



Annual report

2024

KMC Properties ASA

Board of directors' report

Transaction with Logistea

On 14 June 2024, KMC Properties ASA announced that it had entered into an agreement with Logistea AB, listed on Nasdaq Stockholm, whereby Logistea acquired KMC Properties HoldCo AS a wholly owned subsidiary of KMC Properties group (the transaction), and hence, acquiring all of the operations in the KMC Properties group. Prior to the transaction, all operations in KMC Properties ASA were transferred to KMC Properties HoldCo AS and there were no remaining employees or operations in KMC Properties ASA.

Both companies in the transaction were valued based on reported net asset value as of 31 March 2024, adjusted for subsequent events. Payment for the transaction was settled in newly issued shares in Logistea AB. KMC Properties ASA received both class A and B shares, pro-rata to the split of class A and B shares in Logistea AB, and the shares were distributed as dividends to KMC Properties ASA's shareholders during the second half of 2024.

The transaction was approved at KMC Properties ASA's Extraordinary General Meeting held on 5 July 2024 and at Logistea AB's Extraordinary General Meeting held on 9 July 2024.

Financial review

The following financial review is based on the consolidated financial statements of KMC Properties ASA and its subsidiaries. The company had subsidiaries until 11 July 2024. The statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Profit and loss

Profit and loss must be seen in the context of the fact that in 2024 there were six months of operations for the property business compared to a full year in 2023. All income and expenses in 2024 are considered to be related to the transaction and therefore recognised as discontinued operations in the consolidated statement of comprehensive income.

KMC Properties had a total rental income of NOK 238 million for 2024 compared to NOK 409 million in 2023. Administration expenses amounted to NOK 39 million for 2024, compared to NOK 56 million for 2023.

Net realised financials amounted to negative NOK 113 million for 2024 compared to negative NOK 200 million last year.

KMC Properties recorded net income from property management of NOK 83 million for 2024, compared to NOK 149 million for 2023.

Gain from sale from business amounted to NOK 736 million for 2024, compared to NOK 0 million in 2023

Net unrealised financials amounted to negative NOK 65 million for 2024 compared to negative NOK 18 million last year. The amount consists primarily of foreign exchange gains and losses, including such gains and losses on intercompany balances, and amortisation of debt issue costs.

Change in the value of financial instruments was NOK 27 million for 2024 compared to negative NOK 65 million for the previous year, reflecting value changes in interest swaps and currency swaps.

Change in value of investment property was NOK 120 million for 2024 compared to negative NOK 117 million increase for the previous year

Tax expense for 2024 was NOK 37 million, of which NOK 7 million is tax payable and the remaining NOK 30 million is change in deferred tax. For 2023, the tax expense was NOK 26 million.

Net profit was NOK 864 million for 2024 and negative NOK 78 million for 2023, while total comprehensive income came in at NOK 859 million for 2024 and NOK 1 million for 2023.

Cash flow

Operating activities generated a cash inflow of NOK 165 million for 2024 and NOK 357 million for 2023.

Investment activities, including investments in upgrade projects and new facilities, as well as acquisitions of new properties, and the cash effect of transaction with Logistea generated a cash outflow of NOK 764 million for 2024 and NOK 766 million for 2023.

Financing activities led to a cash inflow of NOK 332 million for 2024 due to an increase in interest bearing debt and equity issues. For 2023, financing activities led to a cash inflow of NOK 510 million.

Financial position

On 31 December 2024, other assets consisted primarily NOK 6 million in cash and cash equivalents and non-current liabilities consisted of trade payables of NOK 1 million.

Total equity was NOK 6 million on 31 December 2024, representing an equity ratio of 91 per cent.

Parent company accounts

The parent company had a net profit of NOK 910 million, mainly due to a gain of NOK 914 MNOK relating to the sale of KMC Properties Holdco AS. As a comparison, the parent company had a loss before taxes of NOK 2 million for 2023.

The parent company had a net change in cash and cash equivalents of negative NOK 38 MNOK in 2024, compared to NOK 33 MNOK for 2023. Cash and cash equivalents on closing date in 2024 was NOK 6 million compared to NOK 45 million in 2023.

Going concern

During the financial year, all subsidiaries have been sold. The Company/Group has since not engaged in new business activities. Cash reserves are limited, with ongoing expenses and no revenue, resulting in negative cash flow. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements have been prepared on the assumption that the Company will continue as a going concern which is dependent on the successful raising of additional capital and the company's ability to execute any future business activities.

The board of directors will continue to monitor the financial situation and take necessary actions to address these challenges. However, the uncertainty surrounding the Company's ability to raise the necessary funds makes the going concern assumption subject to risk.

Share and Shareholders

KMC Properties ASA is listed on the Oslo Børs, the Oslo Stock Exchange, under the ticker KMCP. The shares are registered in the Norwegian Central Securities Depository (VPS). The company's registrar is DNB Markets. The shares carry the securities number ISIN NO 001 0360175. For more information, reference is made to note 12 in the financial statement.

Subsequent events

On February 19, 2025, KMC Properties ASA announced that Jonas Grandér and Gabriel Cronstedt had decided to resign from the board of directors and the nomination committee, respectively, due to Nordika owning less than 5% of the total outstanding shares and votes in the Company.

Following, on February 21 2025 KMC Properties ASA announced that Marianne Bekken, had in consultation with the board and the nomination committee decided to step down from the board to ensure that the composition of the Board complies with the gender requirements in the Norwegian Public Limited Liability Companies Act.

Following Jonas Grandér and Marianne Bekken's resignations, the board comprises of Bjørnar André Ulstein (chair), Hege Buer and Mia Arnhult. The nomination committee will comprise Finn Haugan and Andreas Akselsen following Gabriel Cronstedt's resignation.

Risks and mitigating factors

Beyond the risk of going concern and based on the fact that the company has no activity as of December 31, 2024, the board has not identified any other material risks.

Environmental, Social and Governance

Employees and organisation

There were no employees in the company at the end of the year.

There were no serious work-related accidents in 2024 or 2023. Sick leave in KMC Properties was 0 per cent in 2024, compared to 1 per cent in 2023.

Equal opportunities

KMC Properties is committed to ensuring that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation, or age, should all have the same opportunities for work and career development at the company.

KMC Properties takes its social responsibility seriously. In addition to ensuring that the work is carried out safely this involves respecting the freedom of association and not accepting any form of forced labour, child labour or work-related discrimination. Since the Group has no operations, the company does not affect the external environment

KMC Properties has an insurance covering the responsibilities of the board of directors, the CEO and other senior management.

Corporate governance

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees, and other stakeholders. The board of directors of KMC Properties has established a set of governance principles to ensure a clear division of roles between the board of directors, the executive management, and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

KMC Properties is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 of the Oslo Rule Book II, rules for issuers listed at the Oslo Børs.

The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021, may be found at www.nues.no.

The annual statement on corporate governance for 2024 has been approved by the board and can be found in a separate section of this annual report.

Outlook

The board wishes to express its gratitude to KMC Properties' employees, including the executive management, for their dedicated efforts, contributing to KMC Properties' strong growth and successful development which culminated in the transformative transaction with Logistea AB.

The Board of Directors and management are actively working on several strategic alternatives to engage the Company.

Responsibility statement

We confirm, to the best of our knowledge, that,

- The group financial statements for the period from 1 January to 31 December 2024 have been prepared in accordance with IFRS, as adopted by the EU
- The financial statements of KMC Properties ASA for the period from 1 January to 31 December 2024 have been prepared in accordance with IFRS, as adopted by the EU, and accounting standards and practices generally accepted in Norway
- The financial statements give a true and fair view of the group and the company's consolidated assets, liabilities, financial position, and results of operations
- The report of the board of directors provides a true and fair view of the development and performance of the business and the position of the group and the company, together with a description of the key risks and uncertainty factors that the group and the company is facing.

Trondheim, Norway, 27 March 2025,

the board of directors and CEO, KMC Properties ASA

Stig Wærnes
CEO

Bjørnar Andre Ulstein
Chair

Hege Buer
Director

Ingrid Mia Arnhult
Director

Corporate Governance report

Corporate governance at KMC Properties shall be based on the following main principles:

- All shareholders shall be treated equally
- KMC Properties shall maintain open, relevant, and reliable communication with its stakeholders, including its shareholders, governmental bodies, and the public about the company's activities
- KMC Properties' board of directors shall be autonomous and independent of the company's management
- The majority of the members of the board shall be independent of major shareholders
- KMC Properties shall have a clear division of roles and responsibilities between shareholders, the board and management

As of 31 December there were no deviations from the Corporate Governance Code:

The Corporate Governance Code	Deviations from the Code
1. Implementation and reporting on corporate governance	<i>None</i>
2. Business activity	<i>None</i>
3. Equity and dividends	<i>None</i>
4. Equal treatment of shareholders and transactions with close associates	<i>None</i>
5. Shares and negotiability	<i>None</i>
6. General meetings	<i>None</i>
7. Nomination committee	<i>None</i>
8. Board of directors: Composition and independence	<i>None</i>
9. The work of the board of directors	<i>None</i>
10. Risk management and internal control	<i>None</i>
11. Board remuneration	<i>None</i>
12. Remuneration of Executive Management	<i>None</i>
13. Take-over situations	<i>None</i>
14. Auditor	<i>None</i>

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Compliance and regulations

The board of directors (the board) of KMC Properties (the company) has the overall responsibility for ensuring that the company has a high standard of corporate governance. The board has adopted a corporate governance policy document addressing the framework of guidelines and principles regulating the interaction between the shareholders, the board, and the Chief Executive Officer (the CEO). The policy is based on the Norwegian Code of Practice (the Code) for Corporate Governance issued by the Norwegian Corporate Governance Board. The objective of the Code is that companies listed on regulated markets in Norway will practice corporate governance that regulates the division of roles between shareholders, the board and executive management more comprehensively than is required by legislation. The board and executive management perform an annual assessment of its principles for corporate governance.

KMC Properties ASA is a Norwegian public limited company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act and listed on the Oslo Børs (Oslo Stock Exchange). The company is subject to section 3-3b of the Norwegian Accounting Act, which requires the company to disclose certain corporate governance related information annually. In addition, the Issuers Rules of Oslo Børs, covered by the Oslo Rulebook II chapter 4.5 requires listed companies to publish an annual statement of its principles and practices with respect to corporate governance, covering every section of the latest version of the Code. The Continuing Obligations also sets out an overview of information required to be included in the statement. The Norwegian Accounting Act is available at www.lovdata.no (in Norwegian), while the Issuers Rules is available at www.oslobors.no.

KMC Properties seeks to comply with the current code of practice, issued on 14 October 2021. The Code is available at www.nues.no/english.

Application of the Code is based on the 'comply or explain' principle, which means that the company must provide an explanation if it has chosen an alternative approach to specific recommendations.

KMC Properties provides an annual statement of its adherence to corporate governance in its annual report, and this information is also available at www.kmcp.no. This

statement describes how KMC Properties conducted itself with respect to the Code in 2024.

Deviations from the Code: None

2. BUSINESS ACTIVITY

As of the latest financial reporting date, the Company has not been engaged in any business activities following the transaction with Logistea AB. The Board of Directors and management are actively working on several strategic alternatives to engage the Company.

Deviations from the Code: None

3. EQUITY AND DIVIDENDS

Capital structure

The board is committed to maintaining a satisfactory capital structure for the company according to the company's goals, strategy, and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The board continuously assesses the company's capital requirements related to the strategy and risk profile.

On 31 December 2024, the company's equity totaled NOK 6 million. The company's future depends on the successful raising of additional capital and the company's ability to execute any future business activities.

The board of directors will continue to monitor the financial situation and take necessary actions to address these challenges.

Dividends

The company's dividend policy is based on the principle of fair distribution of profit among all its shareholders pro rata their respective holdings of shares, considering a rational correlation of the amount paid in dividends and the funds needed to carry out the strategic plans of the company's development. Dividend rights arise on the date approved by the general meeting. There are no restrictions involved for non-resident holders.

Given the circumstances of the transaction in 2024 and the company's future, a new assessment of the dividend policy must be made once the company has executed any future business activities

Board authorisations

Authorisations to the board to increase the share capital or to buy own shares will normally not be given for periods longer than until the next annual general meeting (AGM) of the company.

Deviations from the Code: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

In the event of capital increases based on authorisations issued by the general meeting, where the existing shareholders' rights will be waived, the reason for this will be provided in a public announcement in connection with the capital increase.

Any transactions, agreements or arrangements between the company and its shareholders, members of the board, members of the executive management team or close associates of any such parties will be conducted in compliance with the procedures set out in the Norwegian Public Limited Liability Companies Act. The board shall arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question is considered immaterial. Board members and members of the executive management team shall immediately notify the board if they have any material direct or indirect interest in any transaction entered by the company.

Trading in own shares

Any transactions the company carries out in its own shares will be carried out either through the stock exchange or at prevailing stock exchange prices. If there is limited liquidity in the company's shares, KMC Properties will consider other ways to ensure equal treatment of its shareholders.

As per 31 December 2024, KMC Properties did not own any own shares. The Company's financial statements provide further information about transactions with related parties.

Deviations from the Code: None

5. SHARES AND NEGOTIABILITY

KMC Properties has only one class of shares, and all shares have equal rights, including the right to dividend and voting rights. Each share has a face value of NOK 0.02 and carries one vote.

The company emphasizes equal treatment of its shareholders, and the shares are freely transferable.

Deviations from the Code: None

6. GENERAL MEETINGS

The general meeting is the highest authority of KMC Properties. All shareholders of the company are entitled to attend and vote at general meetings of the company and to table draft resolutions for items to be included on the agenda for a general meeting.

Pursuant to article 7 of the company's articles of associations, the general meeting shall resolve:

1. The appointment of the chairman of the board
1. The approval of the annual accounts and annual report, including the distribution of dividends
2. The appointment of the members and the chairman of the nomination committee
3. Other matters that the general meeting is required by law to resolve.

The general meeting shall also resolve the board of director's declaration for remuneration of the executive management team in accordance with the Norwegian Public Limited Liabilities Act paragraph 6-16a.

The notice for the general meeting shall be sent to the shareholders no later than 21 days prior to the date of the general meeting. The general meeting may, with a majority vote as for amendments to the articles of association, and with effect for the next annual general meeting, decide that the notice for extraordinary general meetings shall be sent to the shareholders no later than two weeks prior to the extraordinary general meeting is held. The annual general meeting (AGM) is held each year no later than six months after expiry of the preceding financial year.

The AGM for 2024 is planned to be held on 15 May 2025. The board shall be present at general meetings.

Deviations from the Code: None

7. NOMINATION COMMITTEE

Article 7 of the company's articles of association stipulates that the nomination committee shall consist of three members. The members shall be elected for a period of two years unless the general meeting decides a shorter period.

The nomination committee shall prepare proposals to the general meeting in relation to the following:

1. The appointment of the members of the board and the chairman of the board
2. The appointment of the members of the nomination committee and the chairman of the nomination committee
3. The remuneration of the board and the nomination committee.
4. Any changes in the mandate of the nomination committee or in the articles of association

The Norwegian Public Limited Liabilities Act paragraphs 6-7 and 6-8 shall apply correspondingly for the members of the nomination committee.

As per 31 December 2024, KMC Properties' nomination committee included:

- Finn Haugan, chairperson
- Andreas Akselsen

Deviations from the Code: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

According to article 5 of KMC Properties' articles of associations, the board of the company shall consist of minimum three members. The chairperson of the board alone, or two members of the board jointly, shall have authority to sign on behalf of the company. The board may designate procurators.

KMC Properties' board has three members. The board of directors will consist of the following member until the general meeting in 2025; Bjørnar Andre Ulstein, Mia Arnhult and Hege Buer.

Two of the members of the board are women. The Public Limited Companies Act states each gender should constitute at least 33 percent of all board members.

When appointing members to the board, it is emphasised that the board shall have the requisite competency to independently evaluate the cases presented by the

executive management team as well as the company's operation. It is also considered important that the board can function well as a body of colleagues.

Board members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board members shall be encouraged to own shares in the company.

Independence of the board

All the board members of KMC Properties are considered independent of senior executives, and one of three are considered independent of the company's material business contacts. The majority of the members are independent of the company's main shareholders.

Deviations from the Code: None.

9. THE WORK OF THE BOARD OF DIRECTORS

The overall management of the company is vested in the board and the company's management. In accordance with Norwegian law, the board shall ensure that the company has proper management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the board and the executive management team. The CEO is responsible for the executive management of the company. Since 1 June 2024, Stig Wærnes has been hired from BEWI Invest AS as CEO.

Instructions to the board and the CEO were last revised and approved by the board on 27 April 2022 and 22 February 2023.

The board has the overall responsibility for the management of the group and the supervision of its day-to-day management and business activities. The board shall prepare an annual plan for its work with special emphasis on goals, strategy, and implementation. The board's primary responsibility shall be (i) participating in the development and approval of the company's strategy, (ii) performing necessary monitoring functions and (iii) acting as an advisory body for the executive management team. The chairperson of the board is responsible for ensuring that the board's work is performed in an effective and correct manner.

The members of the board receive information about the company's operational and financial development on a quarterly basis. The company's strategies shall regularly, and at least once a year, be subject to review and evaluation by the board.

The regulations governing the board's working practices include guidelines for how individual directors and the CEO should conduct themselves with respect to matters in which they may have a personal interest. Among them is the stipulation that each director must make a conscious assessment of his/her own impartiality and inform the board of any possible conflict of interest.

Further, the regulations include guidelines for how the board and executive management shall deal with approval of agreements, which are considered material, between the company and its shareholders and other close associates, including that the board shall arrange for an independent third-party valuation. This will, however, not apply for transactions that are subject to the approval of the general meeting pursuant to the Norwegian Companies Act. Agreements with related parties will be included in the notes to the financial statements in the annual reports.

The board meets as often as necessary to perform its duties and shall prepare an annual evaluation of its work.

Sub-committees of the board

Audit committee

Pursuant to the Norwegian Public Limited Liability Companies Act and the listing rules of the Oslo Stock Exchange, the company shall have an audit committee. The audit committee is appointed by the board.

The committee's main tasks are to prepare the board's follow-up of the financial reporting process, monitor the group's internal control and risk management systems, and maintain an ongoing dialogue with the auditor.

KMC Properties' audit committee comprised the following members:

- Mia Arnhult
- Hege Buer

The board approved instructions to the audit committee at the board meeting on 4 February 2021.

Remuneration committee

The board has appointed a remuneration committee. The committee evaluates and proposes the compensation of KMC Properties' CEO and other members of the executive management team and provide general compensation related advice to the board.

KMC Properties' remuneration committee comprised the following members:

- Bjørnar Andre Ulstein, chairperson

The board adopted instructions to the remuneration committee on 29 April 2021.

Deviations from the Code: None

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board shall ensure that KMC Properties has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The internal control and the systems shall also encompass the company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to manage exposure to risks to ensure successful conduct of the company's business and to support the quality of its financial reporting.

The board shall carry out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.

The board shall provide an account in the annual report of the main features of the company's internal control and risk management systems as they relate to the company's financial reporting.

Internal control of financial reporting is conducted through day-to-day follow-up by management, and supervision by the company's audit committee.

Deviations from the Code: None

11. BOARD REMUNERATION

The general meeting shall determine the board's remuneration annually. Remuneration of board members shall be reasonable and based on the board's responsibilities, work, time invested and the complexity of the enterprise. The remuneration of the board members shall not be performance-related nor include share option elements.

The board shall be informed if individual board members perform tasks for the company other than exercising their role as board members. Work in sub-committees may be compensated in addition to the remuneration received for board membership.

The board's remuneration was approved at the company's annual general meeting on 15 May 2024, following a proposal from the nomination committee.

Deviations from the Code: None

12. REMUNERATION OF EXECUTIVE MANAGEMENT

Pursuant to Section 6-16a of the Norwegian Public Limited Companies Act (NPLCA), the board prepares guidelines for determination of salaries and other benefits payable to senior executives.

The guidelines will, in line with the said statutory provision, as well as Section 5-6 (3) of the same Act be approved by the general meeting. If the guidelines are materially altered, the new guidelines will be laid before, and approved by the general meeting. The guidelines will be approved by the general meeting at least every four years.

In addition to the guidelines, the board prepares a remuneration report pursuant to Section 6-16b of NPLCA. Such report will be considered by the company's general meeting and shall be subject to an advisory vote by the general meeting in accordance with NPLCA Section 5-6 (4). The guidelines and report are published in a separate report and made available from the company's website, www.kmcp.no.

The company's senior executive remuneration policy is based primarily on the principle that executive pay should be competitive and motivating, to attract and retain key personnel with the necessary competence.

The statement refers to the fact that the board shall determine the salary and other benefits payable to the CEO. The salary and benefits payable to other senior executives are determined by the CEO in accordance with the guidelines laid down in the statement. The CEO will normally propose the remuneration to senior executives in consultation with members of the remuneration committee.

Deviations from the Code: None

13. INFORMATION AND COMMUNICATION

Investor relations

Communication with shareholders, investors and analysts is a high priority for KMC Properties. The objective is to ensure that the financial markets and shareholders receive correct and timely information, thus providing a sound foundation for a valuation of the company. All market players shall have access to the same information, and all information is published in English.

All notices sent to the stock exchange are made available on the company's website and at www.newsweb.no.

Financial information

The company normally holds investor presentations in association with the publication of its quarterly results. These presentations are open to all and provide an overview of the group's operational and financial performance in the previous quarter, as well as an overview of the general market outlook and the company's own prospects. The presentations are also available on the company's website.

Restricted trading periods

Persons discharging managerial responsibilities (PDMR) are not allowed to acquire or sell shares in the company or related financial instruments during the period from 30 days prior to the publication of the company's report for the first half year and for the fourth quarter, including preliminary full year results, following the regulations of the Market Abuse Regulations (MAR).

KMC Properties publishes a financial calendar on Oslo Børs's website, setting out the expected dates of publication for its reports. The dates are also available at the company's website.

Deviations from the Code: None

14. TAKE-OVER SITUATIONS

In a take-over process, should it occur, the board and the executive management team each have an individual responsibility to ensure that the company's shareholders are treated equally and that there are no unnecessary interruptions to the company's business activities. The board has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the board shall ensure that:

- a) the board will not seek to hinder or obstruct any takeover bid for the company's operations or shares unless there are particular reasons for doing so;
- b) the board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the company;
- c) the board shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and the board shall be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Code. This could include obtaining a valuation and fairness opinion from an independent expert. On this basis, the board shall draw up a statement containing a well-grounded evaluation of the bid and make a recommendation as to whether the shareholders should accept the bid. The evaluation shall specify how, for example, a take-over would affect long-term value creation of KMC Properties.

Deviations from the Code: None

15. AUDITOR

The auditor is appointed by the annual general meeting and is independent of KMC Properties. Each year the board shall receive written confirmation from the auditor that the requirements with respect to independence and objectivity have been met.

Each year, the auditor shall draw up a plan for the execution of their auditing activities, and the plan shall be made known to the board and the audit committee. The board should specifically consider if the auditor to a satisfactory degree also carries out a control function and the auditor shall meet with the audit committee annually to review and evaluate the company's internal control activities.

The auditor shall be present at board meetings where the annual accounts are on the agenda. Whenever necessary, the board shall meet with the auditor to review the auditor's view on the company's accounting principles, risk areas, internal control routines, etc.

The auditor may only be used as a financial advisor to the company provided that such use of the auditor does not have the ability to affect or question the auditors' independence and objectiveness as auditor for the company. Only the company's CEO and/or CFO shall have the authority to enter into agreements in respect of such counselling assignments.

At the annual general meeting the board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other specific assignments.

Deviations from the Code: None

Consolidated statement of comprehensive income - Discontinued operations

<i>Amounts in NOK million</i>	<i>Note</i>	2024	2023
Continuing operations			
Profit (loss) from continuing operations		-	-
Discontinued operations			
Rental income	2	238	409
Property expenses	9	(3)	(5)
Net operating income		235	404
Administration expenses	9	(39)	(56)
Net realised financials	10	(113)	(200)
Net income from property management		83	149
Gain from sale of business	5	736	-
Net unrealised financials	10	(65)	(18)
Changes in value of financial instruments		27	(65)
Changes in value of investment properties	11	120	(117)
Profit (loss) before tax		900	(52)
Current tax	13	(7)	(20)
Deferred tax	13	(30)	(6)
Profit (loss) from discontinued operations		864	(78)
Other Comprehensive Income - Items that may be reclassified to profit or loss			
Translation differences for foreign operations		(5)	77
Comprehensive income		859	(1)
Profit attributable to:			
Equity holders of the company		864	(78)
Non-controlling interest		-	-
Earnings per share, Basic and Diluted	15		
Discontinued operations		2.08	(0.22)
Continuing operations		-	-

Consolidated statement of financial position

<i>Amounts in NOK million</i>	<i>Note</i>	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Investment properties	11	-	6 153
Site leaseholds, right-of-use assets		-	23
Financial derivatives	7	-	149
Other non-current assets		-	12
Total non-current assets		-	6 337
Current assets			
Trade receivables		-	5
Other current assets		0	24
Cash and cash equivalents		6	275
Total current assets		7	304
Total assets		7	6 641
EQUITY AND LIABILITIES			
Equity			
Share capital	12	8	79
Share premium		-	1 919
Translation reserve		-	96
Retained earnings		(2)	704
Total equity		6	2 798
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	13	-	136
Non-current interest-bearing liabilities		-	3 164
Lease liabilities		-	24
Other non-current liabilities		-	18
Total non-current liabilities		-	3 342
Current liabilities			
Current interest-bearing liabilities		-	363
Trade payables		1	22
Current tax liabilities	13	-	12
Other current liabilities		-	103
Total current liabilities		1	501
Total liabilities		1	3 843
Total equity and liabilities		7	6 641

 Stig Wærnes
 CEO

 Bjørnar Andre Ulstein
 Chair

 Hege Buer
 Director

 Ingrid Mia Arnhult
 Director

Consolidated statement of cash flows - Discontinued operations

<i>Amounts in NOK million</i>	<i>Note</i>	2024	2023
Profit (loss) before tax		900	(52)
Changes in value of investment properties		(120)	117
Gain from sale of business		(736)	-
Financial items		151	283
<i>Change in working capital</i>			
- change in current assets		(1)	(17)
- change in current liabilities		(22)	45
Other non-cash items		1	(3)
Taxes paid		(8)	(17)
Net cash flow from operating activities		165	357
Cash effect from sale of business	5	(112)	-
Acquisitions of properties		(630)	(672)
Development and upgrades of properties		(29)	(205)
Sale of properties		-	101
Interest received	10	6	7
Change in other non-current assets		0	4
Net cash flow from investment activities		(764)	(766)
Proceeds from issue of shares	12	130	423
Proceeds interest-bearing liabilities		294	2 513
Repayment interest-bearing liabilities		(77)	(2 165)
Interest paid	10	(119)	(206)
Transaction fees paid and net other financials (incl. resetting of swaps)		96	(55)
Change in other non-current liabilities		8	0
Net cash flow from financing activities		332	510
Effects of exchange rate changes on cash and cash equivalents		(2)	(12)
Net change in cash and cash equivalents		(269)	89
Cash and cash equivalents at beginning of period		275	187
Cash and cash equivalents at end of period		6	275

Consolidated statement of changes in equity

<i>Amounts in NOK million</i>	<i>Note</i>	Subscribed share capital	Share premium	Translation reserves	Retained earnings	Total equity
Total equity at 1/1/23		65	1 512	20	781	2 377
Issue of shares	12	14	409	-	-	423
Transaction cost issue of shares	12	-	(2)	-	-	(2)
Profit (loss) from discontinued operations		-	-	-	(78)	(78)
Employee incentive plan		-	-	-	2	2
Other comprehensive income (translation reserves)		-	-	77	-	77
Total equity at 12/31/23		79	1 919	96	704	2 798
Issue of shares	12	5	125	-	-	130
Transaction cost issue of shares	12	-	(1)	-	-	(1)
Profit (loss) from discontinued operations		-	-	-	864	864
Employee incentive plan		-	-	-	(2)	(2)
Other comprehensive income (translation reserves)		-	-	(5)	-	(5)
Capital decrease to other equity		(75)	-	-	75	-
Translation differences included in sale of business		-	-	(92)	92	-
Non-cash dividend	5	-	(2 044)	-	(1 735)	(3 779)
Total equity at 12/31/24		8	-	-	(2)	6

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Note 01 Company information

KMC Properties ASA (“the Company”) is listed on Oslo Stock Exchange with the ticker KMCP. The Company and its subsidiaries (“the Group”) business idea is to acquire and manage commercial industry and logistics properties.

The holding company, KMC Properties ASA, is a public limited liability company with headquarters in Trondheim, Norway.

The consolidated financial statements were approved by the Company’s Board on 27 March 2025.

Note 02 Basis of preparation and accounting principles

2.1 Basis of preparation

The financial statements are prepared in accordance with IFRS® Accounting standards as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

Acquired properties are included in the financial statements from the date of acquisition. Management makes estimates and assumptions concerning the future. The accounting estimates will by definition seldom be fully in accordance with the final outcome. As of year-end 2023 the significant judgements related to the fair value estimates for investment property. As of year-end 2024, there are no critical estimates, and the only significant judgement relates to the potential contingent liability. See note 6 for additional information.

The consolidated financial statements are presented in Norwegian kroner (NOK). The majority of the note disclosures are presented in NOK million, unless otherwise indicated. The consolidated financial statements for 2024 with comparatives for 2023 have been prepared on a going concern basis. Please refer to note 4 for further details.

2.2 Accounting principles

The consolidated financial statements are based on historical cost, except for the following:

- Financial instruments at fair value through profit or loss
- Investment properties which are measured at fair value.

2.3 Basis of consolidation and business combinations

Subsidiaries are all entities over which the group has control. Control exists when the group is exposed to, or has rights to, variable returns as a result of involvement with the company, and the group is able to impact returns through its power over the company.

All acquired companies are included in the consolidated financial statements from the date on which the group obtains control over the company. In the same way, the company is deconsolidated when control over the company ceases.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as acquisitions where substantially all of the fair value of the gross assets acquired is concentrated in a single property or group of similar properties, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the investment property.

In such cases, deferred tax liabilities or assets are not recognised, except for deferred taxes related to losses carried forward, in accordance with the exceptions in IAS 12.

2.4 Functional currency and presentation currency

The group's presentation currency is NOK. Each entity in the group determines its own functional currency, and items included in the income statement of each entity are measured using that functional currency. The functional currency is the currency within the primary economic environment in which the entity operates. Transactions in foreign currencies are initially recorded in the functional currency at the rate on the transaction date. Monetary items denominated in foreign currencies are translated using the functional currency spot rates of exchange on the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the rate on the reporting date. All currency translation differences are recognised in the income statement and statement of comprehensive income.

The assets and liabilities of foreign entities are translated into the presentation currency at the rate on the reporting date, and related income statement items are translated at average exchange rates per quarter. Currency translation differences arising on the translation are recognised as other comprehensive income. In the consolidated financial statements, currency translation differences linked to net investments in foreign operations are included in other comprehensive income until disposal of the net investment, at which point they are recognised in the income statement.

2.5 Segment information

There are no material differences in risks and returns in the economic environment in which the Group operates. The group's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the board of directors and the CEO. KMC Properties has one segment, industrial- and logistic properties. Consequently, the Group is only present in one business segment. The group is present in the following geographic markets per 31 December 2024:

Amounts in NOK million	Norway		Sweden		Denmark		Netherlands		Finland	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rental income	126	226	38	73	30	55	18	35	12	19
Investment property	-	3 481	-	842	-	788	-	474	-	317

Amounts in NOK million	Germany		Belgium		Poland		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Rental income	9	1	3	0	2	-	238	409
Investment property	-	150	-	102	-	-	-	6 153

KMC Properties ASA has rental income from 2 customers that exceeds 10 % of total rental income in 2024:

Amounts in NOK million	BEWI		Insula		Grøntvedt	
	2024	2023	2024	2023	2024	2023
Rental income	130	202	32	61	18	34
Share of rental income	54 %	49 %	13 %	15 %	8 %	8 %

Amounts in NOK million	Scana		Other		Total	
	2024	2023	2024	2023	2024	2023
Rental income	18	34	41	78	238	409
Share of rental income	7 %	8 %	17 %	19 %	100 %	100 %

Note 03 Summary of significant accounting policies

3.1 Investment property

Investment property comprises completed property held to generate rental income or for capital appreciation or both. Investment property is recognised initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is carried at fair value. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the withdrawal or disposal of investment property are recognised in the income statement in the year of disposal. Gains or losses on the disposal of investment property are determined as the difference between net selling price and the carrying amount of the asset at the time of sale.

3.2 Financial assets

3.2.1 Classification, recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- 1) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- 2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Since the Group's financial assets (trade (rent) and other receivables, cash, and short-term deposits) meet these conditions, they are subsequently measured at amortised cost. The group has entered a cross currency interest rate swap, this derivative is carried at fair value through profit or loss.

All the group's currency, interest-rate swaps and forward exchange contracts are used as economic hedges. Hedge accounting is not applied. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently recognised continuously at their fair value. Changes in the fair value of derivatives are

recognised in the income statement under changes in value of financial instruments. The realised payable part of the interest-rate swap agreements is presented under net realised financials.

3.2.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- 1) The rights to receive cash flows from the asset have expired, or
- 2) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.2.3 Impairment of trade (rent) receivables

For trade (rent) receivables the Group applies a simplified lifetime approach in calculating expected credit losses (ECLs). The group historically has very low to null credit losses. Management evaluates on a regular basis the tenant's credit risk and guarantees in place related to trade receivables when determining the need for a loss allowance. For 2024 and 2023 no provision for an ECL allowance has been recognized, and there have been no losses on accounts receivable during 2024 and 2023.

3.3 Financial liabilities

3.3.1 Classification, recognition and measurement

Financial liabilities are classified at initial recognition, and subsequently measured at amortised cost, with some exemptions.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance expenses in the statement of profit or loss.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

amount and the consideration, if reissued, is recognised in other equity/ other contributed equity. Voting rights related to treasury shares are cancelled and no provision is made for payment of dividends on treasury shares.

3.5 Related-party transactions

A person or a company (or other legal entities) is considered as a related party if he, she or it, directly or indirectly, has the possibility to exercise control or influence over another party in connection with financial and operational decisions.

Parties are also considered related if they are under control or significant influence. Loans to certain subsidiaries are considered as part of the Group's net investment. Exchange rate changes related to monetary items (receivables and liabilities) which are a part of the Company's net investment in foreign entities are treated as currency translation differences, and thus entered against equity.

3.6 Taxes payable and deferred tax

The tax expense for the period comprises taxes payable and change in deferred tax. However, deferred tax is not recorded if it arises on initial recognition of an asset or liability in a transaction, other than a business combination, that affects neither accounting nor taxable profit or loss on the transaction date.

Deferred tax assets are recognised only to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilized. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related tax asset is realized, or the deferred tax liability is settled. The provision for deferred tax is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities.

Pursuant to the exception in IAS 12, deferred tax is not recognised when buying a company which is not a business. A provision for deferred tax is made after subsequent increases in the value beyond initial cost, while a fall in value below initial cost will only reverse previous provisions for deferred tax. Furthermore, an increase in temporary differences related to tax depreciation will give grounds for a recognition of deferred tax.

Tax effects on other comprehensive income are separated and presented via other comprehensive income. These include exchange differences on net investments in foreign entities.

3.7 Revenue recognition

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises.

Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the lease term.

3.8 Interest income

Interest income is recognised in income as it is earned using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, which is the estimated future cash flow discounted at the original effective interest rate of the instrument. Interest income on impaired loans is recognised using the effective interest rate.

3.9 Financial instruments

Derivatives are financial instruments at fair value through profit and loss unless the derivative is designated as a hedge accounting instrument. See also note 3.3.1.

3.10 New standards

IFRS 18 will replace IAS 1 Presentation of financial statements. The management is reviewing the potential impact of IFRS 18. The group will apply the new standard from its mandatory effective date of 1 January 2027.

Note 04 Going concern

During the financial year, all subsidiaries have been sold. The Company/Group has since not engaged in new business activities. Cash reserves are limited, with ongoing expenses and no revenue, resulting in negative cash flow. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements have been prepared on the assumption that the Company will continue as a going concern which is dependent on the successful raising of additional capital and the company's ability to execute any future business activities.

The board of directors will continue to monitor the financial situation and take necessary actions to address these challenges. However, the uncertainty surrounding the Company's ability to raise the necessary funds makes the going concern assumption subject to risk.

Note 05 Discontinued operations

On 14 June 2024, KMC Properties ASA announced that it had entered into an agreement with Logistea AB, listed on Nasdaq Stockholm, whereby Logistea acquired KMC Properties HoldCo AS a wholly owned subsidiary of KMC Properties group (the transaction), and hence, acquiring all of the operations in the KMC Properties group. Prior to the transaction, all operations in KMC Properties ASA were transferred to KMC Properties HoldCo AS and there were no remaining employees or operations in KMC Properties ASA.

The consideration received was 16 263 577 class A-shares and 214 551 706 class B-shares in Logistea AB, and the shares were distributed as dividends to KMC Properties ASA's shareholders during the second half of 2024. The dividend distribution to the shareholders was carried out in two stages due to legal limitations in the dividend capacity of KMC Properties ASA.

The transaction and first dividend payment were approved at KMC Properties ASA's Extraordinary General Meeting held on 5 July 2024 and at Logistea AB's Extraordinary General Meeting held on 9 July 2024. The second dividend payment was approved at KMC Properties ASA's Extraordinary General Meeting held on 12 November 2024. In total, a non-cash dividend with the fair value of NOK 3 779 million was distributed.

	Date of settlement	Number A-shares	Share price A-shares SEK	Number of B-shares	Share price B-shares SEK	SEK/NOK Exchange rate	Total amount NOK million
Received shares in Logistea AB	11.07.2024	16 263 577	15.80	214 551 706	14.88	101.75	3 510
Share distribution of Logistea AB shares	18.07.2024	(10 991 854)	17.00	(145 015 714)	16.70	102.16	(2 665)
Share distribution of Logistea AB shares	21.11.2024	(5 271 011)	14.85	(69 535 273)	14.84	100.34	(1 114)
							(3 779)

In accordance with IFRIC 17 the dividend liability and the corresponding shares at fair value to distributed was measured at the date of settlement.

<i>Amounts in NOK million</i>	Amount NOK million
Net of asset and liabilities transferred	(3 043)
- of which cash and cash equivalents	(112)
- of which translation differences	(92)
Consideration received (shares in Logistea AB)	3 510
Fair value change on first distribution including effect of currency changes ¹⁾	433
Fair value change on second distribution Including effect of currency changes ¹⁾	(164)
Gain from sale of business	736

- 1) The Extraordinary General Meeting prior to the transaction decided that all consideration shares are to be distributed to the shareholders of KMC Properties ASA as a distribution in kind. Because of this subsequent value changes in consideration shares received are considered to belong to the shareholders of KMC Properties ASA and hence are included in gain from sale of business.

All income and expenses in 2024 are considered to be related to the transaction and therefore recognised as discontinued operations in the consolidated statement of comprehensive income.

Note 06 Contingent liabilities

A former shareholder has sued the company in connection with the distribution of Logistea-shares in July 2024. The dispute relates to a small amount of the total distribution. No provision has been deemed necessary by the management and the board of directors in relation to the lawsuit.

Note 07 Financial instrument - risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign exchange risk
- Other market price risk
- Liquidity risk, and
- Climate risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Financial instruments by category

Financial assets

<i>Amounts in NOK million</i>	Amortised cost 31.12.2024	Fair value through profit or loss 31.12.2024	Total	Amortised cost 31.12.2023	Fair value through profit or loss 31.12.2023	Total
Cash and cash equivalents	6	-	6	275	-	275
Currency and interest swaps	-	-	-	-	149	149
Trade receivables (non-interest bearing)	-	-	-	5	-	5
Total financial assets	6	-	6	280	149	429

Financial liabilities

<i>Amounts in NOK million</i>	Amortised cost 31.12.2024	Fair value through profit or loss 31.12.2024	Total	Amortised cost 31.12.2023	Fair value through profit or loss 31.12.2023	Total
Non-current interest-bearing liabilities	-	-	-	3 164	-	3 164
Land plot lease agreements (financial liability)	-	-	-	24	-	24
Other non-current liabilities	-	-	-	18	-	18
Current interest-bearing liabilities	-	-	-	363	-	363
Trade payables (non-interest bearing)	0.6	-	1	22	-	22
Total financial liabilities	0.6	-	1	3 591	-	3 592
Net financial assets and liabilities	5.6	-	6	3 312	149	3 163

Financial instruments at amortised cost

Financial instruments at amortised cost includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

Financial instruments measured at fair value

The table below shows an analysis of fair values of financial instruments in the Statement of Financial Position, grouped by level in the fair value hierarchy:

Level 1 - Quoted prices in active markets that the entity can access at the measurement date.

Level 2 – Use of a model with inputs other than level 1 that are directly or indirectly observable market data.

Level 3 - Use of a model with inputs that are not based on observable market data.

All financial derivatives are currency and interest swap agreements booked at fair value according to level 2. There were no transfers between levels during the period.

Financial assets measured at fair value

<i>Amounts in NOK million</i>	Fair value level	2024	2023
Financial derivatives	Level 2	-	149

Derivatives

The fair value of financial derivatives, including currency forward exchange contracts/swaps and interest-rate swaps, is determined by the net present value of future cash flows, calculated using quoted interest-rate curves and exchange rates at the balance-sheet date. The technical calculations are generally performed by the group's banks. The group has tested these valuations for reasonableness.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives periodic reports from the Group's finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

The Group is exposed to market risk (including interest rate risk), currency risk, credit risk and liquidity risk. The risk policies are continuously being assessed by the Board of Directors and the appropriate policies and procedures to identify, measure and manage the financial risks has been implemented. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance.

7.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

At 31 December the Group's net exposure to foreign exchange risk was the following:

Net foreign currency financial assets / liabilities*Amounts in NOK million*

	2024			
Currency	SEK	DKK	EUR	Total
Net exposure NOK	-	-	-	-

	2023			
Currency	SEK	DKK	EUR	Total
Net exposure NOK	406.5	145.7	(162.7)	389.5

<i>Amounts in NOK million</i>	2024	2023
Bank deposits	6	138
Disposal account	-	136
Restricted bank deposits (withholding tax account)	-	1
Total bank deposits	6	275

7.2 Liquidity risk

Liquidity risk is the risk that The Group will not be able to meet its obligations at maturity, and the risk that The Group will not be able to meet its obligations without a significant increase in cost. The Group's objective is to maintain a reasonable balance between debt and equity and to have sufficient available cash to fulfil obligations from The Group's activity.

The table below illustrates the maturity structure of liabilities.

Maturity structure

<i>Amounts in NOK million</i>	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
Financial liability as of 31 December 2024					
Principal payment on bank and bond loans	-	-	-	-	-
Payment of interest and interest swap	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
Trade payables	1	1	-	-	-
Other current liabilities	-	-	-	-	-
Total	1	1	-	-	-

Maturity structure

<i>Amounts in NOK million</i>	Total cash flow	Year 1	Year 2	Year 3-5	After year 5
Financial liability as of 31 December 2023					
Principal payment on bank and bond loans	3 582	364	700	2 291	227
Payment of interest and interest swap	1 245	327	316	432	169
Other non-current liabilities	18	-	-	-	18
Trade payables	22	22	-	-	-
Other current liabilities	103	103	-	-	-
Total	4 970	816	1 016	2 723	415

7.3 Capital risk management

The main purpose of the group's capital management is to maintain a reasonable balance between debt and equity. The group's goal is to have an LTV ratio of 50-65 per cent. The target is set with consideration to value development in the group and the opportunity to obtain the necessary financing.

7.4 Climate risk

Management and the board follow developments in the market regarding the importance of climate risk for the development in the market value of investment property. So far, climate risk has not affected the valuations, but it is assumed that the buyer group is somewhat smaller for properties that have a higher risk linked to climate change.

Note 08 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations about future events which are believed to be reasonable under current circumstances. Corporate management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual figures. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are considered. There are no critical estimates at the end of the year.

Note 09 Property and administration expenses

Property expenses

<i>Amounts in NOK million</i>	2024	2023
Insurance premium	1	1
Property tax	0	1
Maintenance	-	-
Other property expenses	2	3
Total property expenses	3	5

Administration expenses

<i>Amounts in NOK million</i>	2024	2023
Personnel expenses	14	33
Legal, agency and consultancy fees	8	7
Accounting	2	2
Auditors	5	5
Other operating expenses	11	9
Total administration expenses	39	56

Auditor fees full year basis

<i>Amounts in NOK million</i>	2024	2023
Statutory audit	4	5
Tax advice	0	0
Other attestation services	1	-
Total auditor expenses (excl. VAT)	5	5

Personnel expenses

<i>Amounts in NOK million</i>	2024	2023
Salaries, performance-related pay and other taxable benefits	7	22
Employers' Natural Insurance contributions	3	5
Pension expenses	1	1
Share based payment expense ¹⁾	1	2
Other personnel expenses	0	1
Board fees	2	3
Total personnel expenses	14	33
Number of full-time equivalent employees	14	14

Remuneration to senior executives

<i>Amounts in NOK million</i>	2024	2023
Salary	5	9
Variable cash salary (STI)	4	2
Share option program ¹⁾	1	1
Pension expense	0	1
Benefits in kind	0	0
Senior executives' remuneration	11	13
Board of directors' remuneration	3	3

1) The share option programme was discontinued in connection with the transaction with Logistea AB and the positive market value was paid to employees.

Since 1 June 2024, Stig Wærnes has been hired from BEWI Invest AS as CEO.

Overview of total remuneration to senior executives 2024

<i>Amounts in NOK million</i>	Salary	Variable cash salary (STI)	Pension expenses	Benefits in kind	Total remuneration 2024
Liv Malvik, CEO (until jun 2024)	2	0	0	0	2
Kristoffer Holmen, CFO (until jun 2024)	1	0	0	0	1
Christian Linge, CFO (until jun 2024)	1	1	0	0	2
Audun Aasen, COO (until apr 2024)	1	-	0	0	1
Kristoffer Formo, Head of M&A (until feb 2024)	1	-	0	0	1
Ove Rød Henriksen, CAO (until jun 2024)	1	1	0	0	2
Total	6	3	0	0	9

Overview of total remuneration to senior executives 2023

<i>Amounts in NOK million</i>	Salary	Variable cash salary (STI)	Pension expenses	Benefits in kind	Total remuneration 2023
Liv Malvik, CEO	3	1	0	0	3
Kristoffer Holmen, CFO	2	1	0	0	3
Audun Aasen, COO	1	1	0	0	2
Kristoffer Formo, Head of M&A	1	-	0	0	2
Ove Rød Henriksen, CAO	1	1	0	0	2
Total	9	2	1	0	12

Overview of total remuneration to the Board of Directors

<i>Amounts in NOK million</i>	Board fees	Committee fees	Total rem.2024 1)	Total rem.2023 1)
Bjørnar Ulstein, chairman of the board (from dec 2023)	0.6	0.0	0.6	0
Morten E. Astrup (until may 2024)	0.2	-	0.2	0
Haakon Sæter (from feb 2023 until may 2024)	0.2	-	0.2	0
Nini H. Nergaard (until feb 2024)	0.0	-	0.0	0
Hege A Veiseth (from feb 2023 until may 2024)	0.2	-	0.2	0
Marianne Bekken	0.3	0.0	0.3	0
John Thoresen (until may 2024)	0.2	-	0.2	0
Hege Buer (from may 2024)	0.2	0.0	0.2	-
Mia Arnhult (from feb 2024)	0.3	0.0	0.3	-
Jonas Grander (from dec 2023)	0.3	0.1	0.4	0
Total	2.5	0.2	2.7	3

1) The overview of the remuneration of the Board of Directors shows remuneration earned in the financial year.

Note 10 Financials

<i>Amounts in NOK million</i>	2024	2023
Interest income	6	7
Interest income from financial derivatives	21	50
Interest expenses	(140)	(257)
Net realised financials	(113)	(200)

<i>Amounts in NOK million</i>	2024	2023
Net currency exchange differences	(7)	16
Amortized borrowing costs loan	(38)	(29)
Amortized bond discount	(10)	(2)
Interest expense on lease liabilities	(1)	(1)
Other financial expenses/income	(10)	(2)
Net unrealised financials	(65)	(18)

Note 11 Investment property

<i>Amounts in NOK million</i>	2024	2023
Opening balance	6 153	5 366
Acquisitions	630	672
Development and upgrades	29	205
Sale of properties	0	(101)
Change in value	120	(117)
Currency translation effect	12	129
Sale of business	(6 944)	0
Value at period end	-	6 153

Note 12 Shareholder's capital and shareholders

Share capital and nominal value	31.12.2024
Shares issued	416 738 276
Nominal amount in NOK	0.02
Share capital in NOK	8 334 766
No of shares as of 31.12.2020	240 765 311
Issue of shares subsequent offering 19.02.2021	981 233
Issue of shares private placement 16.09.2021	37 500 000
Issue of shares employee offering 18.10.2021	750 000
Issue of shares subsequent offering 27.10.2021	1 875 000
No of shares as of 31.12.2021	281 871 544
Issue of shares private placement 22.02.2022	2 772 105
Issue of shares private placement 04.11.2022	39 250 000
No of shares as of 31.12.2022	323 893 649
Issue of shares private placement 31.03.2023 ¹⁾	20 235 931
Issue of shares private placement 28.09.2023 ²⁾	50 000 000
No of shares as of 31.12.2023	394 129 580
Issue of shares private placement 17.01.2024 ³⁾	22 608 696
No of shares as of 31.12.2024	416 738 276

1) Private placement to BEWI ASA price of NOK 7.33 per share, in total NOK 148.3 million. BEWI ASA sold the shares in the open market during the year.

2) Private placement to Nordika at a subscription price of NOK 5.50 per share, in total NOK 275 million (transaction cost NOK 2.3 million)

3) Private placement to Nordika at a subscription price of NOK 5.75 per share, in total NOK 130 million (transaction cost NOK 0.6 million)

All shares are fully paid. There is only one share class. All shares have equal rights. KMC Properties ASA is listed on the Oslo Børs (Oslo Stock Exchange) under the symbol KMCP. The shareholder list shows the shareholder register from VPS at 31 December 2024. Any trades via brokers before the closing date which is registered after the closing date is not reflected in the shareholder list.

Shareholder	% holding	Country	Type of shareholder	No shares per 31.12.24
BEWI INVEST AS	36.2 %	Norway	Ordinary	151 020 955
Flugfiskaren AB	17.4 %	Sweden	Ordinary	72 608 696
M2 Asset Management AB	10.2 %	Sweden	Ordinary	42 617 422
HAAS AS	8.7 %	Norway	Ordinary	36 132 237
CORVUS ESTATE AS	4.3 %	Norway	Ordinary	18 000 000
SKANDINAVISKA ENSKILDA BANKEN AB	4.1 %	Sweden	Ordinary	16 989 237
FRØY KAPITAL AS	3.1 %	Norway	Ordinary	13 020 833
Skandinaviska Enskilda Banken AB	1.1 %	Sweden	Nominee	4 478 187
CACEIS Bank	1.0 %	Ireland	Nominee	4 333 333
FORMO AS	1.0 %	Norway	Ordinary	4 000 000
Total 10 largest shareholders	87 %			363 200 900
Other shareholders	13 %			53 537 376
Total	100 %			416 738 276

% holding	Country	Type of shareholder	No shares per 31.12.23
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Shareholder

BEWI Invest AS	33.4 %	Norway	Ordinary	139 019 470
HAAS AS	18.4 %	Norway	Ordinary	76 875 801
Swedbank AB	12.0 %	Sweden	Nominee	50 054 500
M2 Asset Management AB	10.0 %	Sweden	Ordinary	41 627 422
Frøy Kapital AS	3.1 %	Norway	Ordinary	13 020 833
Surfside Holding AS	2.4 %	Norway	Ordinary	10 000 000
Credit Suisse (Luxembourg) S.A.	1.6 %	Ireland	Nominee	6 500 000
Constructio AS	1.3 %	Norway	Ordinary	5 607 141
Formo AS	0.9 %	Norway	Ordinary	3 740 000
Skandinaviska Enskilda Banken AB	0.9 %	Sweden	Nominee	3 618 890
Total 10 largest shareholders	84 %			350 064 057
Other shareholders	16 %			44 065 523
Total	100 %			394 129 580

* *Nominee = Nominee Accounts; foreign institutions holding shares on behalf of clients.*

Shares controlled by board members	Via	% holding	No shares per 31.12.24
Bjørnar André Ulstein	Shares held through indirect ownership in BEWI Invest AS ¹⁾	0.0 %	-
Mia Arnhult	M2 Asset Management AB ²⁾	8.7 %	36 132 237
Hege Buer	-	0.0 %	-
Sum shares controlled by board members		8.7 %	36 132 237

1) Bjørnar André Ulstein owns 0.01% of the shares in BEWI Invest AS and has indirect ownership interest in the Company. BEWI Invest AS owns 36.24% of the Shares in the Company. In addition he holds 0.195% of Bekken Invest AS through his wholly owned company Tindan AS (Bekken Invest AS owns 52.15% of BEWI Invest AS which in turn owns 36.24% of the Company's Shares).

2) Mia Arnhult holds her Shares in the Company through M2 Asset Management AB, a company which is wholly owned by her husband, Rutger Arnhult.

Shares controlled by senior executives	Via	% holding	No shares per 31.12.24	Options
Stig Wærnes, CEO	Shares held through indirect ownership in BEWI Invest AS ¹⁾	0.0 %	-	-
Sum shares controlled by senior executives		0.0 %	-	-

1) Stig Wærnes owns 0.9% of Bekken Invest AS through his wholly owned company Tindan AS (Bekken Invest AS owns 52.15% of BEWI Invest AS which in turn owns 36.24% of the Company's Shares).

Shares controlled by senior executives	Via	% holding	No shares per 31.12.23	Options
Liv Malvik, CEO	-	0.0 %	179 285	392 598
Kristoffer Holmen, CFO	Mejdell Holmen Holding AS	0.0 %	125 000	392 598
Ove Rød Henriksen, CAO	Substrata AS	0.0 %	9 630	392 598
Audun Aasen, COO	Tripla Invest AS	0.1 %	577 000	392 598
Kristoffer Formo, Head of M&A	Formo AS	0.9 %	3 740 000	392 598
Sum shares controlled by senior executives		1.1 %	4 630 915	1 962 990

Note 13 Tax

Income tax expense

<i>Amounts in NOK million</i>	2024	2023
Tax payable, current year	(7)	(20)
Change in deferred tax	(30)	(6)
Income tax expense	(37)	(26)

Income tax payable is calculated as follows

Profit before tax	900	(52)
Other permanent differences	(734)	84
Changes in temporary differences	(167)	22
Profit for tax purposes	-	54

Tax payable on the balance sheet	-	12
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Reconciliation of income tax expense

<i>Amounts in NOK million</i>	2024	2023
Profit before tax	900	(52)
Estimated tax based on 22%	(198)	11

Tax effects of:

Deferred tax assets that are not recognized in the balance sheet	-	-
Change in temporary differences due to different tax regimes	-	(1)
Changes in fair value investment properties without tax effect	-	(18)
Permanent differences	161	(19)
Income tax expense	(37)	(26)

Effective tax rate	4.1 %	-51.0 %
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Deferred income tax

The Group has offset deferred tax assets and deferred tax liabilities on the balance sheet as the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

The company does not recognise deferred tax assets in the balance sheet per 31.12.2024.

<i>Amounts in NOK million</i>	2024	2023
Deferred tax liability	-	218
Deferred tax assets	-	82
Net deferred tax	-	136

Change in deferred tax (+) deferred tax assets (-)**Movement in temporary differences**

<i>Amounts in NOK million</i>	Investment property	Financial instruments	Current assets	Loss carried forward	Other	Total
31 December 2022	844	178	11	(280)	(23)	729
Recognised in profit and loss	(21)	(34)	23	(94)	-	(126)
Acquisition of subsidiaries	-	-	-	-	-	-
31 December 2023	823	144	34	(375)	(23)	603
Recognised in profit and loss	-	(81)	(39)	(125)	-	(245)
Sale of subsidiaries	(823)	(64)	5	490	(10)	(401)
31 December 2024	-	-	(0)	(9)	(33)	(42)
Change in temporary differences based on nominal tax rate						(646)
Change in deferred tax based on nominal tax rate						142
Differences due to different tax regimes and currency effects						-
Other differences						(172)
Change in deferred tax						(30)

Note 14 Related party transactions

The table below sets out KMC Properties ASA (including its subsidiaries) material investments and acquisitions with related parties. The total purchase price for the acquisitions was NOK 452 million.

Date	Target/ property	Related party
27 March 2024	Herrenhöfer Landstrasse 6 (Ohrdruf)	BEWI ASA
11 May 2024	4 Olszewskiego Street/15 Legnicka Street (Chorzów)	BEWI ASA
11 May 2024	11 Kluczborska Street (Chorzów)	BEWI ASA
11 May 2024	15 Narutowicza Street (Chorzów)	BEWI ASA
27 June 2024	Hulshoutsesteenweg 33 (Heist-op-den-Berg)	BEWI ASA

The tenant BEWI is regarded as related parties by their ownership in KMC Properties ASA through BEWI Invest AS. Reference is made to note 2.5 Segment information for detailed information.

KMC Properties ASA has in 2024 purchased services for NOK 2.6 million from BEWI related companies.

Note 15 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Earnings per share	2024	2023
Profit from discontinued operations (NOK million)	864	(78.0)
Weighted average number of shares	415 749 918	352 209 038
Net profit per share attributable to ordinary equity holders (NOK)	2.08	(0.22)

Reference is made to note 12 Shareholder capital and shareholders for detailed information on changes in number of shares.

Note 16 Subsequent events

No events have taken place after the balance sheet date that would have had a material effect on the financial statements, or any assessments carried out.

Statement of comprehensive income – KMC Properties ASA

For the period 1 January - 31 December

<i>Amounts in NOK millions</i>	Note	2024	2023
Other income		10	25
Total income		10	25
Personnel expenses	6	-16	-33
Other operating expenses	5	-20	-18
Total operating expenses		-35	-51
Operating profit (loss)		-25	-26
Gain from sale of business		914	0
Finance revenues		265	408
Finance expenses		-247	-372
Currency exchange gains (losses)		13	-12
Net financials	4	945	24
Profit (loss) before tax		920	-2
Income tax expense	7, 8	-10	1
Profit (loss)		910	-1
Translation differences from foreign operations		0	0
Comprehensive income		910	-1

Statement of financial position – KMC Properties ASA

per 31 December

Amounts in NOK millions	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Investment in subsidiaries		0	1 278
Financial derivatives	3	0	81
Loans to subsidiaries		0	994
Deferred tax assets	8	0	10
Other assets		0	2
Total non-current assets		0	2 365
Current assets			
Receivables from group companies		0	2 835
Other receivables	3	0	11
Other financial derivatives		0	4
Cash and cash equivalents	3	6	45
Total current assets		7	2 893
TOTAL ASSETS		7	5 258
EQUITY AND LIABILITIES			
Equity			
Ordinary shares	9	8	79
Share premium		0	2 783
Other paid-in equity		0	309
Other equity		-2	-423
TOTAL EQUITY		6	2 748
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	2	0	862
Loans from group companies		0	751
Total non-current liabilities		0	1 613
Current liabilities			
Trade liabilities		1	8
Corporate tax payable	7	0	0
Current interest-bearing liabilities		0	130
Payables to group companies		0	749
Other current liabilities	6	0	12
Total current liabilities		1	899
TOTAL LIABILITIES		1	2 512
TOTAL EQUITY AND LIABILITIES		7	5 258

Trondheim, 27 March 2025

The Board of Directors and General Manager of KMC Properties ASA

Bjørnar A. Ulstein
Chairman

Mia Arnhult
Board member

Hege Buer
Board member

Stig Wærnes
CEO

Statement of cash flows – KMC Properties ASA

<i>Amounts in NOK millions</i>	Note	2024	2023
Cash Flow from Operational Activities			
Profit (loss) before tax		920	(2)
<i>Adjusted for:</i>			
Depreciations		0	0
Gain from sale of business	4	(914)	0
Financial Income	4	(108)	(144)
Interest on loans to subsidiaries	4	(51)	(39)
Interest on loans from subsidiaries	4	31	32
Financial Expenses	4	110	115
Net Currency Gains	4	(13)	12
Cash Flow Before Changes in Working Capital		(25)	(26)
Changes in Working Capital	3	(204)	(1 251)
Paid Taxes	7	0	0
Net Cash Flow From Operating Activities		(204)	(1 251)
Cash Flow From Investment Activities			
Outflows from Investments in subsidiaries		(7)	(11)
Outflows from lending to subsidiaries		0	1 643
Interest received	4	99	176
Net Cash Flow From Investment Activities		92	1 807
Cash Flow From Financing Activities			
Share issue	9	130	423
Net borrowings	3	0	1 162
Repayments of Loans	3	0	(2 050)
Transactions fees paid and other financial costs		(5)	(10)
Interest Paid	4	(38)	(87)
Other financial income		12	64
Net Cash flow From Financing Activities		99	(498)
Net Change in Cash and Cash Equivalents		(38)	33
Carried Forward Cash and Cash Equivalents		45	11
FX movements on bank deposits		0	0
Cash and Cash Equivalents on Closing Date		6	45
Restricted Cash and Cash Equivalents not included above		0	0

Statement of changes in equity – KMC Properties ASA

<i>Amounts in NOK millions</i>	Note	Share capital	Share premium	Other paid-in equity	Retained Earnings / losses	Total equity
1 January 2023		65	2 375	307	(422)	2 326
Issue of shares private placement 31.03.2023	10	4	144			148
Issue of shares private placement 28.09.2023	10	10	265			275
Transaction cost issue of shares	10		(2)			(2)
Share based payment				2		2
Profit					(1)	(1)
Sum		14	407	2	(1)	422
31 December 2023		79	2 783	309	(423)	2 748

Change in share capital and related transaction cost:

- The private placement of NOK 4 047 186,20, at NOK 0.20 per share, gave 20 235 931 new shares
- The private placement of NOK 10 000 000, at NOK 5.50 per share, gave 50 000 000 new shares (transaction cost: NOK 2 253 102).

<i>Amounts in NOK millions</i>	Note	Share capital	Share premium	Other paid-in equity	Retained Earnings / losses	Total equity
1 January 2024		79	2 783	309	(423)	2 748
Issue of shares private placement 17.01.2024	10	5	125			130
Transaction cost issue of shares	10		(1)			(1)
Share based payment					(2)	(2)
Capital decrease to other equity		(75)			75	0
Dividend			(2 907)	(309)	(563)	(3 779)
Profit					910	910
Sum		(70)	(2 783)	(309)	420	(2 742)
31 December 2024		8	0	0	(2)	6

Change in share capital and related transaction cost:

- The private placement of NOK 4 521 739,20, at NOK 0.20 per share, gave 22 608 696 new shares

NOTE 1 Accounting Principles

KMC Properties ASA (KMCP) is a public limited liability company registered in Norway. Its head office is at Brattørkaia 13 B, 7010 Trondheim.

KMC Properties ASA uses a simplified version of IFRS as accounting principle and follows the accounting rules for recognition and measurement according to IFRS with the exception of group contributions and which are accounted for in accordance with the general provisions of the Accounting Act, i.e. revenue recognition when this is set aside in the issuing company. This is in line with the regulations for simplified IFRS § 3-1, no. 3. Also see note 3 to the consolidated accounts for further information on accounting principles. Subsidiaries and investments in related companies are recognised at cost unless the value is considered to be impaired. A write-down to fair value will be done if the impairment is not considered temporary and impairment is considered required by IFRS. Write-downs will be reversed if the requirement for impairment is no longer present.

NOTE 2 Borrowings

MNOK

Bond loan:

(Amount in NOK million)

	2024	2023
Interest-bearing debt as at 1 January	1 844.3	1 844.3
New debt	0.0	900.0
Repayment/refinancing of debt	(1 844.3)	(1 844.3)
Interest-bearing debt as at 31 December	0.0	900.0
Capitalised borrowing cost	0.0	(38.4)
Carrying amount interest-bearing debt	0.0	861.6
Fair value of interest-bearing debt, excess value/(reduced value) for the group in relation to book value	0.0	5.6

Financial assets represent contractual rights for the group to receive cash or other financial assets in the future. Financial liabilities correspondingly represent contractual obligations for the group to make future payments. Financial instruments are included in several accounting lines in the group's balance sheet and income statement and are classified in different categories in accordance with their accounting treatment.

The carrying amount of financial instruments in the group's balance sheet is considered to provide a reasonable expression of their fair value, with the exception of interest-bearing debt. The fair value of interest-bearing debt is described in note 3. A specification of the group's financial instruments is presented below.

	Amortised cost	Fair value through profit or loss		Total
	31.12.2024	31.12.2024		
Financial assets				
Cash and cash equivalents	6	-	-	6
Interest-bearing loans and borrowings to subsidiaries	-	-	-	-
Currency and interest swaps (long-term)	-	-	-	-
Currency and interest swaps (short-term)	-	-	-	-
Other current receivables	0	-	-	0
Current receivables to subsidiaries	-	-	-	-
Total Financial Assets as at 31 December 2024	7	-	-	7
Financial liabilities				
Interest-bearing loans and borrowings (Bond)	-	-	-	-
Interest-bearing loans and borrowings from subsidiaries	-	-	-	-
Interest-bearing loans and borrowings (short-term)	-	-	-	-
Interests on loans and borrowings	-	-	-	-
Trade payables (non interest bearing)	1	-	-	1
Current liabilities to subsidiaries	-	-	-	-
Other current liabilities (non interest bearing)	-	-	-	-
Total Financial Liabilities as at 31 December 2024	1	-	-	1
Net Financial Assets and Liabilities as at 31 December 2024	6	-	-	6
31.12.2023				
	Amortised cost	Fair value through profit or loss		Total
	31.12.2023	31.12.2023		
Financial assets				
Cash and cash equivalents	45	-	-	45
Interest-bearing loans and borrowings to subsidiaries	994	-	-	994
Currency and interest swaps (long-term)	-	81	-	81
Currency and interest swaps (short-term)	-	4	-	4
Other current receivables	39	-	-	39
Current receivables to subsidiaries	2 835	-	-	2 835
Total Financial Assets as at 31 December 2023	3 913	-	84	3 997
Financial liabilities				
Interest-bearing loans and borrowings (Bond)	862	-	-	862
Interest-bearing loans and borrowings from subsidiaries	751	-	-	751
Interest-bearing loans and borrowings (short-term)	107	-	-	107
Interests on loans and borrowings	23	-	-	23
Trade payables (non interest bearing)	8	-	-	8
Current liabilities to subsidiaries	749	-	-	749
Other current liabilities (non interest bearing)	12	-	-	12
Total Financial Liabilities as at 31 December 2023	2 512	-	-	2 512
Net Financial Assets and Liabilities as at 31 December 2023	1 401	84	-	1 486

All currency and interest swaps are measured according to Level 2 in the the fair value hierarchy.

NOTE 4 Finance income and costs

MNOK

	2024	2023
Settlement of sale of subsidiary	2 225	0
Booked value subsidiary	(1 311)	0
Gain from sale of business*	914	0

*For more information about the sale of the subsidiary, see note 5 in the consolidated financial statements.

Finance income

Interest income	1	2
Interest gains from group companies	278	438
Changes in fair value, financial derivatives over profit and loss	(14)	(33)
Sum finance income	265	408

Finance costs

Interest costs from loans measured at amortised cost	83	114
Interest costs to group companies	160	257
Other finance costs	4	1
Sum finance costs	247	372

Net foreign exchange gains and losses	13	(12)
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Net finance gains (losses)	945	24
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NOTE 5 Other operating expenses

MNOK

	2024	2023
Other operating expenses		
Management fees	0	0
Legal, agency and consultancy fees	9	8
Accounting	0	1
Auditors	3	2
Other operating expenses	7	8
Sum other operating expenses	20	18

	2024	2023
Auditor fees (excl. vat)		
Audit fees	2	2
Other attestation services	1	0
Sum auditor expenses	3	2

NOTE 6 Personnel costs

MNOK

	2024	2023
Personnel costs		
Salaries, performance-related pay and other taxable benefits	6	24
Employers' Natural Insurance contributions	3	5
Pension expenses	1	1
Other personnel costs	2	1
Board fees	3	3
Sum personnel costs	16	33

Remuneration to senior executives

Please refer to the Remuneration Report 2024 for more information.

	2024	2023
Salary	5	9
Variable cash salary (STI)	4	2
Share option program	1	1
Pension expense	0	1
Benefits in kind	0	0
Senior executives remuneration	11	13
Board of directors remuneration	3	3

	2024	2023
Accrued asset management fee	0	10
Other accrued expenses	0	2
Sum other current liabilities	0	12

NOTE 7 Income tax

MNOK

Tax recognised over income statement	2024	2023
Current income tax	0	0
Movement in deferred tax	(10)	1
Sum income tax	(10)	1

Basis for taxation, parent company	2024	2023
Earnings before tax	920	(2)
Income and expenses not subject to taxation	(915)	(2)
Movement in temporary differences	(5)	63
Adjustment interest not deductible current year	0	0
Tax losses for current year not recognised	0	0
Basis for taxation	0	59
Change of losses carried forward	0	(59)
Tax payable	0	0

NOTE 8 Deferred tax

MNOK

Temporary differences, parent company	31.12.2024	31.12.2023	Change
Assets	(0)	(0)	(0)
Receivables (*)	0	0	0
Capitalised borrowing cost	0	(39)	39
Currency and interest swaps	0	(81)	81
Tax losses carried forward	9	134	(125)
Adjustment interest deductible in the future	33	33	0
Sum temporary differences	42	48	(5)
Tax rate	22 %	22 %	0 %
Deferred tax asset (liability)	9	10	(1)
Deferred tax asset (liability) not recognised	(9)	0	(9)
Recognised deferred tax asset (liability)	0	10	(10)

The company does not recognise deferred tax assets in the balance sheet per 31.12.2024.

NOTE 9 Share capital and shareholders

MNOK

Share capital and nominal value	31.12.2024	31.12.2023
Shares issued	417	394
Nominal amount in NOK	0.02	0.20
Share capital	8	79

All shares are fully paid. There is only one share class. All shares have equal rights.

Change in share capital and related transaction cost:

Change in share capital and related transaction cost:

- Private placement to Nordika 17.01.2024 at a subscription price of NOK 5.75 per share, in total NOK 130 millions (transaction cost NOK 0.6 million)

NOTE 10 Going concern

MNOK

During the financial year, all subsidiaries have been sold. The Company/Group has since not engaged in new business activities. Cash reserves are limited, with ongoing expenses and no revenue, resulting in negative cash flow. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements have been prepared on the assumption that the Company will continue as a going concern which is dependent on the successful raising of additional capital and the company's ability to execute any future business activities.

The board of directors will continue to monitor the financial situation and take necessary actions to address these challenges. However, the uncertainty surrounding the Company's ability to raise the necessary funds makes the going concern assumption subject to risk.



To the General Meeting of KMC Properties ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KMC Properties ASA, which comprise:

- the financial statements of the parent company KMC Properties ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of KMC Properties ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income - discontinued operations, statement of changes in equity and statement of cash flows - discontinued operations for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of KMC Properties ASA for 5 years from the election by the general meeting of the shareholders on 24 June 2020 for the accounting year 2020.

Material Uncertainty Related to Going Concern

We draw attention to notes 4 and 10 to the financial statements for the Group and the Company, respectively, which states that all subsidiaries have been sold, and that the Company/Group has since not engaged in new business activities. Further, cash reserves are limited with ongoing expenses and no revenue, resulting in negative cash flow. As stated in note 4 and note 10, these events or conditions,



indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they



could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of KMC Properties ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name kmcpasa-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 27 March 2025

PricewaterhouseCoopers AS

Chris Håvard Jakobsen
State Authorised Public Accountant
(This document is signed electronically)

KMC  PROPERTIES

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