

Financial review

Following the transaction with Logistea AB in the second half of 2024, the Company has not yet established any new operations. Consequently, all income and expenses in 2025, which are considered to be a result of the 2024 transaction, are presented as discontinued operations in the statement of comprehensive income.

The company reported a deficit of NOK 8 million for the first half of 2025. This is primarily due to costs related to annual reporting, legal, accounting, and auditor expenses, as well as CEO compensation. In addition, the result was impacted by trailing costs related to the 2024 transaction with Logistea AB and legal fees related to a lawsuit which the company won in court (see note 4). Cash and cash equivalents amounted to NOK 4 million at 30 June 2025. The company has secured financing through a short-term loan facility, as further detailed in Note 4 of the interim financial statements.

Outlook

The Board of Directors and management are currently exploring various strategic options for the Company. As part of these efforts, Christian Linge was appointed Chief Executive Officer (CEO) of KMC Properties ASA on 25 May 2025. As CEO, Linge will focus on re-establishing operational activities in the Company, either directly or through subsidiaries.

Risks and uncertainties

KMC Properties ASA faces risks due to the current lack of operational assets and revenue-generating activities. Monitoring and managing cash flow will be important to maintain financial stability. Without revenue-generating activities, the company is currently not creating income to sustain long-term operations. Developing and executing on a strategy to generate revenue or secure additional funding is essential.

Subsequent events

On 22 July 2025, KMCP received a conversion notice from BEWI Invest AS to convert the full NOK 4.5 million loan plus accrued interest into equity at a conversion price of NOK 0.058 per share. The board recommends that the general meeting approves the conversion, as the Company lacks the liquidity to repay the loan in cash.

This recommendation is also in light of the fact that the Company's equity is lost, triggering the board's duty to act. The proposed conversion is a measure the board recommends at this time to address the situation. The board will continue to monitor developments closely during the second half of the year and, if necessary, initiate additional measures.

Also, to comply with Oslo Rulebook II requiring a minimum trading price of NOK 1, and as KMCP's share price has remained below this level for over six months, the board also proposes a reverse share split.

An extraordinary general meeting is called for 15 August 2025 to resolve

- (i) the conversion-related share issue,
- (ii) a capital increase related to the reverse split, and (iii) the reverse share split itself.

In July 2025, the former shareholder who lost the lawsuit in connection with the distribution of Logistea-shares in July 2024 appealed the judgment to the Appeal Court. A final decision is expected in the first half of 2026.

No other 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.

Responsibility statement

From the Board of Directors and CEO of KMC Properties ASA.

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2025 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the Company's and group's assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Trondheim, Norway 12 August 2025

The Board of Directors and CEO, KMC Properties ASA

Bjørnar André Ulstein
Chair

Hege Buer
Board member

Martin Lein Staveli
Board member

Christian Linge
CEO

Consolidated statement of comprehensive income

<i>Amounts in NOK million</i>	<i>Note</i>	YTD 2025 Unaudited	YTD 2024 Unaudited	2024 Audited
Continuing operations				
Profit (loss) from continuing operations		-	-	-
Discontinued operations				
Rental income		-	238	238
Property expenses		-	(3)	(3)
Net operating income		-	235	235
Administration expenses		(8)	(35)	(39)
Net realised financials		0	(113)	(113)
Net income from property management		(8)	87	83
Gain from sale of business		-	-	736
Net unrealised financials		-	(63)	(65)
Changes in value of financial instruments		-	27	27
Changes in value of investment properties		-	120	120
Profit (loss) before tax		(8)	171	900
Current tax		-	(7)	(7)
Deferred tax		-	(28)	(30)
Profit (loss) from discontinued operations		(8)	135	864
Translation differences for foreign operations		-	(5)	(5)
Comprehensive income		(8)	130	859

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Consolidated statement of financial position

<i>Amounts in NOK million</i>	<i>Note</i>	30.06.2025 Unaudited	30.06.2024 Unaudited	31.12.2024 Audited
ASSETS				
Non-current assets				
Investment properties		-	6 944	-
Site leaseholds, right-of-use assets		-	23	-
Financial derivatives		-	51	-
Other non-current assets		-	12	-
Total non-current assets		-	7 030	-
Current assets				
Trade receivables		-	9	-
Other current assets		1	21	0
Cash and cash equivalents		4	124	6
Total current assets		6	153	7
Total assets		6	7 183	7
EQUITY AND LIABILITIES				
Equity				
Share capital		8	83	8
Share premium		-	2 044	-
Translation reserve		-	92	-
Retained earnings		(10)	838	(2)
Total equity		(2)	3 056	6
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities		-	166	-
Non-current interest-bearing liabilities		-	3 528	-
Lease liabilities		-	23	-
Other non-current liabilities		-	26	-
Total non-current liabilities		-	3 743	-
Current liabilities				
Current interest-bearing liabilities	3	3	273	-
Trade payables		2	33	1
Current tax liabilities		-	7	-
Other current liabilities		3	70	-
Total current liabilities		7	383	1
Total liabilities		7	4 127	1
Total equity and liabilities		6	7 183	7

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Trondheim, Norway, 12 August 2025
The board of directors and CEO of KMC Properties ASA

Bjørnar André Ulstein
Chair

Hege Buer
Board member

Martin Lein Staveli
Board member

Christian Linge
CEO

Consolidated statement of changes in equity

Amounts in NOK million	Note	Subscribed share capital	Share premium	Translation reserves	Retained earnings	Total equity
Total equity at 1/1/24		79	1 919	96	704	2 798
Issue of shares		5	125	-	-	130
Transaction cost issue of shares		-	(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		-	(2 044)	-	(1 735)	(3 779)
Total equity at 12/31/24		8	-	-	(2)	6
Profit (loss) from discontinued operations		-	-	-	(8)	(8)
Total equity at 06/30/25		8	-	-	(10)	(2)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Consolidated statement of cash flows

Amounts in NOK million	Note	YTD 2025	YTD 2024	2024
Profit before tax		(8)	171	900
Changes in value of investment properties		-	(120)	(120)
Gain from sale of business		-	-	(736)
Financial items		(0)	149	151
<i>Change in working capital</i>				
- change in current assets		(1)	(3)	(1)
- change in current liabilities		7	(24)	(22)
Other items not included in the cash flow		-	1	1
Taxes paid		-	(8)	(8)
Net cash flow from operating activities		(2)	165	165
Cash effect from sale of business		-	-	(112)
Acquisitions of properties		-	(630)	(630)
Development and upgrades of properties		-	(29)	(29)
Sale of properties		-	-	-
Interest received		0	6	6
Change in other non-current assets		-	0	0
Net cash flow from investment activities		0	(653)	(764)
Proceeds from issue of shares		-	130	130
Proceeds interest-bearing liabilities		-	294	294
Repayment interest-bearing liabilities		-	(77)	(77)
Interest paid		(0)	(119)	(119)
Transaction fees paid and net other financials (incl. resetting of swaps)		-	98	96
Change in other non-current liabilities		-	8	8
Net cash flow from financing activities		(0)	334	332
Effects of exchange rate changes on cash and cash equivalents		-	2	(2)
Net change in cash and cash equivalents		(2)	(151)	(269)
Cash and cash equivalents at beginning of period		6	275	275
Cash and cash equivalents at end of period		4	124	6

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Selected notes to the interim financial statements

Note 01 Basis of preparation and accounting principles

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles that have been used in the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2024.

The interim financial statements have not been audited.

Note 02 Going concern

As of the latest financial reporting date, the Company has not been engaged in any business activities, and the Company has limited cash reserves. These conditions raise doubt about the Company's ability to continue as a going concern.

The interim 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.

As described in Subsequent Events, the Company has received a conversion notice from BEWI Invest AS to convert a NOK 4.5 million loan, which will strengthen the Company's equity position. The company 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 03 Related party transactions

BEWI Invest AS is regarded as related parties by their ownership in KMC Properties ASA.

On 23 May 2025, KMC Properties ASA entered into a loan agreement with BEWI Invest AS for a facility of NOK 4.5 million, available for drawdown in full or in parts. The loan is repayable at any time and matures 12 months from the agreement date. BEWI Invest AS has the right to convert all or part of the loan, including accrued interest, into new shares in the Company at a conversion price of NOK 0.058 per share, or, if a share capital increase has occurred, at a 10% discount to the latest subscription price. Conversion is subject to necessary corporate approvals.

As of 30 June 2025, NOK 2.5 million has been drawn under the loan facility. An additional NOK 2 million were drawn on 18 July 2025 under the loan facility. In addition, KMC Properties ASA has in 2025 purchased services totalling NOK 0.2 million from BEWI Invest AS.

Note 04 Contingent liabilities

A former shareholder sued the company in connection with the distribution of Logistea-shares in July 2024. The dispute concerned a minor portion of the total distribution. In June 2025, the company won the case in court. The judgment is not yet enforceable. No provision has been deemed necessary in relation to the lawsuit.