

Interim information January – September 2022

This interim information for the period January – September 2022 has been prepared for the purpose of complying with the terms of Corem Kelly AB's (publ) bond and loan agreements.

On 29 March 2021, Corem Property Group AB (publ) announced a public offer to the shareholders of Klöver AB (publ). In June 2021, the offer was declared unconditional, after which Klöver's shares were delisted from Nasdaq Stockholm in July 2021. Following a resolution at the Annual General Meeting on 27 April 2022 Klöver AB has been renamed Corem Kelly AB.

JANUARY–SEPTEMBER 2022

- Income amounted to SEK 2,531 million (2,431).
- Profit from property management amounted to SEK 1,061 million (967).
- Profit before tax amounted to SEK 2,261 million (2,605).

EVENTS DURING THE THIRD QUARTER

- The redemption process of the remaining shares in Corem Kelly (previously Klöver) has been completed. The arbitration award, which was passed on 7 June, has become legally binding and a total redemption amount of SEK 456 million was paid out on 6 September.
- On 22 September, Corem Property Group announced a tender offer for Corem Kelly's outstanding 2019/2023 bonds, which on 27 September was withdrawn due to prevailing market conditions.

FINANCING

On 30 September 2022, the interest-bearing liabilities amounted to SEK 37,214 million (36,741), of which SEK 4,691 million was debt to the parent company. Accrued borrowing overheads totalled SEK 144 million, which means that the reported interest-bearing liabilities in the balance sheet total SEK 37,070 million (36,597). Net financial items, including residential development, amounted during the quarter to SEK –172 million (–189), of which financial income accounted for SEK 14 million (6) and site leasehold expenses amounted to SEK –12 million (–11).

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 (8,600) at the end of the quarter.

ACCOUNTING POLICIES

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

Stockholm, 25 October 2022

The Board of Directors of Corem Kelly AB (publ)

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

Consolidated Statement of Income *Summary*

SEKm	2022 3 months Jul-Sep	2021 3 months Jul-Sep	2022 9 months Jan-Sep	2021 9 months Jan-Sep	2021/2022 Rolling 12 months Oct-Sep	2021 12 months Jan-Dec
Income	851	823	2,531	2,431	3,373	3,274
Property costs	-295	-249	-871	-799	-1,225	-1,154
Operating surplus	556	574	1,660	1,632	2,148	2,120
Central administration	-33	-26	-99	-124	-136	-160
Net financial items	-172	-181	-501	-541	-674	-715
Profit from property management (properties)	351	367	1,061	967	1,339	1,245
Income, residential development	—	37	—	126	64	190
Costs, residential development	—	-62	—	-179	-62	-241
Net financial items, residential development	—	-8	—	-23	-1	-24
Profit from residential development	—	-33	—	-76	2	-74
Share in earnings of associated companies	-109	3	-139	11	-139	11
Changes in value, properties	-271	339	254	1,433	2,506	3,685
Changes in value, derivatives	59	56	1,075	248	1,127	301
Changes in value, other assets	-21	24	13	24	18	29
Impairment of goodwill	—	—	-2	-2	-2	-2
Profit before tax	8	756	2,261	2,605	4,849	5,194
Taxes	-54	-251	9	-525	-689	-1,224
Net profit for the period	-46	504	2,270	2,080	4,160	3,970
Net profit for the period attributable to:						
The parent company's shareholders	-47	504	2,261	2,092	4,103	3,934
Holdings without controlling influence	1	0	9	-12	57	36
	-46	504	2,270	2,080	4,160	3,970
Other comprehensive income, items which may later be reversed in the income statement						
Translation difference regarding foreign operations	634	152	1,435	306	1,574	444
Comprehensive income for the period	588	656	3,705	2,386	5,734	4,414
Comprehensive income for the period attributable to:						
The parent company's shareholders	587	656	3,690	2,398	5,677	4,378
Holdings without controlling influence	1	0	9	-12	57	36
	588	656	3,705	2,386	5,734	4,414

Consolidated Balance Sheet *Summary*

SEKm	30.09.2022	30.09.2021	31.12.2021
Assets			
Goodwill	144	146	146
Investment properties	65,802	62,681	67,140
Right of use assets	752	731	773
Machinery and equipment	67	69	68
Participation rights in associated companies	4,142	472	472
Financial assets at fair value through statement of income	66	91	98
Derivatives	1,295	205	251
Properties classified as current assets	155	1,028	63
Other receivables	1,139	1,407	1,289
Liquid funds	344	569	555
TOTAL ASSETS	73,906	67,400	70,855
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	29,638	24,374	26,336
Equity attributable to holdings without controlling influence	74	96	143
Other provisions	—	—	—
Deferred tax liability	4,880	4,237	4,903
Interest-bearing liabilities	37,070	36,074	36,597
Derivatives	—	39	31
Leasing liabilities	752	731	773
Accounts payable	90	169	358
Other liabilities	292	698	463
Accrued expenses and prepaid income	1,111	982	1,251
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	73,906	67,400	70,855

Change in Consolidated Shareholders' Equity *Summary*

SEKm	Shareholders' equity attributable to		Total shareholders' equity
	The parent company's Shareholders	Holdings without Controlling influence	
Shareholders' equity 31.12.2020	22,649	108	22,757
Dividend	-597	—	-597
Hybrid bond	-78	—	-78
Change in holding without controlling influence	-16	-2	-18
Other comprehensive income	444	—	444
Net profit for the period	3,934	36	3,970
Shareholders' equity 31.12.2021	26,336	143	26,479
Dividend	-329	—	-329
Hybrid bond	-62	—	-62
Change in holding without controlling influence	-4	-78	-82
Other comprehensive income	1,435	—	1,435
Net profit for the period	2,261	9	2,270
Shareholders' equity 30.09.2022	29,638	74	29,712

Consolidated Cash Flow Statement

Summary

SEKm	2022 3 months Jul-Sep	2021 3 months Jul-Sep	2022 9 months Jan-Sep	2021 9 months Jan-Sep	2021 12 months Jan-Dec
Current operations					
Operating surplus including central administration and residential development	523	515	1,561	1,432	1,885
Adjustment for items not included in the cash flow	5	16	17	40	22
Interest received	2	1	5	9	10
Interest paid	-183	-182	-565	-550	-738
Income tax paid	0	—	-4	-21	-21
Cash flow from current operations before change in working capital	348	350	1,014	910	1,158
Changes in working capital					
Change in properties classified as current assets	-20	-10	-91	79	-99
Change in operating receivables	147	42	110	-10	-92
Change in operating liabilities	47	-113	-195	-292	67
Total change in working capital	174	-81	-176	-223	-124
Cash flow from current operations	522	269	838	687	1,034
Investment operations					
Divestment of properties	103	-3	1,187	577	610
Acquisition of and investment in properties	-598	-564	-1,698	-3,956	-4,814
Change in financial assets	5	47	3	381	605
Change in other non-current assets	-5	-16	-13	-27	-31
Cash flow from investment operations	-495	-535	-520	-3,026	-3,630
Financing operations					
Change in interest-bearing liabilities	-52	16	-58	2,916	3,396
Change in financial instruments	—	—	—	-3	—
Dividend	-82	-82	-381	-515	-731
Hybrid bond	-22	-20	-61	-59	-78
Change in holding without controlling influence	0	0	-82	-17	-17
Cash flow from financing operations	-156	-86	-582	2,321	2,569
Total cash flow	-129	-352	-265	-17	-27
Liquid funds at the beginning of the period	457	914	555	571	571
Exchange rate differences in liquid funds	16	7	53	15	10
Liquid funds at the end of the period	344	569	344	569	555

Parent Company Income Statement

Summary

SEKm	2022 9 months Jan-Sep	2021 9 months Jan-Sep	2021 12 months Jan-Dec
Net sales	96	254	358
Cost of services sold	-97	-199	-286
Gross profit	-1	55	72
Central administration	0	-124	-160
Operating profit	-1	-69	-88
Changes in value, derivatives	31	47	56
Net financial items	439	-13	306
Profit before tax	469	-35	274
Taxes	-9	-94	-71
Net profit for the period	460	-129	203
Other comprehensive income	—	—	—
Comprehensive income for the period	460	-129	203

Parent Company Balance Sheet

Summary

SEKm	30.09.2022	30.09.2021	31.12.2021
ASSETS			
Machinery and equipment	—	10	8
Participation rights in group companies	1,736	1,765	1,780
Receivables from group companies	33,784	31,553	31,093
Derivatives	1	8	10
Deferred tax assets	147	132	156
Other receivables	160	251	254
Liquid funds	107	382	1,290
Total assets	35,935	34,101	34,591
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	9,870	9,488	9,801
Interest-bearing liabilities	17,511	21,871	22,438
Derivatives	—	39	31
Liabilities to group companies	7,764	2,050	1,891
Accounts payable	4	8	11
Other liabilities	707	534	316
Accrued expenses and prepaid income	79	111	103
Total shareholders' equity and liabilities	35,935	34,101	34,591

Key ratios

	30.09.2022	30.09.2021	30.09.2022	30.09.2021	31.12.2021	31.12.2020
	3 months Jul-Sep	3 months Jul-Sep	9 months Jan-Sep	9 months Jan-Sep	12 months Jan-Dec	12 months Jan-Dec
Interest coverage ratio	3.0	2.8	3.1	2.6	2.6	2.5
Equity ratio, %	40.1	36.2	40.1	36.2	37.2	36.3

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

Year-end report 2022	21 February 2023
Interim information January-March 2023	28 April 2023

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Corem Kelly AB (publ).

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