

COREM KELLY AB

PART OF **corem**

Press release

13 July 2022

Interim report January – June 2022

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–JUNE 2022

- Income amounted to SEK 1,680 million (1,609).
- Profit from property management amounted to SEK 710 million (600).
- Profit before tax amounted to SEK 2,253 million (1,850) and net profit, attributable to the parent company's shareholders, totalled SEK 2,308 million (1,588).
- Investments amounted to SEK 1,020 million (1,060).
- Changes in value of properties amounted to SEK 525 million (1,094).
- The interest coverage ratio amounted to 3.2 (2.5), leverage to 53 per cent (51) and the equity ratio to 39.7 per cent (37.2).

EVENTS DURING THE SECOND QUARTER

- On 28 April 2022, Corem Kelly divested and handed over 25 properties to the company that Corem has established together with ALM Equity for development of rental housing for own management. As of 30 June 2022, Corem Kelly's ownership in that company (Klöver) amounted to 49.4 per cent. The holding is reported as shares in associated companies.

FINANCING

On 30 June 2022, the interest-bearing liabilities amounted to SEK 37,100 million (36,741), of which SEK 5,621 million was debt to the parent company. Accrued borrowing overheads totalled SEK 145 million, which means that the reported interest-bearing liabilities in the balance sheet total SEK 36,955 million (36,597). Net financial items, including residential development, amounted during the quarter to SEK –146 million (–190), of which financial income accounted for SEK 14 million (5) and site leasehold expenses amounted to SEK –11 million (–12).

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. Corem Kelly's commercial paper programme was phased out during the quarter and is replaced on a group level by Corem Property Group's programme.

Derivatives effectively limit the interest rate risk. The effect of larger interest rate increases is significantly limited by interest rate caps. Changes in value of derivatives totalled SEK 478 million (–14) during the quarter. As of 30 June, the value was SEK 1 237 million (220). 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. Corem Kelly's assessment is that there is no significant difference between the book value and the fair value of interest-bearing liabilities.

Corem Kelly AB (publ)

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