

Kaldalón hf. – Trading Statement for Q1 2025

Reykjavík, 19 May 2025

- **Acquired 9,150 sqm of income-generating properties**
- **Operating revenue increased by 31% year-on-year, amounting to ISK 1,275 million**
- **Refinancing of interest-bearing debt is on schedule – 8% of interest-bearing debt has been refinanced year-to-date.**

Jón Þór Gunnarsson, CEO

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Kaldalón's operations in the first quarter were in line with expectations. The Company has experienced significant year-on-year growth, with rental income for the first quarter exceeding that of the same period last year by over 30%.

During the quarter, the Company published its first combined Annual and Sustainability Report and issued a new inflation-linked bond series, KALD 150436, as well as green bonds under the series KALD 041139 GB.

Kaldalón completed the acquisition of new income-generating properties located adjacent to the Company's existing property at Suðurhraun in Garðabær.

There was virtually no change in the fair value of investment properties since the beginning of the year. The calculated average cost of capital used in fair value assessments increased by 0.11 percentage points, which had a negative impact on the valuation of the properties. However, price developments and the transition of development assets into income-generating properties during the quarter had a positive effect on the quarter's fair value assessment.

Debt repayments during the period resulted in a reduction of the loan-to-value (LTV) ratio by 1 percentage point since year-end, with the ratio standing at 56% at the end of the quarter.

The Company anticipates finalising additional property purchase agreements in the second quarter, subject to customary conditions in real estate transactions.

Acquisition of 9,150 square metres of income-generating properties

Kaldalón hf. has signed a purchase agreement and taken delivery of the properties located at Suðurhraun 4, 4a, and 6. The total area acquired amounts to 9,150 square metres. The properties are currently leased to and operated by Samhentir – kassagerð hf. As part of the transaction, Kaldalón has also secured a pre-emptive right to acquire the neighbouring property at Breiðhella 2.

The purchase price for the properties amounts to ISK 2,750 million. Annual rental income is ISK 240 million, and the acquisition is expected to increase Kaldalón's annual operating profit by ISK 200 million



Operations

The Company recorded significant year-on-year revenue growth in the first quarter, driven by investments made in the previous year. Operating revenue amounted to ISK 1,275 million, while operating expenses totalled ISK 313 million. Performance during the first quarter was in line with the projections presented following the Company's year-end financial results.

The net operating income (NOI) margin was 76% in the first quarter, compared to 79% for the full year 2024. The Company expects the majority of its turnover-based rental income to be recognised in the second half of the year, with only 13% falling within the first quarter. This seasonal distribution impacts the NOI margin for the period.

Net finance costs amounted to ISK 946 million. The fair value adjustment of investment properties was ISK 12 million. Profit before income tax for the first quarter totalled ISK 29 million..

Financial Position

The Company's investment properties amounted to ISK 73,720 million at the end of the first quarter, representing an increase of ISK 276 million from year-end. This growth primarily reflects continued investments in development projects that are expected to become income-generating later in 2024 and 2025. The acquisition of the properties at Suðurhraun 4, 4a, and 6 was completed in the second quarter and is therefore not included in the first-quarter financial statements.

Cash and cash equivalents amounted to ISK 960 million. In addition, the Company had access to undrawn credit lines totaling ISK 2,000 million. Cash was used during the period to fund investments and repay debt. Total assets amounted to ISK 75,214 million (2024: ISK 75,823 million).

The weighted average cost of capital (WACC) used in fair value assessments of investment properties was 6.64% at the end of the quarter, an increase of 0.11 percentage points since year-end. This increase negatively impacted the valuation of investment properties. However, valuation gains driven by inflation and the reclassification of development assets to income-generating status partially offset this effect.

Equity increased by ISK 23 million in the first quarter, amounting to ISK 25,961 million (2024: ISK 25,938 million).

Interest-bearing debt totalled ISK 41,644 million (2024: ISK 42,117 million), a decrease of ISK 473 million since year-end. The loan-to-value (LTV) ratio decreased by 1 percentage point during the quarter, standing at 56% at period-end (2024: 57%).

Total liabilities amounted to ISK 49,253 million (2024: ISK 49,885 million), down ISK 632 million from year-end.

In February, the Company increased the size of its green bond series KALD 041139 GB through a sale of ISK 1,800 million, which was used to refinance less favourable debt. The Company also issued a six-month bill under the KALD 250901 series to refinance a previous issuance. Kaldalón has been issuing bills semi-annually for some time.

Additionally, the Company launched a new bond series, KALD 150436, issued under its ISK 30,000 million bond program. ISK 1,500 million was sold in a public offering and used to refinance less favourable debt.

Outlook

The Company's earnings guidance remains unchanged from March 2025. The forecast will be updated in connection with the half-year financial results and will then reflect the impact of investments in income-generating properties made year-to-date.

The current guidance, issued in March, projects operating revenue for 2025 in the range of ISK 5,350–5,550 million and operating profit in the range of ISK 4,200–4,350 million.

Key Figures for the Period 1 January – 31 March 2025 (amounts in ISK million)

	1.1. – 31.3 2025	1.1. – 31.12 2024¹
Operating revenue	1.275	4.508
Weighted occupancy rate of delivered properties	96%	97%
Operating profit before fair value adjustments	963	3.548
Net Operating Income margin	76%	79%
Fair value adjustments	12	3.991
Total profit before tax	29	4.311
Return on equity (annualized)	0,3%	14%

	31.3 2025	31.12 2024
Investment assets ²	73.720	73.444
Total assets	75.214	75.823
Interest-bearing debt	41.644	42.117
Cash at period-end	960	1.727
Equity	25.961	25.938
Loan-to-value (LTV) ratio ³	56%	57%
Equity ratio	34%	34%

¹ The Company did not publish financial results for the first quarter of 2024; comparisons are therefore made against the most recently published results, the 2024 year-end financial statements

² Investment properties and owner-occupied properties

³ Interest-bearing debt as a ratio of investment properties

Leasing and Investments

- Construction of the expansion of the healthcare clinic at Skógarhlíð is progressing well, with delivery scheduled for summer 2025.
- Development of Lambhagavegur 12 has been completed, and the property was handed over under a long-term lease at the end of May.
- Delivery of 1,100 sqm of office space at Köllunarklettur to tenants is scheduled for May.
- The expansion of Fiskislóð 29 has been completed, and the property is now income-generating.
- The acquisition of the properties at Suðurhraun 4, 4a, and 6 has been finalised.

Business Development

- Construction progress on the expansion of the healthcare clinic at Skógarhlíð is on track. Delivery is scheduled for summer 2025.
- Development of Lambhagavegur 12 has been completed, and the property was handed over under a long-term lease at the end of May.
- Delivery of 1,100 sqm of office space at Köllunarklettur to tenants is taking place in May.
- The expansion at Fiskislóð 29 has been completed, and the property is now income-generating.
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Financial Calendar

- Half-Year Financial:	22 August 2025
- Q2 presentation:	23 August 2025
- Q3 Trading Statement:	17 Nov 2025
- Management Accounts 2025:	12 Feb 2026
- Annual Financial Results 2025	4 March 2026
- Annual General Meeting:	26 March 2026

The publication of financial information will take place after market close. All dates are subject to change.

Further Information:

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This announcement, as well as the Company's annual and half-year financial statements, are available on Kaldalón's investor website:

www.kaldalon.is/fjarfestar