

Interim information January–September 2024

COREM KELLY AB

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This interim information for the period January–September 2024 has been prepared for the purpose of complying with the terms of Corem Kelly AB's (publ) bond and loan agreements.

January–September 2024

- » Income amounted to SEK 2,458 million (2,695).
- » Profit from property management amounted to SEK 741 million (1,003).
- » Profit before tax amounted to SEK 114 million (–5,201).

EVENTS DURING THE THIRD QUARTER

- » Bonds of SEK 436 million, with maturity in February 2025, were repurchased during the quarter.
- » Hybrid bonds of SEK 148 million were repurchased during the quarter.

EVENTS AFTER THE END OF THE QUARTER

- » Hybrid bonds of SEK 20 million were repurchased during October.

Financing

Income statement items are compared with the corresponding time period last year. 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.

On 30 September 2024, the external interest-bearing liabilities amounted to SEK 22,082 million (24,986). In addition, there is debt to the parent company of SEK 8,499 million (6,229). Accrued borrowing overheads amounted to SEK 199 million, which means that the reported interest-bearing liabilities in the balance sheet amounts to SEK 30,382 million (31,010). Net financial items during the quarter amounted to SEK –262 million (–260), of which financial income accounted for SEK 4 million (6) and site leasehold expenses amounted to SEK –17 million (–16). The interest coverage ratio amounted during the period to 2.1 multiples (2.4) and to 2.1 (2.4) in 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 consist of unsecured bonds, which amounted to SEK 2,011 million (4,535) at the end of the quarter.

Derivatives effectively limit the interest rate risk. The effect of larger interest rate increases is markedly limited by interest rate caps. Changes in value of derivatives totalled SEK –320 million (–28) during the quarter. As of 30 September 2024, the net market value of the interest derivative portfolio amounted to SEK –10 million (425). Unrealized changes in value do not affect the cash flow; on maturity the value of the derivatives is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the period.

ACCOUNTING POLICIES

Corem Kelly prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Statements and, in the case of the Parent Company, in accordance with the Annual Accounts Act and IAS 34. The accounting policies applied in this interim report are in essential parts those described in Note 1 of Corem Kelly's annual report.

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

Stockholm, 24 October 2024

The Board of Directors of Corem Kelly AB (publ)

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

The Consolidated Income Statement *Summary*

SEKm	2024 3 months Jul-Sep	2023 3 months Jul-Sep	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023/2024 Rolling 12 months Oct-Sep	2023 12 months Jan-Dec
Income	798	877	2,458	2,695	3,347	3,583
Property costs	-293	-272	-899	-844	-1,254	-1,199
Net operating income	505	605	1,559	1,851	2,093	2,384
Central administration	-34	-37	-106	-110	-143	-147
Net financial items	-262	-260	-712	-738	-980	-1,006
Profit from property management	209	308	741	1,003	970	1,231
Net profit, residential development	0	—	-1	—	-1	0
Share of earnings in associated companies	0	-0	0	-1,076	0	-1,076
Value changes, properties	-14	-2,709	-297	-4,941	-2,875	-7,519
Value changes, derivatives	-320	-28	-436	-148	-1,164	-876
Value changes, other assets	25	29	110	2	104	-4
Impairment, goodwill	0	0	-3	-41	-4	-41
Profit before tax	-100	-2,401	114	-5,201	-2,970	-8,285
Tax	-121	330	-158	544	172	875
Net profit for the period	-220	-2,071	-45	-4,657	-2,798	-7,410
<i>Net profit for the year attributable to:</i>						
Parent Company shareholders	-220	-2,055	-46	-4,625	-2,801	-7,381
Holdings without controlling influence	0	-16	1	-32	3	-29
Net profit for the period	-220	-2,071	-45	-4,657	-2,798	-7,410

Consolidated Report of Comprehensive Income *Summary*

SEKm	2024 3 months Jul-Sep	2023 3 months Jul-Sep	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023/2024 Rolling 12 months Oct-Sep	2023 12 months Jan-Dec
Other comprehensive income, items which may later be reversed in the income statement						
Translation difference regarding foreign operations	-261	-99	-13	315	-628	-300
Net profit for the period	-481	-2,170	-58	-4,342	-3,426	-7,710
<i>Comprehensive income for the period attributable to:</i>						
The parent company's shareholders	-481	-2,154	-59	-4,310	-3,429	-7,681
Holdings without controlling influence	0	-16	1	-32	3	-29
Net profit for the period	-481	-2,170	-58	-4,342	-3,426	-7,710

Consolidated Balance Sheet *Summary*

SEKm	2024 30 Sep	2023 30 Sep	2023 31 Dec
ASSETS			
Goodwill	100	103	103
Investment properties	50,367	58,494	51,382
Right of use assets	1,024	1,409	1,188
Machinery and equipment	39	59	56
Participation rights in associated companies	—	0	0
Financial assets at fair value through statement of income	1,475	1,354	1,351
Derivatives	196	1,081	576
Properties classified as current assets	0	269	290
Other receivables	878	1,001	857
Liquid funds	504	499	365
TOTAL ASSETS	54,583	64,269	56,168
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	17,956	22,008	18,598
Equity attributable to holdings without controlling influence	0	11	14
Deferred tax liability	3,800	4,050	3,720
Interest-bearing liabilities	30,382	35,339	31,010
Derivatives	206	—	151
Leasing liabilities	1,024	1,409	1,188
Accounts payable	45	73	127
Other liabilities	260	380	167
Accrued expenses and prepaid income	910	999	1,193
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	54,583	64,269	56,168

Change in Consolidated Shareholders' Equity *Summary*

SEKm	The parent company's shareholders	Holdings without Controlling influence	Total shareholders' equity
Shareholders' equity 01.01.2023	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
Hybrid bond	–40	—	–40
Change in holding without controlling influence	—	0	0
Other comprehensive income	–615	—	–615
Net profit for the period	–2,756	3	–2,752
Shareholders' equity 31.12.2023	18,598	14	18,612
Dividend	–329	—	–329
Hybrid bond	–265	—	–265
Change in holding without controlling influence	11	–15	–4
Other comprehensive income	–13	—	–13
Net profit for the period	–46	0	–46
Shareholders' equity 30.09.2024	17,956	0	17,956

Consolidated Cash Flow Statement *Summary*

SEKm	2024 3 months Jul-Sep	2023 3 months Jul-Sep	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023 12 months Jan-Dec
Current operations					
Operating surplus including central administration	471	568	1,452	1,740	2,237
Adjustment for items not included in the cash flow	4	5	13	15	20
Interest received	9	9	73	15	61
Interest paid	-242	-268	-785	-731	-1,030
Income tax paid	0	0	0	-2	-2
	242	314	751	1,037	1,286
Changes in working capital					
Change in properties classified as current assets	0	-12	-2	-63	-84
Change in operating receivables	95	175	-103	-12	91
Change in operating liabilities	-120	-260	-307	-543	-557
Total change in working capital	-26	-97	-412	-618	-550
Cash flow from current operations	217	217	339	420	736
Investment operations					
Divestment of properties	-2	226	1,624	1,595	5,709
Acquisition of and investment in properties	-306	-439	-888	-1,345	-1,662
Change in shares in associated companies	0	1,353	0	1,383	1,383
Change in financial assets	0	5	0	8	12
Change in other non-current assets	16	-4	34	-6	-6
Cash flow from investment operations	-292	1,141	770	1,635	5,436
Financing operations					
Change in interest-bearing liabilities	435	-1,252	-705	-1,866	-5,999
Change financial instruments	0	0	0	0	-73
Hybrid bond	-185	-39	-265	-98	-138
Change in holding without controlling influence	0	0	-4	0	0
Cash flow from financing operations	251	-1,291	-974	-1,964	-6,210
Cash flow for the period	175	67	135	90	-39
Liquid funds at the beginning of the period	334	438	365	407	407
Exchange rate differences in liquid funds	-4	-6	4	2	-4
Liquid funds at the end of the period	504	499	504	499	365

Parent Company Income Statement *Summary*

SEKm	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023 12 months Jan-Dec
Net sales	310	323	433
Cost of services sold	-310	-323	-433
Gross profit	0	0	0
Central administration	0	0	-1
Operating profit	0	0	-1
Changes in value, derivatives	-11	-21	-19
Net financial items	325	517	-1,042
Profit before tax	314	496	-1,062
Taxes	2	-101	-122
Net profit for the period	316	395	-1,184
Other comprehensive income	—	—	—
Comprehensive income for the period	316	395	-1,184

Parent Company Balance Sheet *Summary*

SEKm	2024 30 Sep	2023 30 Sep	2023 31 Dec
ASSETS			
Other intangible fixed assets	1,029	1,839	1,029
Machinery and equipment	33,511	36,013	31,742
Participation rights in associated companies	0	—	0
Receivables from group companies	6	50	4
Deferred tax asset	1	67	8
Cash and bank deposits	313	214	1,134
TOTAL ASSETS	34,860	38,184	33,917
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	8,165	10,088	8,444
Interest-bearing liabilities	10,741	12,399	12,277
Derivatives	132	123	121
Liabilities to group companies	15,636	15,359	12,946
Accounts payable	0	0	0
Other liabilities	164	176	92
Accrued expenses and prepaid income	22	39	37
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	34,860	38,184	33,917

Key ratios

	2024 3 months Jul-Sep	2023 3 months Jul-Sep	2024 9 months Jan-Sep	2023 9 months Jan-Sep	2023/2024 Rolling 12 months Oct-Sep	2023 12 months Jan-Dec
FINANCIAL						
Equity ratio, %	33	34	33	34	33	33
Interest coverage ratio	1.8	2.2	2.1	2.4	2.1	2.3

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 as a percentage of total assets.

¹ Excluding site leasehold expenses and exchange rate differences.

² Equity attributable to the Parent Company's shareholders.

Calendar

FINANCIAL REPORTS

Year-end report 2024	13 February 2025
Interim report January–March 2025	23 April 2025

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