

Q2 2025.

Condensed consolidated
interim financial
statements

EIK

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Endorsement and Statement by the **Board of Directors and the CEO**

Eik fasteignafélag hf. is an Icelandic public limited company listed on the Iceland Stock Exchange (Nasdaq Iceland). The Group's structure consists of the parent company, Eik fasteignafélag hf., along with subsidiaries that are 100% owned by the parent company. The Group's operations include ownership, leasing, management, and development of commercial properties, as well as ownership of hotel operations.

The interim financial statements of Eik fasteignafélag hf. for the period from 1 January to 30 June 2025 are prepared in accordance with the international accounting standard IAS 34 on interim financial reporting. The interim financial statements contain the condensed consolidated interim financial statements of Eik fasteignafélag hf. and its subsidiaries but do not include all the information required in a complete annual financial statement and should be read in conjunction with the group's annual financial statements for the year 2024, which can be accessed at www.eik.is. The valuation of investment properties was confirmed by auditors, but otherwise, the interim financial statements are neither audited nor reviewed.

Operation

There was strong growth in the Company's revenue and EBITDA in the first six months of the year.

The Group's operating revenue increased by 8.5% in the first six months of the year compared to the same period last year, amounting to ISK 5,998 million compared to ISK 5,527 million for the first six months of 2024. Operating expenses amounted to ISK 2,305 million, of which one-off expenses were ISK 90 million. Operating profit before valuation changes, sales gain depreciation and amortization amounted to ISK 3,693 million compared to ISK 3,519 million in the same period the previous year. Adjusted for one-off expenses, EBITDA for the first half of this year amounted to ISK 3,783 million, an increase of 7.5% year-on-year. The valuation change of investment properties during the period was positive, amounting to ISK 4,293 million. According to the income statement and the statement of comprehensive income of the Group, the total profit for the period amounted to ISK 3,379 million. Cash flow from operations amounted to ISK 1,943 million according to the Group's cash flow statement, compared to ISK 1,762 million in the same period last year, which corresponds to a 10.3% increase year-on-year.

Financial Position

The Group's total assets amounted to ISK 162,348 million at the end of the period, of which investment properties amounted to ISK 151,523 million, assets for own use amounted to ISK 5,501 million, and cash was ISK 3,578 million. The Group's total equity was ISK 52,647 million, of which outstanding share capital was ISK 3,393 million. The Group's equity ratio was 32.4% at the end of the period. At the Company's annual general meeting on 10 April 2025, it was approved to distribute dividends to shareholders for the financial year 2024 amounting to ISK 3,393.4 million, which was agreed to be paid in two instalments. The first payment of ISK 1,696.7 million was made to shareholders on 23 April 2025, and the second payment of the same amount will be made on 8 October 2025. The equity position and equity ratio as of 30 June 2025 take these commitments into account. The proportion of inflation-indexed loans was nearly 97.3% at the end of the first half of 2025.

The Company issued a new bond series, EIK 150536, at the beginning of February. The series carries 3.8% inflation-indexed interest and was sold for ISK 4,000 million at the beginning of February and ISK 2,000 million at the end of February. The total size of the series after expansion was therefore ISK 6,000 million, with a maximum size of ISK 10,000 million. Part of the financing was used to pay down less favourable bank financing.

The Company's weighted inflation-indexed terms were 3.49% and its weighted non-indexed terms were 7.67% as of 30 June 2025, and the company's net loan-to-value ratio, taking into account its dividend payment commitments, was 56.1%.

Updated Outlook

The Company has updated its outlook for 2025 and expects annual operating revenue to be between ISK 12,270 million and ISK 12,650 million at constant prices, based on the consumer price index for inflation protection in September 2025. Of this, rental income is estimated to range from ISK 10,590 million to ISK 10,910 million. The Company also expects EBITDA for 2025 to be between ISK 7,735 million and ISK 7,975 million.

As previously mentioned, the Company signed a purchase agreement for all shares in Festing hf. at the end of last May. The completion of the transaction is underway, subject to approval from the Competition Authority, and revenue from Festing's assets is not expected in 2025.

Endorsement and Statement by the **Board of Directors and the CEO**

The updated outlook considers, among other things, an agreement made by the Company in the second quarter with a tenant to terminate a lease agreement, which has an impact of approximately ISK 80 million in reducing revenue for 2025. Despite that, the company is within the original outlook range.

The Company now expects the occupancy rate to be between 94% and 95% by the end of 2025. Leasing of development square metres has progressed slower than expected in the first half of the year. Of the nearly 11 thousand development square metres the Company planned to make leasable by the end of 2025, lease agreements have been signed for about 4,800 square metres. It is likely that leasing of the remaining 6,100 square metres will extend into 2026.

When the Company has achieved its goal of a 95% economic occupancy rate and taking into account the leasing of the aforementioned 6,100 square meters of development space, the company expects annual rental income based on the current portfolio, updated outlook and ex-

cluding the impact of the purchase of all shares of Festing hf. to increase by 565 – 590 million ISK.

Statement by the Board of Directors and the CEO

According to the best knowledge of the Board of Directors and the CEO, the interim consolidated financial statements have been prepared in accordance with international accounting standard IAS 34 on interim financial reporting, as it has been approved by the European Union. It is the opinion of the Board of Directors and the CEO that the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities and consolidated financial position as at 30 June 2025 and its financial performance and changes in cash and cash equivalents for the period 1 January to 30 June 2025.

The Board of Directors and CEO of Eik fasteignafélag hf. hereby confirm the Company's interim consolidated financial statements for the period from 1 January to 30 June 2025 by means of their signatures.

Kópavogur, 13 August 2025

Board of Directors

Bjarni Kristján Þorvarðarson
Chairman

Eyjólfur Árni Rafnsson
Board member

Guðrún Bergsteinsdóttir
Board member

Gunnar Þór Gíslason
Board member

Ragnheiður Harðar Harðardóttir
Board member

CEO

Hreiðar Már Hermannsson

Confirmation by Independent Auditor

To the management and stakeholders of Eik fasteignafélag hf.

We were engaged by Eik fasteignafélag hf. (hereafter Eik fasteignafélag) to provide an independent opinion with limited assurance on the valuation of the Company's investment properties as of 30 June 2025, performed in accordance with the requirements of IAS 40 Investment Property (IAS 40) and IFRS 13 Fair Value Measurement (IFRS 13) as adopted by the European Union.

Scope

The objective and scope of our work are limited to assessing the valuation of the Company's investment properties, which are valued at fair value as of 30 June 2025 by management in accordance with IAS 40 and IFRS 13.

Our opinion does not cover other information in the Group's interim consolidated financial statements or comparative figures.

Our conclusion is presented with an opinion of limited assurance.

Basis for Opinion

Our responsibility is to express an opinion with limited assurance on the valuation of the Company's investment properties. We have performed our work in accordance with the standard ISAE 3000 (revised), which applies to assurance engagements other than audits and reviews in accordance with international auditing standards (ISA) or international review standards (ISRE). The objective of the assurance engagement is to provide limited assurance.

A limited assurance engagement is less extensive than a reasonable assurance engagement. Consequently, the assurance obtained is less than with reasonable assurance. Considering the assessment of material misstatements, we planned and performed our work to obtain all necessary information and explanations to support our opinion.

We believe that the information we have obtained is sufficient and appropriate as a basis for our opinion.

Independence and Quality Control

We have complied with the requirements for independence and other ethical provisions in accordance with the International Ethics Standards Board for Accountants (IESBA) Code, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Deloitte ehf. adheres to the International Standard on Quality Management (ISQM) 1 and has implemented a quality control system in accordance with it, including documented policies and procedures regarding compliance with independence and ethical requirements, professional standards, and applicable legal and regulatory requirements.

Procedures

We have applied professional judgment and maintained professional scepticism throughout the examination in accordance with ISAE 3000 (revised), ethical standards, and independence rules. Our examinations included, among other things:

Confirmation by Independent Auditor

We conducted reviews of key assumptions in the valuation, performed recalculations of the valuation, and reviewed the valuation methodology. We held discussions with key personnel within Eik fasteignafélag hf., made inquiries regarding policies and methods to ensure that the valuation of the Company's investment properties is in accordance with IAS 40 Investment Property and IFRS 13 Fair Value Measurement.

Management's Responsibility

Management of Eik fasteignafélag hf. is responsible for:

- Ensuring that the valuation of the Company's investment properties is performed in accordance with the requirements of IAS 40 and IFRS 13
- Organising, implementing, and maintaining internal controls necessary to ensure that calculations, assumptions, and presentation are free from material misstatements, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to:

- Plan and perform our work to obtain limited assurance that the valuation is free from material misstatements to base our opinion on.
- Express an opinion with limited assurance based on the procedures we have performed and the evidence obtained.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that suggests anything other than that the valuation of the Company's investment properties as of 30 June 2025 is, in all material respects, in accordance with the requirements of IAS 40 and IFRS 13 and the methodology described.

Kópavogur, 13 August 2025

Deloitte ehf.

Signý Magnúsdóttir
State Authorized Public Accountant

Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 June 2025

	Notes	2025 1.4.-30.6	2024 1.4.-30.6	2025 1.1.-30.6.	2024 1.1.-30.6.
Lease income		2.630	2.444	5.219	4.809
Other operating income		404	374	779	718
		<u>3.034</u>	<u>2.818</u>	<u>5.998</u>	<u>5.527</u>
Operating expenses	6	(1.158)	(999)	(2.305)	(2.008)
Operating profit before value changes and depreciation		1.876	1.819	3.693	3.519
Gain on sale of investment properties		0	0	42	0
Changes in value of investment properties	8	2.761	1.350	4.293	4.084
Depreciation and impairment	10	(45)	(44)	(89)	(87)
Operating profit		4.592	3.125	7.939	7.516
Finance income		80	51	154	90
Finance cost		(2.156)	(2.242)	(3.869)	(4.109)
Net financial expense	7	(2.076)	(2.191)	(3.715)	(4.019)
Profit before income tax		2.516	934	4.224	3.497
Income tax		(503)	(187)	(845)	(699)
Total profit for the period		<u>2.013</u>	<u>747</u>	<u>3.379</u>	<u>2.798</u>
Key figures per share:					
Basic earnings and diluted earnings		0,59	0,22	1,00	0,82
EBITDA		0,55	0,54	1,09	1,04

Notes on pp. 10 - 15 are an integral part of the interim financial statements

Consolidated Statement of Financial Position as at 30 June 2025

	Notes	30.6.2025	31.12.2024
Assets			
Intangible assets		351	351
Investment assets	8	151.523	145.471
Assets for own use	9	5.501	5.852
Non-current receivables	11	206	288
Non-current assets		<u>157.581</u>	<u>151.962</u>
Trade and other receivables	11	1.189	694
Cash and cash equivalents		3.578	3.594
Current assets		<u>4.767</u>	<u>4.288</u>
Total assets		<u>162.348</u>	<u>156.250</u>
Equity			
Share capital		3.393	3.393
Share premium		12.371	12.371
Statutory reserve		848	849
Revaluation reserve		1.381	1.392
Retained earnings		34.654	34.656
Total equity		<u>52.647</u>	<u>52.661</u>
Liabilities			
Interest-bearing debt	12	81.900	78.982
Lease liabilities		3.030	2.512
Deferred income tax liability		14.995	14.151
Non-current liabilities		<u>99.925</u>	<u>95.645</u>
Interest-bearing debt	12	6.157	6.116
Trade and other payables		3.619	1.828
Current liabilities		<u>9.776</u>	<u>7.944</u>
Total liabilities		<u>109.701</u>	<u>103.589</u>
Total equity and liabilities		<u>162.348</u>	<u>156.250</u>

Notes on pp. 10 - 15 are an integral part of the interim financial statements

Consolidated Statement of Changes in Equity as at 30 June 2025

	Share capital	Share premium	Statutory reserve	Revaluation reserve	Retained earnings	Total equity
1 January to 30 June 2024						
Equity 1.1.2024	3.415	12.648	854	1.415	30.691	49.023
Total profit for the period					2.798	2.798
Depreciation of revaluation				(12)	12	0
Dividends paid ISK 0.74 per share					(2.540)	(2.540)
Equity 30.6.2024	3.415	12.648	854	1.404	30.960	49.281
1 January to 30 June 2025						
Equity 1.1.2025	3.393	12.371	849	1.392	34.656	52.661
Total profit for the period					3.379	3.379
Depreciation of revaluation				(12)	12	0
Dividends paid ISK 0.5 per share					(1.697)	(1.697)
Approved unpaid dividend					(1.697)	(1.697)
Changes in statutory reserve			(1)		1	0
Equity 30.6.2025	3.393	12.371	848	1.381	34.654	52.647

Notes on pp. 10 - 15 are an integral part of the interim financial statements

Consolidated Statement of Cash Flows

for the period from 1 January to 30 June 2025

	Notes	2025 1.1.-30.6.	2024 1.1.-30.6.
Cash flows from operating activities			
Operating profit for the period		7.939	7.516
Operating items which do not affect cash flow:			
Gain on sale of investment properties .....	(	42)	0
Valuation changes of investment properties	8 (	4.293)	(4.084)
Depreciation and impairment	10	89	87
		<u>3.693</u>	<u>3.519</u>
Change in operating assets .....	(	320)	(161)
Change in operating liabilities .....	(	52)	(199)
		<u>3.321</u>	<u>3.159</u>
Interest income received		154	90
Finance expenses paid .....	(	1.532)	(1.487)
Net cash from operating activities		<u>1.943</u>	<u>1.762</u>
Cash flows used in investment activities			
Investment in investment assets .....	(	1.742)	(2.199)
Investment in assets under development		0	(13)
Sold investment assets		726	0
Investment in assets for own use .....	(	20)	(42)
Sold assets for own use		5	0
Investment in subsidiary less acquired cash	13	0	(150)
Net cash used in investing activities		<u>(1.031)</u>	<u>(2.404)</u>
Cash flows from financing activities			
Dividends paid .....	(	1.697)	(2.540)
New long-term debts		5.955	14.111
Repayments and final payments of long-term loans .....	(	5.186)	(11.131)
Net cash from financing activities		<u>(928)</u>	<u>440</u>
Changes in cash and cash equivalents		<u>(16)</u>	<u>(202)</u>
Cash and cash equivalents at beginning of year		<u>3.594</u>	<u>984</u>
Cash and cash equivalents at end of period		<u>3.578</u>	<u>782</u>
Investing and financing without credit:			
Sold investment assets		94	0
Other short-term receivables .....	(	94)	0
Key figures per share			
Net cash from operating activities		0,57	0,52

Notes on pp. 10 - 15 are an integral part of the interim financial statements

Notes

1. General information

Eik fasteignafélag hf., "the Company", is domiciled in Iceland. The Company's headquarters are at Smáratorg 3 in Kópavogur. The condensed consolidated interim financial statements of the Company for the period 1 January to 30 June 2025 comprise the interim financial statements of the Company and its subsidiaries, together referred to as the "Group". The Group's operations are ownership, rental, operations and development of business premises and ownership of hotel operations. The condensed consolidated interim financial statements of the Company are accessible at www.eik.is.

2. Basis of preparation

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) on Interim Financial Statements, IAS 34. The Condensed Consolidated Interim Financial Statements of Eik fasteignafélag hf. do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's Consolidated Financial Statements for 2024. The interim financial statements were approved by the Company's Board of Directors on 13 August 2025.

3. Significant accounting policies

In preparing the interim financial statements, the same accounting principles were applied as were used in the preparation of the consolidated financial statements for 2024. The Company's Annual Financial Statements are available on www.eik.is and www.nasdaqomxnordic.com. The interim financial statements are prepared in Icelandic krónur (ISK), which is the Company's functional currency, and amounts are presented in ISK millions. The Company's investment properties are valued at fair value and assets for own use at revaluation, while in other respects the Interim Financial Statements are based on historical cost.

4. Use of judgements and estimates

The preparation of interim financial statements in accordance with International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Judgement and assumptions involving key estimate are primarily made in relation to the measurement and recognition of investment assets. Actual results may differ from these estimates.

5. Segment reporting

Segment reporting contains information on individual parts of the Company's operations. The Company's operations are divided into two segments which sell goods and services in different markets.

Segments 1.1.-30.6.2025	Investment properties	Hotel	Offset entries	Total
Lease income	5.413	0	(194)	5.219
Operating income	419	360	0	779
Operating expenses	(2.033)	(466)	194	(2.305)
EBITDA	3.799	(106)	0	3.693
Gain on sale of investment properties	42	0	0	42
Change in value of investment properties	4.293	0	0	4.293
Depreciation and impairment	(72)	(17)	0	(89)
Net finance expenses	(3.714)	(1)	0	(3.715)
Income tax	(870)	25	0	(845)
Profit (loss) for the year	3.478	(99)	0	3.379
Assets 30.6.2025	162.658	471	(781)	162.348
Liabilities 30.6.2025	109.762	720	(781)	109.701
Segments 1.1.-30.6.2024				
Lease income	4.995	0	(186)	4.809
Operating income	385	334	0	718
Operating expenses	(1.776)	(418)	186	(2.008)
EBITDA	3.604	(85)	0	3.519
Change in value of investment properties	4.084	0	0	4.084
Depreciation and impairment	(72)	(15)	0	(87)
Net finance expenses	(4.018)	(1)	0	(4.019)
Income tax	(720)	20	0	(699)
Profit (loss) for the year	2.878	(81)	0	2.798
Assets 30.6.2024	147.892	423	(562)	147.753
Liabilities 30.6.2024	98.529	505	(562)	98.472

6. Operating expenses

	2025	2024
	1.1.-30.6.	1.1.-30.6.
Operating expenses are specified as follows:		
Property tax	839	789
Insurance	70	56
Maintenance of investment properties	20	23
Operating expenses of properties	433	398
Other operating expenses of investment properties	181	141
Operating expenses of hotel	272	231
Impairment of receivables	37	50
Office and administrative expenses	453	320
Total operating expenses	<u>2.305</u>	<u>2.008</u>

7. Finance income and finance expenses

	2025	2024
	1.1.-30.6.	1.1.-30.6.
Finance income and finance expenses are specified as follows:		
Interest income	154	90
Interest expenses	(1.616)	(1.577)
Indexation	(2.153)	(2.447)
Interest expenses of lease liabilities	(75)	(65)
Other finance expenses	(25)	(20)
Total finance expenses	<u>(3.869)</u>	<u>(4.109)</u>
Total finance income and finance expenses	(3.715)	(4.019)

8. Investment assets

	30.6.2025	31.12.2024
Investment assets are specified as follows:		
Book value at the beginning of the year	142.959	129.378
Investment in current investment assets	1.742	4.777
Investment in new investment assets	0	419
Sold investment assets	(778)	0
Value adjustment	4.293	7.327
Moved from asset in development	0	1.058
Moved from assets for own use	277	0
Book value at the end of the period	<u>148.493</u>	<u>142.959</u>
Lease assets	<u>3.030</u>	<u>2.512</u>
Investment properties at the end of the year	<u>151.523</u>	<u>145.471</u>

The Group' investment properties are valued by management of the Company at fair value at the reporting date in accordance with the International Accounting Standard IAS 40.

In measuring the assets, management has estimated discounted future cash flows that the Company can expect from current lease agreements and lease agreements the Company expects to enter into at the end of the lease period of current lease agreements. The measurement is in accordance with level 3 in the fair value hierarchy, see further note 3, and there were no changes in classification during the year. The measurement is based on presumptions on expected utilisation ratio of the properties in the future, market rent at the end of lease periods of current agreements and operating costs of these properties.

The approach and conclusions, which are used in measuring both amounts and timing of future cash flows, are revaluated on a regular basis in order to come closer to the actual fair value of the assets. Managements estimates of the development of several other factors in the future are also taken into account, such as changes in lease and capital markets.

The main factors contributing to the increase in the value of investment assets are inflation, new contracts, and lower discount rates on future cash flows. The main factor contributing to the decrease in value is an increase in property and plot value (that is used for calculations of property taxes).

The future occupancy rate for the portfolio is estimated at 95% (2024: 95%). Weighted average cost of capital (WACC) for the company is 6,30% (2024: 6,36%). Each 1% increase in the occupancy rate for the future corresponds to an increase of just under 0,1% in WACC (2024: just under 0,1%).

The Company relocated its headquarters to Turninn, Smáratorg 3, in the second quarter, and simultaneously, the Company's office at Söltún 26 was reclassified from assets for own use to investment property.

Sensitivity analysis

Effects of changes in fair value of investment properties 30.6.2025:

	30.6.2025		31.12.2024	
	Effect on fair value		Effect on fair value	
Increase (decrease) of lease income by 1%	1.836	(1.836)	1.752	(1.752)
Increase (decrease) of rental value ratio by 1%-point	1.906	(1.906)	1.818	(1.818)
Decrease (increase) of rate of return by 0.5%-points	11.625	(9.913)	10.966	(9.367)

9. Assets for own use

Assets for own use are specified as follows:

	Real estate	Real estate	Interiors	
Cost	hotel	other	and other	Total
Balance at the beginning of the year	5.615	331	625	6.571
Additions during the period	4	0	16	20
Moved to investment assets	0 (	293)	0 (	293)
Sold during the period	0	0 (	6) (	6)
Balance at the end of the period	5.619	38	635	6.292
Depreciation				
Depreciation at the beginning of the year	374	15	329	718
Depreciation during the period	56	1	31	89
Moved to investment assets	0 (	16)	0 (	16)
Sold during the period	0	0 (	1) (	1)
Total depreciation at end of the period	430	1	360	791
Book value				
Book value at the beginning of the year	5.241	315	296	5.852
Book value at the end of the period	5.189	36	275	5.501

Company's properties for own use are estimated on revalued historical cost at the end of the reporting period. The revalued historical cost is estimated based on same methodology as the estimate of investment properties (see Note 8).

10. Depreciation

Depreciation is specified as follows:

	2025	2024
	1.1.-30.6.	1.1.-30.6.
Office	1	2
Hotel	74	72
Interiors and other	14	14
Total depreciation	<u>89</u>	<u>87</u>

11. Trade receivables and other receivables

Trade receivables and other receivables are specified as follows:

	30.6.2025	31.12.2024
Long-term receivables	413	504
Current maturities of long term receivables	(185)	(184)
Provision for impairment losses	(22)	(32)
Total long-term receivables	<u>206</u>	<u>288</u>
Trade receivables due to lease	520	421
Trade receivables due to deferred lease payments	175	175
Trade receivables due to other operations	166	143
Provision for impairment losses	(146)	(147)
Total trade receivables	<u>715</u>	<u>592</u>
Other short-term receivables	474	101
Total other short-term receivables	<u>474</u>	<u>101</u>
Total trade receivables and other short-term receivables	<u>1.189</u>	<u>694</u>

Provision for impairment of receivables is specified as follows:

Provision at the beginning of the year	179	128
Receivables written off during the period	(48)	(23)
Expensed during the period	37	74
Provision at the end of the period	<u>168</u>	<u>179</u>

The Company's long-term receivables are for construction loans to the lessee and lease payments due, where lease payments due are changed to long-term receivables. The Company has in general received additional insurance in addition to the receivable becoming interest bearing and in instalment process. Trade receivables are evaluated based on expected recoveries.

12. Interest bearing liabilities

	30.6.2025	31.12.2024
Interest bearing liabilities at the beginning of the year	85.098	75.567
New borrowings	6.000	22.139
Repayments and settlements of long-term liabilities ..... (	5.186) (	16.054)
Indexation	2.153	3.381
Capitalised borrowing cost, change ..... (	22)	44
Other long-term liabilities, change	14	22
Interest bearing liabilities at the end of the period	88.057	85.098
<i>Long-term liabilities</i>		
Listed bonds and bank loans	81.805	78.900
Other long-term liabilities	95	82
	81.900	78.982
<i>Short-term liabilities</i>		
Current maturities of liabilities	6.157	6.116
	6.157	6.116
Total interest bearing liabilities	88.057	85.098