

Interim information
January – September 2023

This interim information for the period January–September 2023 has been prepared for the purpose of complying with the terms of Corem Kelly AB’s (publ) bond and loan agreements.

JANUARY–SEPTEMBER 2023

- Income amounted to SEK 2,695 million (2,531).
- Profit from property management amounted to SEK 1,003 million (1,061).
- Profit before tax amounted to SEK –5,201 million (2,261).

EVENTS DURING THE THIRD QUARTER

- In August, Corem divested a part of the shares in Klöver AB to Nrep and received a settlement of SEK 1.4 billion. The holding has, with the partial divestment in the quarter, been reclassified from Shares in associated companies to Financial assets valued at fair value.
- In September, Corem Kelly redeemed outstanding bonds of SEK 739 million at maturity.

EVENTS AFTER THE END OF THE PERIOD

- In October, four letters of intent were signed regarding divestment of properties in Corem Property Group AB at an underlying property values of SEK 12 billion.

The income statement items are compared with the corresponding period last year. The balance sheet items refer to the position at the end of the period and are compared with the preceding year-end. The quarter refers to July–September and the period refers to January–September.

FINANCING

On 30 September 2023, the external interest-bearing liabilities amounted to SEK 28,168 million (33,079). In addition, debt to the parent company amounts to SEK 7,391 million. Accrued borrowing overheads amounted to SEK 220 million, which entails that the reported interest-bearing liabilities in the balance sheet amounts to SEK 35,339 million (36,897). Net financial items during the quarter amounted to SEK –260 million (–172), of which financial income accounted for SEK 6 million (14) and site leasehold expenses amounted to SEK –16 million (–12).

The interest coverage ratio amounted, during the period, to 2.4 (3.1) and to 2.4 during the last four quarters.

Corem Kelly’s interest-bearing liabilities are mainly secured by mortgages in properties and/or shares in subsidiaries. Unsecured interest-bearing liabilities comprise unsecured bonds, SEK 4,600 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

Corem Kelly prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The interim report for the Group has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Statements and, in the case of the Parent Company, in accordance with the Annual Accounts Act. The accounting policies applied in this interim report are in essential parts those described in Note 1 of Corem Kelly’s annual report for 2022. Financial assets valued at fair value, which are listed on an exchange, are valued in accordance with level 1 in the fair value hierarchy, while the holding in Klöver AB, which is not listed, is valued in accordance with level 3 in the value hierarchy.

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

Stockholm, 26 October 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 Jul-Sep	2022 3 months Jul-Sep	2023 9 months Jan-Sep	2022 9 months Jan-Sep	2022/2023 Rolling 12 months Oct-Sep	2022 12 months Jan-Dec
Income	877	851	2,695	2,531	3,631	3,467
Property costs	-272	-295	-844	-871	-1,273	-1,299
Net operating income	605	556	1,851	1,660	2,358	2,168
Central administration	-37	-33	-110	-99	-143	-132
Net financial items	-260	-172	-738	-501	-942	-706
Profit from property management	308	351	1,003	1,061	1,273	1,330
Share of earnings in associated companies	-0	-109	-1,076	-139	-1,800	-863
Changes in value, properties	-2,709	-271	-4,941	254	-7,163	-1,968
Changes in value, derivatives	-28	59	-148	1,075	-227	995
Changes in value, other assets	29	-21	2	13	-24	-12
Impairment of goodwill	0	—	-41	-2	-41	-2
Profit before tax	-2,401	8	-5,201	2,261	-7,998	-519
Taxes	330	-54	544	9	804	271
Net profit for the period	-2,071	-46	-4,657	2,270	-7,176	-248
Net profit for the period attributable to:						
The parent company's shareholders	-2,055	-47	-4,625	2,261	-7,114	-227
Holdings without controlling influence	-16	1	-32	9	-62	-21
	-2,071	-46	-4,657	2,270	-7,176	-248
Other comprehensive income, items which may later be reversed in the income statement						
Translation difference regarding foreign operations	-99	634	315	1,435	-66	1,056
Comprehensive income for the period	-2,170	588	-4,342	3,705	-7,240	807
Comprehensive income for the period attributable to:						
The parent company's shareholders	-2,154	587	-4,310	3,696	-7,178	828
Holdings without controlling influence	-16	1	-32	9	-62	-21
	-2,170	588	-4,342	3,705	-7,240	807

Consolidated Balance Sheet *Summary*

SEKm	30.09.2023	30.09.2022	31.12.2022
ASSETS			
Goodwill	103	144	144
Investment properties	58,494	65,802	63,382
Right of use assets	1,409	752	1,386
Machinery and equipment	59	67	69
Shares in associated companies	0	4,142	3,415
Financial assets valued at fair value	1,354	66	65
Derivatives	1,081	1,295	1,216
Properties classified as current assets	269	155	206
Other receivables	1,001	1,139	1,050
Liquid funds	499	344	407
TOTAL ASSETS	64,269	73,906	71,341
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	22,008	29,638	26,745
Equity attributable to holdings without controlling influence	11	74	43
Deferred tax liability	4,050	4,880	4,623
Interest-bearing liabilities	35,339	37,070	36,897
Leasing liabilities	1,409	752	1,386
Accounts payable	73	90	226
Other liabilities	380	292	262
Accrued expenses and prepaid income	999	1,111	1,159
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	64,269	73,906	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
Dividend	-329	—	-329
Hybrid bond	-98	—	-98
Change in holding without controlling influence	—	-0	-0
Other comprehensive income	315	—	315
Net profit for the period	-4,625	-32	-4,657
Shareholders' equity 30.09.2023	22,008	11	22,019

Consolidated Cash Flow Statement

Summary

SEKm	2023 3 months Jul-Sep	2022 3 months Jul-Sep	2023 9 months Jan-Sep	2022 9 months Jan-Sep	2022 12 months Jan-Dec
Current operations					
Operating surplus including central administration	568	523	1,740	1,561	2,036
Adjustment for items not included in the cash flow	5	5	15	17	22
Interest received	9	2	15	5	6
Interest paid	-268	-183	-731	-565	-747
Income tax paid	0	0	-2	-4	-4
Cash flow from current operations before change in working capital	314	348	1,037	1,014	1,313
Changes in working capital					
Change in properties classified as current assets	-12	-20	-63	-91	-143
Change in operating receivables	175	147	-12	110	215
Change in operating liabilities	-260	47	-543	-195	-82
Total change in working capital	-97	174	-618	-176	-10
Cash flow from current operations	217	522	420	838	1,303
Investment operations					
Divestment of properties	226	103	1,595	1,187	1,782
Acquisition of and investment in properties	-439	-598	-1,345	-1,698	-2,447
Change in associated companies	1,353	—	1,383	—	—
Change in financial assets	5	5	8	3	3
Change in other non-current assets	-4	-5	-6	-13	-21
Cash flow from investment operations	1,141	-495	1,635	-520	-683
Financing operations					
Change in interest-bearing liabilities	-1,252	-52	-1,866	-58	-271
Dividend	0	-82	0	-381	-381
Hybrid bond	-39	-22	-98	-61	-87
Change in holding without controlling influence	0	0	0	-82	-82
Cash flow from financing operations	-1,291	-156	-1,964	-582	-821
Total cash flow	67	-129	90	-265	-201
Liquid funds at the beginning of the period	438	457	407	555	555
Exchange rate differences in liquid funds	-6	16	2	53	53
Liquid funds at the end of the period	499	344	499	344	407

Parent Company Income Statement

Summary

SEKm	2023 9 months Jan-Sep	2022 9 months Jan-Sep	2022 12 months Jan-Dec
Net sales	323	96	129
Cost of services sold	-323	-97	-130
Gross profit	0	-1	-1
Central administration	0	0	0
Operating profit	0	-1	-1
Changes in value, derivatives	-21	31	31
Net financial items	517	439	710
Profit before tax	496	469	739
Taxes	-101	-9	-30
Net profit for the period	395	460	709
Other comprehensive income	—	—	—
Comprehensive income for the period	395	460	709

Parent Company Balance Sheet

Summary

SEKm	30.09.2023	30.09.2022	31.12.2022
ASSETS			
Participation rights in group companies	1,839	1,736	1,839
Receivables from group companies	36,013	33,784	33,581
Derivatives	—	1	1
Deferred tax assets	50	147	126
Other receivables	67	160	28
Liquid funds	214	107	610
TOTAL ASSETS	38,184	35,935	36,186
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	10,088	9,870	10,094
Interest-bearing liabilities	12,399	17,511	18,549
Derivatives	123	—	—
Liabilities to group companies	15,359	7,764	7,292
Accounts payable	0	4	0
Other liabilities	176	707	172
Accrued expenses and prepaid income	39	79	78
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	38,184	35,935	36,186

Key ratios

	30.09.2023 3 months Jul-Sep	30.09.2022 3 months Jul-Sep	30.09.2023 9 months Jan-Sep	30.09.2022 9 months Jan-Sep	31.12.2022 12 months Jan-Dec
Financial					
Equity ratio, %	34	40	34	40	38
Interest coverage ratio	2.2	3.0	2.4	3.1	2.9

Definitions

Financial

INTEREST COVERAGE RATIO

Profit from property management plus share of associated companies' profit from property management, excluding financial expenses¹, divided by financial expenses¹.

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 January - December 2023	21 February 2024
Interim report January - March 2024	23 April 2024

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This Interim report is information that Corem Kelly AB is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the contact persons set out above at 08:00 CEST on 26 October 2023.

This interim report has been published in Swedish and in English. In the event of a discrepancy between the language versions, the Swedish version shall take priority.

Corem Kelly AB (publ).

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