

Interim information
January – March 2023

This interim report for the period January-March 2023 has been prepared for the purpose of complying with the terms of Corem Kelly AB's (publ) bond and loan agreements.

JANUARY–MARCH 2023

- Income amounted to SEK 918 million (844).
- Profit from property management amounted to SEK 344 million (327).
- Profit before tax amounted to SEK -868 million (1,797).

EVENTS DURING THE FIRST QUARTER

- In January, an agreement was signed with advertising agency R/GA in New York regarding approximately 1,600 sq.m. in the project 28&7, with move-in in January 2023. The agreement is five years.
- In February, a 6-year lease agreement was signed with the Riksbank, the Swedish central bank, for office premises in the property Orgelpipan 4 in Stockholm. Moving-in is planned to take place at the end of 2023.
- In March, Corem raised a green loan of USD 90 million with the German bank PBB Deutsche Pfandbriefbank for financing of the property 1245 Broadway in New York.

FINANCING

On 31 March 2023, the external interest-bearing liabilities amounted to SEK 32,912 million (33,079). In addition, there is a debt to the parent company for SEK 3 858 million. Accrued borrowing overheads amounted to SEK 202 million, which means that the reported interest-bearing liabilities in the balance sheet amounts to SEK 36,568 million (36,897). Net financial items during the quarter amounted to SEK -239 million (-182), of which financial income accounted for SEK 0 million (1) and site leasehold expenses amounted to SEK -15 million (-13).

Corem Kelly's interest-bearing liabilities are mainly secured by mortgages in properties. Unsecured interest-bearing liabilities consist of unsecured bonds, SEK 6,250 million (6,250) at the end of the quarter. Corem Kelly's commercial paper programme was phased out during 2022 and is replaced on a group level by Corem Property Group's programme.

ACCOUNTING POLICIES

The financial reports are prepared for the purpose of complying with the terms of the company's bond and loan agreement.

EVENTS AFTER THE END OF THE PERIOD

- In April, Corem Property Group, ALM Equity and Broskeppet Bostad, the joint owners of the residential company Klöver, signed a letter of intent with an international investor for the latter's acquisition of 25 per cent of the shares in Klöver at a value of around SEK 1,350 million. The deal is expected to be finalized during the second quarter of 2023.
- In April, Corem announced the early redemption of a bond amounting to SEK 700 million. The redemption date is 5 May 2023.

Stockholm, 28 April 2023

The Board of Directors of Corem Kelly AB (publ)

This interim information has not been subject to a review by Corem Kelly's auditors.

Consolidated Statement of Income *Summary*

SEKm	2023 3 months Jan-Mar	2022 3 months Jan-Mar	2022/2023 Rolling 12 months Apr-Mar	2022 12 months Jan-Dec
Income	918	844	3,542	3,467
Property costs	-302	-301	-1,301	-1,299
Net operating income	616	543	2,241	2,168
Central administration	-33	-34	-131	-132
Net financial items	-239	-182	-762	-706
Profit from property management (properties)	344	327	1,347	1,330
Share of earnings in associated companies	103	3	-763	-863
Changes in value, properties	-1,117	938	-4,023	-1,968
Changes in value, derivatives	-200	538	-257	995
Changes in value, other assets	2	-7	-2	-12
Impairment of goodwill	0	-2	0	-2
Profit before tax	-868	1,797	-3,184	-519
Taxes	145	-389	805	271
Net profit for the period	-723	1,408	-2,379	-248
Net profit for the period attributable to:				
The parent company's shareholders	-708	1,401	-2,336	-227
Holdings without controlling influence	-15	7	-43	-21
	-723	1,408	-2,379	-248
Other comprehensive income, items which may later be reversed in the income statement				
Translation difference regarding foreign operations	-14	120	922	1,056
Comprehensive income for the period	-736	1,528	-1,457	807
Comprehensive income for the period attributable to:				
The parent company's shareholders	-722	1,521	-1,414	828
Holdings without controlling influence	-15	7	-43	-21
	-736	1,528	-1,457	807

Consolidated Balance Sheet *Summary*

SEKm	31.03.2023	31.03.2022	31.12.2022
Assets			
Goodwill	144	144	144
Investment properties	62,063	67,730	63,382
Right of use assets	1,381	753	1,386
Machinery and equipment	82	63	69
Participation rights in associated companies	3,494	475	3,415
Financial assets at fair value through statement of income	67	91	65
Derivatives	1,016	759	1,216
Properties classified as current assets	233	81	206
Other receivables	1,062	1,104	1,050
Liquid funds	483	753	407
TOTAL ASSETS	70,026	71,953	71,341
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	25,996	27,834	26,775
Equity attributable to holdings without controlling influence	29	71	43
Deferred tax liability	4,474	5,286	4,623
Interest-bearing liabilities	36,568	36,501	36,897
Leasing liabilities	1,381	753	1,386
Accounts payable	57	122	226
Other liabilities	298	340	262
Accrued expenses and prepaid income	1,224	1,046	1,159
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	70,026	71,953	71,341

Change in Consolidated Shareholders' Equity *Summary*

SEKm	Shareholders' equity attributable to		
	The parent company's shareholders	Holdings without Controlling influence	Total shareholders' equity
Shareholders' equity 31.12.2021	26,336	143	26,479
Dividend	-329	—	-329
Hybrid bond	-87	—	-87
Change in holding without controlling influence	-4	-78	-82
Other comprehensive income	1,056	—	1,056
Net profit for the period	-227	-21	-248
Shareholders' equity 31.12.2022	26,745	43	26,788
Hybrid bond	-28	—	-28
Other comprehensive income	-14	—	-14
Net profit for the period	-708	-15	-723
Shareholders' equity 31.03.2023	25,996	29	26,025

Consolidated Cash Flow Statement

Summary

SEKm	2023 3 months Jan-Mar	2022 3 months Jan-Mar	2022 12 months Jan-Dec
Current operations			
Operating surplus including central administration	583	510	2,036
Adjustment for items not included in the cash flow	5	6	22
Interest received	0	1	6
Interest paid	-219	-188	-747
Income tax paid	0	-4	-4
Cash flow from current operations before change in working capital	369	325	1,313
Changes in working capital			
Change in properties classified as current assets	-27	-17	-143
Change in operating receivables	-154	42	215
Change in operating liabilities	66	-326	-82
Total change in working capital	-115	-301	-10
Cash flow from current operations	255	24	1,303
Investment operations			
Divestment of properties	670	970	1,782
Acquisition of and investment in properties	-439	-389	-2,447
Change in financial assets	1	4	3
Change in other non-current assets	-18	1	-21
Cash flow from investment operations	238	585	-683
Financing operations			
Change in interest-bearing liabilities	-389	-221	-271
Dividend	—	-82	-381
Hybrid bond	-28	-19	-87
Change in holding without controlling influence	—	-82	-82
Cash flow from financing operations	-417	-404	-821
Total cash flow	75	204	-201
Liquid funds at the beginning of the period	407	555	555
Exchange rate differences in liquid funds	0	-7	53
Liquid funds at the end of the period	483	753	407

Parent Company Income Statement

Summary

SEKm	2023 3 months Jan-Mar	2022 3 months Jan-Mar	2022 12 months Jan-Dec
Net sales	108	33	129
Cost of services sold	-108	-33	-130
Gross profit	0	0	-1
Central administration	0	0	0
Operating profit	0	0	-1
Changes in value, derivatives	—	31	31
Net financial items	221	-52	710
Profit before tax	221	-22	739
Taxes	-54	-9	-30
Net profit for the period	167	-31	709
Other comprehensive income	—	—	—
Comprehensive income for the period	167	-31	709

Parent Company Balance Sheet

Summary

SEKm	31.03.2023	31.03.2022	31.12.2022
ASSETS			
Participation rights in group companies	1,839	1,780	1,839
Receivables from group companies	34,698	31,274	33,581
Derivatives	0	8	1
Deferred tax assets	72	147	126
Other receivables	48	25	28
Liquid funds	161	1,094	610
Total assets	36,819	34,328	36,186
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	10,234	9,751	10,094
Interest-bearing liabilities	17,741	16,939	18,549
Liabilities to group companies	8,200	7,266	7,292
Accounts payable	0	0	0
Other liabilities	563	200	172
Accrued expenses and prepaid income	81	172	78
Total shareholders' equity and liabilities	36,819	34,328	36,186

Key ratios

	31.03.2023 3 months Jan-Mar	31.03.2022 3 months Jan-Mar	2022/2023 Trailing 12 months Apr-Mar	2022	2021	2020	2019	2018
Financial								
Equity ratio, %	37,1	38,7	37,1	37,5	37,2	36,3	34,9	31,8
Interest coverage ratio	2,6	2,9	2,8	2,9	2,6	2,5	2,6	2,7

Definitions

Financial

INTEREST COVERAGE RATIO

Profit from property management plus earnings from residential development, excluding financial costs¹ in relation to financial costs¹.

EQUITY RATIO

Equity² in relation to total assets.

1) Excluding site leasehold expenses.

2) Equity attributable to the Parent Company's shareholders.

Calendar

Interim report January - June 2023	14 July 2023
Interim information January - September 2023	26 October 2023

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Corem Kelly AB (publ).

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