth regions.
- ✓ A strong base in property management and own project development which adds growth- and return potential.
- ✓ Continuous improvements and developments to the properties in the portfolio, adapting to changing customer- and market needs and increasing the value of the portfolio.
- ✓ Property management and maintenance with own local staff gives closeness to the customers and extensive market knowledge.

COREM'S PUBLIC OFFER TO SHAREHOLDERS OF KLÖVERN

- On 29 March 2021 Corem submitted a public takeover bid to the shareholders of Klövern.
- An initial acceptance period ran from 14 May to 11 June 2021. When the outcome of the initial acceptance period was announced, the Offer was also declared unconditional and the acceptance period extended to 23 June 2021.
- At the end of the extended acceptance period a total of 821,717,065 shares had been submitted in the Offer. Together with Corem's previous holdings and 155,000 preference shares which Corem during the period acquired outside the Offer, Corem controls a total of 95.0 percent of the share capital and 94.5 percent of the votes in Klövern as of 30 June 2021.
- De-listing of Klövern's shares from Nasdaq Stockholm has been initiated. Last day of trading is 20 July 2021.
- To provide remaining shareholders further opportunity to accept the offer, the acceptance period has been extended to 18 August 2021.
- Payment of consideration to shareholders who accept the offer until 18 August is expected to take place around the August 24, 2021.

Lettable area by type, sq.m.



Property value, SEK m



Acquisition of Klövern

During March 2021 Corem submitted a public takeover bid to holders of shares in Klövern AB with the aim of merging the companies. The initial acceptance period ran between 14 May and 11 June. The outcome of the initial acceptance period showed that Corem controlled 89.1 percent of the capital in Klövern and 90.8 percent of the votes in Klövern, and Corem announced the offer unconditionally on 15 June 2021. As a result, Corem's previously indirect, long-term investment in Klövern became a direct holding in the form of a subsidiary of Corem.

Consolidation

Klövern is consolidated from 15 June. See column 15-30 June in the Income Statement Klövern and column 15 June in the Balance Sheet Klövern, next to it. Corem previously owned 15.2 percent of the capital in Klövern AB. During the second quarter / in connection with the acquisition date, Corem's holdings were revalued to correspond to value in accordance with the offer, implying a positive effect on earnings of SEK 581 million, which is reported in the statement of comprehensive income in the event of changes in the value of financial investments..

Acquisition value

Access to other shares was made at an acquisition value of SEK 18,442 million, consisting of a non-cash issue of 59,678,701 Series A ordinary shares, 596,298,939 Series B ordinary shares, 5,105,391 Series D ordinary shares and 9,685,827 preference shares. These shares were valued at market value on the transaction date amounting to SEK 18.13 per ordinary share of series A, SEK 18.61 per ordinary share of series B, SEK 288.39 per ordinary share of series D and SEK 323.00 per preference share. For Series A and B ordinary shares, the market value of the listed closing price on Nasdaq adjusted in accordance with the exchange ratio corresponds to 0.88, while for Series D ordinary shares the quoted closing price for the preference share, adjusted in accordance with the exchange ratio, is 1.12.

Expected synergies

The acquisition is estimated to result in synergies of approximately SEK 200 million, of which approximately SEK 170 million relates to operational and financial synergies and is expected to be realized over the next 24 months, while the remaining SEK 30 million attributable to revenue synergies will be realized over a 3-year period.

Income statement Klövern	2021 Jan-Jun	2021 15-30 June
Rental income	1 609	134
Property expenses	-551	-45
Central administration	-98	-10
Net financial income	-360	-30
Profit from property management	600	49
Profit from residential development	-43	-5
Share in earnings of associated companies	8	-
Changes in value, properties	1 094	-
Change in value, derivatives	193	-
Changes in value, financial assets	0	-
Impairment of goodwill	-2	-
Occupancy rate, economic, %	-274	-9
Net profit for the period	1 576	35
Translation differences etc	154	-
Comprehensive income for the period	1 730	35

Balance sheet Klövern	2021 30 June	2021 15 June
Assets		
Investment properties	61 557	61 557
Other non-current assets	1 824	1 824
Current assets	3 196	3 152
Total assets	66 577	66 533
Equity and liabilities		
Equity	23 834	23 799
Deferred tax liability	3 987	3 978
Interest bearing liabilities	35 989	35 989
Non- interest bearing liabilities	2 767	2 767
Total equity and liabilities	66 577	66 533

PRELIMINARY ACQUISITION ANALYSIS

Acquired net assets at the time of acquisition, SEKm

Investment properties	61 557
Properties classified as current assets	1 746
Other assets and receivables	3 958
Interest bearing liabilities	-35 989
Hybrid bond	-1 300
Deferred tax liabilities	-6 107
Other liabilities	-2 169
Minority	-96
Acquired net assets	21 600
Goodwill	2 865
Total acquisition value	24 465

Acquisition value

Shares issued at fair value	18 442
Fair value, Corems own share holdings	3 276
Shares not accepted in connection to acquisition	2 747
Totalt budvärde / köpeskilling	24 465

Cash flow impact of the acquisition

Cash purchase price	-
Cash and cash equivalents in acquired companies	870
Net cash flow	870

The acquisition is classified as a business combination in accordance with IFRS 3. This means that acquired assets, liabilities and contingent liabilities are valued at fair value on the acquisition date.

In connection with the acquisition, goodwill of SEK 2,865 million arose in the form of the difference between the acquisition value of the acquired shares and the net assets.

Goodwill consists of two parts. For the most part, it consists of the difference between nominal tax and the deferred tax that is calculated in connection with acquisitions of properties that must be reported in business acquisitions. For this accounting goodwill of SEK 1,881 million, there is a corresponding amount in the item deferred tax.

In addition, it consists of synergy effects. This part consists of SEK 984 million.

Transaction costs attributable to the acquisition amounted to SEK 21 million and are reported in the item Acquisition costs in the Statement of comprehensive income.

Transaction costs related to the issue of new treasury shares amounted to SEK 19 million and have been reported against equity, after consideration of tax.

From the acquisition date until 30 June 2021, Klövern contributed SEK 134 million to the Group's rental income and SEK 35 million to the Group's profit after tax.

THE PROPERTY PORTFOLIO

PROPERTY VALUE

Corems property portfolio on 30 June 2021 consisted of 510 properties with a total lettable area of 3 480 tsq.m. and with an aggregated market value of SEK 76 642 million (14 002). The average yield requirement for the aggregate property portfolio was 5,1 per cent.

The increase mainly consists of the acquisition of Klövern, with its property portfolio of 342 properties and with a fair value of SEK 61,557 million.

CHANGES IN VALUE FOR THE PERIOD

The change in value of properties during the period amounted to SEK 781 million (101), of which unrealized changes in value amounts to SEK 781 million and realized to SEK 0 million. The changes in value of properties during the half-year period does not include any changes in value for properties within Klövern, see also page 6.

The changes in value are mainly explained by new lettings, renegotiations, and decreased yield requirements. The average yield requirement for the quarter in Corem was lowered to approximately 5,3 per cent from 5,5 at the start of the year.

Valuation of the portfolio is done each quarter, with 20 to 30 per cent being valued

externally. During the period, Savills Sweden, Cushman & Wakefield and Newsec have been used as external valuation institutions. Each property in the portfolio is externally valued at least once during a rolling 12-month period. Corem continuously obtains market information from external valuation institutions to support the internal process. For a detailed description of applied valuation principles, see Corem's and Klövern's annual reports for 2020.

Business acquisition of Klövern

Corem's public takeover bid for Klövern resulted in Corem becoming the majority owner of Klövern during the quarter. The acquisition includes Klövern's property portfolio of 342 as well as 9 properties within Tobin Properties which are classed as current assets. The properties in Klövern's portfolio are located in metropolitan areas and growth locations which fit well with Corem's current locations and strategy. Total leasable area amounts to 2,458 tsq.m. Fair value of the portfolio amounted to SEK 61,557 million as of 30 June 2021, and the estimated market value of the properties classed as current assets amounted to SEK 1,746 million. In terms of property value, the portfolio consists of 71 percent offices, 13

percent education/health care/other, 8 percent warehouse / logistics and 8 percent retail. This provides a significantly wider product- and customer offerings. Read more about the acquisition of Klövern on page 6.

PROPERTY TRANSACTIONS

Märsta 21:48 with 864 sqm of warehouse and production space was acquired during the second quarter. The acquisition was made at an underlying property value of SEK 8,5 million.

Two properties with housing development potential - Instrumentet 13 and Instrumentet 18 in Örnsberg in Stockholm - have been sold at an underlying property value of SEK 115 million plus a potential additional purchase price in the event of a legally binding zoning plan. The divestment was completed on 26 April 2021.

An agreement has been signed for the acquisition of the property Rosersberg 11:151 in Sigtuna. The property consists of undeveloped land of approximately 16,500 sq.m. plot area with a zoning plan that allows building rights of 40,000 sq.m. BTA for mixed commercial use. Access is planned for 1 July 2021.

CHANGE IN FAIR VALUE, NUMBER OF PROPERTIES AND LEASABLE AREA

	Number	2021, Q2		2020
		sq.m.	SEK million	SEK million
Total start of the year	167	985 887	14 002	12 114
Acquisitions	3	11 121	200	478
New constr., extension and refurbishment	-	30 641	250	741
Divestments	-2	-5 646	-151	-60
Business acquisition, Klövern	342	2 457 740	61 557	-
Changes in value, unrealized	-	-	781	742
Currency translation	-	-	3	-13
Total end of the period	510	3 479 743	76 642	14 002

2 463
NET ACQUISITIONS,
SQ.M.

TRANSACTIONS 1 JANUARY-30 JUNE 2021

Quarter	Property	City	Municipality	Property type	Acquisition/Divestment lettable area, sq.m.
Q1	Hedenstorp 1:99	Jönköping	Jönköping	Logistics	4 033
Q1	Kalvsvik 16:20	Stockholm	Haninge	Logistics	6 224
Q2	Märsta 21:48	Stockholm	Sigtuna	Logistics	864
Q2	Instrumentet 13 & 18	Stockholm	Stockholm	Logistics	-5 646
Q2	Business acquisition, Klövern	Several	Several	Property portfolio	2 457 740

Net acquisitions

2 463 215

CONSTRUCTIONS, EXTENSIONS AND REFURBISHMENTS

Project- and property development enables meeting changing market conditions and tenant requirements as well as to further develop and add value to the property portfolio. Investments in existing properties are often made in connection with new leases and for the purpose of adapting and modernizing premises and thereby increase future rental value.

During the period, Corem invested a total of SEK 250 million (741) in the property portfolio relating to new construction, extensions and refurbishment.

COMPLETED PROJECTS

New construction of Pro Stop Backa, Gothenburg, was finalised during the first quarter for K-Bygg, Elektroskandia, Wangeskogs Maskinuthyrning and Würth, who all opened for customers April 2021.

ONGOING PROJECTS

On the property Veddesta 2:79, MTAB has moved in during June 2021, after new construction and refurbishment of 16,900 sqm. Remaining investments mainly includes installation of solar panels.

Renovation and extension for the tenant GSV, Denmark's leading machine rental company, is ongoing on the property

Kappelgårde, Hundigevej 85-87, Greve, Copenhagen, Denmark. The project increases the lettable area by approximately 1,000 sq.m. to a total of approximately 13,400 sq.m. GSV has signed a 15-year lease that also covers land areas of approximately 90,000 sq.m. The new premises will be taken into use during July 2021.

Planning is ongoing for remodelling and new construction of an environmentally profiled, modern warehouse building with a total of approximately 9,200 sq.m. on Backa 25:1, Gothenburg. An older fire-damaged warehouse building of 4,000 sq.m. will be demolished and instead a modern and efficient establishment in a distribution location close to the city will be built.

LARGER INVESTMENT PROJECTS (ABOVE SEK 25 MILLION)

Ongoing projects

Property	Description	Compl.	Sq.m.	Investment, SEKm	Estimated investment, SEKm
Veddesta 2:79	Extension for MTAB, Järfälla	Q3 2021	16 900	212	219
Kappelgårde	Extension for GSV, Denmark	Q3 2021	13 400	82	88
Backa 25:1	New construction of warehouse, Gothenburg	Q3 2022	9 200	0	86
Total, ongoing projects			39 500	294	393

Completed projects

Property	Description	Compl.	Sq.m.	Investment, SEKm	Estimated investment, SEKm
Backa 96:2	Construction of Pro Stop Backa, Gothenburg	Q2 2021	22 500	385	385
Total, completed projects			22 500	385	385

Added project portfolio via Klövern

Through the acquisition of Klövern, a portfolio of property development projects is added, which includes both commercial and residential projects, in Sweden as well as abroad. Investments made in Klövern's project are not included in Corem's reported investments for the half-year period.

Commercial projects

The acquisition of Klövern includes a large volume of projects in commercial properties. The largest ongoing projects together comprise a project area of 50,700 sq.m. The total investment estimated at SEK 2,734 million, of which SEK 1,209 million is remaining investment. The two largest of the ongoing projects are underway in New York, with expected completion in the fourth

quarter of 2021 and first quarter of 2022 respectively.

Klövern also has a large volume of planned commercial projects, both Sweden and New York. The total sq.m. for the largest planned projects is estimated to amount to 67,651 sq.m., with an estimated investment of SEK 4,138 million. Two of the planned projects are expected to start in 2021, while the others are expected to start in 2022-2023.

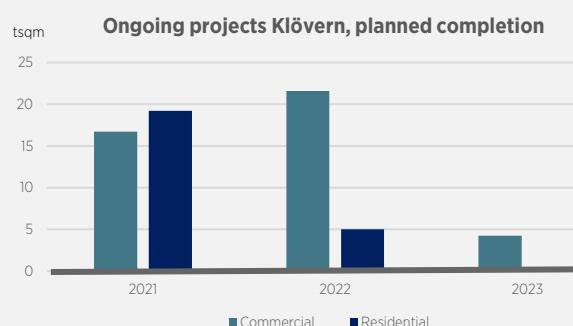
Residential projects

Klövern works with residential development projects partly in the existing building rights portfolio, partly through the subsidiary Tobin Properties. Three major residential projects are currently underway in Tobin Properties. These are estimated to generate 329 number

of residential units with a total gross area of 26,300 sq.m. 80 percent of have been sold as of June 30, 2021 and all three projects are located in Stockholm.

The largest planned residential projects together amount to a gross area of 541,120 sq.m. or 6,460 units, where 1,500 have zoning plans as of 30 June 2021. Expected start of the projects is spread out between 2021-2029. The planned residential development projects are located in Stockholm, Västerås, Nyköping, Uppsala and Gothenburg.

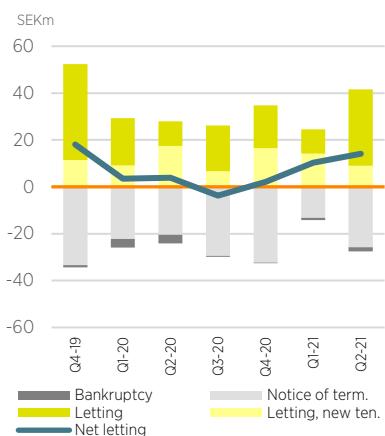
For more information about project activities within Klövern, see Klövern's Interim report Jan-Jun 2021.



LEASE CONTRACT MATURITY



NET LETTING



TENANTS AND CONTRACTS PORTFOLIO

Corem's total contracted rental income on an annual basis amounted to SEK 4 344 million (872) on 30 June 2021, with an assessed total rental value of SEK 4 909 million (962). Thereof, SEK 3 366 million of contracted rental income and SEK 3 855 million of rental value are attributable to Klövern.

The economic occupancy rate was 88 per cent (91) as of 30 June 2021. Klövern shows an occupancy rate of 87 percent and Corem, excluding Klövern, of 93 percent.

Of the contracted rent, 38 per cent mature during 2025 or later. Average remaining lease contract term within Klövern as of 30 June 2021 was 3.5 years, while the remaining average lease contract term within Corem, excluding Klövern, was 4.6 years (4,3).

NET LETTING

Net letting for Corem totalled SEK 14 million (7) for the quarter and SEK 24 million for the period. Lettings and renegotiations amounted to SEK 66 million, with 35 per cent new tenants and the rest letting to existing customers.

The quarter's net letting within Klövern, which amounted to SEK 4 million, is not included in Corem's net letting above.

LARGER LETTINGS AND RENEgotiations

Availo Networks, which has been a tenant at Corem since 2011 and is now expanding its area in Lillsätra 1 by a further 5,980 sqm. Access will take place on 1 August 2021, in connection with Servistik Byggsupport leaving the property.

Volvo has signed an agreement for approximately 3,200 sqm of storage space in Skruven 3, Borås. The areas were taken over in June.

EFFECTS OF THE COVID-19-PANDEMIC

The economic development in the rest of the world shows a continued impact on the covid-19 pandemic, but most forecasts indicate that the recovery has started as more and more people have been vaccinated and infection control measures are gradually being withdrawn. The impact of the pandemic on Corem's operations has been very limited throughout the pandemic. Demand for properties for warehousing and logistics remains high and Corem sees no downward pressure on rental levels or a general increase in vacancies that can be linked to covid-19. Financing and project activities are also running according to plan. During the quarter, there were 0 (1) agreed rental discounts to existing tenants as a result of the covid-19 pandemic.

MARKET COMMENTARY

The market comments are based on market analysis and information produced by Newsec Advice AB.

A strong real estate market that shows good future prospects in selected segments and geographies.

Seen from a global perspective, Sweden's economy has performed relatively well through the pandemic. During the first half of 2021, GDP growth has increased again and is expected to continue during the second half of 2021.

The Swedish real estate market has proven to be strong, benefiting from an established long-term low interest rate climate, the lack of attractive financing alternatives and continued good access to capital. Total transaction volume in Sweden during the first half of 2021 amounted to approximately SEK 149 billion, which is the highest half-year listing to date.

The transaction market for office properties again at levels before covid-19

The market for office properties slowed down during the previous year but has since recovered. The number of investments in the office segment accounted for 25 percent of the half-year's total transaction volume and is thus back at the same levels as before the pandemic. Of the office transactions conducted during the beginning of 2021, and at the end of last year, the agreed purchase price has reflected levels before the outbreak of covid-19. Yield requirements for office properties vary depending on geography, property

location, modernity, existing cash flow and potential for development. Central office space in the big cities notes the lowest levels of about 3.2 percent, while in regional cities it amounts to about 5.2 percent.

Continued record interest in investing in real estate for warehousing, industry and logistics

Warehouse, logistics and industrial properties are seen as an attractive and long-term investment type with their creditworthy tenants and long contract periods, and have for several years demonstrated high investment volumes. Interest in the segment increased sharply during the previous year and the same trend was noted during the first two quarters of the year. For the first half of 2021, the transaction volume in the segment amounted to SEK 24.5 billion. The high investment interest has put downward pressure on yield requirements, which continue to note historically low levels even though the range remains large depending on geographical location, property standard and rental structure. For the most attractive objects, yield requirements at levels of 4.20 - 4.40 percent have been noted.

Rental levels for office properties at stable levels, and with good conditions for continued rental growth

Despite increased financial uncertainties in connection with the outbreak of covid-19, relatively limited new production and a strong service sector have resulted in stability for office space. The rental market has gained momentum during the first half

of the year, with newly signed leases for attractive office space amounting to levels comparable to the rental levels before the pandemic. At the beginning of 2021, tenants are showing much greater optimism and several companies are beginning to prepare for returning to the office, which can be seen in the rental market. For attractive offices in good selected locations, market rents remain at unchanged levels on an annual basis, however with some slowdown in top rents. The vacancy rate has increased marginally, but from historically low levels. The conditions for continued rental growth are good with a strong and growing service market and a continued limited supply of attractive office space.

Constantly increasing market rents in warehousing and logistics, with clear rent increases in individual areas

Demand for efficient areas in suburban locations with good logistics properties is strong, not least due to the e-commerce's significant upswing, which has led to an increased need for areas for third-party logistics, warehouse space in cargo mile locations and delivery points close to homes and reverse logistics.

Rental levels have strong correlations with the property's geographical location and proximity to logistics clusters, transport hubs and major traffic routes. In general, rental levels for the segment in recent years have been very stable and steadily increasing, with clear rent increases noted in individual areas.

DISTRIBUTION PER GEOGRAPHICAL AREA

Corem's property portfolio and operating activities are divided into four geographical regions; Region Stockholm, Region South, Region West and Region Småland. With the acquisition of Klövern, the portfolio has expanded significantly during the second quarter of the year. For transparency as well as clarity regarding comparative amounts, Klövern is shown separately according to the segments used within Klövern, with addition of aggregated figures. Income and expenses relating to Klövern refer to the period 15–30 June 2021. The regional division is in accordance with the internal follow-up model for the CEO and the Board.

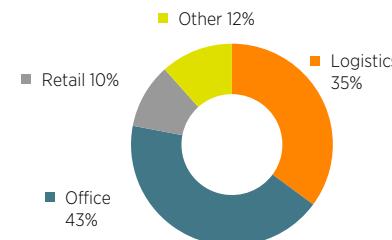
Outcome per geographical area	Income, SEK million		Costs, SEK million		Op. surplus, SEK million		Operating margin, %		Investments, acq. and divestm., SEKm	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
Stockholm	281	248	-85	-71	196	177	70	71	98	148
South	61	63	-17	-15	44	48	72	76	61	14
West	120	95	-22	-18	98	77	82	81	63	183
Småland	40	32	-8	-6	32	26	80	81	77	36
Corem	502	438	-132	-110	370	328	74	75	299	381
Region Stockholm	71	-	-25	-	46	-	65	-	-	-
Region East	30	-	-11	-	19	-	65	-	-	-
Region West	24	-	-9	-	15	-	61	-	-	-
International - Copenhagen	9	-	-	-	9	-	96	-	-	-
International - New York	-	-	-	-	-	-	-	-	-	-
Klövern	134	-	-45	-	89	-	67	-	-	-
Total	636	438	-177	-110	459	328	72	75	299	381

Key ratios per geographical area	Number of properties		Fair value, SEK million		Rental value, SEK million		Economic occupancy, %		Vacancy, ksq.m.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun
Stockholm	94	90	8 426	7 110	606	554	94	92	475	455
South	25	26	1 864	1 541	132	136	91	93	191	194
West	26	26	3 464	2 984	226	193	89	86	254	229
Småland	23	21	1 331	963	90	79	93	90	102	84
Corem	168	163	15 085	12 598	1 054	962	93	91	1 022	962
Region Stockholm	119	-	31 188	-	2 071	-	85	-	1 111	-
Region East	112	-	9 699	-	819	-	90	-	701	-
Region West	97	-	8 658	-	714	-	88	-	522	-
International - Copenhagen	8	-	6 609	-	251	-	96	-	124	-
International - New York	6	-	5 403	-	-	-	-	-	-	-
Klövern	342	-	61 557	-	3 855	-	87	-	2 458	-
Total	510	163	76 642	12 598	4 909	962	88	91	3 480	962

LETTABLE AREA AND FAIR VALUE PER SQ.M.



LETTABLE AREA, SHARE BY TYPE



RENTAL VALUE, PER SQ.M.



INCOME, EXPENSES AND PROFIT



The income statement items below, like the comparative amounts for last year, refer to the period January–June unless otherwise stated. Balance sheet items and comparative amounts refer to the position at the end of the period, and the end of last year, respectively. The quarter refers to the period April–June and the period refers to January–June. Klövern's results have been consolidated for the period 15–30 June 2021. For further information, see page 6.

EARNINGS

The net operating income amounted to SEK 459 million (328), and the operating margin amounted to 72 per cent (75). In a comparable portfolio, net operating income increased by 5 per cent.

Profit from property management amounted to SEK 306 million (218), which corresponds to an increase of 40 per cent. When adjusted for profit from Klövern as well as acquisition costs of SEK 21 million, profit from property management for the period increased by 28 percent.

INCOME

Income amounted to SEK 636 million (438) for the period. The increase is mainly attributable to the acquisition of Klövern, which brings an increase of SEK 134 million in rental income. Excluding Klövern, income increases by 15 per cent compared to the same period previous year, attributable to completed projects, new lettings and renegotiations.

Income for a comparable portfolio increased by 7 per cent.

EXPENSES

Property costs for the period amounted to SEK 177 million (110). Increase which is part of Klövern amounts to SEK 45 million. The remaining increase is mainly attributable to the first quarter of 2021 being significantly colder than the same period last year, which was unusually warm. This led to an increase in tariff-bound costs, snow removal et al.

Central administration costs refer to costs for group management and group-wide functions. They amounted to SEK 30 million (20), where the increase of SEK 10 million is attributable to Klövern. Acquisition costs, attributable to the acquisition of Klövern, amount to SEK 21 million for the period.

NET FINANCIAL INCOME

Net financial income totaled SEK -102 million (-90), where SEK -30 million are attributable to Klövern.

Financial income consists of dividends from shareholdings and amounted to SEK 77 million (55).

Financial expenses amounted to SEK 179 million (145), mainly consisting of interest expenses from loans as well as leasehold fees of SEK 8 million (7).

At the end of the period the average interest rate was 2,5 per cent, compared to 3,0 per cent one year ago. Also see page 15.

CHANGES IN VALUE

Properties

Changes in property value during the period amounted to SEK 781 million (101), of which unrealized changes amounted to SEK 781 million and realized changes amounted to SEK 0 million. Unrealized changes in value are mainly explained by new lettings and renegotiations as well as decreased yield requirements. Also see page 7.

Financial investments

Changes in value of financial investments amounted to SEK 614 million (-1 605). Out of the value changes, SEK 0 million (-175) were realized changes in value. Also see page 15.

Derivatives

Changes in derivatives values during the period totaled SEK 91 million (-62). The value of Corems derivatives is affected by changes in the long market rates.

INCOME TAX

Deferred tax for the period totaled SEK -249 million (23) and current tax to SEK -1 million (-2).

The tax loss carryforwards are estimated at approximately SEK 2 020 million (1178), of which SEK 1 000 million from Klövern. Tax recoverable attributable to tax loss carryforwards in the consolidated balance sheet amounts to SEK 416 million (243).

OTHER COMPREHENSIVE INCOME

Other comprehensive income amounted to SEK 2 million (0), mainly consisting of translation differences.

INCOME STATEMENT (SUMMARY)

THE GROUP

SEK million	2021	2020	2021	2020	2020	Rolling
	6 mon	6 mon	3 mon	3 mon	12 mon	12 mon
	Jan-Jun	Jan-Jun	Apr-Jun	Apr-Jun	Jan-Dec	Jul-Jun
Rental income	636	438	378	215	894	1 092
Property expenses	-177	-110	-103	-53	-226	-293
Net operating income	459	328	275	162	668	799
Central administration	-30	-20	-21	-10	-39	-49
Acquisition costs	-21	-	-21	-	-	-21
Net financial income	-102	-90	-84	-51	-209	-221
Profit from property management	306	218	149	101	420	508
Net result residential development	-5	-	-5	-	-	-5
Profit from property management incl residential	-5	-	-5	-	-	-5
Changes in value, properties	781	101	300	20	759	1 439
Changes in value, financial investments	614	-1 605	805	28	-1 042	1 177
Change in value, derivatives	91	-62	8	-35	-31	122
Profit before tax	1 787	-1 348	1 257	114	106	3 241
Tax	-250	21	-129	-39	-214	-485
Net profit for the period	1 537	-1 327	1 128	75	-108	2 756
<i>Net profit for the period attributable to:</i>						
Attributable to parent company's shareholders	1 533	-1 327	1 124	75	-108	2 752
Holdings without controlling influence	4	-	4	-	-	4
	1 537	-1 327	1 128	75	-108	2 756
Other comprehensive income						
<i>Items which can be recognized as profit for the period</i>						
Translation difference etc	2	-	-3	-12	-11	-9
Comprehensive income for the period	1 539	-1 327	1 125	63	-119	2 747
<i>Other comprehensive income for the period attributable</i>						
Attributable to parent company's shareholders	1 535	-1 327	1 121	63	-119	2 743
Holdings without controlling influence	4	-	4	-	-	4
	1 539	-1 327	1 125	63	-119	2 747
Earnings per share						
Earning per ordinary share class A and B, SEK ¹	2,15	-3,97	1,06	0,17	-0,52	5,12
Number of outstanding shares						
Ordinary shares at the end of the period	1 053 374	343 195	1 053 374	343 195	343 195	1 053 374
Average number of ordinary shares A and B	677 487	343 666	1 008 106	343 195	343 429	508 967
Ordinary shares D at the end of the period	7 178	-	7 178	-	-	7 178
Preference shares at the end of the period	11 886	3 600	11 886	3 600	3 600	11 886

¹ The measure earnings per share is calculated on the basis of the average number of shares taking into account preference shares' and ordinary shares of Class D's dividend rights. There is no dilution effect as no potential shares (for example, convertibles) exists.

CONSOLIDATED BALANCE SHEET (SUMMARY)

THE GROUP

SEK million	2021 30 Jun	2020 30 Jun	2020 31 Dec
ASSETS			
Non-current assets			
Goodwill	3 011	-	-
Investment properties	76 642	12 598	14 002
Right of use assets	947	209	218
Participation rights in associated companies	469	-	-
Financial assets at fair value	2 013	2 052	4 347
Derivatives	110	-	-
Other assets	298	5	7
Total non-current assets	83 490	14 864	18 574
Current assets			
Properties classified as current assets	1 746	-	-
Other current assets	1 390	90	85
Short term investments	-	1 285	-
Liquid funds	1 017	40	15
Total current assets	4 153	1 415	100
TOTAL ASSETS	87 643	16 279	18 674
EQUITY AND LIABILITIES			
Equity attributable to parent companies shareholders	29 224	6 069	7 277
Equity attributable to holdings without controlling influence	1 555	-	-
Total equity	30 779	6 069	7 277
Long-term liabilities			
Interest-bearing long-term liabilities	33 451	5 468	5 510
Long-term leasing liabilities	947	209	218
Deferred tax liabilities	7 151	570	800
Other provisions	24	-	-
Derivatives	364	486	455
Other long-term liabilities	8	6	7
Total long-term liabilities	41 945	6 739	6 990
Current liabilities			
Interest-bearing current liabilities	12 757	3 128	4 086
Other current liabilities	2 162	343	321
Total current liabilities	14 919	3 471	4 407
Total liabilities	56 864	10 210	11 397
TOTAL EQUITY AND LIABILITIES	87 643	16 279	18 674

CASH FLOW STATEMENT

THE COREM GROUP

SEK million	2021 6 mon Jan-Jun	2020 6 mon Jan-Jun	2021 3 mon Apr-Jun	2020 3 mon Apr-Jun	2020 12 mon Jan-Dec	Rolling 12 mon Jul-Jun
Current operations						
Operating surplus	454	328	270	162	668	794
Central administration	-51	-20	-42	-10	-39	-70
Depreciation	0	0	0	0	1	1
Interest received, etc.	76	55	23	23	84	105
Interest paid etc	-154	-129	-97	-68	-262	-287
Interest expense lease agreem. attrib. to leasehold fees	-8	-7	-5	-4	-13	-14
Income tax paid	-1	-2	-1	-2	-7	-6
Cash flow from changes in working capital	316	225	148	101	432	523
Change in current receivables	16	-14	29	-20	-24	6
Change in current liabilities	59	-83	2	-41	-38	104
Cash flow from operations	391	128	179	40	370	633
Investment operations						
Investment in new construction, extensions and refurbishment	-250	-340	-122	-170	-741	-651
Acquisition of properties	-200	-41	-8	-	-478	-637
Divestment of properties	106	-	106	-	60	166
Acquired liquid funds, business acquisition	870	-	870	-	-	870
Acquisition of long-term shareholdings	-249	-	-50	-	-854	-1103
Change in tangible assets	0	0	0	0	-3	-3
Cash flow from investment operations	277	-381	796	-170	-2 016	-1 358
Financing operations						
Dividend paid to parent company shareholders	-259	-242	-241	-224	-278	-295
Repurchase of own shares	-	-498	-	-	-498	-
Issuing charges	-23	-	-23	-	-	-23
Short term investments	-	-209	-	-120	197	406
Loans raised	3 397	2 783	2 254	1 294	4 079	4 693
Amortized loans	-2 781	-1 549	-1 990	-809	-1 847	-3 079
Cash flow from financing operations	334	285	0	141	1 653	1 702
Cash flow for the period	1 002	32	975	11	7	977
Liquid funds at beginning of period	15	8	42	29	8	40
Liquid funds at end of period	1 017	40	1 017	40	15	1 017

As the business acquisition of Klövern was made exclusively through issue of new shares in Corem and no cash consideration was included, the acquisition did not have any significant impact on the period's cash flow apart from acquired liquid funds and 15 days of cash flow in operating activities.

STATEMENTS OF CHANGES IN EQUITY (SUMMARY)

SEK million	The parent company's shareholders	Holdings without controlling influence	Total equity
Opening balance equity 2021-01-01	7 277	-	7 277
Comprehensive income during the period	414	-	414
Equity 2021-03-31	7 691	-	7 691
Non-cash issue of shares	19 656	-	19 656
Dividend to ordinary shareholders A and B ¹	-223	-	-223
Dividend to preference shareholders ²	-238	-	-238
Dividend to ordinary shareholders D ²	-143	-	-143
Hybrid bond, from business acquisition	1 300	-	1 300
Issue costs, incl. tax effect	-18	-	-18
Change in holding without controlling influence	78	1 551	1 629
Comprehensive income during the period	1 121	4	1 125
Equity 2021-06-30	29 224	1 555	30 779

¹ Decided SEK 0.65 per share for 2020.

² Decided 20.00 SEK per share for 2020, paid in four quarterly installments.

FINANCING

INTEREST-BEARING LIABILITIES

Interest-bearing liabilities on 30 June 2021 amounted to SEK 46 402 million (9 620). Activated and capitalized borrowing costs were SEK 194 million (24), meaning interest-bearing liabilities in the balance sheet of SEK 46 208 million (9 596). The change is mainly attributable to the addition of interest bearing liabilities of SEK 36 150 million and activated borrowing costs of SEK 161 million via the acquisition of Klövern.

Out of the interest-bearing liabilities 69 per cent are secured by properties and/or shares in subsidiaries in accordance with current market practice.

The average fixed credit term was 4,0 years (1,9).

Loan to value amounts to 55 per cent (38).

Outstanding bonds

On the balance sheet date, the group had SEK 12,008 million in outstanding listed bond loans, maturing in 2021 to 2025. There is an unsecured Medium Term Note program (MTN) with a framework of SEK 10,000 million where SEK 5,500 million has been issued within the framework amount. There is also a secured MTN program with a framework amounting to SEK 10,000 million, which is secured with a property as an underlying asset and fully covered by property mortgage certificates, where SEK 450 million has been issued within this program.

A Change of Control event gave bondholders the opportunity to request repurchase of bonds at 101 per cent of the nominal amount plus accrued interest. Bondholders of 2020/2023 bonds requested repurchases totalling SEK 376 million and bondholders of 2020/2024 bonds requested

repurchases totalling SEK 216 million. The repurchases were financed by the issuing of a new bond of SEK 900 million and an interest of STIBOR 3m + 2,5 per cent, at 19 May 2021.

INTEREST COVERAGE AND MATURITY

The average interest rate of the loan portfolio was 2,5 per cent (3,3) on balance sheet day, including derivatives.

To limit the interest rate risk, Corem has interest rate swaps and interest rate caps, where the effects of bigger increases in interest rate is limited through the interest rate caps. At the end of the period Corem had interest rate swaps of SEK 8 890 million (2 390) and interest rate caps of SEK 23 303 million (2 503). Together with fixed-rate loans, 72 per cent (53) of the interest was hedged. As of 30 June 2021 the net market value of the interest rate derivative portfolio amounted to SEK -254 million (-455). Change in value of derivatives amounts to SEK 91 million (-62) for the period.

The Group's average fixed interest period on the balance sheet date was 2,9 years, taking derivatives into account.

The interest coverage ratio was 2,8 multiples (2,5).

EQUITY, NAV AND EQUITY RATIO

At the end of the period the Groups' equity amounted to SEK 29 224 million (7 277), of which SEK 1 300 million refer to a hybrid bond. Equity is equivalent to SEK 22,26 per ordinary share A and B (18,56), SEK 288,47 (-) per ordinary share D and SEK 311,64 per preference share (251,67). Net Asset Value NAV amounts to SEK 26,27 per ordinary share (22,22).

As of 30 June 2021 Corem holds a total of 2 913 825 ordinary shares class A and 29 630 550 ordinary shares of class B. The market value as of 30 June 2021 amounted to SEK 630 million. The shares have been repurchased at an average price of SEK 18,35 per share.

As of 30 June 2021 the adjusted equity ratio was 39 per cent (48) and the equity ratio 33 per cent (39). See page 14 for further information.

SHARE HOLDINGS

Since 2019, Corem has owned shares in the real estate company Castellum, listed on Nasdaq Large Cap. Fair value of the holding amounted to SEK 1,934 million on the balance sheet day, and changes in value amounted to SEK 86 million (-159) for the period. The holding consists of 8 880 000 shares with an acquisition value of SEK 192,03 per share. The share price at the end of the period was SEK 217,80 per share.

CASH FLOW

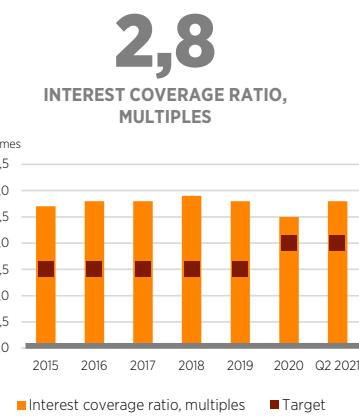
Cash flow from operations before change in operating capital amounted to SEK 316 million (225), an increase with 40 per cent.

The period's cash flow from investment activities amounted to SEK 277 million (-381) and the cash flow from financing activities totaled SEK 334 million (285).

LIQUID FUNDS

Liquid funds at period-end amounted to SEK 1 017 million (15). In addition, there are unused credit facilities of SEK 5 053 m (567).

Interest bearing net debt amounted to SEK 43 373 million compared to SEK 5 238 million at the same time previous year.



INTEREST- AND LOAN MATURITY STRUCTURE

Maturity, year	Average interest rate		Contract volume, SEKm	Tied-up capital		
	SEKm	Proportion %		Utilized, SEKm	Of which bonds outst. SEKm	Unutilized, SEKm
Floating	36 331	78,3	-	-	-	-
2021	50	0,1	7 488	4 817	450	2 671
2022	114	0,2	11 805	10 905	2 350	900
2023	121	0,3	10 135	9 453	3 324	682
2024	912	2,0	5 009	5 009	3 184	-
2025	490	1,1	9 097	9 097	2 700	-
>2025	8 384	18,1	7 921	7 121	0	800
Total	46 402	100	51 455	46 402	12 008	5 053

INTEREST BEARING NET DEBT

SEK million	2021	2020
	30 jun	30 jun
Interest bearing liabilities	46 208	8 596
Adjustment for accrued borrowing costs	195	24
Interest bearing assets	0	-5
Long term holdings	-2 013	-2 052
Short term investments	-	-1 285
Liquid funds	-1 017	-40
Interest bearing net debt	43 373	5 238



Högsbo 38:3, which with an energy declaration class A constitutes one of Corem's green assets according to Corem's green framework.

PARENT COMPANY

Corem's parent company deals with issues relating to the stock market and groupwide business functions such as administration, transactions, management, project development, accounting, and financing.

As a result of Corem's public bid to Klövern's shareholders, the parent company has during the period become the majority owner of Klövern. For more information, see page 6.

The parent company's net profit amounted to SEK 51 million (-72). The turnover, of which the largest part consisted of group invoicing, amounted to SEK 48 million (45). Interest income and similar income items for 2020 included, inter alia, dividend from subsidiaries of SEK 980 million.

In the Parent Company, there are no transactions attributable to Other comprehensive income, which is why no statement of comprehensive income has been prepared.

The parent company's assets totalled SEK 26 817 million (5 924). Liquid funds amounted to SEK 16 million (21). Equity amounted to SEK 21 854 million (2 769).

INCOME STATEMENT SUMMARY

SEK million	2021 6 mon Jan-Jun	2020 6 mon Jan-Jun	2020
			12 mon Jan-Dec
Net income	48	45	89
Cost of services sold	-29	-26	-52
Gross profit	19	19	37
Central administration	-20	-20	-39
Operating profit	-1	-1	-2
Profit short-term investments	-	-170	-27
Interest income and similar income items	114	110	1123
Interest expense and similar expense items	-52	-45	-290
Profit before tax	61	-106	804
Tax	-10	34	-13
Net profit for the period	51	-72	791

BALANCE SHEET SUMMARY

SEK million	2021 30 Jun	2020 30 Jun	2020
			31 Dec
ASSETS			
Other intangible assets	3	-	3
Machinery and equipment	0	1	1
Shares in group companies	20 995	333	432
Other financial assets	2 301	493	2 346
Receivables from group companies	3 490	2 648	3 106
Deferred tax assets	5	56	10
Other current receivables	7	5	5
Short term investments	-	1155	-
Cash and bank deposits	16	102	21
TOTAL ASSETS	26 817	4 793	5 924
EQUITY AND LIABILITIES			
Equity	21 854	1907	2 769
Interest-bearing liabilities	4 508	2 786	3 085
Non-interest bearing liabilities	455	100	70
TOTAL EQUITY AND LIABILITIES	26 817	4 793	5 924

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. The properties are valued in compliance with Level 3 in the IFRS value hierarchy.

The fair value of financial instruments agrees essentially with the carrying amounts. The same applies to the Parent Company, with the exception of the holdings in Castellum and where fair values are those reported to the Group. No changes of the categorization of financial instruments have taken place during the period. Financial assets are valued at fair value and Short-term investments are valued 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 of interpretations from IASB have had any impact on the interim report and the accounting policies applied are those described in Note 1 of Corem's Annual Report for 2020.

The report may contain rounding differences.

DEFINITIONS

In this interim report a number of key ratios 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 analyzing 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 and why they are used 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 operations and is integrated in the daily operations. It encompasses social, ecological and economic sustainability. The work focuses on three main areas:

Environmental considerations and resource efficiency, Attractive Employer and Good business partner. See www.corem.se and Corem's and Klövern's Annual Report for 2020 for further information.

EMPLOYEES

Locally based property management with own staff, for closeness to customers and improved market knowledge, are integral parts of Corem's strategy. Corem has 7 local property management offices Klövern's employees are locally based on 12 geographical business units. Corem's head office is located in Stockholm.

On 30 June 2021 the Corem group had 351 employees (58). Of these, 58 (58) were employed in Corem Property Group AB and 293 in the Klövern Group. Of the employees in Corem 36 per cent were women and in Klövern 46 per cent were women.

OPPORTUNITIES AND RISKS

Corem works according to a continuous process to identify significant opportunities and risks which may affect the company's

financial position and earnings. The main risks are currently value changes of properties, 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 and Klövern's Annual Report 2020.

SEASONAL VARIATIONS

Operating and maintenance costs are subject to seasonal variations. Snowy and/or cold winters entail, for example, higher costs

for heating and/or snow clearance while hot summers entail higher costs for cooling.

TRANSACTIONS WITH RELATED PARTIES

Intra-group services are charged at market prices and on commercial terms. Intra-group services consist of administrative services and charging of group interest rates.

During 2019 contract has been signed with Wästbygg for the construction of Pro Stop Backa, in Gothenburg. Transactions with Wästbygg AB amounted to SEK 28 million (101). Wästbygg AB is controlled by principal owner Rutger Arnhult.

In addition, the Corem Group has purchased legal services from the law firm Walthon Advokater AB during the period, in which the Chairman of the Board Patrik Essehorn is a partner.

EVENTS AFTER THE PERIOD

Corem has appointed new group management, to come into effect from 16 August 2021.

Corem has obtained an investment grade rating of BBB- with Stable outlook from Scope.

The Board of Directors and the CEO assure the report provides a fair overview of the Parent Company's and the Group's operations, financial position and results, and describes any significant risks and uncertainties which the Parent Company and the companies included in the Group face.

Stockholm den 19 juli 2021
Corem Property Group AB (publ)

Patrik Essehorn
Chairman of the Board

Christina Tillman
Board member

Katarina Klingspor
Board member

Fredrik Rapp
Board member

Eva Landén
CEO

Magnus Uggla
Board member

This report has not been subject to review by the company's auditors.

This interim report is in all respects a translation of the Swedish original interim report. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.

THE SHARE

SHARE FACTS, 30 JUNE 2021

Market cap., SEK	26,9 billion
Marketplace	Nasdaq Stockholm, Mid Cap
LEI nr	213800CHXQQD7TSS1T59
Number of shareholders	40 882
Ordinary share A	
Number of shares	92 610 595
Closing rate, SEK	19,30 SEK
ISIN	SE0010714279
Ordinary share B	
Number of shares	993 307 526
Closing rate, SEK	19,38 SEK
ISIN	SE0010714287
Ordinary share D	
Number of shares	993 307 526
Closing rate, SEK	19,38 SEK
ISIN	SE0015961594
Preference share	
Number of shares	11 886 304
Closing rate, SEK	317,00 SEK
ISIN	SE0010714311

Corem Property Group is listed on Nasdaq Stockholm Mid Cap with four classes of share: ordinary share of class A, ordinary share of class B, ordinary share of class D, and preference share.

Corem has a total of 1104 982 387 shares as of 30 June 2021, of which 92 610 595 ordinary shares of class A, 993 307 526 ordinary shares of class B, 7 177 962 ordinary shares of class D and 11 886 304 preference shares.

Ordinary shares of class A entitles the holder to one vote, while ordinary shares of class B, ordinary shares of class D and preference shares entitles to one tenth of a vote.

EXCHANGE OFFER TO PREFERENCE SHAREHOLDERS

On 30 March 2021, a voluntary exchange offer was made to preference shareholders to convert preference shares into newly issued Series D ordinary shares. The exchange offer covers all preference shares in Corem and means that Corem offers 1,12 ordinary shares of series D in Corem for each preference share in Corem.

The reason why only preference shares are offered redemption is to enable increased financial flexibility for Corem. An increased number of new ordinary shares of series D creates better conditions for reaching an investment grade rating in the long term, which is expected to reduce the company's financial risk and financing costs. A total of 1,720,635 preference shares had been submitted in the Exchange Offer as of the 11 June 2021, which corresponds to 47.8 percent of the total number of preference shares in Corem. Based on the outcome, Corem has issued a total of 1,927,111 Series D ordinary shares to the shareholders who have accepted the Exchange Offer.

NEWLY ISSUED SHARES RELATED TO PUBLIC BID FOR KLÖVERN

On 29 March 2021, Corem submitted a public takeover bid to the shareholders of Klövern AB (publ) to acquire all outstanding shares in Klövern, in exchange for newly issued shares in Corem.

During the acceptance periods which ran during June 2021, a total of 68,296,112 ordinary shares of Class A ordinary shares, 738,725,754 ordinary shares of Class B and 14,695,199 preference shares in Klövern were submitted in the Offer.

As part of the Offer, preference shareholders in Klövern were given the opportunity to either receive newly issued ordinary shares of series D or preference shares in Corem as consideration in the Offer. Preference shareholders representing 4,688,260 preference shares in Klövern have chosen to receive ordinary shares of series D in Corem and shareholders representing 10,006,939 preference shares in Klövern have chosen to receive preference shares in Corem.

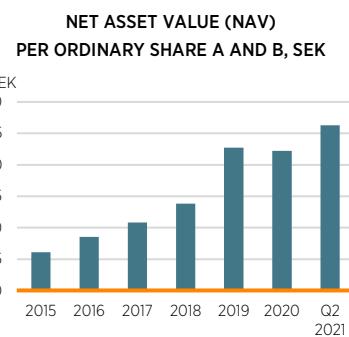
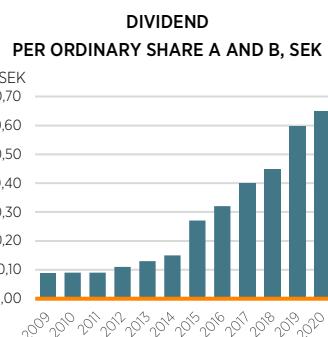
In total, new issues have been made of 60,100,578 ordinary shares of Class A, 650,078,663 ordinary shares of Class B, 5,250,851 ordinary shares of Class D, and 10,006,939 preference shares in Corem, as consideration for the shares submitted in the offer.

REPURCHASE OF OWN SHARES

During the quarter, Corem has not repurchased any ordinary shares. As of 30 juni 2021 Corem holds a total of 2 913 825 ordinary shares class A and 29 630 550 ordinary shares of class B. The shares have been repurchased at an average price of SEK 18,35 per share.

CONVERSION OF ORDINARY SHARES

During February 2021 requests of conversion for a total of 207 ordinary shares of class A has been made, which have subsequently been converted to ordinary shares of class B during March.



LARGEST SHAREHOLDERS 30 JUNE 2021

Shareholder	Ordinary class A	Ordinary class B	Ordinary class D	Preference shares	Share of equity, %	Share of votes, %
Rutger Arnhult via bolag ²	33 609	318 745	2 618	2	32,12%	34,98%
Gårdarike ²	39 490	48 160	79	26	7,94%	23,58%
Länsförsäkringar fondförvaltning	–	78 530	–	–	7,11%	4,18%
Handelsbanken fonder	–	62 650	–	–	5,67%	3,33%
Banque Internationale a Lux	–	61 967	–	–	5,61%	3,30%
State Street Bank & Trust Co	–	30 154	–	105	2,74%	1,61%
Swedbank Robur fonder	1 593	12 498	–	–	1,28%	1,51%
CBNY Norges Bank	631	13 290	152	–	1,27%	1,05%
Prior & Nilsson	–	18 550	–	–	1,68%	0,99%
Union Bancaire Privee	–	17 020	–	3	1,54%	0,91%
Fredrik Rapp privat och via bolag	750	7 500	–	–	0,75%	0,80%
Alfred Berg	–	13 682	–	–	1,24%	0,73%
Livförsäkringsbolaget Skandia, Ömsesidigt	745	5 196	–	1	0,54%	0,67%
Försäkringsaktiebolaget, Avanza Pension	493	6 426	248	735	0,72%	0,66%
JP Morgan Chase Bank N.A.	–	11 995	–	197	1,10%	0,65%
Other shareholders	12 385	257 314	4 081	10 819	25,76%	21,07%
Total number of outstanding shares	89 697	963 677	7 178	11 886	97,05%	100,00%
Repurchased shares ¹	2 914	29 631	–	–	2,95%	
Total number of shares	92 611	993 308	7 178	11 886	100,00%	100,00%

¹ Repurchased shares do not have voting rights, and receive no dividends

² Holdings managed by the Ålandsbanken are at present reported in EuroClear as "Ålandsbanken in place of the owner" at the aggregate total amount instead of showing the underlying owner. The information about these holdings has been adjusted to better reflect the underlying ownership.

CLOSING RATES, ORDINARY SHARE A & B 2 YEARS, SEK PER SHARE



CLOSING RATES, ORDINARY SHARE D AND PREFERENCE SHARE 2 YEARS, SEK PER SHARE



QUARTERLY OVERVIEW

Amounts in SEKm unless otherwise stated	2021	2021	2020	2020	2020	2020
	Q2	Q1	Q4	Q3	Q2	Q1
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Result-related						
Income	378	258	234	222	215	223
Property costs	-103	-74	-66	-50	-53	-57
Operating surplus	275	184	168	172	162	166
Profit from property management	149	157	85	117	101	117
Changes in value, properties	300	481	473	185	20	81
Changes in value, financial investments	805	-191	93	470	28	-1 633
Changes in value, derivatives	8	83	28	3	-35	-27
Net profit	1128	409	561	658	75	-1 402
Property and finance-related						
Fair value of properties	76 642	14 811	14 002	13 149	12 598	12 427
Operating margin, %	73	71	72	77	75	74
Occupancy rate, economic, %	88	93	93	92	91	91
Return on equity, %	24,4	21,8	32,0	38,1	5,0	-77,6
Adjusted equity ratio, %	39	48	48	48	47	49
Loan to value (LTV), %	55	38	38	38	42	40
Share-related						
NAV per ordinary share, SEK	26,27	23,54	22,22	20,37	18,12	18,54
Net profit per ordinary share, SEK	1,06	1,14	1,58	1,87	0,17	-4,13
Share price, ordinary share A, at end of period, SEK	19,30	18,65	18,80	18,40	17,20	19,40
Share price, ordinary share B, at end of period, SEK	19,38	18,65	18,80	18,45	17,75	19,60
Share price, ordinary share D, at end of period, SEK	290,00	-	-	-	-	-
Share price, preference share, at end of period, SEK	317,00	318,00	320,00	329,00	317,00	285,00
Number of outstanding ordinary shares A and B	1 053 374	343 195	343 195	343 195	343 195	343 195
Number of outstanding ordinary shares D	7 178	-	-	-	-	-
Number of outstanding preference shares	11 886	3 600	3 600	3 600	3 600	3 600

Refers to Corem up until the first quarter of 2021 and the merged company from 15 June 2021.

KEY RATIOS

	2021 6 mon Jan-Jun	2020 6 mon Jan-Jun	2021 3 mon Apr-Jun	2020 3 mon Apr-Jun	2020 12 mon Jan-Dec	2019 12 mon Jan-Dec
Property related						
Fair value properties, SEK million	76 642	12 598	76 642	12 598	14 002	12 114
Required yield, valuation, %	5,3	5,8	5,3	5,8	5,5	5,8
Rental value, SEK million	4 909	962	4 909	962	970	912
Lettable area, sq.m.	3 479 743	962 118	3 479 743	962 118	985 887	959 495
Occupancy rate, economic, %	88	91	88	91	93	91
Occupancy rate, area-based %	83	86	83	86	91	88
Operating margin, %	72	75	73	75	75	73
Number of properties	510	163	510	163	167	162
Financial						
Return on equity, %	16,8	-37,3	24,4	5,0	-1,4	46,2
Equity ratio, adjusted, % ³	39	47	39	47	48	55
Equity ratio, %	33	37	33	37	39	48
Interest bearing net debt, SEK million	43 373	5 238	43 373	5 238	5 258	2 629
Loan to value (LTV), %	55	42	55	42	38	22
Leverage, properties, %	41	46	41	46	46	46
Interest coverage ratio, multiples	2,8	2,6	2,4	2,5	2,5	2,8
Average interest, %	2,47	3,04	2,47	3,04	2,71	3,40
Average fixed interest period, years	2,9	3,2	2,9	3,2	2,7	3,4
Average tied-up capital, years	4,0	2,0	4,0	2,0	1,9	2,2
Share-related*						
Earnings per ordinary share A and B, SEK	2,15	-3,97	1,06	0,17	-0,52	8,35
Earnings per ordinary share D, SEK	5,00	-	5,00	-	-	-
Earnings per preference share, SEK	10,00	10,00	5,00	5,00	20,00	20,00
NAV per ordinary share, SEK	26,27	18,12	26,27	18,12	22,22	22,74
Equity per ordinary share, SEK	22,26	15,05	22,26	15,05	18,56	19,95
Equity per ordinary share, SEK	288,47	-	288,47	-	-	-
Equity per preference share, SEK	311,64	251,67	311,64	251,67	251,67	251,67
Dividend per ordinary share A and B, SEK ³	-	-	-	-	0,65	0,60
Dividend per ordinary share D, SEK ³	-	-	-	-	20,00	-
Dividend per preference share, SEK ³	-	-	-	-	20,00	20,00
Share price per ordinary share A, SEK ¹	19,30	17,20	19,30	17,20	18,80	27,00
Share price per ordinary share B, SEK ¹	19,38	17,75	19,38	17,75	18,80	27,00
Share price per ordinary share D, SEK ¹	290,00	-	290,00	-	-	-
Share price per preference share, SEK ¹	317,00	317,00	317,00	317,00	320,00	392,00
<u>No of shares, thousands</u>						
Number of outstanding ordinary shares class A and B ²	1 053 374	343 195	1 053 374	343 195	343 195	364 270
Average number of outstanding ordinary shares ²	677 487	343 666	1 008 106	343 195	343 429	364 270
Number of outstanding ordinary shares class D ²	7 178	-	7 178	-	-	-
Number of outstanding preference shares ²	11 886	3 600	11 886	3 600	3 600	3 600

¹ At the end of the period.

² Excluding repurchased shares.

For definitions of key ratios, see page 23.

Refers to Corem up until the first quarter of 2021 and the merged company from 15 June 2021.

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 and why they are used are presented below. There is a complementary calculation appendix on the website, www.corem.se/sv/investerare/definitioner for the key ratios that are not directly identifiable from the financial statements.

Adjusted equity ratio¹⁾

Equity, adjusted for the value of derivatives including tax, repurchased shares, (based on the share price at the end of respective time period) and reported deferred tax properties, less goodwill attributable to deferred tax, as well as load 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 rights of use assets.

Annual rent

Rent including supplements and index on an annual basis.

Average fixed credit term

Average remaining term of interest-bearing liabilities. Stated to clarify the Company's financial risk.

Average period of fixed interest

Average remaining period of fixed interest on interest-bearing liabilities and derivatives. Stated to clarify the Company's financial risk.

Average interest rate

Average borrowing rate for interest-bearing liabilities and derivatives. Stated to clarify the Company's financial risk.

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.

Earnings per ordinary share

Net profit in relation to average number of ordinary shares, taking the ordinary shares class D's and preference shares' share of profit for the period into account.

Earnings per ordinary share of class D

The ordinary share of class D's share of profit corresponding to the period's accumulated share of annual dividend.

Earnings per preference share

The preference shares' share of profit corresponding to the period's accumulated share of annual dividend of SEK 20.00 per preference share.

Equity per ordinary share

Reported equity, after taking into consideration the preference equity, in relation to the number of outstanding ordinary shares at the end of the period.

Equity ratio

Equity 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 ratio¹⁾

Profit from property management including realized changes in value, as well as the share of associated companies' profit from property management, including realized changes in value, plus financial expenses, and divided by financial expenses.

Lettable area

Total area available for letting.

Loan to value (LTV)

Interest-bearing liabilities after deduction for the market value of listed shareholding and liquid funds, in relation to the fair value of the properties at the end of the period.

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

Reported equity, after taking the preference equity into consideration, equity attributable to ordinary shares of series D, goodwill attributable to deferred tax and hybrid bond, adjusted to include derivatives and deferred tax in accordance with the statement of financial position, in relation to the number of outstanding ordinary shares at the end of the period.

Net letting

Annual rent for the tenancy agreements entered into during the period, reduced for terminated tenancy agreements and bankruptcies.

Net operating income

Rental income reduced for property costs.

Occupancy rate, area

Rented area divided by total lettable area.

Occupancy rate, economic

Rent on an annual basis divided by assessed rental value.

Outstanding ordinary shares

Registered shares, after deduction of repurchased shares which are not eligible for dividends and lack voting rights.

Preference capital

Number of outstanding preference shares multiplied by the average issue price.

Profit from property management

Net operating income, central administration and net financial income.

Realized changes in value, properties

Realized property sales after deductions for the properties' most recently reported fair value and overheads at sale.

Rental value

Contracted annual rent as applicable at the end of the period, 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 during the period.

Required yield

The required return on the residual value of property valuations.

Surplus ratio

Operating surplus as a per centage of revenue.

Total number of shares

Registered shares, including repurchased shares.

Unrealized changes in value, properties

Change in fair value, after deduction for investments made for the property portfolio at the end of the respective period.

¹⁾ Excluding site leasehold fees

CALENDAR

FINANCIAL REPORTS

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

RECORD DAYS / DIVIDEND

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

FOR MORE INFORMATION, PLEASE CONTACT:

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Information on business operations, the Board of Directors and Executive Management, financial reporting and press releases are available on Corem's website, www.corem.se

This is the English language version of Corems Interim Report. The Swedish language Interim Report is the binding version that shall prevail in case of discrepancies.



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