

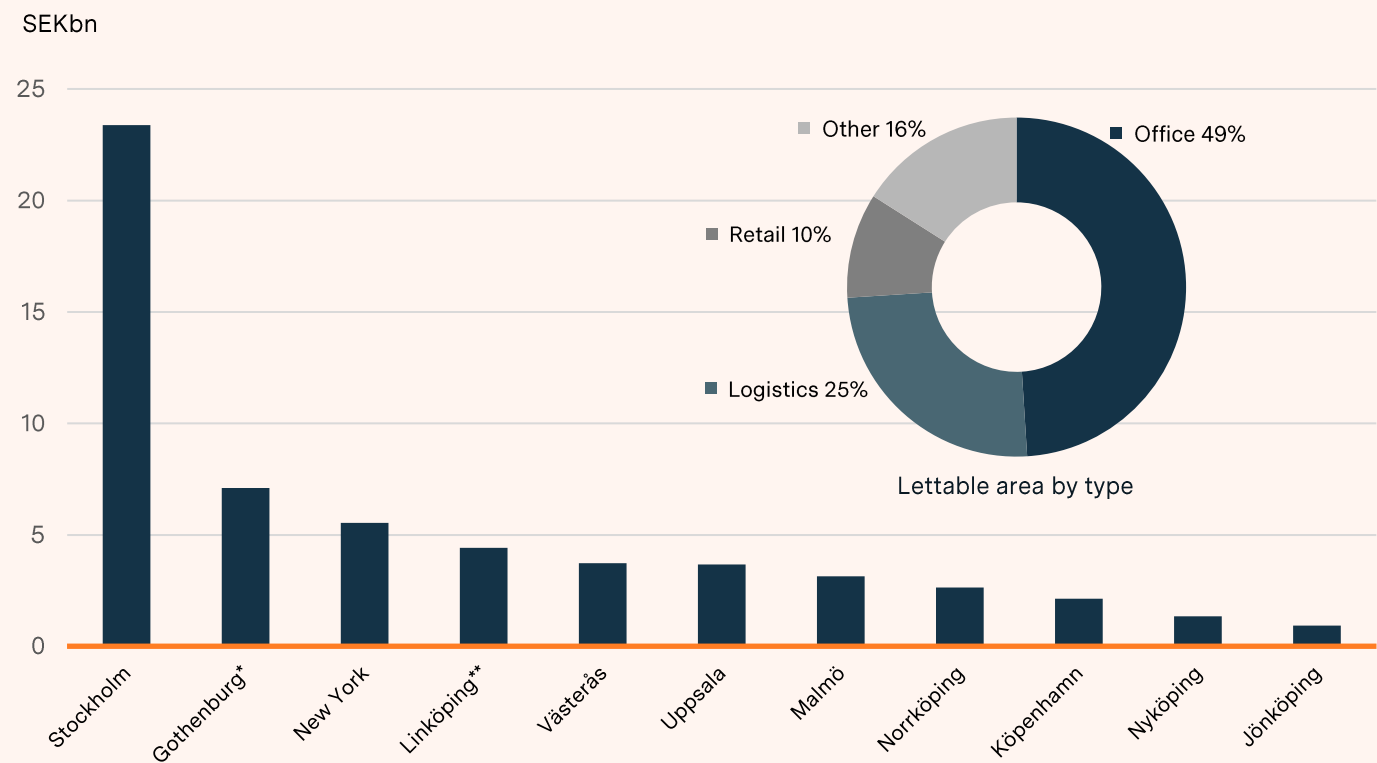
A low-angle, upward-looking photograph of two modern, multi-story buildings. The buildings are dark and feature a grid of windows. The sky is a pale, overcast grey. In the foreground, several thin, wavy orange lines sweep across the frame from left to right, creating a sense of motion and design. The overall mood is professional and architectural.

corem }

Year-end report 2023

21 February 2024

Corem is a *commercial real estate* company with a property portfolio focused to attractive locations in *major cities* and *growth regions*



*incl. Borås and Halmstad
**incl. Örebro **incl. Kalmar



January – December 2023

“Proactive transactions of SEK 14.6 billion have enabled us to continue to strengthen the balance sheet by gradually reducing debt by in total SEK 14 billion during the year. Meanwhile, we have invested SEK 2 billion in projects, complementing our strong and stable core business within property management and letting.”

- Income amounted to SEK 4,244 million (4,491)
 - Operating surplus amounted to SEK 2,882 million (2,933)
 - Net financial income amounted to SEK –1,464 million (–1,071)
 - Profit from property management amounted to SEK 1,239 million (1,675)
-
- The value of investment properties amounted to SEK 58,033 million (78,387)
 - During the year, 132 properties were divested at an underlying property value of SEK 14.6 billion.
 - Changes in value of properties amounted to SEK –8,476 million (–2,934), corresponding to -11% during the year and -14% since peak levels.
 - Average yield requirement, valuation, 5,8% per year end 2023, compared with 4,9% at peak levels.
-
- Net letting was positive and amounted to SEK 83 million for the year.

• During the quarter, interest-bearing liabilities were reduced by SEK 5.4 billion, and during the year by SEK 14 billion.

• Corem issued unsecured green bonds of SEK 1 billion in January 2024 and SEK 0.1 billion in February 2024. The bonds were issued under a framework of SEK 2 billion, has a term of 2.25 years and runs with a variable interest rate of 3 months Stibor plus 375 basis points and final maturity 7 May 2026.

• After the end of the period, bonds to a value of SEK 849 million have been repurchased.

• Net asset value (NAV) per ordinary share of class A and B amounted to SEK 17.57 (26.42)

• The Board of Directors is proposing a dividend of SEK 0.10 (0.40) per ordinary share of class A and B, to be paid in four instalments of SEK 0.025 (0.10), and a dividend of 20.00 (20.00) per ordinary share of class D and preference share, to be paid in four instalments of SEK 5.00 (5.00).

Summary January – December 2023

4.2

Income,
SEKbn

2,428

Lettable area,
tsq.m

5.8

Average yield,
%

58

Property
value,
SEKbn

1,9

ICR

1.2

Profit from
property
management,
SEKbn

10

NOI increase,
comparable
portfolio, %

17,57

NAV per ordinary
share of Class A/B,
SEK

55

LTV,
%

4.4

Average
interest
rate, %

Key take-aways

Through divestments in 2023, well equipped to meet upcoming bond and loan maturities

- property divestments – SEK 14.6 billion.
- divested shares in Klöver and Castellum – SEK 2.6 billion
- reduced debt by in total SEK 14 billion

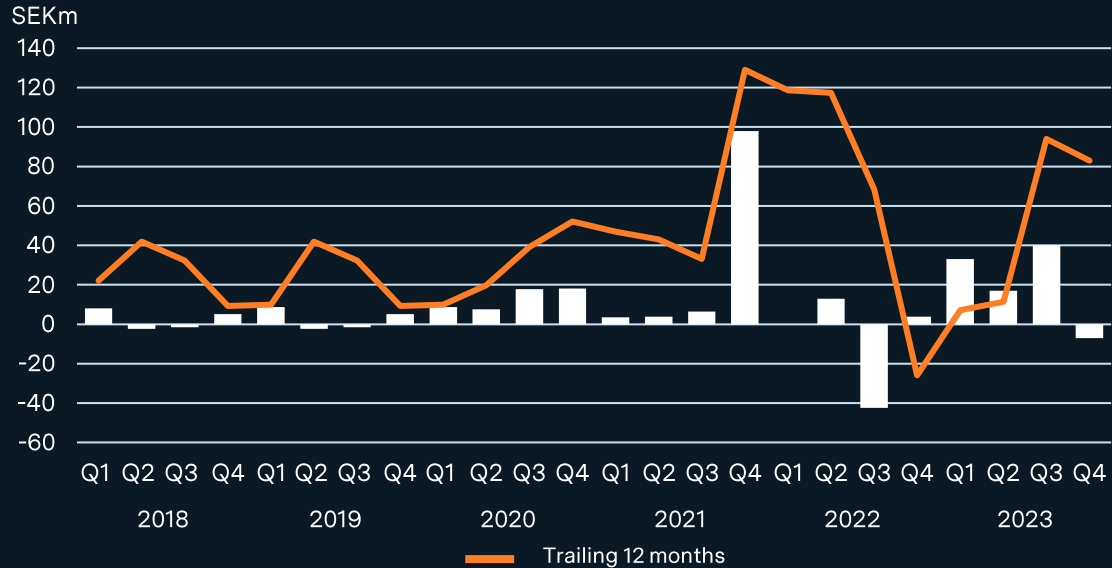
Proficient property management

- positive net letting – SEK 83 million
- positive development in net operating income, 10 percent in comparable portfolio
- leased space in the US projects went from 33% 2022 to 49% at year-end 2023

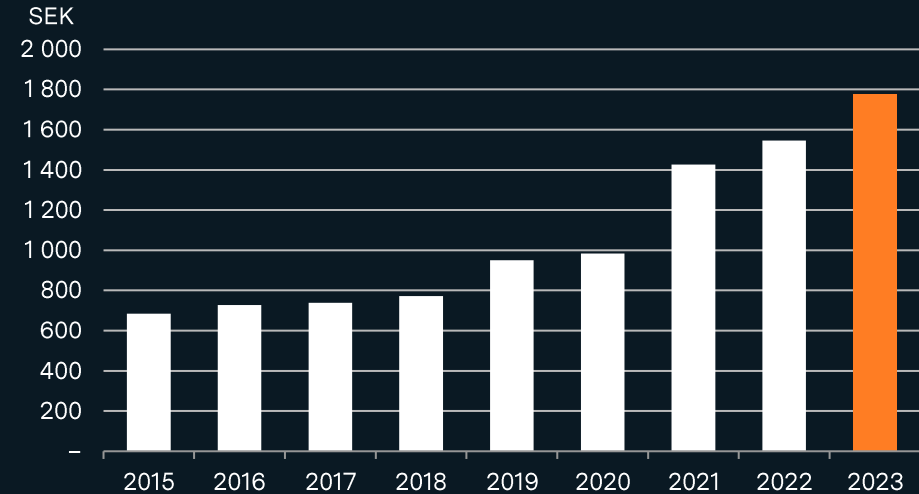
Invested in projects – SEK 2 billion

- several larger projects completed, ongoing projects showing good progress

Net letting



Rental value per sq.m



83

Net letting in
2023, SEKm

469

Annual contract
value of signed
lettings, SEKm

3,200

No. of tenants

5,800

No. of leases

4,322

Rental value,
SEKbn

87

Economic occupancy
rate*, %
*in the investment portfolio

VOLVO

SAMSUNG

PILKINGTON

ERICSSON

NOVARTIS

BEVEGO

DAGAB

Baxter

coop

ARBETSFÖRMEDLINGEN
SWEDISH PUBLIC EMPLOYMENT SERVICE

SYSTEM
BOLAGET

VÄSTERÅS STAD

swedol

Linköpings universitet

HORNBACH

Region
Östergötland

TELIE2

ups

ICA

ahlsell

Attendo

Polisen

bring

Swedbank

martin&servera

Linköping
Där idéer blir verklighet

wsp

corem

Property *transactions*

Transactions are an integral part of Corem's business model, providing means to focus, improve, and adapt the portfolio to market conditions

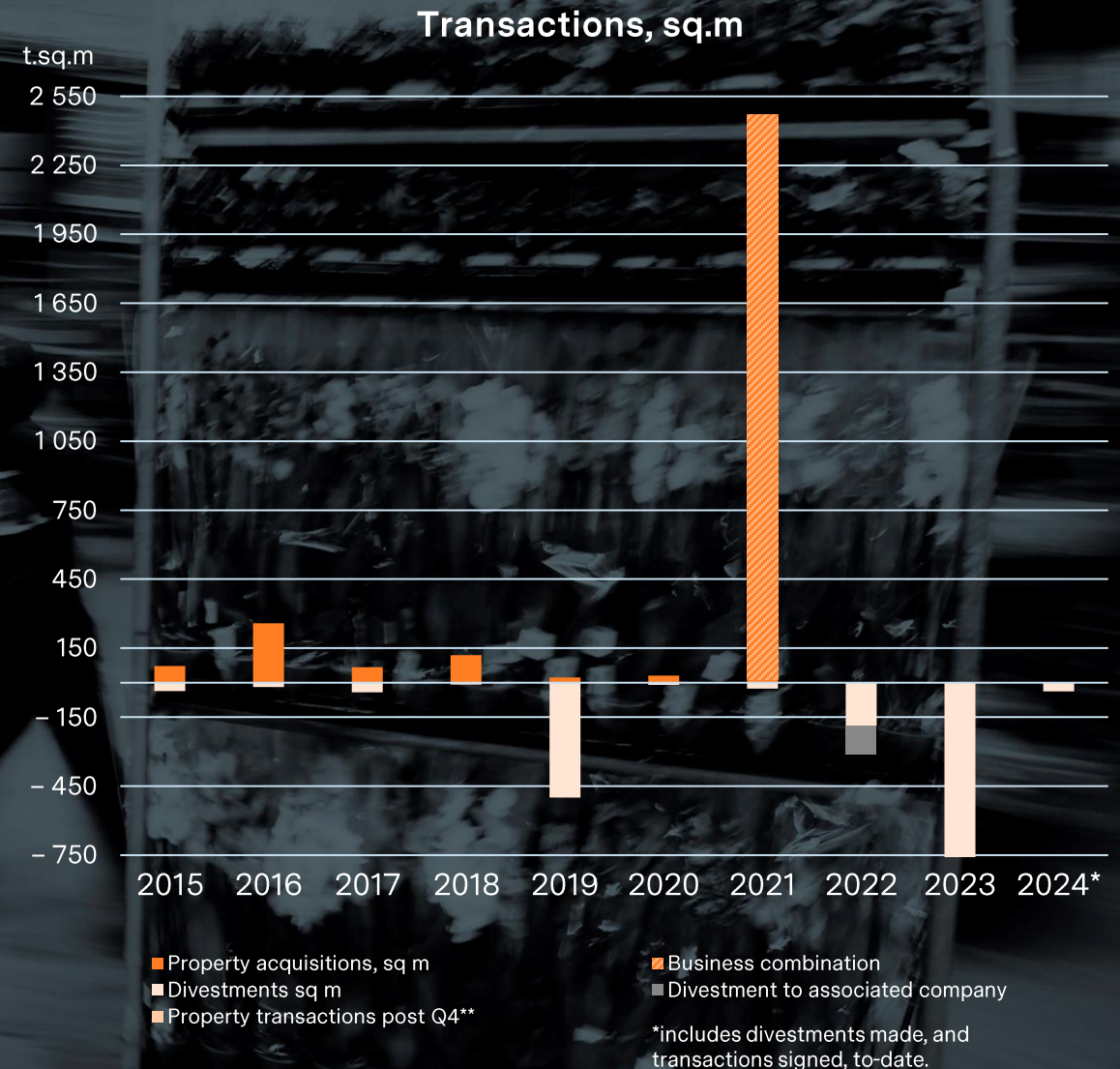
Divested 2023

- 132 properties
Underlying property value SEK 14.6 billion

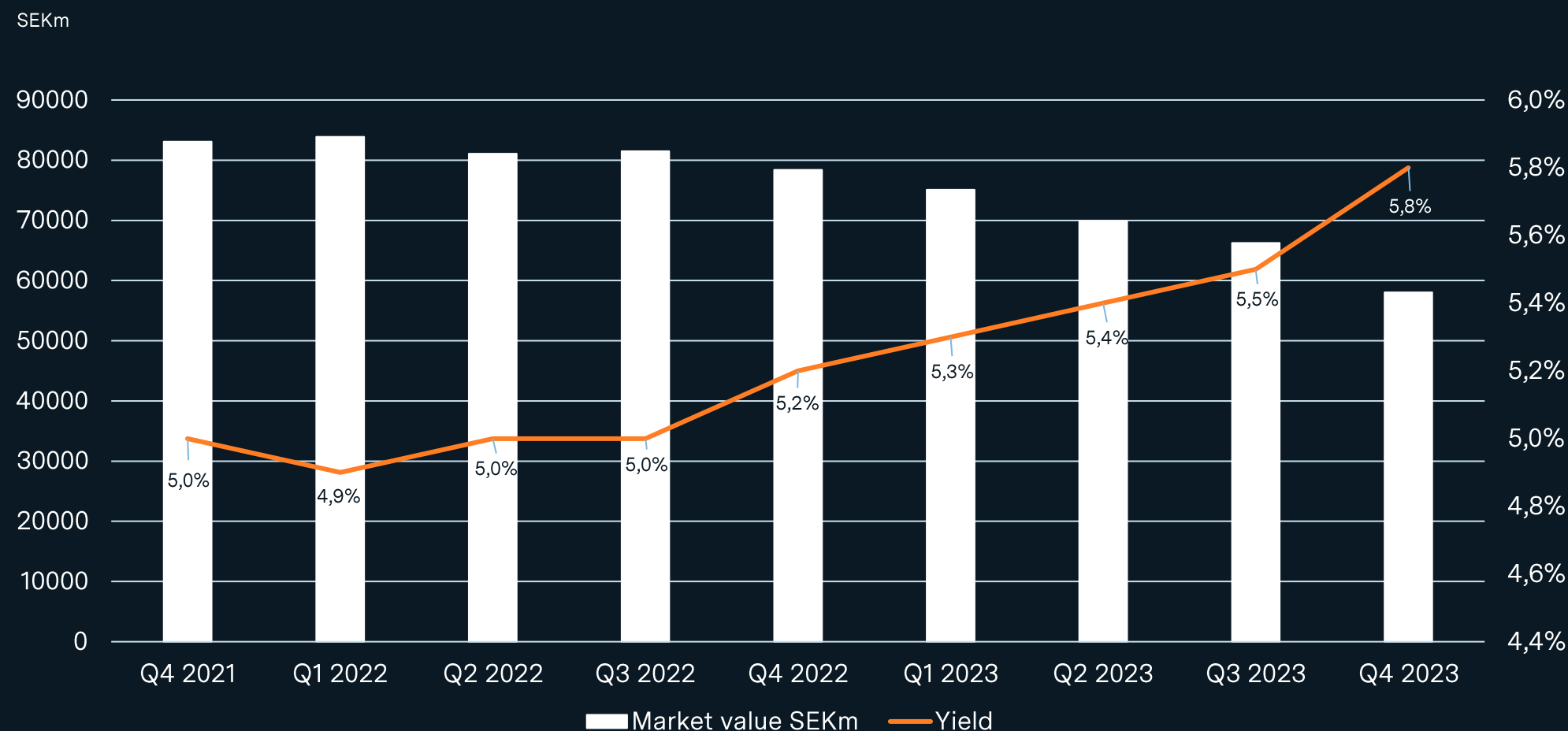
Divestments made/agreed for, with closing post Q4

- 6 properties
Underlying property value SEK 1,6 bn

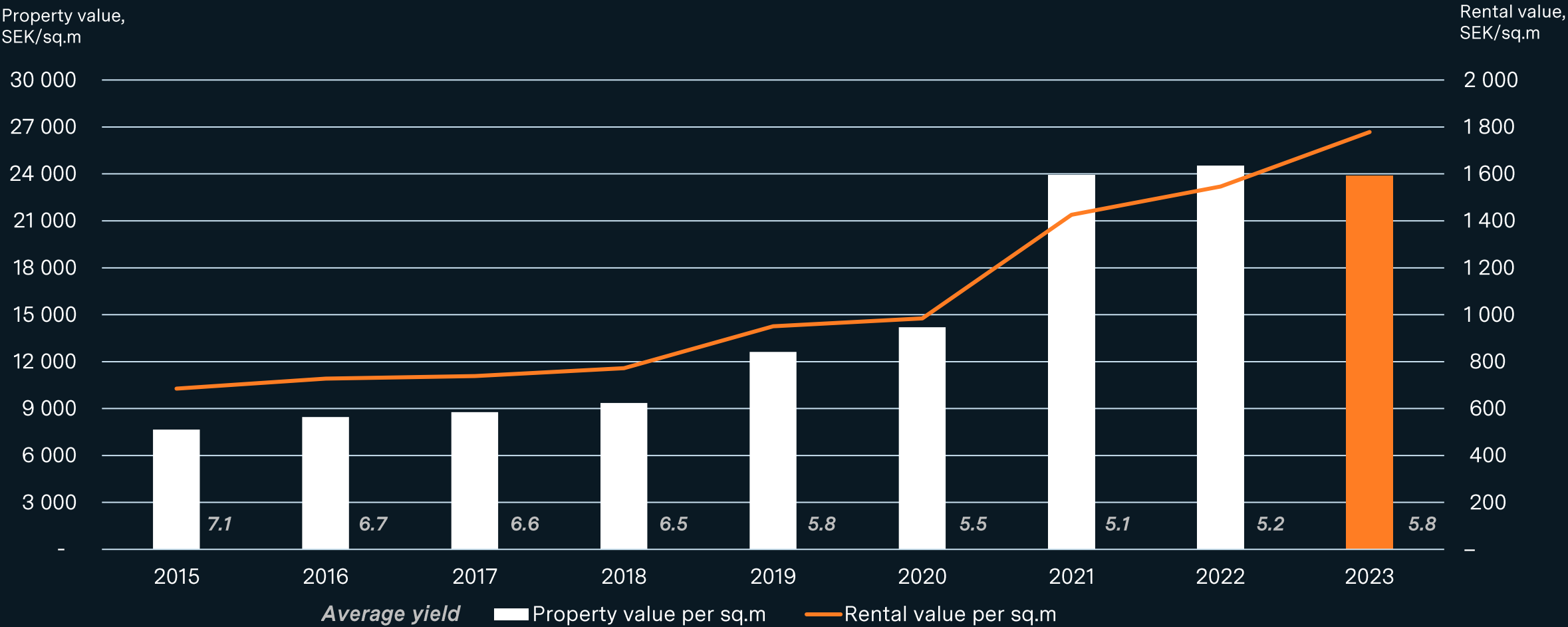
Continued focus on divestments in 2024 to strengthen balance sheet with focus on long-term sustainable financing



Average *yield* and market *value* over 2 years



Property value and Rental value, per sq.m



Financial position

Proactive transaction activities has enabled reduction of debt and financial risk, now showing effect

Divestments made, or agreed, 2023 and 2024 to date, of assets with market value of approx. SEK 18.9 billion

- ✓ Properties – SEK 14.6 billion 2023, and SEK 1.6 2024 to-date
- ✓ Holding in Castellum – SEK 1.2 billion
- ✓ Part of holding in Klöver – SEK 1.4 billion

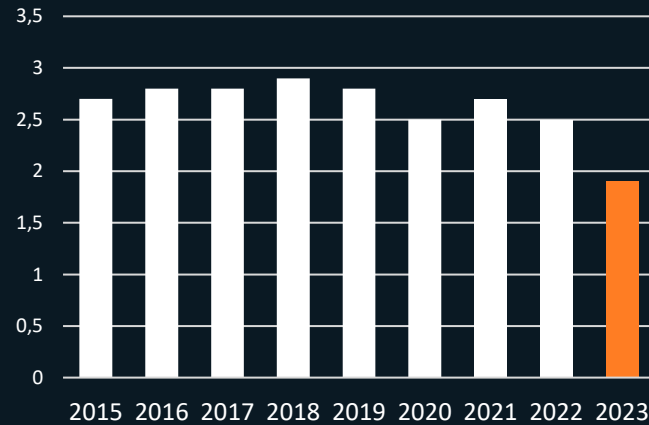
Interest-bearing liabilities reduced by SEK 14 billion 2023

Maintained or improved key figures such as LTV and adjusted equity ratio, despite negative value changes

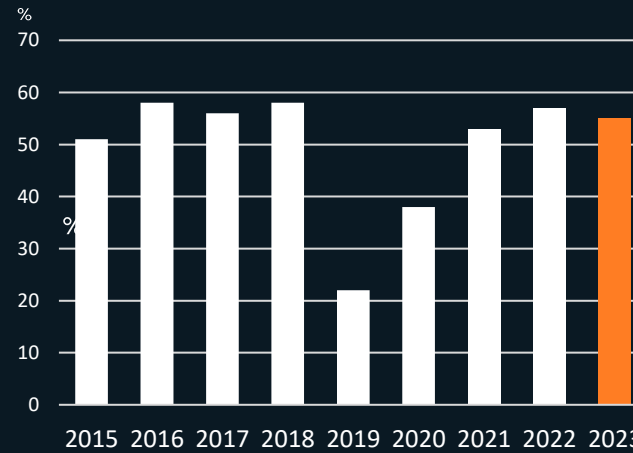
Redemption of all bonds matured in 2023 and repurchase of bonds maturing in 2024

Financing

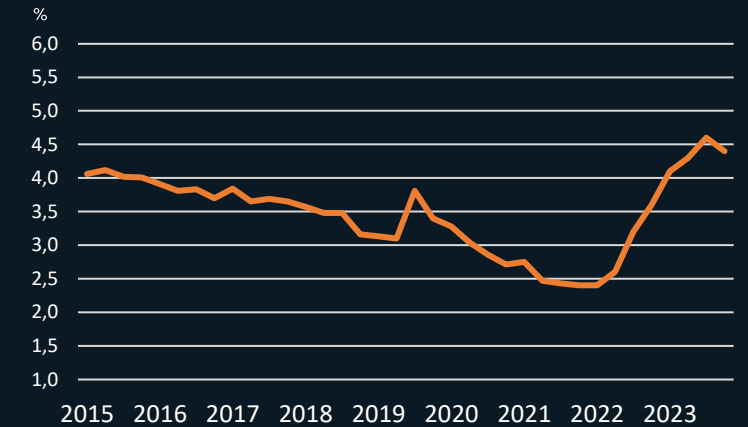
Interest coverage ratio



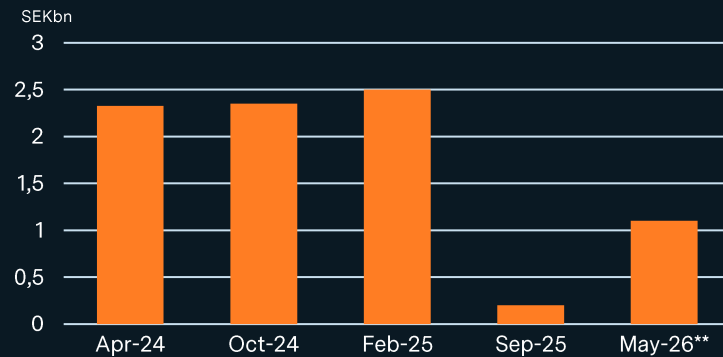
LTV



Average interest rate

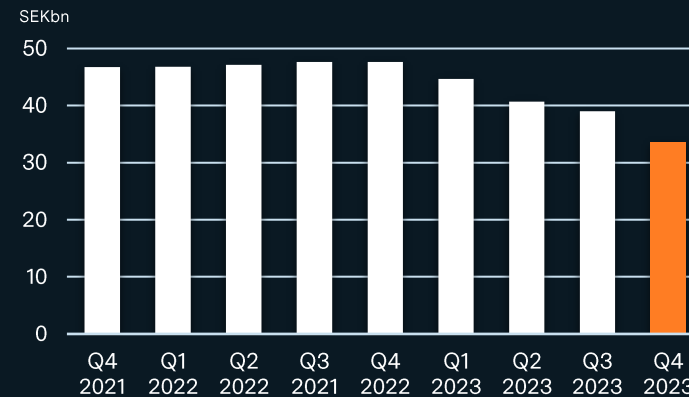


Bond maturity

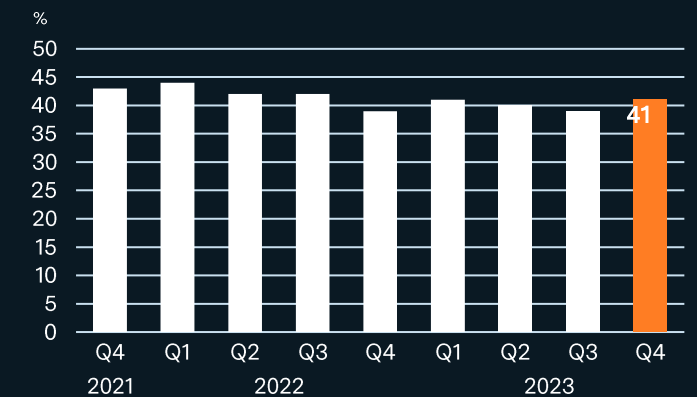


**Issued Q1 2024

Interest-bearing liabilities



Equity ratio*



*Adjusted equity ratio

SUSTAINABILITY

A leader in sustainable property management

For Corem, sustainability means combining economically sustainable business operations with high business ethics, social responsibility and environmental consideration. We strive to be a positive influence, and work to develop sustainable properties and prosperous neighbourhoods.

OVERALL OBJECTIVES

- Climate-neutral operations in the entire value chain in 2035.
- Average energy use not exceeding 65 kWh/m² in 2030.
- Environmentally certified buildings and sustainable services.
- Green financing and green revenues to constitute as large a proportion as possible
- High customer satisfaction
- All suppliers must act in accordance with Corem's code of conduct.
- A workplace where everyone is treated equally, and which is characterized by well-being and diversity..
- A healthy and safe working environment with a focus on a sustainable working life.



Focus and future *outlook*

- Continued focus on proactive divestments in 2024 to strengthen balance sheet with focus on long-term sustainable financing
- Focus on ICR, liquidity, reduction of debt and securing bond maturities in 2024
- Well positioned, attractive property portfolio
- Strong underlying business model and core competences inhouse enable us to adapt to market trends
- Selective on new projects – focus on supporting new lettings
 - several larger projects completed or approaching completion
- Optimizing property management, improving occupancy rate and operating margin

Questions