

Date: March 25, 2026

Sector: Property (Office)

Region: Nordics (Finland: Helsinki Metropolitan Area)

Lead analyst: Sven Dahlin

Colony | Rental income increases by 18% as occupancy hits 88%

Colony is a privately held property company, founded in 2021, providing green, hybrid office spaces in the Helsinki office market. Colony's property portfolio consist of six large-scale units with full-service solutions. Compared to its Swedish-listed peers, Colony has a significantly younger portfolio and a substantially higher share of certified assets; 100% of its properties are certified and taxonomy aligned

Property values have stabilized: ~380 MEUR⁽¹⁾ of modern office assets in well-established HQ locations in Helsinki Metropolitan Area. The underlying property values increased by approximately 100 TEUR in 2025. The -5,714 TEUR unrealized changes in value of investment properties, in the income statement is due to 3,574 TEUR in CAPEX and 2,240 TEUR in tenant improvements being capitalised

Increasing operating income: In 2025, Rental Income amounted to 18.8 MEUR, reflecting a 18% year-on-year increase. Net Operating Income (NOI) reached 13.3 MEUR, corresponding to a 13% rise from the previous year. IFPM⁽²⁾ increased by 2% to 8.46 MEUR from previous year.

Financially Stable: Interest Coverage Ratio (2.3x) and healthy Equity Ratio (46.2%).

Green Office Platform: In 2025 Colony was the first Nordic real estate company to receive an "Excellent" rating from Sustainable Fitch. All buildings are environmentally certified and taxonomy-aligned. Large gap between tenant demand for environmentally certified offices and current supply.

The company has updated its dividend policy so that 50% of cash earnings (income from property management) are to be distributed or can be used for share buybacks.

NRV/share: 82.8 SEK
Share price⁽⁴⁾: 65 SEK

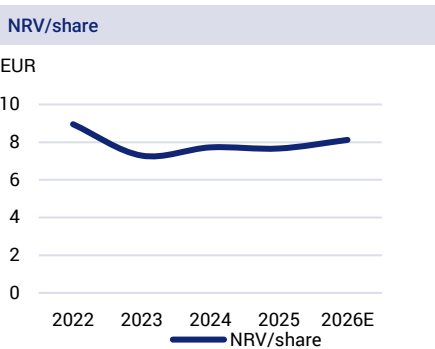
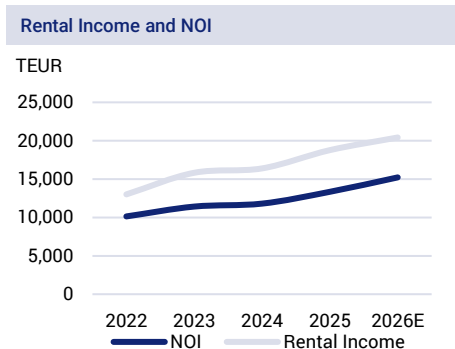
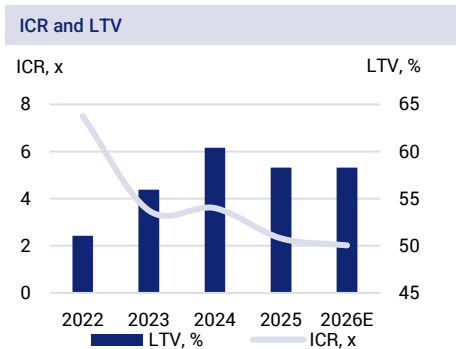
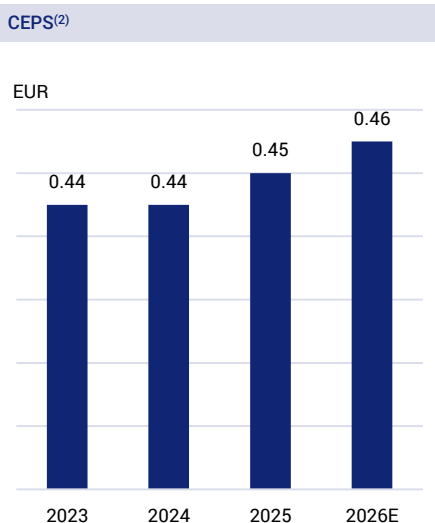
Key events during the year

- Leasing and tenant adaptations:** Tenant improvements were carried out to facilitate larger move-ins in late 2025 and early 2026, while active leasing efforts—including several smaller leases in one property—supported higher occupancy.
- Development of the customer offering:** The tenant proposition was further strengthened through investments in shared amenities such as restaurants, meeting spaces, and communal areas, enhancing the overall workplace experience.

Upcoming events

- Annual Report 2025: April 20, 2026
- AGM: May 21, 2026
- Investor update H1 2026: September 2026
- Investor update YE 2026: March 2026

Key figures		2022	2023	2024	2025	2026E
Gross Asset Value	TEUR	248,000	224,200	273,400	273,500	273,500
Lettable Area	m ²	62,572	62,572	70,207	72,500	72,500
Occupancy Rate	%	80	76	83	88	88
Rental Income	TEUR	11,436	15,501	15,943	18,749	20,420
NOI	TEUR	10,135	11,417	11,802	13,343	15,220
Profit after financial items ⁽³⁾	TEUR	8,960	3,207	11,201	7,042	8,497
-of which IFPM ⁽²⁾	TEUR	10,739	7,368	8,323	8,460	8,559
Net Profit	TEUR	4,006	-25,909	3,488	-1,612	8,559
CEPS ⁽²⁾	EUR	0.64	0.44	0.44	0.45	0.46
EPS	EUR	0.24	-1.53	0.20	-0.09	0.45
NRV/share	EUR	8.95	7.29	7.72	7.66	8.12
NRV/share	SEK	98.6	80.3	85.1	82.8	87.6
ICR	x	7.5	3.5	3.6	2.3	2.0
LTV	%	51.1	56.0	60.4	58.3	58.3
Equity Ratio	%	53.8	49.6	44.3	46.2	47.6



Notes: (1) Including 100% of the Fleming property (partially owned 37.4%)
(2) Adjusted for Colony's 37.4% share of Fleming Property's Cash Earnings (IFPM) (and excluding financial one-off for 2025)
(3) IFPM in 2025 got negatively impacted by a one-off financial expense
(4) Colony's share price is 65 SEK based on their latest share issue

Source: Nordanö Research, FactSet and company data

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Company Description	Key facts	Largest shareholders	% capital	% votes
Colony is a property company, focused on modern, well-located offices in the Helsinki Metropolitan Area. The company was founded in 2021 and has since successfully expanded GAV by acquiring high-quality properties. As of 2026, Colony's property portfolio consists of six large-scale units with full-service solutions in Helsinki, valued at about 380 MEUR ⁽¹⁾ . The assets are in established HQ-clusters with a tenant-mix dominated by blue-chip multi-nationals. No legacy assets and 100% EU Taxonomy-aligned and green-certified.	Founded: 2021 Portfolio Value: ~380 MEUR ⁽¹⁾ Assets: Office properties in Helsinki Metropolitan Area (HMA) in Helsinki, Espoo and Vantaa. Fleming property owned to 37.4% Leasable space: 113,500 m ² ⁽¹⁾ Occupancy: 88% WAULT: ~5.5 years Certification: 100% environmentally certified (LEED/BREEAM) Key Tenants: Ramboll, CGI, Finnair, SOK, Krogerus	Altaal (consolidated holdings) Fam. Kamprads Stiftelse SIBA (consolidated holdings) Movestic Liv. (multiple shareholders) Fam. Hamrin (Herenco family office) Fam. Lundberg (Uppertine Holding) SEB Life (consolidated holdings) Håkan Roos (Roosgruppen A) Santhe Dahl Invest AB Karbinen Other shareholders Total	2.5% 6.3% 6.0% 4.5% 4.0% 3.5% 3.5% 3.5% 2.1% 1.6% 62.7% 100.0%	17.0% 5.4% 5.1% 3.8% 3.4% 3.0% 3.0% 2.9% 1.8% 1.4% 53.3% 100.0%

Tenant mix	Top 5 Tenants	Industry
Colony's tenant base is diverse with the current roster of ~25 tenants spanning industries such as: Tech/IT (e.g. CGI), Engineering/Consulting (e.g. Ramboll, Rejlers), Aviation/Logistics (e.g. Finnair), Professional Services (e.g. Krogerus), Retail Services (e.g. SOK group), and others like healthcare, automotive, and facilities management firms. The five largest tenants, listed in the table to the right, represent 68% ⁽¹⁾ of rental income.	Ramboll CGI SOK (S-Group) Krogerus Finnair	Engineering and Design IT Services Retail Services Legal Services Aviation

ESG positioning	ESG performance
All Colony's office properties meet the criteria for either Climate Change Mitigation or Adaption to Climate Change and are aligned with the EU Taxonomy. 100% of the portfolio is certified and thus meets international standards for energy efficiency, water conservation, indoor environmental quality, and sustainability management. The certifications include top ratings like LEED Platinum and BREEAM Excellent, which signal a high level of sustainability.	EU taxonomy-aligned 100% Certified 100% Sustainable Fitch Excellent <i>In 2025 Colony was the first Nordic real estate company to receive an "Excellent" rating from Sustainable Fitch.</i>

Financial Positioning

Financial Performance: Colony has demonstrated a solid growth trajectory. Since its first acquisition in mid-2021, the company's annualised rental income and NOI have risen steadily through a combination of leasing and acquisitions. The current passing rent across the portfolio is around €23 per m²/month, with reversionary upside as renovated spaces achieve higher rates. Occupancy is a key driver: as noted, Colony's occupancy improved to 88% by year-end 2025 from 83% in year-end 2024, and management targets an occupancy between ~90% - 95% in coming years. The WAULT is ~5.5 years, with longer tenures for anchor tenants, providing medium-term visibility on income.

On the balance sheet, the Loan-to-Value (LTV) ratio is around 58%, which is reasonable for a portfolio of this quality. The Interest Coverage Ratio (ICR) is positively stable at 2.3x, thanks to the low average cost of debt locked in during a low-rate environment.

Cash Earnings	2022	2023	2024	2025	2026E
CEPS, EUR	0.64	0.44	0.44	0.45	0.46
CEPS, Y/Y%		-31.4	-0.1	3.4	1.2
Cash earnings, TEUR	10,739	7,368	8,323	8,460	8,559
Shares outstanding, YE	16,901,933	16,901,933	17,566,933	18,781,824	18,781,824

NAV and DPS	2022	2023	2024	2025	2026E
NAV/share (book), EUR	9.38	7.62	7.78	7.56	8.02
NRV/share, EUR	8.95	7.29	7.72	7.66	8.12
DPS, EUR	0.12	-	-	0.05	-

Credit metrics	2022	2023	2024	2025	2026E
LTV, %	51.1	56.0	60.4	58.3	58.3
ICR, x	7.5	3.5	3.6	2.3	2.0
Net debt/EBITDA	14.9	18.3	11.3	12.6	10.3
Equity Ratio, %	53.8	49.6	44.3	46.2	47.6

Operational metrics	2022	2023	2024	2025	2026E
Lettable Area, m ²	62,572	62,572	70,207	72,500	72,500
Average rent, EUR/year/m ²	260	333	281	294	306
Occupancy Rate, %	80	76	83	88	88

Notes: (1) Including 100% of the Fleming property (partially owned 37.4%)

Valuation ⁽¹⁾	NRV	Share price				
Price per share, SEK	82.8	55.0	65.0	75.0	85.0	95.0
P/CE adjusted (2025) ⁽²⁾	17.0x	11.3x	13.4x	15.4x	17.5x	19.5x
P/CE adjusted (2026E) ⁽²⁾	16.8x	11.2x	13.2x	15.2x	17.3x	19.3x
NOI yield (2026E)	5.56%	6.8%	6.3%	5.9%	5.5%	5.2%
Property value SEK/m ²	40,742	33,550	36,141	38,732	41,322	43,913

Current valuation: Colony's portfolio valuation corresponds to a 5.6% normalised running yield. The valuation yield, used in the external property valuations is 6.5%. For context, the average valuation yield for Colony's Swedish peers is substantially lower at 4.4%, although these peers currently trade at a discount on the stock market.

The current valuation embeds a substantial risk premium. For context, the portfolio's value per square meter is modest – likely below replacement cost (new construction of similar offices in Helsinki can cost ~€4,000/m² or more). This suggests limited downside and significant upside if yields revert to mean.

Valuation potential: Yield Compression Potential: as interest rates stabilise and investor confidence returns, prime office yields in Helsinki could compress back toward ~5.0%. Colony's strategy explicitly targets an exit yield in the 5.0% range. If achieved, this would mark a powerful re-rating of the portfolio. There is precedent for such re-rating: Swedish office property companies that traded at 6% yields in the trough of past cycles often moved to sub-5% yields in recovery periods. The current yield gap of 150 bps between Helsinki and Stockholm is unlikely to persist long-term.

To summarise the yield metrics and expectations:

Yield Metric	Yield
Running yield (NOI 2026e, divided by property value)	5.6% (normalised running yield)
Valuation yield used in external property valuations (2025)	6.5% (valuation yield)
Target Acquisition Yield (Next Assets)	~6.5% (Colony's sourcing target)
Target Exit Yield (IPO Valuation)	~5.0% (anticipated on re-rating)

Peer analysis: Compared to its more established Swedish-listed peers, Colony remains relatively small. As shown in the table below, its property value per square metre is significantly lower than that of its Stockholm-focused counterparts (Atrium Ljungberg, Fabega and Hufvudstaden). Rent per square metre is also comparatively low, despite the high quality of Colony's assets, underlining the portfolio's defensive positioning. Eastnine, with properties in Poland, Lithuania and Latvia, is also a close peer with a similar property value per square meter.

2025	Colony	Eastnine	Fabega	Atrium Ljungberg	Hufvudstaden
Gross Asset Value, TEUR	273,500	960,450	7,264,815	5,498,611	4,453,639
Lettable Area, m ²	72,500	271,500	1,271,000	901,000	390,996
Value, EUR/m ²	3,772	3,538	5,716	6,103	11,390
Occupancy Rate, %	88	96	86	89	91
NOI, TEUR ⁽³⁾	15,694	57,644	244,259	196,852	157,014
Cash Earnings, TEUR ⁽³⁾	8,460	31,001	143,611	121,944	113,981
Net Profit, TEUR ⁽³⁾	243	41,739	31,574	103,148	77,500
P/E ⁽⁴⁾	465.7	7.8	-74.7	18.7	15.1
P/CE⁽⁴⁾	13.4	14.5	16.4	15.8	20.9
ICR, x	2.3	2.3	2.6	3.0	4.5
LTV, %	58	47	43	43	25
Equity Ratio, %	46	45	45	44	56

Notes: (1) SEK/EUR Exchange rate: 10.8. Multiples are based on the estimated IFPM figures for 2026.

(2) Including Colony's 37.4% share of Fleming Property's Cash Earnings (and excluding financial one-off for 2025 and 2026)

(3) Figures for Colony includes their share of Fleming's (37.4%) income statement for 2025

(4) P/E and P/CE are multiples of 2025 figures which also includes their share of Fleming's (37.4%). Colony's share price is assumed to be 65 SEK based on their latest share issue.

Market Context

Helsinki Office Market: Vacancies in the Helsinki Metropolitan Area was ~17% in Q4 2025, but demand remains strong for prime, well-located, sustainable offices. Companies increasingly prioritise modern, certified green buildings to attract staff and meet ESG targets, reinforcing a clear “flight to quality.” The office investment volume during 2025 increased by 67% in Helsinki.

Macroeconomy: Finland remains a highly stable and competitive economy, supported by an AA+ credit rating and strong education and innovation performance. Finnish GDP grew 0.2% in 2025 and is expected to strengthen to 1.1% in 2026.

Helsinki vs. Stockholm Valuation Gap: As of Q4 2025 Helsinki prime office yields were 5.5%, versus ~4.0% in Stockholm, creating a historically wide ~150 bps gap (vs. a long-term average of 50–60 bps). As sentiment improves the spread is likely to narrow.

Investment Highlights

Attractive Entry Valuation and Yield Spread: Colony's assets are currently valued at a normalised yield of 5.6% and a valuation yield of 6.5%, which is compelling against historical benchmarks.

Green Office Platform: All Colony's office properties meet the criteria for either Climate Change Mitigation or Adaption to Climate Change and are aligned with the EU Taxonomy.

Prime Locations and Modern Workspaces: Colony's properties are in prime Helsinki, Espoo, and Vantaa submarkets, including Helsinki CBD and major business districts.

Blue-Chip Tenant Base with Stable Cash Flows: Colony has attracted high-profile multinational tenants across sectors, ensuring diversified and robust rental income. The weighted average lease term (WAULT) is healthy at ~5.5 years and occupancy stood at ~88% as of early 2026.

Scalable Platform with IPO exit upside: Colony has a scalable platform with a target to reach a portfolio value of ~€1 billion, targeting similar modern office assets in Helsinki. The enlarged portfolio is expected to pursue an IPO as the primary exit in the short term – with Nasdaq Stockholm First North identified as the natural listing.

Investment Risks

Investors should consider the following key risks regarding the Colony investment case:

Market and Interest Rate Risk: The strategy depends on yield compression. If interest rates increase or office sentiment deteriorates, Helsinki yields may stay elevated. With liquidity returning to the Helsinki market in 2025 and expected to strengthen further in 2026, the yield spread relative to Stockholm could compress.

Macroeconomic and Geopolitical Risk: Finland's small, open economy is vulnerable to a deeper recession that could weaken office demand.

Work-From-Home and Demand Uncertainty: Hybrid work's long-term impact remains uncertain, and a shift toward remote work could reduce office demand. However, tenants are prioritizing higher-quality space and Colony's flexible, amenity-rich offices help mitigate these pressures.

Tenant Concentration and Credit Risk: Colony's top five tenants represent a large share of total rental income and a default or non-renewal would materially affect cash flow. However, their strong credits and invested fit-outs reduce relocation risk. With a ~5.5-year WAULT, income visibility remains solid.

Finnish Property Market Liquidity Risk: Investments in the Finnish property transaction market increased 71% year-over-year in 2025. Liquidity has been limited but the transactions market for 2026 is expected to improve further.

Financing and Liquidity Risk: Colony's strategy entails raising new equity and additional debt to finance acquisitions. There is a risk that capital may not be available on favourable terms when needed.

Financial statements

Consolidated income statement EUR'000	2022	2023	2024	2025	2026E
Rental income (incl. service charges)	11,436	15,501	15,943	18,749	20,420
Other income	1,569	322	449	24	-
Operating and maintenance expenses	-1,964	-3,003	-3,083	-3,764	-3,534
Property tax	-906	-1,403	-1,507	-1,666	-1,666
Net operating income	10,135	11,417	11,802	13,343	15,220
Central administration	-2,013	-2,265	-2,403	-2,090	-2,060
Share of profit from associates	-951	-3,266	4,593	816	816
- of which property management income	828	895	1,041	878	878
- of which changes in value of investment properties	-1,587	-3,126	-2,830	16	16
- of which tax	139	-1,035	-13	100	100
- of which adjustments	-	-	6,396	-178	-178
Financial income	3,620	262	509	29	-
Financial expenses	-1,831	-2,941	-2,626	-3,700	-5,479
Other non-recurring expenses (one-off items)	-	-	-674	-1,356	-
Profit after financial items	8,960	3,207	11,201	7,042	8,497
- of which income from property management	10,739	7,368	7,649	7,104	8,559
Unrealised changes in value of investment properties	-10,617	-27,477	-3,192	-5,714	-
Unrealised changes in value of interest rate derivatives	9,308	-3,931	-3,646	-2,518	-
Profit before tax	7,651	-28,201	4,363	-1,190	8,497
Current tax	-945	-37	-2	0	-
Deferred tax	-2,700	2,329	-874	-423	-
Profit for the period	4,006	-25,909	3,487	-1,613	8,497

Consolidated balance sheet EUR'000	2022	2023	2024	2025	2026E
ASSETS					
Investment properties	248,000	224,200	273,400	273,500	273,500
Investments in associates	11,355	8,089	22,850	22,931	22,931
Derivatives	11,275	7,344	3,698	1,181	1,181
Other non-current assets	111	123	128	129	129
Deferred tax asset	54	110	-	-	-
Total non-current assets	270,795	239,866	300,076	297,741	297,741
Cash and cash equivalents	19,809	17,921	6,345	7,617	16,114
Other current assets	3,988	1,913	1,936	2,194	2,194
Total current assets	23,797	19,834	8,281	9,811	18,308
TOTAL ASSETS	294,592	259,700	308,357	307,552	316,049
EQUITY AND LIABILITIES					
Total equity	158,486	128,762	136,738	142,055	150,552
Non-current interest-bearing liabilities	126,659	125,440	153,129	27,472	27,472
Deferred tax liabilities	4,138	1,865	2,629	3,052	3,052
Other non-current liabilities	111	123	128	129	129
Total non-current liabilities	130,908	127,428	155,886	30,653	30,653
Current interest-bearing liabilities	-	-	-	125,955	125,955
Other current liabilities	5,198	3,510	15,732	8,889	8,889
Total current liabilities	5,198	3,510	15,732	134,844	134,844
TOTAL EQUITY AND LIABILITIES	294,592	259,700	308,356	307,552	316,049

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