

PRESS RELEASE 11 July 2025

Interim report January-June 2025

- Income amounted to SEK 1,792 million (1,882)
- Operating surplus amounted to SEK 1,166 million (1,223)
- Net financial income amounted to SEK –619 million (–622)
- Profit from property management amounted to SEK 476 million (517)
- Changes in value of properties amounted to SEK –761 million (–485)
- Net profit/loss for the period amounted to SEK –578 million (6), corresponding to SEK –0.70 (–0.25) per ordinary share of class A and B
- Net letting amounted to SEK 10 million (37) for the quarter and to SEK –27 million (87) for the period
- The value of the investment properties amounted to SEK 51,663 million (55,205)
- Net asset value (NAV) per ordinary share of class A and B amounted to SEK 13.44 (15.97)

EVENTS DURING THE SECOND QUARTER

- During the quarter, 9 properties were divested at an underlying property value of SEK 1,851 million. The divestments in the quarter include a property portfolio comprising five properties located in Linköping, Uppsala and Örebro, whereupon Corem is thus leaving Örebro.
- Agreement was signed for sale of the project property 28&7 in New York at an underlying property value of approximately SEK 770 million with divestment during the third quarter.
- A directed new issue was carried out of Corem's ordinary shares of class B in two separate issue resolutions. One is the directed issue of 110,032,787 ordinary shares of class B to Swedish and international institutional investors, the other is one a directed issue of 81,967,213 ordinary shares of class B to M2 Asset Management AB (publ). The latter is provided approval by an Extraordinary General Meeting, which will be held on 21 July 2025. Corem intends to use the net proceeds to create the conditions from the directed new share issues to repay the outstanding hybrid bond.
- Corem divested parts of its holding in Klövern AB, which means that Corem's ownership share is reduced from 17 per cent to 8 per cent. The divestment has a profit impact of SEK –238 million in the quarter.

Comment by the CEO

Stable *core business* and focused measures for long-term strength

During the first half of 2025, we implemented several strategic initiatives aimed at strengthening Corem for the future, while at the same time maintaining stability in our core business. We delivered positive net letting for the quarter and are seeing results of our focused cost-control efforts. Through efficient property management, targeted capital measures and a successive streamlining of the property portfolio, we are aiming to create scope for continued value generation in a business environment which remains characterised by uncertainty.

Business environment under change

We continue to operating in a challenging business environment, but where signs of stabilisation are beginning to appear. Inflation this last quarter has risen somewhat but before that been stable at a lower level for several quarters. Interest rates however remain at relatively high levels, particularly in the US. At the same time, geopolitics and a cautious economy are impacting the global investment climate. For the property sector, this has entailed a high degree of uncertainty, with volatility in both capital expenses and

demand for new premises. However, during the quarter, we saw a gradual improvement in margins and the transaction climate.

In this environment, our strategy has been clear, to continue creating value through efficient property management, active portfolio management and financial consolidation. These are measures that will strengthen Corem for the future – but also give us scope for manoeuvre here and now.

Operational stability and continued business drive

The net operating income in a comparable portfolio for the first six months was in line with the preceding year and costs declined by 4 per cent. It is particularly gratifying that net letting was positive during the quarter. We regard this as a clear sign of strength given the current market situation, in which there is major competition in the relatively weak rental market. Net letting amounted to SEK 10 million for the second quarter, a testament of our ability to create premises which match demand and our long-term focus on maintaining a strong customer offering. During the quarter we signed several leases, including with Norrköping Municipality for 3,300 square metres, seven year lease with Smartoptics who are expanding by 1,800 to for 4,200 square metres in Kista and with Region Stockholm for 1,700 square metres in the Globen area. In New York, an agreement was signed with a finance company for approximately 600 square metres in the 1245 Broadway project property.

On the cost side, we are taking decisive steps toward continued efficiency of our operating costs. Although also helped by a mild winter at the start of the year, we also see measures to optimise operations and energy consumption are having continuous impact on the portfolio.

Strategic divestments – toward a more focused portfolio

During the second quarter we have undertaken several major divestments aimed at freeing up capital, decrease risk and focus our portfolio geographically. In June, we announced the sale of a portfolio of five properties to Castellum, at an underlying property value of approximately SEK 1.7 billion. The portfolio comprises of office and hotel properties in Örebro, Linköping and Uppsala – strong locations, but where these objects are generally fully developed properties and, accordingly, suitable for divestment. Through the divestment of these properties, we are leaving Örebro entirely, which also entails geographic streamlining for us.

In parallel, we have agreed on the divestment of a property in New York, 28&7, which marks the next step in the gradual discontinuation of our project commitment in the US. The 28&7 project will result in a net earnings effect of SEK –215 million. Naturally, we are far from satisfied with this outcome, but which for this project is attributable to a challenging combination of negative market conditions during the project period. This was approximately two years longer than planned, mainly due to the pandemic which more or less paralysed the US property market for a couple of years, but also made more costly due to higher financing costs and increased yield requirements as a result of higher interest rates than those that prevailed at the start of the project in 2019. Our other ongoing project in the US, 1245 Broadway, is holding up better financially thanks to higher average rental levels and longer lease durations.

Divestment in the US is also a logical step on our established path – to primarily focus our resources in Sweden, particularly in growth locations where we foresee long-term demand and potential.

During the first half of the year, Corem's total divestments and agreed divestments totalled nearly SEK 3.5 billion in underlying property value, with a total net earnings effect of approximately SEK –135 million.

Our objective — to divest properties for more than SEK 5 billion during the year — stands firm and we have already made good progress in this regard. We are seeing continued interest in our properties from both Swedish and international investors and although transaction volumes are generally lower than in prior years, there is demand for high-quality, sustainable properties in urban hubs, which provides us room to manoeuvre.

Financial strengthening and capital measures

Some of our most important initiatives during the first half of the year were aimed at strengthening the balance sheet. In February, we redeemed bonds for approximately SEK 1.4 billion and a US loan of approximately SEK 500 million, while also issuing a new green bond of SEK 1 billion with maturity in 2028.

In addition, in June, we implemented a directed new share issue of 192 million shares of Series B, which generates SEK 939 million including also the second tranche which is subject to approval at the coming extra general meeting. The new issue is aimed at improving our capital structure, reduce net liabilities and create conditions to redeem the outstanding hybrid bond of SEK 1.1 billion.

The results of several major refinancings are visible in our capital tie-up, where the volume maturing in 2025 has decreased from approximately 18 billion at the start of the year to 5 billion as of the end of June. During the second quarter we also restructured interest rate swaps of approximately 3 billion, which has had a positive impact on the fixed interest rate. In addition, new swaps of 1 billion were signed during the quarter, at good levels.

During the quarter, we also sold parts of our holding in Klöver, where we now remain with an ownership of approximately 8 per cent.

These financial measures improve our financial position in the long term and we are gradually moving forward toward our targets, with conditions to develop values through our portfolio.

Focus ahead

Our work to strengthen the balance sheet is by no means complete. We will continue along the established path and for continued optimization.

The business environment is challenging, but we stand well equipped ahead of the second half of the year with a more focused portfolio and continued stable letting. Adding a strengthened financial foundation, which benefits further from our aim to redeem the hybrid bond as well as our continued work with the portfolio.

We now leave an eventful first half of the year behind us, where we have acted with focus on the long term, and move forward with good conditions to create increasing shareholder value.

I now want to wish you a pleasant summer and extend warm thanks to all employees, tenants and shareholders who continuously contribute to Corem's development.

Rutger Arnhult, Chief Executive Officer,
Stockholm, 11 July 2025

Corem Property Group AB (publ)

FOR FURTHER INFORMATION, PLEASE CONTACT

Rutger Arnhult, CEO, +46 70 458 24 70, rutger.arnhult@corem.se
Eva Landén, Deputy CEO, +46 10 482 76 50, eva.landen@corem.se

Corem Property Group AB (publ)
Address: P.O. Box 56085, SE-102 17 Stockholm
Visitors: Riddargatan 13 C
Reg.no: 556463-9440
www.corem.se

This information is information that Corem Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:258). This information was

submitted for publication through the agency of the contact person, set out above, at 8:00 a.m. CEST on 11 July 2025.

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