

Interim report

HL18 Property Portfolio AB (publ)

559337-2559

Period

Q3 2025

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Interim report January - Sep 2025

Financial overview

The company continued to focus on stabilising property management and improving operating efficiency. Asset and tenant reviews were prioritised to distinguish immediate from long-term needs; selective CAPEX discussions were initiated to support future earnings.

Significant events during the period

Consolidated portfolio and tenant reviews were carried out, with initial technical assessments. Security procedures and tenant management practices were strengthened across the portfolio.

Significant events after the end of the period

Active tenant dialogues and operational follow-ups continued. Preparations for targeted fit-outs and maintenance, ongoing security measures at selected assets, re-letting initiatives following a tenant insolvency, and evaluations of potential non-core disposals.

Key metrics, amounts in SEK thousand	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	LTM 24/25	2024 Jan-Dec
Rental income	14 665	15 504	42 477	46 762	56 730	61 014
Net operating income	11 362	17 190	30 248	40 048	41 197	50 998
Change in value of investment properties	-	-	-	7 152	74 073	81 225
Net income for the period	-5 040	-2 301	-21 014	-6 771	33 296	47 538
Cash and cash equivalents	13 680	4 848	13 680	4 848	13 680	30 298
Total assets	827 815	753 533	827 815	753 533	827 815	847 901
Equity ratio (%)	17,2%	13,3%	17,2%	13,3%	17,2%	19,4%
Interest coverage ratio (multiple)	0,62x	0,88x	0,49x	0,66x	0,30x	0,43x

For definitions of the key metrics presented above, see note K1 page 8 of the Consolidated financial statements of HL18 Property Portfolio AB (publ) as of the financial year ended 31 December 2024.

Condensed consolidated statement of profit or loss

SEK thousand	Note	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Rental income	3	14 665	15 504	42 477	46 762	61 014
Other operating income		322	2 002	1 124	2 647	4 587
Operating income		14 986	17 506	43 601	49 409	65 601
Property management		-3 624	-316	-13 354	-9 361	-14 604
Net operating income		11 362	17 190	30 248	40 048	50 998
Central administration		-3 019	-3 822	-10 122	-13 128	-17 283
Write-down of current assets		-	-	-	-	-10 507
Income before value changes, financial items and taxes		8 342	13 368	20 125	26 920	23 208
Finance income		3	-	25	-	412
Finance expenses		-13 466	-15 228	-41 275	-40 843	-53 999
Income from property management		-5 120	-1 860	-21 125	-13 923	-30 379
Change in value of investment properties	4	-	-	-	7 152	81 225
Income before taxes		-5 120	-1 860	-21 125	-6 771	50 846
Current tax		-	-4	-8	-	-2 806
Deferred tax		80	-437	119	-	-502
Net income for the period		-5 040	-2 301	-21 014	-6 771	47 538

The net income for the period is equal to the comprehensive income for the period.

The condensed consolidated statement of profit or loss for the periods Jul – Sep 2024 and January – Sep 2024 has been restated. For further details, see Note 7.

Condensed consolidated statement of financial position

SEK thousand	Note	30 Sep 2025	30 Sep 2024	31 Dec 2024
Fixed assets				
Investment properties	4	788 700	714 627	788 700
Financial fixed assets		799	799	799
Total fixed assets		789 499	715 426	789 499
Current assets				
Rent receivables		8 290	11 086	4 298
Other receivables		4 969	-	12 101
Prepaid expenses and accrued income		11 376	22 173	11 705
Cash and cash equivalents		13 680	4 848	30 298
Total current assets		38 316	38 107	58 402
TOTAL ASSETS		827 815	753 533	847 901
Equity				
Share capital		500	500	500
Other capital contribution		388 904	378 904	388 904
Retained earnings including net income for the period		-246 191	-279 486	-225 177
Total equity attributable to the shareholders of the parent company		143 213	99 918	164 227
Total equity		143 213	99 918	164 227
Non-current liabilities				
Deferred tax liabilities		7 612	6 792	7 731
Bond loans	5	647 548	-	630 380
Other non-current liabilities		65	65	65
Total non-current liabilities		655 224	6 857	638 176
Current liabilities				
Bond loans	5	-	551 856	-
Accounts payable		3 943	23 845	18 483
Current tax liabilities		-	14 786	4 956
Other liabilities		17 269	11 822	13 192
Accrued expenses and prepaid income		12 148	44 448	8 866
Total current liabilities		33 359	646 758	45 498
TOTAL EQUITY AND LIABILITIES		831 797	753 532	847 901

The condensed consolidated statement of financial position as of 30 Sep 2024 has been restated. For further details, see Note 7.

Condensed consolidated statement of changes in equity

SEK thousand	Share capital	Other capital contribution	Retained earnings including net income for the period	Total equity
Equity, 1 Jan 2024	500	378 904	-272 715	106 689
Comprehensive income				
Net income for the period	-	-	-6 771	-6 771
Total comprehensive income	-	-	-6 771	-6 771
Equity, 30 Sep 2024	500	378 904	-279 485	99 919
Equity, 1 Jan 2025	500	388 904	-225 177	164 227
Comprehensive income				
Net income for the period	-	-	-21 014	-21 014
Total comprehensive income	-	-	-21 014	-21 014
Equity, 30 Sep 2025	500	388 904	-246 191	143 213

The condensed consolidated statement of changes in equity as of 30 Sep 2024 has been restated. For further details, see Note 7.

Condensed consolidated statement of cash flow

SEK thousand	Note	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Operating activities						
Net operating income		11 362	17 190	30 248	40 048	50 998
Central administration costs		-3 019	-3 822	-10 122	-13 128	-17 283
Adjustment for non-cash items		-	-0	-	4 958	-
Interest received		3	-	25	-	15
Interest paid		-7 743	-13 724	-24 107	-37 141	-10 174
Tax paid		-5 654	-	-8 946	-	-133
Cash flow before change in working capital		-5 052	-356	-12 903	-5 263	23 423
Changes in working capital						
Change in current receivables		-1 418	-3 904	1 253	7 652	9 516
Change in current liabilities		3 884	4 539	-7 184	1 260	-25 004
Cash flow from operating activities		-2 586	279	-18 834	3 649	7 935
Financing activities						
Proceeds from borrowings		-	-	2 216	-	44 600
Transaction costs from borrowings		-	-	-	-	-23 436
Cash flow from financing activities		-	-	2 216	-	21 164
Cash flow for the period		-2 586	279	-16 618	3 649	29 099
Opening cash and cash equivalents		16 266	4 569	30 298	1 199	1 199
Closing cash and cash equivalents		13 680	4 848	13 680	4 848	30 298

The condensed consolidated statement of cash flow for the periods Jul – Sep 2024 and January – Sep 2024 has been restated. For further details, see Note 7.

Parent company's income statement

SEK thousand	Note	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Operating income						
Net sales		-	1 241	-	2 668	2 668
Total operating income		-	1 241	-	2 668	2 668
Operating expenses						
Other external expenses		-2 307	-1 928	-8 233	-2 218	-9 125
Total operating expenses		-2 307	-1 928	-8 233	-2 218	-9 125
Operating profit/loss		-2 307	-687	-8 233	450	-6 457
Financial items						
Interest income and similar items		7 658	-	23 652	-	36 782
Interest expenses and similar items		-13 516	-13 526	-41 204	-40 582	-53 129
Loss from shares in group companies		-	-	-	-	-117 299
Total financial items		-5 857	-13 526	-17 552	-40 582	-133 645
Profit/loss after financial items		-8 164	-14 213	-25 785	-40 132	-140 102
Appropriations						
Group contributions		-	-	-	-	9 289
Total appropriations		-	-	-	-	9 289
Profit/loss before tax		-8 164	-14 213	-25 785	-40 132	-130 812
Income tax expense		-	-	-	-	-773
Net income for the period		-8 164	-14 213	-25 785	-40 132	-131 585

The net income for the period is equal to the comprehensive income for the period.

The income statement for the periods Jul – Sep 2024 and January – Sep 2024 has been restated. For further details, see Note 7.

Parent company's balance sheet

SEK thousand	Note	30 Sep 2025	30 Sep 2024	31 Dec 2024
Non-current assets				
Financial assets				
Shares in subsidiaries	6	38 507	40 805	23 507
Total financial assets		38 507	40 805	23 507
Current assets				
Current receivables				
Receivables from group companies		672 036	733 568	684 926
Other receivables		1 413	1 597	8 333
Prepaid expenses and accrued income		519	6 872	310
Total current receivables		673 969	742 037	693 569
Cash and cash equivalents				
Cash and cash equivalents		1 197	403	18 316
Total cash and cash equivalents		1 197	403	18 316
Total current assets		675 166	742 440	711 885
TOTAL ASSETS		713 672	783 245	735 391
Equity				
Restricted equity				
Share capital		500	500	500
Total restricted equity		500	500	500
Unrestricted equity				
Contributed capital		388 904	378 904	388 904
Retained earnings including net income for the period		-328 647	-211 408	-302 862
Total unrestricted equity		60 257	167 496	86 042
Total equity		60 757	167 996	86 542
Non-current liabilities				
Bond loans		647 548	-	630 380
Total non-current liabilities		647 548	-	630 380
Current liabilities				
Bond loans		-	551 856	-
Accounts payable		74	1 840	14 687
Current tax liabilities		773	-	773
Liabilities to group companies		-	20 837	-
Other current liabilities		388	-	388
Accrued expenses and prepaid income		4 133	40 716	2 621
Total current liabilities		5 368	615 249	18 469
TOTAL EQUITY AND LIABILITIES		713 672	783 245	735 391

The balance sheet as of 30 Sep 2024 has been restated. For further details, see Note 7.

Parent company's statement of changes in equity

SEK thousand	Unrestricted equity			Total equity
	Share capital	Contributed capital	Retained earnings including net income for the period	
Equity, 1 Jan 2024	500	378 904	-171 276	208 128
Net income for the period	-	-	-40 132	-40 132
Equity, 30 Sep 2024	500	378 904	-211 408	167 996
Equity, 1 Jan 2025	500	388 904	-302 862	86 542
Net income for the period	-	-	-25 785	-25 785
Equity, 30 Sep 2025	500	388 904	-328 647	60 757

The share capital as of 30 Sep 2025 consisted of 500 000 (500 000) shares with one vote per share and a quotient value of SEK 1 (1) per share.

The statement of changes in equity as of 30 Sep 2024 has been restated. For further details, see Note 7.

Parent company's statement of cash flow

SEK thousand	Note	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Operating activities						
Operating profit/loss		-2 307	-687	-8 233	450	-6 457
Adjustments for non-cash items		-	-	-	-	2 394
Interest received		2	-	24	-	6
Interest paid		-7 720	-13 526	-23 968	-40 582	-9 304
Cash flow before change in working capital		-10 025	-14 213	-32 177	-40 132	-13 361
Changes in working capital						
Change in current receivables		9 844	-4 500	25 944	-11 809	-12 453
Change in current liabilities		-24	18 713	-13 102	51 941	22 563
Cash flow from operating activities		-205	-	-19 335	-	-3 251
Financing activities						
Proceeds from borrowings		-	-	2 216	-	44 600
Transaction costs from borrowings		-	-	-	-	-23 436
Cash flow from financing activities		-	-	2 216	-	21 164
Cash flow for the period		-205	-	-17 119	-	17 913
Opening cash and cash equivalents		1 402	403	18 316	403	403
Closing cash and cash equivalents		1 197	403	1 197	403	18 316

The statement of cash flow for the periods Jul – Sep 2024 and January – Sep 2024 has been restated. For further details, see Note 7.

Note 1 - Significant accounting principles

General information

The Consolidated financial statements comprise of the Parent Company HL18 Property Portfolio AB (publ), with corporate identity number 559337-2559, and its subsidiaries. The Group's primary operation is property management. The Parent Company has its registered office in Stockholm, Sweden. The address of the head office is Villagatan 13A, 114 32 Stockholm.

Standards and legislation applied

The consolidated financial statements have been prepared in accordance with IFRS® accounting standards ("IFRS") as adopted by the European Union ("EU"). The Group's interim report is prepared in accordance with IAS 34 Interim financial reporting and applicable parts of the Swedish Annual Accounts Act (1995:1554). The interim report of the Parent company is prepared in accordance with the Swedish Annual Accounts Act chapter 9, Interim financial reporting and Recommendation RFR 2 Accounting for Legal Entities.

The Group and Parent Company have applied the same accounting principles, basis of calculation, and assumptions as those applied in the Consolidated financial statements of HL18 Property Portfolio AB (publ) as of and for the financial year ended 31 December 2024. For a complete description of the Group's and Parent Company's applied accounting principles, see note K1 & M1 of the Consolidated financial statements of HL18 Property Portfolio AB (publ) as of and for the financial year ended 31 December 2024. In addition to the financial statements, disclosures in accordance with IAS 34 appear in the remainder of this interim report.

All amounts in the notes are presented in thousands of Swedish krona ("SEK thousand"), unless otherwise indicated.

Note 2 - Key estimates and assumptions

In preparing the interim financial statements, corporate management and the Board of Directors must make certain assessments and assumptions that impact the carrying amount of asset and liability items and revenue and expense items, as well as other information provided. The actual outcome may then differ from these assessments if other conditions arise. Estimates and assumptions are reviewed on a regular basis.

Investment properties

When valuing investment properties, assumptions and assessments are made of, among other things, future cash flows and the determination of a discounting factor (yield requirement). Uncertainty in these estimates and judgments may entail that the carried value of investment properties are adjusted in the next financial period. To reflect the uncertainty that exists in the assumptions and assessments made, a sensitivity analysis is presented in note 4.

Asset acquisitions versus business combinations

A company acquisition can be classified as either a business combination or an asset acquisition. A company acquisition whose primary purpose is acquiring a company's property (i.e. where the company's potential property management and administration are of secondary importance to the acquisition) is classified as an asset acquisition. Other company acquisitions are classified as business combinations.

For asset acquisitions, no deferred tax is recorded in the acquisition. Instead, a possible tax discount reduces the acquisition cost of the property, meaning that changes in value will be affected by the tax discount in the subsequent valuation.

No asset acquisitions or business combinations have occurred during the period.

Note 3 - Rental income

The lease maturity structure regarding the property portfolio is shown in the table below, where contract value refers to annual value.

Lease maturity structure per 30 Sep 2025	Number of contracts	Contract value	Proportion of value (%)
Due within 0-12 months	15	19 707	23%
Due within 1-2 years	19	9 836	12%
Due within 2-3 years	14	7 756	9%
Due within 3-4 years	1	3 553	4%
Due within 4-5 years	1	9 096	11%
Due later than 5 years	4	19 273	23%
Vacancy, rental value	E/T	15 733	19%
Total	54	84 954	100%

Lease maturity structure per 30 Sep 2024	Number of contracts	Contract value	Proportion of value (%)
Due within 0-12 months	5	1 360	1%
Due within 1-2 years	25	24 481	14%
Due within 2-3 years	11	19 201	11%
Due within 3-4 years	4	1 959	1%
Due within 4-5 years	2	57 699	33%
Due later than 5 years	4	55 085	32%
Vacancy, rental value	E/T	12 513	7%
Total	51	172 298	100%

Lease maturity structure per 31 Dec 2024	Number of contracts	Contract value	Proportion of value (%)
Due within 0-12 months	8	3 895	5%
Due within 1-2 years	15	10 983	14%
Due within 2-3 years	10	5 646	7%
Due within 3-4 years	1	3 553	5%
Due within 4-5 years	1	9 096	12%
Due later than 5 years	4	27 343	36%
Vacancy, rental value	E/T	15 733	21%
Total	39	76 248	100%

Contracted future rental income relating to the rental agreements for non-cancellable operating lease contracts can be seen from the table below.

Contracted future rental income	30 Sep 2025	30 Sep 2024	31 Dec 2024
Contracted rental income year 1	51 118	63 486	43 669
Contracted rental income year 2	74 945	101 406	84 202
Contracted rental income year 3	60 146	86 553	68 980
Contracted rental income year 4	50 883	71 484	64 180
Contracted rental income year 5	23 344	59 043	35 004
Contracted rental income later than 5 years	19 273	55 085	27 343
Total	279 709	437 056	323 377

Note 4 - Investment properties

Schedule of the changes during the period	30 Sep 2025	31 Dec 2024
Opening balance	788 700	714 627
Investments in existing properties	-	-7 152
Change in value	-	81 225
Closing balance	788 700	788 700

Investments during the period

No investments in existing properties have occurred during the period.

Valuation of the property portfolio

The same external valuation applied for the financial year ended 31 December 2024 has been applied in connection with this interim report. All external valuations were conducted by an external authorised and independent valuation agency and take place in accordance with IFRS 13 level 3.

Investment properties are valued based on a cash flow model, whereby each property is assessed individually on future earning capacity and the market's return requirements. At the end of the period, the property portfolio was valued at KSEK 788.700.

Valuation method

The discounted cash flow (DCF) model values a property based on the present value of its expected future cash flows and estimated residual value. The calculation period used in the valuation is 10–20 years.

The required rate of return has been assessed individually for each property. A present value calculation of all cash flows is performed in the model with a discount rate corresponding to the assumed required rate of return and the average inflation assumption during the calculation period. The required rate of return range is 5.5 – 8.00 per cent.

Sensitivity analysis

The estimation of the fair value of the properties is based on future income potential and the market's required rate of return and always involves some degree of uncertainty. The table below shows the change in fair value based on changes in individual valuation parameters.

Input data	Change	Increase	Decrease
Rent	+/- 5%	40 940	-40 953
Operating and maintenance costs	+/- 5%	-9 421	9 412
Vacancy	+ 3%	-36 776	N/A
Discount rate	+/- 0.5 pp	-29 830	31 341
Required rate of return	+/- 0.5 pp	-30 608	35 698

Note 5 - Bond loans

Schedule of the changes during the period	30 Sep 2025	31 Dec 2024
Opening balance	630 380	548 559
Additional loans	-	103 120
Transaction costs	-	-23 436
Effective interest rate	17 167	2 137
Closing balance	647 548	630 380

The bond loans due date, presented in the table below, shows when in time the credit agreements fall due for renegotiation or repayment.

Specification per 30 Sep 2025	Due date	Interest rate	Nominal value	Carrying amount
Senior Secured Floating Rate Bonds	2027-12-19	3M STIB + 2.25 p.p.	550 000	546 128
Senior Secured Floating Rate Bonds ("Interest bonds")	2027-12-19	3M STIB + 2.25 p.p.	53 120	52 746
Fixed Rate Super Senior Instrument	2027-12-19	Fixed 7.50 pp	50 000	48 672
Total			653 120	647 548

Specification per 31 Dec 2024	Due date	Interest rate	Nominal value	Carrying amount
Senior Secured Floating Rate Bonds	2027-12-19	3M STIB + 2.25 p.p.	550 000	530 882
Senior Secured Floating Rate Bonds ("Interest bonds")	2027-12-19	3M STIB + 2.25 p.p.	53 120	51 274
Fixed Rate Super Senior Instrument	2027-12-19	Fixed 7.50 pp	50 000	48 224
Total			653 120	630 380

Note 6 - Group companies

The Parent Company's holdings in direct and indirect subsidiaries included in the consolidated financial statements are shown in the following table:

Subsidiary	Corporate ID No.	Registered office	Share of equity
Oscarp 16 MID AB	559334-4012	Stockholm	100%
OP Tingsryd Öresund 2 AB	556654-5934	Stockholm	100%
OP Katrineholm AB	556612-2551	Stockholm	100%
OP Helsingborg Sutaren 14 AB	556972-1193	Stockholm	100%
OP Gotland Stenkyrka Stenstugu 1:27 AB	559320-6146	Stockholm	100%
OP Kalmar Stävlö 9:1 AB	559320-6138	Stockholm	100%
OP Flen Talja 1:26 AB	556988-9131	Stockholm	100%
OP Skövde Vidar 1 AB	556707-4561	Stockholm	100%
OP Trollhättan Kronhjorten 8 AB	559088-5819	Stockholm	100%
OP Nyköping Tömmen 2 AB	556893-3740	Stockholm	100%
OP Västerås AB	559178-6115	Stockholm	100%
OP Danmarkshuset AB	556742-3438	Stockholm	100%

Note 7 - Restatement

In connection with the preparation of this interim report, management has carried out a review of the historical financial statements prepared by the previous owners. As a result of this review, a number of errors have been identified. These are described in more detail below, separately for the Group and the Parent Company.

Restatement of the Group's financial statements as of and for the interim period ended 31 March 2024

During the first quarter of 2024, transaction costs amounting to SEK 1,137 thousand related to the Group's refinancing were incorrectly reported as Central administration costs in the Condensed consolidated statement of profit or loss. As part of this restatement, these costs have been reversed and instead recognized as Prepaid expenses in the Condensed consolidated statement of financial position. Consequently, the Condensed consolidated statement of changes in equity and the Condensed consolidated statement of cash flow have also been adjusted.

Restatement of the Group's financial statements as of and for the interim period ended 30 June 2024

During the first half of 2024, transaction costs amounting to SEK 4,624 thousand related to the Group's refinancing were incorrectly reported as Central administration costs in the Condensed consolidated statement of profit or loss. As part of this restatement, these costs have been reversed and instead recognized as Prepaid expenses in the Condensed consolidated statement of financial position. Consequently, the Condensed consolidated statement of changes in equity and the Condensed consolidated statement of cash flow have also been adjusted.

Furthermore, management fees totaling SEK 8,810 thousand have been reclassified from Property management to Central administration costs in the Condensed consolidated statement of profit or loss.

Restatement of the Group's financial statements as of and for the interim period ended 30 September 2024

During the first three quarters of 2024, transaction costs amounting to SEK 6,864 thousand related to the Group's refinancing were incorrectly reported as Central administration costs in the Condensed consolidated statement of profit or loss. As part of this restatement, these costs have been reversed and instead recognized as Prepaid expenses in the Condensed consolidated statement of financial position. Consequently, the Condensed consolidated statement of changes in equity and the Condensed consolidated statement of cash flow have also been adjusted.

Furthermore, several classification errors have been restated in the Condensed consolidated statement of profit or loss. As a result, Property management decreased by SEK 1,896 thousand, Central administration increased by SEK 11,257 thousand, and the net effect of these changes, amounting to SEK 9,361 thousand, has been recognized as Change in value of investment properties.

Restatement of the Parent Company's financial statements as of and for the interim period ended 31 March 2024

During the first quarter of 2024, transaction costs amounting to SEK 1,137 thousand related to the Group's refinancing were incorrectly reported as Other external expenses in the income statement. As part of this restatement, these costs have been reversed and instead recognized as Prepaid expenses in the balance sheet. Consequently, the Statement of changes in equity and the Statement of cash flow have also been adjusted.

Restatement of the Parent Company's financial statements as of and for the interim period ended 30 June 2024

During the first half of 2024, transaction costs amounting to SEK 4,624 thousand related to the Group's refinancing were incorrectly reported as Other external expenses in the income statement. As part of this restatement, these costs have been reversed and instead recognized as Prepaid expenses in the balance sheet. Consequently, the Statement of changes in equity and the Statement of cash flow have also been adjusted.

Restatement of the Parent Company's financial statements as of and for the interim period ended 30 September 2024

During the first three quarters of 2024, transaction costs amounting to SEK 6,864 thousand related to the Group's refinancing were incorrectly reported as Other external expenses in the income statement. As part of this restatement, these costs have been reversed and instead recognized as Prepaid expenses in the balance sheet. Consequently, the Statement of changes in equity and the Statement of cash flow have also been adjusted.

This interim report has not been reviewed by the company's auditors.

Stockholm, 30 September 2025

Leif West

Chairman of the Board