

Q1 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 condensed interim financial statements of Eik fasteignafélag hf. for the period from 1 January to 31 March 2025 are prepared in accordance with the international accounting standard IAS 34 on interim financial reporting. The interim financial statements contain a condensed interim consolidated financial statement of Eik fasteignafélag hf. and its subsidiaries but do not include all the information required in a complete annual consolidated financial statement and should be read in conjunction with the Group's annual consolidated financial statement for the year 2024. The condensed interim financial statements have neither been audited nor reviewed by the company's auditors. The Group's annual consolidated financial statement can be accessed at www.eik.is.

At the Company's annual general meeting held on 10 April 2025, Hreiðar Már Hermannsson assumed the position of CEO of Eik fasteignafélag from Garðar Hannes Friðjónsson.

Operation

The Group's operating revenue increased by 9.4% in the first three months of the year compared to the same period last year, amounting to ISK 2,964 million compared to ISK 2,709 million for the first three months of 2024. The Group's operating profit before valuation changes, sales gain and

depreciation and amortization amounted to ISK 1,817 million compared to ISK 1,700 million for the same period the previous year, an increase of 6.9%. The valuation change of investment properties during the period was positive, amounting to ISK 1,532 million. According to the income statement and the statement of comprehensive income of the Group, the total profit for the period amounted to ISK 1,366 million. Cash flow from operations amounted to ISK 1,038 million according to the group's cash flow statement, compared to ISK 1,011 million for the same period last year.

Balance sheet

The Group's total assets amounted to ISK 160,890 million at the end of the period, of which investment properties were ISK 147,606 million, assets for own use were ISK 5,816 million, and cash was ISK 5,444 million. The Group's equity was ISK 54,027 million, of which outstanding share capital was ISK 3,393 million. The group's equity ratio was 33.6% at the end of the period. At the Company's annual general meeting on 10 April 2025, it was approved to pay a dividend to shareholders for the financial year 2024 amounting to ISK 3,393.4 million, which was approved to be paid in two instalments. The first instalment of ISK 1,696.7 million was paid to shareholders on 23 April 2025, and the second instalment of the same amount will be paid on 8 October 2025. The equity position as of 31 March 2025 does not take these obligations into account.

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 off less favorable bank financing.

The Company's weighted inflation-indexed terms were 3.50% and weighted non-indexed terms were 7.67% as of 31 March 2025, and the Company's net loan-to-value ratio was 54.6%.

Statement by the Board of Directors and CEO

According to the best knowledge of the Board of Directors and the CEO, the condensed interim consolidated financial statements have been prepared in accordance with international accounting standard IAS 34 on interim financial

reporting as adopted by the European Union. It is the opinion of the Board of Directors and the CEO that the condensed interim consolidated financial statements give a true and fair view of the Group's assets, liabilities and consolidated financial position as at 31 March 2025 and its financial performance and changes in cash and cash equivalents for the period 1 January to 31 March 2025.

The Board of Directors and CEO of Eik fasteignafélag hf. hereby confirm the Company's condensed interim consolidated financial statements for the period from 1 January to 31 March 2025 by means of their signatures.

Reykjavík, 8 May 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

Consolidated Statement of Comprehensive Income

for the period from 1 January to 31 March 2025

	Notes	2025 1.1.-31.3.	2024 1.1.-31.3.
Lease income		2.589	2.365
Other operating income		375	344
		<u>2.964</u>	<u>2.709</u>
Operating expenses	6	(1.147)	(1.009)
Operating profit before value changes and depreciation		1.817	1.700
Changes in value of investment properties	8	1.532	2.734
Depreciation and impairment	10	(45)	(43)
Operating profit		3.346	4.391
Finance income		75	39
Finance cost		(1.713)	(1.866)
Net financial expense	7	(1.638)	(1.827)
Profit before income tax		1.708	2.564
Income tax		(342)	(513)
Total profit for the period		<u>1.366</u>	<u>2.051</u>
Key figures per share:			
Basic earnings and diluted earnings per share		0,40	0,60
EBITDA per share, before tax		0,54	0,50

Notes on pp. 9 - 14 are an integral part of the interim financial statements

Consolidated Statement of Financial Position as at 31 March 2025

	Notes	31.3.2025	31.12.2024
Assets			
Intangible assets		351	351
Investment assets	8	147.606	145.471
Assets for own use	9	5.816	5.852
Non-current receivables	11	247	288
		<u>154.020</u>	<u>151.962</u>
		Non-current assets	
Trade and other receivables	11	1.426	694
Cash and cash equivalents		5.444	3.594
		<u>6.870</u>	<u>4.288</u>
		Current assets	
Total assets		<u>160.890</u>	<u>156.250</u>
Equity			
Share capital		3.393	3.393
Share premium		12.371	12.371
Statutory reserve		849	849
Revaluation reserve		1.386	1.392
Retained earnings		36.028	34.656
Total equity		<u>54.027</u>	<u>52.661</u>
Liabilities			
Interest-bearing debt	12	81.239	78.982
Lease liabilities		3.024	2.512
Deferred income tax liability		14.492	14.151
		<u>98.755</u>	<u>95.645</u>
		Non-current liabilities	
Interest-bearing debt	12	6.097	6.116
Trade and other payables		2.011	1.828
		<u>8.108</u>	<u>7.944</u>
		Current liabilities	
Total liabilities		<u>106.863</u>	<u>103.589</u>
Total equity and liabilities		<u>160.890</u>	<u>156.250</u>

Notes on pp. 9 - 14 are an integral part of the interim financial statements

Consolidated Statement of Changes in Equity as at 31 March 2025

	Share capital	Share premium	Statutory reserve	Revaluation reserve	Retained earnings	Total equity
1 January to 31 March 2024						
Equity 1.1.2024	3.415	12.648	854	1.415	30.691	49.023
Total profit for the period					2.051	2.051
Depreciation of revaluation				(6)	6	0
Equity 31.3.2024	3.415	12.648	854	1.409	32.748	51.074
1 January to 31 March 2025						
Equity 1.1.2025	3.393	12.371	849	1.392	34.656	52.661
Total profit for the period					1.366	1.366
Depreciation of revaluation				(6)	6	0
Equity 31.3.2025	3.393	12.371	849	1.386	36.028	54.027

Notes on pp. 9 - 14 are an integral part of the interim financial statements

Consolidated Statement of Cash Flows
for the period from 1 January to 31 March 2025

	Notes	2025 1.1.-31.3.	2024 1.1.-31.3.
Cash flows from operating activities			
Operating profit for the period		3.346	4.391
Operating items which do not affect cash flow:			
Gain on sale of investment properties	(42)		0
Valuation changes of investment properties	8 (1.532)	(2.734)	
Depreciation and impairment	10 45	43	
		1.817	1.700
Change in operating assets	(194)	(159)	
Change in operating liabilities		132	119
		1.755	1.660
Interest income received		75	39
Finance expenses paid	(792)	(688)	
		1.038	1.011
		<u>1.038</u>	<u>1.011</u>
Cash flows used in investment activities			
Investment in investment assets	(870)	(871)	
Investment in assets under development	0	(6)	
Sold investment assets		323	0
Investment in assets for own use	(13)	(24)	
Sold assets for own use		5	0
Investment in subsidiary less acquired cash	13 0	(75)	
Changes in non-current receivables		0	(13)
		(555)	(989)
		<u>(555)</u>	<u>(989)</u>
Cash flows from financing activities			
New long-term debts		5.955	9.868
Repayments and final payments of long-term loans	(4.588)	(9.251)	
		1.367	617
		<u>1.367</u>	<u>617</u>
Changes in cash and cash equivalents		1.850	639
Cash and cash equivalents at beginning of year		3.594	984
Cash and cash equivalents at end of period		<u>5.444</u>	<u>1.623</u>
Investing and financing without credit:			
Sold investment assets		497	0
Other short-term receivables	(497)	0	0
		<u>497</u>	<u>0</u>
Key figures per share			
Net cash from operating acgtivities per share		0,31	0,30

Notes on pp. 9 - 14 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 Sóltún 26 in Reykjavík. The condensed consolidated interim financial statements of the Company for the period 1 January to 31 March 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 8 May 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.

	Investment properties	Hotel	Offset entries	Total
Segments 1.1.-31.3.2025				
Lease income	2.685	0	(96)	2.589
Operating income	223	152	0	375
Operating expenses	(1.017)	(226)	96	(1.147)
EBITDA	1.891	(74)	0	1.817
Gain on sale of investment properties	42	0	0	42
Change in value of investment properties	1.532	0	0	1.532
Depreciation and impairment	(36)	(9)	0	(45)
Net finance expenses	(1.638)	(0)	0	(1.638)
Income tax	(358)	16	0	(342)
Profit (loss) for the year	1.433	(67)	0	1.366
Assets 31.3.2025	161.191	438	(739)	160.890
Liabilities 31.3.2025	106.947	655	(739)	106.863
Segments 1.1.-31.3.2024				
Lease income	2.457	0	(92)	2.365
Operating income	204	141	0	344
Operating expenses	(897)	(204)	92	(1.009)
EBITDA	1.764	(63)	0	1.700
Change in value of investment properties	2.734	0	0	2.734
Depreciation and impairment	(35)	(8)	0	(43)
Net finance expenses	(1.827)	(0)	0	(1.827)
Income tax	(527)	14	0	(513)
Profit (loss) for the year	2.108	(57)	0	2.051
Assets 31.3.2024	146.106	400	(522)	145.984
Liabilities 31.3.2024	94.973	459	(522)	94.910

6. Operating expenses

Operating expenses are specified as follows:

	2025	2024
	1.1.-31.3.	1.1.-31.3.
Property tax	419	395
Insurance	35	27
Maintenance of investment properties	10	11
Operating expenses of properties	230	210
Other operating expenses of investment properties	86	72
Operating expenses of hotel	131	112
Impairment of receivables	35	27
Office and administrative expenses	201	156
Total operating expenses	<u>1.147</u>	<u>1.009</u>

7. Finance income and finance expenses

Finance income and finance expenses are specified as follows:

	2025	2024
	1.1.-31.3.	1.1.-31.3.
Interest income	75	39
Interest expenses	(814)	(811)
Indexation	(850)	(1.015)
Interest expenses of lease liabilities	(37)	(33)
Other finance expenses	(12)	(8)
Total finance expenses	<u>(1.713)</u>	<u>(1.866)</u>
Total finance income and finance expenses	(1.638)	(1.827)

8. Investment assets

Investment assets are specified as follows:

	31.3.2025	31.12.2024
Book value at the beginning of the year	142.959	129.378
Investment in current investment assets	869	4.777
Investment in new investment assets	0	419
Sold investment assets	(778)	0
Value adjustment	1.532	7.327
Moved from asset in development	0	1.058
Book value at the end of the period	<u>144.582</u>	<u>142.959</u>
Lease assets	3.024	2.512
Investment properties at the end of the year	<u>147.606</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 6,28% (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%).

Sensitivity analysis

Effects of changes in fair value of investment properties 31.3.2025:

	31.3.2025	31.12.2024
	Effect on fair value	Effect on fair value
Increase (decrease) of lease income by 1%	1.796 (1.796)	1.752 (1.752)
Increase (decrease) of rental value ratio by 1%-point	1.864 (1.864)	1.818 (1.818)
Decrease (increase) of rate of return by 0.5%-points	11.379 (9.699)	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	2	0	11	13
Sold during the period	0	0	(6)	(6)
Balance at the end of the period	<u>5.617</u>	<u>331</u>	<u>630</u>	<u>6.578</u>

Depreciation

Depreciation at the beginning of the year	374	15	329	718
Depreciation during the period	28	1	16	45
Sold during the period	0	0	(1)	(1)
Total depreciation at end of the period	<u>401</u>	<u>16</u>	<u>344</u>	<u>762</u>

Book value

Book value at the beginning of the year	5.241	315	296	5.852
Book value at the end of the period	<u>5.216</u>	<u>314</u>	<u>286</u>	<u>5.816</u>

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

	2025 1.1.-31.3.	2024 1.1.-31.3.
Depreciation is specified as follows:		
Office	1	1
Hotel	37	36
Interiors and other	7	7
Total depreciation	<u>45</u>	<u>43</u>

11. Trade receivables and other receivables

	31.3.2025	31.12.2024
Trade receivables and other receivables are specified as follows:		
Long-term receivables	460	504
Current maturities of long term receivables	(185)	(184)
Provision for impairment losses	(28)	(32)
Total long-term receivables	<u>247</u>	<u>288</u>
Trade receivables due to lease	492	421
Trade receivables due to deferred lease payments	175	175
Trade receivables due to other operations	138	143
Provision for impairment losses	(177)	(147)
Total trade receivables	<u>628</u>	<u>592</u>
Other short-term receivables	798	101
Total other short-term receivables	<u>798</u>	<u>101</u>
Total trade receivables and other short-term receivables	<u>1.426</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	(9)	(23)
Expensed during the period	35	74
Provision at the end of the period	<u>205</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

	31.3.2025	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	(4.587)	(16.054)
Indexation	850	3.381
Capitalised borrowing cost, change	(29)	44
Other long-term liabilities, change	4	22
Interest bearing liabilities at the end of the period	<u>87.336</u>	<u>85.098</u>
Long-term liabilities		
Listed bonds and bank loans	81.153	78.900
Other long-term liabilities	86	82
	<u>81.239</u>	<u>78.982</u>
Short-term liabilities		
Current maturities of liabilities	6.097	6.116
	<u>6.097</u>	<u>6.116</u>
Total interest bearing liabilities	<u>87.336</u>	<u>85.098</u>

13. Events after the reporting date

At the annual general meeting on 10 April 2025, Hreiðar Már Hermannsson took over as CEO of Eik from Garðar Hannes Friðjónsson.