

4TH QUARTER

YEAR-END REPORT JANUARY-DECEMBER 2017

VEDDESTA 2:79, STOCKHOLM REGION

YEAR-END REPORT

JANUARY–DECEMBER 2017

- Income increased by 22 per cent and amounted to SEK 900 million (740).
- Operating surplus increased by 22 per cent to SEK 701 million (574).
- Income from property management increased by 32 per cent to SEK 364 million (276).
- Change in property value amounted to SEK 347 million (498), and change in value of derivatives affected profit by SEK 62 million (-101).
- Net profit amounted to SEK 937 million (915), equivalent to SEK 2.33 per ordinary share (2.14).
- Fair value of the property portfolio was SEK 11,539 million (10,667).
- During the year, acquisitions of eleven properties at a total of SEK 619 million in property value, and divestment of seven properties and part of one property at a property value of SEK 457 million, was made. Investments in constructions, extensions and refurbishments of SEK 340 million were made.
- A new class of shares, ordinary shares class B, was introduced on 13 December 2017 in accordance with decision taken at the Extraordinary Shareholders' Meeting.
- The board is proposing a dividend of SEK 0.40 per ordinary share (0.32) of class A and class B, and SEK 20.00 per preference share (20.00) to be paid with 5.00 per quarter.

EVENTS AFTER THE PERIOD

- During January 2018 a reverse split of shares took place, where two shares were combined into one, in accordance with decision at the Extraordinary Shareholders' Meeting in November 2018.
- Acquisition of the property Öskaret 16 in Jönköping, with a lettable area of 8,500 sq.m. and at a property value of SEK 45 million.

900

+22%
INCOME,
SEK MILLION.

364

+32%
INCOME PROPERTY
MANAGEMENT,
SEK MILLION

11,539

PROPERTY VALUE,
SEK MILLION

4.6

CAPITALIZATION,
SEK BILLION

	2017 3 mon Oct-Dec	2016 3 mon Oct-Dec	2017 12 mon Jan-Dec	2016 12 mon Jan-Dec
Rental income, SEKm	222	204	893	723
Other income, SEKm	1	1	7	17
Operating surplus, SEKm	166	152	701	574
Profit from property management, SEKm	79	70	364	276
Net profit, SEKm	299	413	937	915
Earnings per ordinary share, % ¹	0.77	1.03	2.33	2.14
EPRA NAV per ordinary share, SEK ¹	10.83	8.53	10.83	8.53
Operating margin, %	74	74	78	77
Occupancy rate, economic, %	90	92	90	92
Equity ratio, adjusted, %	37	35	37	35

¹ Number of shares has been adjusted for reverse split of shares that took place during January 2018
For definitions of key ratios, see page 17

COREM SHOWING RECORD RESULT



IMPORTANT EVENTS

- Acquisition of the property Flahult 80:9 with an area of 12,000 sq.m. in Jönköping and Dagab as tenant on a 10-year lease. Possession will be taken when construction is completed, during the first quarter of 2018.
- Acquisition of six properties in the Stockholm area, whereof four located in Bredden, Sollentuna.
- Divestment of the site leasehold in Stockholm and three properties in Norrköping, with which Corem leaves Norrköping.
- 10-year green lease signed with lift manufacturer Artico,. The lease is for 16,500 sq.m. in Veddesta 2:79, Järfälla.
- 10-year lease signed with K-rauta in Backa 96:2 in Gothenburg. Corem is developing a retail area here for specialist retail stores, which is expected to encompass almost 20,000 sq.m. when fully built.

Corem celebrates 10 years and shows a record result for 2017! Profit from property management developed very well with a 32 percent increase, and continued positive value changes also contributed to a very strong net profit of SEK 1,119 million, an increase of 10 percent. Our business model is still founded on strategic transactions and in optimizing our property portfolio, to build value by always having the tenant in as our primary focus.

2017 has been an intense year with added focus on letting, efficiency and project development. An already stable operating surplus was further reinforced by acquisitions during this and the previous year, completed new builds and a number of major lettings which have taken effect during 2017. Put together, this has led to an increase in both income and operating surplus of 22 per cent compared with the previous year.

Our comparable portfolio of properties continues to show positive figures with increased rental income and an increased operating surplus of 4 per cent. The occupancy rate, which remains at 90 per cent, has been affected by early redemption of rental guarantees during the first six months of the year and acquired vacancies during the final quarter.

Our customer focus continues to be successful and our net letting is still positive. During the year we have renegotiated and let to new tenants a total of 187,000 sq.m. where 43 per cent are new customers. A strong confirmation of the work carried out is that Corem in competition with brokers and real estate companies won the award "Letting team of the year!" in Lokalguiden's annual competition.

With a continued strong real estate market, we could also in the final quarter of 2017 be gratified by rising property values. The positive changes in value totalled SEK 344 million. During the last quarter of the

year, we have increased our portfolio in Stockholm and Jönköping and in early 2018, we continued with an acquisition in Jönköping. During the year we have grown both by acquisitions and completion of new builds. Optimising, and expanding in selected regions, will continue to be a priority.

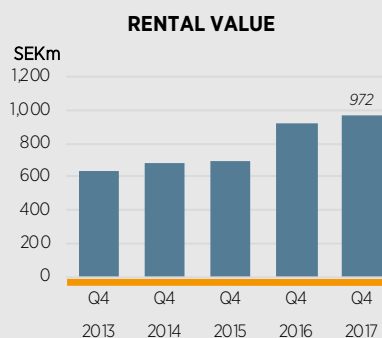
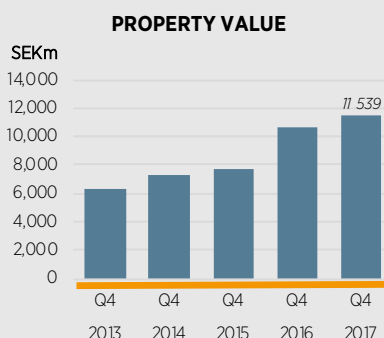
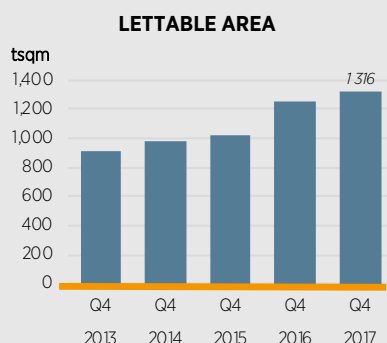
Corem's project development has grown in recent years. During 2017 we have signed agreements for new build projects totalling over 24,000 sq.m. At our new specialist retail area at Ramnaslätt in Borås construction for two specialist trade outlets is in progress and we hope to start the next stage in a near future. At Backadalen in Gothenburg, K-rauta is the first tenant in a specialist retail area which is expected to consist of almost 20,000 sq.m when completed.

Our financial strength was further reinforced during the period. The adjusted equity ratio increased to 37 per cent for the twelve-month period, which is an increase of two percentage points since the previous year-end. At the same time, leverage decreased from 58 per cent to 56 per cent. Likewise, net worth per share (EPRA NAV) rose by 27 per cent to SEK 10.83.

There is a shortage of efficient warehouse premises in the premier locations of our largest cities, and the growing e-commerce leads to a high level of demand for logistics properties. Corem's focus on building clusters in selected regions, close to efficient transport routes, has reinforced our position as a real estate company specialising in warehouse and logistics properties. We are favoured by the strong trend towards urbanisation and growth in the Swedish economy and our high-quality portfolio of properties continues to offer great opportunities for future creation of value.

I would like to thank all our personnel for a fantastic year and look forward to creating further space to develop customers' businesses during 2018

Stockholm 19 February 2018
Eva Landén, CEO



INCOME STATEMENT

THE COREM GROUP

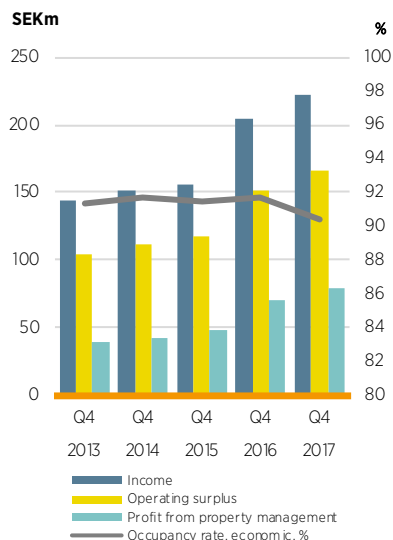
SEK million	2017 3 mon Oct-Dec	2016 3 mon Oct-Dec	2017 12 mon Jan-Dec	2016 12 mon Jan-Dec
Rental income	222	204	893	723
Other income ¹	1	1	7	17
Property costs	-57	-53	-199	-166
Operating surplus	166	152	701	574
Central administration	-11	-9	-36	-32
Net financial income	-76	-73	-301	-266
Profit from property management	79	70	364	276
Profit shares according to the equity method	Note 1	79	73	346
Earnings from sale of participation rights in associated companies	Note 1	-	-	-
Realized changes in value, properties	0	-1	3	2
Unrealized changes in value, properties	200	201	344	496
Unrealized changes in value, derivatives	-1	118	62	-101
Profit before tax	357	461	1,119	1,017
Tax	Note 2	-58	-48	-182
Net profit for the period	299	413	937	915
Other comprehensive income				
<i>Items which can be recognized as profit for the period</i>				
Translation difference	4	-1	4	4
shareholders	303	412	941	919
Number of shares and earnings per share¹				
Earning per ordinary share, SEK ²	0.77	1.03	2.33	2.14
Number of outstanding shares at the end of the period	366,374,305	375,738,853	366,374,305	375,738,853
Average number of outstanding ordinary shares	366,374,305	384,866,763	371,837,353	394,097,875
Number of outstanding preference shares at the end of the period	3,600,000	3,600,000	3,600,000	3,600,000

¹ Adjusted for the bonus issue made during the fourth quarter of 2017 and for the reverse split of shares which took place during January 2018

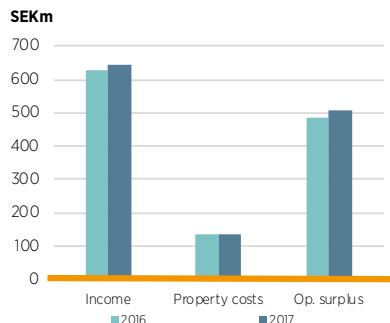
² The measure earnings per share is calculated on the basis of the average number of shares taking into account preference shares' dividend rights. There is no dilution effect as no potential shares (for example, convertibles) exists.

INCOME, EXPENSES AND PROFIT

QUARTERLY COMPARISON



COMPARABLE PORTFOLIO



The comparable portfolio of properties shows an increase in rental income by 3 per cent, while property costs are at the same level as the previous year. The operating surplus in the comparable portfolio increased by 4 per cent.

The income statement items below, like the comparative amounts for last year, refer to the period January–December unless otherwise stated. The balance sheet items and comparative amounts refer to the position at the end of the period, and the end of last year.

RESULT

The operating surplus increased by 22 per cent to SEK 701 million (574) with an operating margin at 78 per cent (77), an increase by one percentage unit.

Profit from property management amounted to SEK 364 million (276), an increase by 32 per cent. Operating surplus and profit from property management have both been positively affected by net acquisitions, net moving-in, rental guarantees received, early redemption of rental income and an investment compensation.

Profit before tax amounted to SEK 1,119 million (1,017) and was affected by positive value changes in properties and derivatives as well as earnings from associated companies.

INCOME

Income for the period was SEK 900 million (740), an increase by 22 per cent, whereof rental income increased by 24 per cent to 893 million (723). The positive change can be mainly attributed to net acquisitions, moving-in for lettings made during 2017 as well as early redemption of rental guarantees of SEK 13 million.

The economic occupancy rate was 90 per cent (92). The occupancy rate has decreased due to early redemption of rental guarantees. Rental income for the period include anticipated rental losses of SEK 1 million (6).

Other income amounted to SEK 7 million (17), half of which was investment compensation and the remainder early redemption of rent.

PROPERTY COSTS

Property costs during 2017 amounted to SEK 199 million (166). The increase is mainly attributable to net acquisitions. Central administration costs amounted to SEK 36 million (32) and consists of costs for group management and group-wide functions. The increase is related to the company's increased volume. During the fourth quarter, costs have increased attributable to the introduction of a new class of share, ordinary share class B.

NET FINANCIAL INCOME

Net financial income totaled SEK -301 million (-266) and consists of interest expense and credit fees for the period. At the end of the period, the average interest rate, including margins, was 3.65 per cent (3.70). For further information, see page 10.

EARNINGS FROM ASSOCIATED COMPANIES

The share of earnings according to the equity method amounted to SEK 346 million (314) from Klövern AB (publ). For further information, see page 13.

CHANGES IN VALUE

Changes in property value during the period amounted to SEK 347 million (498), of which unrealized changes in property value amounted to SEK 344 million (496) and realized changes to SEK 3 million (2). Investments, decreased yields, and new lettings contributed to increasing the value. For further information, see page 7.

The value of Corems derivatives is affected by changes in the long market rates. Unrealized changes in value of derivatives during the period totaled SEK 62 million (-101).

TAX

During the period, deferred tax totaled SEK -179 million (-105) and current tax to SEK -3 million (3). For further information, see page 13.

CONSOLIDATED BALANCE SHEET

THE COREM GROUP

SEK million	2017 31 Dec	2016 31 Dec
ASSETS		
Non-current assets		
Investment properties	11,539	10,667
Holdings reported in accordance with the equity method	Note 1 1,714	1,395
Other assets	2	11
Total non-current assets	13,255	12,073
Current assets		
Other current assets	64	38
Liquid funds ¹	34	7
Total current assets	98	45
TOTAL ASSETS	13,353	12,118
EQUITY AND LIABILITIES		
Total equity attributable to parent companys shareholders	4,340	3,671
Long-term liabilities		
Interest-bearing long-term liabilities	5,572	5,222
Deferred tax liabilities	Note 2 230	55
Derivatives	493	555
Other long-term liabilities	4	4
Total long-term liabilities	6,299	5,836
Current liabilities		
Interest-bearing current liabilities	2,391	2,307
Other current liabilities	323	304
Total current liabilities	2,714	2,611
Total liabilities	9,013	8,447
TOTAL EQUITY AND LIABILITIES	13,353	12,118

¹ Available liquidity including unutilized credit facilities on 31 December 2017 at SEK 318 million (395).

STATEMENT OF CHANGE IN EQUITY

SEK million	2017 Jan-Dec	2016 Jan-Dec
Opening balance equity	3,671	3,011
Comprehensive income during the period	941	919
Dividend to ordinary shareholders ¹	-120	-110
Dividend to preference shareholders ²	-72	-72
Repurchase of own shares	-80	-166
Emission of shares	0	89
Closing balance equity attributable to parent company's shareholders	4,340	3,671

¹ Whereof SEK 0.32 per share 2017 and SEK 0.27 per share 2016.

² Thereof SEK 18.0 million paid out each quarter, starting in July 2016 and July 2017 respectively.

THE PROPERTY PORTFOLIO

Corem's property value on 31 December 2017 amounted to SEK 11,539 million and consisted of 169 properties with a total lettable area of 1,316,233 sq.m.

The portfolio is divided into five geographic regions: Stockholm Region, South Region, West Region, Småland Region and Mälardalen/North Region.

The items below refer, unless otherwise stated, to the period January - December 2017, with the same period of 2016 as comparative amounts.

CONSTRUCTIONS, EXTENSIONS AND REFURBISHMENTS

During the period, Corem invested a total of SEK 340 million (385) in new construction, extensions and refurbishment.

At Skruven 3 in Borås, development is continuing on a new retail area for specialist retail trade. Hornbach and Bevego are the first tenants with premises of 8,600 sq.m. and 2,550 sq.m. respectively, expected to be ready for moving in during the second half of 2018. When fully completed, the area is planned to consist of almost 20,000 sq.m. with premises of varying sizes.

During December, a lease was signed with K-rauta, as the first tenant of a new specialist trade area at Backa 96:2 in Gothenburg. Construction is planned to start during the first quarter of 2018.

On Nyhagshuset 5 in Helsingborg, a logistics facility of 13,000 sq.m. has been completed. Seafrigo Nordic will be moving in during February 2018 on a 15 year lease.

At Rådmannen 3 in Katrineholm, a 20 year lease for a health centre of 1,700 sq.m. has been signed with Sörmland County Council. Moving-in is planned to take place during summer 2018.

In Västerås, refurbishment and extension of the property Friledningen 11 with Bilia as tenant has started, and is expected to be completed during the third quarter of 2018.

See Corem's Annual Report for 2016 for further information on Corem's project development.

PROPERTY TRANSACTIONS

During the 12-month period Corem has acquired eleven properties of a lettable area of 66,402 sq.m. and an aggregate value of SEK 619 million. Seven properties and part of property have been divested at an aggregate value of SEK 457 million.

Transactions during 1st quarter

Fyllinge 20:403 in Halmstad, Flahult 21:14 in Jönköping and Stiggläddret 11 in Malmö were all acquired during the first quarter. The properties have an aggregate lettable area of 24,345 sq.m and are fully let.

The site leasehold for Domnarvet 10 and the property Förrådet 19, with a total lettable area of 4,701 sq.m., were divested.

Transactions during 2nd quarter

Nyhagshuset 5 in Helsingborg, with construction of a new logistics facility in progress, was acquired in June.

In Gothenburg, Kärva 91:1 was acquired with taking of possession on 30 June. The property, which has a lettable area of 13,050 sq.m., is fully let.

During March, an agreement was entered for divestment of Skallsjö 3:8 with 10,014 sq.m. of lettable area. Possession of the property was handed over in April 2017.

Transactions during 3rd quarter

Corem has during the 3rd quarter divested part of property Vipemöllan 38 in Lund to JM at a property value of SEK 260 million.

Transactions during 4th quarter

During the fourth quarter, the properties Kallhäll 9:36, Revisorn 3 and Ringpärmen 6 as well as the site leasehold of the property Konsumenten 3, all in the Stockholm area, were acquired through a property transaction with Klöver. In the same transaction, the properties Stålet 3, Bronsen 2 and Slakthuset 14 in Norrköping as well as Singeln 13 in Stockholm were divested.

During the quarter, the properties Rotorn 2 and Revisorn 1 were also acquired. The properties are located in Bredden, Sollentuna, where Corem already has a large focused portfolio

66,402

ACQUISITIONS, LETTABLE AREA, SQ.M.

41,751

DIVESTMENTS, LETTABLE AREA, SQ.M

PROPERTY VALUE AND CHANGES IN VALUE

On 31 December 2017, the aggregate market value of Corem's property portfolio was SEK 11,539 million (10,667). Investments, decreased yield requirements and new lettings have had a value-adding effect. The average yield requirement per 31 December 2017 was approximately 6.57 per cent (6.71). The previous quarter the average yield requirement was 6.65 per cent.

Changes in property value totaled SEK 347 million (498) for 2017, whereof SEK 344 million (496) were unrealized changes. 60 per cent of the change in value derived from changes in yield requirements and 40 percent from increased operating surplus.

Valuation of the portfolio is done each quarter. In the fourth quarter, properties corresponding to 36 per cent of the aggregate value have been externally valued, while the remaining properties have been valued through internal cash flow valuations. During the year as a whole, 97 per cent of the properties have been externally valued. For the external valuation during the period, Corem has used Savills Sweden AB as valuation institution.

Corem continuously obtains market information from external valuation institutions to support the internal valuation process. See Corem's Annual Report for 2016 for additional information about Corem's valuation principles.

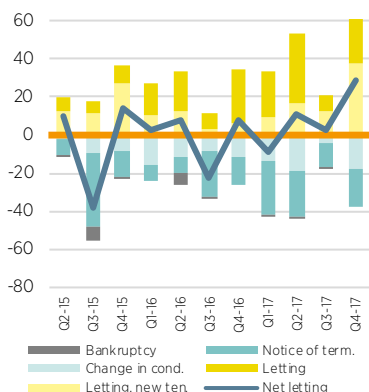
CHANGE IN FAIR VALUE, NUMBER OF PROPERTIES AND LEASABLE AREA

	2017			2016
	Number	Sq.m.	SEK million	Mkr
Total on 1 January	165	1,260,173	10,667	7,776
Acquisitions	11	66,402	619	2,186
New construction, extension and re	-	31,409	340	385
Divestments	-7	-41,751	-438	-189
Changes in value	-	-	344	496
Currency translation	-	-	7	13
Total on 31 December	169	1,316,233	11,539	10,667

THE PROPERTY PORTFOLIO

NET LETTING

SEKm



Corem's total rental income on an annual basis amounted to SEK 878 million (841) per 31 december 2017 and total rental value was assessed to be SEK 972 million (917). The economic occupancy rate was 90 per cent (92). Corem has a well-diversified income base with 716 unique tenants. The three largest tenants account for 13 per cent (13) of the total rental income. Remaining average lease contract term is 4.3 years (4.4).

NET LETTING

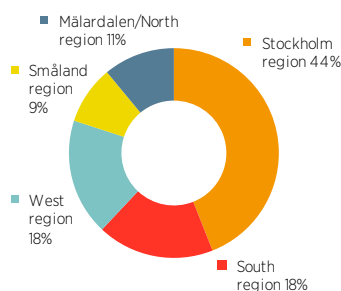
Net letting for the period totaled SEK 33 million. Letting during the quarter amounted to SEK 174 million, of which 43 per cent are new tenants. Out of the SEK 141 million in notices of termination for the period, 39 per cent were terminations for change in conditions. Notice to terminate during the period included the early redemption of rental guarantees of SEK 13 million, which also affected the area-based occupancy rate by -2 percentage units.

TRANSACTIONS 1 JANUARI – 31 DECEMBER 2017

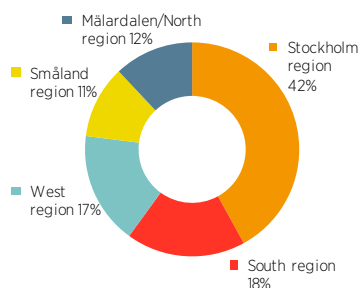
Q	Property	City	Property type	Lettable area, sq.m.
Acquisitions				
1	Flahult 21:14	Jönköping	Warehouse/Industrial	3,650
1	Stiggläddret 11	Malmö	Warehouse/Industrial	6,215
1	Fyllinge 20:403	Halmstad	Warehouse/Industrial	14,580
2	Nyhagshuset 5	Helsingborg	Warehouse/Industrial	-
2	Kärna 91:1	Göteborg	Warehouse/Industrial	13,050
4	Kallhäll 9:36	Stockholm	Warehouse/Industrial	5,150
4	Revisorn 3	Stockholm	Warehouse/Industrial	1,138
4	Ringpärmen 6	Stockholm	Warehouse/Industrial	7,702
4	Konsumenten 3	Stockholm	Warehouse/Industrial	10,219
4	Rotorn 2	Stockholm	Warehouse/Industrial	1,564
4	Revisorn 1	Stockholm	Warehouse/Industrial	3,134
Total				66,402

Q	Property	City	Property type	Lettable area, sq.m.
Divestments				
1	Förrådet 19	Stockholm	Warehouse/Industrial	985
1	Domnarvet 10	Stockholm	Office/Warehouse	3,716
2	Skallsjö 3:8	Göteborg	Warehouse/Industrial	10,014
3	Vipemöllan 38 (del av)	Lund	Land	0
4	Stålet 3	Norrköping	Warehouse/Industrial	10,429
4	Bronsen 2	Norrköping	Warehouse/Industrial	10,331
4	Slakthuset 14	Norrköping	Warehouse/Industrial	2,423
4	Singeln 13	Stockholm	Warehouse/Industrial	3,853
Total				41,751

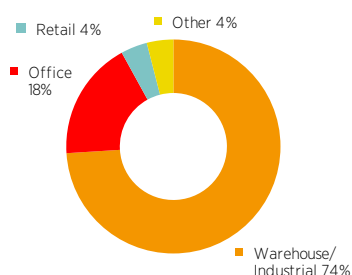
FAIR VALUE



RENTAL VALUE



PROPERTY TYPE, AREA



THE SWEDISH TRANSACTION MARKET

After a somewhat hesitant third quarter, the pace picked up at the end of the year. The volume of transactions during the last quarter of the year landed at around SEK 49 billion, of which about half took place in December. Compared with the record year of 2016, turnover during the fourth quarter and the year was lower, but compared with 2015, the volume was somewhat higher. Turnover for the whole year was approximately SEK 150 billion. Although there was a clear decrease in interest in purely residential development projects, housing was none the less the type of premises that attracted most interest during 2017 and correspond to around 25 per cent of the total turnover. The proportion of office properties that changed hands was record low, probably more as a consequence of reduced supply than insufficient demand.

Turnover in the warehouse/logistics area corresponds to around 13 per cent which is higher when compared to recent years. Despite generally reduced volumes compared to 2016, the prerequisites and interest in continued investment in the Swedish real estate market are good. After a period with a rather unchanged price scenario, the relatively low supply of logistics properties in combination with increased competition has put pressure on yield requirements. During the fourth quarter, this has led to a cautious reduction in yield requirements and general increases in yields on the market have probably been postponed even further into the future.

DISTRIBUTION PER PROPERTY TYPE AND GEOGRAPHICAL AREA

The property portfolio is divided into five geographical areas: Stockholm Region, South Region, West Region, Småland Region and Mälardalen/North Region, which is consistent with internal reporting to the CEO and the board.

Outcome per geographical area	Income, SEK million		Costs, SEK million		Op. surplus, SEK million		Operating margin, %	
	2017 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	2016 Jan-Dec
Stockholm	373	324	-91	-82	282	242	76	75
South	169	104	-36	-21	133	83	78	80
West	147	118	-26	-19	121	99	82	84
Småland	97	84	-24	-25	73	59	75	71
Mälardalen/North	114	110	-22	-19	92	91	82	83
Total	900	740	-199	-166	701	574	78	77

Key ratios per geographical area	Fair value, SEK million		Lettable area, sq.m		Rental value, SEK million		Economic occupancy, %	
	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec
Stockholm	5,087	4,574	416,646	396,293	413	387	90	94
South	2,052	1,987	269,463	248,668	171	161	92	94
West	2,036	1,804	215,974	212,943	160	153	91	91
Småland	1,085	1,009	186,497	182,847	110	103	91	87
Mälardalen/North	1,279	1,293	227,653	219,422	118	113	88	86
Total	11,539	10,667	1,316,233	1,260,173	972	917	90	92

Lettable area, sq.m.	Warehouse/Industrial		Office		Retail		Other	
	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec
Stockholm	267,667	254,071	108,746	102,318	14,893	15,287	25,340	24,617
South	217,151	197,596	33,570	32,330	8,000	8,000	10,742	10,742
West	171,320	168,228	33,301	33,061	7,954	7,954	3,399	3,700
Småland	145,428	142,278	24,070	23,570	5,201	5,201	11,798	11,798
Mälardalen/North	170,081	157,208	36,898	40,233	11,631	12,267	9,043	9,714
Total	971,647	919,381	236,585	231,512	47,679	48,709	60,322	60,571
Share, %	74	73	18	18	4	4	4	5

	Number of properties ¹		Vacancy, sq.m.		Rental income ² , SEK million	
	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec	2017 31 Dec	2016 31 Dec
Stockholm	72	69	51,789	30,080	371	363
South	32	28	22,989	15,201	158	152
West	23	23	24,189	23,741	145	139
Småland	26	26	22,438	29,819	100	90
Mälardalen/North	16	19	31,045	36,287	104	97
Total	169	165	152,450	135,128	878	841

¹ Property regulation has taken place in region South and region Småland

² Refers to rental income on an annual basis on 31 December 2017 and 31 December 2016 respectively.

THE FIVE LARGEST TENANTS ON 31 DECEMBER 2017

Tenant	Share, %	Region	Remaining avg. lease contract length, years
Bilia	4.8	Mälardalen/North, Stockholm, West	7.5
Ericsson	4.2	Mälardalen/North, West	1.6
ELFA	3.6	Stockholm	0.5
Posten	3.0	Stockholm, Småland	10.3
Svenska Retursystem	2.6	Mälardalen/North, West	12.6

FINANCING

The items below refer, unless otherwise stated, to the period January – December with January - December 2016 as comparative amounts.

INTEREST-BEARING LIABILITIES

On 31 december 2017, Corem had interest-bearing liabilities totaling SEK 7,990 million (7,557). Beyond that there are activated and capitalized borrowing costs of SEK 27 million (28). The company's net debt amounted to SEK 7,929 million (7,522).

During the fourth quarter, Corem has amortized SEK 240 million net. During January-December 2017, SEK 418 million net has been borrowed in the form of new loans and use of existing credit facilities. During the period, loans and renegotiated loan frameworks totaled SEK 2,343 million. Corem has a total of four bond loans of for SEK 1 750 million. All bonds are uncovered.

Amount	Maturation	Interest
750 SEKm	2018	STIBOR 3M+3,50%
200 SEKm	2019	STIBOR 3M+5,00%
300 SEKm	2019	STIBOR 3M+4,75%
500 SEKm	2020	STIBOR 3M+4,25%

The company's total credits of SEK 7,990 million (7,557) run with remaining credit terms of 3 months to 96 years. The company's average fixed credit term at the end of the period was 2.5 years (2.8).

The interest coverage ratio was 2.8 multiples (2.8). At the end of the period 54 per cent (49) of the interest-bearing liabilities had hedged interest rates. 60 per cent (66) of the interest-bearing liabilities were hedged for at least 3 years.

The company's average fixed interest rate for the period was 3.0 years (3.2) and the average interest rate 3.65 per cent (3.70). An increase in the short market rates of one percentage point would leave Corem's average borrowing rate in principle unchanged. This is because certain credit agreements have an interest floor and part of the interest-bearing securities are interest rate hedged by swaps.

At the end of the period, Corem had interest rate swaps of SEK 3,961 million (3,285) which expire between 2018 and 2031. On 31 december 2017 the market value of the interest rate derivative portfolio amounted to SEK -493 million (-555).

Unrealized change in value of derivatives in the quarter amounts to SEK -1 million and to SEK 62 million (-101) for January-December.

EQUITY, NET WORTH, AND EQUITY RATIO

At the end of the period the Groups' equity amounted to SEK 4,340 million (3,671), equivalent to SEK 8.86 per ordinary share (7.05), SEK 304.00 per preference share (284.00), and EPRA NAV of SEK 10.83 per ordinary share (8.53).

On 31 december 2017 the adjusted equity ratio was 37 per cent (35) and the equity ratio 32 per cent (30). See page 6 for further information.

CASH FLOW AND LIQUID FUNDS

The Corem group's cash flow from operations increased by 7 per cent during the year, to SEK 440 million (411). Dividend from associated companies amounts to SEK 28 million (58). The reduction in dividend is due to the reduced amount of shares held in Klövern and that Klövern changed dividend principle during 2017 to pay dividend four times per year instead of once per year. Cash flow from operating activities corresponds to SEK 0,99 per ordinary share (0,89) taking earnings for preference shares into consideration.

The period's cash flow from investment activities amounted to SEK -559 million and the cash flow from financing activities totaled SEK 146 million, compared with -2,039 and 1,595 during the corresponding period last year.

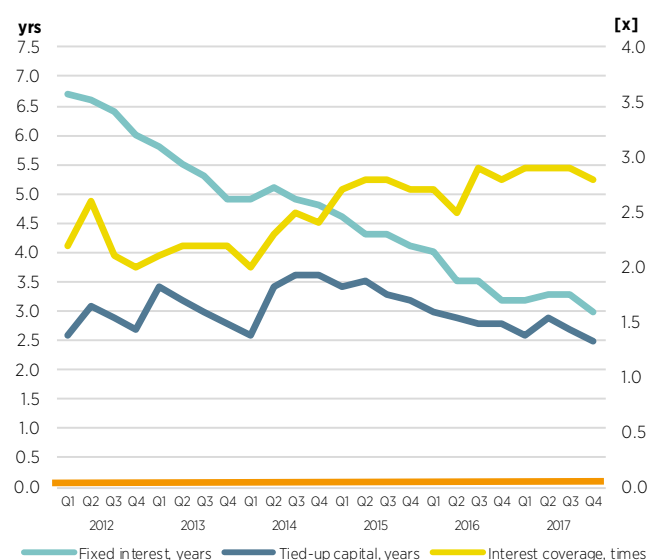
Available liquidity on 31 december 2017 amounted to SEK 318 million (395). Thereof, liquid funds are SEK 34 million (7), corresponding to SEK 0.09 per ordinary share (0.02), and unused credit facilities of SEK 284 million (388).

INTEREST- AND LOAN MATURITY STRUCTURE

Maturity, year	Average interest rate			Tied-up capital	
	SEKm	Average interest, %	Proportion, %	SEKm	Proportion, %
Floating	3,644	3.71	46		
2018	360	3.11	4	2 404 ¹	30
2019	1,361	1.21	17	2 839 ¹	36
2020	34	2.17	1	2 273 ¹	28
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	534	4.15	6	280	3
2024	457	5.00	6	57	1
2025	400	4.00	5	-	-
2026	700	5.50	9	-	-
2027	-	-	-	-	-
2028-	500	5.62	6	137	2
Total	7,990	3.65	100	7,990	100

¹ Of which SEK 750 million to bond during 2018, SEK 500 million to bonds during 2019 and SEK 500 million refers to bond during 2020.

FIXED INTEREST, TIED-UP CAPITAL, AND INTEREST COVERAGE



CASH FLOW STATEMENT

THE COREM GROUP

SEK million	2017 3 mon Oct-Dec	2016 3 mon Oct-Dec	2017 12 mon Jan-Dec	2016 12 mon Jan-Dec
Current operations				
Operating surplus	166	152	701	574
Central administration	-11	-9	-36	-32
Depreciation	1	0	1	0
Interest recieved, etc.	14	0	28	58
Interest paid	-79	-70	-293	-254
Income tax paid	-2	3	-3	0
Cash flow from changes in working capital	89	76	398	346
Change in current receivables	11	59	23	2
Change in current liabilities	4	5	19	63
Cash flow from operations	104	140	440	411
Investment operations				
Investment in new construction, extensions and refurbishment	-134	-142	-340	-385
Acquisition of properties	-299	-421	-619	-2,186
Divestment of properties	145	95	442	191
Acquisition of subsidiaries, net effect on liquidity	0	0	0	1
Change in tangible assets	-42	-10	-42	340
Cash flow from investment operations	-330	-478	-559	-2,039
Financing operations				
Dividend paid to parent company shareholders	-18	-18	-192	-179
Repurchase of own shares	-	-66	-80	-166
Emission of shares	0	-	0	89
Loans raised	364	981	2,994	2,995
Amortized loans	-124	-569	-2,576	-1,144
Cash flow from financing operations	222	328	146	1,595
Cash flow for the period	-4	-10	27	-33
Liquid funds at beginning of period	38	17	7	40
Exchange rate difference in liquid funds	0	0	0	0
Liquid funds at end of period	34	7	34	7

PARENT COMPANY

On 31 december 2017, Corem's parent company owned no properties but deals with issues relating to the stock market and groupwide business functions such as administration, transactions, management, project development, accounting and financing. The parent company's net profit

amounted to SEK 826 million (282) for the period. The turnover, of which the largest part consisted of group invoicing, amounted to SEK 80 million (70). Interest income and similar income items include dividend from subsidiaries of SEK 800 million (-).

The parent company's assets totalled SEK 3,852 million (3,114). Liquid funds amounted to SEK 7 million (12). Equity amounted to SEK 1,829 million (1,275).

INCOME STATEMENT

SEK million	2017 12 mon Jan-Dec	2016 12 mon Jan-Dec
Net income	80	70
Cost of services sold	-45	-40
Gross profit	35	30
Central administration	-36	-32
Operating profit	-1	-2
Earnings from sale of participation rights in associated companies	-	219
Interest income and similar income items	909	142
Interest expense and similar expense items	-82	-76
Profit before tax	826	283
Tax	0	-1
Net profit for the period	826	282

BALANCE SHEET

SEK million	2017 31 Dec	2016 31 Dec
ASSETS		
Non-current assets		
Tangible assets		
Machinery and equipment	1	1
Total, tangible assets	1	1
Financial assets		
Shares in group companies	332	332
Shares in associated companies	489	489
Receivables from group companies	2,989	2,242
Deferred tax assets	30	30
Total financial assets	3,840	3,093
TOTAL NON-CURRENT ASSETS	3,841	3,094
Current assets		
Other current receivables	4	8
Cash and bank deposits	7	12
Total current assets	11	20
TOTAL ASSETS	3,852	3,114
EQUITY AND LIABILITIES		
Equity	1,829	1,275
Interest-bearing liabilities	1,958	1,768
Non-interest bearing liabilities	65	71
TOTAL EQUITY AND LIABILITIES	3,852	3,114

ACCOUNTING POLICIES AND NOTES

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. No changes of the categorization of financial instruments have taken place during the period. 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 2016.

New accounting standards which come into effect 2018 and 2019

During autumn 2016 the International Accounting Standards Board adopted two new standards, IFRS 15,

Revenues, and IFRS 9, Financial Instruments, to be applied from 1 January 2018. The introduction of the standards will not have a significant impact on the financial statements and have not affected the opening balances for 2018.

IFRS 15 covers income from customer contracts and sales of certain non-financial assets. The standard requires that a breakdown between rent and services is made. Corem has reviewed the Group's revenues and lease agreements to map the effects of IFRS 15. This review has revealed that no part is covered by IFRS 15. Compensation for the commitments Corem enters into through the lease agreements, such as providing the premises with heating, cooling, clearing of snow and garbage collection are an integral part of the rent. In properties that Corem owns and manages, the tenant may not affect the choice of supplier, frequency, or otherwise impact the execution of such commitments. Rental agreements consist of

only rent, lease, which is not covered by IFRS 15 but by IAS 17, and from 2019 by IFRS 16.

IFRS 9 introduces new principles for the classification of financial assets, for hedge accounting and for credit reservations. The largest item under IFRS 9 refers to derivatives, which are still reported at fair value through profit or loss. IFRS 9 also means that the principles for credit loss provision should be based on an estimate of expected losses. Corem's loan losses are small, so the transition is not expected to have any significant impact on the financial statements.

IFRS 16 Leases The standard supersedes IAS 17 from 1 January 2019. It includes, among other things, that leasing companies must report leases in the balance sheet. As a landlord, the change is not deemed to affect the accounting. The standard also includes accounting for lease agreements, which will have a minor effect on the financial reporting.

NOTE 1 SHARES IN ASSOCIATED COMPANIES

In November 2008, Corem acquired 10.5 per cent of the shares in Klövern and thus became the largest owner in the company. Up until the end of 2011, additional shares were acquired, and the holding was reclassified as Shares in associated companies. Associated companies refer to holdings reported in accordance to the equity method.

Corem's shareholding in Klövern amounted on 31 december 2017 to 9,500,000 Class A ordinary shares and 129,400,000 Class B ordinary shares, corresponding to approximately 14 per cent of the outstanding votes and 15 per cent of the equity.

The holding amounted to SEK 1,714 million, to be compared with SEK 1,395 million on 31 December 2016. Corem's share of Klövern's profit of SEK 346 million

has raised the book value of its holding, while the dividend of SEK 28 million has decreased book value. The share accounted consists of Corem's share of Klövern's profit after tax, taking the dividend to Klövern's preference shareholders into account. The fair value of Corem's holding, based on closing rate of 31 december 2017, amounted to 1,490 million (1,325).

	2017 3 mon Oct-Dec	2016 3 mon Oct-Dec	2017 12 mon Jan-Dec	2016 12 mon Jan-Dec
Income, SEKm	768	738	3,029	2,876
Operating surplus, SEKm	453	452	2,006	1,891
Profit from property management, SEKm	262	262	1,263	1,180
Profit before tax	801	655	3,211	2,756
Net profit for the period	605	565	2,611	2,259
Key ratios				
Operating margin, %	59	61	66	66
Occupancy rate, economic, %	89	89	89	89
Leverage, %	58	60	58	60
Equity ratio, adjusted, %	38.5	36.7	38.5	36.7
Number of properties	405	431	405	431
Fair property value, SEKm	42,961	39,234	42,961	39,234

NOTE 2 TAX

Through the possibility of making depreciations for tax purposes and deduction for certain refurbishments of properties as well as making use of tax loss carryforwards, virtually no paid tax expense arises. However, paid tax occurs in a few subsidiaries where there are no opportunities for making group contributions for tax purposes.

Reported deferred tax on changes in value are partly attributable to classification of acquisitions and the form in which divestment takes place.

The effective tax rate is affected by tax-free income in the form of profits from Klövern as well as tax-free sales of companies. The tax loss carryforwards are estimated at approximately SEK 1,275 million (1,491).

The tax recoverable attributable to tax loss carryforwards in the consolidated balance sheet amounts to SEK 280 million (310).

In the consolidated balance sheet of the Corem group, deferred tax is reported net at SEK 230 million (55).

TAX 31 DECEMBER 2017

SEK million	Current tax		Deferred tax		Reported tax	
	2017 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	2016 Jan-Dec
Current profit from property management	-3	3	-9	2	-12	5
Change in value, properties	-	-	-101	-124	-101	-124
Change in value, derivatives	-	-	-14	22	-14	22
Increased temporary difference properties attributable to depreciation for tax purposes and direct deductions	-	-	-72	-51	-72	-51
Revaluation, tax loss carryforwards etc	-	-	17	46	17	46
Total	-3	3	-179	-105	-182	-102

QUARTERLY OVERVIEW

Amounts in SEKm unless otherwise stated	2017 Q4 Oct-Dec	2017 Q3 Jul-Sep	2017 Q2 Apr-Jun	2017 Q1 Jan-Mar	2016 Q4 Oct-Dec	2016 Q3 Jul-Sep	2016 Q2 Apr-Jun	2016 Q1 Jan-Mar
Rental income	222	220	226	225	204	193	170	156
Other income	1	3	0	3	1	1	15	0
Property costs	-57	-43	-43	-56	-53	-36	-36	-41
Operating surplus	166	180	183	172	152	158	149	115
Profit from property management	79	95	97	93	70	78	79	49
Profit shares according to the equity method	79	74	86	107	73	70	57	114
Changes in value, properties	200	40	88	19	200	198	61	39
Unrealized changes in value, derivatives	-1	13	39	11	118	-12	-101	-106
Net profit	299	173	265	200	413	309	97	96
Property and finance-related								
Fair value of properties	11,539	11,043	11,168	10,862	10,667	10,001	9,517	7,925
Operating margin, %	74	81	81	76	74	81	81	74
Occupancy rate, economic, %	90	90	90	91	92	91	92	91
Return on total assets, %	13.3	8.9	11.0	9.4	14.1	15.7	10.4	11.0
Return on equity, %	28.5	17.4	27.0	21.2	47.2	38.7	12.6	12.6
Adjusted equity ratio, %	37	36	35	36	35	35	33	38
Leverage, %	56	56	59	59	58	56	57	52
Cash flow from operations	104	109	116	111	140	22	220	29
Share-related								
EPRA NAV per ordinary share, SEK	10.83	9.82	9.38	9.32	8.53	7.47	6.62	6.54
Net profit per ordinary share, SEK	0.77	0.42	0.65	0.49	1.03	0.75	0.20	0.20
Share price, ordinary share A, at end of period, SEK	10.10	9.23	7.67	6.89	6.73	6.20	5.45	5.18
Share price, ordinary share B, at end of period, SEK	9.26	-	-	-	-	-	-	-
Cash flow, operations per ordinary share, SEK	0.23	0.25	0.26	0.25	0.32	0.01	0.51	0.03

¹ Adjusted for the bonus issue made during the fourth quarter of 2017 and for the reverse split of shares which took place during January 2018

KEY RATIOS

	2017 3 mon Oct-Dec	2016 3 mon Oct-Dec	2017 12 mon Jan-Dec	2016 12 mon Jan-Dec	2015 12 mon Jan-Dec	2014 12 mon Jan-Dec
Property related						
Fair value properties, SEK million	11,539	10,667	11,539	10,667	7,776	7,259
Required yield, valuation, %	6.6	6.7	6.6	6.7	7.1	7.4
Rental value, SEK million	972	917	972	917	696	683
Lettable area, sq.m.	1,316,233	1,260,173	1,316,233	1,260,173	1,016,000	982,895
Occupancy rate, economic, %	90	92	90	92	92	92
Occupancy rate, area-based %	88	89	88	89	88	87
Operating margin, %	74	74	78	77	77	77
Number of properties	169	165	169	165	133	131
Financial						
Return on total assets, %	13.3	14.1	10.7	12.9	11.4	9.4
Return on equity, %	28.5	47.2	23.4	27.4	29.9	4.7
Equity ratio, adjusted, %	37	35	37	35	37	32
Equity ratio, %	32	30	32	30	32	27
Net debt, SEK million	7,929	7,522	7,929	7,522	5,620	5,582
Leverage, %	56	58	56	58	51	58
Leverage, properties, %	52	54	52	54	52	59
Interest coverage ratio, multiples	2.5	2.4	2.8	2.8	2.7	2.4
Average interest, %	3.65	3.70	3.65	3.70	4.01	4.32
Average fixed interest period, years	3.0	3.2	3.0	3.2	4.1	4.8
Average tied-up capital, years	2.5	2.8	2.5	2.8	3.2	3.6
Share-related¹						
Earnings per ordinary share, SEK	0.77	1.03	2.33	2.14	1.82	0.11
Earnings per preference share, SEK	5.00	5.00	20.00	20.00	20.00	20.00
EPRA NAV per ordinary share, SEK	10.83	8.53	10.83	8.53	6.09	3.81
Equity per ordinary share, SEK	8.86	7.05	8.86	7.05	5.10	2.79
Equity per preference share, SEK	304.00	284.00	304.00	284.00	288.00	368.00
Cash flow, operations, per ordinary share, SEK	0.23	0.32	0.99	0.86	0.67	0.11
Cash flow, total, per ordinary share, SEK	-0.01	-0.02	0.07	-0.08	-0.02	-0.20
Dividend per ordinary share, SEK	-	-	0.40	0.32	0.27	0.15
Dividend per preference share, SEK	5.00	5.00	20.00	20.00	20.00	20.00
Share price per ordinary share A, SEK ¹	10.10	6.73	10.10	6.73	5.18	5.22
Share price per ordinary share B, SEK ¹	9.26	-	9.26	-	-	-
Share price per preference share, SEK ²	304.00	284.00	304.00	284.00	288.00	368.00
Number of outstanding ordinary shares ³	366,374,305	375,738,853	366,374,305	375,738,853	403,653,036	403,764,136
Average number of outstanding ordinary shares ³	366,374,305	384,866,763	371,837,353	394,097,875	403,655,896	414,331,308
Number of outstanding preference shares ³	3,600,000	3,600,000	3,600,000	3,600,000	3,305,660	3,305,660

¹ Adjusted for the bonus issue made during the fourth quarter of 2017 and for the reverse split of shares which took place during January 2018

² At the end of the period.

³ Excluding repurchased shares.

⁴ For 2017 the proposed dividend and for previous years approved dividend

For definitions of key ratios, see page 17.

OTHER INFORMATION

OPPORTUNITIES AND RISKS

Corem has identified a number of important opportunities and risks in its business operations, which may affect the company's financial position and earnings. The risks identified are within the following main areas: Properties and property valuation, Sustainable entrepreneurship, Listed holdings, Tax and Finance. A detailed description of opportunities and risks and how Corem has chosen to deal with them is contained in the Annual Report for 2016. There have been no major changes in the company's assessment of opportunities and risks, after publication of the Annual Report for 2016.

SEASONAL VARIATIONS

Operating and maintenance costs are subject to seasonal variations. Snowy, cold winters entail, for example, higher costs for heating and snow clearance while hot summers entail higher costs for cooling.

TRANSACTIONS WITH RELATED PARTIES

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

The Corem Group has administration agreements for some of the Group's properties with Locellus Förvaltning AB, which is controlled by board member Rutger Arnhult, and amounted to SEK 0.9 million (1.6) for the period.

Corem has during the year had construction contracts with Logistic Contractor (LC), controlled by board member Rutger Arnhult, for construction of new facilities in Västerås and Helsingborg. The construction in Västerås was finalised in March 2017 and the construction in Helsingborg started in June 2017. Transactions with LC amounted to 148.7 million (162.3) during the period. During the period Corem also acquired the property Flahult 80:9, where a logistic facility of 12,000 sq.m. is being constructed with Dagab Inköp & Logistik as tenant, from LC. The transaction is made at an underlying property value of SEK 126 million, which may be subject to adjustment if additions to the project are made. Possession is taken over by completion, which is planned for March 2018. The decision to acquire Flahult 80:9 from LC was taken at the Extraordinary General Meeting on the 10 November 2017. During July 2017, a construction contract was signed with Wästbygg AB, controlled

by board member Rutger Arnhult, for the construction of a new facility in Borås. Transactions with Wästbygg AB during the period amounted to SEK 42.6 million (0.0). Corem has during the quarter carried out a property transaction with Klövern which entailed acquisition of three properties and a site leasehold to a property in the Stockholm area, and sale of three properties in Norrköping and the site leasehold to a property in Stockholm. The acquired properties have a lettable area of 24,200 sq.m. and the divested properties 27,300 sq.m. The transactions were made at a property value of SEK 238 million for the acquired properties and SEK 152 million for the divested properties, with the difference settled in cash. Taking of possession was on 1 December 2017. The decision was made at the Extraordinary General Meeting on the 10 November 2017.

Corem has a lease agreement with Wonderful Times Group, at a yearly contract value of SEK 3 million. The board member Christina Tillman has indirect ownership in Wonderful Times Group AB.

In addition, the Corem Group purchase ongoing legal services from the law firm MAQS Stockholm Advokatbyrå AB in which the Group Chairman Patrik Essehörn is a partner.

SUSTAINABILITY

Sustainability is a natural and important part of Corem's business operations. Corem's sustainability strategy focuses on four main areas, selected as the main priority: Employees, Customer satisfaction, Business Ethics and Environment and Resource conservation. See www.corem.se and Corem's Annual Report for 2016 for further information about our sustainability work

ANNUAL GENERAL MEETING

Corem Property Group AB's Annual General Meeting takes place on 27 April 2018, at 10:00 am at Stockholm Advokatbyrå AB, Mäster Samuelsgatan 20, Stockholm. Notice of the annual general meeting will be published at the latest on 28 March 2018. The notice as well as prerequisites for participation will be published in the Swedish official gazette Post & Inrikes tidningar and on Corem's website, www.corem.se. Notification that notice has been given will be published in an advertisement in the Swedish daily newspaper Svenska Dagbladet. Other

documents to be presented at the Annual General Meeting will be available on the company's website www.corem.se at the latest by 4 April 2018. The notice will include information on items of business at the Annual General Meeting.

PROPOSED DIVIDEND

The board intends to propose to the Annual General Meeting a dividend of SEK 0.40 per ordinary share of class A and class B. Last year's dividend was SEK 0.32 per ordinary share of class A and class B, adjusted for the bonus issue of ordinary share of class B and the reverse split of shares performed in January 2018. It is proposed that the record date be 2 May 2018 with expected payment date 7 May 2018.

In addition, it is proposed that preference shareholders receive SEK 20.00 per share per year to be paid with SEK 5.00 per quarter. Record dates for preference shareholders are the last bank date of the respective quarter with payment three bank days thereafter.

NOMINATIONS COMMITTEE

In accordance with the decision at the annual general meeting on 28 April 2017 of Corem Property Group AB (publ), a nominations committee has been appointed with participants from the company's three largest owners according to voting rights, which are Rutger Arnhult via companies through Mia Arnhult, Gårdarke AB through Lars Höckenström and Länsförsäkringar through Jesper Bonnevier. The nominations committee also consist of the chairman of the board Patrik Essehörn. Shareholders wishing to make proposals to the nominations committee may do so via e-mail to valberedningen@corem.se.

EVENTS AFTER THE PERIOD

During January 2018, a reverse split of shares took place, where two shares were combined into one, in accordance with decision at the Extraordinary Shareholders' Meeting in November 2018. Share related key ratios in this year-end report have been adjusted for the reverse split. Acquisition of the property Öskaret 16 in Jönköping at a property value of 45 MSEK and a lettable area of 8 500 sqm.

Stockholm 19 February 2018
Corem Property Group AB (publ)
The Board of Directors

This report has not been audited by the auditors

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

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/definitioner for the key ratios that are not directly identifiable from the financial statements.

Adjusted equity ratio

Equity, adjusted for the value of derivatives including tax, reported deferred tax properties, 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, and as a percentage of total 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.

Cash flow per ordinary share

Cash flow for the period from operations, adjusted for dividend to preference shares and total cash flow in relation to the average number of ordinary shares.

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 preference shares' share of profit for the period into account.

Earnings per preference share

The preference shares' share of profit corresponding to the period's accumulated share of annual dividend of SEK 10.00 per preference share.

Occupancy rate, area

Rented area divided by total lettable area.

Occupancy rate, economic

Income on an annual basis divided by assessed rental value.

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 per preference share

Based on the share price of the preference share at the end of the period.

EPRA

The European Public Real Estate Association is an interest organisation for listed real estate companies and investors in Europe. Part of their work is to set standards for financial reporting and key ratios, including EPRA NAV (Net Asset Value) which can be equated with long-term net worth.

EPRA NAV per ordinary share

Reported equity, after taking the preference equity into consideration, 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.

Equity ratio

Equity as a percentage of total assets.

IFRS

Abbreviation of International Financial Reporting Standards. International reporting standards for consolidated accounts, to be applied by listed companies within the EU from 2005 inclusive.

Interest coverage ratio

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.

Leverage

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.

Leverage, properties

Interest-bearing liabilities with collateral in properties, in relation to the fair value of the properties at the end of the period.

Net debt

The net of interest-bearing provisions and liabilities, less financial assets including liquid funds.

Net letting

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

Operating margin

Operating surplus as a percentage of income.

Operating surplus

Rental income reduced for property costs.

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 share price at the end of the period.

Profit from property management

Operating surplus, central administration and net financial income.

Realized change in value, properties

Realized property sales after deduction for the most recently reported fair value of the properties and selling expenses.

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 percentage of average equity during the period.

Return on total assets

Net profit, excluding financial expenses and unrealized changes in value of derivatives, on an annual basis, as a percentage of total assets during the period. To be stated to clarify the company's earning capacity in SEK million taking into consideration financing costs and central administration.

Required yield

The required return on the residual value of property valuations.

Triple net contracts

Tenancy agreements where the tenant, in addition to rent, pays costs incurred at the property, which would normally have been charged to the property owner. These include, for example, operating and maintenance expenses and property tax.

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.

THE SHARE

SHARE FACTS, 31 DECEMBER 2017

Capitalization, SEK	4.6 billion
Marketplace	Nasdaq Stockholm, Mid Cap
LEI nr	213800CHXQD7TSSIT59
Number of shareholders	5,310

Ordinary share A , number of	34,158,080
Closing rate, SEK	10.10 kr
ISIN	SE0010714279
Ordinary share B , number of	341,580,800
Closing rate, SEK	9.26kr
ISIN	SE0010714287
Preference share , number of	3,600,000
Closing rate, preference share, SEK	304.00 kr
ISIN, Preference share	SE0010714311

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

As of 31 December 2017, Corem has a total of 379,338,880 shares, of which 34,158,080 are ordinary shares of class A, 341,580,800 ordinary shares of class B and 3,600,000 preference shares. Shares of class A confer one vote each, while ordinary shares of class B and preference shares confer 1/10 vote each.

During the last quarter of the year, in accordance with the decision at the extraordinary shareholders' meeting on 11 November 2017, a bonus issue of ordinary shares class B took place, as well as additional changes in preparation for introduction. The changes are:

- name change of the previous ordinary share to ordinary share of class A,
- directed new issue of 5 ordinary shares of class A,
- introduction of a conversion proviso so that ordinary shares of class A may by request be converted into ordinary shares of class B
- bonus issue of ordinary shares of class B. The first day of trading with ordinary shares of class B was 13 December 2017.

Through the bonus issue, 10 ordinary shares of class B were received free of charge for every ordinary share of class A, which meant that the number of outstanding shares became eleven times larger. During January 2018, a reverse split 1:2 took of all classes of share, which meant that the number of shares was halved.

Information about the share has, unless otherwise stated, been adjusted for the bonus issue as well as the following reverse split carried out in January 2018.

LARGEST SHAREHOLDERS ON 31 DECEMBER 2017

Shareholder	Ordinary share class A	Ordinary share class B	Preference shares	Share of equity, %	Share of votes, %
Rutger Arnhult via bolag ²	14,360,671	143,606,710	512,652	41.78%	42.96%
Gårdarke ²	4,710,086	47,100,860	47,355	13.67%	14.07%
Länsförsäkringar fondförvaltning	2,843,045	28,430,450	-	8.24%	8.49%
Citi Switz (as agent for clients)	1,524,524	15,245,240	-	4.42%	4.55%
Swedbank Robur fonder	951,000	9,510,000	-	2.76%	2.84%
CBNY - Norges bank	843,864	9,023,645	-	2.60%	2.61%
Pomona Gruppen AB	749,999	7,499,990	-	2.17%	2.24%
SEB Life International Assurance	691,681	6,916,815	-	2.01%	2.07%
Livförsäkrings AB Skandia	630,417	6,824,874	-	1.97%	1.96%
Fjärde AP-Fonden	606,532	6,387,320	-	1.84%	1.86%
Patrik Tillman via bolag	571,441	5,714,410	40,000	1.67%	1.71%
Handelsbanken fonder	455,396	5,190,330	-	1.49%	1.45%
JP Morgan Bank Luxembourg S.A.	434,307	4,343,070	-	1.26%	1.30%
Rasjö Staffan	343,810	3,438,105	27,168	1.00%	1.03%
JP Morgan - Stockholm	274,500	2,745,000	-	0.80%	0.82%
Other shareholders	3,315,479	31,090,730	2,972,824	9.85%	10.04%
Total number of outstanding shares	33,306,755	333,067,550	3,600,000	97.53%	100.00%
Repurchased shares ¹	851,325	8,513,250	-	2.47%	
Total number of shares	34,158,080	341,580,800	3,600,000	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.

Information about holdings have been adjusted for the reverse split of shares which took place during January 2018.

During the period, Corem has repurchased 851,325 ordinary shares of class A and 8,513,250 ordinary shares of class B for a total of SEK 80 million, which means an average price of SEK 8.57.

During the second quarter, 7,580,431 repurchased ordinary shares of class A were cancelled, in accordance with decision made at the Annual General Meeting on 28 April 2017. This cancellation was registered by the Swedish Companies Registration Office, Bolagsverket, on 19 May 2017. The cancellation was performed before the bonus issue of class B ordinary shares and the number of cancelled shares has therefore not been adjusted for subsequent changes.

See www.corem.se for further information about the share and the development of the share capital.

DIVIDEND AND YIELD

The board of directors intends to propose to the annual general meeting payment of a dividend of SEK 0.40 per ordinary share of class A and class B. The previous year's dividend was SEK 0.32 per ordinary share of class A and class B, adjusted for the bonus issue of ordinary shares of class B and the reverse split of shares that took place during January 2018. It is proposed that the record date be 2 May 2018 with expected payment date 7 May 2018.

It is further proposed that preference shareholders receive SEK 20.00 per year to be paid at SEK 5.00 per quarter.

Corem's proposed dividend corresponds, if the Annual General Meeting approves the proposal, a yield of 4.0 per cent (4.7) for ordinary shares of class A, 4.3 per cent (4.7) for ordinary shares of class B and 6.6 per cent (7.0) for the preference share, of Corem's share price as at 31 December 2017.

Comparison figures have been adjusted for the bonus issue of ordinary shares of class B and the reverse split of shares.

WE CREATE SPACE FOR YOU TO DEVELOP YOUR BUSINESS

Corem Property Group is a real estate company which manages and develops properties in locations with attractive logistic conditions. Inhouse property management is an important part of our strategy, with a strong regional connection to know the local market and be close to the tenants.

COREMS PROPERTY PORTFOLIO IS MANAGED IN FIVE REGIONS:

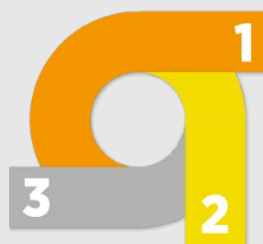
● Region Stockholm, ● Region South, ● Region West, ● Region S mmland and ● Region Mälardalen/North



Regional offices are located in Sättra, Märsta, Veddesta, Malmö, Göteborg, Jönköping and Hudiksvall. The Corem group head office is located in Stockholm. On 31 december 2017 Corem had a total of 52 (47) employees, of which 18 (13) were women and 34 (34) men.

› BUSINESS MODEL AND STRATEGIES

Corem's business model is based on a continuous process of strategic transactions and optimization of the property portfolio. We create added value by keeping a long-term mindset and by always focusing on the tenant.



PROPERTY DEVELOPMENT – CREATING VALUE

Corem has a long-term commitment to properties in the portfolio and strives to optimize the properties' yield and create long-term relationships.

TRANSACTION – GROWTH AND REGIONAL STRUCTURE

Careful business analysis is performed in order to identifying potential growth opportunities. Divestment opportunities arise when the geographical location does not fit in the regional structure or the property type is not consistent with the focus of the company.

PROPERTY MANAGEMENT – FOCUS ON TENANTS

Corems properties are to be managed by our own staff. Efficient decision-making processes and local market presence are prioritized.



SUSTAINABILITY STRATEGY

to work for long term sustainability for the company and its business environment.



BUSINESS STRATEGY

to optimize the property portfolio through long-term commitment.



PROPERTY MANAGEMENT STRATEGY

to create long-term tenant relations by having a market-oriented and expert property management.



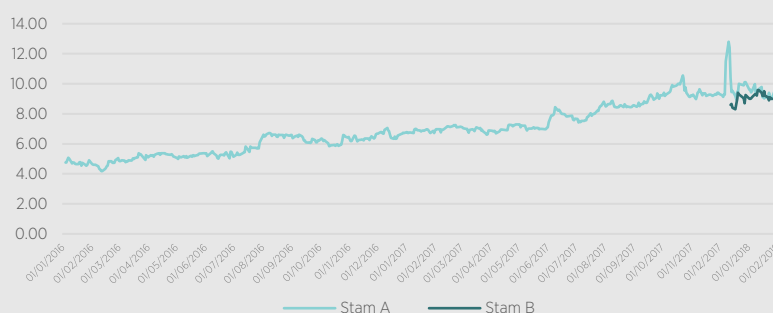
INVESTMENT STRATEGY

to actively seek out and carry out transactions which develop and realize value.

› COREM AS AN INVESTMENT

Corem is a real estate company that manages and develops real estate in areas with the best logistics conditions. Since the start of the company, real estate value has near trippled, and aiming to be the leading real estate company within our selected markets, continued growth is an important part also of our future strategy. Since 2007, Corem has provided its owners with steady return on invested capital. Corem is listed on the Nasdaq Stockholm Mid Cap with three classes of shares; ordinary share class A, class B and preference share.

CLOSING RATES OVER TIME, ORDINARY SHARE A AND B



CALENDAR

FINANCIAL REPORTS

Annual Report 2017	March 2018
Interim Report January-March 2018	27 April 2018
General Annual Meeting	27 April 2018
Interim Report January-June 2018	13 July 2018

RECORD DAYS FOR DIVIDEND

Last day for trading including right to dividend for preference shareholders	27 March 2018
Record day for dividend for preference shareholders	29 March 2018
Expected day for dividend for preference shareholders	5 April 2018

SUGGESTED RECORD DAYS

Last day for trading including right to dividend for ordinary share holders	27 April 2018
Record day for dividend for ordinary share holders	2 May 2018
Expected day for dividend for ordinary share holders	7 May 2018

Last day for trading including right to dividend for preference shareholders	27 June 2018
Record day for dividend for preference shareholders	29 June 2018
Expected day for dividend for preference shareholders	4 July 2018

Last day for trading including right to dividend for preference shareholders	26 September 2018
Record day for dividend for preference shareholders	28 September 2018
Expected day for dividend for preference shareholders	3 October 2018

Last day for trading including right to dividend for preference shareholders	21 December 2018
Record day for dividend for preference shareholders	28 December 2018
Expected day for dividend for preference shareholders	4 January 2019

Last day for trading including right to dividend for preference shareholders	27 March 2019
Record day for dividend for preference shareholders	29 March 2019
Expected day for dividend for preference shareholders	3 April 2019

CONTACTS:

Eva Landén, CEO. E-mail: eva.landén@corem.se

Håkan Engstam, Transactions and IR manager. E-mail: hakan.engstam@corem.se

Information on business operations, the board of directors and executive management, financial reporting and press releases is available on Corem's website, www.corem.se

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



Corem Property Group AB (publ), Box 56085, SE-102 17 Stockholm (Sweden)
Visitors: Riddargatan 13 C. Telephone: +46 8 503 853 33, Fax: +46 8 503 853 34
Corporate ID number: 556463-9440, Registered office: Stockholm
E-mail: info@corem.se, Website: www.corem.se