



Interim Statement, 30 June 2022

Presentation for stakeholders

23 August 2022

KALDALÓN

Agenda

- 1. Operations in the first half of the year**
2. Investment assets
3. Prospects and market listing
4. Statements



Suðurhaun 10

Agenda

1. Operations in the first half of the year
2. Investment assets
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Suðurhaun 10

Milestones in first half of 2022

ON A PROPER COURSE



The ambitious strategy of the Company that was presented a year ago has proceeded **according to plan** and the Company's transformation is nearing completion. A foundation has been laid for a **strong real estate company**.



Income generating assets in the Company's balance sheet amount to **26.3 billion** ISK. The Company's income-generating assets have all been acquired in the past year. Agreement on acquisitions expand the portfolio to a total of **76,900 m²**.



Sales of development properties have been successful and increased the cash available for the acquisition of income-generating assets. The Company is on schedule to bring the weight of development properties below 1.0 billion ISK at year-end.



A high rate of rental, strong equity position, good access to credit provide a **foundation for continued growth** and market listing when targets have been achieved.

Kaldalón hf. set itself ambitious goals of transformation into a real estate company just over a year ago. The transformation has proceeded according to plan and a foundation laid for a strong real estate company.

In the first half of the year the Company has entered into agreements on acquiring 18,705 m² of real property.

In total, the Company has finalised or reached an agreement on acquisitions of 76,900 m²; annual revenue is projected at 2.9 billion ISK following transfer of the properties.

*Completed transactions as at 30.6.2022 amount to 51,600 m². Agreement on acquisitions refers to signed offers to buy or contracts on acquisitions, subject to reservations. Total number includes an option to buy 5,800 m² that there are plans to exercise in the second half of the year.,

Milestones in first half of 2022

COMPLETED TRANSACTIONS IN THE FIRST HALF OF THE YEAR*

KALDALÓN



Gylfaflöt 1



Dalvegur 20



Bústaðavegur 20



Miklabraut 100



Suðurfell 4



Skagabraut 43



Óseyrarbraut 2



Hagasmári 9



Miklabraut 101



Brúartorg 6



Fitjar 1



Grjótháls 8



Völuteigur 31A



Fossaleynir 19-23



Fiskislóð 29

*Completed transactions refers to properties where transfer has been completed and properties are generating income at the end of the period.

Milestones to date in 2022

AGREEMENTS ON PURCHASE

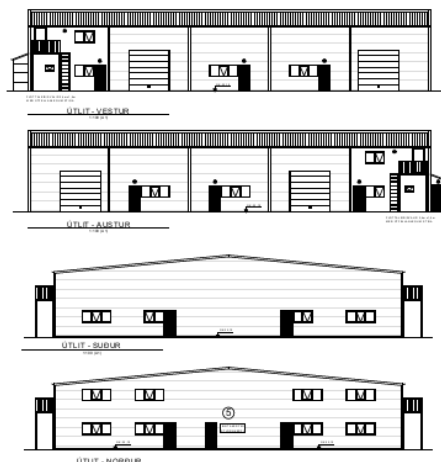
KALDALÓN



Skógarhlíð 18



Þverholt 1



Álfhella 5



Hæðasmári 2



Hæðasmári 4



Vikurhvarf 1 - Addition



Hæðasmári 6

Milestones to date in 2022

AGREEMENT ON PURCHASE



Agreement on Köllunarklettsvegur 1

Discussions have been held in recent months with Smáragarður on acquiring the company Hafnargarður ehf. Its principal asset is Köllunarklettsvegur 1. Smáragarður will become the Company's second largest shareholder.

The property constitutes approximately 12,300 m² of commercial premises. The site will house green operations, focusing on environmental aspects. Cluster enterprises in the green sector.

Seller: **Smáragarður ehf.**

Purchase Price: 4,000 m ISK but final price performance-linked

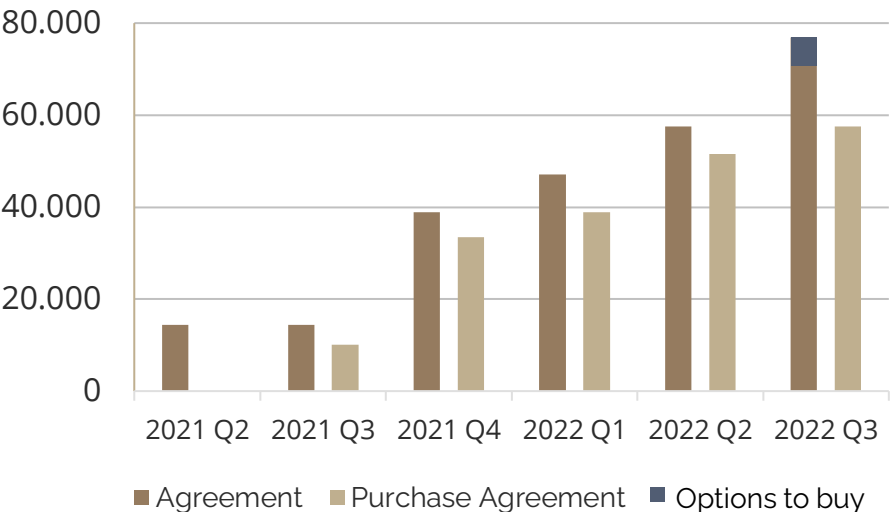
Delivery: Second half of 2023

Payment terms: **50% in new shares**

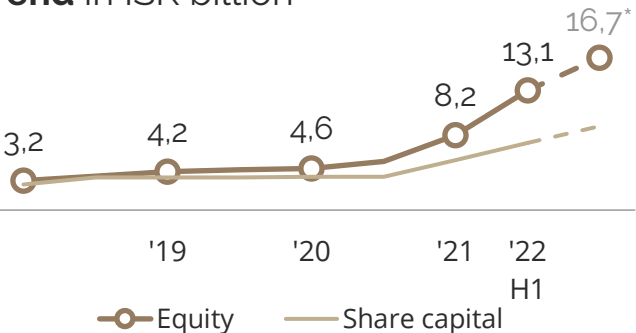
Milestones in first half of 2022

ON A PROPER COURSE

Portfolio trend by quarter (m²)



Equity trend in ISK billion



98.4

%

Rate of rental

33

%

Return on equity

28,625

ISK million

Investment assets

14,924

ISK million

Interest-bearing liabilities

52

%

Debt ratio**

42

%

Equity ratio***

*Equity after completion of notified transactions and other premises unchanged;

**Interest-bearing debt / Investment assets.

*** Equity / Total assets.

Figures presented as total results. Minority share - see annual financial statement.

Share capital

SHARES ISSUED



New Share Capital

The Board of Directors of the Company is authorised under Section 2.3 of the Company's Articles of Association to increase share capital by up to 7,000,000,000 ISK.

In acquiring properties where part of the purchase price is paid in new shares in Kaldalón hf. the share price is generally based on the average 10-day price. Sales of shares are subject to restrictions.

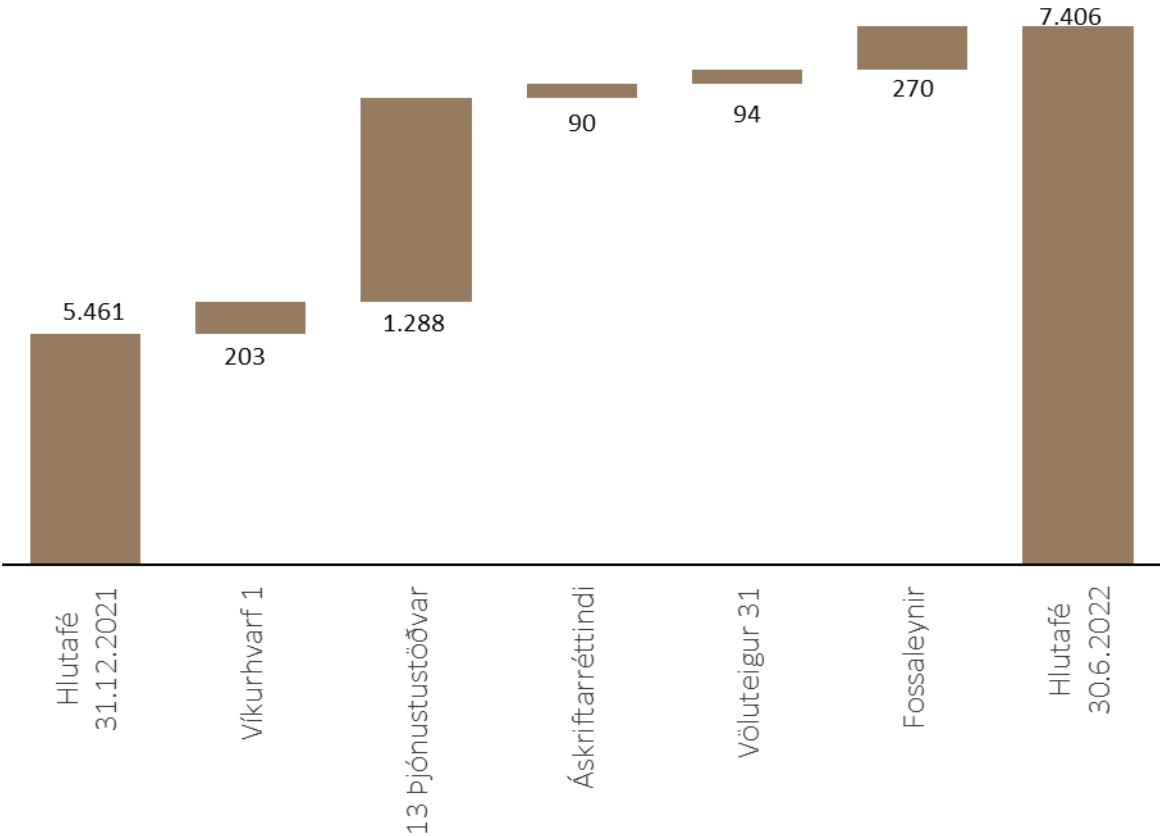
New shares were issued in the first half of the year in connection with acquisitions of properties and the issue of subscription rights.

ISK 1,944,972,855

Nominal value

ISK 3,561,399,999

Market value



Share capital in ISK million. Issues in first half of the year.

Share capital

VOLUME AND PRICES

Issued shares at the start of the year were 5,461,217,106 ISK and 7,406,189,961 ISK at the close of the period, with issues of new shares over the period at 1,944,972,855 ISK. Own shares at the close of the period were 574,009, putting the number of votes at 7,405,615,952 at the close of the period.

Shareholders were 485 at the close of the period and 378 at the beginning of the year.

Share price trend

At year-end 2021 the price of shares was 1.99, up by 67% over the year. At the end of June 2022 the price of shares in the Company was 1.71, down by 14.1% from the turn of the year; the ICEX-15 fell by 21.7% over the same period.

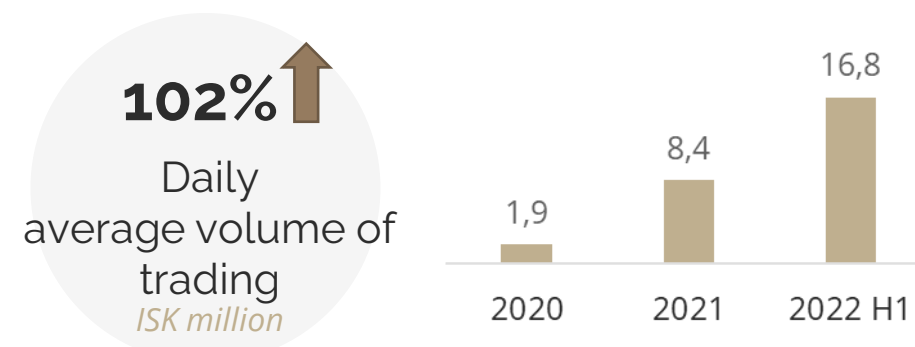
The market value of shares was therefore 12,665 m ISK at the close of the period.

The year-on-year volume of trading in shares in the Company was 3,350 m ISK. The volume of trading in shares in the Company has increased steadily in recent years. The average volume per business day is 16.8 m ISK.

The average volume does not include issues of shares off the market.

Dividends

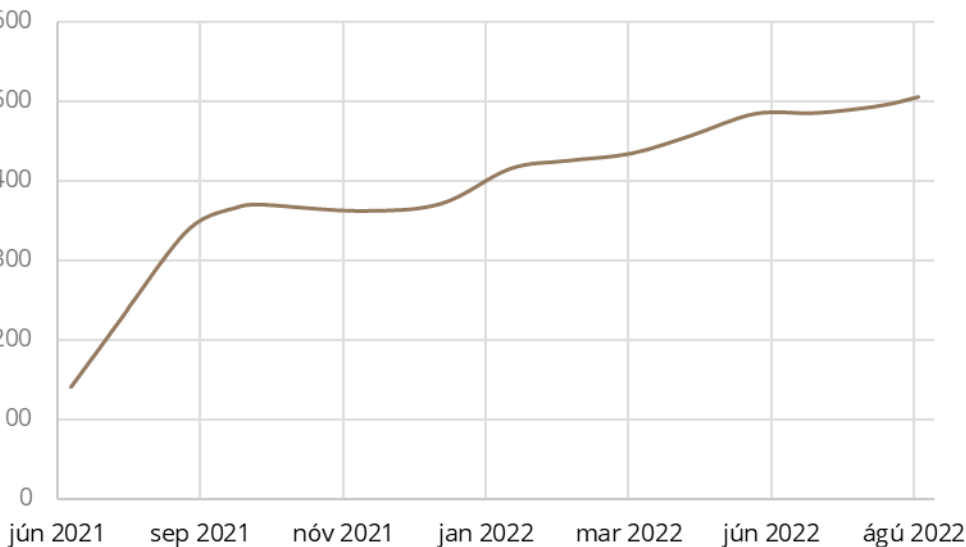
The Company is in a growth phase, no payments of dividends are planned.



Share capital

NUMBER OF SHAREHOLDERS AND LARGEST SHAREHOLDERS

Number of shareholders

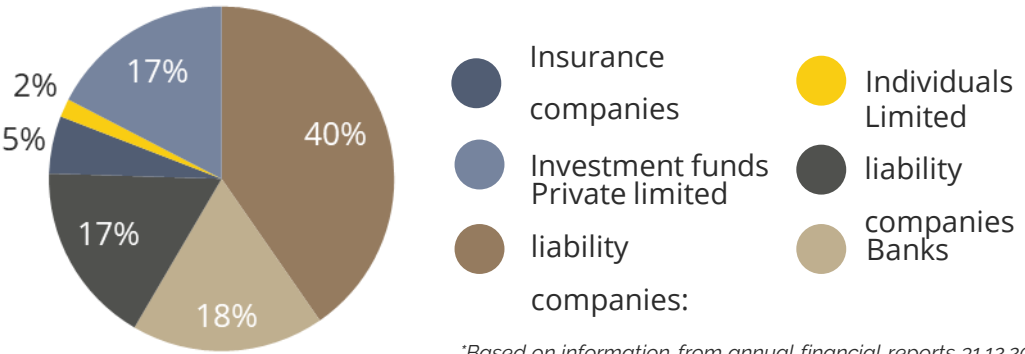


Shareholders at end of period

The twenty largest shareholders control 82.69% of the share capital in the Company; shareholders were 485 at the close of the period. Holding companies control 40% of the shares in the Company, while banks, limited companies and investment funds hold 17-18% each. Kvika bank hf. and Arion bank hf. are market makers for the Company.

As at 19 August the Company had 505 shareholders, which is similar to six other companies in the Nasdaq Iceland ICEX-15.

Shareholder	30 June 2022	Shareholder	30 June 2022
1. SKEL Investment company hf.	17.4%	11. Fagfjárfestastjóðurinn Algildi.	2.0%
2. Arion Bank hf.	11.3%	12. Lov&co ehf.	1.9%
3. Stefmir – innlend hlutabréf hs	7.7%	13. DFT ehf.	1.8%
4. E&S 101 ehf.	6.5%	14. GGH ehf.	1.4%
5. The Iceland Insurance Company hf.	5.4%	15. Greenwater ehf.	1.4%
6. Stefmir– ÍS 5 HS	5.2%	16. SMS ehf.	1.4%
7. Íslandsbanki hf.	4.0%	17. 365 hf.	1.4%
8. Búbót ehf.	3.7%	18. VT31 ehf.	1.3%
9. M25 holding ehf.	3.1%	19. IREF ehf.	1.2%
10. Kvika Bank	2.8%	20. FF 11 ehf.	1.1%
		Other (474)	18.3%



*Based on information from annual financial reports 31.12.2021

Board of Directors and management

NEW BOARD OF DIRECTORS ELECTED IN THE PERIOD



Ásgeir Helgi Reyk fjörð Gylfason

Chairman of the Board



Álfheiður Ágústsdóttir

Board Member



Gunnar Henrik B. Gunnarsson

Board Member



Kristín Erla Jóhannsdóttir

Board Member



Magnús Ingi Einarsson

Board Member

Board of Directors

A shareholders' meeting was held on 25 May 2022 at the request of shareholders controlling over 1/20 of the shares in the Company.

At the meeting the authorisation of the Board of Directors to issue new shares according to Section 2.3 of the Company's Articles of Association was increased.

Also, a new Board of Directors was elected at the meeting. Elected to the Board were Álfheiður Ágústsdóttir, Ásgeir Helgi Reyk fjörð Gylfason, Gunnar Henrik B. Gunnarsson, Kristín Erla Jóhannsdóttir and Magnús Ingi Einarsson.

The Board possesses extensive knowledge and experience of Iceland's business sector. The Board includes experienced members with knowledge of business operations, finance, investment and portfolio management.

Staff

The Company had 2.8 full position equivalents in the first half of the year. The Company has focused on maintaining its overhead at a minimum and aligning its staff to the growth of its revenue and the expansion of its business.

The staff of the Company is expected to grow in line with the growth of the Company.



Jón Þór Gunnarsson

CEO



Högni Hjálmtýr Kristjánsson

Head of property administration and finance



Helga Sif Halldórsdóttir

Chief Accountant

Impact of COVID-19 on operations

Governance and controls



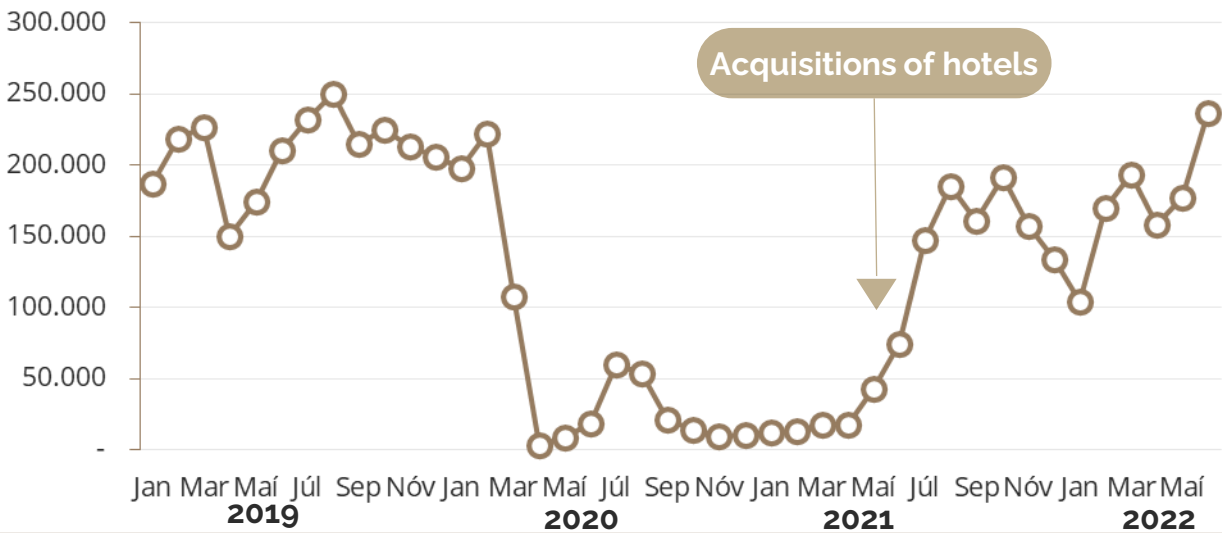
The Company acquired hotel properties at mid-year 2021. Supplementary agreements were made on turnover-linked rental due to COVID-19. In its cash budget the Company assumed payment of minimum rental according to the supplementary agreements.



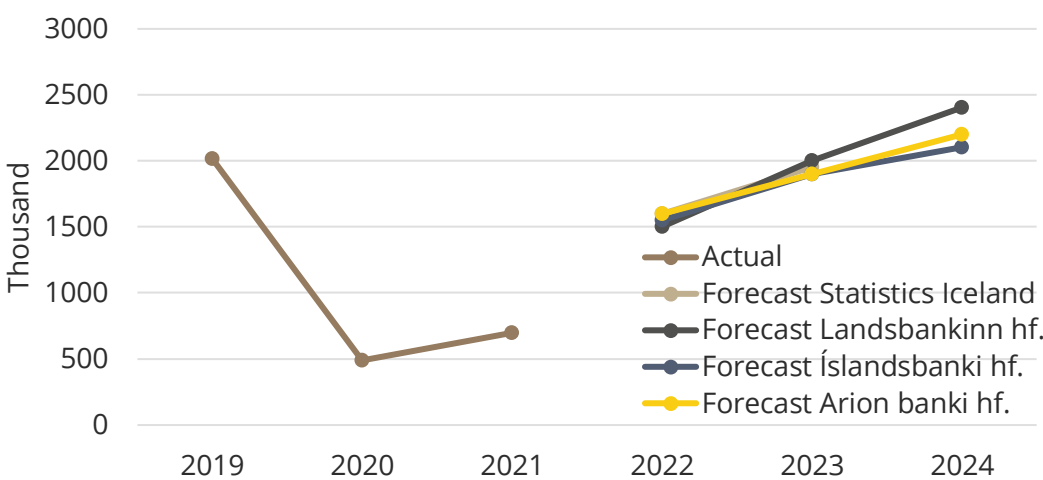
Since the acquisitions, the hotels have paid turnover-linked rent. Rent from hotels in excess of contract minimums amounted to 297 m ISK from acquisition to 30 June 2022.

All turnover-related supplements to lease contracts expire in 2022.

Trend in occupancy nights in the area of the Capital



Total number of foreign tourists



Source: Data compiled by the Icelandic Tourist Board.

Green Steps

COMPANY'S FIRST CERTIFICATION



The Company plans to take its first steps toward environmental certification of its buildings in the course of the year. The plan is for the proportion of certified buildings in the Company's portfolio to increase in the course of time. This will help the Company to measure its progress over time.



Environmental certification will also form a basis for issues of green bonds, which are in increasing demand in the market.



The Company is working with KEA Hotels on collaboration in the certification of its first buildings. Also, the Company is working with a market consultant on its initial listing.



Agenda

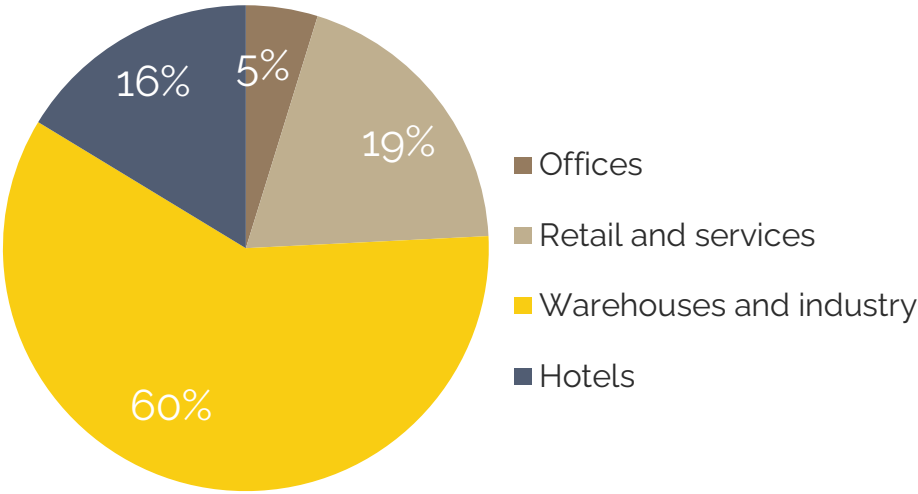
1. Operations in the first half of the year
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Suðurhaun 10

Property portfolio

INCOME-GENERATING PROPERTIES ON THE BALANCE SHEET 30/06/2022

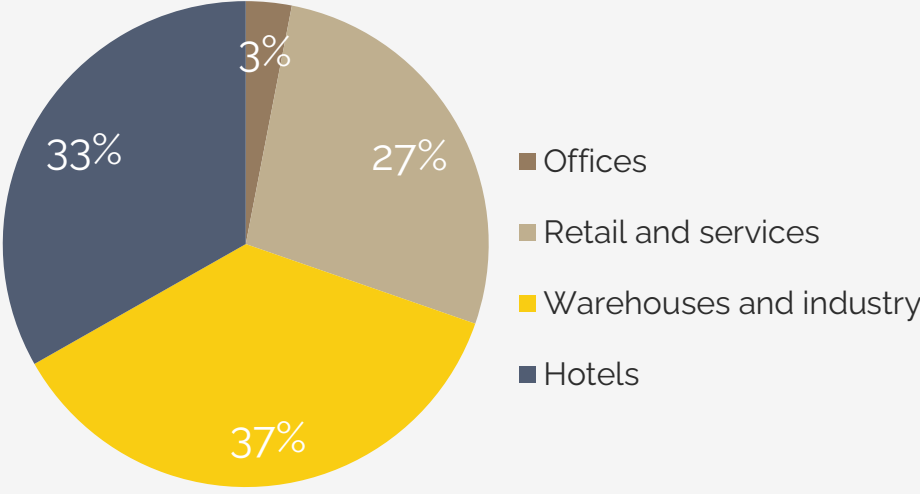


51,600 m²

Volume of real properties on the Balance Sheet

The Balance Sheet of the Company includes the assets delivered in the first half of the year. The following properties were not included in the Company's Balance Sheet:

- Hæðasmári 2-6 (purchase agreement concluded)
- Þverholt 1 (purchase agreement concluded)
- Víkurhvarf 1 (purchase agreement concluded)
- Álfhella 5 (purchase agreement concluded)
- Einhella 1 (option to buy/offer made)
- Köllunarklettsvegur 1 (offer made)



2,060 m ISK

Annual revenue from real properties on the Balance Sheet

Estimated annual income based on a full year of operation of all real properties (100%) at the June 2022 price level.

The income-weighted utilisation is 98.4% as at this day. The valuation of the property is based on 97.5% utilisation, and the income-weighted average duration of rental agreements with the Company is 12.1 years.



51,600
SQUARE METRES



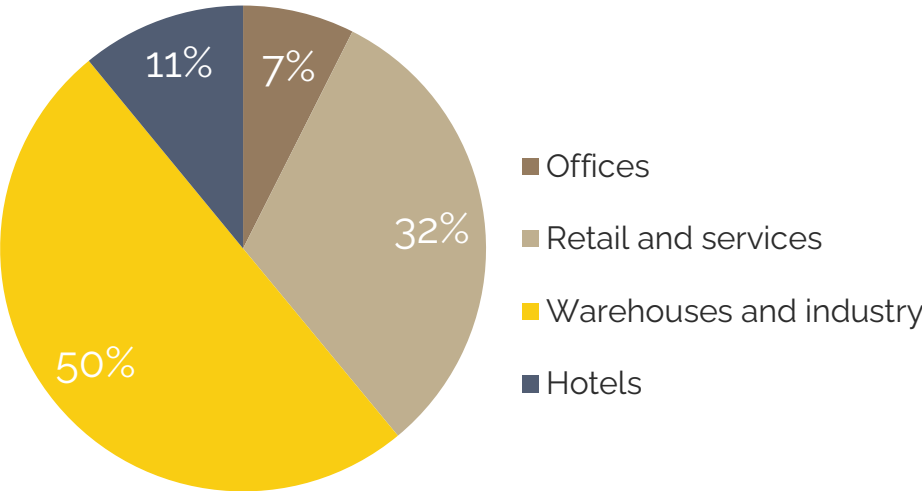
98.4%
RENTALS



26.3 billion ISK
VALUATION PRICE

Property portfolio

INCOME GENERATING REAL PROPERTIES BASED ON ANNOUNCED TRANSACTIONS – SCENARIO

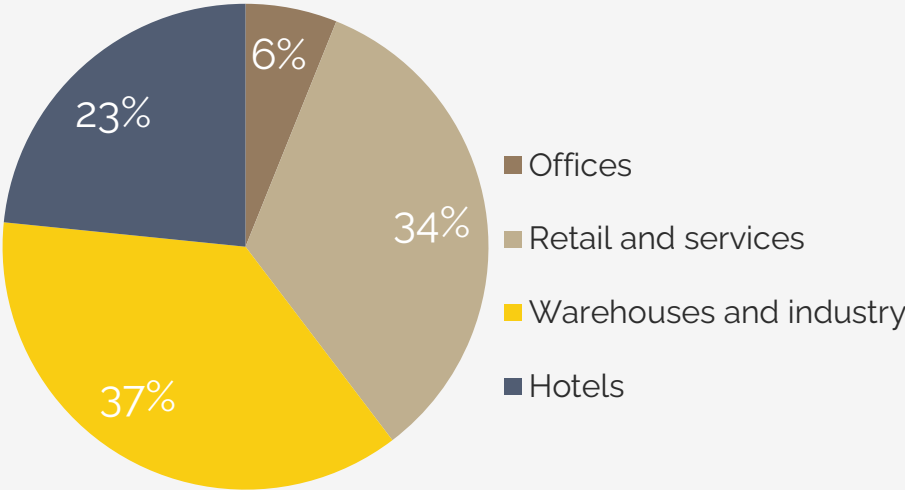


76,900 m²

Volume of real properties based on **announced transactions**

The figure shows the size of the real estate portfolio and distribution by category based on the end of the transactions below.

- Hæðasmári 2-6 (purchase agreement concluded)- Einhella 1 (option to buy/offer made)
- Hæðasmári 2-6 (purchase agreement concluded)- Köllunarklettsvegur 1 (offer made)
- Þverholt 1 (purchase agreement concluded) - Skógarhlíð 18
- Víkurhvarf 1 (purchase agreement concluded)
- Álfhella 5 (purchase agreement concluded)



2,898 m ISK

Estimated **annual revenue** from properties based on **announced transactions**

Estimated annual income based on a full year of operation of all real properties (100%).



76,900
SQUARE METRES



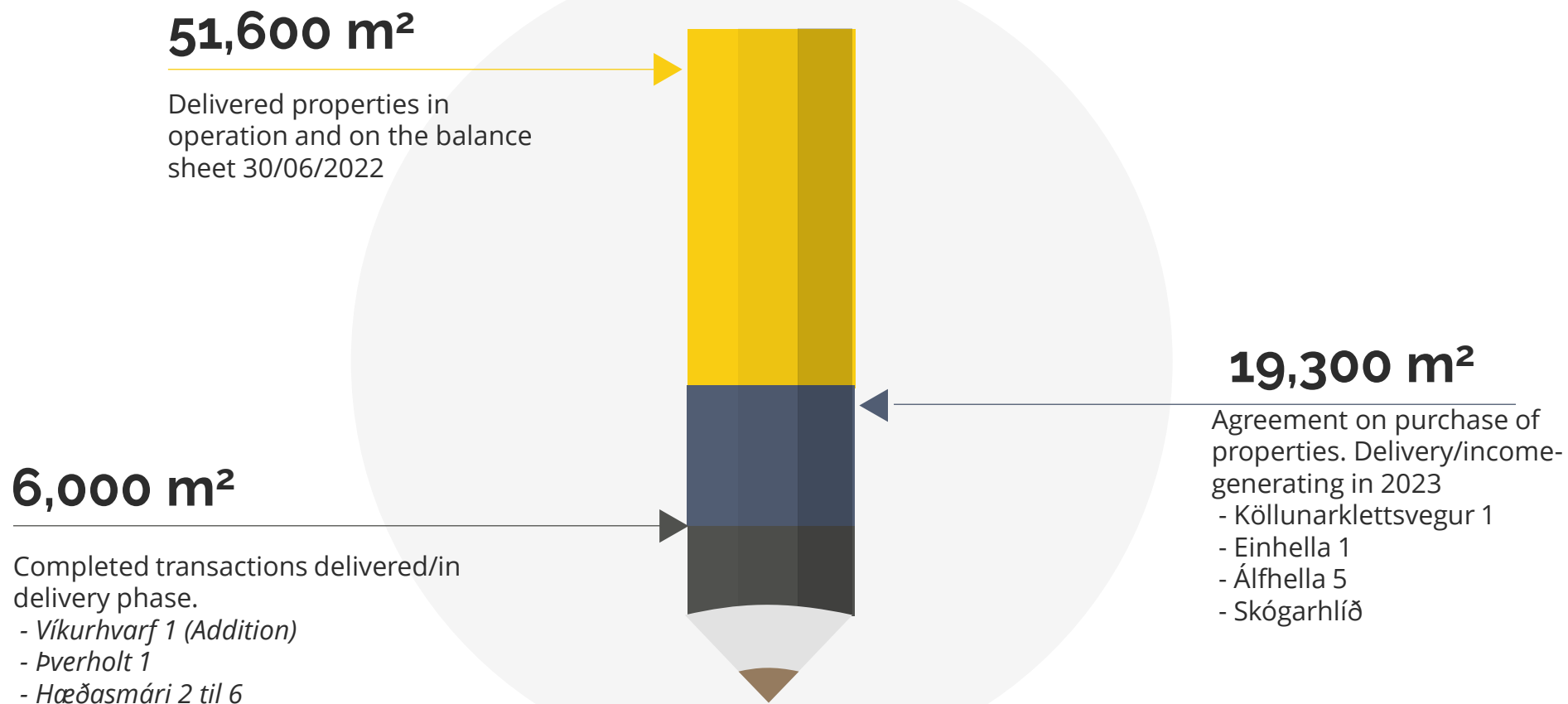
35.8 billion
ISK
VALUATION PRICE*

*Valuation price is approximated as market price 30.6 plus the acquisition price of announced transactions.

Property portfolio

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BASED ON REAL PROPERTIES IN OPERATION



Hotels

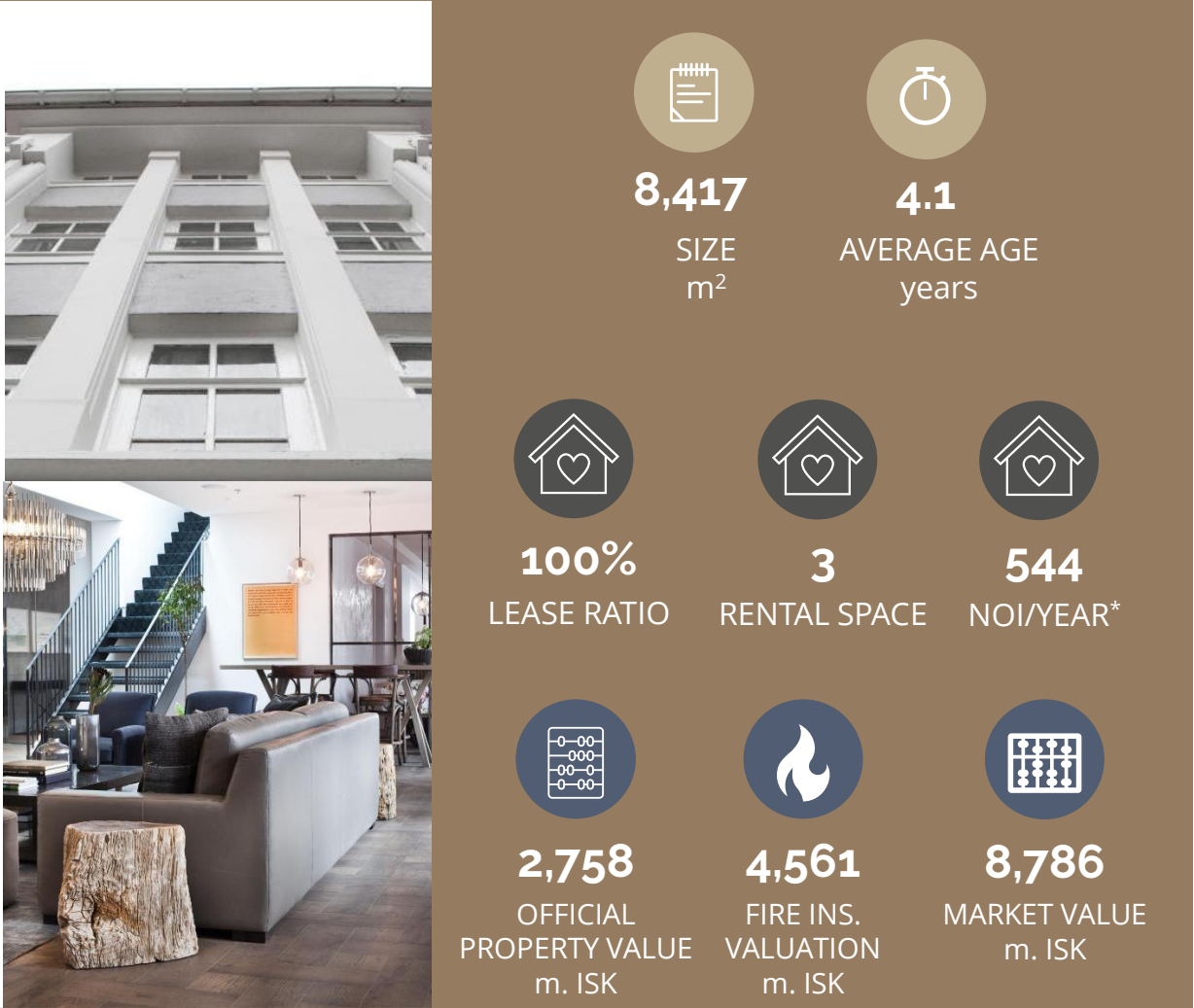
PROPERTIES ON BALANCE SHEET 30/06

Hotels owned by the Company

- Sand hótél, Laugavegur
- Storm hótél, Þórunnartún
- Vegamótastígur, 7-9

Note that the Company is the owner of furniture and fixtures and other moveable goods to differing extents between hotels

NOI (Net Operating Income): Estimated income net of expenses (property tax and impact fees, maintenance, administration expenses, insurance and other operating cost) and before financial expenses. Administration expenses are estimated in normal operations, i.e. net of cost of transformation and growth phase. Full income from hotels is assumed year on year as turnover agreements expire this year. Estimated year on year.



Warehouses & industrial premises

PROPERTIES ON BALANCE SHEET 30/06

Warehouses & industrial premises

- Fiskislóð 23-25
- Fossaleyfir 19-23
- Íshella 1
- Suðurhraun 10
- Tangavegur 7
- Víkurhvarf 1
- Völuteigur 31A

NOI (Net Operating Income): Estimated income net of expenses (property tax and impact fees, maintenance, administration expenses, insurance and other operating cost) and before financial expenses. Estimated year on year. Administration expenses are estimated in normal operations, i.e. net of cost of transformation and growth phase.



KALDALÓN



30,686
SIZE
m²



9.5
AVERAGE AGE
years



99%
LEASE RATIO



19
RENTAL SPACE



541
NOI/YEAR*



5,517
OFFICIAL
PROPERTY VALUE
m. ISK



8,244
FIRE INS.
VALUATION
m. ISK



8,815
MARKET VALUE
m. ISK

Retail and services

PROPERTIES ON BALANCE SHEET 30/06

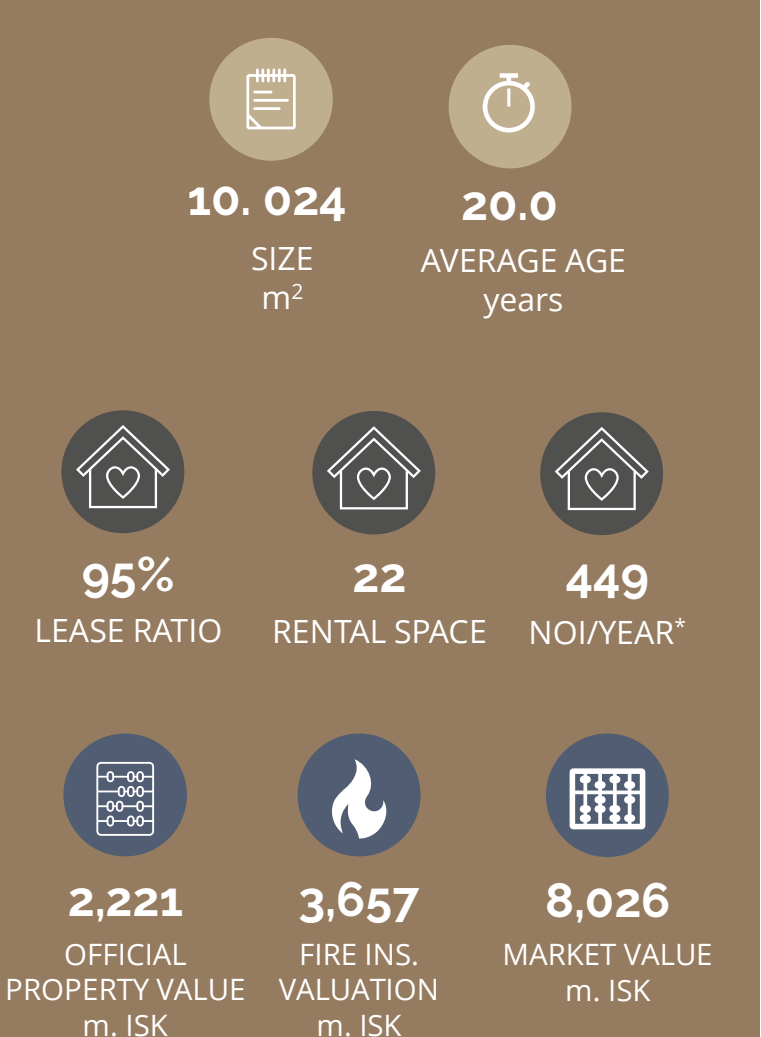
KALDALÓN

Retail and service premises

- Laugavegur 32-36
- Hlíðarfótur 11-17
- Fiskislóð 23-25
- Víkurhvarf 1
- Fiskislóð 29
- Suðurfell 34
- Skagabraut 43
- Óseyrarbraut 2
- Miklabraut 100
- Hagasmári 9
- Gylfaflöt 1
- Grjótháls 8
- Fitjar 1
- Dalvegur 20
- Bústaðavegur 20
- Miklabraut 101
- Brúartorg 6



NOI (Net Operating Income): Estimated income net of expenses (property tax and impact fees, maintenance, administration expenses, insurance and other operating cost) and before financial expenses. Administration expenses are estimated in normal operations, i.e. net of cost of transformation and growth phase. Estimated year on year.



Office premises

OFFICE PREMISES ON BALANCE SHEET 30/06

Office premises owned by the Company.

- Suðurhraun 10



NOI (Net Operating Income): Estimated income net of expenses (property tax and impact fees, maintenance, administration expenses, insurance and other operating cost) and before financial expenses. Administration expenses are estimated in normal operations, i.e. net of cost of transformation and growth phase. Estimated year on year.

KALDALÓN



2,464
SIZE
m²



3.0
AVERAGE AGE
years



100%
LEASE RATIO



3
RENTAL SPACE



45
NOI/YEAR*



494
OFFICIAL
PROPERTY VALUE
m. ISK



634
FIRE INS.
VALUATION
m. ISK



676
MARKET VALUE
m. ISK

Announced transactions

AGREEMENTS ON PURCHASE OF PROPERTIES, NOT ON BALANCE SHEET 30/06/2022

Retail and services

- Skógarhlíð 18
- Víkurhvarf 1 (addition)
- Þverholt 1
- Hæðarsmári 2
- Hæðarsmári 4
- Hæðarsmári 6

Mixed use

- Köllunarklettsvegur 1
- Einhella 1

Warehouses & industrial premises

- Álfhella 5



Agreements with sellers of properties under construction assume a maximum of 4,050 m² unrented space on delivery. The acquisition price is elastic based on performance. All properties have a signed lease agreement with key-renters of projects.

**NOI (Net Operating Income): Estimated income net of expenses (property tax and impact fees, maintenance, administration expenses, insurance and other operating cost) and before financial expenses. Administration expenses are estimated in normal operations, i.e. net of cost of transformation and growth phase.*



25,272

SIZE
m²



5.0

AVERAGE AGE
years



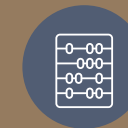
~28

RENTAL SPACE



~620

NOI/YEAR*



494

OFFICIAL
PROPERTY VALUE
m. ISK



634

FIRE INS.
VALUATION
m. ISK



9,500

ACQUISITION
PRICE
m. ISK

Increased revenue resulting from announced transactions



THE COMING YEARS PRESENT SIGNIFICANT OPPORTUNITIES FOR REFINANCING OF REAL PROPERTIES

As a part of the Company's future intentions for continued growth of the portfolio there are plans for further acquisitions or development of properties. See further Part 3.

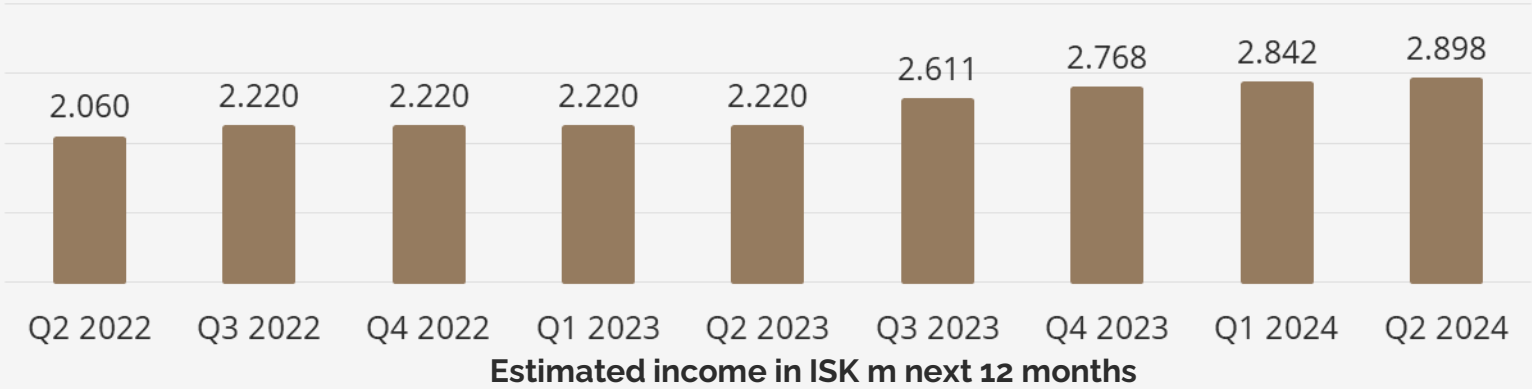
Increased revenue here is therefore based solely on properties on the balance sheet as at 30/06/2022 in addition to revenue from announced transactions.

Increase in revenue – Projection
Announced transactions only

Increase in annual income (i.e. total income next 12 months by quarter) based on 100% utilisation.

The income-weighted utilisation is 98.4% 30/06/2022.

The market value of the investment assets is assessed based on 97.5% utilisation.



Investment assets – Other assets

OVERVIEWS OF OTHER ASSETS – INVESTMENT ASSETS & ASSETS FOR SALE

Book value, m ISK



Þorraholt 6, in Garðabær is among the most elegant business premises in the capital area. The building rights are 20,500 m², of which about 10,900 m² are above ground.

436



The Company holds a **50% participating interest in Steinsteypan**. That company is in the process of divestment and a purchase agreement on the interest was announced in June. Operations in the year surpassed management expectations in the first half of the year.

595



The Company is in the process of selling a residential property at **Urriðaholtsstræti 24**. The sale is proceeding well, with the book value consisting of investment asset and a claim (unpaid purchase agreement price of sold apartments prior to 30/06/2022),

1,417



The Company owns 573.4 m² of **commercial premises at Hringbraut 116** under construction with security in the lot as a part of the sale of the Steindor plot. The Company has the right to withdraw from the purchase and use the amount as a delivery payment for Einhella 1.

172



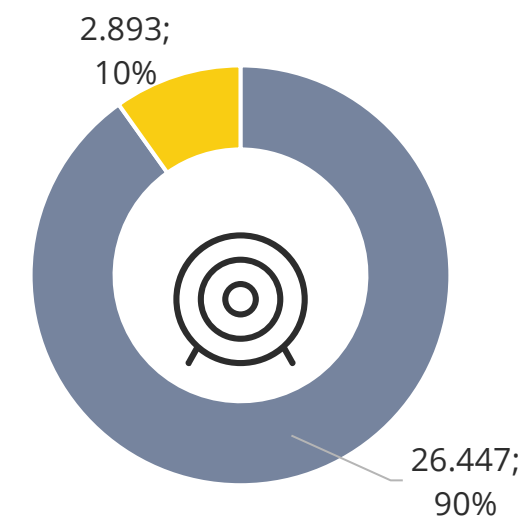
The Company is developing residential and commercial premises in Vesturbugt in Reykjavík. Ocean front property in Reykjavík.

173



Interests in **Kársnesbyggð** which is in a settlement process.

102



■ Income generating properties
■ Other properties

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Suðurhaun 10

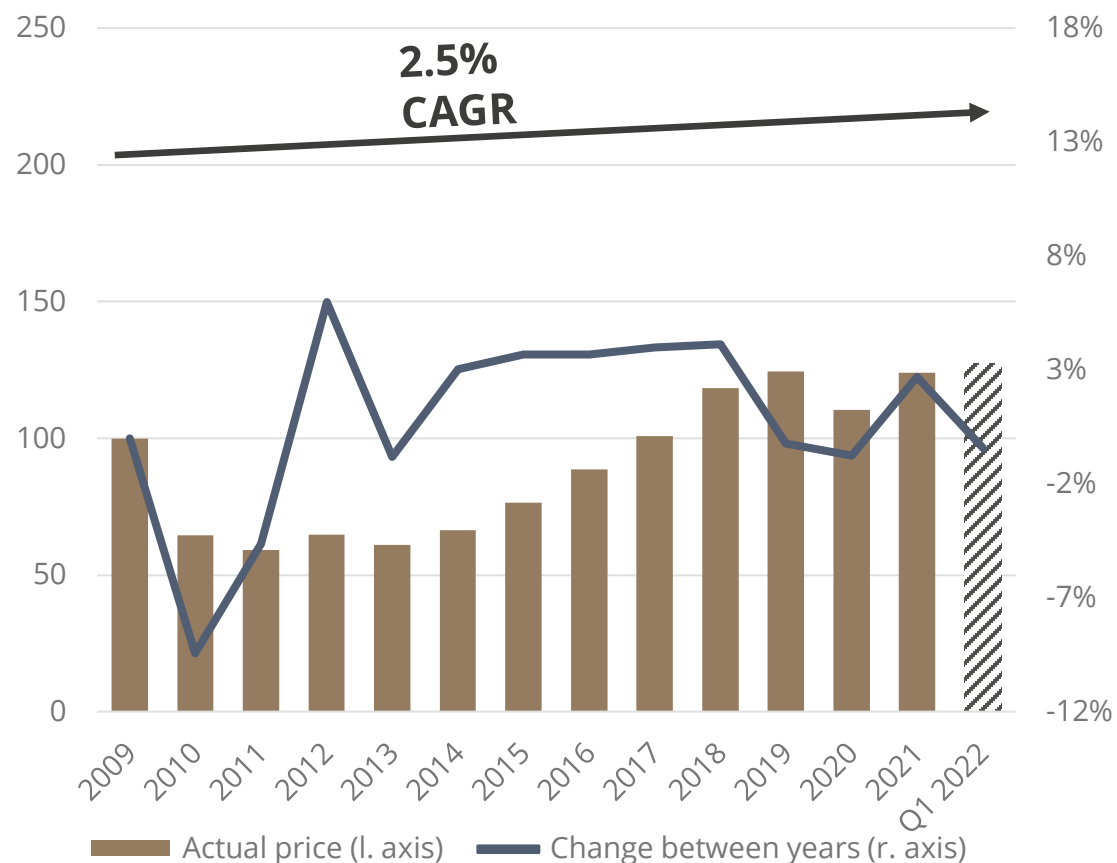
The real estate market



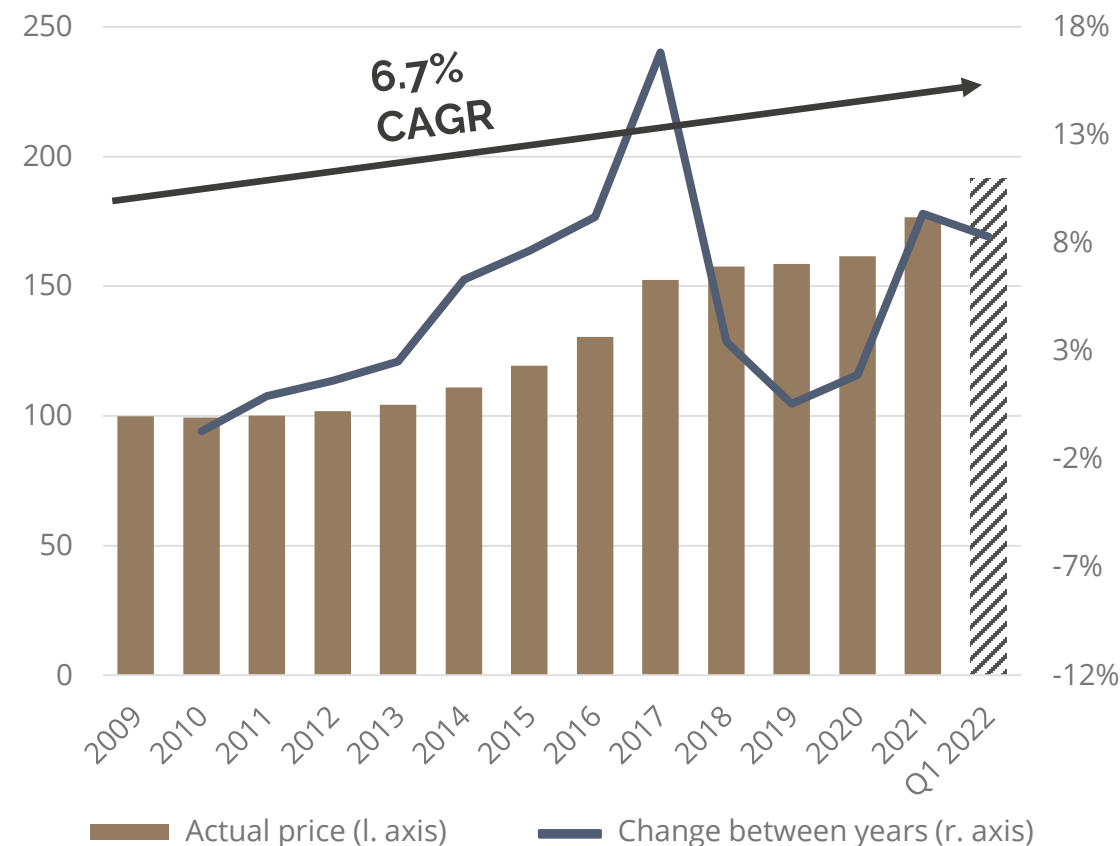
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ACTUAL PRICE OF COMMERCIAL PREMISES

Actual price of commercial premises in the Capital Area



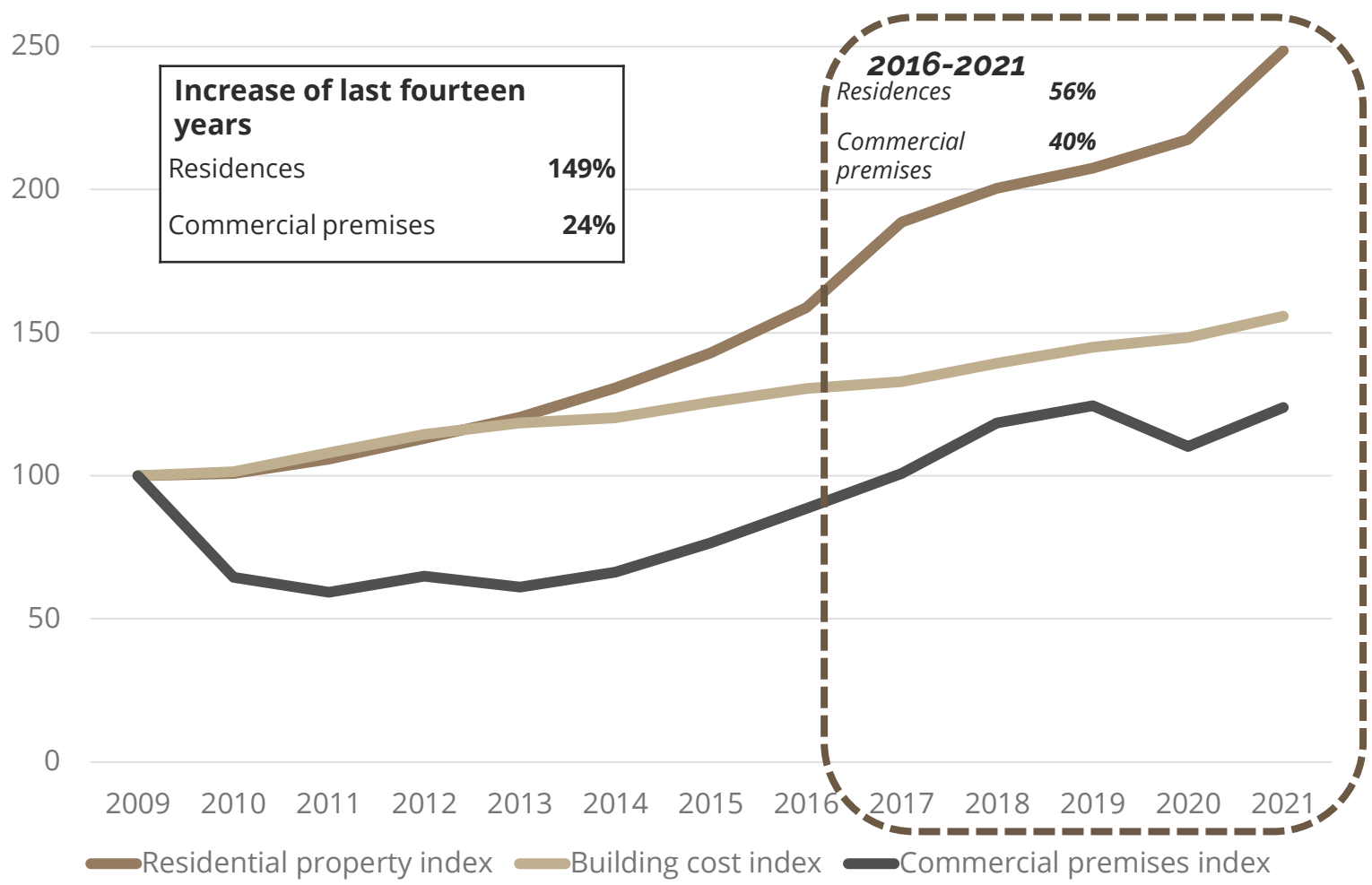
Actual price of residential premises in the Capital Area



The real estate market



TREND OF REAL ESTATE PRICES AND BUILDING COST INDEX



Index trends

Price of residences soars

- While prices of residences has soared, commercial premises have remained stagnant.
- The commercial premises index is lagging behind the building cost index and is far from the residential property index.
- Commercial premises took a sharp dive after the financial crises but has been recovering in recent years, but not as fast as residential properties.
- Since the financial crisis the commercial premises index is up by 24%.

Source: Registers Iceland, Statistics Iceland and the Central Bank of Iceland.
Uncertainty is significant because of few unconvergent measurements

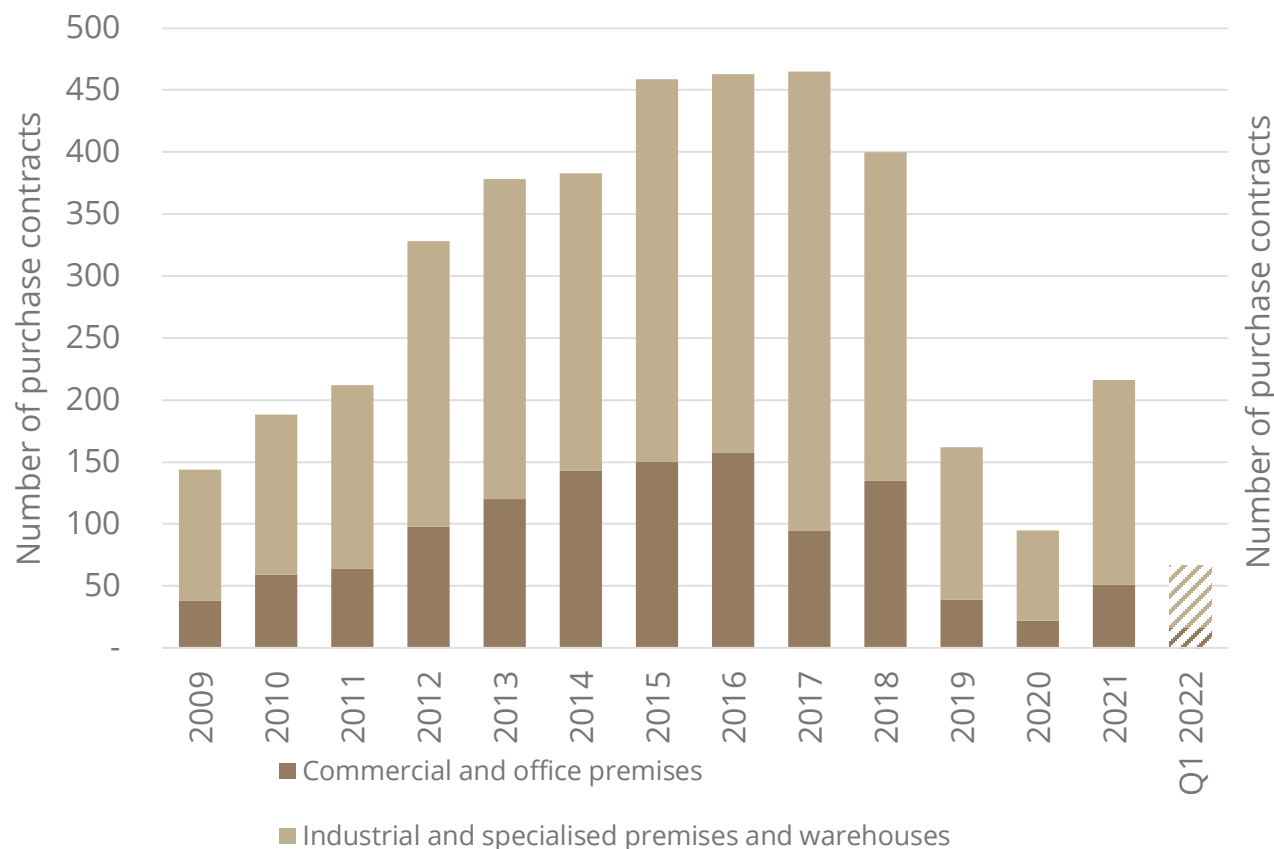
The real estate market

LOWER TURNOVER FOR COMMERCIAL FOR THE PAST THREE YEARS

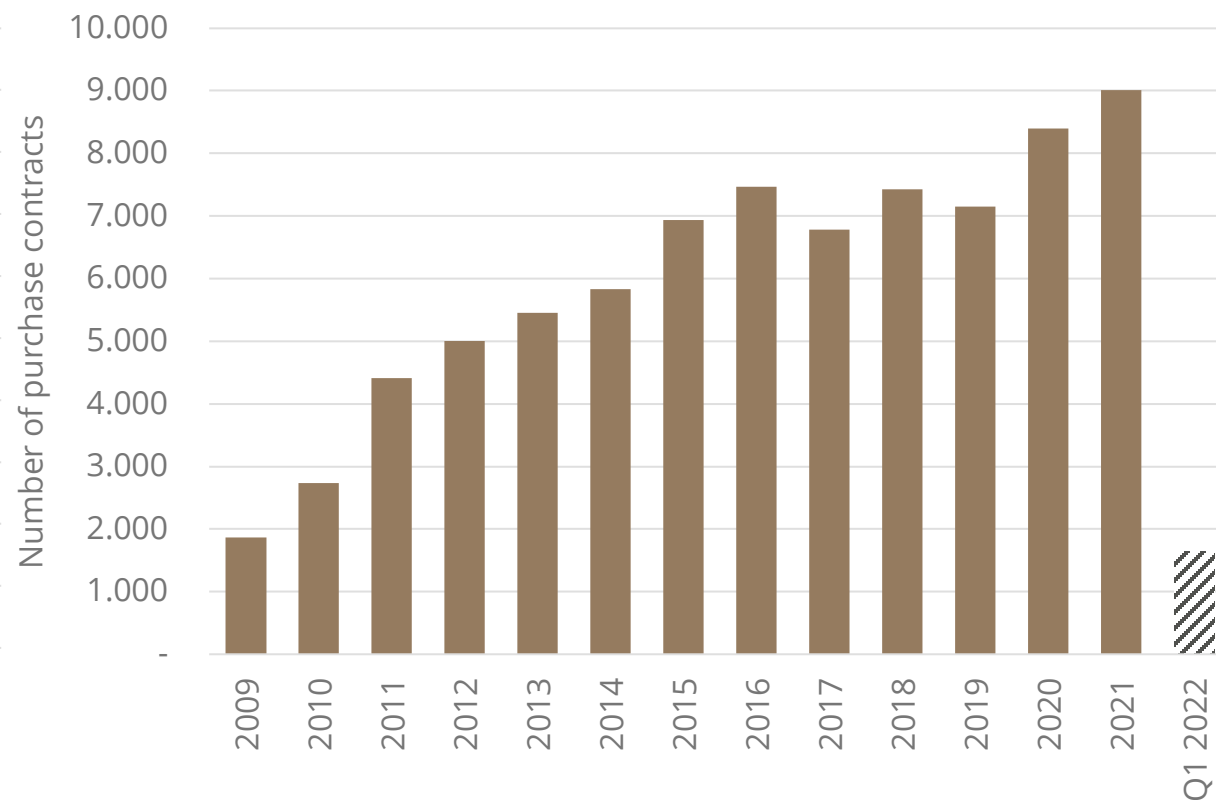


KALDALÓN

Number of purchase agreements for commercial premises



Number of purchase agreements for residential premises



Source documents: Statistics Iceland, Central Bank of Iceland and Federation of Icelandic Industries.

*2021 covers only Jan.-Sept. 2021.

The real estate market



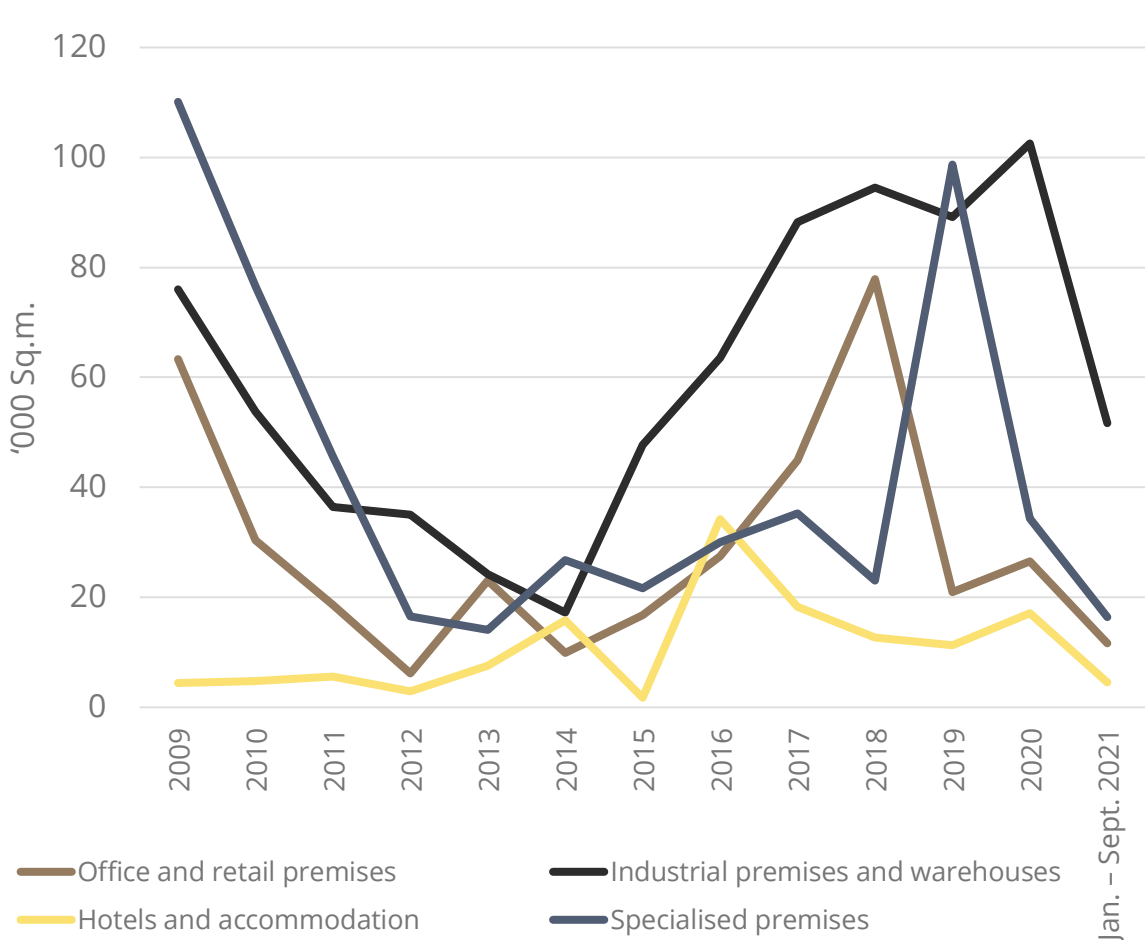
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NO CORRELATION IN RECENT YEARS BETWEEN COMMERCIAL PREMISES UNDER CONSTRUCTION AND ECONOMIC GROWTH

Commercial premises under construction alongside economic growth trend*



Commercial premises under active construction



Source documents: Central Bank of Iceland
*2021 covers only Jan.-Sept.

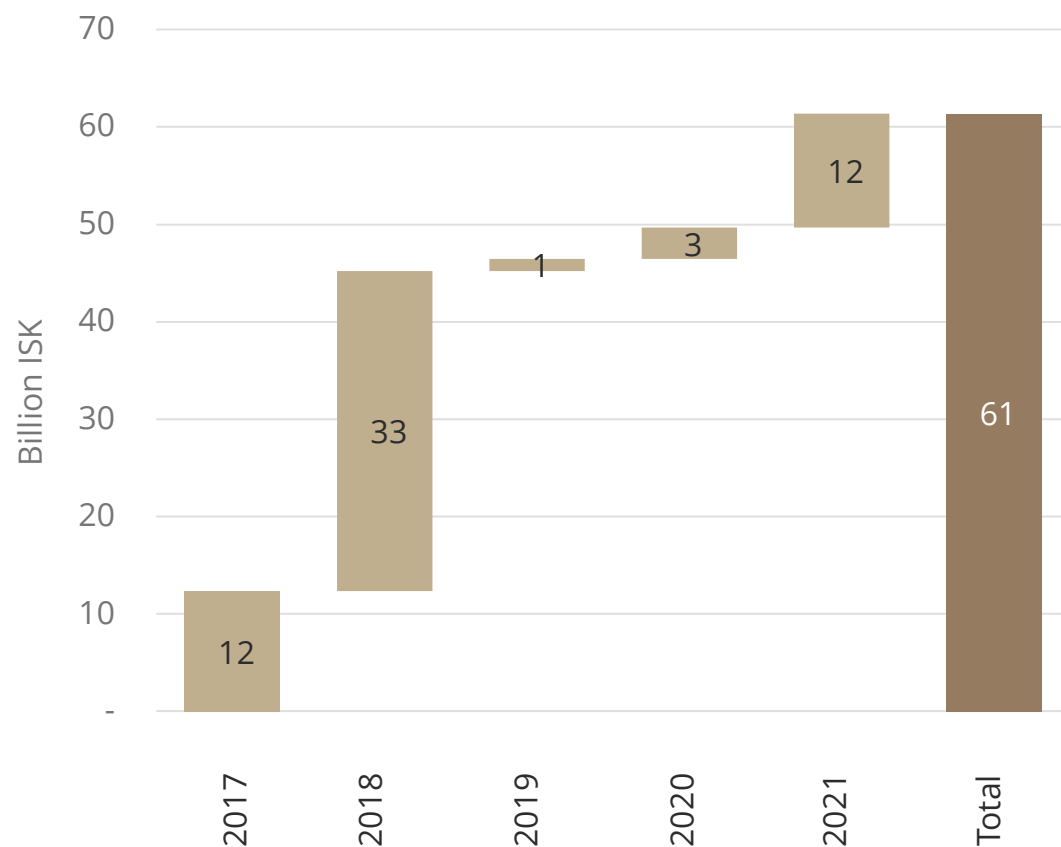
The real estate market



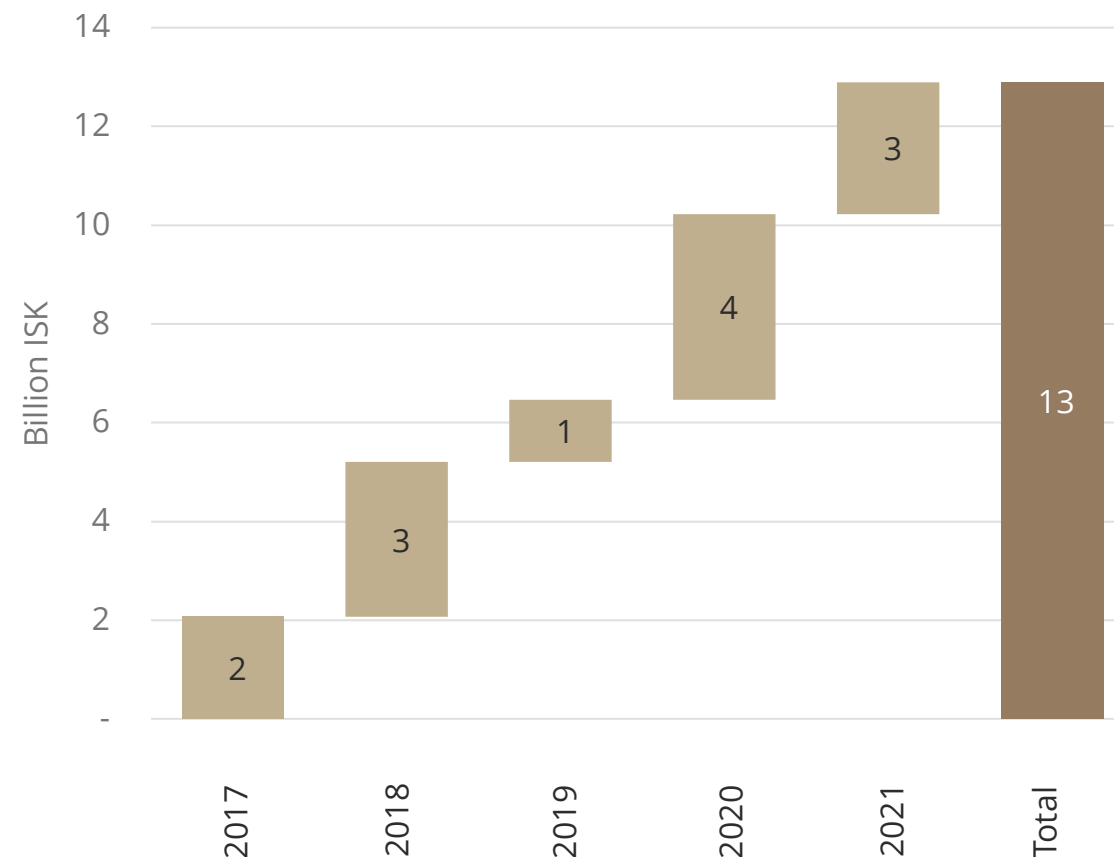
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LIMITED PURCHASES OF NEW PROPERTIES OF REGISTERED REAL ESTATE COMPANIES

Total purchases by registered real estate companies in the principal market



Total sales by registered real estate companies in the principal market



Comparison with foreign markets



KALDALÓN

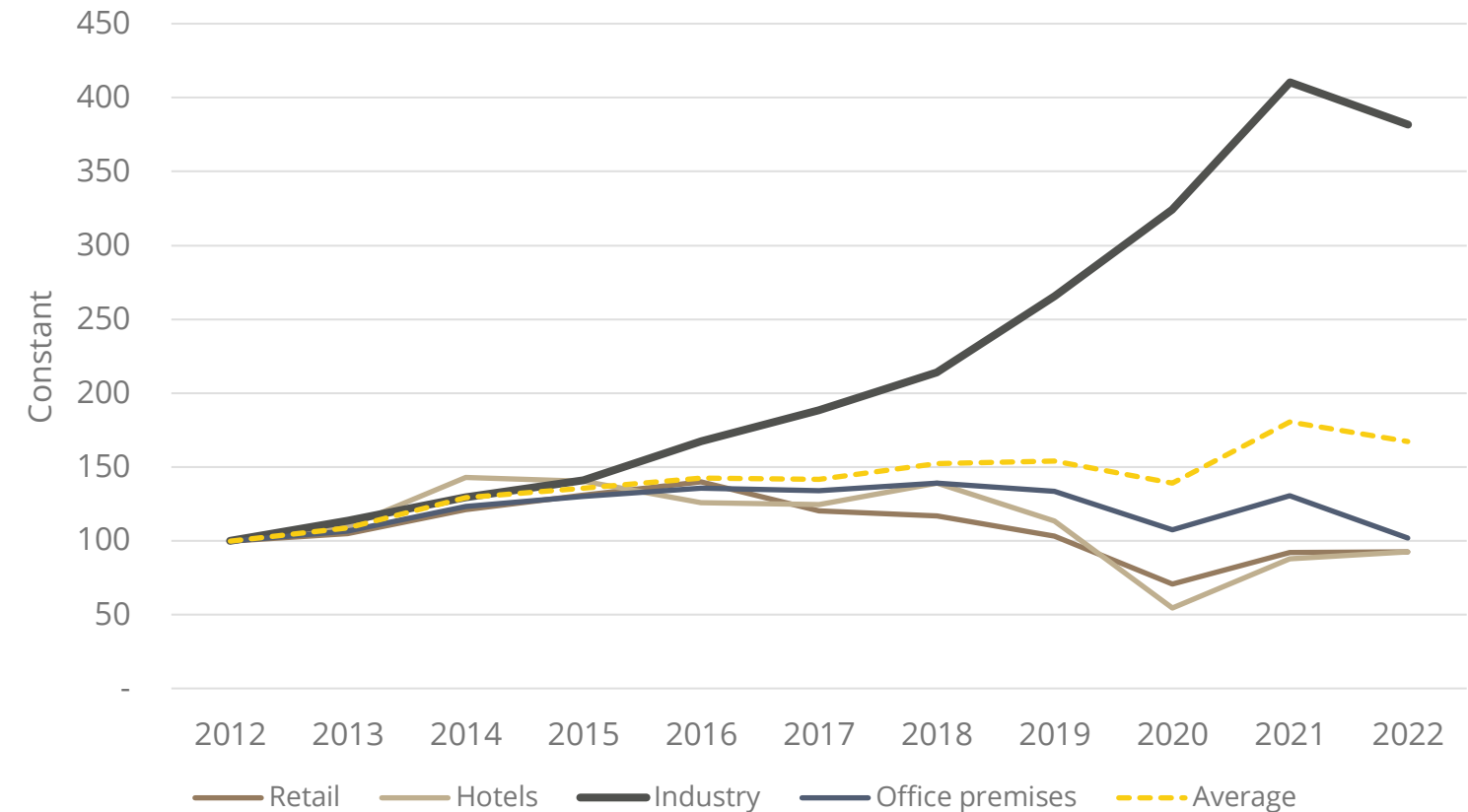
INDUSTRIAL PREMISES SOARING

Comparison

Average rise

- The chart to the right shows the average rise of shares in registered real estate companies over the last 10 years in Europe and the US*
- The companies are divided into categories by type of rental properties
- The price of companies renting out industrial premises has risen far more than that of companies renting out other types of premises.

Average rise by property category



Agenda

1. Operations in the first half of the year
2. Investment assets
3. Prospects and **market listing**
4. Statements



Suðurhaun 10

Listing on the Main Market

THE COMPANY IS PREPARING FOR LISTING ON THE MAIN MARKET

KALDALÓN

Targeted listing

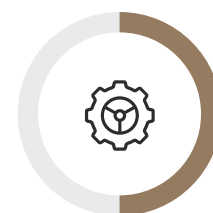
The First North Market has **already given the Company access to most of the advantages of being a listed company in a securities exchange** and an opportunity to develop the business operation more rapidly than would otherwise be possible.

The operating history of the Company as a real estate company around income-generating commercial premises is short. The First North market will continue to enable the Company to ensure equal treatment of investors, transparency in disclosures and centralised price formation.

The Board of Directors of the Company is of the opinion that listing of the Company on the Main Market of the Iceland Stock Exchange in 2022 is not a necessity for the Company's growth and development, nor is it in the best interests of the Company, its shareholders or creditors at this point in time.

The operation of the Company has been successful, the Company is in a development phase and has good access to share capital and loan financing.

The Board of Directors has therefore decided to begin preparations for listing of the Company in the Main Market of the Iceland Stock Exchange when **three of four criteria have been met**.



50 billion
ISK

Investment assets

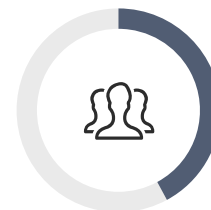
Value of investment assets exceeds 50 billion ISK



3,500 m

Revenue

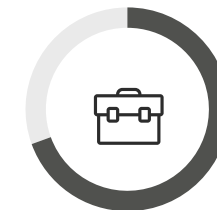
Rental income of the Company on an annual basis, estimate for the coming 12 months, exceeds 3.5 million ISK.



Annual financial
statement

Operating history

An interim financial statement with pure operation of the property portfolio has been issued and audited.



Liabilities

Bonds

The Company has issued a base prospectus for the issue of bonds and other debt instruments.

Growth of the Company

HOW WILL THE COMPANY GROW?



Acquisitions of income-generating properties with active lease contracts continues to be the Company's main goal.
The assessment of rental ratio in market valuation reflects this focus.



The Company has **acquired properties concurrently with conclusions of new lease contracts**, or worked with lessees on developing premises to their needs.



Development and acquisitions of new properties without lease contracts, but with the objective of rendering the properties income-generating from as close to the delivery date as possible. The Company has established the internal criteria of such properties accounting for less than 15% of its portfolio in the growth stage.



The Company has analysed property portfolios in the market and **will make offers for attractive portfolios if they are put up for sale.**

Building equity for growth

In order to achieve the Company's goals prior to listing in the Main Market with a capitalisation of 50 billion ISK the Company will need up to 9 billion ISK.

Sellers of properties have expressed interest in part of the purchase price being paid with new shares in Kaldalón hf.

However, the Company's growth will require additional cash for property acquisitions and to even out fluctuations in the Company's operation.

The Company's growth – Scenario

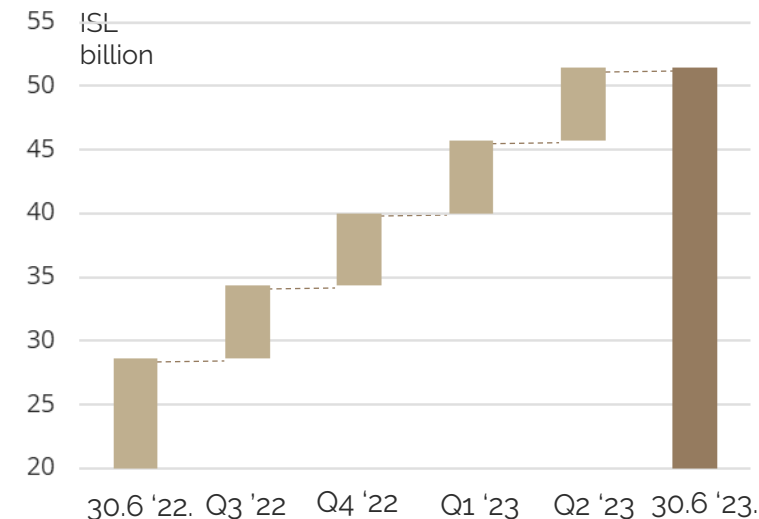
PRO FORMA SCENARIO – GROWTH

- Over the past 12 months the Company has invested in interest-generating properties for **5.7 billion on average** each quarter.
- If the Company maintains the same rate of growth the value of income generating properties will reach or surpass 50 million ISK in the second half of 2023.
- The rate of growth will obviously be influenced by market conditions. The scenario is therefore subject to significant uncertainty.
- Announcements have already been made of **acquisitions of properties for 7.3 billion ISK in Q3**.

24 billion ISK

The value of equity after 12 months based on fixed growth and equity equal to 30/06/2022

Value of investment assets based on fixed growth



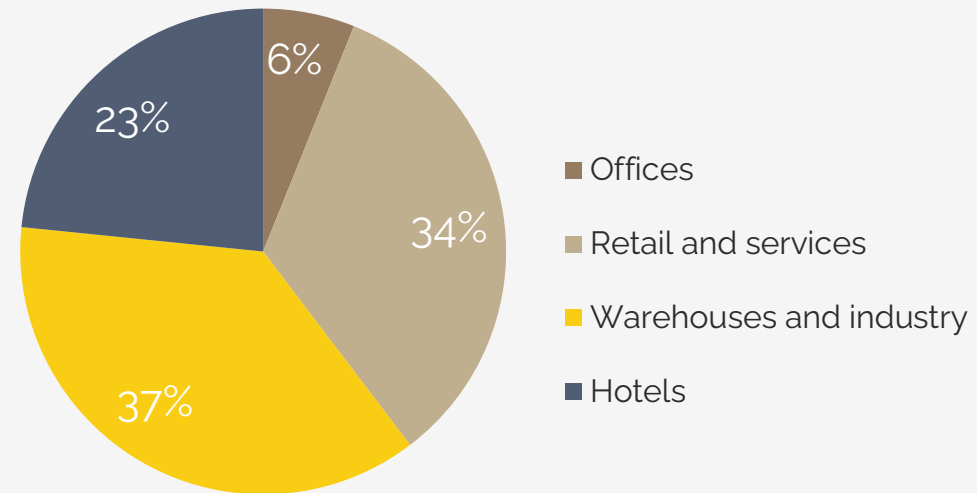
*Rate of growth based on the acquisition price of properties

Property portfolio

INCOME GENERATING REAL PROPERTIES BASED ON ANNOUNCED TRANSACTIONS

Kaldalón Asset Classes

- Kaldalón is a company with a diversified portfolio.
- In the long term the Company will seek to ensure that no single asset class exceeds 50% of total revenue. It is likely that the proportion will change regularly in the growth stage.
- The Company sees continuing opportunities in industrial and commercial premises.



2,898 m ISK

Estimated **annual revenue**
from properties based on
announced transactions

Estimated annual income based on a full year of operation of all real properties (100%).

Agenda

1. Operations in the first half of the year
2. Investment assets
3. Prospects and market listing
- 4. Statements**



Suðurhaun 10

Highlights of the Operation in 1H 2022

FINANCIALS



Rental income continues to grow with further investment in income generating properties. Annual rental income (12 months) assuming 100% rental of properties on the Company's balance sheet is 2,060 m ISK. The occupancy ratio was 98.4% on 30/06.



One-off expenditure relating to the transformation and expansion of the Company remains a large share of operation cost, amounting to 45% of management cost over the period.



Investment assets up by 11 billion ISK. Value adjustment of investment assets just short of 2 billion ISK.

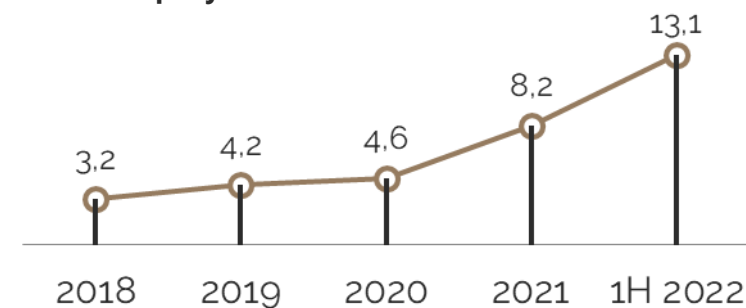


Net financial expenses amounted to just over 500 m ISK, with the index adjustment of financial expenses at about 40%.

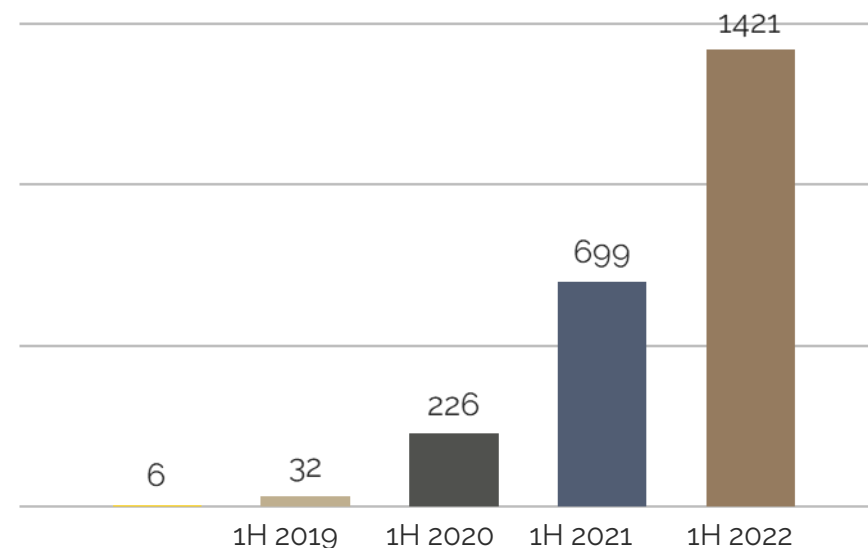


Profit after taxes 1.4 billion ISK; return on Equity 33%.

Equity trend (billion ISK)



Profit after taxes (m ISK)



Figures presented as total results. (Minority share - see annual financial statement)

Balance Sheet

INTERIM STATEMENT AND PRO FORMA BASED ON ANNOUNCED TRANSACTIONS

Assumptions

1. Sale of Steinsteypan, residential properties at Urriðaholtsstræti 24 and Kársnesbyggð ehf.
2. The acquisition price of properties based on announced transactions amount to just short of 7 billion ISK and issue s shares just short of 2.4 billion ISK at market value.
3. Issue of shares relating to Kvika's stock option in July 2022

- Announced transactions: Hæðasmári 2-6, Víkurhvarf 1 (viðbót), Þverholt 1, Skógarhlíð 18, Álfhella 5, Köllunarklettsvegur 1
- Skógarhlíð 18, Álfhella 5, Einhella 1 og Köllunarklettsvegur 1 income generating in 2H 2023

		1	2	3	
Balance Sheet	30 June 2022	Sale of assets	Announced transactions	Other movements	Proforma
Investment assets	28,625	(1,261)	9,516		36,880
Other assets	1,092	(257)			834
Assets held for sale	1,237	(1,237)			0
Cash and Cash Equivalents	643	1,487	(801)	382	1,711
Total assets	31,596	(1,268)	8,715	382	39,425
Equity	13,355		2,975	382	16,712
Deferred income tax liability	2,135		240		2,375
Interest-bearing liabilities	14,924	(770)	5,500		19,655
Other liabilities	683				683
Liabilities held for sale	498	(498)			0
Total liabilities and equity	31,596	(1,268)	8,715	382	39,425

39,425

ISK million
Assets

16,712

ISK million
Equity

53

%
Debt ratio**

*Based on book value; *No revaluation impact of acquired properties; ***interest-bearing debt/ Investment assets.

Financing

Refinancing opportunities

KALDALÓN



52% leverage

Interest-bearing debt amounted to 14.8 billion ISK at the end of the period



90% prepayable

Proportion of prepayable interest-bearing debts



60% of debts non-index-linked

Approx. 60% of interest-bearing debts are non-indexed bank loans with floating interest – weighted interest was 60% on 30 June.



Weighted terms - non-indexed (7.8%) / indexed (3.5%)

Indexed debts mostly taken over on the acquisition of companies. Most recent terms are 2.2% interest, index-linked

- All new loans are bank loans with 3-5 year terms without prepayment charges, which facilitates refinancing of the Company.
- Other debts have been taken over on the acquisition of companies.
- The average rate of non-indexed interest was **7.8%** at the end of the period. All non-index-linked debts carry floating interest.
- Index-linked interest terms were 3.5% at the end of the period, mostly taken-over debts., The Company took an index-linked bank loan in April with **2.2%** fixed interest.
- Taken-over debts in Q3 2021 for the purchase of Storm Hotel is non-prepayable until 2026. The total amount is 1.5 billion and weighted terms 4%, index-linked. Other liabilities are prepayable.*

*Agreement for seller of properties at Íshella 1 and Suðurhraun 10 to take over debts as at 30/09/2022 or pay a 1.5% of the principal in penalty interest

Value of investment assets and Long-term receivables

INCOME GENERATING INVESTMENT ASSETS ARE VALUED IN ACC. WITH IFRS 13



Value adjustments of investment assets are generally carried out with ...

1) Development properties - Expert valuation based on market data net of management caution.

This applies to valuation prices of assets such as interest in Steinsteypán and lot for commercial premises in Þorraholt.

2) Income generating properties - Discounted cash flow

This applies to income generating properties of the Company constituting approx. 90% of the Company's investment assets.

The weighted average cost of capital (WACC) in valuation 30.8 is 6.0%.

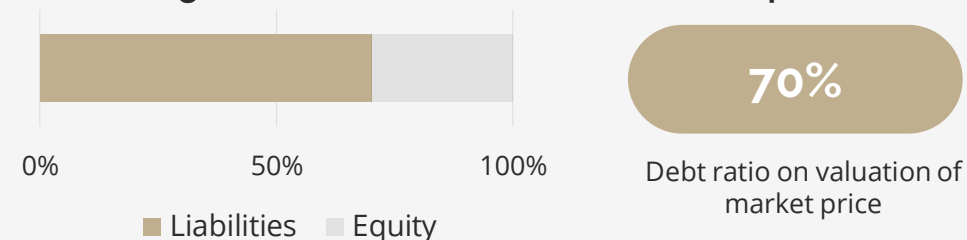
The valuation is reviewed by the Company's accountant.



- 1) The Company holds **long-term assets** relating to the sale of property development projects in Vogabyggð and on Steindórsreitur amounting to 739 m ISK. Outstanding assets will be paid on the sale of residences on the lots, estimated in 2H of 2023. Long-term assets are secured by a bond on the properties in question.

All the Company's lease contracts are index-linked

Weighted cost of capital on discounting based on significant contributions from market experts



- Risk-free rates are assessed based on Treasury bonds with a duration close to the income-weighted average length of lease contracts. (RIKS 33)
- Three leading market participants estimate Kaldalón's margin on top of risk-free interest.
- The margin on equity is assessed by the Company's Board of Directors and management.
- The weighted beta, the weighted margin on market risk taking leverage into account is calculated with reference to leverage ratio and unweighted beta compared to property portfolios in the European market in the Damodaran database.
- Special margin assessed based on renter quality, property location and other factors are in the range of 1-6% depending on renter/rental space.

Income Statement



THE COMPANY'S PROFIT WAS 1.4 BILLION ISK

- In the first half of 2021 the Company reported as an investment company, and therefore the income statement in the interim financial statement is **not comparable** with the preceding year.
- Kaldalón's operations can now be divided into **three segments**:
 - **Transformation process**, operation of projects and assets outside the core business
 - **Growth process of real estate company**, analysis of opportunities and real estate transactions
 - **Operation of real estate company**
 - With time the cost of the transformation process and operation of older assets of the Company will fall and in the end disappear
- In some long-term lease contracts the lessee pays all interior and exterior maintenance costs
- Properties on the balance sheet **were not income-generating** over the entire first half of the year. Transfers of properties took place in stages. Hotels did not return full income over the period.
- Annual rental income (12 months) assuming 100% rental of properties on the Company's balance sheet is 2,060 m ISK.* Comparable operating and management cost over the period would be assessed at 447 m ISK.
- **Management cost 62 m ISK net of one-off expense** over the period

	1H 2022	1H 2021
Rental income	586,017	0
Operating cost of investment assets	(126,679)	0
Management costs	(114,105)	(92,615)
Operating profit before changes in valuation	345,234	(92,615)
Value adjustment of investment assets	1,971,316	0
Operating profit	2,316,550	(92,615)
Financial income	11,098	186,100
Financial expenses	(515,280)	(85,076)
Fair value change of holdings in companies ...	0	741,792
Net financial income	(504,182)	791,618
Profit before income tax	1,812,368	699,002
Income tax	(382,936)	0
Net profit	1,420,918	699,002

*Rental income in July 2022 to June 2023, management estimate

Balance sheet

TOTAL ASSETS OF THE GROUP APPROX. 31.7 BILLION ISK

- Investment assets **increased by 11 billion ISK, or 61%, over the year, to 28.6 billion ISK**
 - Including 26.3 billion ISK of income generating properties.
- Long-term assets derive mostly from the sale of the Company's participating interest in a development project in Vogabyggð and on Steindórsreitur.
- Cash and cash equivalents amounted to **643 m ISK**.
- Accounts receivable and short term assets mostly connected with sales of residences at Urriðahóltsstræti.
- 50% share in Steinsteypan held for sale – the company is fully integrated into the consolidated accounts

	30/6/2022	30/6/2021
Fixed assets		
Investment assets.....	28,624,671	17,826,717
Holdings in affiliated companies	101,491	101,491
Long-term receivables	741,414	553,970
	29,467,576	18,482,177
Current assets		
Trade debtors and other short-term receivables ...	249,012	359,990
Cash and cash equivalents	642,676	1,296,058
	891,688	1,656,048
Assets held for sale	1,237,018	1,340,512
Total assets	31,596,282	21,478,737

Balance sheet

DEBT RATIO 52%



- Share capital increased by **1.9 billion ISK** over the period
- Equity increased by **4.9 billion ISK**, including the minority share
- The Group has an equity ratio of **42%**
- Interest-bearing liabilities **15 billion ISK**, corresponding to **52%** of investment assets
- Short-term segment of interest-bearing liabilities result mostly from the development of residential premises at Urriðaholtsstræti, which are in a sell-off process
- Income tax due results from profit from the sale of land for residential development in Hnoðraholt, which was sold in the first half of 2022.
- Other liabilities relate mostly to settlement of business conducted in the period

	30/6/2022	30/6/2021
Equity		
Share capital	7,405,616	5,460,643
Share premium account	2,183,087	553,243
Restricted equity reserves	3,602,558	2,066,125
Minority share in equity	300,193	190,014
Retained earnings	(136,714)	88,979
	13,354,739	8,359,005
Deferred income tax liability	2,135,451	1,552,584
Long-term liabilities		
Interest-bearing liabilities	13,445,338	8,593,328
Interest-bearing debt to related entities....	157,338	133,164
	15,738,127	10,279,076
Current liabilities		
Interest-bearing liabilities	1,321,753	1,140,661
Income tax due	266,312	263,062
Other liabilities	417,138	969,504
	2,005,203	2,373,227
Liabilities held for sale	498,213	467,429
Total equity and liabilities	31,596,282	21,478,737

"All information in this presentation is to the best knowledge of the management of Kaldalón at the time of the presentation. It should be noted that the Company's operating environment is impacted by a number of factors that cannot be foreseen. Results and forecasts can change and the Company's progress may differ from those indicated here.

It should be noted that the presentation includes statements and other presented data, such as scenarios, that are based on management's judgments and estimates, assumptions and external factors. Kaldalón cannot guarantee the accuracy or completeness of the data presented in this presentation and it should be noted that the scenarios do not represent the Company's income projection; their purpose is to show the distribution of real estate classes and full rental.

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KALD ALÓN

Board of Directors

NEW BOARD OF DIRECTORS ELECTED IN THE PERIOD



Ásgeir Helgi Reyk fjörð Gylfason

Ásgeir Helgi Reyk fjörð Gylfason was born in 1982. He is employed as CEO of Skel Investment company hf. as of July 2022. He is licensed to practice as an attorney at law and has ML and BA degrees from Reykjavík University. Ásgeir has extensive experience of the financial market, most recently as a Deputy CEO of Arion Bank. He has also been employed at Straumur Investment Bank, Logos Law Firm in Reykjavik and London, Kvika Bank hf. and was a member of the government's Working Group on the Removal of Capital Controls. He has served on boards of directors in connection with his earlier work, notably in the FÍ Real Estate Company. Skel Investment Company is the owner of over 10% of the issued shares in Kaldalón and the owner of all the shares in Orkan IS, which is one of Kaldalón's lessees. He has no affiliations with Kaldalón's principal competitors. Ásgeir has served on the Board of Directors of Kaldalón since May 2022.

Álfheiður Ágústsdóttir

Álfheiður was born in 1981. She is the CEO of Elkem Ísland and serves on the boards of Elkem Materials inc., Elkem Rana Norway, Birta Pension Fund and Klafi ehf. She has a masters degree in leadership and management from Bifröst University. Álfheiður holds no shares in the Company and has no affiliation with the Company's principal customers and competitors or shareholders holding more than a 10% share in the Company. Álfheiður has served on the Board of Directors of Kaldalón since April 2022.



Board of Directors

NEW BOARD OF DIRECTORS ELECTED IN THE PERIOD



Kristín Erla Jóhannsdóttir

Kristín Erla Jóhannsdóttir was born in 1979. She serves on the board of directors of HS Veitur and Innviðasjóður II. She obtained a degree in Spanish Studies at the University of Salamanca in 2000, graduated with a B.Sc. degree in business economy, majoring in finance, from the University of Iceland in 2004, passed the Securities Trading Examination in 2004, passed the ACI Dealing Certificate Exam in 2007 and is currently finishing M.Sc. studies in corporate finance at Reykjavík University. Kristín Erla holds no shares in the Company and has no affiliation with the Company's principal customers and competitors or shareholders holding more than a 10% share in the Company. Kristín Erla was last employed as head of asset management at Landsbanki from 2015 to 2021. In 2001 to 2014 she was employed in brokerage, proprietary trading, liquidity management, finance and in the treasury division of Arion Bank/Kaupthing.

Magnús Ingi Einarsson

Magnús Ingi Einarsson was born in 1981. He is the Chief financial Officer of SKEL Investment Company. He has over sixteen years of experience of the financial markets, including risk management at Straumur-Burðarás in 2006 and head of risk management and subsequently treasury management at Straumur Investment Bank. He was employed as head of finance and operations at Kvika Bank and subsequently head of commercial banking. Magnús has an M.Sc. degree in mechanical engineering from Virginia Tech in the United States and a B.Sc. degree in mechanical engineering from the University of Iceland. He serves on the board of directors of his own holding company, Hokies ehf. Skel Investment Company is the owner of over 10% of the issued shares in Kaldalón and the owner of all the shares in Orkan IS, which is one of Kaldalón's lessees. He has no affiliations with Kaldalón's principal competitors. Magnús has served on the Board of Directors of Kaldalón since May 2022.



Board of Directors

NEW BOARD OF DIRECTORS ELECTED IN THE PERIOD



Gunnar Henrik Gunnarsson

Gunnar Henrik Gunnarsson was born in 1974. He is a member of the boards of directors of GG optic ehf., Smárahvammur ehf., A.M.W ehf., Augað ehf., Prooptik ehf., Trausttaki ehf., Investar ehf. and RES ehf. Gunnar has served on the Board of Directors as a principal and alternate member since June 2019.



Jón Þór Gunnarsson

Jón Þór has a degree in environmental and civil engineering from the University of Iceland and has completed a degree in civil engineering at the Danish Institute of Technology, DTU. In 2008-2017 Jón Þór was employed at Mannvit Engineering as an expert on planning and project management. In 2018-2021 he worked for Kvika Bank hf. and its subsidiary, GAMMA, following the acquisition by Kvika Bank of the fund management company, among other things as an expert on asset management and head of division. Jón Þór has been the CEO of Kaldalón since June 2021.

Högni Hjálmtýr Kristjánsson

Högni holds a degree in economic sciences from the University of Iceland and has completed an examination in securities trading. In 2016-2021 he worked for GAMMA and its affiliated companies, mostly as an expert on the operation and financial management of real estate funds. Högni has also taught at the University of Iceland Faculty of Economics. Högni has worked at Kaldalón since July 2021,



Kaldalón hf. - Consolidation



COMPANIES IN THE GROUP (Share of Kaldalón hf. in upper right corner)

Rent			Development properties		
The Company has acquired companies whose principal assets are real property. The Company works with experts on assessing the merger of companies with the objective of streamlining the Group.			Companies holding the Company's development properties.		
Hvannir ^{ehf} 100% Þórunnartún Völuteigur, Hæðarsm. Fossaleynir	Víkurhvarf 1 ^{ehf} 100% Víkurhvarf 1	U14-20 ^{ehf} 100% Fiskislóð 23-25 Skógarlind	ÞF. Hnoðraholt ^{ehf} 100% Þorraholt 6	Vesturbugt ^{ehf} 59.5% Vesturbugt development plot	U24 ^{ehf} 100% Residences in Urriðaholt
VMT ^{ehf} 100% Vegamótastígur 7-9	Vallarbyggð ^{ehf} 100% Íshella 1	Hellubyggð ^{ehf} 100% Suðurhaun 10	Companies in divestment process The Company has already sold companies out of the Group that are not involved in its core business.		
Lantan ^{ehf} 100% Laugarvegur 32-36 Grettisgata	Fasteignastýring ^{ehf} 100% Hlíðarfótur 14 Service stations	Koparhella ^{ehf} 50% Tangavegur 7	Steinsteypan ^{ehf.} 50% Steinsteypan produces and sells concrete	Kársnesbraut ^{ehf} 49.9% Residences at Hafnarbraut. Residences sold	

Share capital

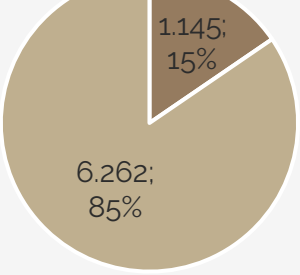
OVERVIEW OF RESTRICTIONS ON SALES

Restrictions on sales of new issued shares

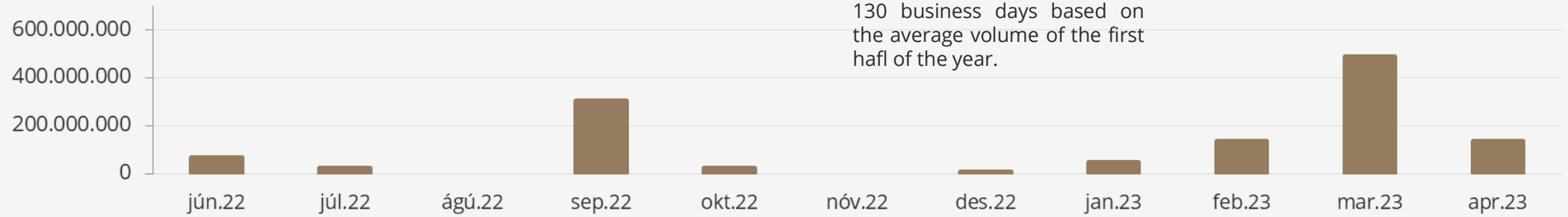
In line with earlier plans of the Company regarding market listing in the fall of 2022, certain provisions were established regarding a ban on the sale of new issued shares.

A total of 12 companies have a negotiated ban on sales of shares in Kaldalón that amounted to 1,144,878,475 ISK at the end of the period. The ban on sales involve six transaction dating from the spring of 2021., The sales ban has expired in part for three companies that have not sold shares to any significant extent.

15.5%
*Shares subject to sales ban at the end of the period**



The ban on the sale of shares is in effect for approximately 130 business days based on the average volume of the first half of the year.



The chart shows the amount of shares in nominal value and the time of expiry of the ban

* The chart does not show the restrictions on sale of shares held by SKEL Investment Company in Kaldalón; SKEL Investment Company has identified its holdings in Kaldalón as a key asset. The sales ban on the shares held by SKEL Investment Company expires on 05/01/2023 and 31/03/2023, in equal halves.

Þorraholt 6

KALDALÓN

EXCELLENT SITE FOR COMMERCIAL PREMISES

- About 20,000 m², of which 11.900 are above ground
- Excellent location.
 - Good access from arterial road
 - Short distance to public transport
- Permission to increase number of parking spaces
- Short distance to services for employees
- Excellent view
- Expansive floor plans – greater cohesion



Book value is 435.9 m ISK
Quoted price is 500 m ISK

5 floors
plus
basement

9.000+
m²

Up to
300
parking

Unique
building
tailored

Asset held for sale in the annual financial statement

The Board of Directors of the Company resolved in the fall of 2021 to initiate a divestment process of Steinsteypan. The company was presented to investors last year. Discussion on the sale began in the spring and a purchase agreement was signed last 21 June.

Financial, tax, legal and technical due diligence completed.

Since the transaction has not been concluded Steinsteypan remains a part of Kaldslón's consolidation at at 30/06/2022

595 m ISK

Book value

720 m ISK

Estimated selling price after cost.



Urriðaholtstræti 24

KALDALÓN

RESIDENTIAL DEVELOPMENT IN DIVESTMENT PROCESS

Development asset in delivery and divestment process

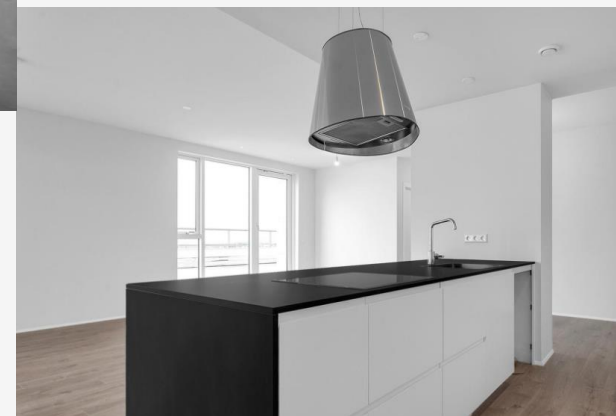
The Company is holding for sale the property at Urriðaholtstræti 24, a residential property with commercial premises on the ground floor.

Completion of the sale is anticipated in the second half of the year.

18 apartments & commercial premises

9 apartments sold

Commercial premises sold



Vesturbugt ehf. - shareholding



CHALLENGES IN THE TOWN CENTRE

Kaldalón hf. holds 59.5% of the A-class shares and 0% of B-class shares in Vesturbugt hf. with Sundaborg ehf.

The company has been working on the development of residential and commercial premises on a site west of the shipyard adjacent to Reykjavik Harbour.

Neither site plans nor a secondary plan has been issued by the municipality, so there is no possibility of starting up the development.

Since Vesturbugt ehf. faces a number of challenges the Company has entered a precautionary provision of 50 m ISK in its accounts in the period. Kaldalón hf.'s risk is assessed at up to 50 m ISK, taking into account reimbursement of the street connection fee if the contract is rescinded. There are no grounds for rescission in the opinion of the Company.

The Company's legal counsel is of the opinion that Vesturbugt ehf. has not defaulted on the existing agreement with the City of Reykjavík on the development of the Vesturbugt site. Negotiations are in progress between Vesturbugt ehf. and the City of Reykjavík on a possible resolution of the dispute regarding the substance of the agreement.

99 m ISK

Investment asset

74 m ISK

Shareholder loan to Vesturbugt ehf.

-50 m ISK

Precautionary provision in the period



From the time that the transformation process of the Company began all development properties have been sold at over book value.

Þorraholt 6

SITUATION OF PLANNING AND SITE

Planning

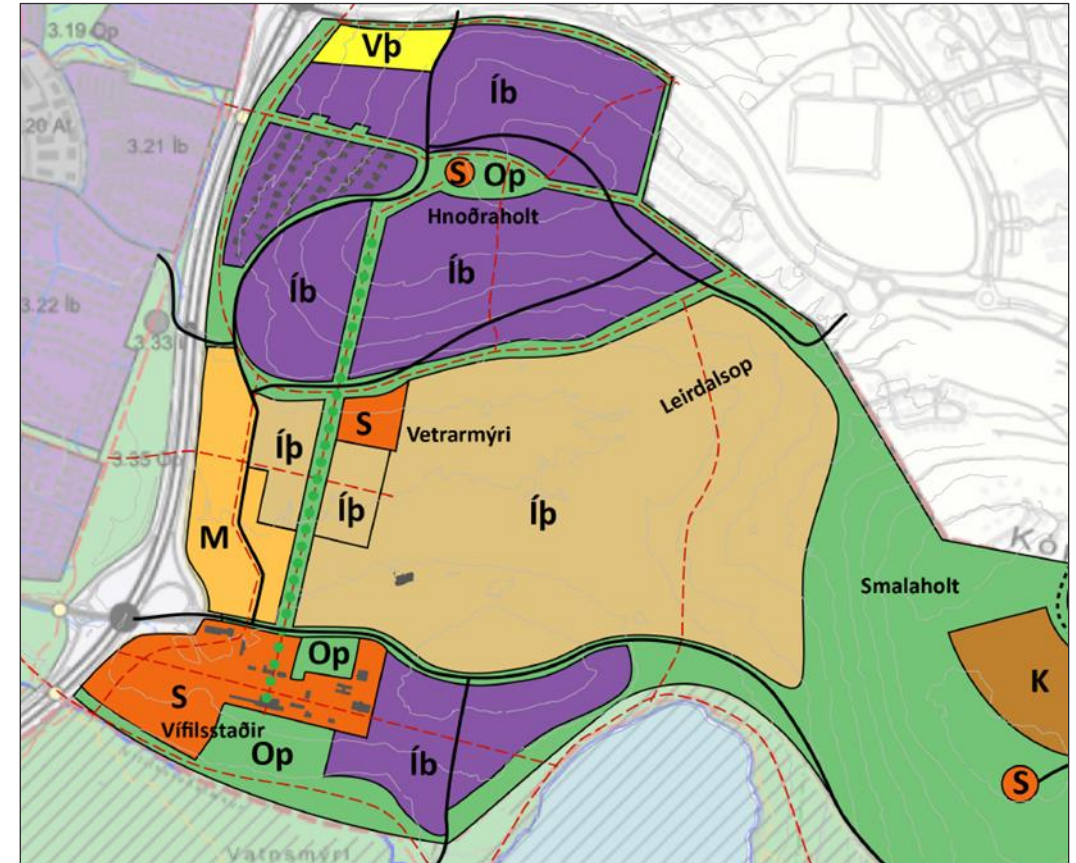
- Master plan issued
- Secondary plan issued
- Road building in process

The Site

- Sited on undeveloped land
- Study begun
- Earthwork can begin on the issue of a building licence
- Size of site: 6,419

Building volume

- Basement: Up to 9,600
- Above ground: 10,900
- Total: 20,500
- Plot ratio: 3.2



From the framework plan of the area

Þorraholt 6

KALDALÓN

EXCELLENT SITE FOR COMMERCIAL PREMISES

