

# Year-end Report January–December 2024

**COREM KELLY AB**

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This year-end report for 2024 has been prepared for the purpose of complying with the terms of Corem Kelly AB's (publ) bond and loan agreements.

## January–December 2024

- » Income amounted to SEK 3,283 million (3,583).
- » Profit from property management amounted to SEK 887 million (1,231).
- » Profit before tax amounted to SEK –899 million (–8,285).

### **EVENTS DURING THE FOURTH QUARTER**

- » Bonds with an outstanding amount of SEK 314 million, due in February 2025, were redeemed during the quarter.
- » Hybrid bonds of SEK 20 million were repurchased during the quarter.

### **EVENTS AFTER THE END OF THE YEAR**

- » Bonds, with maturity in February 2025, were redeemed at maturity. Outstanding amount was then SEK 1,403 million

# Income, expenses and profit

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 October–December and the year refers to January–December.

## INCOME, EXPENSES AND PROFIT

Income amounted to SEK 825 million (888) during the fourth quarter and SEK 3,283 million (3,583) during the year. Property costs amounted to SEK 338 million (355) during the quarter and SEK 1,237 million (1,199) during the year. The operating surplus amounted to SEK 487 million (533) during the quarter and SEK 2,046 million (2,384) during the year. The operating margin amounted to 59 per cent (60) during the quarter and 62 per cent (67) during the year. Profit from property management amounted to SEK 145 million (229) during the quarter and SEK 887 million (1,231) during the year. Profit before tax amounted to SEK –1,012 million (–3,084) during the quarter and SEK –899 million (–8,285) during the year.

## TAXES

During the year, deferred tax amounted to SEK 49 million (914) and current tax to SEK –28 million (–39).

## CASH FLOW

The cash flow from current operations before change in working capital amounted to SEK 544 million (736) during the year. Investment operations have affected the cash flow by a net SEK 570 million (5,436).

Financing operations have affected the cash flow by SEK –1,005 million (–6,210). In total, the cash flow amounted to SEK 110 million (–39). Liquid assets at the end of the year amounted to SEK 488 million, compared to SEK 365 million as of 31 December 2023.

# Financing

On 31 December 2024, the external interest-bearing liabilities amounted to SEK 20,211 million (24,986). In addition, there is debt to the parent company of SEK 10,567 million (6,229). Accrued borrowing overheads amounted to SEK 197 million, which means that the reported interest-bearing liabilities in the balance sheet amounts to SEK 30,581 million (31,010). Net financial items during the quarter amounted to SEK –308 million (–268), of which financial income accounted for SEK 3 million (6) and site leasehold expenses amounted to SEK –18 million (–18). The interest coverage ratio amounted to 1.9 multiples (2.3) during the year.

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 1,698 million (4,535) at the end of the year.

To limit the interest rate risk, derivatives and interest rate caps are used. Changes in value of derivatives totalled SEK –292 million (–876). As of 31 December 2024, the net market value of the interest derivative portfolio amounted to SEK 133 million (425).

Unrealized changes in value of derivatives do not affect the cash flow as the value of the derivatives at the end of the term is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the period.

## FIXED INTEREST AND TIED-UP CAPITAL

Maturity year	Fixed interest		Tied-up capital		
	Loan volume, SEKm	Contract volume, SEKm	Utilised, SEKm	Of which outstanding bonds, SEKm	Not utilised, SEKm
Variable <sup>1)</sup>	6,857	—	—	—	—
2025	4,000	15,341	14,291	1,698	1,050
2026	—	1,437	1,437	—	—
2027	1,286	844	844	—	—
2028	784	620	620	—	—
2029	6,784	917	917	—	—
Later	500	2,102	2,102	—	—
<b>Total</b>	<b>20,211</b>	<b>21,261</b>	<b>20,211</b>	<b>1,698</b>	<b>1,050</b>

1) Of the floating volume, SEK 900 million is covered by the interest rate cap.

# The property portfolio

## COMMERCIAL PROJECTS

As of 31 December 2024, the remaining investment volume of ongoing projects amounted to SEK 1,054 million. At the same time, there were altogether four projects with an estimated investment exceeding SEK 50 million each. These projects encompass in total 36,309 sq.m. and have a total remaining investment of SEK 661 million. The two largest ongoing projects are the construction of two high-quality office buildings on Manhattan, New York. The projects are named 28&7 and 1245 Broadway. Both buildings have reached exterior completion. Letting is ongoing and interior tenant customization will continue.

## COREM KELLY'S LARGEST ONGOING COMMERCIAL PROJECTS

City	Property	Description	Let area, sq.m.	Project area, sq.m.	Estimated investment, SEKm	Remaining investment, SEKm	Rental value, SEKm	Completion, year/quarter
New York	1245 Broadway <sup>1</sup>	New construction, office premises	13,521	17,575	2,101	406	226	25Q3
New York	28&7 <sup>1</sup>	New construction, office premises	8,857	9,291	1,100	117	101	25Q2
Stockholm	Helgafjäll 5	Tenant adaptation	6,038	6,038	84	82	15	25Q3
Gothenburg	Majorna 219:7	Tenant adaptation	3,405	3,405	56	56	10	26Q2
<b>TOTAL</b>			<b>31,821</b>	<b>36,309</b>	<b>3,341</b>	<b>661</b>	<b>352</b>	

1) Estimated and remaining investment of projects in New York are based on the SEK/USD-rate on 31 December 2024.

## PROPERTIES AND CHANGES IN VALUE

On 31 December 2024, Corem Kelly's property portfolio consisted of 249 investment properties (261) with a total lettable area of 1,973 tsq.m. (2,020), a fair value of SEK 49,873 million (51,382) and a rental value of SEK 3,916 million (3,827).

The changes in value of Corem Kelly's investment properties totalled SEK -1,507 million (-7,519) during the year. The changes in value include realized changes in value of SEK 0 million (-146) and unrealized changes in value of SEK -1,513 million (-7,373). On average, Corem Kelly's property portfolio, as at 31 December 2024, has been valued with a yield requirement of 6.0 per cent (5.8).

Corem Kelly values 100 per cent of the property portfolio every quarter, of which 20 to 30 per cent are normally valued externally. The external valuations were performed by Bryggan, Cushman & Wakefield, Newmark, Newsec and Savills. As a basic rule, every property is valued externally at least once a year, but exceptions can be made for individual properties. All properties are classified at Level 3 in accordance with IFRS 13. See Corem Kelly's annual report for a detailed description of valuation principles.

## PROPERTIES: FAIR VALUE

	2024 Jan-Dec	2023 Jan-Dec
Total at the start of the year	51,382	63,382
Acquisitions	—	—
Investments	1,249	1,662
Divestments	-1,798	-6,237
Changes in value, unrealised	-1,513	-7,373
Currency conversion	552	-51
<b>TOTAL AT THE END OF THE PERIOD</b>	<b>49,873</b>	<b>51,382</b>

## INCOME STATEMENT ITEMS AND INVESTMENTS PER ORGANIZATIONAL UNIT

	Income, SEKm		Property costs, SEKm		Net operating income, SEKm		Operating margin, %		Investments, SEKm	
	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
Stockholm	1,778	1,851	-704	-678	1,074	1,173	60	63	275	514
East	668	716	-224	-234	444	482	66	67	162	419
West	638	636	-219	-218	419	418	66	66	139	130
International – Copenhagen	66	271	-23	-34	43	237	65	87	39	28
International – New York	133	109	-73	-35	66	74	45	68	634	841
<b>Total</b>	<b>3,283</b>	<b>3,583</b>	<b>-1,237</b>	<b>-1,199</b>	<b>2,046</b>	<b>2,384</b>	<b>62</b>	<b>67</b>	<b>1,249</b>	<b>1,662</b>

## KEY RATIOS PER ORGANIZATIONAL UNIT

	No. of properties		Fair value, SEKm		Rental value, SEKm		Economic occupancy rate, %		Lettable area, 000 sq.m.	
	2024 31 Dec	2023 31 Dec	2024 31 Dec	2023 31 Dec	2024 31 Dec	2023 31 Dec	2024 31 Dec	2023 31 Dec	2024 31 Dec	2023 31 Dec
Stockholm	92	98	25,728	27,752	2,142	2,140	83	83	949	970
East	69	72	8,082	7,977	764	728	88	90	515	521
West	81	83	8,298	7,982	743	711	87	88	454	461
International – Copenhagen	4	5	1,507	2,138	75	118	64	82	38	56
International – New York	3	3	6,258	5,533	192	130	91	100	17	12
<b>Total</b>	<b>249</b>	<b>261</b>	<b>49,873</b>	<b>51,382</b>	<b>3,916</b>	<b>3,827</b>	<b>85</b>	<b>86</b>	<b>1,973</b>	<b>2,020</b>

1) Rental value, Economic occupancy rate and Lettable area refer to active leasing contracts.

## Other information

### SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

A real estate company is exposed to various risks in its business activities. Internal regulations and policies limit exposure to different risks. Corem Kelly's significant risks and exposure and their management are described in Corem Kelly's annual report.

### DISPUTES

Corem Kelly has no ongoing disputes that can have a significant profit impact.

### 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. 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, 13 February 2025  
Corem Property Group AB (publ)

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

## Consolidated Income Statement *Summary*

SEKm	2024 3 months Oct-Dec	2023 3 months Oct-Dec	2023/2024 Rolling 12 months Jan-Dec	2023 12 months Jan-Dec
Income	825	888	3,283	3,583
Property costs	-338	-355	-1,237	-1,199
<b>Net operating income</b>	<b>487</b>	<b>533</b>	<b>2,046</b>	<b>2,384</b>
Central administration	-34	-36	-140	-147
Net financial items	-308	-268	-1,019	-1,006
<b>Profit from property management</b>	<b>145</b>	<b>229</b>	<b>887</b>	<b>1,231</b>
Net profit, residential development	0	—	-1	—
Share of earnings in associated companies	0	-0	0	-1,076
Value changes, properties	-1,215	-2,578	-1,513	-7,519
Value changes, derivatives	144	-728	-292	-877
Value changes, other assets	-7	-6	102	-4
Group contribution	-77	—	-77	—
Impairment, goodwill	-2	-1	-5	-41
<b>Profit/loss before tax</b>	<b>-1,012</b>	<b>-3,084</b>	<b>-899</b>	<b>-8,285</b>
Tax	179	332	21	875
<b>Net profit/loss for the period</b>	<b>-833</b>	<b>-2,752</b>	<b>-878</b>	<b>-7,410</b>
<i>Net profit for the year attributable to:</i>				
Parent Company shareholders	-833	-2,755	-879	-7,381
Holdings without controlling influence	0	3	1	-29
<b>Net profit for the period</b>	<b>-833</b>	<b>-2,752</b>	<b>-878</b>	<b>-7,410</b>

## Consolidated Report of Comprehensive Income *Summary*

SEKm	2024 3 months Oct-Dec	2023 3 months Oct-Dec	2023/2024 Rolling 12 months Jan-Dec	2023 12 months Jan-Dec
<b>Net profit for the period</b>	<b>-833</b>	<b>-2,752</b>	<b>-878</b>	<b>-7,410</b>
<b>Other comprehensive income, items which may later be reversed in the income statement</b>				
Translation difference regarding foreign operations	449	-615	436	-300
<b>Net profit for the period</b>	<b>-384</b>	<b>-3,367</b>	<b>-442</b>	<b>-7,710</b>
<i>Comprehensive income for the period attributable to:</i>				
The parent company's shareholders	-384	-3,370	-443	-7,681
Holdings without controlling influence	0	3	1	-29
<b>Net profit for the period</b>	<b>-384</b>	<b>-3,367</b>	<b>-442</b>	<b>-7,710</b>

## Consolidated Balance Sheet *Summary*

SEKm	2024 30 Dec	2023 31 Dec
<b>ASSETS</b>		
Goodwill	98	103
Investment properties	49,873	51,382
Right of use assets	1,466	1,188
Machinery and equipment	36	56
Participation rights in associated companies	—	0
Financial assets at fair value through statement of income	1,469	1,351
Derivatives	202	576
Properties classified as current assets	0	290
Other receivables	831	857
Liquid funds	488	365
<b>TOTAL ASSETS</b>	<b>54,463</b>	<b>56,168</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Equity attributable to the parent company's shareholders	17,520	18,598
Equity attributable to holdings without controlling influence	0	14
Deferred tax liability	3,622	3,720
Interest-bearing liabilities	30,581	31,010
Derivatives	69	151
Leasing liabilities	1,466	1,188
Accounts payable	122	127
Other liabilities	190	167
Accrued expenses and prepaid income	893	1,193
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>54,463</b>	<b>56,168</b>

## Change in Consolidated Shareholders' Equity *Summary*

SEKm	The parent company's shareholders	Holdings without Controlling influence	Total shareholders' equity
Opening equity 01.01.2023	26,745	43	26,788
Dividend	-329	—	-329
Hybrid bond	-138	—	-138
Change in holding without controlling influence	—	0	0
Other comprehensive income	-300	—	-300
Comprehensive income for the period	-7,381	-29	-7,410
<b>Shareholders' equity 31.12.2023</b>	<b>18,598</b>	<b>14</b>	<b>18,612</b>
Dividend	-329	—	-329
Hybrid bond	-318	—	-318
Change in holding without controlling influence	11	-15	-4
Other comprehensive income	436	—	436
Comprehensive income for the period	-879	1	-878
<b>Shareholders' equity 31.12.2024</b>	<b>17,520</b>	<b>0</b>	<b>17,520</b>

# Consolidated Cash Flow Statement *Summary*

SEKm	2024 3 months Oct-Dec	2023 3 months Oct-Dec	2024 12 months Jan-Dec	2023 12 months Jan-Dec
<b>Current operations</b>				
Operating surplus including central administration	453	497	1,905	2,237
Adjustment for items not included in the cash flow	5	5	18	20
Interest received	7	47	80	61
Interest paid	-247	-300	-1,035	-1,031
Income tax paid	-9	0	-9	-2
<b>Cash flow from current operations before change in working capital</b>	<b>208</b>	<b>248</b>	<b>959</b>	<b>1,286</b>
<b>Changes in working capital</b>				
Change in properties classified as current assets	0	-21	-2	-84
Change in operating receivables	44	103	-58	91
Change in operating liabilities	-47	-14	-355	-557
<b>Total change in working capital</b>	<b>-3</b>	<b>68</b>	<b>-415</b>	<b>-550</b>
<b>Cash flow from current operations</b>	<b>205</b>	<b>317</b>	<b>544</b>	<b>736</b>
<b>Investment operations</b>				
Divestment of properties	152	4,114	1,775	5,709
Acquisition of and investment in properties	-350	-317	-1,237	-1,662
Change in shares in associated companies	0	0	0	1,383
Change in financial assets	0	6	0	12
Change in other non-current assets	-2	-2	33	-6
<b>Cash flow from investment operations</b>	<b>-200</b>	<b>3,801</b>	<b>570</b>	<b>5,436</b>
<b>Financing operations</b>				
Change in interest-bearing liabilities	22	-4,133	-683	-5,999
Change financial instruments	0	-73	0	-73
Hybrid bond	-52	-40	-318	-138
Change in holding without controlling influence	0	0	-4	0
<b>Cash flow from financing operations</b>	<b>-31</b>	<b>-4,246</b>	<b>-1,005</b>	<b>-6,210</b>
<b>Cash flow for the period</b>	<b>-26</b>	<b>-129</b>	<b>110</b>	<b>-39</b>
Liquid funds at the beginning of the period	504	499	365	407
Exchange rate differences in liquid funds	8	-5	13	-4
<b>Liquid funds at the end of the period</b>	<b>488</b>	<b>365</b>	<b>488</b>	<b>365</b>

## Parent Company Income Statement *Summary*

SEKm	2024 12 months Jan-Dec	2023 12 months Jan-Dec
Net sales	410	433
Cost of services sold	-410	-433
<b>Gross profit</b>	<b>0</b>	<b>0</b>
Central administration	0	-1
<b>Operating profit</b>	<b>0</b>	<b>-1</b>
Changes in value, derivatives	64	-19
Net financial items	833	-1,042
<b>Profit/loss before tax</b>	<b>897</b>	<b>-1,062</b>
Taxes	-13	-122
<b>Net profit/loss for the period</b>	<b>884</b>	<b>-1,184</b>
Other comprehensive income	—	—
<b>Comprehensive income for the period</b>	<b>884</b>	<b>-1,184</b>

## Parent Company Balance Sheet *Summary*

SEKm	2024 31 Dec	2023 31 Dec
<b>ASSETS</b>		
Other intangible non-current assets	1,306	1,029
Receivables from group companies	29,797	31,742
Deferred tax receivable	—	4
Other receivables	2	8
Cash and cash equivalents	229	1,134
<b>TOTAL ASSETS</b>	<b>31,334</b>	<b>33,917</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	8,681	8,444
Deferred tax liability	9	—
Interest-bearing liabilities	8,833	12,277
Derivatives	57	121
Liabilities to group companies	13,651	12,946
Other liabilities	82	92
Accrued expenses and prepaid income	21	37
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31,334</b>	<b>33,917</b>

# Key ratios

	2024 3 months Oct-Dec	2023 3 months Oct-Dec	2024	2023	2022
<b>PROPERTY</b>					
Number of properties	249	261	249	261	306
Lettable area, 000 sq.m.	1,973	2,020	1,973	2,020	2,255
Rental value, SEKm	3,916	3,827	3,916	3,827	3,867
Rental value per lettable area, SEK/sq.m.	1,985	1,895	1,985	1,895	1,715
Fair value investment properties, SEKm	49,873	51,382	49,873	51,382	63,382
Yield requirement valuation, %	6.0	5.8	6.0	5.8	5.1
Operating margin, %	59	60	62	67	63
Occupancy rate, economic, %	85	86	85	86	88
Occupancy rate, area, %	75	77	75	77	80
Average lease term, years	3.1	3.2	3.1	3.2	3.7
<b>FINANCIAL</b>					
Equity ratio, %	32	33	32	33	37
Leverage, %	38	46	38	46	49
Interest coverage ratio	1.5	1.9	1.9	2.3	2.9
Interest-bearing liabilities, SEKm	20,211	24,986	20,211	24,986	33,079

# Definitions

## PROPERTY

### **Changes in value properties, realized**

Property divestments after deduction of the properties' most recent fair value and selling expenses.

### **Changes in value properties, unrealized**

Change in fair value excluding acquisitions, divestments, investments and currency conversion.

### **Development portfolio**

Properties where conversion or extension projects are in process or planned, which lead to a higher standard or changed use of premises.

### **Investment portfolio**

Properties currently being actively managed.

### **Investment properties**

The term investment properties in the balance sheet includes the investment portfolio as well as the development portfolio.

### **Occupancy rate, area-based**

Let area in relation to total lettable area.

### **Occupancy rate, economic**

Contract value in relation to rental value.

### **Operating margin**

Operating surplus in relation to income.

### **Properties classified as current assets**

Properties with ongoing production of tenant-owned apartments or which are intended for future tenant-owned production.

### **Rental value**

Contract value plus assessed market rent for area not rented.

### **Yield requirement, valuation**

The required yield of property valuations on the residual value.

## FINANCIAL

### **Interest coverage ratio**

Profit from property management plus share of associated companies' profit from property management, excluding financial expenses<sup>1</sup>, divided by financial expenses<sup>1</sup>.

### **Leverage**

Interest-bearing liabilities after deduction for the market value of listed shareholdings, interestbearing assets and liquid funds, in relation to the fair value of the properties, the holding in Klövern and the shares in associated companies.

### **Equity ratio**

Equity<sup>2</sup> 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

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Interim information January–March 2025	23 April 2025
Interim report January–June 2025	11 July 2025
Interim information January–September 2025	23 October 2025

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This 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 CET on 13 February 2025.

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.

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